

Module Outline

ECF on Green and Sustainable Finance (GSF)

Module 1 “Introduction to Sustainability”

Benchmarked HKQF Level:	4
No. of Credits:	20
Total Notional Learning Hours:	200
a) Class contact hours:	15 hours (3-hour per session x 5)
b) Self-study hours:	182.5 hours
c) Assessment hours:	2.5 hours
Pre-requisite:	NA

Module Objective

This module aims to develop candidates’ basic knowledge, skills and understanding relating to sustainability, green and sustainable finance, and taxonomy and disclosure. With the study of fundamentals of sustainability, climate change, green and sustainable finance trends, together with the global taxonomy and disclosure, learners will be able to understand how the green and ESG ecosystem, as well as the various key players, support the banking industry and its clients towards a lower carbon and more sustainable operation.

Module Intended Outcomes (MIOs) and Units of Competencies (UoCs)

Upon completion of the Module 1, candidates should be able to:

MIOs	Intended Outcomes / Competence	*Unit of Competencies (UoCs)
MIO-1	Apply the key concepts and taxonomy related to sustainability.	107408L4 107409L4
MIO-2	Analyse the latest trends and developments in GSF and the impact on banks.	107516L4 109271L4
MIO-3	Apply the methodology and approaches to monitor, measure and report GSF or sustainability impacts and outcomes.	109300L5 109310L4
MIO-4	Assess the risks posed by the exposure of financial institutions/sector to activities that are caused by environmental, social, governance, and climate events.	

**Note: For the details of the UoCs, please refer to the Specification of Competency Standards (SCS) of [Retail Banking](#) and [Corporate & Commercial Banking](#) which were developed by HKCAAVQ.*

Assessment

Examination duration:	2.5 hours
Examination format:	Multiple Choice Questions (MCQ) with 80 questions
Pass mark:	70%

Syllabus

Chapter 1: Overview of Sustainability	
1.1	Fundamentals of Sustainability Terminologies
1.1.1	- Sustainability
1.1.2	- ESG
1.1.3	- Climate Change
1.1.4	- Green & Sustainable Finance
1.2	Environmental Risk and Climate Change
1.2.1	- Environmental Risks
1.2.2	- Climate Risks
1.2.3	- Impact of Climate Risk on Banking Industry
1.3	Contribution of Banking Industry to Transition to a Sustainable and Low-carbon Economy
1.3.1	- Sustainable Finance Products
1.3.2	- Internal Operation
Chapter 2: Green and Sustainable Finance Trends and Developments	
2.1	Key Players in Green and Sustainable Finance
2.1.1	- Regulators
2.1.2	- Banks: Loan, Debt Capital Markets
2.1.3	- Investors
2.1.4	- Issuers: Governments, Corporates, Financial Institutions
2.1.5	- External Reviewers
2.1.6	- Industry Associations
2.2	Key Sustainability Initiatives, Standards, Principles, Policies and Frameworks
2.2.1	- Bank for International Settlements (BIS): Sustainable Finance Taxonomy
2.2.2	- International Organization of Securities Commissions (IOSCO): Global Assurance Framework for Sustainability-related Corporate Reporting
2.2.3	- International Sustainability Standard Board (ISSB)

2.2.4	- Hong Kong Monetary Authority (HKMA): Due Diligence for Green and Sustainable Finance Products
2.2.5	- HKMA: Sale and Distribution of Green and Sustainable Investment Products
2.2.6	- HKMA: GS-1 Climate Risk Management
2.2.7	- HKMA: Green and Sustainable Finance Grant Scheme
2.2.8	- HKMA: Green Talent Pilot Scheme
2.3	Influences and impacts of GSF Trends and Developments on Banking Industry and Banks
2.3.1	- Products
2.3.2	- Risk Management
2.3.3	- Disclosure
Chapter 3: Taxonomy, Data and Disclosures	
3.1	Sustainability Reporting
3.1.1	- International Financial Reporting Standard (IFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information
3.1.2	- Global Reporting Initiative (GRI) Standards
3.1.3	- Sustainability Accounting Standards Board (SASB) Standards
3.2	Climate-related Disclosures
3.2.1	- Task Force on Climate-Related Financial Disclosures (TCFD)
3.2.2	- IFRS S2 Climate-related Disclosures
3.2.3	- Carbon Disclosure Project (CDP)
3.2.4	- GHG Protocol
3.3	GSF Product Related Disclosures and GSF Taxonomy
3.3.1	- EU Taxonomy
3.3.2	- China Green Bond Endorsed Projects Catalogue
3.3.3	- IPSF: Common Ground Taxonomy (CGT)
3.3.4	- Climate Bonds Taxonomy
3.3.5	- APLMA Green Loan Principles (GLP), Social Loan Principles (SLP), Sustainability-Linked Loan Principles (SLLP)
3.3.6	- ICMA Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG), Sustainability-Linked Bond Principles (SLBP)
3.3.7	- HK Sustainable Finance Taxonomy

Recommended Readings

Essential Readings:

1. HKIB Study Guide of ECF-GSF: Module 1 Introduction to Sustainability. (2024).

Supplementary Readings:

1. Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA), Loan Syndications and Trading Association (LSDA). (2023). Green Loan Principles. (<https://www.lsta.org/content/green-loan-principles/>)
2. Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA), Loan Syndications and Trading Association (LSDA). (2023). Social Loan Principles. (<https://www.lsta.org/content/social-loan-principles-slp/>)
3. Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA), Loan Syndications and Trading Association (LSDA). (2023). Sustainability-Linked Loan Principles. (<https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>)
4. Bank for International Settlement (BIS). (2021). A Taxonomy of Sustainable Finance Taxonomies. (<https://www.bis.org/publ/bppdf/bispap118.htm>)
5. Climate Bond Initiative (CBI). (2024). Climate Bond Standard. (<https://www.climatebonds.net/files/files/climate-bonds-standard-v4-1-202403.pdf>)
6. European Union (EU). (2022). Common Ground Taxonomy – Climate Change Mitigation (https://finance.ec.europa.eu/system/files/2021-12/211104-ipsf-common-ground-taxonomy-instruction-report-2021_en.pdf)
7. Hong Kong Monetary Authority (HKMA). (2021). Supervisory Policy Manual, GS-1 Climate Risk Management. (<https://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/supervisory-policy-manual/GS-1.pdf>)
8. Hong Kong Monetary Authority (HKMA). (2022) Due Diligence Processes for Green and Sustainable Products (<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2022/20221209e3.pdf>) (<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2022/20221209e3a1.pdf>)
9. PricewaterhouseCoopers (PWC). (2023). IFRS Sustainability Disclosure Standards – guidance, insights and where to begin (https://viewpoint.pwc.com/dt/gx/en/pwc/in_depths/ifrs-sustainability-disclosure-standards/assets/IFRS_Sustainability_Disclosure_Standards_Guidance_insights_and_where_to_begin.pdf)
10. Task Force on Climate-Related Financial Disclosures (TCFD). (2022). Task Force on Climate-related Financial Disclosures Overview (<https://assets.bbhub.io/company/sites/60/2022/12/tcf-2022-overview-booklet.pdf>)
11. The International Capital Market Association (ICMA). (2021). Sustainability Bond Guidelines (<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>)
12. The International Capital Market Association (ICMA). (2022). Green Bond Principles. (<https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green->

[Bond-Principles-June-2022-060623.pdf](#))

13. The International Capital Market Association (ICMA). (2023). Social Bond Principles. (<https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>)
14. The International Capital Market Association (ICMA). (2024). Sustainability-Linked Bond Principles. (<https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Sustainability-Linked-Bond-Principles-June-2024.pdf>)

Further Readings:

1. Hong Kong Monetary Authority (HKMA). (2023). Discussion Paper – Prototype of a Green Classification Framework for Hong Kong (<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2023/20230530e1a1.pdf>)
2. International Organization of Securities Commissions (IOSCO). (2023). Report on International Work to Develop a Global Assurance Framework for Sustainability-related Corporate Reporting (<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD729.pdf>)