

Module Outline

ECF on Green and Sustainable Finance (GSF)

Module 4 “ESG/Sustainability Strategy, Disclosure and Reporting”

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|---------------------------------------|----------------------------------|
| Benchmarked HKQF Level: | 4 |
| No. of Credits: | 10 |
| Total Notional Learning Hours: | 100 |
| a) Class contact hours: | 9 hours (3-hour per session x 3) |
| b) Self-study hours: | 89.5 hours |
| c) Assessment hours: | 1.5 hours |
| Pre-requisite: | NA |

Module Objective

This module aims to develop candidates’ knowledge, skills and understanding relating to green and sustainable banking strategy, and ESG/sustainability disclosures and reporting. With the study of how a bank develops and implements a comprehensive sustainability strategy, together with various ESG regulations and GSF-related disclosures. Learners will be able to understand how to help a bank deliver its green and sustainable banking strategy in accordance with the relevant regulatory requirements, international best practices and standards.

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

Upon completion of the Module 4, candidates should be able to:

| MIOs | Intended Outcomes / Competence | *Unit of Competencies (UoCs) |
|-------------|--|-------------------------------------|
| MIO-1 | Relate the concepts of sustainability strategy and policy for banks’ practices. | 109250L5 109254L4 |
| MIO-2 | Examine the importance of monitoring, measuring, reporting impacts, outcomes achievement, alignment of standards and flows of finance. | 109298L3 109310L4 |
| MIO-3 | Assess the methodologies used to prepare GSF-related disclosures in line with regulatory requirements, international best practices, principles by utilising standards and techniques. | |

**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

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|------------------------------|---|
| Examination duration: | 1.5 hours |
| Examination format: | Multiple Choice Questions (MCQ) with 50 questions |
| Pass mark: | 70% |

Syllabus

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| Chapter 1: Green and Sustainable Banking Strategy | |
| 1.1 | Comprehensive Sustainability Strategy Development and Implementation |
| 1.1.1 | - Governance |
| 1.1.2 | - Strategy |
| 1.1.3 | - Risk Management |
| 1.1.4 | - Disclosure |
| 1.2 | Alignment with Strategic Targets and Goals |
| 1.2.1 | - Reporting Framework |
| 1.2.2 | - Internal Process |
| 1.2.3 | - Data Gathering |
| Chapter 2: ESG/Sustainability Disclosures and Reporting | |
| 2.1 | ESG Compliance and Regulation in Hong Kong |
| 2.1.1 | - HKEX ESG Reporting |
| 2.1.2 | - HKMA Green and Sustainable Banking |
| 2.1.3 | - SFC ESG Fund |
| 2.1.4 | - SFC ESG Rating and Data Providers |
| 2.2 | Common Practices in Preparing GSF-related Disclosures |
| 2.2.1 | - Board and ESG Working Group |
| 2.2.2 | - Reporting Boundary |
| 2.2.3 | - Materiality Assessment |
| 2.2.4 | - Target Setting |
| 2.3 | Emissions and Impact Measurement/Accounting Methodology |
| 2.3.1 | - Carbon Emissions |
| 2.3.2 | - Carbon Accounting |

Recommended Readings

Essential Readings:

1. HKIB Study Guide of ECF-GSF: Module 4: ESG/Sustainability Strategy, Disclosure and Reporting. (2024).

Supplementary Readings

1. Hong Kong Monetary Authority (HKMA). (2020). White Paper on Green and Sustainable Banking. (<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2020/20200630e1a1.pdf>)
2. Securities & Futures Commission of Hong Kong (SFC). (2023). Report on the fact-finding exercises on ESG ratings and data products providers. (<https://www.sfc.hk/-/media/EN/files/COM/Reports-and-surveys/ENGReport-on-factfinding-exercise-on-ESG-ratings-and-data-service-providers311023-final-clean.pdf?rev=87f2ae2fda5646bfbd9219b14e930642&hash=C95F1FD957A00E66857E592C97787DA9>)
3. The Stock Exchange of Hong Kong Limited (HKEX). (2020). How to Prepare an ESG Report. (https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/step_by_step.pdf)
4. The Stock Exchange of Hong Kong Limited (HKEX). (2020). Leadership Role and Accountability in ESG. (https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/directors_guide.pdf)

Further Readings

1. Boston Consulting Group (BCG) and Global Financial markets Association (GFMA). (2021). Unlocking the Potential of Carbon Markets to Achieve Global Net Zero. (<https://www.gfma.org/wp-content/uploads/2021/10/unlocking-the-potential-of-carbon-markets-to-achieve-global-net-zero-full-report-consolidated-vfinal1.pdf>)
2. The Hong Kong Institute of Certified Public Accountants (HKICPA). (2023). ESG Assurance in Hong Kong 2023 – An Evolving Landscape. (<https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Thought-Leadership/Reports/ESG-Assurance-Report-2023.pdf>)
3. The Stock Exchange of Hong Kong Limited (HKEX). (2023). Consultation Paper on Enhancement of Climate-related Disclosures Under the ESG Framework. (<https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/April-2023-Climate-related-Disclosures/Consultation-Paper/cp202304.pdf>)