



Award in Environmental, Social and Corporate Governance (ESG)

In collaboration
with
The University of Malta



The aim of this qualification is to provide attendees with the knowledge and skills required to analyse and respond to emerging ESG issues within their business organisation. The module will start by giving an understanding of what the concept of Environmental, Social & Governance (ESG) entails, how ESG-related information is used to assess risks and opportunities, and how stakeholders can influence corporate action, together with key considerations for investors. An emphasis will be placed on real-world case studies and emerging issues, and how participants can leverage such knowledge within their daily work life, particularly within the context of banking and financial services. This module will be assessed through a group-based assignment (30%) as well as an individual 2-hour exam (70%).

For more information or application please visit our website on www.ifsmalta.org

LEARNING OBJECTIVES:

- Describe key ESG issues;
- Explain the relevance of ESG when making financial decisions;
- Understand the link between ESG and key facets of the financial sector, including credit, lending and investor behaviour;
- Analyse ESG risks and opportunities;
- Assess the role of stakeholders and their influence on corporate ESG performance.

LECTURERS:

- Dr Jonathan Spiteri – Lecturer, Department of Insurance, University of Malta
 - Ms Gabriella Borda – Sustainability Advisor, Lect. University of Malta
 - Prof Simon Grima – Associate Professor, Insurance and Risk, Management Faculty of Economics, Management & Accountancy, University of Malta
- Prof Holger Perchwitz - Professor, Karlsruhe University of Applied Sciences

Session 1

WHAT IS ESG? | THE EVOLUTION OF ESG | ESG'S GROWTH

This session will introduce students to the salient precepts of ESG, including its conceptual evolution over time and its emergence as an important focal point for businesses, investors and policymakers alike. The session will also discuss key drivers of ESG growth, including evolving customer and investor sentiment and the UN's Sustainable Development Goals.

Sessions 2 & 3

INTRODUCTION TO ENVIRONMENTAL FACTORS | THE IMPACT OF ENVIRONMENTAL FACTORS

These sessions will begin with a microeconomic discussion of environmental externalities, public goods and common pool resources, and explain the inherent interactions between the natural environment and economic activity across all sectors of the economy. The sessions will also delve into climate change as the most pressing global environmental issue today, and its potential impacts on businesses, as well as the EU's Green Deal. Various case studies shall also be introduced in order to illustrate the inextricable link between business and the environment across various domains.

Session 4

SOCIAL FACTORS | THE IMPACT OF SOCIAL FACTORS

This session will analyse the way in which business organisations interact with key stakeholders like its employees, shareholders, suppliers, customers and communities within which they operate, together with the broader geopolitical context. Students will be introduced to formal models used by practitioners within the field to assess these interlinkages and ultimately identify any emerging risks or opportunities, illustrated by a number of case studies.

Session 5

GOVERNANCE FACTORS | THE IMPACT OF GOVERNANCE FACTORS

This session will provide students with an understanding of key corporate governance considerations that have come to the fore in recent years, including rights and responsibilities at the boardroom level, executive compensation schemes, corporate purpose and values, ethical standards, transparency in corporate decision-making and accountability. Several case studies and examples shall be used in order to further highlight examples of both good and bad governance within the corporate world, along with emerging issues like gender diversity, social equity and cyber security.

Session 6

ESG REPORTING AND TRANSPARENCY | GREENWASHING

This session will discuss the various emerging issues surrounding ESG reporting, and in particular its implications for the financial sector. Various guidelines, standards and frameworks for ESG reporting will be critically-discussed during this session, in addition to the EU's upcoming Corporate Sustainability Reporting Directive, which is expected to come into force in 2024. The session will also underscore the importance of accurate, transparent ESG reporting, while also striving to strike a balance between accuracy and practicality. Several case studies and examples shall be used in order to further highlight examples of both good and bad governance within the corporate world, along with emerging issues like gender diversity, social equity, greenwashing and cyber security.

Sessions 7 & 8

THE IMPACT OF ESG ON FUNDAMENTAL BUSINESS ISSUES WITHIN THE FINANCIAL SECTOR

These two complementary sessions will focus on the impact of ESG considerations on core business operations within the banking and financial services sectors, including credit, wealth management and risk management, as well as the unique challenges and opportunities resulting from ESG issues within these sectors. The sessions will also delve into green finance and the EU's proposed green bond standard, together with the EU Taxonomy and the recently-proposed Social Taxonomy, and an assessment of the ways in which ESG issues can be integrated into banks' business strategies and policies, with specific reference to ESG Materiality Assessments.

Session 9

ESG FOR CREDIT FACILITIES

This session will analyse the ways in which ESG issues may impact and integrate with credit functions and facilities within the financial services sector. This includes timely considerations related to ESG-linked loan products, both in terms of their principles and in the linguistic details of a credit agreement, and in particular how such products should incentivise borrowers towards more sustainable actions through various mechanisms related to pre-set ESG performance targets.

Session 10

ESG INVESTING

The final session will bring together various concepts learned thus far in order to assess ESG investing, particularly given the exponential rise in demand for investments that adhere to these principles. The session will consider various approaches to ESG investing, as well as various case studies in order to further illustrate the concepts covered in class.

Session 11

CLASS PRESENTATIONS

Session 12

COURSE SUMMARY & REVISION