CORE CONCEPT

Sustainable Finance and ESG Investing: Green Bonds, Sukuk and Climate Risk

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Introduction:

Banks, investors and issuers face growing demand for sustainable finance, yet many credit files, bond frameworks and portfolio reviews still treat ESG as a separate checklist, leaving labelled instruments exposed to weak eligibility criteria, poorly calibrated targets and greenwashing claims. This Core Concept course builds the practical skills to integrate ESG into investment and credit decisions, structure green, social and sustainability-linked bonds, loans and sukuk, assess climate risk and report impact to investors. Participants work on multi-sector case files and produce a Sustainable Finance Framework and Investor Impact Report.

Course Objectives:

- Apply ESG factors in credit assessments and investment analysis using sector heatmaps, obligor scorecards and portfolio screens
- Structure green, social, sustainability and sustainability-linked bonds, loans and sukuk in line with the relevant ICMA principles and guidance
- Design use-of-proceeds eligibility criteria, KPIs and sustainability performance targets that withstand investor and external reviewer scrutiny
- Assess physical and transition climate risk in lending and investment portfolios through scenario analysis and stress testing
- Evaluate ESG ratings, data quality and framework claims to identify and reduce greenwashing risk
- Produce a Sustainable Finance Framework and Investor Impact Report with allocation and impact metrics

Target Audience:

- Credit and relationship managers who assess corporate and project borrowers
- Investment and portfolio managers who screen and select fixed income and equity holdings
- Treasury and funding managers who prepare bond, sukuk and loan issuance
- Sustainable finance and ESG leads in banks, asset managers and corporate issuers
- Risk managers who measure and monitor climate-related exposures across portfolios
- Investor relations managers who report allocation and impact to capital providers

Course Outline:

Day 1: Sustainable Finance Landscape and Market Drivers

- Sustainable Finance Product Map: Labelled, Transition and ESG-Integrated Products
- Green, Social, Sustainability and Sustainability-Linked Market Segments
- Issuer and Investor Drivers: Cost of Capital and Investor Base Diversification
- Market Participant Roles: Arrangers, External Reviewers and Index Providers
- Institutional Sustainable Finance Maturity Assessment Template

Day 2: Labelled Instrument Principles and Guidance

- ICMA Green Bond Principles: Four Core Components and Key Recommendations
- ICMA Sustainability-Linked Bond Principles: Five Core Components
- ICMA-IsDB-LSEG Guidance on Green, Social and Sustainability Sukuk
- Green and Sustainability-Linked Loan Structures: Margin Ratchets and Covenant Design
- ICMA Climate Transition Finance Handbook and Issuer Transition Strategy Disclosure

Day 3: ESG Integration and Instrument Design

- ESG Integration in Credit Assessment: Sector Heatmaps and Obligor Scorecards
- ESG Integration in Equity and Fixed Income Portfolio Analysis
- Use-of-Proceeds Eligibility Criteria and Project Evaluation and Selection Process
- KPI Selection and SPT Calibration Against Baselines and Peer Benchmarks
- Allocation Tracking Register and Management of Unallocated Proceeds

Day 4: Climate Risk, ESG Data and Greenwashing Controls

- Physical and Transition Risk Transmission Channels to Credit and Market Risk
- Climate Scenario Analysis and Loan Book Stress Testing Methods
- ESG Score Comparison Across Data Vendors and Controversy Screening
- Greenwashing Risk Review of Framework Documents and External Review Reports
- Financed Emissions Estimation and Portfolio Carbon Intensity Metrics

Day 5: Case Work: Sustainable Finance Framework and Investor Impact Report

- Green Sukuk Case Study: Eligible Asset Pool and Structure Review
- Sustainability-Linked Loan Case Study: KPI and Margin Ratchet Negotiation
- Impact Reporting Metrics: Core Indicators, Methodology Notes and Allocation Report
- Sustainable Finance Framework Drafting and External Review Readiness Checklist
- Investor Impact Report Presentation and Peer Challenge

Skills You Will Gain:

- ESG Credit Integration
- Labelled Bond Structuring
- Green Sukuk Structuring
- KPI and SPT Calibration
- Climate Scenario Analysis
- ESG Data Evaluation
- Greenwashing Risk Review
- Impact Reporting

Why Attend This Course:

- Leave with a Sustainable Finance Framework and Investor Impact Report drafted on realistic case files and challenged by peers
- Answer external reviewer and investor questions on eligibility, targets and allocation with documented evidence
- Reduce the chance of a labelled bond, sukuk or loan being questioned for weak targets or misleading claims
- Compare practice with bankers, investors and issuers from other sectors and countries

Conclusion:

Labelled finance and ESG integration only hold their value when eligibility, targets, risk analysis and reporting stand up to investor scrutiny. This course moves from the sustainable finance landscape, through the ICMA principles and sukuk guidance, to ESG integration, use-of-proceeds and KPI design, and then to climate risk, ESG data and greenwashing controls. The final day applies these methods to green sukuk and sustainability-linked loan cases, producing a Sustainable Finance Framework and Investor Impact Report that participants can adapt for their next transaction or portfolio review.