

**SKILLS FRAMEWORK FOR FINANCIAL SERVICES
TECHNICAL SKILLS AND COMPETENCIES (TSC) REFERENCE DOCUMENT**

TSC Category	Sustainable Finance					
TSC	Sustainability ¹ Risk Management					
TSC Description	Develop frameworks, strategies and policies for managing sustainability risks for the organisation to minimise and mitigate risks and impact to the organisation					
TSC Proficiency Description	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
			Identify and analyse examples of material sustainability risks	Assess and evaluate the likelihood of sustainability risks and the impact both upon and by the organisation	Manage sustainability risk analysis and ensure effectiveness of sustainability risk management framework in accordance with organisational strategies and business activities.	
Knowledge			<ul style="list-style-type: none"> • Key sources of sustainability risks, and potential transmission channels through which these risks can impact, or be impacted by the financial institutions • Regulatory guidelines and requirements as well as industry standards for sustainability risk management • Where applicable, firm-internal requirements for sustainability risk management • Key sustainability risk modelling concepts and approaches • Selection and use of data, metrics or other indicators relevant for assessing sustainability risks 	<ul style="list-style-type: none"> • Main sustainability-related business codes and agreements • Domestic, regional and global developments relating to sustainability risks, including laws, regulations and guidelines, alongside impact on the industry • Financial industry developments relating to management of sustainability risks • Computational tools and models to measure and assess the likelihood and impact of sustainability risks on industries and sectors • Techniques to develop scenarios for the analysis of key sustainability risks • Good practices for avoiding and mitigating and monitoring, including potentially compensating, sustainability risks 	<ul style="list-style-type: none"> • Approaches to measure and quantify interlinkages of sustainability risks to other forms of risks • Techniques to model impact of sustainability risk on different business portfolios and at the organisation-wide level • Applications of unstructured data or new data sources and techniques to model sustainability risks to overcome data or information gaps • Techniques to assess and measure the likelihood and impact of sustainability risks dynamically, and across multiple time horizons and scenarios • Methods to develop and implement policies for avoiding and mitigating, 	

¹ includes environmental risk management
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				<ul style="list-style-type: none"> Approaches to engage customers on sustainability risk identification and management 	<p>including compensating, sustainability risks</p>	
<p>Abilities</p>			<ul style="list-style-type: none"> Articulate key sustainability risks and how they could impact the organisation, its customers and other relevant stakeholders Collect, collate and interpret data to support assessment of sustainability risks, potentially via engagement Support organisation's compliance with international, regional and domestic regulations and guidelines relating to sustainability risks 	<ul style="list-style-type: none"> Identify, monitor and prioritise sustainability risks relevant to the organisation and customers Comprehend and employ available data suitably for deriving usable metrics and the desired risk appetite for the organisation. Support development of scenarios applicable to the organisation and its customers for the analysis of sustainability risks Integrate sustainability risks into existing modelling techniques to analyse Support the development and implementation of the organisation's policies and actions for avoiding and mitigating sustainability risks Ensure organisation's compliance with domestic, regional and international laws, regulations and guidelines relating to sustainability risks Engage customers on sustainability risk identification and management 	<ul style="list-style-type: none"> Lead the development and implementation of organisation's policies and actions for minimising and mitigating sustainability risks Develop framework for the identification and monitoring of sustainability risks for the organisation and across different business portfolios within the organisation Lead in development of scenarios applicable to the organisation and its customers for the analysis of sustainability risks Enhance existing modelling and measurement techniques to accommodate effective analysis of sustainability risks for the organisation and across different business portfolios within the organisation Identify triggers for and initiate review of sustainability risk management processes to ensure alignment with organisation's goals and strategy Contribute to the development of domestic, regional and international regulations and guidelines through industry feedback and 	

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					engagement with policymakers	
Range of Application	<p>Regulatory guidelines and requirements may include, but not limited to:</p> <ul style="list-style-type: none"> • MAS Environmental Risk Management Guidelines • FERMA’s “People, Planet, Performance – The Contribution of Enterprise Risk Management to Sustainability” • UN Environment Programme Finance Initiative’s Environmental and Social Risk Analysis <p>Sustainability-related business codes and agreements may include, but not limited to:</p> <ul style="list-style-type: none"> • Equator Principles • Paris Agreement • UN Global Compact 					