Climate Change: Risk Management in the Banking Sector

COURSE PROGRAMME 2025

This online course consists of four modules and takes place over a period of three weeks.

Module 1 – Physical risks of climate change

- Climate change as a physical, meteorological phenomenon and its impacts on natural and manmade systems, covering the basic science of climate change, including the latest scientific insights as compiled by the Intergovernmental Panel on Climate Change (IPCC).

Module 2 – The low-carbon economic transition, risks, and impacts

- Introduction to the complexities underlying climate-related politics as well as intergovernmental climate negotiations;
- Understand transition-related climate risk, the causes of transition-related risk, and why it matters – especially as it relates to how bank finance for GHG-intensive companies and projects is coming under increasing scrutiny;
- Overview of climate change mitigation policies, particularly in the energy sector.

Module 3 – The importance of climate risk management in the banking sector, the regulatory landscape and requirements, and the benefits of disclosure

- Explore why climate risk is crucial for banks and financial institutions and how the global regulatory landscape for climate disclosures has evolved, including major jurisdictional requirements;
- Understand the historical development of climate risk assessment frameworks, including an overview of the ISSB, its key components, and practical application of the standards;
- Benefits of disclosure and strategic sustainability reporting.

Module 4 – Methodologies for climate risk assessment

Assess the credit risks and opportunities from physical climate change, based on UNEP FI guidelines.

- Methodologies for physical risk and transition risk;
- Understand climate stress testing;
- Overview of other UNEP FI Risk Centre resources.