

## **GARP Continues Its Strong Support of Risk Management Education Across China**

*CEO Richard Apostolik delivered the keynote address at a top ESG Forum, while the Association promoted risk education at the 2023 China International Fair for Trade in Services*

JERSEY CITY, NJ, September 12, 2023 – As part of an ongoing effort to support China’s promotion of education and best practices in risk management, Global Association of Risk Professionals (GARP®) CEO Richard Apostolik gave a special keynote speech at the China Sustainable Investment (ESG) and Hainan Free Trade Port Construction Forum in Sanya. GARP also participated in the education services exhibition at the 2023 China International Fair for Trade in Services in Beijing.

Taking place September 7-9, the second annual ESG (Environmental, Social, and Governance) Forum brought together experts, scholars, and managers from government departments, academic institutions, cutting-edge companies, and financial institutions. It aimed to establish an ESG-specific service brand, promote the alignment of finance with the real economy, and contribute to higher-quality and more sustainable growth of China’s economy and the development of the Hainan Free Trade Port.

Titled “Sustainable Investments, Integrating International Best Practices,” Apostolik’s speech focused on the top components related to sustainable investing risk management best practices, including 1) the current state of sustainable investment, 2) risk and governance, policies and guidelines, 3) exposures, risk measurement and metrics, and 4) portfolio construction, risk reporting and disclosures. He noted that products that incorporate ESG objectives alongside financial objectives are generally categorized as sustainable investment products. Agreement on metrics and benchmarks is a major challenge, and it is relevant to assess, understand, and address the wider factors affecting sustainable investing.

“Sustainability-related risks are investment risks to be managed in a manner consistent with managing other risks,” he said, “Trade-offs between various sustainable investing considerations are inevitable. But in assessing the trade-offs, risk managers need to carefully consider which ones are likely to have the biggest impact on investment objectives for sustainable products.”

On the topic of risk and governance, Apostolik emphasized that oversight should be provided by an independent board of directors and firm management, and that firms should utilize a “three lines of defense” model.

Apostolik also stressed exposures, risk measurement and metrics. “Exposures and risk metrics should be measured for corporate activities and client assets under management,” said Apostolik. “Risk measurement and related metrics for climate risk should capture acute and chronic physical risks and transition risks.”

Lastly, Apostolik said that investment processes and portfolio construction techniques should integrate sustainable investing factors, with the risk function overseeing sustainable investing risks at the firm level and across client assets under management. “Forums such as this are integral to understanding and developing a globally adopted way forward to addressing the many issues presented by investment processes that seek to incorporate sustainable investing factors,” he said.

Prior to the ESG Forum, GARP was invited to participate in the China International Fair for Trade in Services (CIFTIS) on September 2-6, an event featuring renowned domestic and international universities, Chinese-foreign cooperative educational institutions, international educational organizations, international schools, educational technology companies, and more.

GARP’s [Financial Risk Manager \(FRM®\) Certification](#) and other programs were introduced and displayed via books, brochures and videos at GARP’s exhibition booth in the Education Exhibition of CIFTIS at the Beijing Shougang Park.

### **About the Global Association of Risk Professionals**

The Global Association of Risk Professionals is a non-partisan, not-for-profit membership organization focused on elevating the practice of risk management. GARP offers the leading global certification for risk managers in the Financial Risk Manager (FRM®), as well as the Sustainability and Climate Risk (SCR®) Certificate and ongoing educational opportunities through Continuing Professional Development. Through the GARP Benchmarking Initiative and GARP Risk Institute, GARP sponsors research in risk management and promotes collaboration among practitioners, academics, and regulators.

Founded in 1996, governed by a Board of Trustees, GARP is headquartered in Jersey City, N.J., with offices in London and Hong Kong. Find more information on [garp.org](http://garp.org) or follow GARP on [LinkedIn](#), [Facebook](#), and [Twitter](#).

Contact - [press@garp.com](mailto:press@garp.com)

