



IFC's Environmental and Social (E&S) Performance Indicators for Capital Markets Financial Institutions (FIs)

Level of Impact on Performance: ● High | ● Medium | ● Low

Performance Indicator		Performance Metric
 BASED ON PERFORMANCE STANDARD 1: Assessment and Management of Environmental and Social Risks and Impacts		
1. Emergency preparedness	●	There is an Emergency Response Plan or Procedure.
2. E&S capacity commensurate with portfolio risk	●	There is E&S in-house/external capacity (E&S unit/department, in-house qualified E&S staff to identify and monitor ESG risk in the pipeline and portfolio, formal process for outsourcing E&S due diligence to qualified external consultants).
3. E&S due diligence process	●	There is an E&S due diligence process (e.g. a formal procedure describing the approach for the FI's main lending products, E&S requirements, and due diligence standards and criteria).
4. Portfolio ESG periodic monitoring	●	There are formal provisions to monitor the ESG performance of the FI's loans and investments.
5. Statement of intention regarding E&S	●	There is an Environmental & Social Policy approved by senior management.
6. Sectoral E&S Policies	●	There are specific sectoral E&S policies relevant for the FI's business activities approved by senior management (e.g. coal, palm oil, etc.) reflecting good international practices in place.
7. External communication mechanism	●	There is an external communication mechanism accessible by the general public.
 BASED ON PERFORMANCE STANDARD 2: Labor and Working Conditions		
8. Gender equality	●	Workforce composition is available by gender
9. Non-discrimination & equal opportunity	●	There is a formal policy to avoid discrimination on hiring, wages, promotions.
10. Compliance with national labor and employment law	●	There are public controversies, including legal actions involving working conditions (associations, collective agreements, labor laws, discrimination, equal remuneration, lack of equal opportunity, harassment).
11. Workers' organizations	●	The FI's practices do not restrict or obstruct workers' rights to join workers' organizations and mechanisms to express their grievances on working conditions and terms of employment.

Performance Indicator	●	Performance Metric
12. Formal provisions to avoid sexual harassment at work	●	There are formal arrangements to avoid sexual harassment at work, including a sexual harassment policy with, at a minimum, a mechanism to file complaints anonymously and confidentially and trained HR staff to review sexual harassment cases.
13. Worker feedback and recourse	●	There is a worker grievance mechanism.

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