Regulatory Banking Guidelines On ESRM

- Bangladesh Bank: Guidelines on ESRM and Financial Institutions in Bangladesh
- China Banking and Insurance Regulatory Commission: Green Credit Guidelines
- Indonesia Financial Services Authority: Technical Guidelines on the Implementation of POJK
- Nepal Rastra Bank: Guidelines on ESRM for Banks and Financial Institutions
- State Bank of Pakistan: Green Banking Guidelines
- Paraguay central bank: ESG Risk Management Guide
- Peru Superintendency of Banks, Insurers and Private Pension Funds: Regulation for Social and Environmental Risk Management
- Vietnam: Directive on Promoting Green Credit Growth and ES Risk Management in Credit Granting Activities

Voluntary Banking Association Guidance on ESRM

- Brazil, Cambodia, Colombia, Kenya, Mongolia, South Africa
### Pillar I: Strategic Alignment

1. Alignment with global E&S standards and best market practices
2. Alignment to NDCs and with national/regional climate change targets
3. Multi-stakeholder collaboration

### Pillar II: Climate and Green Finance

4. Defining sustainable assets and financial products
5. Green finance product guidelines
6. Tracking and disclosure of climate & green finance
7. Calculation of environmental benefits
8. Climate risk exposure assessment
9. Financial and non-financial incentives

### Pillar III: ESG Integration

10. Role of governing bodies on E&S
11. Organization
12. E&S policy
13. Risk assessment
14. E&S covenants
15. Project supervision & portfolio review
16. Training
17. External communication mechanism
18. E&S reporting
19. Enforcement

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*Ghana and Thailand launched their policies and principles after the cut-off date of June 2019 for this Report, and therefore are not included here.*
ESRM Best Practices by Commercial Banks
- From ESMS to manage environmental and OHS risks at transaction & portfolio

What does ESMS involve: process reengineering, accountability, governance, capacity, reporting.
ESRM Best Practices by Commercial Banks
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Transaction & portfolio level risk management AND IT system integration (1) environmental risk categorization (ABC + EP) & (ii) access to external ESG data base for risk assessment and supervision.