

Environmental and Social Risk Management for Commercial Banks

December 4, 2020



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Regulatory Banking Guidelines On ESRM

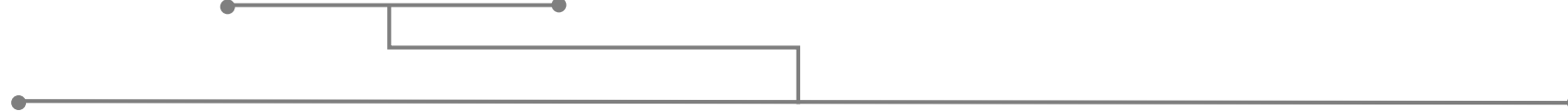
- Bangladesh Bank: Guidelines on ESRM and Financial Institutions in Bangladesh
- China Banking and Insurance Regulatory Commission: Green Credit Guidelines
- Honduras National Commission of Banks and Insurance: Standard for the Management of E&S Risks Applicable to the Institutions of the Financial System
- 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

2019 SBN Global Progress Report – 22-Country Assessment Results by Indicators

22 SBN members have developed national sustainable finance frameworks*



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



Dark shading indicates this element is included in the country's sustainable finance framework

Light shading indicates this element is not included in the country's sustainable finance framework

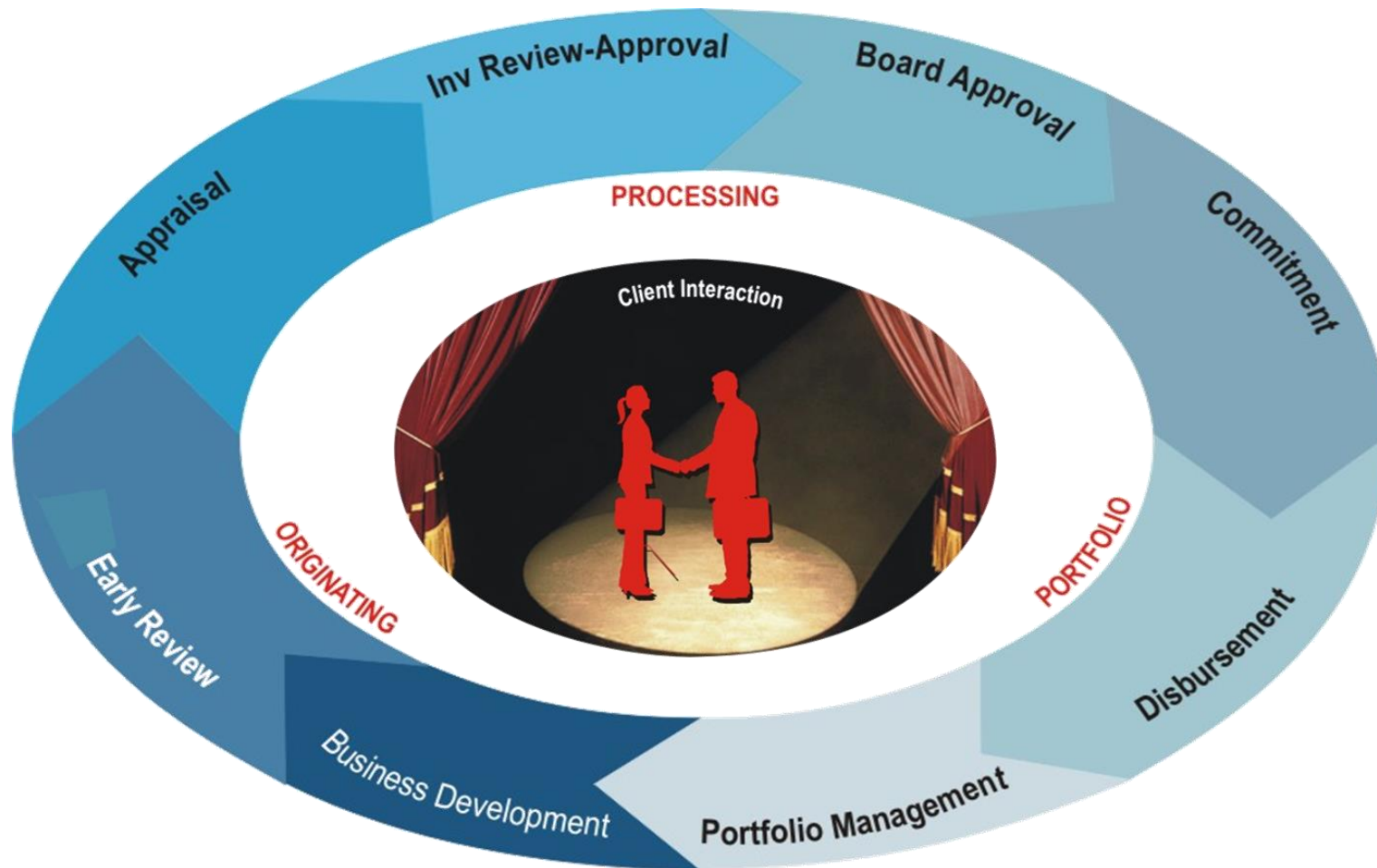


* Ghana and Thailand launched their policies and principles after the cut-off date of June 2019 for this Report, and therefore are not included here.

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

- From ESMS to manage environmental and OHS risks at transaction & portfolio

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.

