



SUSREG Assessment Guide for Banking

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The SUSREG framework



The SUSREG tool assesses regulatory and supervisory practices pertaining to sustainable banking and insurances, as well as central banks' policies and other financial sector-related measures contributing to the transition to a net-zero, nature-positive, inclusive, resilient and sustainable economy.

Relative to 2021, the 2022 SUSREG assessment has been extended with:

- 17 additional indicators in the banking assessment, including more robust assessment criteria and additional topics. These additions include, among others, double materiality assessments, E&S considerations in the appointment of board members, the integration of deforestation and wider habitat conversion in decision-making, the integration of E&S risk and impact data in IT infrastructure, the disclosure of time-bound and science-based transitions plans with associated measures for contributing to a net-zero and nature-positive financial sector and science-based, climate and environmental-related nominal anchors as objectives beyond conventional ones (e.g., price stability, full employment, etc)
- More concrete expectations (e.g. specific nature-related topics such as deforestation and land-use change when speaking about «E» aspects)
- More stringent criteria to meet previous indicators, particularly for «C» and «E» aspects.
- Assessment of insurance supervision
- Assessment of new additional countries and sub-national entities

Key elements of the SUSREG tracker



- **Independence:** The SUSREG tracker is an independent assessment rather than a member-driven assessment. Importantly, SUSREG does not rank countries/central banks/supervisors but focuses on providing a comparative analysis of relevant policies against the framework and against each other.
- **Maturity:** Given the importance of each indicator for various phases of implementation by central banks and financial supervisors, the assessment enables the identification of areas where significant progress still needs to be made.
- **Thematic scope:** It covers climate, environmental, and social risks given the significance of the intertwined climate and nature crisis and its impact on humanity.
- **Indicators:** The SUSREG tracker encompasses a broad spectrum of indicators relevant to greening the financial system including rule-based microprudential supervision, macro-prudential supervision, central banking (monetary policy, portfolio management), the existence of strategy/internal organisation of the supervisor/central bank, and enablers such as science-based taxonomies, and the existence of a multi-stakeholder sustainable finance initiative.
- **Relevance:** The framework also considers recent concepts and developments such as double materiality assessments, the integration of liquidity risk and capital adequacy, transition plans, and net zero roadmaps.
- **Transparency:** Each indicator and assessment are documented with relevant policies, guidelines, frameworks, roadmaps, etc.
- **Standardisation:** The evaluation considers if the country has fully met (displayed as a full tick), partially met (dotted tick) or not met (X mark). In certain jurisdictions, certain measures are not within the mandate of the central bank or supervisor, in which case the associated assessment results are marked as N/A.
- **Sector scope:** The tracker now covers both banking and insurance sectors, which are key components of the financial system.

Scope of the assessment

To perform the assessments, WWF only takes into account information that is **publicly available** and considered the following sources (non-exhaustive list):

- **Financial regulators or supervisors:** Regulations, supervisory expectations, or guidelines.
- **Central banks:** Measures and activities implemented by central banks (in particular those related to monetary policy), in line with their mandate.
- **Industry associations:** Relevant guidelines issued by the national banking and insurance association or other industry-led bodies, where available.
- **Securities commissions or stock exchanges:** Relevant listing rules or sustainability reporting guidelines, in the absence of regulations or guidelines issued by the regulator, supervisors, or associations.
- **Others:** Measures taken by central banks, banking and insurance regulators or supervisors, governments, and other policymakers, to create an enabling environment conducive to the development of sustainable finance.

How assessments are performed

An indicator will receive a fully-, partially-, or not met score depending on the criteria defined per indicator. On top of that, there are other considerations that we take into account in giving the scoring:

- Level of **enforceability**, depending on whether the expectation is mandatory and enforced. Industry association guidelines are given a maximum partial score as those guidelines are not mandatory unless stated otherwise by the financial supervisors.
- **Scope**, depending on whether the expectation applied to all supervised entities or only listed entities. Regulations issued by the securities commissions or the stock exchanges are given a maximum partial score as it only covers listed entities.

WWF then endeavours to share preliminary assessment results with the relevant institutions (i.e. regulators, supervisors, central banks) to ensure the information identified is as complete and accurate as possible. While specific situations and different interpretations can be discussed on that occasion, it is important to note that the final judgement is made by WWF.

Importantly, comments provided by central banks or supervisors should not be construed as endorsements by these institutions of either the methodology or the assessment results.

Language considerations

For countries where English is not an official language, WWF will endeavor to use **official documentation available in the national language**. Alternatively, and in the absence of an official translation of the relevant documentation, an unofficial translation may be procured to facilitate the assessment.

To ensure that the detailed results are accessible to various audiences across the world, the information used to conduct the assessments will be disclosed in English on the SUSREG Tracker.

Other important notes

Individual indicators are not weighted, and the assessment **does not result in a final score or a rating**. Rather, the tool enables users to quickly identify current practices, potential gaps or improvement points, and to understand how different regulatory frameworks or measures compare on specific indicators.

The country-level assessment results will be updated on a regular basis, to reflect ongoing developments and ensure the SUSREG Tracker platform remains up-to-date.

How the results are displayed



- For certain indicators, the assessment results are split to clearly display which insurance activities the regulations or supervisory expectations apply to: investment activities (**I**) and/or underwriting activities (**U**). Similarly, certain results are split to inform on the scope of the associated measure(s): applicable to climate-related risks (**C**), other environmental risks (**E**) and/or to social risks (**S**).
- For each indicator, the assessment result can be either positive (displayed as a full tick), partial (dotted tick) or negative (X mark). In certain jurisdictions, certain measures are not within the mandate of the supervisor, in which case the associated assessment results are marked as N/A.
- For each indicator, the information used to perform the assessment together with its source (hyperlinks) can be accessed by simply clicking on the associated tick mark.
- At the level of specific sections, donut charts provide an aggregated view of the assessment results. To calculate the filled-in sections of the donut charts, positive results count for one point, partial results for half-a-point and negative results for zero. N/A results are subtracted from the maximum achievable score in their section.

Assessment of the European Union (EU)



- Given the specific conduct of banking and insurance supervision and monetary policy in the EU, **the results of our assessment of individual European countries should be considered in parallel to the results of our assessment of the EU.**
- Under the Eurosystem, the ECB is in charge of defining the monetary policy while national central banks should implement it. Therefore, **the assessment results for monetary policy measures in individual EU countries that have adopted the euro is marked as “N/A”**, and it is necessary to refer to the assessment performed at the EU level. The only exception to this rule is the management of foreign exchange reserves, over which national central banks have full autonomy.
- All the EU-level regulations in force will be applied to EU country-level assessments.
- In the case of the EU directives (e.g., Corporate Sustainability Reporting Directive) that have not yet taken effect in the EU-regulated markets, we consider them as “partially met” at the country level. Similarly, we include proposed and draft EU regulations and directives at the country level, with a maximum score of “partially met”.
- In principle, **we do not use guidelines such as those issued by EBA/ECB/EIOPA in the country-level assessment**, unless the financial supervisor specifically mentioned that it will be applying the guidelines as part of its supervision.

Assessment of the United States of America (USA)



- **State jurisdictions can have their own regulation and supervisory agencies** (such as the New York Department of Financial Services or the California Department of Insurance), although they do not have fully-fledged central banks (in the semi-decentralised Federal Reserve Bank system, regional Federal Banks such as New York and San Francisco follow the federal monetary policy and act as delegated supervisors).
- Since federal regulation in the USA assessment applies to all its states, **individual states such as California and New York may only have SUSREG assessments equal to or higher than the USA assessment** (when local initiatives go further than national policy).
- In USA, **actual insurance regulation and supervision are applied state-by-state, sometimes with wide discrepancies in the rules and practices observed between individual states.** The NAIC (National Association of Insurance Commissioners) is an important national forum that can make recommendations and promulgate model regulations and laws on occasion, which then form the basis of many states' supervisory rules and procedures. USA states can choose to adopt NAIC proposals, in some cases automatically.

Methodological limitations



- **Publicly available information:** The SUSREG tracker only considers publicly available information, therefore it does not account for any internal and ongoing developments which may give a more accurate picture of where certain central banks and financial supervisors are standing.
- **No weighting of indicators:** The indicators are not weighted, even though certain indicators might encapsulate an arguably more impactful action than others. The rationale behind this is that the SUSREG tracker is not a ranking but rather a benchmarking exercise of each central bank and financial supervisor's activities against each indicator. The purpose of the SUSREG tracker is to foster best practice sharing across jurisdictions over all the individual indicators and sections.
- **Existence, not effectiveness:** Although the aim is effective mitigation by central banks and financial supervisors of present and future risks relating to climate change and nature loss, the SUSREG tracker focuses on the pursuit of certain practices and the existence of certain policies, therefore, it does not necessarily draw any conclusion on their effective impact.
- **Environmental focus:** The scope of the SUSREG tracker, on most indicators, is equally split across «C» climate, «E» environment, and «S» social, as WWF welcomes holistic sustainable finance regulation that covers environmental and social aspects in conjunction. However, the most stringent focus has been put on the «E» and «C» across the indicators, in line with our expertise in the respective fields.

A close-up photograph of a coral reef, showing several branching coral structures with white polyps and red centers, set against a dark blue background.

Banking supervision

Assessment guide



Banking supervision




Micro-prudential supervision (supervisory expectations)

Micro-prudential supervision (supervisory expectations)

Indicator 1.1.0

Single result

Principle-based regulations or supervisory expectations related to sustainable banking have been issued and are applicable to all supervised banks.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Relevant regulations, supervisory expectations or guidelines have been issued either by the banking regulator or supervisor and are applicable to all supervised commercial banks.
 Partially met	<ul style="list-style-type: none"> ❖ Relevant regulations, supervisory expectations or guidelines have been issued either by the banking regulator or supervisor but are applicable only to certain types of commercial banks (e.g., based on size, or nature of services provided). ❖ Draft regulations, supervisory expectations or guidelines have been issued for public consultation ❖ The only relevant guidelines have been issued by a banking association.
 Not met	<ul style="list-style-type: none"> ❖ No relevant regulations or guidelines have been issued by the banking regulator, supervisor, or banking association. <p><i>Note: roadmaps do not count, even if they recommend the development of regulations / supervisory expectations.</i></p>



Banking supervision

Micro-prudential supervision (supervisory expectations)

Scope & implementation

Micro-prudential supervision (supervisory expectations)

Scope & implementation

Indicator 1.1.1




Split result (C / E / S)

The regulations or supervisory expectations cover a broad range of environmental and social (E&S) issues.

For the purpose of this assessment:

- Climate issues are greenhouse gas emissions and physical and transition* climate-related risks and broader climate-related impacts;
- Environmental issues include biodiversity loss, habitat destruction, deforestation, water, air and soil pollution, and depletion of natural resources, and physical, transition and nature-related related risks;
- Social issues include human rights violations, labour issues (incl. occupational health & safety) and adverse impacts on local communities (incl. indigenous people).

*Litigation and liability risks are understood to fall in the broader transition risk category.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Most climate, environmental or social issues are mentioned. ❖ C: both transition and physical risk & impacts ❖ E: sub-themes as mentioned on the left ❖ S: sub-themes as mentioned on the left
 Partially met	<ul style="list-style-type: none"> ❖ Climate, environmental or social aspects are referred to in the broad sense, and implicitly cover all key issues.
 Not met	<ul style="list-style-type: none"> ❖ Specific climate, environmental or social issues are not covered.




Micro-prudential supervision (supervisory expectations)

Scope & implementation

Indicator 1.1.2

Single result

The regulations or supervisory expectations reflect both the expected impact of E&S issues on the bank's risks and value creation, and the impacts of the bank's activities on E&S issues ('double materiality assessment').

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The regulator consider double materiality in its expectations and the principle is defined accordingly. ❖ With or without naming specifically 'double materiality', the regulator expects the bank to consider the impact of E&S issues on the bank's risks and value creation, and the impacts of the bank's activities on E&S issues.
 Partially met	<ul style="list-style-type: none"> ❖ There is a lower level of expectation on the impacts of the bank's activities on E&S issues than on the others (e.g. use of 'could' instead of 'should'). ❖ The expectations related to the impacts of the bank's activities are covering only a reduced range of E&S issues (e.g. only climate and carbon emissions)
 Not met	<ul style="list-style-type: none"> ❖ The regulations or supervisory expectations do not reflect both the expected impact of E&S issues on the bank's risks and value creation, and the impacts of the bank's activities on E&S issues.




Micro-prudential supervision (supervisory expectations)

Scope & implementation

Indicator 1.1.3

Single result

The regulations or supervisory expectations extend beyond lending to cover other financial products & services provided by banks.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The regulations or supervisory expectations are explicitly applicable beyond lending (other financial instruments are listed). ❖ The regulations or supervisory expectations are sufficiently broad for this to be implicit (e.g. clearly applicable to banks' entire activities and portfolio).
 Partially met	<ul style="list-style-type: none"> ❖ The regulations or supervisory expectations are broad, but application to all products & services is presented as an option.
 Not met	<ul style="list-style-type: none"> ❖ The regulations or supervisory expectations are explicitly applicable to lending only. ❖ regulations or supervisory expectations do not reflect both the expected impact of E&S issues on the insurer's risks and value creation, and the impacts of the insurer's activities on E&S issues.




Micro-prudential supervision (supervisory expectations)

Scope & implementation

Indicator 1.1.4

Single result

The supervisor regularly tracks progress and assesses the banks' implementation of E&S regulations or supervisory expectations.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The banking regulator or supervisor explicitly mentions that compliance of banks with the relevant regulations or expectations is regularly assessed, e.g. as part of the ongoing supervisory dialogue. This may include regular reporting requirements from banks to the supervisor.
 Partially met	<ul style="list-style-type: none"> ❖ Absence of formal regulations or expectations, but initial discussions are planned to be held between the supervisor and its supervised banks.
 Not met	<ul style="list-style-type: none"> ❖ There is no particular commitment from the banking regulator or supervisor to monitor implementation by banks of the relevant regulations or expectations.




Micro-prudential supervision (supervisory expectations)

Scope & implementation

Indicator 1.1.5

Single result

Public consultation was carried out prior to the official issuance of E&S regulations or supervisory expectations.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The regulations or supervisory expectations were released for public consultation.
 Partially met	<ul style="list-style-type: none"> ❖ The regulations or supervisory expectations were shared with targeted external stakeholders, but not made publicly available. ❖ In the case of guidelines issued by the banking association, the drafting process involved various member banks, but there was no public consultation.
 Not met	<ul style="list-style-type: none"> ❖ The regulations or supervisory expectations have been shared with external stakeholders but there is no publicly available information about such process. ❖ The regulations or supervisory expectations have not been shared with external stakeholders.



Banking supervision

Micro-prudential supervision (supervisory expectations)

Strategy & governance

Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.1




Split result (C / E / S)

Banks are expected to integrate E&S considerations in their business *and risk* strategy, consistent with the size and nature of their operations.

“integrate E&S considerations in their business strategy”

relates to:

how the management of the E&S risks, opportunities and impacts associated with its business relationships (mainly through its underwriting and investment activities) are integrated in its overall strategy. It does not refer to CSR or philanthropic activities, or to the management of a (re-)insurance company’s direct impacts (such as energy use and business travel).

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to integrate E&S considerations in their business strategy <ul style="list-style-type: none"> ❖ E: min. requirements – mention of at least either biodiversity loss, habitat (land and/or sea) modification or other key drivers as identified in 1.1.1
 Partially met	<ul style="list-style-type: none"> ❖ The expectation is very high level. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of ‘could’ instead of ‘should’).
 Not met	<ul style="list-style-type: none"> ❖ The integration of E&S considerations in the business strategy is not mentioned.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.2

Split result (C / E / S)

Banks are expected to consider E&S risks when preparing their board-approved risk appetite statement, supported by quantitative limits and qualitative expectations.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected to determine their risk appetite with regards to E&S risks, supported by quantitative limits and qualitative expectations.
 Partially met	<ul style="list-style-type: none"> ❖ The expectation is very high level; no quantitative limits are expected. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ The integration of E&S considerations in the determination of risk appetite is not mentioned.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.3

Split result (C / E / S)

Banks are expected to extend E&S consideration beyond short term (1 to 5 years) to medium (5 to 10 years) and longer term (10 to 30 years) in their business strategy and risk management.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to factor short-term (1 to 5 years), medium (5 to 10 years) and longer-term (10 to 30 years) E&S considerations in their business strategy and risk management.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to factor E&S considerations in their business strategy and risk management, but only over the medium term (5-10 years). ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of ‘could’ instead of ‘should’).
 Not met	<ul style="list-style-type: none"> ❖ There is no mention of the need to factor medium- or long-term E&S considerations in the business strategy.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.4

Split result (C / E / S)

Banks are expected to regularly provide their board with relevant information related to the implementation of their E&S strategy.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to communicate and provide regular reports to their board on the implementation of their E&S strategy. <p><i>Note: there is no need for the regulations or guidelines to specify a frequency (e.g. annually), as long as it is regular.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.5

Split result (C / E / S)

Banks are expected to include criteria related to their E&S strategy implementation in their appraisal and remuneration policy.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to include criteria related to their E&S strategy implementation in their appraisal and remuneration policy for key roles in various business functions (incl. also board, management etc.).
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected only to disclose how the E&S strategy implementation factors in or not in their appraisal and remuneration policy for key roles in various business functions (incl. also board, management etc.). ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.6

Split result (C / E / S)

Banks are expected to dedicate staff and resources to the definition, development and implementation of their E&S strategy.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to dedicate staff and resources to the definition and implementation of their E&S strategy, consistent with the size and nature of their operations.
 Partially met	<ul style="list-style-type: none"> ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.7

Single result

The supervisor has included E&S considerations in appointment of board members of banks.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The supervisor has issued requirements, including guidelines, related to E&S considerations for the appointment if bank's board members. It mentions following areas where E&S considerations need to be considered: <ul style="list-style-type: none"> ❖ Board members 'fit and proper test' and/or ❖ Terms of reference
 Partially met	<ul style="list-style-type: none"> ❖ There is no "fit and proper test" or integration of E&S considerations in the terms of reference but there is an expectation that E&S considerations are taken into account when nominating/selecting board members. ❖ The supervisor has issued restrictive requirements related to E&S considerations for the fit and proper test and/or terms of reference but only for certain relevant board members of banks.
 Not met	<ul style="list-style-type: none"> ❖ There is no guideline or recommendation from the supervisor related to E&S considerations for board members of banks.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.8

Split result (C / E / S)

Banks are expected to define the roles and responsibilities of the board involved in the oversight of the E&S strategy.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected to define the roles and responsibilities of the board involved in the oversight of the E&S strategy. This should be reflected in the governing bodies of the bank with individual Board roles and responsibilities.
 Partially met	<ul style="list-style-type: none"> ❖ The bank's board is expected to be collectively responsible, but individual role and responsibilities are not expected to be attributed to a specific board member. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.9

Split result (C / E / S)

Banks are expected to define the roles and responsibilities of the executive management for the implementation of the E&S strategy.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to define specific roles and responsibilities of the executive management for the implementation of the E&S strategy. This includes personnel involved, relevant feedback mechanisms, and how managerial oversight informs group-level and climate change, broader environmental and social strategy.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected to define the collective responsibilities of the executive management for the implementation of the E&S strategy. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.10

Split result (C / E / S)

Banks are expected to include E&S considerations in the roles and responsibilities of most core functions (incl. senior management) in areas such as lending, savings/deposits, investments and risk management.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected to include E&S considerations in the roles and responsibilities of most core functions (incl. senior management) in areas such as lending, savings/deposits, investments and risk management.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected to include E&S considerations only in some core functions, or the expectation does not quote specific functions. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.11

Split result (C / E / S)

Banks are expected to conduct regular training on relevant E&S issues for their board, senior management, business lines and functions, as well as broader staff.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to conduct regular training on E&S issues for their staff, and both the board and senior management are explicitly mentioned. Trainings are mentioned to be science-based (resting on findings of key international scientific bodies such as the IPCC, IPBES, IEA).
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to conduct regular training on E&S issues for their staff, but the board or senior management is not mentioned. ❖ There is an expectation around staff awareness or competency on E&S issues, but training or capacity building are not explicitly mentioned. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.12

Split result (C / E / S)

Banks are expected to engage stakeholders (incl. civil society representatives) and consider their views on relevant E&S issues.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to conduct stakeholder engagement on E&S issues, and this explicitly includes civil society representatives. ❖ Banks are expected to include the views of civil society representatives on relevant E&S issues.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to conduct stakeholder engagement on E&S issues, but civil society representatives are not mentioned. ❖ Banks are expected or required to conduct stakeholder engagement on E&S issues, and civil society representatives are mentioned but not whether or how their views should be considered. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Strategy & governance

Indicator 1.2.13

Split result (C / E / S)

The supervisor expects banks to embed sustainability considerations in their existing code of conduct, investment guidelines, lending guidelines and risk guidelines (rather than only as separate documents).

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The supervisor expects banks to embed sustainability considerations in at least three of the four following documents: the code of conduct, the investment guidelines, the lending guidelines, the risk guidelines (rather than only as separate documents).
 Partially met	<ul style="list-style-type: none"> ❖ The supervisor expects bankers to embed sustainability considerations in two or fewer of the following document: the code of conduct, the investment guidelines, the lending guidelines, the risk guidelines ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.



Banking supervision

Micro-prudential supervision (supervisory expectations)

Policies & processes

Micro-prudential supervision (supervisory expectations)

Policies & processes




Indicator 1.3.1

Split result (C / E / S)

Banks are expected to develop and implement sector policies outlining minimum E&S requirements, in particular for sectors with high E&S risks and impacts.

“sectors with high E&S risks and impacts”:

Illustrative list of sectors: mining, power utilities, infrastructure (notably transportation- and energy-related), real estate, agriculture and food, forestry and pulp & paper, fisheries and aquaculture, oil & gas, high-carbon industry (steel, aluminium, cement, chemicals) and high-carbon transportation (automotive, aviation, heavy duty vehicles, shipping).

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to develop sector policies, at least for a subset of sectors with high E&S risks and impacts (see annex sector list). It is expected or required that these policies include minimum E&S requirements (i.e. the banks' expectations towards clients). These policies need to include clear client engagement strategies. <ul style="list-style-type: none"> ❖ E: Banks are expected to develop, beyond sector policies, also commodity specific policies (particularly, where a material risk of deforestation and wider habitat conversion risk has been identified).
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to develop and implement sector policies (at least for high-risk sectors), but there is no mention of having to set out minimum E&S requirements. ❖ Banks are expected or required to develop policies (or to define E&S risk appetite), and potentially to identify sectors with high E&S risks, but there is no explicit requirement to develop sector-specific policies that lay out their expectations towards clients. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement, or it is too vague to be interpreted as an expectation to develop sector-specific E&S policies.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.3.2

Split result (C / E / S)

Banks are expected to refer to and apply internationally recognized sustainability standards and certification schemes in their E&S policies.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to refer to and apply internationally recognized sustainability standards and certification schemes in their E&S policies (see examples from https://www.isealalliance.org/) <i>Note: examples of particular standards can be given for illustration purposes, but this is not required.</i>
 Partially met	<ul style="list-style-type: none"> ❖ Internationally recognized sustainability standards or certification schemes are mentioned but only for specific type of transactions. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.3.3

Split result (C / E / S)

Banks are expected to engage with and support their clients on the adoption of best E&S practices, based on internationally recognized sustainability standards and certification schemes.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to engage with and support their clients on the adoption of best practices, and reference is made to internationally recognized sustainability standards and certification schemes.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected to engage with and support their clients on the adoption of best or good sustainability practices, but there is no mention of internationally recognized standards and certification schemes. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.3.4

Single result

Specific guidelines or checklists covering the banks' activities in sectors with high E&S risks and impacts have been issued by the supervisor.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Such guidelines or checklists have been issued by the banking regulator or supervisor and cover key sectors with high E&S risks and impacts (see list in annex).
 Partially met	<ul style="list-style-type: none"> ❖ Such guidelines or checklists have been issued by the banking regulator or supervisor but cover only a very limited number of sectors. ❖ Such guidelines or checklists have been issued by the banking association.
 Not met	<ul style="list-style-type: none"> ❖ No such guidelines or checklists have been published.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.3.5

Split result (C / E / S)

Banks are expected to integrate E&S considerations in their decision-making and risk management processes and policies.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to integrate E&S considerations in both their decision-making and risk management processes. ❖ Banks are expected to develop capabilities to understand the impact of E&S risk drivers on all financial risks, particularly on their credit risk profiles by systematically integrating E&S risks in credit risk management systems and processes. ❖ C&E: Risk management process should consider both transition and physical stemming from climate change and other environmental issues.
 Partially met	<ul style="list-style-type: none"> ❖ The expectation on considering E&S risk driver is restricted to certain types of financial risks ❖ C&E: either physical or transitional risks are expected to be integrated in risk management processes, or not clarified. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.3.6

Single result

The supervisor asks banks whether and how they integrate deforestation and wider habitat conversion issues in their decision-making, risk management processes and policies.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The supervisor asks banks whether and how they integrate deforestation and wider habitat conversion issues in their decision-making, risk management processes and policies, with minimum requirements: <ul style="list-style-type: none"> ❖ Banks should not be associated, to the least, (in any type of business relationship) with illegal deforestation or conversion of key biodiversity areas, protected areas and world heritage sites.
 Partially met	<ul style="list-style-type: none"> ❖ No specific requirements are related to deforestation and wider habitat conversion issues, but they are named among a list of general considerations.
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.3.7

Split result (C / E / S)

Banks are expected to put in place internal controls to manage E&S risks, in accordance with the three lines of defense approach.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to put in place internal controls to manage E&S risks, in accordance with the three lines of defense approach. The second (compliance and/or risk) and third (internal audit/control) lines of defense are explicitly mentioned.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to put in place internal controls to manage E&S risks, but there is no mention of the third line of defense (internal audit/control). ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.3.8

Split result (C / E / S)

Banks are expected to put in place an internal process to monitor and address situations where clients are not compliant with the banks' E&S policies that are based on applicable laws and regulations, or internationally recognized science-based scenarios and findings (e.g. IEA 2050 scenario outlining the immediate stop of fossil fuel exploration and expansion projects).

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to put in place an internal process to monitor and address situations where clients are not compliant with either the banks' E&S policies or the banks' risk appetite / limits, that are based on applicable laws and regulations, or with internationally recognized science-based scenarios and findings (e.g. IEA 2050 scenario outlining the immediate stop of fossil fuel exploration and expansion projects).
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to put in place an internal process to monitor and address E&S risks identified with their clients, but the banks' E&S policies (or the banks' risk appetite / limits, or applicable laws and regulations) are not mentioned. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.3.9

Split result (C / E / S)

Banks are expected to seek the inclusion of clauses (e.g. covenants, representations & warranties) related to E&S issues in the loan documentation for bilateral and syndicated credit facilities.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to seek the inclusion of clauses related to E&S issues in the loan documentation for credit facilities.
 Partially met	<ul style="list-style-type: none"> ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no particular expectation or requirement.

Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.3.10




Split result (C / E / S)

Banks are expected to adopt and implement an active client engagement approach, in relation to E&S considerations for lending and investment activities.*

*For investments

“stewardship”:

For investors or asset managers, stewardship involves applying engagement strategies to steer the activities of the assets (where their shareholders’ rights allow).

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to adopt and implement an active client engagement approach (for investing: stewardship approach), in relation to E&S considerations for their business activities.
 Partially met	<ul style="list-style-type: none"> ❖ Active client engagement / stewardship approach is mentioned but only for investment / lending in specific sectors. ❖ Active client engagement / stewardship approach is mentioned but only for either investment or lending business. ❖ Active client engagement / Active stewardship approach is mentioned but E&S considerations are not explicitly mentioned. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of ‘could’ instead of ‘should’).
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.3.11

Split result (C / E / S)

The supervisor expects banks to develop systems that are integrated in the banking group's broader data governance and IT infrastructure to effectively collect and aggregate E&S risk and impact data.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The supervisory concretely expects most of the following measures <ul style="list-style-type: none"> ❖ (i) risk data aggregation capabilities and internal risk reporting practices that account for E&S related financial risks ❖ (ii) banks' internal reporting systems are capable of monitoring material E&S related financial risks and producing timely information to ensure effective board and senior management decision-making. ❖ (iii) banks to establish processes to reliably and accurately collect aggregated E&S-related data ❖ (iv) banks to consider actively engaging with clients and gathering additional data to depict a more holistic understanding of counterparties' transition plans. Where such data is not available banks are encouraged to use proxies, estimations and make reasonable assumptions. ❖ (v) banks to define qualitative and quantitative metrics or indicators to assess, monitor and manage E&S risks and impacts
 Partially met	<ul style="list-style-type: none"> ❖ Less than half of the above measures are expected by the supervisor but at least one is met. ❖ There is a broad expectation for banks to integrate E&S consideration in broader data governance and IT infrastructure, without specific expected measures. ❖ The data collected pertains to either risks or impact. ❖ The data collection governance is not expected to span over the entire banking group. ❖ There is a lower level of expectation (e.g. "could" instead of "should")
 Not met	<ul style="list-style-type: none"> ❖ No expectation pertaining to E&S-related data collection.



Banking supervision

Micro-prudential supervision (supervisory expectations)

Portfolio risks & impacts




Micro-prudential supervision (supervisory expectations)

Portfolio risks & impacts

Indicator 1.4.1

Split result (C / E / S)

Banks are expected to continually assess, manage and mitigate their portfolio-level exposure to material E&S risks.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to assess their portfolio-level exposure to material E&S risks, and to manage and mitigate such exposure. <ul style="list-style-type: none"> ❖ Scope C: physical and transition climate-related risks ❖ Scope E: physical and transition nature-related risks (or sub-sets: water, deforestation etc.)
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to assess their portfolio-level exposure to material E&S risks, but no clear expectation to mitigate such exposure. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Portfolio risks & impacts

Indicator 1.4.2

Split result (C / E / S)

Banks are expected to continually assess, manage and mitigate their portfolio-level exposure to material E&S risks, by using science-based, forward-looking scenario analysis and stress-testing over the short- (1 to 5 years) medium- (5 to 10 years) and the long-term (10 to 30 years).

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to assess and mitigate their portfolio-level exposure to material E&S risks, and there is an explicit mention of science-based forward-looking scenario analysis and/or stress-testing. The regulations or guidelines also mention the need to use a range of scenarios reflecting various potential outcomes, over both the short- and the long-term. <ul style="list-style-type: none"> ❖ C: climate related scenarios (or combined with E) ❖ E: nature, forests, biodiversity, water or ecosystems scenarios (or combined with C)
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to assess and mitigate their portfolio-level exposure to material E&S risks and there is an explicit mention of forward-looking scenario analysis and/or stress-testing, but the need to use a range of scenarios reflecting various potential outcomes or the need for it be science-based is not mentioned. ❖ Banks are expected to continually assess, manage and mitigate their portfolio-level exposure to material E&S risks but only up to a medium-term time frame (up to 10 years). ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ Banks are expected or required to assess and mitigate their portfolio-level exposure to material E&S risks, but there is no particular mention of scenario analysis or stress-testing. ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Portfolio risks & impacts

Indicator 1.4.3

Split result (C / E / S)

Banks are expected to continually assess, manage and mitigate the material negative E&S impacts associated with their business relationships, at the portfolio level.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to both assess and mitigate the material negative E&S impacts (see list in annex) associated with their business relationships, at the portfolio level.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to assess their portfolio-level material negative E&S impacts, but there is no clear expectation to mitigate such impacts. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.

Micro-prudential supervision (supervisory expectations)




Portfolio risks & impacts

Indicator 1.4.4

Single result (C)

Banks are expected to set climate science-based targets and keep up to date with the latest climate science, to align their portfolios with the objectives of the Paris Agreement.

“Science-based climate targets”: Targets are considered ‘science-based’ if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to set climate science-based targets to align their portfolio with the objectives of the Paris Agreement (this can also be expressed as temperature targets, i.e. well-below 2°C or 1.5°C).
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to set targets to mitigate portfolio-level negative climate-related impacts, but the Paris Agreement objectives or related science-based targets are not mentioned. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of ‘could’ instead of ‘should’).
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.

Micro-prudential supervision (supervisory expectations)




Portfolio risks & impacts

Indicator 1.4.5

Single result (E)

Banks are expected to set science-based targets to mitigate negative environmental impacts beyond climate, at the portfolio level.

“Science-based climate targets”:
Targets are considered ‘science-based’ if they are in line with what the latest climate nature and biodiversity science deems necessary operate within planetary boundaries.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to set science-based targets to mitigate negative environmental impacts beyond climate, at the portfolio level. ❖ Targets to a minimum include stopping nature loss by 2030 and guiding world to full biodiversity recovery by 2050. (subject to change after CBD). If no overarching goal, then targets that are rooted in sub-themes that stem from material environmental change drivers (land / water / sea-use change, resource exploitation, climate change, pollution, invasive species and other), at the portfolio level, suffice too.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to set targets to mitigate portfolio-level negative environmental impacts beyond climate, but there is no expectation for these to be science-based (or the targets are not considered to be science-based by WWF). ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of ‘could’ instead of ‘should’).
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Indicator 1.4.6

Single result

Banks are expected to assess and mitigate reputation and litigation risks associated with E&S considerations.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to assess <u>and</u> mitigate litigation risks associated with E&S considerations, both against themselves <u>and</u> against bank clients covered by liability policies.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected to assess and mitigate litigation risks associated with E&S considerations, either against themselves or against banks clients covered by liability policies. ❖ Banks are only expected to assess litigation risks associated with E&S considerations, but mitigation is not explicitly mentioned. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Micro-prudential supervision (supervisory expectations)

Policies & processes

Single result

Indicator 1.4.7

Where banks outsource their E&S risk analysis to third parties, they are expected to retain/exercise ultimate oversight and control of these third parties. Banks are expected to validate the analysis by third parties and be fully accountable to any decisions influenced by or derived from the analysis.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Where banks outsource their E&S risk analysis to third parties, they are expected to retain/exercise efficient ultimate oversight and control of these third parties. This expectation toward third party outsourcing must be specific to E&S risk, general outsourcing guidelines will not allow “fully met”.
 Partially met	<ul style="list-style-type: none"> ❖ N/A
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.



Banking supervision




Micro-prudential supervision
(rule-based)

Micro-prudential supervision (rule-based)

Indicator 1.5.1

Split result (C / E / S)

Banks are expected to integrate E&S considerations in their Internal Capital Adequacy Assessment Process (ICAAP).




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to integrate E&S considerations in their Internal Capital Adequacy Assessment Process (ICAAP), particularly focusing on most environmentally harmful sectors and activities (for C&E) (see list in annex). <p><i>Note: ICAAP regulations would typically require banks to assess all "material risks", which would include climate or other E&S risks if they are deemed material following the assessment performed by the bank. However, this in itself would not be sufficient, and there should be an explicit mention of climate / E&S risks to be factored in the ICAAP.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should'). ❖ The focus is not on most environmentally harmful sectors and activities.
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.

Micro-prudential supervision (rule-based)

Indicator 1.5.2

Split result (C / E / S)

Minimum capital requirements or capital add-ons for banks incorporate E&S considerations, through a differentiated risk-based approach.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The banking regulator or supervisor has incorporated risk-based E&S considerations, focusing on most environmentally harmful sectors (for C&E) (see list in annex), in the calculation of either minimum capital requirements or capital add-ons for banks. <p><i>Note: there should be an explicit mention of climate / E&S risks being considered in the relevant calculation.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ The banking regulator or supervisor has incorporated risk-based E&S considerations in the calculation of either minimum capital requirements or capital add-ons for banks, but this only applies to certain banks. ❖ The focus is not on most environmentally harmful sectors and activities (see list in annex).
 Not met	<ul style="list-style-type: none"> ❖ Minimum capital requirements for banks have not been modified to incorporate risk-based E&S considerations, and no capital add-ons have been considered.

Micro-prudential supervision (rule-based)

Indicator 1.5.3

Split result (C / E / S)

Banks are expected to integrate E&S considerations in their liquidity risk management process.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to integrate E&S considerations, in their liquidity risk management process. <p><i>Note: applicable regulations would typically require banks to assess all factors potentially affecting liquidity risk. While this could include climate or other E&S risks, for this indicator there should be an explicit mention of climate / E&S risks to be factored in the liquidity risk management process.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.

Micro-prudential supervision (rule-based)

Indicator 1.5.4

Split result (C / E / S)

Liquidity ratios are adjusted to take E&S considerations into account, through a differentiated risk-based approach.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The banking regulator or supervisor has incorporated risk-based E&S considerations, in the calculation of liquidity ratios (either the liquidity coverage ratio or the net stable funding ratio).
 Partially met	<ul style="list-style-type: none"> ❖ The banking regulator or supervisor has incorporated risk-based sustainability or E&S considerations in the calculation of liquidity ratios, but this only applies to certain banks.
 Not met	<ul style="list-style-type: none"> ❖ The calculation of liquidity ratios has not been modified to incorporate E&S considerations.



Banking supervision




Disclosure & transparency

Disclosure & transparency

Indicator 1.6.1

Split result (C / E / S)

Banks are expected to publicly disclose how E&S considerations are integrated in their business strategy, governance, policies and risk management processes.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to publicly disclose information on their E&S strategy, and there is an explicit mention of reporting on how E&S considerations are integrated in their business strategy, governance, policies as well as risk management processes.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to publicly disclose information on their E&S strategy, but in a less specific manner than listed in this indicator. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.

Disclosure & transparency

Indicator 1.6.2

Split result (C / E / S)

Banks are expected to publicly disclose their time-bound transition plans to reach set strategies and objectives pertaining to E&S issues.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to publicly disclose their time-bound transition plans that derive from the defined strategies and goals.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to publicly disclose information on their transition plans, but in a less specific manner than listed in this indicator (e.g. no time-bound requirement). ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.

Disclosure & transparency

Indicator 1.6.3

Split result (C / E / S)

Banks are expected to use internationally recognized sustainability reporting frameworks to guide their public disclosures.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ (C): Banks are expected to report publicly on their exposure to and management of climate-related risks and opportunities in line with the TCFD recommendations or reporting standards that are aligned to a minimum to the TCFD recommendations. ❖ (E/S): Banks are expected to use internationally recognized sustainability reporting frameworks to guide their public disclosures (e.g. GRI, TNFD, ISSB etc.)
 Partially met	<ul style="list-style-type: none"> ❖ N/A
 Not met	<ul style="list-style-type: none"> ❖ There is a lower level of expectation on this particular point than on the others, and no examples of sustainability reporting frameworks are provided. ❖ There is no such expectation or requirement.

Disclosure & transparency

Indicator 1.6.4

Split result (C / E / S)

Banks are expected to include information on their E&S strategy and its implementation in their annual report, including non-achieved targets and taken measures.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to include information about their E&S strategy and its implementation, in both quantitative and qualitative terms in their annual report, either directly or by referencing other separate publications. The reporting on the progress on the strategy needs to include information on potential non-achievement of related targets and planned activities to re-align to set strategy and/or adapt strategy.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are given the choice to publish such information in their annual report or in a separate sustainability report. ❖ There is an explicit mention that E&S information should be included in the annual report, but no mention of reporting on the strategy implementation, achievement and/or need for realignment. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.

Disclosure & transparency

Indicator 1.6.5

Single result

Banks are expected to publicly disclose their credit exposure by industry sub-sectors, based on international industry classification systems.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to publicly disclose their credit exposure by industry, at a sufficient level of detail i.e. not lower than sub-sector level. <p><i>Note: the applicable national industry classification system would typically be based on an international industry classification system.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to publicly disclose their credit exposure by industry, but this is at the sector-level only.
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.




Note: International industry classification systems include the International Standard Industrial Classification of All Economic Activities (ISIC), the Nomenclature des Activités Économiques dans la Communauté Européenne (NACE) in the EU, the Global Industry Classification Standard (GICS) and the Industry Classification Benchmark (ICB).

Disclosure & transparency

Indicator 1.6.6

Single result

Banks are expected to publicly disclose the share of their total lending portfolio that is aligned with existing classification systems for sustainable or unsustainable activities (taxonomies).




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ An official taxonomy (covering sustainable and/or unsustainable activities) is in place and banks are expected or required to publicly disclose the share of their total lending portfolio that is aligned with such taxonomy.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected to report such information but only to the supervisor (i.e. not made public). ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.
N/A	<ul style="list-style-type: none"> ❖ There is no official classification system for sustainable or unsustainable activities (taxonomy) in place.

Disclosure & transparency

Indicator 1.6.7

Split result (C / E / S)

Banks are expected to report publicly on their portfolio-level exposure to material E&S risks and the associated mitigation measures.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to report publicly on their portfolio-level exposure to material E&S risks, as well as on measures taken to mitigate such exposure.
 Partially met	<ul style="list-style-type: none"> ❖ Banks are expected or required to report publicly on their portfolio-level exposure to material E&S risks, but there is no mention of reporting on measures taken to mitigate such exposure. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.

Disclosure & transparency

Indicator 1.6.8

Split result (C / E / S)

Banks are expected to report publicly on the material negative E&S impacts associated with their business relationships, at the portfolio level.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to report publicly on the material negative E&S impacts associated with their business relationships, at the portfolio level. <ul style="list-style-type: none"> ❖ (C): This can be for instance the total GHG emissions or the carbon intensity associated with the financed portfolio or the implied temperature rating of their portfolio. ❖ (E): This can be for instance assessing how the financial flows intensify drivers of environmental change; determining how business relationships at portfolio level relate to the direct drivers of environmental degradation: land / water / sea-use change, resource exploitation, climate change, pollution and invasive species (see TNFD, SBTN).
 Partially met	<ul style="list-style-type: none"> ❖ There is an expectation to report on portfolio-level E&S impacts, but this is high level and no specific indicators or metrics are mentioned. ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should').
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.

Disclosure & transparency

Indicator 1.6.9

Single result

Banks are expected to seek external assurance for their E&S public reporting and disclosures.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Banks are expected or required to seek external assurance for their E&S public reporting and disclosures.
 Partially met	<ul style="list-style-type: none"> ❖ External assurance requirements have been formally announced but are not in-force yet ❖ There is a lower level of expectation on this particular point than on the others (e.g. use of 'could' instead of 'should')
 Not met	<ul style="list-style-type: none"> ❖ There is no such expectation or requirement.

“External assurance”: Audit or third-party reviewer



Banking supervision




Macro-prudential supervision

Macro-prudential supervision

Indicator 1.7.1

Split result (C / E / S)

The supervisor has assessed the exposure of banks to material E&S risks and the implications for financial system stability, based on forward-looking scenario analysis and stress-testing.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The central bank or supervisor has assessed the exposure of banks to material E&S risks as well as the implications for financial system stability, based on a science-based forward-looking scenario analysis and stress-testing. C: Climate change related exposure on the basis of transition and physical risks E: Possible nature-related assessments could be % securities held by financial institutions coming from issuers that are highly or very highly dependent on one or more ecosystem services e.g. % of GDP dependent on high nature risk sectors.
 Partially met	<ul style="list-style-type: none"> ❖ A formal assessment of the exposure of banks to material E&S risks and the implications for financial system stability has been announced and a specific date has been set. ❖ The central bank or supervisor has assessed the exposure of banks to material E&S risks, based on forward-looking scenario analysis and stress-testing, but has not looked at the implications for financial system stability.
 Not met	<ul style="list-style-type: none"> ❖ The central bank or supervisor has neither assessed the exposure of banks to material E&S risks nor the implications for financial system stability.

Macro-prudential supervision

Indicator 1.7.2

Split result (C / E / S)

The supervisor has published its methodology for forward-looking scenario analysis and stress-testing for public consultation.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The methodology for forward-looking scenario analysis and stress-testing was released for public consultation.
 Partially met	<ul style="list-style-type: none"> ❖ The methodology was shared with targeted external stakeholders, but not made publicly available. ❖ The methodology was made publicly available but not for public consultation. ❖ A high-level outline or roadmap has been published, with a commitment to develop such methodology.
 Not met	<ul style="list-style-type: none"> ❖ The methodology has been shared with external stakeholders but there is no publicly available information about such process. ❖ The methodology has not been shared with external stakeholders.

Macro-prudential supervision

Indicator 1.7.3

Split result (C / E / S)

The supervisor has published the aggregated results of its stress testing exercise on material E&S risks, as well as its recommendations.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The aggregated results of the stress testing exercise undertaken by the regulator or supervisor have been published, and also contain recommendations to address the identified risks.
 Partially met	<ul style="list-style-type: none"> ❖ The aggregated results of the stress testing exercise undertaken by the regulator or supervisor have been published, but no particular recommendations to address the identified risks are provided.
 Not met	<ul style="list-style-type: none"> ❖ No particular information has been published following the stress testing exercise.

Macro-prudential supervision

Indicator 1.7.4

Split result (C / E / S)

The supervisor has developed specific risk indicators to monitor the exposure of banks to material E&S risks.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The regulator or supervisor has developed specific qualitative and quantitative risk indicators to monitor the exposure of banks to material E&S risks over time, and these are disclosed.
 Partially met	<ul style="list-style-type: none"> ❖ The regulator or supervisor has developed specific risk indicators to monitor the exposure of banks to material E&S risks, but these are not disclosed. ❖ The regulator or supervisor has indicated being in the process of developing such indicators. ❖ The regulator or supervisor has started to quantify the exposure of banks to E&S risks, but has not indicated whether such work will be integrated in an ongoing monitoring exercise.
 Not met	<ul style="list-style-type: none"> ❖ No particular risk indicators have been developed.

Macro-prudential supervision

Indicator 1.7.5

Split result (C / E / S)

The supervisor has issued prudential rules to limit the exposure of banks to certain activities, in order to prevent and protect against the build-up of systemic risk, based on E&S considerations.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Specific prudential rules for banks to limit loan exposure to most environmentally harmful activities, including phase-out plans and targets (see list in annex).
 Partially met	<ul style="list-style-type: none"> ❖ Specific prudential rules to incorporate risk-based sustainability or E&S considerations have been publicly announced but are not in force yet.
 Not met	<ul style="list-style-type: none"> ❖ None of the prudential rules incorporate risk-based sustainability or E&S considerations.

Macro-prudential supervision

Indicator 1.7.6

Single result

Specific capital requirements for banks incorporate a macro-prudential buffer for systemic E&S risks.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Specific capital requirements for banks incorporate a macro-prudential buffer for systemic E&S risks.
 Partially met	<ul style="list-style-type: none"> ❖ N/A
 Not met	<ul style="list-style-type: none"> ❖ Specific capital requirements for banks does not incorporate a macro-prudential buffer for systemic E&S risks.

A close-up photograph of a coral reef, showing several branching coral structures with delicate, feathery polyps. The colors are a mix of vibrant reds, oranges, and pale blues, set against a dark, deep blue background. The lighting is dramatic, highlighting the intricate textures of the coral.

Banking supervision




Leadership & internal organization

Leadership & internal organization

Indicator 1.8.1

Single result

The supervisor is a member of the Network for Greening the Financial System (NGFS).




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The banking supervisor has joined the NGFS. <p><i>Note: if the supervisor was a founding member and/or plays a specific role in the NGFS governance (e.g. steering committee, workstream lead), this is indicated in the assessment result.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ Responsibilities over banking supervision are split among several institutions, and not all of them have joined the NGFS.
 Not met	<ul style="list-style-type: none"> ❖ The banking supervisor has not joined the NGFS.

Leadership & internal organization

Indicator 1.8.2

Split result (C / E / S)

The supervisor has published an official E&S strategy or roadmap outlining a science-based transition plan with associated measures for contributing to a net-zero and nature-positive financial sector, in line with its mandate.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The banking regulator or supervisor has published a strategy covering at least a science-based time-bound transition plan with associated measures to contribute to a (C): net-zero and (E): nature-positive financial center. The strategy particularly refers to how it incorporates E&S risks in relevant regulations or supervisory expectations and the assessment of banks' exposures to E&S risks (e.g. through stress-testing). ❖ The banking regulator or supervisor has published a roadmap to roll out the aforementioned measures with an associated implementation timeline, that include short-, medium and long-term measures. Additionally, the roadmap contains explicit definition of relevant terms or clear reference to source which serve as basis for understanding of E&S related risks and impacts ❖ There are qualitative and quantitative elements in the strategy and roadmap, underpinning the ambitions for short-, medium- and long-term measures. ❖ Not all mentioned measures in the strategy need to be in place already as long as there is a clear timeline when they will be (e.g. outlined in a roadmap)
 Partially met	<ul style="list-style-type: none"> ❖ The banking regulator or supervisor has published a strategy, with existing measures in place, but this does not cover all of the aforementioned measures (e.g. no science-based time-bound transition plan). ❖ The banking regulator or supervisor has published a roadmap, covering all of the aforementioned measures, but there is no associated time-bound (C): net-zero / (E): nature-positive transition plan as well as no timeline for implementation (or the roadmap does not cover all the measures).
 Not met	<ul style="list-style-type: none"> ❖ No strategy or roadmap has been published.

Leadership & internal organization

Indicator 1.8.3

Single result

The supervisor has established an internal organisation and allocated resources to the implementation of its E&S strategy or roadmap.




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The banking regulator or supervisor's board, chairperson or equivalent top management level has responsibility over the E&S strategy or roadmap implementation and/or has attributed this responsibility to a dedicated unit. ❖ The banking regulator or supervisor has established a unit dedicated to implementing its E&S strategy or roadmap, which is a formal part of the organisation (standalone unit or part of existing department). ❖ The banking regulator or supervisor has established a working group dedicated to implementing its E&S strategy or roadmap, comprised of representatives from several departments, and the list is available.
 Partially met	<ul style="list-style-type: none"> ❖ The banking regulator or supervisor has nominated a person in charge of E&S strategy or roadmap implementation, but there is no further information (e.g. on structure or governance arrangement). ❖ The banking regulator or supervisor has established a working group dedicated to implementing its E&S strategy or roadmap, but there is no detail on the various departments represented.
 Not met	<ul style="list-style-type: none"> ❖ No public information is available on potential staff or departments with responsibility over implementation of E&S strategy or roadmap.

Leadership & internal organization

Indicator 1.8.4

Split result (C / E / S)

The supervisor has conducted studies to assess the banking sector's exposure to, and management of, E&S risks, and published its conclusions and recommendations.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The regulator/supervisor has conducted and published studies assessing both the exposure of banks to E&S risks and how these are managed (e.g. through surveys), as well as providing recommendations. Assessment of exposures should have a quantitative element. For climate- and nature-related risks, the studies should cover physical and transition risks.
 Partially met	<ul style="list-style-type: none"> ❖ The study is limited to assessing either exposure to E&S risks or how these risks are managed by banks (e.g. through a survey). ❖ For climate-related and/or nature-related risks, the study only looks at either physical or transition risks. ❖ Studies have been conducted but results are not publicly available.
 Not met	<ul style="list-style-type: none"> ❖ No such studies have been conducted. ❖ Studies have been conducted, but only to assess climate impacts on non-financial corporates.

Leadership & internal organization

Indicator 1.8.5

Split result (C / E / S)

The supervisor goes beyond measuring conventional risk exposure to regularly assessing the alignment of the banking sector to global sustainability goals.




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The supervisor regularly assesses the alignment of the financial sector to national or international sustainability goals C: Min. alignment of the financial sector to Paris Agreement (1°C or well below 2°C) E: Min. nature- or biodiversity-related footprint of the financial sector
 Partially met	<ul style="list-style-type: none"> ❖ The banking association or other market-based initiatives, or the government, carries out this exercise.
 Not met	<ul style="list-style-type: none"> ❖ No alignment is assessed.

Leadership & internal organization

Indicator 1.8.6

Single result

The supervisor provides training on E&S issues to key staff, notably for senior management and supervisory departments.




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The supervisor provides mandatory training on E&S issues to key staff, notably for senior management and supervisory departments. ❖ The supervisor provides mandatory training on E&S issues for all of its staff.
 Partially met	<ul style="list-style-type: none"> ❖ The supervisor provides training on E&S issues to key staff, notably for senior management and supervisory departments, but this is not mandatory for key staff to complete it. ❖ The supervisor provides training on E&S issues either to senior management or to supervisory departments, but not both.
 Not met	<ul style="list-style-type: none"> ❖ The supervisor does not provide any training on E&S issues to his staff.

Leadership & internal organization

Indicator 1.8.7

Split result (C / E / S)

The supervisor has conducted and published studies to analyze the transmission channels between E&S risks and the economy and the financial system.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The supervisor has conducted and published studies to analyse the transmission channels between E&S risks and the economy and financial system.
 Partially met	<ul style="list-style-type: none"> ❖ The supervisor has announced a future publication analysing the transmission channels between E&S risks and the economy and financial system. ❖ The supervisor has mentioned the transmission channels between E&S risks and the economy and financial system in a publication, but no proper analyses has been released.
 Not met	<ul style="list-style-type: none"> ❖ The supervisor has not published or announce any studies to analyse the transmission channels between E&S risks and the economy and financial system.

Leadership & internal organization

Indicator 1.8.8

Single result

The supervisor actively supports initiatives to address E&S data availability and quality issues, including through the promotion of open-source solutions.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The supervisor actively supports initiatives to address E&S data availability and quality issues, including through the promotion of open-source solutions. This statement must be supported by a recommendation or concrete past actions.
 Partially met	<ul style="list-style-type: none"> ❖ The supervisor stated that it actively supports initiatives to address E&S data availability and quality issues, including through the promotion of open-source solutions, but no concrete actions or recommendation has been made or taken.
 Not met	<ul style="list-style-type: none"> ❖ The supervisor does not actively support initiatives to address E&S data availability and quality issues, including through the promotion of open-source solutions.



Central banking

Assessment guide



Central banking




Monetary policy

Monetary policy

Indicator 2.1.1

Split result (C / E / S)

The central bank takes E&S considerations into account when implementing corporate asset purchase programs.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The central bank has a corporate asset purchase program in place, and takes E&S considerations into account in the selection of eligible assets and counterparties. The central bank considers quantitative and qualitative climate and nature-related aspects (e.g. deforestation and conversion risks) along side social and governance indicators. It does not use ESG aspects interchangeably but rather applies minimum safeguards for each environmental- and social related indicators. It focused primarily on highest emitting and most harmful companies / economic activities / (sub)sectors. <p><i>Note: the publication of a detailed integration framework to be rolled out would count positively for the assessment against this indicator.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ The central bank has a corporate asset purchase program in place, and has made certain assets eligible, but this is limited to specific products (e.g. green bonds) or sectors (e.g. mortgages), and it does not have a more systematic selection process in place.
 Not met	<ul style="list-style-type: none"> ❖ The central bank does not take E&S considerations into account in its corporate asset purchase program.
N/A	<ul style="list-style-type: none"> ❖ The central bank does not have a corporate asset purchase program. ❖ For the specific case of EU Member States whose currency is the euro: corporate asset purchase programs are set by the ECB.

Monetary policy

Indicator 2.1.2

Split result (C / E / S)

The central bank takes E&S considerations into account in its collateral framework.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The central bank's collateral framework takes E&S considerations into account. The central bank states that it does by integrating historic and forward-looking, quantitative and qualitative climate- and nature-related (e.g. deforestation and conversion risk) metrics and social considerations.
 Partially met	<ul style="list-style-type: none"> ❖ The central bank has made certain assets eligible for its collateral framework (e.g. green bonds), but does not have a more systematic evaluation process in place. ❖ There is an integration of E&S considerations, for instance through the ratings of corporates, however there are limited details available on the methodology used.
 Not met	<ul style="list-style-type: none"> ❖ The central bank's collateral framework does not take E&S considerations into account.
N/A	<ul style="list-style-type: none"> ❖ The central bank does not have a collateral framework in place. ❖ For the specific case of EU Member States whose currency is the euro: the collateral framework is set by the ECB.

Monetary policy

Indicator 2.1.3

Split result (C / E / S)

The central bank integrates E&S considerations in the management of its foreign exchange reserves portfolio.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The central bank has disclosed a policy to integrate E&S considerations, either implicitly or explicitly, in the management of its foreign exchange reserves, comprising at least one of the following elements: <ul style="list-style-type: none"> ➤ Policies / position statements covering specific themes or sectors, to the least the most emitting and harmful sectors; ➤ Information on criteria or standards used for exclusion; ➤ Appointment of external managers based on E&S considerations; ➤ Active ownership strategy, based on science-based transition plans and sectoral decarbonization and nature-regenerating pathways <p><i>Note: investment of part of the portfolio in green / sustainable bonds is not sufficient to result in a positive assessment.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ The central bank integrates E&S considerations in the management of its foreign exchange reserves portfolio, but there are limited details available on the specific criteria and standards used.
 Not met	<ul style="list-style-type: none"> ❖ There is no evidence of the central bank integrating E&S considerations in its foreign exchange reserves management.

Monetary policy

Indicator 2.1.4

Split result (C / E / S)

The central bank offers subsidised loans or preferential targeted refinancing lines based on E&S considerations.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Subsidised loans or preferential targeted refinancing lines offered by the central bank integrate E&S considerations, and information is published on the specific criteria and standards used. C: Banks that are highly exposed to climate-related risk and with no reasonable effort E: banks that are highly exposed to deforestation and conversion or other environmental-related risks and with no reasonable efforts to eliminate these risks (e.g., no clear policy in place), face more stringent refinancing conditions.
 Partially met	<ul style="list-style-type: none"> ❖ Subsidised loans or preferential targeted refinancing lines offered by the central bank integrate E&S considerations, but there are limited details available on the specific criteria and standards used. ❖ Subsidised loans or preferential targeted refinancing lines offered by the central bank integrate E&S considerations, but this is only for a limited number of underlying sectors / activities.
 Not met	<ul style="list-style-type: none"> ❖ Subsidised loans or preferential targeted refinancing lines offered by the central bank do not integrate E&S considerations.
N/A	<ul style="list-style-type: none"> ❖ The central bank does not offer subsidised loans or preferential targeted refinancing lines. ❖ For the specific case of EU Member States whose currency is the euro: these measures are set by the ECB.

Monetary policy

Indicator 2.1.5

Split result (C / E / S)

The central bank takes E&S considerations into account in determining reserve requirements for banks.

Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Reserve requirements for banks incorporate E&S considerations, with focus on both climate and nature-related physical and transition risks exposures of supervised financial institutions.
 Partially met	<ul style="list-style-type: none"> ❖ E&S considerations are taken into account to determine the interest rate of deposits (deposited by banks as per their reserve requirements).
 Not met	<ul style="list-style-type: none"> ❖ Reserve requirements for banks do not incorporate E&S considerations.
N/A	<ul style="list-style-type: none"> ❖ The central bank does not have reserve requirements in place for commercial banks. ❖ For the specific case of EU Member States whose currency is the euro: reserve requirements are set by the ECB.



Central banking




Leadership & internal organization

Leadership & internal organization

Indicator 2.2.1

Single result

The central bank is a member of the Network for Greening the Financial System (NGFS).




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The central bank has joined the NGFS. <p><i>Note: if the central bank was a founding member and/or plays a specific role in the NGFS governance (e.g. steering committee, workstream lead), this is indicated in the assessment result.</i></p>
 Partially met	N/A
 Not met	<ul style="list-style-type: none"> ❖ The central bank has not joined the NGFS.

Leadership & internal organization

Indicator 2.2.2

Split result (C / E)

The central bank has defined science-based, climate and environmental-related nominal anchors as objectives beyond conventional ones (price stability, full employment etc.).




Assessment result	Related findings (for each C / E)
 Fully met	<ul style="list-style-type: none"> ❖ (C): The central bank has officially defined a 1.5°C or well-below 2°C nominal anchor as part of its objectives which is underpinned by a plan of reaching net-zero CO₂ emissions of the economy by 2050. ❖ (E): The central bank has defined a full biodiversity recovery by 2050 nominal anchor as part of its objectives which is underpinned by a plan of reaching a nature-positive economy by 2030.
 Partially met	<ul style="list-style-type: none"> ❖ The central bank has officially stated E&S-related goals belong to the secondary objectives of the central bank.
 Not met	<ul style="list-style-type: none"> ❖ The central bank does not have any climate and environmental-related anchors beyond conventional ones.

Leadership & internal organization

Indicator 2.2.3

Split result (C / E / S)

The central bank has published an official strategy or roadmap a science-based transition plan with associated measures for contributing a net-zero and nature-positive financial center, in line with its mandate.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The central bank has published a strategy, covering at least a (C): net-zero and (E): nature-positive transition plan for the financial center. The strategy or roadmap also particularly (i) the integration of E&S considerations in its macroeconomic studies or monetary policy measures, (ii) reserves or portfolio management, and (iii) assessment of banks' or financial system's exposure to E&S risks (as relevant depending on mandate). ❖ The central bank has published a roadmap to roll out the aforementioned with an associated implementation timeline, that include short-, medium and long-term measures. Additionally, the roadmap contains an explicit definition of relevant terms or clear reference to source which serve as basis for understanding of C&E related risks and impacts ❖ There are qualitative and quantitative elements in the roadmap, underpinning the ambitions for short-, medium- and long-term measures. ❖ Not all mentioned measures in the strategy need to be in place already as long as there is a clear timeline for when they will be (e.g. outlined in a roadmap)
 Partially met	<ul style="list-style-type: none"> ❖ The central bank has published a strategy, with existing measures in place, but this does not cover all of the aforementioned measures (e.g. no science-based time-bound transition plan). ❖ The central bank has published a roadmap, covering all of the aforementioned measures, but there is no associated timeline for implementation (or the roadmap does not cover all the measures). ❖ The banking regulator or supervisor has published a roadmap, covering all of the aforementioned measures, but there is no associated time-bound (C): net-zero / (E): nature-positive transition plan as well as no timeline for implementation (or the roadmap does not cover all the measures).
 Not met	<ul style="list-style-type: none"> ❖ No strategy or roadmap has been published.

Leadership & internal organization

Indicator 2.2.4

Single result (C)

The central bank regularly reports publicly on their exposure to and management of climate-related risks and opportunities, along the TCFD recommendations.




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The central bank reports regularly (e.g. yearly basis) on climate-related risks and opportunities along TCFD recommendations
 Partially met	<ul style="list-style-type: none"> ❖ The central bank announced it will report along TCFD recommendations without clear timeline or intention to pursue this reporting regularly.
 Not met	<ul style="list-style-type: none"> ❖ The central bank does not report along TCFD recommendations.

Leadership & internal organization

Indicator 2.2.5

Single result

The central bank has established an internal organisation and allocated resources to the implementation of its E&S strategy or roadmap.




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The central bank's board, governor or equivalent top management level has responsibility over the E&S strategy or roadmap implementation and/or has attributed this responsibility to a dedicated unit. ❖ The central bank has established a unit dedicated to implementing its E&S strategy or roadmap, which is a formal part of the organisation (standalone unit or part of existing department). ❖ The central bank has established a working group dedicated to implementing its E&S strategy or roadmap, comprised of representatives from several departments, and the list is available.
 Partially met	<ul style="list-style-type: none"> ❖ The central bank has nominated a person in charge of implementing its E&S strategy or roadmap, but there is no further information (e.g. on structure or governance arrangement). ❖ The central bank has established a working group dedicated to implementing its E&S strategy or roadmap, but there is no detail on the various departments represented.
 Not met	<ul style="list-style-type: none"> ❖ No public information is available on potential staff or departments with responsibility over implementation of E&S strategy or roadmap.

Leadership & internal organization

Indicator 2.2.6

Split result (C / E / S)

The central bank assesses and discloses the exposure of its portfolios to E&S risks (for its policy, own, pension and third-party portfolios as applicable).




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The central bank has assessed and discloses the result of the assessment of its portfolio exposure to E&S risks, covering all or at least a substantial portion of its total assets / portfolios. <p><i>Note: the information disclosed can be portfolio-level CO2 / GHG emissions (or intensity), exposure to climate-related physical and transition risks, exposure to biodiversity loss, exposure to deforestation and habitat/land conversion etc.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ The central bank has assessed its portfolio exposure to E&S risks, but the results of the assessment are not published, or information disclosed about exposure is very high level. ❖ The central bank has announced the upcoming disclosure of such information, under a specified timeframe.
 Not met	<ul style="list-style-type: none"> ❖ No such assessment has been performed.

Leadership & internal organization

Indicator 2.2.7

Split result (C / E / S)

The central bank integrates E&S considerations in its asset management practices (for its own, pension and third-party portfolios as applicable).




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ The central bank has disclosed a policy to integrate E&S considerations in its asset management practices (for its own portfolio, pension fund, and third-party assets as applicable), comprising at least three of the following elements: <ul style="list-style-type: none"> ➢ Policies / position statements covering specific themes or sectors; ➢ Information on criteria or standards used for exclusion; ➢ Appointment of external managers based on E&S considerations; ➢ Active ownership strategy. ❖ E: actively exclude companies that are exposed to deforestation and conversion risks and have not taken reasonable efforts to eliminate these risks (e.g., no clear policy in place) <p><i>Note: investment of part of the portfolio in green / social / sustainability bonds is not sufficient.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ The central bank integrates E&S considerations in its asset management practices (for its own portfolio, pension fund, and third-party assets as applicable), but there are limited details available on the specific criteria and standards used.
 Not met	<ul style="list-style-type: none"> ❖ There is no evidence of the central bank integrating E&S considerations in its asset management practices.
N/A	<ul style="list-style-type: none"> ❖ The central bank does not have any portfolio to manage (either own funds, pension funds or any other third-party funds)

Leadership & internal organization

Indicator 2.2.8

Single result

The central bank publicly discloses the share of its own portfolio that is aligned with existing classification systems for sustainable or unsustainable activities (taxonomies).

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ An official taxonomy (covering sustainable and/or unsustainable activities) is in place and the central bank discloses the share of its own portfolio that is aligned with such taxonomy.
 Partially met	N/A
 Not met	<ul style="list-style-type: none"> ❖ An official taxonomy (covering sustainable and/or unsustainable activities) is in place but the central bank does not disclose the share of its own portfolio that is aligned with such taxonomy.
N/A	<ul style="list-style-type: none"> ❖ There is no official classification system for sustainable or unsustainable activities (taxonomy) in place.



Enabling environment

Assessment guide

Enabling environment

Indicator 3.1.1

Single result

A multi-stakeholder sustainable finance initiative is in place, involving representatives from the insurance and banking industry, regulatory and supervisory authorities, as well as from civil society.




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ A multi-stakeholder sustainable finance initiative is in place, involving representatives from the banking industry, regulatory and supervisory authorities, as well as from civil society and/or academia. <p><i>Note 1: ad-hoc reports / roadmaps published by third-parties or as part of specific initiatives typically do not count for this indicator. Only currently active initiatives are taken into account.</i></p> <p><i>Note 2: absent their direct involvement, formal support from regulatory and supervisory authorities can be considered as acceptable.</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ A multi-stakeholder sustainable finance initiative is in place, but some of the listed stakeholders are absent (either banking industry, regulatory / supervisory authorities, or civil society/academia).
 Not met	<ul style="list-style-type: none"> ❖ No multi-stakeholder sustainable finance initiative is in place.

Enabling environment

Indicator 3.1.2

Single result

The central bank, supervisor or banking/insurance association is supporting capacity building efforts for the financial industry, on sustainable banking and insurance practices and related aspects.




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ The central bank, regulator/supervisor or banking association is supporting capacity building efforts for the banking industry, and there is evidence of such training having already taken place. ❖ The capacity building efforts cover environmental and social aspects holistically. ❖ The capacity building cover the financial sector as whole (min. banking and insurance industry).
 Partially met	<ul style="list-style-type: none"> ❖ The capacity-building efforts relate to either environmental or social aspects, but not both. ❖ The central bank, regulator/supervisor or banking association is supporting capacity-building efforts for the financial industry, or has publicly committed to doing so, but: <ul style="list-style-type: none"> ➤ There is no publicly available information about such training having taken place (such as information on the events themselves); ➤ The description of the training sessions does not specify the target audience (financial institutions). ❖ The capacity-building efforts are for a targeted type of financial institutions (e.g. either banking or insurance)
 Not met	<ul style="list-style-type: none"> ❖ There is no evidence of the central bank, regulator / supervisor or banking association supporting such capacity building efforts, and no mention of particular plans for doing so.

Enabling environment

Indicator 3.1.3

Split result (C / E / S)

A classification system for sustainable activities (taxonomy) is in place and has been developed following a science-based and multi-stakeholder process.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ A taxonomy for sustainable activities is in place and has been developed following a multi-stakeholder process and is considered to be science-based (by WWF). <ul style="list-style-type: none"> ❖ C/E: Taxonomy for green and/or nature positive/neutral economic activities ❖ S: Taxonomy for socially sustainable economic activities
 Partially met	<ul style="list-style-type: none"> ❖ A taxonomy for sustainable activities is in place but has not been developed following a multi-stakeholder process and is not considered to be science-based (by WWF). ❖ A draft taxonomy for sustainable activities has been prepared and released for public consultation.
 Not met	<ul style="list-style-type: none"> ❖ A plan to develop a taxonomy for sustainable activities has been announced, but no draft has been published yet. ❖ There is no plan to develop a taxonomy for sustainable activities.

Enabling environment

Indicator 3.1.4

Split result (C / E / S)

A classification system for unsustainable activities (taxonomy) is in place and has been developed following a science-based and multi-stakeholder process.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ A taxonomy for unsustainable activities is in place and has been developed following a multi-stakeholder process and is considered to be science-based (by WWF).
 Partially met	<ul style="list-style-type: none"> ❖ A taxonomy for unsustainable activities is in place but has not been developed following a multi-stakeholder process and is not considered to be science-based (by WWF). ❖ A draft taxonomy for unsustainable activities has been prepared and released for public consultation.
 Not met	<ul style="list-style-type: none"> ❖ A plan to develop a taxonomy for unsustainable activities has been announced, but no draft has been published yet. ❖ There is no plan to develop a taxonomy for unsustainable activities.

Enabling environment

Indicator 3.1.5

Split result (C / E / S)

Non-financial corporates are required to report on current and planned activities according to internationally or nationally recognized sustainability reporting standards and definitions.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ Reporting is both on current and planned activities. ❖ International, for C, for example could be TCFD. ❖ For national, could be comparable reporting standards or the obligation to reporting on the alignment of current and planned activities against an official taxonomy (covering sustainable and/or unsustainable activities).
 Partially met	<ul style="list-style-type: none"> ❖ Non-official corporates are required to disclose information on either the alignment of their current activities or on their planned activities
 Not met	<ul style="list-style-type: none"> ❖ No requirement to disclose

Enabling environment

Indicator 3.1.6

Split result (C / E / S)

Non-financial corporates are required to publish science-based transition plans.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ All non-financial corporates are required to publish transition plans on how they will achieve set strategies pertaining to climate, environmental and social goals.
 Partially met	<ul style="list-style-type: none"> ❖ It is not mandatory for non-financial corporates to publish transition plans but encouraged. ❖ The obligation to publish transition plans only covers a subset of non-financial corporates (e.g. listed companies, or companies pertaining to certain sectors). ❖ There is no mention of the need for the transition plans to be science-based.
 Not met	<ul style="list-style-type: none"> ❖ There is no obligation or recommendation for non-financial corporates to publish transition plans.

Enabling environment

Indicator 3.1.7

Single result

A carbon pricing mechanism is being implemented in the country.




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ A carbon pricing mechanism is being implemented in the country (e.g. carbon tax, cap-and-trade scheme). <p><i>Note: There is no assessment of the level of the underlying carbon price</i></p>
 Partially met	<ul style="list-style-type: none"> ❖ There is a carbon pricing mechanism in place, but participation is voluntary. ❖ There is a carbon pricing mechanism in place, but coverage (e.g. geographical, sectoral) is limited ❖ A carbon pricing mechanism is being piloted.
 Not met	<ul style="list-style-type: none"> ❖ No carbon pricing mechanism is in place.

Enabling environment

Indicator 3.1.8

Split result (C/E/S)

There is a national-level sustainability strategy, and financial institutions are encouraged to make and adhere to derived transition plans.




Assessment result	Related findings (for each C / E / S)
 Fully met	<ul style="list-style-type: none"> ❖ C: There is a national-level net-zero strategy, and financial institutions are encouraged to make and adhere to net-zero transition plans. ❖ E: nature positive, no nature loss-level strategy that banks are encouraged to make and adhere to nature-related transition plans.
 Partially met	<ul style="list-style-type: none"> ❖ There is a national-level net-zero strategy but financial institutions have not been specifically encouraged to make and adhere to net-zero transition plans.
 Not met	<ul style="list-style-type: none"> ❖ There is no national-level net-zero strategy

Enabling environment

Indicator 3.1.9

Single result

Regulations or guidelines covering the issuance or provision of sustainable financial products are in place and are based on standards developed following a science-based and multi-stakeholder process.




Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Regulations or guidelines covering the issuance or provision of sustainable financial products are in place and are based on standards developed following a science-based and multi-stakeholder process.
 Partially met	<ul style="list-style-type: none"> ❖ Regulations or guidelines covering the issuance or provision of sustainable financial products are in place but are based on standards that were not developed following a multi-stakeholder process and that are not considered to be science-based (by WWF).
 Not met	<ul style="list-style-type: none"> ❖ No such regulations or guidelines are in place.

Enabling environment

Indicator 3.1.10

Single result

Targets or incentives are in place for banks to support the transition to a net-zero and nature-positive economy, by engaging with hard to abate sectors without substitutes, channeling capital into innovative technological and nature-based solutions, or into certain industry on the basis of sustainability considerations.

Assessment result	Related findings
 Fully met	<ul style="list-style-type: none"> ❖ Specific targets or incentives are in place for banks to increase their support to certain industry sectors, based on sustainability considerations. The incentives in place enable the financial sector to act as an accelerator, engagement partner and financing arm to achieve sustainability-related goals. <p><i>Note: this can be in the form of minimum share of lending to certain sectors, grants to cover additional costs for frameworks to support certain sectors or activities, relaxed prudential rules or capital requirements associated with green / sustainable financing.</i></p>
 Partially met	N/A
 Not met	<ul style="list-style-type: none"> ❖ No particular targets or incentives are in place for banks to support certain industry sectors, or are not based on sustainability considerations.



Annex

Environmentally harmful activities



ALWAYS ENVIRONMENTALLY HARMFUL ECONOMIC ACTIVITIES			
	Always significantly harmful economic activities	Harmful economic activities that could be retrofitted to exit the harmful category	Geographical location of economic activity
DESCRIPTION	The EU Platform on Sustainable Finance, the European Commission's expert group, has just published a report proposing to set an 'extended EU taxonomy' including a category of environmentally harmful activities. Such activities include those that are always significantly harmful and which need to be decommissioned. Coal activities are mentioned explicitly in the law; the European Commission is in the process to assess how and when to develop this list. WWF is developing a project to issue criteria recommendations for this list by early 2023.	The EU Platform on Sustainable Finance, the European Commission's expert group, has just published a report proposing to set an 'extended EU taxonomy' including a category of environmentally harmful activities. Such activities include those that are currently harmful but can be retrofitted to exit the harmful category.	Biodiversity loss, and its recovery and restoration are highly location-specific. Certain economic activities such as mining are necessary for the ecological transformation of the energy system. However, mining in biodiversity hotspots is highly environmentally damaging and risks the overall stability of Earth's biodiversity. It is therefore important that companies do not undertake certain economic activities within specific regions of the Earth ("no go areas"). Companies thereby need to disclose asset-level data on the specific production areas to enable an assessment and decision-making process. For example, a financial actor investing in or insuring a company that mines for cobalt in a biodiversity-rich area increases its reputational, litigation, and transition risks.
INDICATORS	Report from the EU Platform on sustainable finance	Report from the EU Platform on sustainable finance. Significantly harmful activities that can be retrofitted: all activities in the EU taxonomy that do not meet the Do No Significant Harm criteria. List of activities with DNSH criteria	Natural World Heritage Sites
	By definition, all activities part within Harmful Economic Sub Sectors (see first column) are harmful.	Truck manufacturers	Protected Areas based on the Convention on Biological Diversity
	Additional to EU list: Logging of primary or old growth forests	Airplane manufacturers	Key Biodiversity Areas
	Additional to EU list: Deep-sea bottom trawling (fishing)	Car manufacturers	ENCORE: interactive map to explore geographical-specific risks of depleting natural capital stocks (avoid high depletion areas areas)
	Additional to EU list: Hunting of endangered IUCN RED List species	Steel manufacturing	ESG transparency assessments of commodity producers and traders
		Cement manufacturing	Using World Benchmark Alliance on retrofittable economic activities to guide engagement/discussions
		Buildings	

ALWAYS ENVIRONMENTALLY HARMFUL COMPANIES (BROAD)			ALWAYS ENVIRONMENTALLY HARMFUL (SPECIFIC)			
DESCRIPTION	Companies on Urgewald's Global Coal Exit List from Urgewald	Companies Urgewald's Global Oil and Gas Exit List from Urgewald	Constituent companies of the Carbon Underground 200	Companies that are expanding their environmentally harmful activities	Thresholds for considering a company harmful	Exception: Harmful companies that can be exempted
		<p>This list is a public database that identifies the largest coal expansionists producers and indicates the largest CO₂-emitting companies, based on by focusing on their yearly real production and the associated emissions. The list consists of over 1,000 parent companies and around 1,800 subsidiaries operating along the thermal coal value chain (upstream, midstream, and downstream), representing 90% of the world's thermal coal production and the world's coal-fired capacity. Thereby it thus covers captures the physical climate risk part and is a proxy for future lock-in situations and thereby high transition risks.</p>	<p>This list is a public database that identifies the largest oil and gas expansionists producers and indicates the largest CO₂-emitting companies by focusing on their yearly real production and the associated emissions. The list consists of 887 companies operating in the upstream and/or midstream sectors of the oil and gas sector, capturing physical climate risk. The list also tracks the exploration and new oil and gas infrastructure capex, providing a proxy for future lock-in situations and high transition risks.</p>	<p>The Carbon Underground 200 identifies the top 100 coal and top 100 oil and gas publicly traded reserve holders globally. The companies are ranked by the potential carbon emissions content within their reported reserves. Due to the necessary transition of the economy, those reserves will become stranded assets. In contrast to the Global Oil and Gas Exit List from Urgewald, this list does not account for the effective emissions per year.</p>	<p>Some companies have harmful activities as a legacy but are not developing new ones (i.e. they have revenues from but no capex for harmful activities), and their exposure to harmful activities is decreasing over time. Others have capex for new harmful activities and their exposure to harmful activities could increase over time. This is a fundamental difference that should be taken into account: new harmful activities that need to repay their investment or could be stranded are far riskier financially than existing ones that may be near the end of their productive lifetime and can potentially be decommissioned soon.</p>	<p>The EU Taxonomy focuses on economic activities: it is possible for companies to use the taxonomy Do No Harm criteria to assess their total corporate exposure to environmentally harmful activities, by aggregating each activity not meeting the Do No Harm criteria (i.e. that is environmentally harmful) they have in their operations (or portfolio, for financial institutions). It is then necessary, in addition, to set 'high risk' thresholds for corporate exposure to harmful activities, to identify those companies that are most exposed and hence face the highest related financial risks. The thresholds have two critical features. Firstly, they must be dynamic (i.e. decrease over time), to reflect the growing financial risks related to corporate exposure to harmful activities. Secondly, they should be sector-specific (i.e tailored) in the sectors where climate and environmental science finds that pathways towards full sustainability (e.g. net-zero emissions) must be quicker than average (e.g. the power sector needs to be decarbonized quicker than the rest of the economy).</p>

ALWAYS ENVIRONMENTALLY HARMFUL ECONOMIC SUB SECTORS	
DESCRIPTION	Historically, fossil fuels (oil, gas, and coal) are the driving force for climate change and, have also a significant influence on biodiversity loss. A number of economic sub-sectors have the historic responsibility for past emissions and still contribute a large part to today's emissions. High negative environmental impacts come with high physical, transition, and litigation risks for financial institutions. As the current economic system is still in large part dependent on fossil fuels, these economic sub-sectors thus represent a systemic risk for the financial industry.
INDICATORS	Historically, fossil fuels (oil, gas, and coal) are the driving force for climate change and, have also a significant influence on biodiversity loss. A number of economic sub-sectors have the historic responsibility for past emissions and still contribute a large part to today's emissions. High negative environmental impacts come with high physical, transition, and litigation risks for financial institutions. As the current economic system is still in large part dependent on fossil fuels, these economic sub-sectors thus represent a systemic risk for the financial industry.
	Oil & Gas Drilling (GICS Code: 10101010)
	Integrated Oil & Gas (GICS Code: 10102010)
	Oil & Gas Exploration & Production (GICS Code: 10102020)
	Oil & Gas Refining & Marketing (GICS Code: 10102030)
	Oil & Gas Storage & Transportation (GICS Code: 10102040)
	Coal & Consumable Fuels (GICS Code: 10102050)
	Fertilizers & Agricultural Chemicals (GICS Code: 15101030)
	Gas Utilities (GICS Code: 55102010)
	Electric Utilities (GICS Code: 55101010)
	Multi-Utilities (GICS Code: 55103010) in so far as it relates to electric and/or gas utilities (not water utilities)
	Independent Power Producers & Energy Traders (GICS Code: 55105010)
	Steel (GICS 15104050) in so far as it relates to metallurgical (coking) coal mining used for steel production (not steel production itself)



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