ESG Guidelines for Banks

November 26, 2024

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FOREWORD

As the CEO of the Rwanda Bankers Association (RBA), I am honored to present the RBA's Environmental, Social, and Governance (ESG) Guidelines for Banks. These guidelines represent a significant milestone in Rwanda's journey towards a more sustainable and inclusive financial sector, in alignment with the country's ambitious vision for economic transformation and environmental stewardship.

The banking sector plays a pivotal role in supporting Rwanda's commitments to addressing the challenges of climate change, protecting nature and biodiversity, and transitioning to a more sustainable and inclusive economic development, as outlined in Vision 2050 – the country's long-term national strategy – and the Green Growth and Climate Resilience Strategy.

The ESG Guidelines for Banks provide a comprehensive framework for our member institutions to integrate sustainability considerations across their activities. These guidelines draw inspiration from global best practices while reflecting Rwanda's unique cultural, environmental, and economic context. They offer practical guidance on topics ranging from climate risk management and green finance to stakeholder engagement and reporting. Importantly, the guidelines have been developed through a collaborative process, leveraging the expertise and insights of our member banks.

The Guidelines complement RBA's ongoing efforts to support its members in adopting sustainability best practices through a range of resources and capacity-building initiatives. This includes organizing regular training sessions and workshops on topics such as green finance, climate risk assessment, and ESG reporting. The association has also facilitated peer-to-peer learning, with member banks sharing best practices and lessons learned in their sustainability journeys.

As we embark on this transformative journey, I call upon all RBA member banks to embrace the Sustainable Banking Guidelines with unwavering commitment. By aligning operations, products, and services with the principles outlined in this document, Rwandan banks have the power to catalyze positive change, strengthen their institutions, and contribute to Rwanda's sustainable development goals. RBA stands ready to support our members through capacity-building initiatives, knowledge-sharing platforms, and recognition programs that celebrate ESG excellence. Together, we can shape a financial ecosystem that is not only profitable but also environmentally responsible, socially inclusive, and ethically sound.

I am confident that the RBA's ESG Guidelines for Banks will serve as a guiding light, leading our sector towards a more sustainable and prosperous future for all Rwandans.

Tony Francis Ntore
Chief Executive Officer
Rwanda Bankers' Association.

ACKNOWLEDGMENTS

The development of the ESG Guidelines for Banks in Rwanda has been a collaborative effort, bringing together the insights, expertise, and dedication of a broad range of stakeholders within Rwanda's banking sector. We extend our heartfelt appreciation to everyone who contributed to this initiative, making it a comprehensive and relevant resource for the Rwandan banking industry.

We are deeply grateful to the IFC team, led by Rose Lumumba, with technical support from Jerome Lavigne-Delville, Charles Gitau Wamukui, Linda Kalimba Mulenga, and Christine Mburu, for their instrumental role in developing these guidelines.

Our sincere thanks also go to Vincent Bayingana and the members of the working group, including Richard Mugisha (Bank of Africa), Polepole Kayumba and Dieudone Nsengimana (Equity Bank), Seth Ntaganira (I&M), Grace Kayitesi and Olive Kayitesi (BPR Bank), Kelly Sesonga (Access Bank), Rubis Ruti Kanangire (BRD), Mami F. Said (Bank of Kigali), Marie Paule Umuhoza (Ecobank), and Hugues Kayigamba (NCBA), who worked tirelessly to develop these guidelines.

ACRONYMS

BNR	National Bank of Rwanda
EBA	European Banking Association
COSO	Committee of Sponsoring Organizations
CSRD	European Commission Corporate Sustainability Reporting Directive
ECB	European Central Bank
EP	Equator Principles
ESG	Environmental, Social and Governance
ESRM	Environmental and Social Risk Management
ESRS	European Sustainability Reporting Standards
EU	European Union
GGCRS	Green Growth and Climate Resilience Strategy
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GW	Gigawatt
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IEA	International Energy Agency
IPCC	International Panel on Climate Change
KPI	Key Performance Indicator
NBSAP	National Biodiversity Strategy and Action Plan
NCSA	National Cyber Security Authority
NDC	Nationally Determined Contribution
PACTA	Paris Agreement Capital Transition Assessment
PCAF	Partnership for Carbon Accounting Financials
PII	Personally identifiable information
REMA	Rwanda Environment Management Authority
RBA	Rwanda Bankers Association
SASB	Sustainability Accounting Standards Board
SBFN	Sustainable Banking and Finance Network
SBTi	Science Based Targets Initiative
SDG	Sustainable Development Goals
SFRD	Sustainable Finance Reporting Directive
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Task Force on Nature-related Financial Disclosures
UN	United Nations
UN FCCC	Framework Convention on Climate Change
UNEP	UN Environment Programme
UNEP FI	UN Environment Programme Finance Initiative
VNR	Voluntary National Reviews

INTRODUCTION

OBJECTIVES OF THE ESG GUIDANCE

The Guidance aims to move forward the sustainability agenda in Rwanda and raise the level of ESG practices in the banking and financial sector. The goal is to enhance the management and governance of Rwandan banks and improve their resilience – and that of the financial markets and the economy – to climate, nature, and other sustainability impacts. Most importantly the publication and adoption of the ESG Guidelines is designed to position Rwanda competitively in the regional market and bring enhanced opportunities for regional and international investment.

The Guidelines provide guidance to all banks on how to effectively manage ESG risks, as well as how to harness the opportunities presented by effective ESG management considering Rwandan legislation and international standards. The Guidelines are designed for banks and credit institutions incorporated in Rwanda, including domestic branches of foreign-owned banks. They can also be used by other financial institutions, including insurance, investment banking and brokerage, asset management, and development finance.

The Guidelines are voluntary and designed to promote industry-wide progress as a complement to regulatory and quasi regulatory efforts, including the Rwanda corporate governance code. Application of the Guidelines is voluntary and can be effectively showcased through public reporting by banks, leveraging public accountability to promote self-regulation and self-improvement.

Defining ESG and Sustainability

The Guidelines focus on ESG factors, a set of environmental, social, and governance considerations by banks when managing their operations and making loans and investments, in respect of the risks, impacts, and opportunities. For this guidance, the terms ESG and sustainability convey the same meaning and are used interchangeably.

Figure 1. Most Common ESG Issues

Source: IFC.

ESG risks can manifest in various ways and with specific relevance for banks, including credit market, operational, liquidity, reputational and other risks. The term ESG risks and opportunities is interchangeable with climate-, nature-, sustainability-related and governance risks and opportunities.

Sustainability refers primarily to social and environmental sustainability, as well as economic sustainability where it intersects with environmental and social sustainability. It is defined in the International Financial Reporting Standards (IFRS) as

> *"The ability for a company to sustainably maintain resources and relationships with and manage its dependencies and impacts within its whole business ecosystem over the short, medium, and long term. Sustainability is a condition for a company to access over time the resources and relationships needed (such as financial, human, and natural), ensuring their proper preservation, development, and regeneration, to achieve its goals."*

The Business Case for ESG

There are many benefits of good ESG management practices at banks, including improved performance, access to investments, transparency, and credibility:

Improved financial performance: ESG risk management can enhance a bank's overall risk management and financial performance, including capital adequacy, and lead to an improvement in the stability of the overall financial system. ESG risks can manifest in various ways and with specific relevance for banks, including credit, liability, and reputational risks. See Figure 2 and 3 for examples of ESG risk drivers for banks.

Promotes access to investment: Management of sustainability impacts in lending and investment activities can facilitate banks 'access to local and international capital markets and facilitate the creation of new sustainable financial products, including sustainability-linked and use-of-proceed loans and bonds. It can also facilitate alignment with a growing set of international and regional sustainable finance taxonomies and regulations. Banks can also improve financial access for underbanked companies or individuals, while at the same time providing banks with additional revenue and a more stable funding base.

Enhanced transparency and credibility: ESG management and reporting improve transparency and accountability – and ultimately the credibility – of banks and financial institutions. Internally, it enables better management and governance and improves communication with investors and other stakeholders. At the market-level, ESG management and disclosure enables aggregate measure of the flow of sustainable finance and enables prudential assessment of ESG risks in bank portfolios.

Figure 2: ESG risks facing banks.

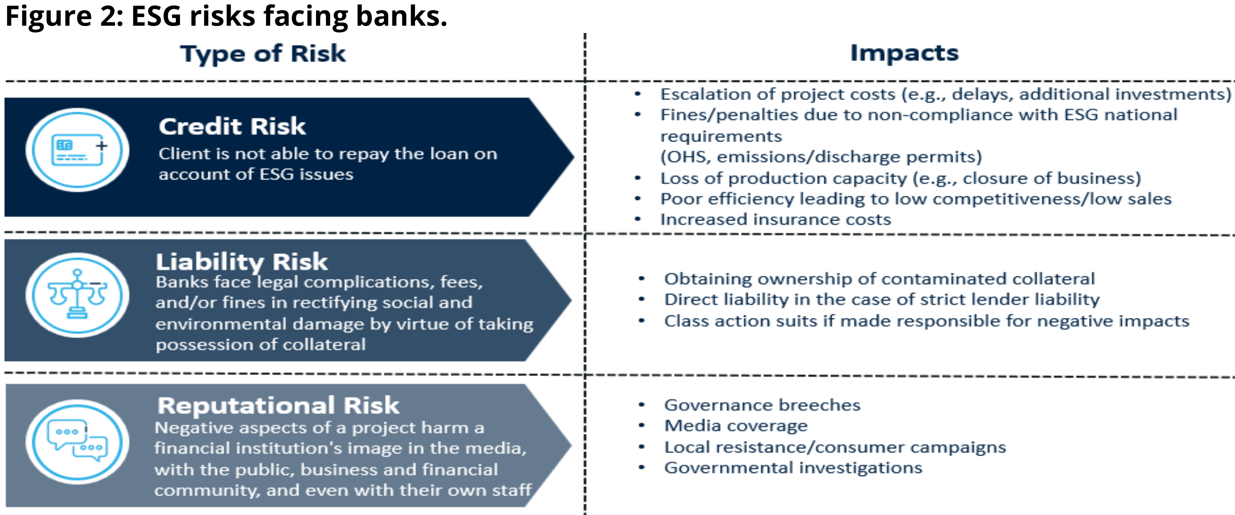
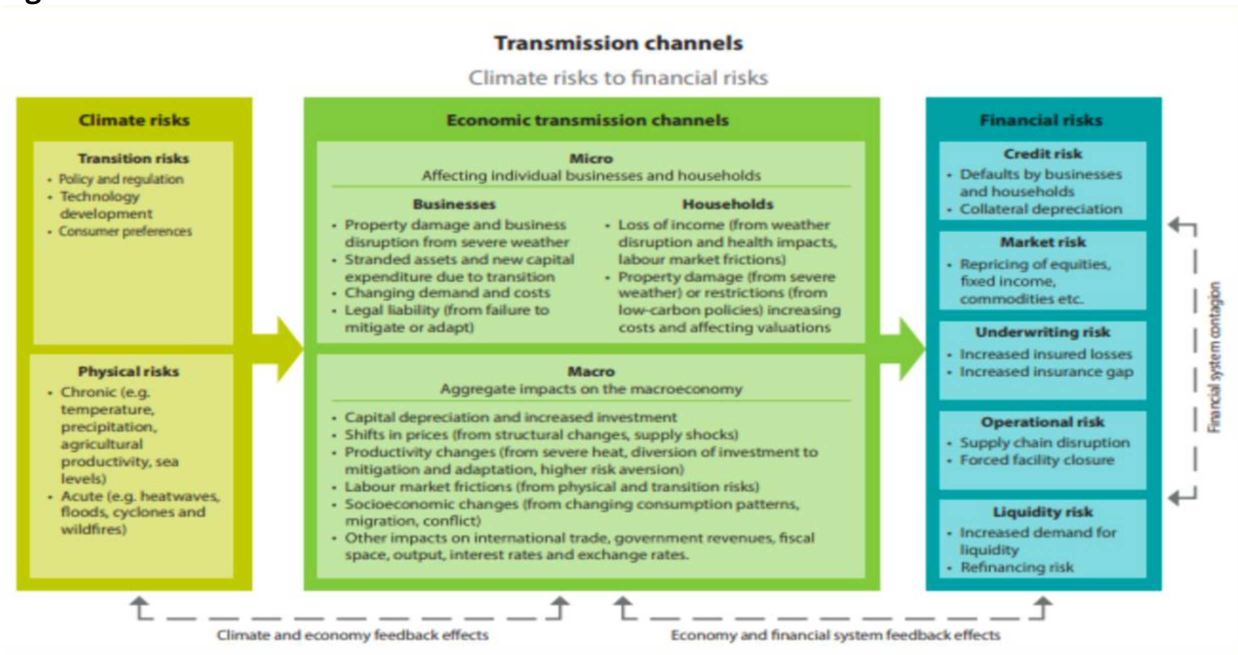


Figure 3. Transmission Channels of Climate Risks to Financial Risks



Source: National Bank of Rwanda.

The Local Context: ESG in the Rwandan Banking Sector

The Rwandan banking sector has been at the forefront of driving ESG implementation in the country, anchoring its approach in ambitious national frameworks such as Vision 2050 and the National Strategy for Transformation (NST 2) for the 2024–2029 period. Recent regulatory changes have further solidified the industry's commitment to sustainability and responsible finance.

The enactment of the new Law No. 044/2024 governing Banks has been a significant development. This law, which replaces the previous Law no 47/20, explicitly integrates Environmental, Social, and Governance (ESG) principles into the operations of banks in Rwanda. The new law mandates that banks include comprehensive ESG reporting in their annual integrated reports, enhancing transparency and accountability.

This regulatory push has catalyzed greater action from banks in Rwanda. The Development Bank of Rwanda (BRD), for instance, launched its inaugural Sustainability-Linked Bond (SLB) on the Rwanda Stock Exchange in 2023, raising $50 million to support ESG-aligned lending. This demonstrates the financial sector's embrace of green finance initiatives. Furthermore, Rwanda has successfully secured a EUR 200 million sustainable loan from JP Morgan, with support from a partial credit guarantee from the African Development Bank (AfDB). This transaction highlights the country's ability to attract international sustainable finance to fund its infrastructure development.

Beyond these landmark deals, Rwandan banks are increasingly integrating ESG considerations into their core business practices. According to industry data, the proportion of banks publishing annual integrated reports with comprehensive ESG disclosures has risen from 40% in 2019 to 65% in 2023.

However, the banking sector is not without its challenges. Smaller financial institutions, which make up a significant portion of the industry, continue to face capacity constraints in terms of technical expertise and resources to fully implement robust ESG frameworks. The government has responded by establishing support mechanisms, such as the $20 million Green Innovation Fund, to provide financial and technical assistance to these smaller players.

Overall, the Rwandan banking sector has emerged as a regional leader in ESG integration, driven by a supportive regulatory environment and the proactive efforts of both large and small financial institutions. This positions the sector to play a pivotal role in mobilizing capital and providing financial solutions to support the country's ambitious sustainable development goals.

APPLICATIONS OF THE GUIDELINES

Target Institutions

The Guidelines are designed for all banks that are members of the Rwanda Bankers Association and may be used by other financial institutions, including deposit-taking microfinance institutions, insurance companies and non-deposit-taking financial service providers that grant or provide loans and similar services or products.

Voluntary Framework

Banks and other financial institutions are strongly encouraged to implement the guidelines in their own governance, strategy, operations, and financing activities, and to report on their progress and results in their annual reports.

The application of the Guidelines is considered a best practice, and it will benefit individual banks and financial institutions, as well as the Rwandan financial sector at large and ultimately the Rwandan society.

The level of implementation should be commensurate with the size and sophistication of each organization, and the expectations from shareholders, financiers, and stakeholders. Larger financial institutions are encouraged to implement all aspects of the Guidelines.

Ultimately, the application of the Guidelines will be assessed and evaluated through public disclosure and transparency. One of the benefits of managing ESG for banks and financial institutions is to build the confidence of regulators, investors, and stakeholders in the sound management of banks. However, this benefit exists if banks and financial institutions publicly report on how they manage ESG, as part of their annual reporting cycles.

Regulatory Framework

The present Guidelines build upon several national guidelines, standards and initiatives related to environmental protection and sustainable finance, including the following:

The National Bank of Rwanda's Guidelines on Climate-Related and Environmental Financial Risks Management for Financial Institutions. The guidelines aim at:

- Providing guidance to financial institutions on the components of climate-related and environmental financial risks
- Setting out principles that guide financial institutions to manage and mitigate climate-related and environmental financial risks through the entire risk management cycle; and
- Providing guidance on disclosure of climate-related and environmental financial risks.

Rwanda Environment Management Authority (REMA). General guidelines and procedure for Environmental Impact Assessment and other guidelines and resources related to environmental management.

The Capital Market Corporate Governance Code N° 09, 2012. The purpose of this code is to ensure that companies are directed and managed at board and management levels in a fair and transparent manner. It provides guidance on how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimized.

Regulation N° 01/2018 of January 24, 2018, on corporate governance for banks. This regulation establishes requirements on corporate governance, identifies responsibilities in the managerial and operational structure of the banks, and reinforces key components of risky governance. It also defines and outlines shareholder authority, responsibilities, and prohibitions.

Kigali International Financial Center's Rwanda Sustainable Finance Roadmap. The roadmap aims to guide the development of Rwanda as a leading pan-African hub for local, regional, and international sustainable finance, along a two-prong strategy: scaling sustainable finance and making finance sustainable. Many of the key objectives of the roadmap are supported by these Guidelines, including enhancing Rwanda's financial sector ESG risk, management developing sustainable debt capital markets and improving Rwanda's corporate ESG disclosure and reporting.

Rwanda's Green Taxonomy. The Taxonomy is a framework that aims to define sustainability criteria, foster shared understanding and trust on what constitutes a green investment, as well as prevent greenwashing.

Rwanda Environment Management Authority (REMA). The authority produces several policies and guidelines related to the environment and climate change, including the National Environment and Climate Change Policy and the General and Procedures for Environmental Impact Assessment.

Corporate Governance Regulation and Codes. Many of the provisions of Regulation N° 01/2018 on corporate governance for banks require disclosure of banks' practices in their annual report. In addition, to the extent that they are listed on the stock exchange, banks must explain how they comply with the provisions of the Capital Market Corporate Governance Code or explain why the compliance could not be achieved.

STRUCTURE OF THE GUIDELINES

The ESG Guidelines are structured around the four pillars of management and reporting of sustainability issues introduced by the Taskforce on Climate-related Financial Disclosure (TCFD), and later by the Taskforce on Nature-related Financial Disclosure (TNFD), and now part of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures:

- Governance
- Strategy
- Risk management
- Metrics and targets

This model was also adopted with some modification by the European Sustainability Reporting Standards (ESRS), adding impact to risk management (Risk and Impact Management).

Figure 4: Four-pillars model of management and reporting of ESG issues

Building on this framework, the Guidelines are structured around six key aspects of ESG management and governance:

1. Governance of sustainability
2. Integrated sustainability strategy
3. Sustainability and risk management
4. Managing sustainability impacts
5. Performance monitoring and measurement
6. Disclosure and transparency

The Guidelines also provide guidance on how banks can disclose material and reliable sustainability information in their annual report and other stakeholder communications.

1. GOVERNANCE OF SUSTAINABILITY

Banks should integrate sustainability in traditional corporate governance structures and processes, including board oversight and the control environment, and ensure that sustainability risks and opportunities are addressed by the management of the organization.

1.1 Commitment to Sustainability

Banks should commit to long-term economic development and the sustainability of their financing and operating activities, in line with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and the Kunming-Montreal Global Biodiversity Framework.

Sustainable economic development should be factored into the decision-making process, including policies, strategy, risk management and governance, particularly in the financing of commercial activities. Specifically, banks should commit to align portfolios, businesses, and strategy with the objectives of the Paris Agreement, "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development."[1]

Banks should also align their priorities with relevant national development objectives, plans, policies, goals, and targets, including those set in the Rwanda's Nationally Determined Contribution (NDC) to the Paris Agreement, the Voluntary National Review (VNR) for progress against the SDGs, and the National Biodiversity Strategy and Action Plan (NBSAP).

Commitment to sustainable development should be made at the top of the organization by the top management and the board of directors.

1.2 Corporate Governance Structures And Processes

Banks should integrate sustainability in traditional corporate governance structures and processes, including board oversight and the control environment. Best practices include:

- **Board Oversight.** The board of directors and its committees (e.g., risk, audit) should exercise oversight over the bank's exposure and response to climate-, nature and other sustainability-related risks and opportunities, review policies, strategies, risk management, and targets set by management, and assess the performance of the entity against its targets.
- **Strategy and Sustainable Finance.** The board should approve and regularly assess the strategy and risk management frameworks for climate-, nature and other sustainability-related risks and opportunities. The board of directors should approve a strategy or high-level targets for capital allocation to sustainable assets, projects, or sectors.

[1] Article 2.1c of the Paris Agreement.

- **Risk Management.** The board of directors should ensure that Environmental and Social Risk Management (ESRM) policies, management systems and targets are in place to identify and manage climate-, nature- and other related risks, and that there are integrated in the existing risk management and risk appetitive framework.
- **Roles and responsibilities.** The board should clearly define the roles and responsibilities of senior management, internal organizational structures, and board subcommittees, as necessary, for the management of climate-, nature- and other sustainability-related risks and opportunities.
- **Internal Controls.** The board of directors should ensure that sustainability should be integrated in internal controls and compliance, including risk management and processes to ensure the integrity of reported sustainability information.
- **Stakeholder Engagement.** The board of directors should oversee the stakeholder engagement process – both internal and external – and the integration of their concerns and expectation are in the bank's strategy.
- **Executive Compensation.** The management of climate-, nature- and other sustainability-related risks and opportunities should be factored in executive compensation policies.
- **Board Competency.** The board and its committees should have sufficient skills and competencies to manage and oversee climate-, nature- and other sustainability-related risks and opportunities and should take steps to build capacity and train the board and senior management on sustainability-related topics.

1. 3 Management of Sustainability

Banks should ensure that climate-, nature and other sustainability risks and opportunities are addressed by the top management of the organization. Best practices include:

- **ESRM.** Management should establish Environmental and Social Risk Management (ESRM) systems, including policies, procedures, and controls, to identify and manage sustainability risks and impacts.
- **ESG in lending and investments.** Management should set-up a process to integrate ESG factors into the lending and investment process.
- **Top management responsibility.** Banks should establish top management's responsibility for assessing and managing climate-, nature and other sustainability-related risks and opportunities, setting policies and strategies, and reporting to the board.
- **Organizational structure.** Management should set-up an organizational structure and identify key personnel responsible for the management of climate-, nature- and other sustainability-related risks and opportunities, the oversight, implementation, and audit of ESG policies, and to increase financing flows to green, social, and/or sustainability-focused investments.
- **Staff knowledge and capacity.** Management should develop and maintain the necessary knowledge and capacity of staff on climate-, nature- and other sustainability-related risks and opportunities and on green, social, or sustainability-focused financial products. Specifically, the first line of defense (operations) should have sufficient understanding and awareness to identify financial sustainability-related risks.
- **Stakeholder communication.** Management should establish and maintain external communications mechanisms with stakeholders in relation to ESG issues.

2. DEVELOPING AN INTEGRATED SUSTAINABILITY STRATEGY

Banks should integrate sustainability initially into their long-term goals and objectives and eventually into strategy development, business model, target setting, and financial planning. Best practices include:

- **Business Environment.** Understanding of the impact of sustainability factors on the business environment, to make informed strategic and business decisions.
- **Business Model.** Analysis of the long-term viability of the organization's strategy and business model under various climate, nature, and other sustainability-related challenges. This includes the impact of structural changes in the economy, financial system and competitive landscape resulting from climate-, nature- and other sustainability-related risks and opportunities, as well as changing regulations, consumer preferences and market expectations.
- **Strategic Planning.** Integration of sustainability in strategy development and strategic planning, focusing on climate-, nature- and other sustainability-related risks and opportunities in lending and investments activities as well as in operations and the supply chain. Stakeholder concerns and expectations should be considered in the bank's strategy.
- **Scenario planning and transition plans.** Scenario analyses to assess the resilience of their business models and strategies to climate-, nature-, and sustainability-related risks. Climate transition plans, including goals, actions, and accountability mechanisms to align business activities with a decarbonization/net-zero pathway within a defined timeframe.[2].
- **Financial Planning.** Analysis of the effect of significant climate-, nature- and other sustainability-related risks and opportunities on the entity's financial planning and investments, access to finance and cost of capital.
- **Metrics and Targets.** Establish metrics and targets to manage and monitor sustainability-related risks and opportunities.

Best Practice: Climate Transition Plans

Financial institutions should develop and disclose climate transition plans, including goals, actions, and accountability mechanisms to align their business activities with a decarbonization/net-zero pathway within a defined timeframe.

[2] Tools include:

- Partnership for Carbon Accounting Financials (PCAF)
- Science Based Targets (SBTi)
- Paris Agreement Capital Transition Assessment (PACTA)
- Transition Pathway Initiative
- Poseidon Principles

3. SUSTAINABILITY AND RISK MANAGEMENT

Banks should integrate climate-, nature- and other sustainability considerations into their overall risk management process and evaluate the impact of sustainability on their risk profile and capital adequacy.[3] This includes identifying, assessing, monitoring and managing climate-, nature- and other sustainability-related risks that could materially impair the bank's financial condition, including their capital resources and liquidity positions.

Best practices include:

Assessment and monitoring of sustainability risks

- Analyzing the risk to the loan portfolio presented by climate change, natural resource constraints, human rights concerns, or other broad sustainability trends.
- Developing policies, procedures, and management systems to conduct ESG risks due diligence at the client, transaction, and/or project level.
- **Probability and magnitude.** Determining the magnitude and probability of climate-, nature- and other sustainability-related risks, and ranking them relative to other risks. Assessing how risks can materialize over different time horizon.
- **Credit, liquidity, market, and operational risks.** Assessing the impact of sustainability on traditional risks facing financial institutions, including credit risk, liquidity risk, market risk, and operational risks.
- **Risk concentration.** Assessing the risk of concentrations in specific industry and geography, including high-GHG-emitting sectors or priority sectors for climate adaptation including agriculture, forestry, energy, extractive industries, transportation, and tourism.
- **Exposure to high sustainability risk sectors.** Identifying, measuring, and reporting on exposure to sectors which are vulnerable to climate and environmental transition risk (e.g., high carbon intensity and impact to natural carbon sinks) and physical risk (e.g., sensitive to acute climate and weather-related event and loss of ecosystem services).
- **Monitoring and reporting.** Accurate data monitoring and internal reporting of material sustainability risks to ensure effective board oversight and senior management decision-making. Regular review and monitoring of sustainability risk exposure from lending and investments at the aggregate portfolio level. Monitoring sustainability risks at the client, transaction, and/or project level throughout the project cycle (i.e., after investment approval).

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[3] Risk management and capital adequacy are linked as capital adequacy is based on a ratio of eligible capital to risk-weighted assets. To the extent that sustainability-risks impact the risk-weighing of a bank's assets, it will also impact its capital adequacy ratios.

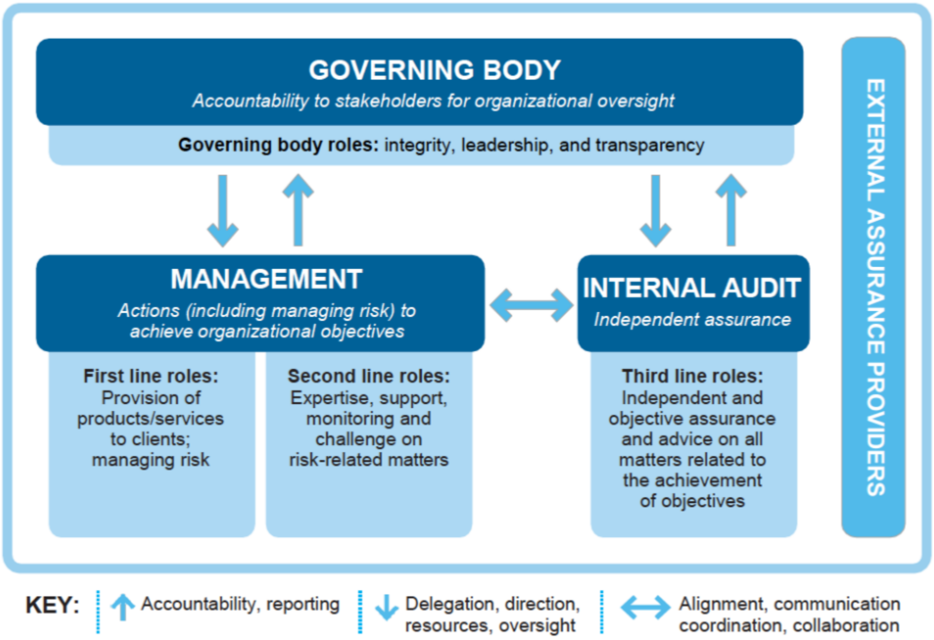
Management of sustainability risks

- **Decision process.** Establishing a decision-making process to mitigate, reduce, transfer, or accept and manage climate-, nature- and other sustainability-related risks, including definitions and thresholds for materiality, and key risk indicators. This includes measures to encourage clients to mitigate climate-, nature- and other sustainability-related risks, such as loan pricing incentives. Adopting exclusion lists of products, activities, or sectors not recommended for financing.
- **Internal limits.** Risk mitigation measures should include internal limits for the various types of material environmental and social risks, and their impact on the credit, market, liquidity, and operational risk profile. This includes account control measures for industries that do not fit into the risk appetite or sustainability strategy.
- **Responsibilities.** Establishing responsibilities for sustainability risk management throughout organization, including in the finance, credit risk, business, operations, and compliance departments.
- **Risk management framework.** Integrating sustainability risks in the risk management and control framework, including risk appetite and tolerance, and applied across the three-line-of-defense model (client facing, risk function and internal audit). This includes managing financial risks climate, nature and other sustainability issues in the business units during client on-boarding (first line of defense), as part of risk management, monitoring, and assessment of business units (second line) and through independent internal audit of the effectiveness of first and second line of defense (third line).
- **Credit risk management.** Consider sustainability-related risks at all stages of the credit-granting process and monitor climate-, nature- and other sustainability-related risks in the loan portfolio.
- **Market risk.** Monitor the effect of sustainability factors on market risk position and future investments.
- **Capital and liquidity adequacy.** Integrating climate-, nature- and other sustainability-related risks in the internal capital and liquidity adequacy assessment process, including their stress testing[4] programs.

See Figure 5 below on the Three-line of Defense Model and the box on the European Central Bank (ECB) recommended disclosures for scenario analysis and stress testing for climate-related and environmental risks.

[4] Stress testing is the evaluation of a financial institution's financial position under a severe but plausible scenario. Basel Committee on Banking Supervision.

Figure 5. The Three-line of Defense Model



Source: IIA

Best Practice: Scenario Analysis and Stress Testing for Climate-related and Environmental Risk. The European Central Bank.

As part of the internal capital adequacy assessment process (ICAAP), institutions are expected to conduct a tailored and in-depth review of their vulnerabilities through stress testing.

The stress scenarios should comprise all material risks that may deplete internal capital or impact regulatory capital ratios and be used as part of the institution's stress-testing programme in both the economic and normative perspective. For physical risk, institutions are expected to consider using scenarios that are in line with scientific climate change pathways, such as International Panel on Climate Change (IPCC) or International Energy Agency (IEA) scenarios. … the following aspects are expected to be considered:

- how the institution might be affected by physical risk and transition risk.
- how climate-related and environmental risks might evolve under various scenarios, taking into account that these risks may not be fully reflected in historical data.
- how climate-related and environmental risks might materialise in the short, medium, and long-term depending on the scenarios considered.

The normative perspective is expected to cover a forward-looking horizon of at least three years. Institutions are expected to consider adopting a longer time horizon for climate-related and environmental risks given the likelihood that they will mostly materialise in the medium to long term. In particular, longer time horizons could be reflected in stress testing in the economic perspective.

Source: ESG Disclosure Guidance for Financial Institutions. ECB.

4. MANAGING SUSTAINABILITY IMPACTS

Banks can have a tremendous impact on sustainable development – albeit indirect –through the companies, assets, projects, or individuals that they finance and should therefore integrate sustainability considerations in their lending and investment process, to manage sustainability impacts in loan and investment portfolio, promote financial inclusion and develop new products to finance sustainability.

Banks should also manage sustainability impacts from their own operations and their supply chain, including the environment, employee retention and integrity, fair treatment of customers and ethical conduct.

4. 1 SUSTAINABILITY IMPACT IN LENDING AND INVESTMENTS

Beyond risk management and capital adequacy (see Section 3, banks should leverage their position as lenders, investors, and financial intermediaries to manage sustainability impact in their lending and investments portfolio.

Environmental and social management systems (ESMS) for banks

The development of an Environmental and Social Management System (ESMS) is a crucial first step for any bank embarking on its sustainability journey. An ESMS enables a bank to systematically incorporate environmental and social (E&S) risks associated with the business activities of clients. The following are best practices that banks can adopt in establishing an ESMS[5]:

- **E&S Policy.** Articulate the financial institution's commitment to integrating sustainability considerations into its business activities as well as contributions to sustainable development.
- **E&S Standards.** Establish an exclusion list of activities the bank will not finance aligned with the IFC Exclusion List and requirements for clients to comply with, including national environmental and social regulations and the IFC Performance Standards (where applicable).
- **Risk Categorization.** Develop categorization criteria aligned with the IFC categorization criteria (high, medium, or low). Categorization determines the extent of the ESG due diligence that will be required for clients. Level of due diligence to also be determined by the materiality of E&S risks to the transaction (based on the transaction size, tenor, and product type).
- **E&S Due Diligence.** Review any potential E&S risks associated with the business activities of a client against the applicable requirements as detailed in the E&S policy.

[5] Source: IFC Performance Standards and the IFC Interpretation Note on Financial Intermediaries. For further guidance on integrating E&S risks into a bank's transaction process see the IFC First Website. https://firstforsustainability.org/

- **Corrective Action Plan.** Where appropriate, develop a corrective action plan with a timeframe for the client to implement appropriate mitigation measures to comply with the financial institution's environmental and social requirements.
- **Monitoring E&S Performance**. Where appropriate, monitor the client's completion of the corrective action plan and the overall sustainability performance of the client. Review and monitoring of sustainability risk exposure from lending and investments at the aggregate portfolio level.
- **Internal and External Reporting.** Report internally and externally on the aggregate findings from monitoring clients environmental and social performance to better understand their overall exposure to E&S risk through its portfolio.
- **E&S Covenants in Legal Agreements.** Incorporate E&S clauses in legal agreements with clients/investees to reduce a financial institution's exposure to potential associated environmental and social risks.

Financing sustainability

Integrating ESG in lending and investment decisions can generate positive environmental and social benefits and create new streams of revenue for banks. Banks should introduce financial products specifically addressing ESG issues, such as green and sustainability loans, trade finance, guarantee instruments. Best practices include:

- Raising capital that is specifically dedicated to funding financial inclusion and sustainable finance, either through use-of-proceed or sustainability-linked loans and bonds, following standards, guidance, and other national and international best practices for sustainable finance.
- Establishing policies and procedures for defining, issuing, managing proceeds, tracking performance, and reporting on green, social, or sustainability-focused products.
- Introducing commercial financing with proceeds specifically dedicated to green, social, or sustainable activities (use-of-proceed loans), or with interest rates linked to sustainability performance (sustainability-linked loans), following standards, guidance, and other national and international best practices for sustainable finance.
- Classifying the loan portfolios according to international, regional, or internal taxonomies, and publicly report on the total amount and proportion of green and sustainable finance in their portfolio.
- Introducing operational staff performance targets related to sustainability-focused products.

Best Practices: Sustainability-linked Finance

As part of managing their own sustainability targets, banks can put in place programs to educate companies on ESG and provide low-interest loans on projects that promote and embrace ESG.

Best Practices: Blended Finance

Banks in Rwanda can work with development finance institutions (including the Bank of Rwanda for Development) to help finance companies or individuals in markets that are critical for sustainable development but that are too risky for traditional commercial financing.

Promoting Financial inclusion

Banks have a commercial interest and a social responsibility to ensure financial inclusion and provide access to – and education about – their products and services for underserved banking customers. Best practices include:

- Expanding access to financial products and services to underserved banking customers, including lower-income individuals, youth, women and women-led businesses, micro businesses, small farmers and landholders, and small and medium-sized companies.
- Promoting the development of innovative products and services that target underserved and vulnerable groups, including digital finance.
- Allocate resources for customer education and information about financial products and services to promote financial literacy and consumer protection.
- Mitigate against potential exclusionary effects of bank sustainability and other policies and practices on underserved banking customers and vulnerable groups and economic sectors.

4.2 Sustainability Impacts in Operations

Beyond their financing operation, banks face specific sustainability issues in their operations and supply chain, including the environment, employee retention and integrity, fair treatment of customers and ethical conduct.

Environment and climate

Banks should strive to reduce negative impacts on the environment and natural resources (such as GHG emissions, pollution, etc.) and improve resource efficiency (energy, water) and, if relevant, steps to protect biodiversity and adapt to the effect of climate change. Banks should also put in place mechanisms to reduce environmental impacts in the supply chain.

Employees

Banks should promote the economic well-being and career growth of their employees, to always improve recruiting and retention. This includes employee training and development, including re-skilling employees to adapt to new technologies and artificial intelligence.

They should also promote diversity, equity, and inclusion, ensure equal treatment, and avoid gender, ethnic or other types of discrimination, including for people with disability.

Banks should promote professional integrity to ensure ethical compliance and manage heightened exposure of employees to risks of financial fraud and money laundering (see Ethics below)."

They should also put in place mechanisms to ensure the health, safety, and economic well-being of workers in the supply chain, and protect against human rights violation.

Customers

Banks should promote responsible lending and consumer protection by educating potential and current customers about the services offered by the firm and allocating resources towards financial literacy.

Banks should strive to always improve the quality of services and access to financial services for all sections of the population, including using new technology and artificial intelligence.

At the same time banks should ensure that technology does not create new barriers to accessing finance and strike a balance between (i) the use of new technology and consumer data to provide better services and (ii) the protection against data breach and misuse of personal data for ulterior purpose.

Banks should ensure data privacy and security for their customers, consistent with Rwanda's Data Protection and Privacy Law (2021).

> **Best Practice: Rwanda's Data Protection and Privacy Law (2021)** provides very detailed instruction for companies and banks that process personal data of customers, including registration requirements with the National Cyber Security Authority (NCSA), restrictions for transfer to third parties, procedures for data breach and further limitation for children information.

Ethics

Given the nature of their activities, banks are subject to many ethic rules including insider trading, market manipulation, tax evasion, fraud, money laundering, and corrupt practices.

Banks should ensure ethical conduct throughout the organization, including legal compliance, paying a fair share of taxes, transparency in political contributions and avoiding corruption and bribery, especially for operations in countries with a high corruption perception index.

Specifically, banks should focus on prevention of fraud, anti-competitive practices, money-laundering, financing, and/or processing financing of prohibited activities, improper handling of personal data, banking secrets and other information with protected confidentiality, insider dealing and market manipulation.

5. PERFORMANCE MONITORING AND MEASUREMENT

Banks should monitor their performance in relation to sustainability-related risks and opportunities in financing activities, operations, and the supply chain, following the metrics and targets set during the strategy development and risk management processes.

Initially, KPIs can be used for internal reporting processes to senior management and the board. Eventually KPIs can be publicly disclosed in the bank's ESG report.

The following are best practices that banks can adopt when integrating sustainability into performance monitoring and measurement.

- **Sustainability performance**. Measuring and monitoring performance in managing significant sustainability impacts, risks, and opportunities, in financing activities, operations, and the supply chain, following the metrics and targets set during strategy development and risk management.
- **Financial impact**. Measuring and monitoring the effect of climate-, nature- and other sustainability-related risks and opportunities on the entity's financial performance and cash flow, and its financial condition, including capital resources and liquidity positions
- **Risk impact.** Measuring and monitoring the effect of climate-, nature- and other sustainability-related risks and opportunities on the entity's credit risk, liquidity risk, market risk, and operational risks.
- **Internal and external reporting.** Ensuring that performance information is reported internally to the Board of directors and externally to relevant stakeholders and investors.

See *Annex 2. List of Common ESG Metrics and Key Performance Indicators for Banks* for examples of metrics that banks can use to monitor performance and set targets.

Figure 6. Mapping the financial impact of sustainability issues.

Stylised example of the mapping of climate-related risks to financial impacts

Climate-related risk drivers	Potential financial impact	Time frame	Impact on risk profile	Impact on strategy
Policy and legal	Depreciation of assets of carbon-intensive companies in the investment portfolio.	1-3 years	**	****
Technology	Corporates clients in the car industry affected by a substitution of existing products and services.	3-5 years	*	***
Market sentiment	Consumers and investors favouring more sustainable products	1-3 years	****	*
Acute physical risk	Damage to property and assets in high-risk locations	1-3 years	*	**
Chronic physical risk	Increased costs for customers to address damages or losses caused by climatic incidents affecting their ability to pay	1-3 years	*	**

Source: ECB.

6. DISCLOSURE AND TRANSPARENCY

Banks should actively disclose material and reliable sustainability information – together with financial information – and integrate such disclosure in the institutions' regular communication and reporting channels, including the annual report and other investor and stakeholder communications.

This is consistent with regulation by the National Bank of Rwanda, which has extended the requirement for financial services sector players such as banks and insurance companies to prepare integrated annual reports covering social, environmental, and economic impacts.

This section provides guidance on what to report (reporting content) and how to report it (quality and presentation of information). Appendix 1 provides a template for ESG reporting.

5.1 Reporting Content

Bank should report on the process and outcome of how they manage and govern sustainability. This is consistent with the modern standards on sustainability reporting including TCFD, TNFD and IFRS.

- **Governance.** The report should include information on the structure and processes in place for the board oversight of climate-, nature- and other sustainability-related risks and opportunities.
- **Strategy**. The report should explain the effect of climate-, nature- and other sustainability-related risks and opportunities on the business model, strategy, and financial planning.
- **Risk Management**. The report should detail the processes used to identify, assess, prioritize, and monitor climate-, nature- and other sustainability-related risks and their impact on the risk profile of the bank.
- **Metrics and targets**. The report should describe the metrics and targets used to assess and manage material climate-, nature- and other sustainability-related risks and opportunities.
- **Performance**. Reporting should include quantitative results against disclosed targets and an analysis of trends or significant changes in its performance. It should also describe the effect of climate-, nature- and other sustainability-related risks and opportunities on the entity's financial position, financial performance, and cash flow. Please refer to *Annex 2. List of Common ESG Metrics and Key Performance Indicators for Banks*.

5.2 MATERIALITY

Banks should also report on the process to identify materiality issues for management, governance, and reporting.

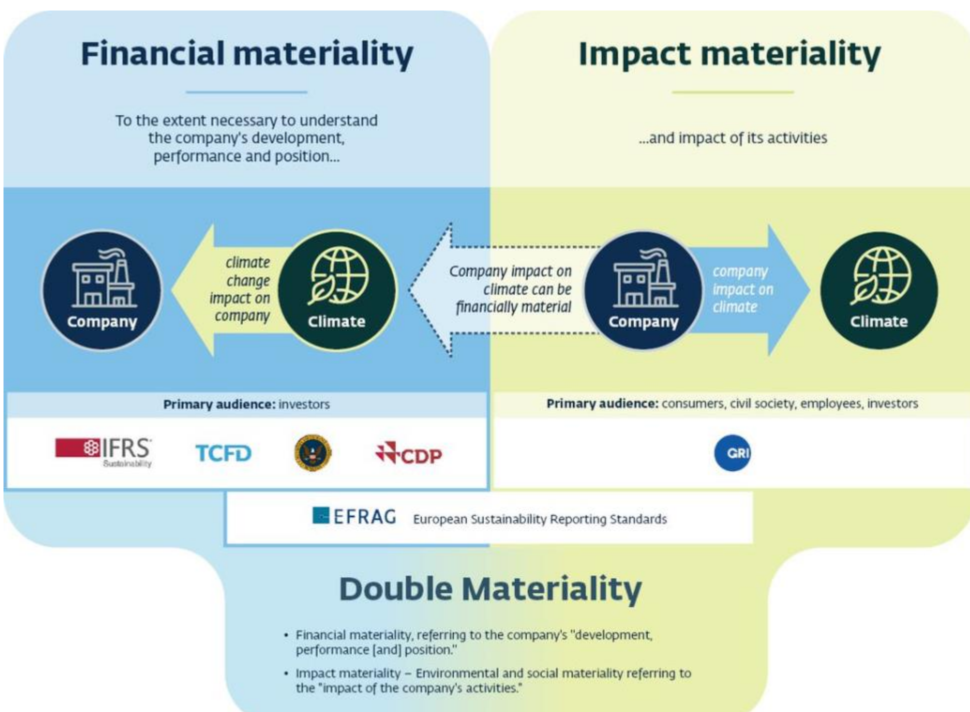
To assess the materiality of sustainability issues, banks can apply the concept of **double materiality[6] and disclose matters that are material from either a financial or an impact perspective (Figure 7** according to European Sustainability Reporting Standards (ESRS)[7]:

- A sustainability matter is material from a **financial perspective** if it triggers or could reasonably be expected to trigger material financial effects on the organization, operational and financial performance, financial position, cash flows, access to finance and cost of capital.

- A sustainability matter is material from an **impact perspective** when it pertains to impacts on people or the environment over the short-, medium- or long-term, including those connected with the organization's own operations and associated with bank clients.

A common method for identifying and disclosing material issues following the double materiality concept is to create a ***materiality matrix*** that ranks the importance of sustainability issues to the Bank against the perception of its key stakeholders (**Error! Reference source not found.**).

<u>**Figure 7 The Concept of Double Materiality**</u>

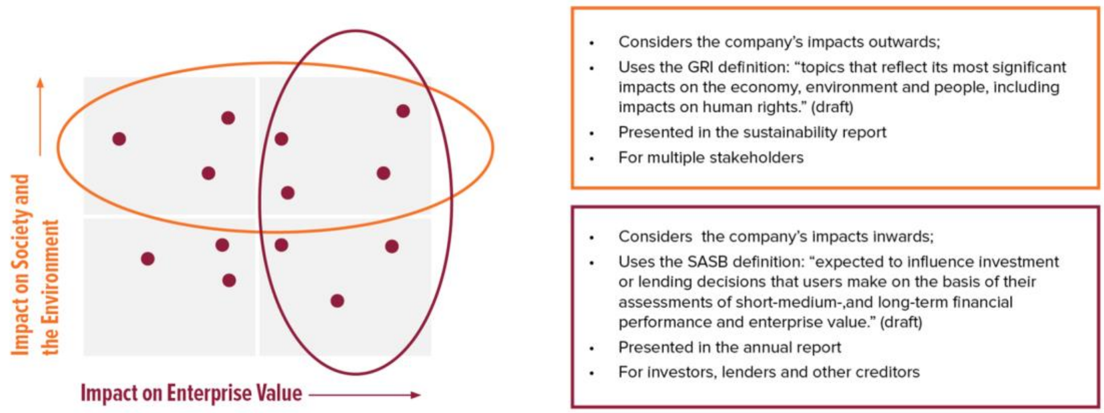


Source: IFC.

[6] The concept of double materiality is defined by the European Commission Corporate Sustainability Reporting Directive (CSRD).

[7] See ESRS 1 – General Requirements.

<u>Figure 8 Example Materiality Matrix (Source: Business for Social Responsibility)</u>



Source: BSR

Another method is to assess the materiality of sustainability issue through a multi-factor test, looking at:

- Direct financial impacts and risk
- Legal, regulatory and policy drivers
- Industry norms, best practices, and competitive drivers
- Stakeholder concerns & social trends
- Opportunities for innovation

See the box below on SASB's multi-factor materiality assessment test.

Best Practice: The SASB's Five-Factor Materiality Test

The SASB designed an evidence-based approach to help select the sustainability topics for which to develop a corresponding standard. This five-factor test can also help a company's management select material sustainability topics that should be reported.

The first factor addresses direct financial impacts and risks related to the company's performance on each topic. Each of the next three factors addresses drivers and trends that have the potential for indirect impact on the company's financial performance. The fifth factor addresses upside opportunities that can have an impact on the company's financial performance.

- DIRECT FINANCIAL IMPACTS & RISK: This factor assesses the likelihood that corporate performance on the topic will have a direct and measurable impact on near- or medium-term financial performance.
- LEGAL, REGULATORY & POLICY DRIVERS: Existing, evolving, or emerging regulation may influence company actions and affect financial performance by forcing the internalization of certain costs and/or by creating upside opportunity associated with sustainability-related externalities.
- INDUSTRY NORMS, BEST PRACTICES, & COMPETITIVE DRIVERS: Peer actions and disclosure on industry issues may create pressure for high standards of performance related to the management and disclosure of sustainability topics to remain competitive and satisfy investors.
- STAKEHOLDER CONCERNS & SOCIAL TRENDS: Stakeholders may raise concerns that could influence medium- or long-term financial or operating performance or create acute short-term financial impacts through changes in customer demand, influence on new regulations, and disruptions to business viability.
- OPPORTUNITIES FOR INNOVATION: New products and business models to ad- dress the topic can drive market expansion or have the potential for a disruptive change that provides new sources of competitive ad- vantage. Financial impacts and risks associated with these innovations may be of interest to investors.

Source: SASB

5.3 Information Quality

The quality of ESG information shares many attributes with the quality of financial accounting around the fundamental characteristics of ***relevance*** and ***reliability***, and enhancing characteristics around verifiability, comparability, and understandability.

Relevance of Information

According to the European Sustainability Reporting Standards (ESRS),[8] sustainability information is ***relevant*** when it may make a difference in the decisions of users, either as an input to predict future outcomes (***predictive value)*** or as confirmation of previous evaluations ***(confirmatory value***). ***Materiality*** is key aspect of relevance. It is an entity-specific concept based on the probability and magnitude of the impact of the items to which the information relates, either from a financial or an impact perspective (***double materiality).***

Reliability of Information

Sustainability information should be reliable and faithfully represent the matter that it purports to represent. Information should be ***complete*** in all material aspects necessary to understand that sustainability impact, risk, or opportunity. It should be ***neutral*** and not treat certain matters more favorably or make judgements under conditions of uncertainty. Lastly should be ***accurate*** based on internal controls to avoid material errors or material misstatements.

Enhancing Characteristics of Information

Sustainability information should be **clear**, **concise,** and **understandable** to a reasonably knowledgeable user of the information. It should also be **comparable** overtime, with information provided by the bank in previous periods and it should be comparable with industry peers in similar activities or industry. Lastly, it should be **verifiable**, including the inputs used to derive it.

Assurance of non-financial information

Banks should commission an independent third-party audit and assurance of disclosed financial and non-financial sustainability information.

5.4 Reporting format and frequency

Banks should disclose material ESG information through appropriate communication channels to reach their stakeholders and investors. This can be done by integrating ESG disclosures in the annual report or by issuing a dedicated ESG report. If disclosure of ESG information in the annual report is limited to what is financially material, additional information relevant to stakeholders can be provided separately through a more comprehensive standalone ESG report and/or the corporate website.

[8] See ESRS 1 – General Requirements.

Refer to **Annex 1. ESG Reporting Template** for further guidance on disclosing how the bank manages and governs sustainability across its financing activities, internal operations, and supply chain.

ANNEXES

ANNEX 1. ESG REPORTING TEMPLATE

The sustainability report should address how the organization manages and governs sustainability across its financing activities, internal operations, and supply chain. It should also address the material sustainability issues identified by the organization and the process to assess them. This information should be integrated in the organization's regular communication and reporting channels, including the annual report and other investor and stakeholder communications.

SUGGESTED FORMAT

Governance	• Describe the structure and processes in place for the board oversight of sustainability-related risks and opportunities.
Management of Sustainability	• Describe how sustainability risks and opportunities are managed by the organization.
Strategy and Resource Allocation	• Describe the process of assessing the impact of sustainability for the business model, strategy development, targets setting, and financial planning. • Disclose the material impacts of sustainability on the organization's strategy.
Risk Management	• Describe the processes used to identify, assess, prioritize, and monitor sustainability-related risks and their impact on the risk profile of the bank. • Disclose material impacts of sustainability on the organization's risk profile and management.
Metrics and targets	• Describe the process of identifying and measuring metrics and targets. • Disclose the metrics and targets used to assess and manage material sustainability-related risks and opportunities.
Performance	• Disclose the performance of the organization on material sustainability issues, in qualitative and quantitative terms, including results against target set during the strategic process. • Provide an analysis of trends or significant changes in performance. • Describe the effect of sustainability-related risks and opportunities on the entity's financial position, financial performance, and cash flow.
Material sustainability issues for banks	• Report on the process to identify materiality issues for management, governance, and reporting. • Disclose the specific sustainability risks and opportunities that were identified as material for the organization (using the double materiality concept), including:

	- Sustainability issues in operations and the supply chain (e.g., Environment and climate, employees, customers, ethics); and - Sustainability impact in financing activities (e.g., managing sustainability impact in banks' lending and investments portfolio, financing sustainability, and financial inclusion)

ANNEX 2. LIST OF COMMON ESG METRICS AND KEY PERFORMANCE INDICATORS (KPIS) FOR BANKS

This list represents most common ESG metrics and KPIs used by banks to report on sustainability management and performance. It is derived from major international standards for sustainability reporting by banks (SASB, TCFD, EBA, etc.). Many of the metrics can also be used to highlight a bank's contribution to the SDGs.

ENVIRONMENT AND CLIMATE	
	• Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, including financed GHG emissions[9]. Distance of those emissions to a Paris-aligned net-zero scenario • Targets used by the organization to manage climate-related risks and opportunities and performance against targets. • Scenario analysis of climate change. • Energy consumed (GW), % grid electricity, % renewables, intensity (energy/sales).
EMPLOYEES	
Management System	• Policy on labor conditions. • Policy on employee diversity.
Workers Relations	• % of employees under collective bargaining. • Voluntary and involuntary employee turnover rate by major employee category.
Workers Treatment	• Workforce composition: # of employee vs contract workers. • Average hourly wage. • Healthcare and other benefits provided to employees. • Hours of training per year per employee, broken down by gender. • Employee turnover rate.
Diversity	• Gender and racial/ethnic group and age representation by major employee category (%). • Pay ratio of women to men, minor to major ethnic groups. • Percentage of female representation on the Board of Directors.
PRODUCTS & CUSTOMERS	
Responsible Lending	• (1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development. • Measures aimed at combating predatory financing practices and credit crunching. • Customer satisfaction (percent of customers surveyed; percent satisfied).
Financial Inclusion	• (1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development • Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers. • Activities aimed at improving financial literacy.
Data Privacy & Security	• Policies and practices on collection, usage, and retention of customer information. • % of users whose customer information is collected for secondary purpose, % who opted in. • Number of data security breaches, percentage involving customers' personally identifiable information (PII), number of customers affected. • Discussion of management approach to identifying and addressing data security risks.

[9] GHG emissions of the institution's counterparties (borrowers financed projects or entities.

ETHICS	
Anti-corruption, ethics and fraud prevention	• Efforts to prevent anti-corruption, bribery and money laundering in the financial institution and the value chain and promote business integrity and ethics (codes, policies, prevention & treatment). • Description of the whistleblower policies and procedures. • Fines and settlements for corruption or bribery, description of major fines and corrective actions. • Number of identified cases of corruption in the reporting year. • Measures to protect against customer financial fraud, including credit cards. • Total amount of losses as a result of legal proceedings associated with fraud, anti-trust, anti-competitive, market manipulation, malpractice, or other industry regulations.
Political spending	• Political spending, lobbying expenditures (including trade associations) ($).
Tax	• Effective tax rate.
INTEGRATION OF SUSTAINABILITY IN LENDING AND INVESTMENT ACTIVITIES	
Management of sustainability in Lending and Investment Activities	• Environmental and Social Risk Management (ESRM) policy. • Discussion of how sustainability factors are integrated into the lending process and credit analysis • Discussion of credit risk to the loan portfolio presented by climate- or nature-related physical or transition risks, human rights concerns, or other broad sustainability trends • Volume of lending and other financing in sectors that are major contributors to climate change[10] or nature change and share of the total volume. • Percentage of loans that have undergone sustainability screening; percentage of loans rejected based on sustainability criteria.
Sustainable finance	• Amount and proportion of green, social, and sustainable finance provided by the bank in the reporting year. Total amount and proportion in the loan portfolio. • Amount and proportion of green, social, and sustainable finance raised by the bank in the reporting year. Total amount and proportion outstanding in the capital structure. • Financial products and services aimed at solving environmental or social problems (list and amount of funding). • Financial products aimed at supporting individual social groups and small businesses (list and amount of funding). • Allocation of green, social, and/or sustainability loans, bonds, or other positive impact investments. • Outcomes (e.g., GHG emissions reduction) of green, social, and/or sustainability bonds and/or loans.

[10] According to EBA Draft, these include non-financial companies in defined sectors that highly contribute to climate change and to companies in carbon-related sectors (other than such investments in the institution's held-for-trading or held-for-sale portfolios).

Annex 3: Alignment with Global Sustainability Management and Reporting Standards

The Guidelines are consistent with **emerging standards on the management of sustainability issues by financial institutions**, including:

- UNEP Finance Initiative (UNEP-FI) Principles for Responsible Banking
- Equator Principles
- Basel Principles for the Effective Management and Supervision of Climate-related Financial Risks
- European Central Bank (ECB) Guide on climate-related and environmental risks
- Applying Enterprise Risk Management to ESG-related Risks (COSO, WBCSD)
- IFC Corporate Governance Methodology
- IFC Performance Standards
- Sustainable Banking and Finance Network - Measurement Framework and Methodology

They are also inspired by **regional guidance** including:

- Guidance on Climate Related Risk Management, Central Bank of Kenya
- Kenya Sustainable Banking Principles
- Nigeria Sustainable Banking Principles

The Guidelines incorporate best practices from major international sustainability reporting standards, frameworks, and initiatives. This includes stakeholder-oriented sustainability reporting, focusing on key economic, social, and environmental impact of the private sector.

- European Sustainability Reporting Standards (ESRS)
- Global Reporting Initiative (GRI)

They are also based on investor-oriented sustainability reporting, focused on integrating sustainability in strategic and governance.

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- Taskforce on Climate-related Financial Disclosure (TCFD) Recommendations for Climate Financial Disclosures
- Taskforce on Nature-Related Financial Disclosure (TNFD)

Lastly, the Guidelines reflect best practices from several internationally recognized frameworks that provide specific recommendations for financial institutions to disclose key environmental and social information. These include:

- TCFD Supplemental Guidance for the Financial Sector,
- SASB Sustainability Accounting Standards for Commercial Banks,
- European Banking Association (EBA) Final Draft Implementing Standards on Prudential Disclosure on ESG Risks.