SUSREG Tracker

ANALYSES

Generated on 2021-12-08

Assessment results for selected countries

Assessment graphs explained

Scope explained

C: Climate **E**: Environment **S**: Social

Assessment results explained

Indicator fully met

Indicator partially met

Indicator not met

N/A Indicator not applicable

Enforcement level explained

Regulations or supervisory expectations issued by the banking regulator or supervisor; application is mandatory or strongly encouraged; verification of compliance is performed by the supervisor (as part of the supervisory dialogue) and consequences for non-compliance can vary.

Guidance on good practices or recommendations issued by the banking regulator or supervisor; application is not mandatory but encouraged; no verification of compliance is performed by the supervisor.

Guidelines issued by the national banking association or that are industry-led; application is voluntary; no verification of compliance is performed by the supervisor.

NB: the above colour coding is applicable to the *Microprudential supervision (supervisory expectations), Micro-prudential supervision (rule-based) and Disclosure & transparency* sections. For the latter section, the colour of the donut graphs' center is aligned with that for the *Microprudential supervision (supervisory expectations)* section. In the absence of relevant regulations or guidelines, either mandatory or voluntary, the center of the donut chart is left empty.

All Indicators	Brazil			Canada			Chile			Colombia			Costa Rica			Mexico			United States		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S
Banking supervision																					
Micro-prudential supervision (supervisory expectations)																					
1.1.0. Principle-based regulations or supervisory expectations related to sustainable banking have been issued and are applicable to all supervised commercial banks.	✓			⚊			⚊			⚊			⚊			⚊			⚊		
Scope & implementation																					
1.1.1. The regulations or supervisory expectations cover a broad range of environmental and social (E&S) issues.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗	✓	✓	✓	✗	✗	✗
1.1.2. The regulations or supervisory expectations extend beyond lending to cover other financial products & services provided by banks.	✓			⚊			⚊			✓			⚊			✓			⚊		
1.1.3. Public consultation was carried out prior to the official issuance of regulations or supervisory expectations.	✓			⚊			⚊			⚊			⚊			⚊			⚊		
1.1.4. The supervisor regularly assesses the banks' implementation of regulations or supervisory expectations.	✓			⚊			⚊			⚊			⚊			⚊			⚊		
Strategy & governance																					
1.2.1. Banks are expected to integrate E&S considerations in their business strategy, consistent with the size and nature of their operations.	✓	✓	✓	✗	✗	✗	✗	✗	✗	⚊	⚊	⚊	✗	✗	✗	✓	✓	✓	✗	✗	✗
1.2.2. Banks are expected to factor both short-term and longer-term E&S considerations in their business strategy.	⚊	⚊	⚊	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

All Indicators	Brazil			Canada			Chile			Colombia			Costa Rica			Mexico			United States		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S
1.2.3. Banks are expected to include oversight of their E&S strategy implementation in their board's responsibilities.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗
1.2.4. Banks are expected to regularly provide their board with relevant information related to the implementation of their E&S strategy.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.2.5. Banks are expected to include criteria related to their E&S strategy implementation in their appraisal and remuneration policy.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.2.6. Banks are expected to dedicate staff and resources to the definition and implementation of their E&S strategy.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗
1.2.7. Banks are expected to define the roles and responsibilities of the various teams (incl. senior management) involved in the implementation of their E&S strategy.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗
1.2.8. Banks are expected to conduct regular training on relevant E&S issues for their board, senior management, business lines and functions.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗	✓	✓	✓	✗	✗	✗
1.2.9. Banks are expected to conduct stakeholder engagement on relevant E&S issues, incl. with civil society representatives.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗	✓	✓	✓	✗	✗	✗
Policies & processes	◕	◕	◕	○	○	○	○	○	○	◕	◕	◕	○	○	○	◕	◕	◕	○	○	○
1.3.1. Banks are expected to develop and implement sector policies outlining minimum E&S requirements for their clients, particularly in sectors with high E&S risks and impacts.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗	✓	✓	✓	✗	✗	✗

All Indicators	Brazil			Canada			Chile			Colombia			Costa Rica			Mexico			United States		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S
1.3.2. Banks are expected to refer to internationally recognized sustainability standards and certification schemes in their E&S sector policies.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓-	✓-	✓-	✗	✗	✗	✓	✓	✓	✗	✗	✗
1.3.3. Banks are expected to engage with and support their clients on the adoption of best practices, based on internationally recognized sustainability standards and certification schemes.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓-	✓-	✓-	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.3.4. Specific guidelines or checklists covering the banks' activities in sectors with high E&S risks and impacts have been issued by the supervisor.		✓			✓-			✓-			✓-			✓-			✓-			✓-	
1.3.5. Banks are expected to integrate E&S considerations in their decision-making and risk management processes.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗	✓	✓	✓	✗	✗	✗
1.3.6. Banks are expected to put in place internal controls to manage E&S risks, in accordance with the three lines of defence approach.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.3.7. 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.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗
1.3.8. 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 sector policies or with applicable laws and regulations.	✓-	✓-	✓-	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Portfolio risks & impacts																					
1.4.1. Banks are expected to assess and mitigate their portfolio-level exposure to material E&S risks.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

All Indicators	Brazil			Canada			Chile			Colombia			Costa Rica			Mexico			United States		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S
1.4.2. Banks are expected to assess and mitigate their portfolio-level exposure to material E&S risks, by using forward-looking scenario analysis and stress-testing.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗
1.4.3. Banks are expected to assess and mitigate the material negative E&S impacts associated with their business relationships, at the portfolio level.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.4.4. Banks are expected to set science-based climate targets to align their portfolio with the objectives of the Paris Agreement.	✗	N/A	N/A	✗	N/A	N/A	✗	N/A	N/A	✗	N/A	N/A	✗	N/A	N/A	✗	N/A	N/A	✗	N/A	N/A
1.4.5. Banks are expected to set science-based targets to mitigate negative environmental impacts beyond climate, at the portfolio level.	N/A	✗	N/A	N/A	✗	N/A	N/A	✗	N/A	N/A	✗	N/A	N/A	✗	N/A	N/A	✗	N/A	N/A	✗	N/A
Micro-prudential supervision (rule-based)																					
1.5.1. Banks are expected to integrate E&S considerations in their Internal Capital Adequacy Assessment Process (ICAAP).	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.5.2. Minimum capital requirements or capital add-ons for banks incorporate E&S considerations, through a differentiated risk-based approach.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.5.3. Banks are expected to integrate E&S considerations in their liquidity risk management process.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.5.4. Liquidity ratios are adjusted to take E&S considerations into account, through a differentiated risk-based approach.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Disclosure & transparency																					

All Indicators	Brazil			Canada			Chile			Colombia			Costa Rica			Mexico			United States		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S
1.6.1. Banks are expected to publicly disclose how E&S considerations are integrated in their business strategy, governance, policies and risk management processes.	✓	✓	✓	✗	✗	✗	✗	✗	✗	✓-	✓-	✓-	✗	✗	✗	✓-	✓-	✓-	✗	✗	✗
1.6.2. Banks are expected to use internationally recognized sustainability reporting frameworks to guide their public disclosures.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓-	✓-	✓-	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.6.3. Banks are expected to include information on their E&S strategy and its implementation in their annual report.	✓-	✓-	✓-	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓-	✓-	✓-	✗	✗	✗
1.6.4. Banks are expected to publicly disclose their credit exposure by industry sub-sectors, based on international industry classification systems.		✓-			✓-			✓-			✓-			✓-			✓-			✓-	
1.6.5. 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).		N/A			N/A			N/A			N/A			N/A			N/A			N/A	
1.6.6. Banks are expected to report publicly on their portfolio-level exposure to material E&S risks and the associated mitigation measures.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.6.7. Banks are expected to report publicly on their exposure to and management of climate-related risks and opportunities, in line with the TCFD recommendations.		✓-			✓-			✓-			✓-			✓-			✓-			✓-	
1.6.8. Banks are expected to report publicly on the material negative E&S impacts associated with their business relationships, at the portfolio level.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Macro-prudential supervision	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	◔	○	○	○	○	○

All Indicators	Brazil			Canada			Chile			Colombia			Costa Rica			Mexico			United States		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S
1.7.1. The supervisor has assessed the exposure of banks to material E&S risks and the implications for financial system stability, by using forward-looking scenario analysis and stress-testing.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.7.2. The supervisor has published its methodology for forward-looking scenario analysis and stress-testing for public consultation.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.7.3. The supervisor has published the aggregated results of its stress-testing exercises on material E&S risks, as well as its recommendations.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
1.7.4. The supervisor has developed specific risk indicators to monitor the exposure of banks to material E&S risks.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	⋯	✗	✗	✗	✗	✗
1.7.5. 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.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Leadership & internal organization	◔	◑	◕	◔	○	○	◔	◑	◕	◔	◑	◕	○	○	○	◔	◑	◕	◔	◑	◕
1.8.1. The supervisor is a member of the Network for Greening the Financial System (NGFS).		✓			⋯			✓			✓			⋯			✓			✓	
1.8.2. The supervisor has published an official strategy or roadmap outlining measures to address E&S risks and opportunities in the financial sector, in line with its mandate.	✓	⋯	⋯	✓	✗	✗	⋯	✗	✗	⋯	✗	✗	✗	✗	✗	⋯	⋯	⋯	⋯	✗	✗
1.8.3. The supervisor has established an internal organization and allocated resources to the implementation of its E&S strategy or roadmap.		✓			⋯			✓			✓			⋯			⋯			✓	

All Indicators	Brazil			Canada			Chile			Colombia			Costa Rica			Mexico			United States		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S
1.8.4. 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.	✗	✗	✗	⋯	✗	✗	⋯	✗	✗	⋯	✗	✗	✗	✗	✗	✓	⋯	⋯	✗	✗	✗
Central banking																					
Monetary policy																					
2.1.1. The central bank takes E&S considerations into account when implementing corporate asset purchase programmes.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	N/A			✗	✗	✗
2.1.2. The central bank takes E&S considerations into account in its collateral framework.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
2.1.3. The central bank integrates E&S considerations in the management of its foreign exchange reserves portfolio.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	⋯	⋯	⋯	✗	✗	✗
2.1.4. The central bank offers subsidized loans or preferential targeted refinancing lines based on E&S considerations.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
2.1.5. The central bank takes E&S considerations into account in determining reserve requirements for banks.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Leadership & internal organization																					
2.2.1. The central bank is a member of the Network for Greening the Financial System (NGFS).		✓			✓			✓			✓			✓			✓			✓	
2.2.2. The central bank has published an official strategy or roadmap outlining measures to address E&S risks and opportunities in the financial sector, in line with its mandate.	✓	⋯	⋯	✓	⋯	⋯	⋯	✗	✗	⋯	✗	✗	⋯	✗	✗	⋯	⋯	⋯	⋯	✗	✗

All Indicators	Brazil			Canada			Chile			Colombia			Costa Rica			Mexico			United States		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S
2.2.3. The central bank has established an internal organization and allocated resources to the implementation of its E&S strategy or roadmap.	✓			⋯			✓			⋯			⋯			⋯			✓		
2.2.4. 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).	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
2.2.5. The central bank integrates E&S considerations in its asset management practices (for its own, pension and third-party portfolios as applicable).	✗	✗	✗	⋯	⋯	⋯	✗	✗	✗	✗	✗	✗	✗	✗	✗	⋯	⋯	⋯	✗	✗	✗
2.2.6. The central bank publicly discloses the share of its portfolios that is aligned with existing classification systems for sustainable or unsustainable activities (taxonomies).	N/A			N/A			N/A			N/A			N/A			N/A			N/A		
Enabling environment																					
3.1.1. 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.	⋯			⋯			⋯			⋯			⋯			✓			⋯		
3.1.2. The central bank, supervisor or banking association is supporting capacity building efforts for the banking industry, on sustainable banking practices and related aspects.	✓			⋯			✓			✓			⋯			✓			⋯		
3.1.3. A classification system for sustainable activities (taxonomy) is in place, and has been developed following a science-based and multi-stakeholder process.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

All Indicators	Brazil			Canada			Chile			Colombia			Costa Rica			Mexico			United States		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S
3.1.4. A classification system for unsustainable activities (taxonomy) is in place, and has been developed following a science-based and multi-stakeholder process.	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
3.1.5. Non-financial corporates are required to disclose information on the alignment of their current and planned activities with existing taxonomies for sustainable or unsustainable activities.	N/A			N/A			N/A			N/A			N/A			N/A			N/A		
3.1.6. Targets or incentives are in place for banks to support certain industry sectors, based on E&S considerations.	✓			✓			✓			✓			✓			✓			✓		
3.1.7. 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.	✓			✓			✓			✓			✓			✓			✓		
3.1.8. Targeted mechanisms are in place to promote adherence of sustainable financial products with internationally recognized standards.	✓			✓			✓			✓			✓			✓			✓		
3.1.9. A carbon pricing mechanism is being implemented in the country.	✓			✓			✓			✓			✓			✓			✓		