

**Annex III**

**Sustainable Finance Group  
Department of Regulation  
Reserve Bank of India**

**Survey by the Reserve Bank of India on Climate Risk and Sustainable Finance**

Name of the bank	
Name and Designation of the bank's Senior Officer submitting the Survey	Name: Designation:
Contact Particulars of the bank's Senior Officer submitting the Survey on behalf of the bank	Mobile Number: E-Mail Address:

**Risk Management****1. Do you consider climate-related financial risks as a material threat to the bank's business?**

- i) Yes, and we have mentioned this publicly (Statements by the bank's Top Management or in the bank's publications)
- ii) Yes, but we have not publicly mentioned this yet
- iii) No
- iv) We are yet to analyse the materiality of climate-related risks

**2. What is / are the source(s) of climate-related risks to the bank? (there could be more than one response)**

- i) Physical Risks (i.e. financial risks arising from the increasing severity and frequency of extreme weather events)
- ii) Transition Risks (i.e. financial risks arising from the transition to a low-carbon economy)
- iii) Physical and Transition Risks are relevant
- iv) We have not analysed the potential sources of climate-related risks yet
- v) Liability Risks (i.e. risks from people or businesses seeking compensation for losses suffered from physical or transition risks)



**3. How is the bank handling the potential Physical and Transition Risks? Please elaborate for each of these risks separately.**

**4. How is the bank handling the potential Liability Risks? Please elaborate.**

**5. Has the bank initiated steps to identify, measure and manage climate risk and integrate climate considerations into its risk management framework? For example, by incorporating ESG / Climate Risk Scores in its credit decisions.**

- i) Yes, we have put in place an internal strategy for the same
- ii) Yes, we published, intend to publish or broadly share a strategy
- iii) No, we are currently working to develop such a strategy
- iv) No, but we are monitoring the emerging practices and developments

**Please elaborate.**

**6. Has the bank attempted to quantify in monetary terms (i.e. ₹x crore) the amount of its loan and investment portfolio that is susceptible to climate-related risks\* (separately for physical risks and transition risks)?**

- i) Yes
- ii) No, but we have plans to do so during the next 12 months
- iii) No

\*Potentially at risk on account of climate change

**Please elaborate**

**7. What are the main challenges, if any, being faced by the bank with respect to climate-related financial risks? (there could be more than one response)**

- i) We do not have personnel who fully understand the financial implications of climate risk
- ii) The available data is not sufficient for an appropriate assessment of the climate-related financial risks
- iii) The processes and methodologies to measure and monitor climate-related financial risks have not sufficiently developed
- iv) Regulatory guidance is awaited in this regard

**Please elaborate.**



**8. Does the bank perceive climate-related litigation as a potential risk that would need to be included in its risk assessment for its large corporate exposures?**

- i) Yes
- ii) No, but we will review our stance over the next 12 months
- iii) No

**Please elaborate.**

### Governance

**9. Has the bank's Board discussed Climate and Sustainability related risks and opportunities during the previous and current financial year?**

- i) Yes
- ii) No, but there are plans to do so in the next 12 months
- iii) No

**Please elaborate.**

**10. Has the bank's Board discussed the need to raise awareness on climate-related financial risks within the bank?**

- i) Yes
- ii) No, but we have plans to do so in the next 12 months
- iii) No, this is not a priority in the short-term

**Please elaborate.**

**11. Has the bank's Board discussed the need to enhance lending or investing towards sustainable finance during the previous and current financial year?**

- i) Yes
- ii) No, but we have plans to do so in the next 12 months
- iii) No, this is not a priority in the short-term

**Please elaborate.**

**12. Who oversees the Climate and Sustainability related initiatives in the bank?**

- i) The Board of Directors
- ii) A Sub-Committee of the bank's Board of Directors
- iii) The bank's Top Management
- iv) We are yet to take a call in this regard



**Please elaborate.**

### Climate-related Financial Disclosures

#### **13. Has the bank commenced making Climate-related Financial Disclosures?**

- i) Yes, the disclosures are aligned to the recommendations of the Financial Stability Board (FSB's) Task Force on Climate-related Financial Disclosures (TCFD)
- ii) Yes, the disclosures are aligned to the recommendations of disclosure frameworks other than the TCFD
- iii) We are making some climate-related financial disclosures but these are not aligned to any framework
- iv) We are yet to commence making climate-related financial disclosures

**Please elaborate.**

#### **14. Does the bank have a separate webpage on 'Sustainability or ESG or Climate Risk' on its website for a single point dissemination of all its climate-related financial disclosures, ESG & sustainable finance related initiatives, etc.?**

- i) Yes
- ii) No, but we intend to do it within the next 12 months
- iii) No

**Please elaborate.**

### Opportunities from Transition to a Green Future

**15. To support green financing would structural changes be needed in the bank's current lending and investing approach? (e.g. evaluation and certification of the green credentials of each project, understanding the corporate road map to achieve net-zero, etc.)**

- i) Yes
- ii) No

**Please elaborate.**

**16. Has the bank mobilized new capital for scaling up green lending / investment or set a target for incremental lending / investment for sustainable finance?**

- i) Yes
- ii) No, but we have plans to do so during the next 12 months
- iii) No



**Please elaborate.**

**17. Has the bank decided to gradually reduce its exposure to high-carbon emitting / polluting businesses in the coming years?**

- i) Yes
- ii) No, but we have plans to do so in the next 12 months
- iii) No, this is not a priority for the bank in the short-term

**Please elaborate.**

**18. Does the bank have a dedicated department or business vertical for sustainable finance?**

- i) Yes
- ii) No

**Please elaborate.**



**19. Has the bank introduced new deposit and loan products to take advantage of the opportunities arising from climate change by offering green products?**

- i) Yes
- ii) No

**Please elaborate.**

**20. Has the bank introduced Green Deposits for its customers?**

- i) Yes
- ii) No, but we intend to do so soon
- iii) No

**Please elaborate.**

**21. Has the bank begun offering loans for green products such as Roof Top Solar, Electric Vehicles (EVs), EV charging infrastructure, etc. to its customers?**

- i) Yes
- ii) No, but we intend to do so soon
- iii) No



**Please elaborate.**

**22. Has the bank begun offering or is intending to look at offering Sustainability Linked Loans (SLLs)\* to its corporate customers?**

- i) Yes
- ii) No, but we intend to do so within the next 12 months
- iii) No

\*Sustainability Linked Loans (SLLs) give a borrower the opportunity to utilize the loan towards general business purposes but the terms are tied solely to specific environment-related targets for the borrower (e.g. Key Performance Indicators linked to specific environmental targets such as reducing carbon emissions by x%, reducing water consumption by y% and reducing waste disposal by z% over a certain time period specified in years).

**Please elaborate.**

**23. Has the bank initiated discussions with its large corporate borrowers regarding their plans to reduce their carbon emissions and offered to support them in this process?**

- i) Yes
- ii) No, but we intend to do so within the next 12 months
- iii) No

**Please elaborate.**

### HR and Capacity Building

**24. The number of awareness programmes (i.e. classroom, online training programmes and webinars) attended by the bank's staff on climate risk / sustainable finance during FY 2021-22 so far?**

- i) Below 5
- ii) Between 6-10
- iii) Between 11-20
- iv) Above 20

**Please elaborate.**

**25. Has the bank allocated staff to work in the area of climate risk, sustainable finance and ESG related initiatives?**

- i) Yes, we have created a dedicated team
- ii) Yes, we have staff who also look after this area as and when required, but we do not have a dedicated team as yet
- iii) No



**Please elaborate.**

**26. If the answer to Question number 25 above is Yes, then please indicate the number of staff specifically allocated to work in the area of climate risk, sustainable finance and ESG related initiatives?**

- i) Up to 5
- ii) Between 6-10
- iii) Between 11-20
- iv) Above 20

**Green Initiatives (Internal)**

**27. Has the bank come up with a ESG Strategy or has plans to come out with one? i.e. a strategy for embedding ESG principles in its business?**

- i) Yes
- ii) No, but we intend to do it within the next 12 months
- iii) No

**Please elaborate.**

**28. Has the bank taken measures or has plans to decrease the absolute carbon emissions arising from its operations and increasing the proportion of renewable energy in its total sourced electricity?**

- i) Yes
- ii) No, but we intend to do it within the next 12 months
- iii) No

**Please elaborate.**

**29. Has the bank announced plans with a timeline to become carbon-neutral?\***

\*Carbon-neutral means that any carbon dioxide released into the atmosphere from the bank's activities is balanced by an equivalent amount being removed.

- i) Yes
- ii) No, but we intend to do it within the next 12 months
- iii) No

**Please elaborate.**



**30. Has the bank included 'climate risk / sustainability / ESG related' Key Performance Indicators (KPIs) for the evaluation of the performance of its Top Management?**

- i) Yes
- ii) No, but we intend to do it within the next 12 months
- iii) No

**Please elaborate.**

## Explanatory Note

### Survey on Climate Risk and Sustainable Finance

Climate change is generating more frequent and extreme weather events, which will significantly weaken local economic activity and lead to the erosion of asset values. As intermediaries and providers of capital, banks play a crucial role in the economic development of our country that now includes managing climate-related financial risks. Central banks are, therefore, urging their respective financial institutions to quickly implement internal arrangements required to monitor and mitigate such risks.

2. In order to assess the approach in their regulated entities, practices of banks and their level of preparedness, etc., with respect to climate risk and sustainable finance, leading central banks in several jurisdictions have also conducted surveys in this regard. These surveys have helped them get a much better picture with regard to climate risk management and sustainable finance in their regulated entities and the feedback from such surveys have helped them fine-tune their regulatory and supervisory approach, scale up capacity-building measures, etc., with respect to climate risk and sustainable finance.

3. Taking a cue from the above approach being adopted by leading central banks, the Sustainable Finance Group in the Department of Regulation, Reserve Bank of India, Central Office has planned a short, focused survey among the public sector banks, private sector banks and leading foreign banks.

4. The survey would be open from **Monday, January 3, 2022 to Friday, January 21, 2022** and banks are requested to ensure that they answer all the questions. For some questions there could be more than one response and a cue for the same is given at the end of the question. For questions where it is mentioned—Please elaborate—banks are requested to provide as much information as possible.

5. In case of any clarifications, banks may kindly get in touch with:

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