

Environmental and Social Policy Development Best Practice for Financial Institutions

December 2015



European Bank
for Reconstruction and Development

- Welcome & Introduction to the session
- What is an E&S policy and why is it needed?
- Key consideration when developing an E&S policy
- Best practice elements
- Review of good policy examples

- **Welcome & Introduction to Panellists**

Anne Maria Cronin

EBRD

Kate Guscott

Principal Environmental Adviser

EBRD

Shahila Perumalpillai

Environmental and Social Adviser

ERM

Yvonne Halsey

Environmental and Social Adviser

ERM

- **Webinar purpose:**

- Opportunity to provide policy guidance Financial Institutions (FI)
- Note on the Importance of Policy requirement to EBRD

What is a policy & why do you need one?



European Bank
for Reconstruction and Development

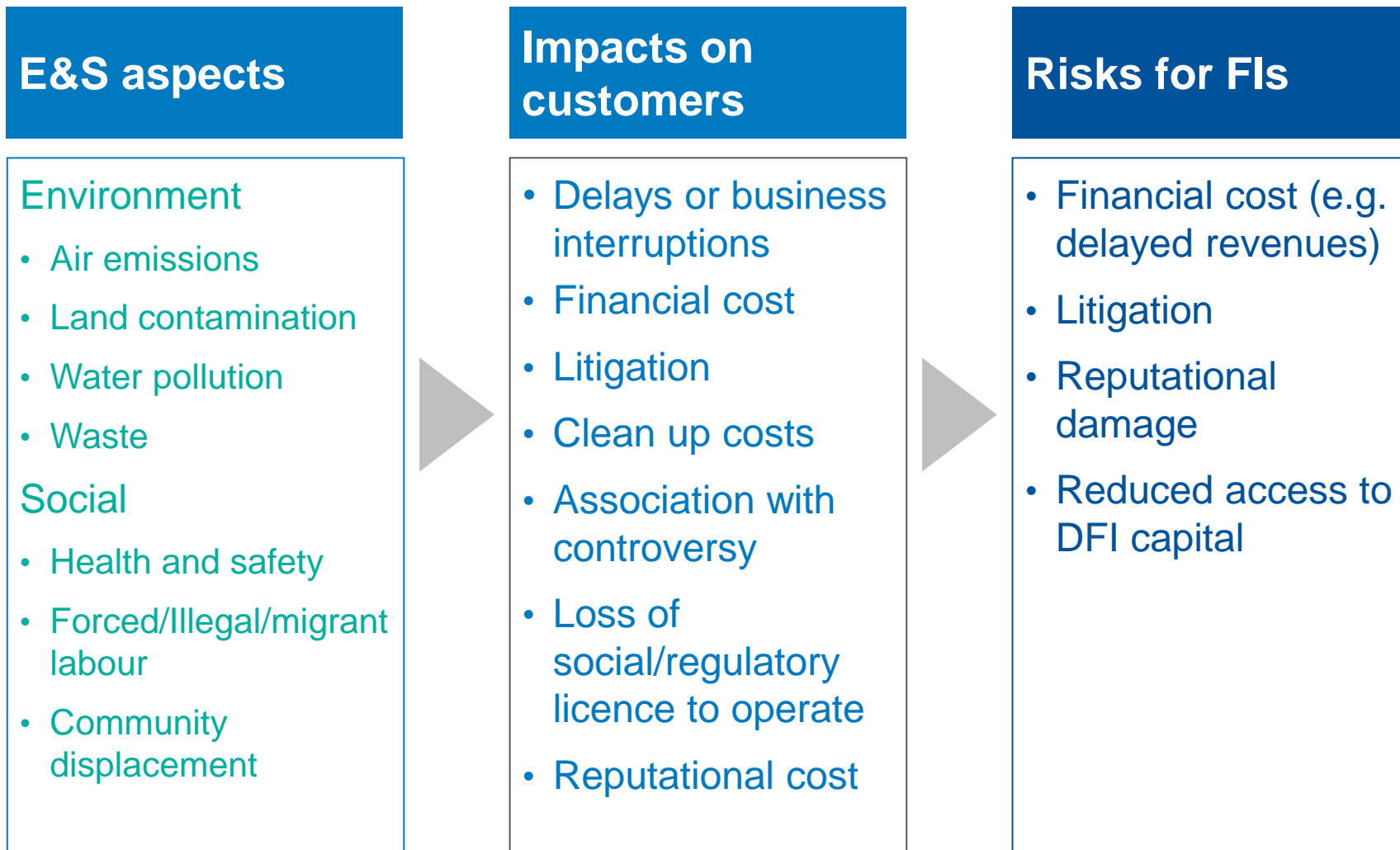
What is an E&S Policy

- **Articulates commitment** to managing E&S risks, direct and indirect impact as well as integrating E&S considerations throughout FI activities for both external and internal audiences
- **Unique - there is no one size fits all.** A policy must be fit for purpose within each Financial Institution, its ways of working, and the E&S impacts and risks to its business

Why is an E&S Policy needed

- A crucial part of developing an **Environmental and Social Management System**
- **Aligns** public commitment with **strategic** E&S goals and objectives which may be set or revised alongside policy development, review and updates
- **Business Imperative** for FIs to minimise financial, legal and reputational risks
- **Industry best practice:** recognising the significance posed to business activities by E&S impacts and risk has become standard throughout financial industry. Not unique requirement of EBRD or other International Financial Institutions

E&S aspects impact customers and FIIs



Examples discussed

Hungary – Danube Pollution

<http://news.nationalgeographic.com/news/2010/10/101012-toxic-spill-hungary-danube-river-water/>

<http://www.bbc.co.uk/news/world-europe-11498884>

Volkswagen emissions example

<http://www.telegraph.co.uk/finance/newsbysector/industry/12039761/Volkswagen-suspended-from-FTSE-ethical-index-following-emissions-scandal.html>

UK migrant labour example

<http://www.dailymail.co.uk/news/article-3265905/Bed-maker-supplies-retailers-including-John-Lewis-used-Hungarians-slave-labour-paying-2-day-forcing-live-inhumane-conditions.html>

Impact of E&S issues on business: example



- Engineering business manufacturing electrical components
- E&S audit by key customer
- Unsafe disposal of waste onto open ground
- Waste contained high levels of copper
- Resulted in loss of contract
- Ultimate failure of the engineering company

An opportunity to improve performance of business

Improve business performance by reducing costs:

Environmental

- Minimise waste, re-use or recycle
- Energy efficiency/resource-efficiency
- Process efficiency – reducing emissions and raw material use

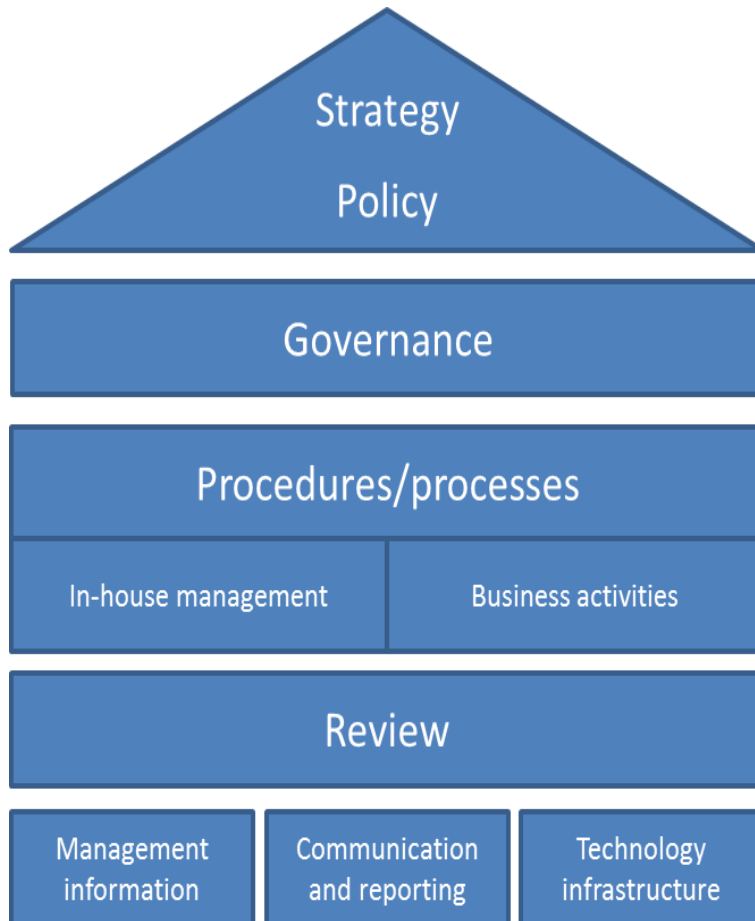
Social

- Good health and safety practices and working conditions
- Positive labour relations minimise lost production time
- Effective community engagement minimises disruption



All can lead to lower compliance costs, operational savings and productivity increases

E&S Policy & implementation of ESMS (EBRD Performance Requirement 9)



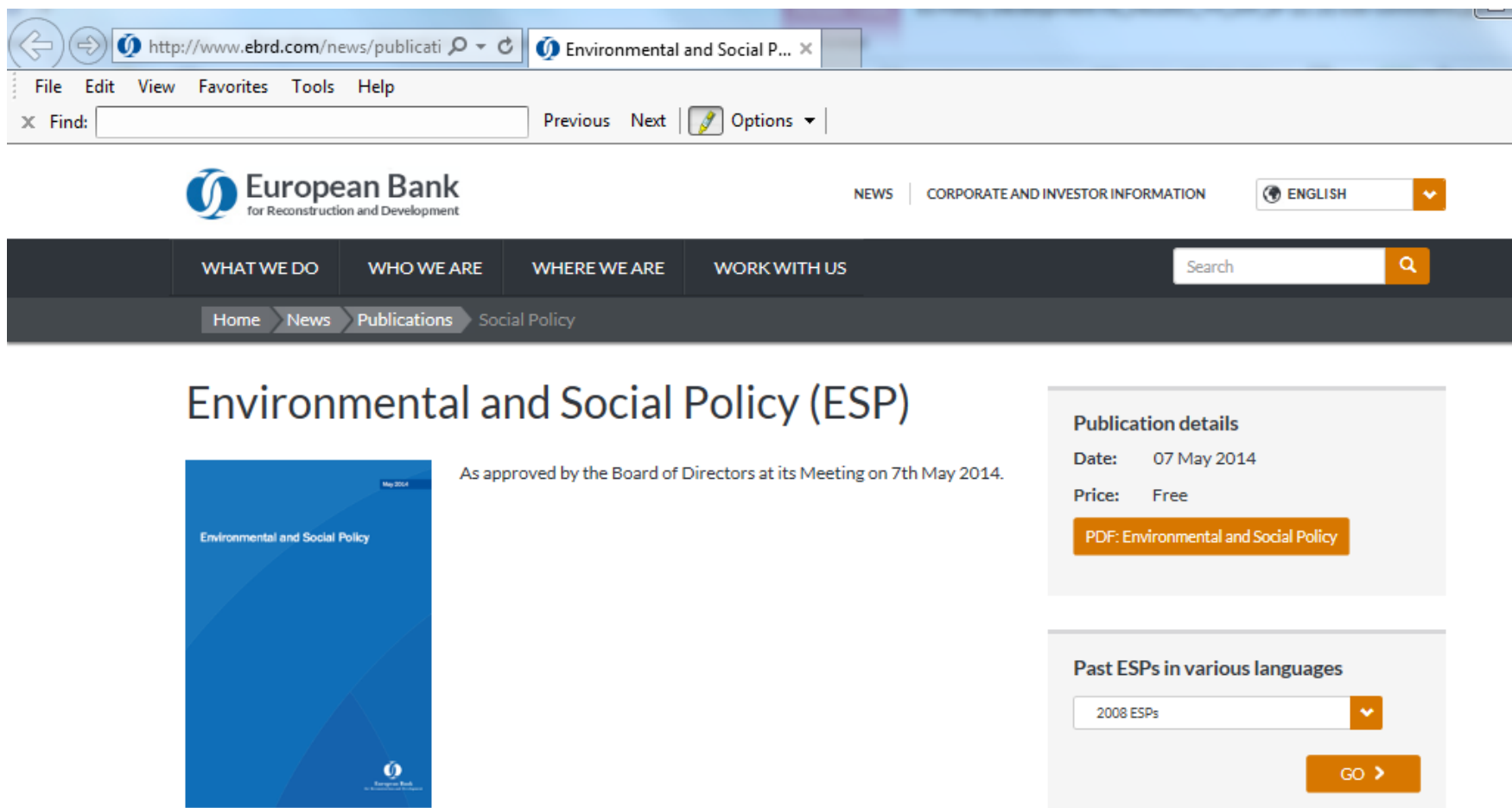
Strategy : An ESMS should be founded on an overarching strategy that outlines the FI's overall approach to sustainability in its business. The strategy should be supported by clearly articulated strategic priorities, goals and milestones.

ES Policy : FIs should develop and adopt a policy on E&S management that reflects the FI's commitment to managing these factors. The policy (or policies) should outline the FI's approach to E&S factors in its own operations as well as in its business activities

EBRD Environmental and Social Policy

The EBRD E&S Policy can be found at:

<http://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>



The screenshot shows a web browser window displaying the EBRD website. The address bar shows the URL: <http://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>. The browser's menu bar includes File, Edit, View, Favorites, Tools, and Help. Below the menu bar is a search bar and navigation links: Previous, Next, and Options. The website header features the EBRD logo and the text "European Bank for Reconstruction and Development". Navigation links include NEWS, CORPORATE AND INVESTOR INFORMATION, and a language dropdown set to ENGLISH. A secondary navigation bar contains links: WHAT WE DO, WHO WE ARE, WHERE WE ARE, and WORK WITH US, along with a search bar. Below this is a breadcrumb trail: Home > News > Publications > Social Policy. The main content area is titled "Environmental and Social Policy (ESP)". To the left is a blue cover image of the policy document, dated May 2014. To the right of the image, it states: "As approved by the Board of Directors at its Meeting on 7th May 2014." On the right side of the page, there is a "Publication details" section with the following information: Date: 07 May 2014, Price: Free, and a button labeled "PDF: Environmental and Social Policy". Below this is a "Past ESPs in various languages" section with a dropdown menu showing "2008 ESPs" and a "GO" button.

Environmental and Social Policy (ESP)

As approved by the Board of Directors at its Meeting on 7th May 2014.

Publication details

Date: 07 May 2014

Price: Free

PDF: Environmental and Social Policy

Past ESPs in various languages

2008 ESPs

GO >

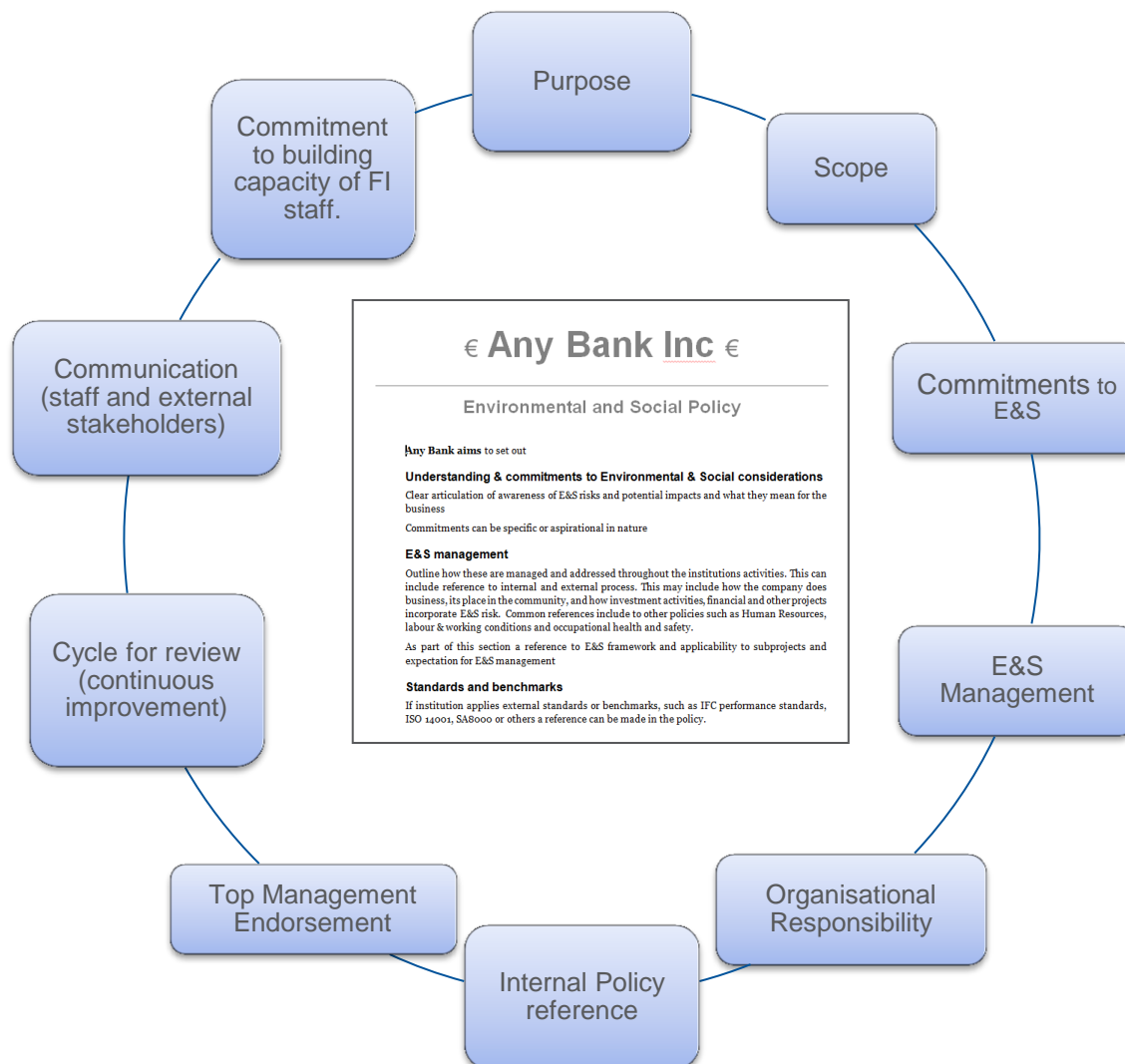
Key considerations



European Bank
for Reconstruction and Development



Best practice elements



Select Examples:

[Garanti Bank - Turkey](#)

[Finansbank Turkey](#)


[National Bank of Greece](#)



- **No policy template:** Good policies reflect (and are reflection of) the FI
- **Most important element** is to convey what E&S means for the business
- **Policy not in isolation:** Document presented within company ESMS or broader sustainability/CSR disclosures
- **Style Variation:**
 - Structure and level of detail may vary depending on the organisation
 - Policy names can vary (CSR, Sustainability, sub policies dealing with Environment and Social separately)
 - Often detail is left to E&S management, process documents or other policy documents

Review of good policy examples



European Bank
for Reconstruction and Development

 [Personal](#) | [SME](#) | [Commercial/Corporate](#) | [Our Company](#) | [Paragaranti](#)

[PERSONAL Internet](#)  [CORPORATE Internet](#) 

[Sustainability](#)

[Sustainability Policy](#)


[Sustainability Strategy](#)

[Developments](#)

[Sustainability Organization](#)

[Sustainability Related Indicators](#)

[Corporate Social Responsibility](#)



Sustainability Policy.

To strengthen its Vision to be the best bank in Europe, and its Mission of increasing the value it creates for customers, shareholders, employees, the society and the environment by utilizing its influence, agility and organizational efficiency, Garanti Bank acknowledges the importance of conducting its business activities in a responsible manner, and aims through this Policy Statement to ascertain the guiding principles for its Sustainability strategy and efforts.


The principles support Garanti Bank in effectively defining and addressing material Sustainability risks and opportunities facing the Bank in Turkey.

This Policy Statement, covering the Bank's business activities in Turkey, has been developed in line with the corporate regulations and legislations, and is entered into effect by a prior approval of the Board of Directors.

Overall Sustainability Vision

Sustainability issues are gaining importance within the Turkish society, and are increasingly impacting the banking sector. Garanti Bank strongly believes that operating sustainably is a key driver to the long-term success of the Bank, and aims to be the leader in introducing and implementing sustainable banking to Turkey.

Garanti RSS



20 November 15
[Garanti Bankası, "Türkiye'nin En Dijital Şirketi" seçildi.](#)

19 October 15
[Garanti Bankası, teknoloji ve yaratıcılığı Hackathon'da Buluşturuyor](#)

02 September 15
[Interview with Mr. Fuat Erbil, President & CEO](#)


27 July 15
[The share transfer and change in executive suite](#)

[Add Garanti RSS to your reader](#)

Review of good policy examples



European Bank
for Reconstruction and Development

BANKING CARDS INVESTOR RELATIONS INTERNATIONAL BANKING FAQ INTERNET BANKING


ABOUT FINANSBANK

- OUR VISION, MISSION AND VALUES
- MESSAGE FROM CHAIRMAN AND GROUP CEO
- MESSAGE FROM GENERAL MANAGER
- BOARD OF DIRECTORS
- OUR SUBSIDIARIES
- SOCIAL AND ENVIRONMENTAL POLICY**
- FINANSBANK ON THE ISTANBUL STOCK EXCHANGE

Social and Environmental Policy

Home Page · About Finansbank · Social And Environmental Policy

Aware of our social responsibility, we make sure that all the projects we support are environmentally friendly.



Finansbank A.Ş. Social and Environmental Policy

We, as a financial institution, are aware of our social and environmental responsibilities towards society and future generations. Our objective is to be a leading company in the Turkish finance sector by conducting our activities in accordance with a sound environmental policy.

We recognize that our operations have a direct or indirect effect on the local, regional and global environment. In this respect, we have developed our Social and Environmental Management System (SEMS). We will consider a systematic and consistent approach to reduce the social and environmental impacts of our activities.

We are committed to environmental protection and sustainable development objectives. Encouraging other institutions to pursue environmental protection and pollution prevention through our lending programs, we will integrate and implement environmental considerations into all aspects of our operations and business decisions

We know that an integral element in the achievement of our SEMS is building awareness, acceptance and support of all employees, customers, shareholders and government institutions. We will communicate our environmental policy to all related parties through guidelines and internet. We will include environmental issues in training programs and ensure that this policy is understood and implemented by the employees at all levels.

We will integrate environmental considerations as a part of our purchasing policy. We will work with selected suppliers to ensure that they recognize and reduce the adverse environmental effects of their products and services.

We are determined to comply with relevant national regulations and legislation on environment, health, safety and social issues, together with IFC Exclusion List and IFC Performance Standards; and

Review of good policy examples



European Bank
for Reconstruction and Development



NATIONAL BANK
OF GREECE

Environmental Policy Statement of NBG



Environmental Policy Statement of National Bank of Greece

National Bank of Greece believes that environmental responsibility and the implementation of an environmental policy are the cornerstones of sound corporate behaviour and vital to sustainable development and addressing the problem of climate change.

Having played, over many decades, a crucial role in the economic and social development of Greece, we are fully aware of the importance that environmental protection has for society and economic development more generally.

To this end, the Bank has formulated an Environmental Management System in accordance with ISO 14001. The Bank's management, represented by its Chief of Human Resources & Group Internal Communications, is responsible for the implementation and continuous improvement of the Environmental Management System.

We are committed to analyzing the environmental impact of our key business operations and activities, setting appropriate objectives and targets for the continuous improvement of our environmental performance and the mitigation of negative environmental impact. Accordingly, we take initiatives and promote action plans that aim to:

- save energy and preserve natural resources,
- rationalise work-related travel by encouraging the use of public transport,
- manage efficiently paper and solid waste,
- apply environmental criteria in the management of office supplies, and
- implement environmental risk analysis and assessment policy in our investment and credit operation.

Besides, of course, our commitment to complying with environmental legislation, we monitor on a regular basis the effectiveness of the Environmental Management System.

In our endeavour to make this policy a success, we seek the participation and support of all interested parties, including customers and employees.

Athens, 12 February 2009

The Bank



Corporate Social Responsibility



CSR framework

CSR Policy of NBG and its Group

Organizational Structure for CSR Issues

"Responsibility" Corporate Social Action programme

Memberships in Organizations and Indices

Responsibility to the Economy

Responsibility to the Market

Responsibility to the Employees

Leading Ahead

Responsibility to the Environment

Environmental Policy Statement of NBG

Environmental Management System

Climate Change

Responsibility to the Society

NBG Cultural Foundation

NBG Historical Archive

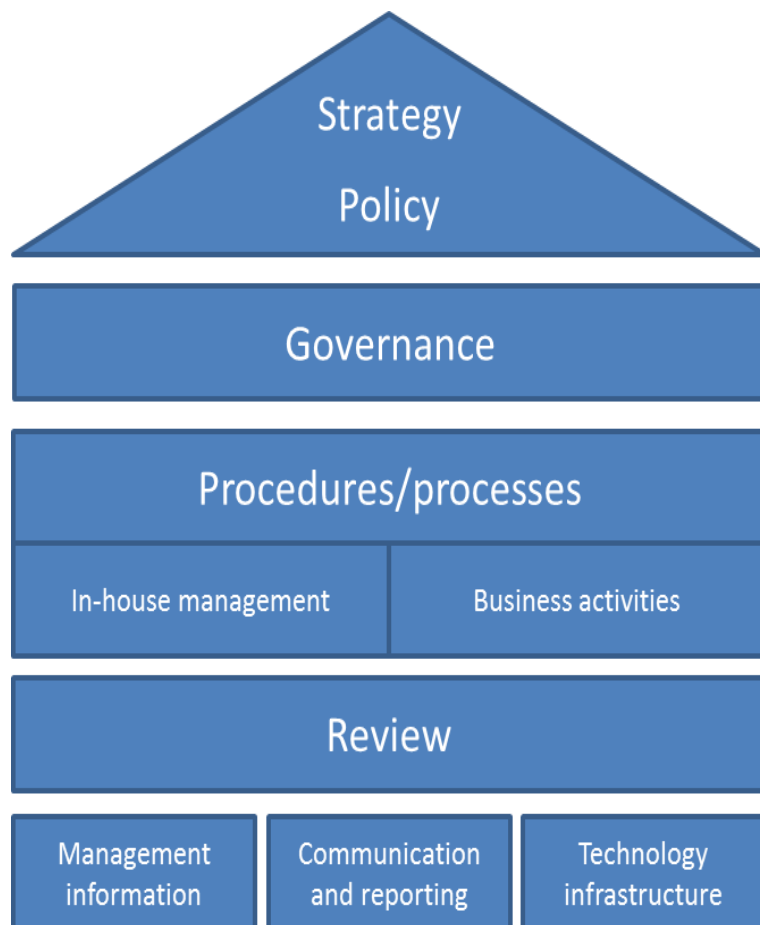
Social Actions by the Banks of the NBG Group

Library

Annual CSR Reports

Contact

Session Conclusion & Questions



- Each FI must create a policy that is unique to its ways of working
- Key part of developing and communicating ESMS
- Existing resources
- Future sessions
- Q&A