

CLIMATE RISK MANAGEMENT QUESTIONNAIRE

The OCC is gathering information on climate risk management in order to establish baseline supervisory knowledge, understand current and evolving practices, identify challenges and gaps in risk management frameworks, and inform any need for clarification or development of supervisory guidance. Responses will not result in any supervisory action and the OCC will not opine on the adequacy of the banks' current climate risk management program based on the responses received. The OCC will treat the information provided in response to this climate risk management questionnaire as non-public OCC information to the extent permitted by law. A bank may request confidential treatment of commercial or proprietary information that is confidential or privileged and arguably exempt from release under FOIA exemption (b)(4). If confidential treatment is requested, the OCC will follow its regulations at 12 C.F.R. 4.16 and consistent with Food Marketing Institute v. Argus Leader Media, 139 S. Ct. 2356 (2019).

*Please choose the appropriate selection for your response. For most questions, a text box is also provided for any additional comment, up to 1000 characters. When the questionnaire is completed, please upload this file and **any additional information** (e.g., org charts, climate risk management policies, climate risk appetite statements/frameworks, climate risk plans) to BankNet, folder Climate Risk RoP, by December 6, 2021. For any files that are uploaded to BankNet, please include the applicable question number(s) in the BankNet abstract description field. This range of practice is intentionally crafted as a high-level Self-Assessment and not a deep dive into any topic. Management should select the response that best reflects the current status and attach a limited amount of additional information useful to supplement the bank's response. The OCC does not expect banks to develop any new material in order to respond to questions. For additional questions, please contact the resident examination team.*

For the purpose of responding to this request, climate-related financial risks are risks that arise from a changing climate, including from the increasing frequency and severity of weather events, or from cumulative shifts in climate, including rising sea levels or increased average temperature (typically referred to as "physical risks"), or risks that arise from changes in public policy, technology, or consumer and investor behavior to address or respond to a changing climate (typically referred to as "transition risks").

Bank Name:

Bank Charter Number:

BHC Charter Number:

Submission Date:

Submitter Name:

Submitter Email:

Bank Climate Risk POC Name:

Bank Climate Risk POC Email:

- 1) What is the current maturity of the bank’s climate risk management framework and program? (Please select only one.)
- A. **Mature** climate risk management program (e.g., established framework, including components such as policies, risk appetite metrics, reporting, disclosures, and scenario analysis)
 - B. **Moderate** progress in developing a climate risk management framework and policies (e.g., reaching maturity for most components of the framework in 12-18 months)
 - C. **Initial stage** of developing a climate risk management framework and policies with internal discussions occurring (e.g., plans to reach maturity for most of the components of the framework in 2-3 years)
 - D. **Preliminary stage** of development or have **not yet** started developing a climate risk management framework or policies (e.g., plans to reach maturity for most components of the framework in 3+ years)
 - E. Other

Please provide any additional comments below and upload any related documentation (e.g., summary of bank’s efforts or recent presentation to the Board of Directors to develop a climate risk management framework and related policies) to BankNet.

- 2) What best describes the bank’s current governance structure that is responsible for management of climate related financial risks at the bank? (Please select only one.)
- A. **Integrated** into traditional risk structure with some separate dedicated functions for climate risk management
 - B. **Centralized** function primarily driving out climate risk expectations to business units potentially incorporated as part of Environmental, Social, and Governance (ESG)
 - C. **No separate function**, but bank has a working group, committee, or other cross-functional team for climate risk
 - D. No current structure, but **plans** are being discussed
 - E. Other

Please provide any additional comments below and upload any related documentation (e.g., summary of governance structure) to BankNet.

- 3) What best describes the bank's plans for a governance structure, in the next 1-3 years, that addresses climate related financial risks at the bank? (Please select only one.)
- A. **Integrated** into traditional risk structure with some separate dedicated functions for climate risk management
 - B. **Centralized** function primarily driving out climate risk expectations to business units potentially incorporated as part of Environmental, Social, and Governance (ESG)
 - C. **No separate function**, but bank will develop a working group, committee, or other cross-functional team for climate risk
 - D. Other

Please provide any additional comments below and upload any related documentation (e.g., plans for governance structure or improvements) to BankNet.

- 4) Does the bank's second line of defense currently have processes to oversee climate-related financial risks?
- A. Yes
 - B. Yes, but in the early stages of development and not all processes are developed
 - C. No, but there are dedicated climate risk staff and plans are under development for the second line of defense oversight processes
 - D. No
 - E. Other

Please provide any additional comments below and upload any related documentation (e.g., risk management organizational structure or summary of processes with respect to climate risk) to BankNet.

- 5) How would you characterize the work to date by internal audit on climate risk management?
- A. Internal audit has produced **separate reports** on climate risk management
 - B. Internal audit has assessed climate related financial risks **within existing audits** and plans to aggregate findings over the next year.

- C. Internal audit has conducted initial **readiness reviews or preliminary assessments** (e.g., internal audit conducted some work and has plans to evaluate climate risk management in the future)
- D. **No plan** (e.g., internal audit has not yet incorporated climate risk and risk management into its audit plan)
- E. Other

Please provide any additional comments below and upload any related documentation (e.g., summary of climate audit plans, overall climate risk related audit conclusions) to BankNet.

- 6) Has the bank developed risk appetite statements or risk appetite metrics?
- A. Yes
 - B. Yes, but in the early stages of development and not all processes are developed
 - C. No, although the bank has plans to develop risk appetite metrics or statements in the next year
 - D. No, the bank currently has no immediate plans or plans are more than 1 year away to develop risk appetite metrics or statements
 - E. Other

Please provide any additional comments below and upload any related documentation (e.g., summary of metrics, key risk indicators, frequency, and other information) to BankNet.

- 7) Are data and risk measurement metrics to estimate the bank's exposure to climate-related financial risks provided to senior management and the Board?
- A. **Recurring reports** are provided to both senior management and the Board related to climate risk at least quarterly
 - B. **Ad hoc reporting** on size of risk exposure is provided to senior management
 - C. Management is **developing** recurring reporting over the next 6-12 months to measure the exposure
 - D. Management is still **planning** and determining the information necessary to collect and develop reporting.
 - E. Other

Please provide any additional comments below and upload any related documentation (e.g., key risk indicators, examples of recent reports to the Board and senior management if not already provided) to BankNet.

- 8) Who has received training within the bank on climate risk management? (Please select all that apply.)
- A. First line of defense
 - B. Second line of defense
 - C. Third line of defense
 - D. Senior Management
 - E. Board members
 - F. The bank is still developing or considering climate risk training needs.
 - G. Other

Please provide any additional comments below and upload any related documentation (e.g., current or planned climate training efforts) to BankNet.

- 9) Please describe any climate related commitments the bank has made (e.g., net-zero emissions) and associated dates below and upload any related documentation to BankNet.

- 10) How is the bank currently using scenario analysis to measure climate-related financial risks?
- A. Bank has **developed** scenario analysis for climate risk
 - B. Bank is in the **initial stages** of developing scenario analysis
 - C. Bank has **plans** to develop scenario analysis in the future
 - D. Bank currently **does not have plans** to develop scenario analysis
 - E. Other

Please provide any additional comments and upload any related recent summary documentation provided to senior management or the Board of Directors (e.g., summary of the models and approaches used for the scenario analysis and how the results are being used, information on whether the bank is analyzing both physical risks and transition risks, information on the time horizons that are being used for the scenario analysis, plans to develop scenario analysis) to BankNet.

11) There are a number of voluntary climate related reporting frameworks. Please identify and provide recent examples of the disclosure framework used for the banks own reporting. (Please select all that apply.)

- A. TCFD – the Financial Stability Board’s Task Force on Climate-Related Financial Disclosures
- B. SASB – the Sustainability Accounting Standards Board
- C. GRI – the Global Reporting Initiative
- D. PCAF – the Partnership for Carbon Accounting Financials
- E. GHG Protocol – the Greenhouse Gas Protocol
- F. CDP – the Carbon Disclosure Project
- G. Other

Please provide any additional comments below and upload any related documentation to BankNet.

12) Does the bank currently include climate related financial risks and analysis in credit decisions and the pricing of financial products?

- A. Climate related risks and analysis are **included** in credit decisions and pricing of financial products
- B. There are **plans to consider** climate related risks and analysis in credit decisions and pricing of financial products
- C. The bank is **waiting** for additional maturity of climate risk measurement techniques (e.g. consensus on disclosure requirements, data, risk measurements, improvements in scenario analysis)
- D. The bank **does not have current plans** to specifically capture climate risks in credit decisions
- E. Other

Please provide any additional comments below and upload any related documentation (e.g., overview of climate risk credit analyses, policies, or bank guidance) to BankNet.

13) Does the bank have plans to offer new financial products or services related to sustainable finance or climate change over the next 12 months?

- A. Yes
- B. No
- C. Other

Please provide any additional comments below (e.g., a summary of the of the new opportunities and products or services that the bank has developed or plans to develop related to sustainable finance or climate change) and upload any related documentation to BankNet.

14) What are the short-term (1-2 years) challenges for the bank in identifying, measuring, and managing climate-related financial risks? (Please **rank** the following or select N/A.)

- A. Establishing governance/RM framework
- B. Identifying and gathering necessary data
- C. Establishing measurement metrics
- D. Gathering information for reporting and disclosures
- E. Developing scenario analysis capabilities
- F. Building technical expertise and resources
- G. Understanding regulatory expectations.

Please provide any additional comments below or a discussion of other relevant challenges and upload any related documentation to BankNet.

- 15) What are the long-term challenges (2-5 years) for the bank in identifying, measuring, and managing climate related financial risks? (Please **rank** the following or select N/A.)
- A. Establishing governance/RM framework
 - B. Identifying and gathering necessary data
 - C. Establishing measurement metrics
 - D. Gathering information for reporting and disclosures
 - E. Developing scenario analysis capabilities
 - F. Building technical expertise and resources
 - G. Understanding regulatory expectations.

Please provide any additional comments below or a discussion of other relevant challenges and upload any related documentation to BankNet.

- 16) Please describe any challenges that OCC supervised institutions face as they seek to manage climate-related financial risks while also meeting the credit and financial services needs of consumers and communities? For example, what strategy is the bank using to understand and mitigate any impact of climate-related risk management approaches on consumers' and communities' access to financial services? How is the bank considering the impacts of climate risk on vulnerable communities? Please upload any related documentation to BankNet.

- 17) **OPTIONAL** Briefly discuss any other challenges with respect to the development and execution of a climate risk management framework that are within the OCC's purview to address. Please upload any related documentation to BankNet.