

# FT/IFC Sustainable Finance Awards 2013



## CRITERIA



# Sustainable Bank of the Year

Strategic Approach	L4 Mainstreamed	L3 Operationalizing Sustainability	L2 Reputational Risk Management	L1 Financial Risk Management
<b>Sustainability Strategy:</b> What is the current top management approach to sustainability?	Sustainability mainstreamed as a core driver of long term performance.	Assess and effectively manage ESG risks in transactions. Selective transactions into ESG beneficial sectors.	Reputational risk management. Screen out high-risk transactions.	Minimum focus on sustainability as a non-business related issue.
<b>Financial Indicators:</b> What is the FI's overall financial performance?	Financial outperformance.	Strong financial performance.	Inconsistent financial performance.	Financial underperformance.
<b>Sustainability Indicators:</b> How does the FI assess sustainability performance?	Sustainability measured systematically as a core driver of transaction performance.	Consistent indicators around risk/policy compliance.	Indicators around risk/policy compliance.	No systematic sustainability indicators.
Communications Strategy	L4 Mainstreamed	L3 Operationalizing Sustainability	L2 Reputational Risk Management	L1 Financial Risk Management
<b>Internal Communications:</b> How well does the FI align the internal team with its high level sustainability approach?	Training and resources applied to ensure sustainability capability and commitment across key business leaders and transaction teams.	Consistent internal communications around compliance with sustainability policies. Selective training/resources allocated.	Internal communications around compliance with sustainability policies. Limited training/resources.	Absence of sustainability communications and training provided to the internal client.
<b>External Client and Stakeholders:</b> How well does the FI align its sustainability approach with external stakeholders?	Agenda-setting engagement and communications (report, practice groups). Ongoing stakeholder consultation/influencing of policy agenda.	Active participation in industry best practice initiatives and research on sustainability.	Participation in industry best practices initiatives and research on sustainability.	Absence of engagement on sustainability issues.
<b>Sustainability Reporting:</b> How comprehensively does the institution report on sustainability performance?	Integrated reporting of sustainability results, including full review of ESG performance of operations.	Summary review of ESG performance of operations. Disclosure of non-compliance.	Highlights of ESG performance of operations.	Absence of reporting of ESG performance of operations.
Opportunities	L4 Mainstreamed	L3 Operationalizing Sustainability	L2 Reputational Risk Management	L1 Financial Risk Management
<b>Product/Sectors:</b> Which phrase best describes the FI's transactions?	Sustainability policies applied across all transactions. Primary focus on ESG beneficial sectors. Track record of pioneering sustainability transactions.	Sustainability policies applied across all transactions. Significant investments in ESG beneficial sectors.	Sustainability recognized as a factor in transactions strategy. Negative screening/exclusion list criteria required for all transaction/operation managers.	No formal process of integrating sustainability into operations.
<b>Business Results:</b> Which phrase best describes the business results of the FI's sustainability strategy?	Track record of pioneering sustainable transactions, combining strong ESG returns.	Track record of sustainable transactions with financial and ESG returns.	Limited results from sustainable transactions.	No track record of successful transactions into sustainability.
Risk Management	L4 Mainstreamed	L3 Operationalizing Sustainability	L2 Reputational Risk Management	L1 Financial Risk Management
<b>Business Principles and Policies:</b> What type of policies and standards are employed?	Specific industry best practice standards for all transactions plus internal policies (e.g. on tar sands, forestry, defense, etc.) forged in consultation with stakeholders.	Specific industry good practice standards for all transactions.	Commitment to operate according to accepted business lines (OECD guidelines, etc.).	Sustainability not explicitly part of the institution's policy framework.
<b>E&amp;S Risk Management:</b> How is sustainability integrated into the FI's day-to-day activities?	Transaction/investment and sustainability teams jointly responsible for identifying sustainability opportunities and managing risks.	Sustainability risk management formal part of process, with sustainability team working to provide sustainability solutions.	Risk management formal part of process, with negative screening criteria implemented by all transaction/investment/operation managers.	Sustainability not formally incorporated within procedure/asset allocation strategy.
<b>Monitoring:</b> How is sustainability performance monitored?	Ongoing identification of clients' sustainability driven business risks/opportunities, as a basis for active engagement/delivery of sustainability value.	Monitoring and ongoing reporting by transaction/investment managers of performance on ESG issues. Reactive engagement on problem transactions.	Monitoring of problem transactions. Requirement for transaction/investment managers to disclose potential non-compliance.	Lack of systematic monitoring of sustainability performance.



# Sustainable Global Bank of the Year

Innovation	Level 4	Level 3	Level 2	Level 1
<b>Financial Structure:</b> To what extent is the sustainability program or initiative's financial structure innovative?	Internationally groundbreaking structure.	Groundbreaking structure within regional context.	Domestic level best practice.	Proven structure.
<b>Business Model Approach:</b> Does the sustainability program or initiative represent a new business approach?	Transformational initiative.	Innovative elements in structure.	Domestic level best practice.	Proven approach.
<b>Market Innovation:</b> Does the sustainability program or initiative address a previously untapped need?	Transformational initiative/new product or service to new markets.	New product or service to new markets.	New product or service to existing markets.	Existing product to existing markets.
Impact	Level 4	Level 3	Level 2	Level 1
<b>Environmental Benefits:</b> Does the sustainability program or initiative deliver environmental benefits?	Significant environmental benefits and full mitigation of impacts.	Limited environmental benefits.	No significant environmental benefits.	No significant benefits, potential negative impacts.
<b>Social Benefits:</b> Does the sustainability program or initiative deliver social benefits?	Significant social benefits and full mitigation of impacts.	Limited social benefits.	No significant social benefits.	No significant benefits, potential negative impacts.
<b>Governance Benefits:</b> Does the program/initiative deliver benefits in terms of CG structures of the client or its public/private partners?	Significant governance benefits.	Limited governance benefits, no governance issues.	No governance issues.	No significant benefits, potential governance issues.
<b>Financial Benefits for the Investee:</b> To what extent does the program/initiative deliver financial benefits for the real sector company (e.g. companies or communities)?	Exceptional returns for investee.	Strong financial benefits for investee.	Limited financial benefits for investee.	Negative financial impacts for investee.
<b>Financial Benefits for the Investor:</b> To what extent does the sustainability program or initiative deliver financial benefits for the FI?	Exceptional returns for the investor.	Demonstrated potential for exceptional returns in long term for investor.	Uneven financial returns.	Negative financial returns.
Scalability	Level 4	Level 3	Level 2	Level 1
<b>Catalytic Effect:</b> Does the sustainability program or initiative create a new best practice that is replicable/scalable?	Practice likely to be replicated as new standard internationally.	Practice likely to be replicated within market segment.	Limited replicability, loss of benefits in scaling up.	Not replicable or scalable without loss of benefits.
Team's Role	Level 4	Level 3	Level 2	Level 1
<b>Program/Initiative's Impact:</b> Did the sustainability program or initiative play a value added role achieving triple bottom line impacts?	Critical value added role.	Value added role.	Supporting role within sustainability value added.	Supporting role (provision of plain vanilla financing).



# Sustainable Investor of the Year

Strategic Approach	L4 Mainstreamed	L3 Operationalizing Sustainability	L2 Reputational Risk Management	L1 Financial Risk Management
<b>Sustainability Strategy:</b> What is the current top management approach to sustainability?	Sustainability mainstreamed as a core driver of long term investment performance	Assess and effectively manage ESG risks in investments. Selective investments into ESG beneficial sectors	Reputational risk management. screen out high-risk investments	Minimum focus on sustainability as a non-business related issue
<b>Financial Indicators:</b> What is the FI's overall financial performance?	Financial outperformance	Strong financial performance	Inconsistent financial performance	Financial underperformance
<b>Sustainability Indicators:</b> How does the FI assess sustainability performance?	Sustainability measured systematically as a core driver of investment performance	Consistent indicators around risk/policy compliance	Indicators around risk/policy compliance	No systematic sustainability indicators
Communications Strategy	L4 Mainstreamed	L3 Operationalizing Sustainability	L2 Reputational Risk Management	L1 Financial Risk Management
<b>Internal Communications:</b> How well does the FI align the internal team with its high level sustainability approach?	Training and resources applied to ensure sustainability capability and commitment across key business leaders and investment teams	Consistent internal communications around compliance with sustainability policies. Selective training/resources allocated	Internal communications around compliance with sustainability policies. Limited training/resources.	Absence of sustainability communications and training provided to the internal client
<b>External Client and Stakeholders:</b> How well does the FI align its sustainability approach with external stakeholders?	Agenda-setting engagement and communications (report, practice groups). Ongoing stakeholder consultation/ influencing of policy agenda	Active participation in industry best practice initiatives and research on sustainability	Participation in industry best practices initiatives and research on sustainability	Absence of engagement on sustainability issues
<b>Sustainability Reporting:</b> How comprehensively does the institution report on sustainability performance?	Integrated reporting of sustainability results, including full review of ESG performance of investments	Summary review of ESG performance of investments. Disclosure of non-compliance	Highlights of ESG performance of investments	Absence of reporting of ESG performance of investments
Opportunities	L4 Mainstreamed	L3 Operationalizing Sustainability	L2 Reputational Risk Management	L1 Financial Risk Management
<b>Product/Sectors:</b> Which phrase best describes the FI's public/private equity investments?	Sustainability policies applied across all equity mandates. Portfolio focus primarily on ESG beneficial sectors. Track record of pioneering sustainability investments	Sustainability policies applied across all public/private equity mandates. Significant investments in ESG beneficial sectors	Sustainability recognized as a factor in asset allocation strategy. Negative screening/exclusion list criteria required for all asset managers	No formal process of integrating sustainability into public/private equity investments
<b>Business Results:</b> Which phrase best describes the business results of the FI's sustainability strategy?	Track record of pioneering sustainable investments, combining strong ESG returns	Track record of sustainable investments with financial and ESG returns	Limited results from sustainable investment	No track record of successful investment into sustainability
Risk Management	L4 Mainstreamed	L3 Operationalizing Sustainability	L2 Reputational Risk Management	L1 Financial Risk Management
<b>Business Principles and Policies:</b> What type of policies and standards are employed?	Specific industry best practice standards for all investments plus internal policies (e.g. on tar sands, forestry, defense, etc.) forged in consultation with stakeholders	Specific industry good practice standards for all investments	Commitment to operate according to accepted business lines (OECD guidelines, etc.)	Sustainability not explicitly part of the institution's policy framework
<b>E&amp;S Risk Management:</b> How is sustainability integrated into the investment process?	Investment and sustainability teams jointly responsible for identifying sustainability opportunities and managing risks	Sustainability risk management formal part of process, with sustainability team working to provide sustainability solutions	Risk management formal part of process, with negative screening criteria implemented by all asset managers	Sustainability not formally incorporated within procedure/asset allocation strategy
<b>Monitoring:</b> How is sustainability performance monitored?	Ongoing identification of clients' sustainability driven business risks/opportunities, as a basis for active engagement/delivery of sustainability value	Monitoring and ongoing reporting by asset managers of investment performance on ESG issues. Reactive engagement on problem investments	Monitoring of problem investments. Requirement for asset managers to disclose potential non-compliance	Lack of systematic monitoring of sustainability performance



# Sustainable Investment of the Year

Innovation	Level 4	Level 3	Level 2	Level 1
<b>Financial Structure:</b> To what extent is the FI-real sector company partnership's financial structure innovative?	Internationally groundbreaking structure.	Groundbreaking structure within regional context.	Domestic level best practice.	Proven structure.
<b>Business Model Approach:</b> Does the FI-real sector company partnership represent a new business approach?	Transformational initiative.	Innovative elements in structure.	Domestic level best practice.	Proven approach.
<b>Market Innovation:</b> Does the FI-real sector company partnership address a previously untapped need?	Transformational initiative/new product or service to new markets.	New product or service to new markets.	New product or service to existing markets.	Existing product to existing markets.
Impact	Level 4	Level 3	Level 2	Level 1
<b>Environmental Benefits:</b> Does the FI-real sector company partnership deliver environmental benefits?	Significant environmental benefits and full mitigation of impacts.	Limited environmental benefits.	No significant environmental benefits.	No significant benefits, potential negative impacts.
<b>Social Benefits:</b> Does the FI-real sector company partnership deliver social benefits?	Significant social benefits and full mitigation of impacts.	Limited social benefits.	No significant social benefits.	No significant benefits, potential negative impacts.
<b>Governance Benefits:</b> Does the partnership deliver benefits in terms of CG structures of the client or its public/private partners?	Significant governance benefits.	Limited governance benefits, no governance issues.	No governance issues.	No significant benefits, potential governance issues.
<b>Financial Benefits for the Investee:</b> To what extent does the partnership deliver financial benefits for the real sector company (e.g. companies or communities)?	Exceptional returns for investee.	Strong financial benefits for investee.	Limited financial benefits for investee.	Negative financial impacts for investee.
<b>Financial Benefits for the Investor:</b> To what extent does the partnership deliver financial benefits for the FI?	Exceptional returns for the investor.	Demonstrated potential for exceptional returns in long term for investor.	Uneven financial returns.	Negative financial returns.
Scalability	Level 4	Level 3	Level 2	Level 1
<b>Catalytic Effect:</b> Does the FI-real sector company partnership create a new best practice that is reliable/scalable?	Practice likely to be replicated as new standard internationally.	Practice likely to be replicated within market segment.	Limited replicability, loss of benefits in scaling up.	Not replicable or scalable without loss of benefits.
Roles	Level 4	Level 3	Level 2	Level 1
<b>Investor's Role:</b> Did the FI itself play a value added role achieving triple bottom line impacts?	Critical value added role in both financing and sustainability.	Value added role in financing/sustainability.	Value added role in financing, but supporting role within sustainability value added.	Supporting role in transaction.
<b>Investee's Role:</b> Did the real sector company itself play a value added role achieving triple bottom line impacts?	Critical value added role in sustainability.	Value added role in sustainability.	Supporting role within sustainability value added.	Supporting role in transaction.



# Technology in Sustainable Finance

Innovation	Level 4	Level 3	Level 2	Level 1
<b>Technological Structure:</b> To what extent is the application of this technology innovative (e.g. groundbreaking use of mobiles for payments)?	Internationally groundbreaking application of technology.	Innovative application of technology.	Domestic level best practice.	Proven structure.
<b>Business Model Approach:</b> Does the initiative deploy technology for development in a new collaborative business approach?	Transformational initiative.	Innovative elements in structure.	Domestic level best practice.	Proven approach.
<b>Market Innovation:</b> Does the initiative use technology to provide new services to a previously unserved segment of the market?	Transformational initiative delivering new services into new markets.	New product or service to new markets.	New product or service to existing markets.	Existing product or service.
Impact	Level 4	Level 3	Level 2	Level 1
<b>Environmental Benefits:</b> Does the initiative use technology to deliver environmental benefits?	Significant environmental benefits.	Limited environmental benefits.	No significant environmental benefits.	No significant benefits, potential negative impacts.
<b>Social Benefits:</b> Does the initiative use technology to quantifiable deliver social benefits?	Significant social benefits.	Moderate social benefits.	Limited social benefits.	No significant benefits, potential negative impacts.
<b>Governance Benefits:</b> Does the initiative deliver benefits in terms of corporate governance?	Significant governance benefits.	Limited governance benefits, no governance issues	No governance issues.	No significant benefits, potential governance issues.
<b>Financial Benefits:</b> To what extent does this initiative deliver financial benefits for the company?	Strong track record of profitability.	Demonstrated financial viability.	Approaching profitability.	Unclear pathway to profitability.
Scalability	Level 4	Level 3	Level 2	Level 1
<b>Catalytic Effect:</b> Does the initiative create a new best practice that is reliable/scalable?	Practice likely to be replicated as new standard internationally.	Practice likely to be replicated within market segment.	Limited replicability, loss of benefits in scaling up.	Not replicable or scalable without loss of benefits.
Company's Role	Level 4	Level 3	Level 2	Level 1
<b>Company Impact:</b> Did the company itself play a value added role in triple bottom line aspects?	Critical value added role within transaction.	Value added role.	Supporting role within sustainability value added.	Plain vanilla investment.



# Achievement in Inclusive Business

Innovation	Level 4	Level 3	Level 2	Level 1
<b>Financial Structure:</b> To what extent is the initiative's financial structure innovative (e.g. crowd-sourced financing, innovative payment structures)?	Internationally groundbreaking structure.	Groundbreaking structure within regional context.	Domestic level best practice.	Proven structure.
<b>Business Model Approach:</b> Does the initiative represent a new business approach (e.g. synergy with distribution channel to broaden outreach)?	Transformational initiative.	Innovative elements in structure.	Domestic level best practice.	Proven approach.
<b>Market Innovation:</b> Does the initiative provide services into previously unserved markets (e.g. education of the rural poor)?	Transformational initiative	New product or service.	Modified product or service.	Existing product or service.
Impact	Level 4	Level 3	Level 2	Level 1
<b>Environmental Benefits:</b> Does the initiative deliver environmental benefits that enhanced the lives of the poor (e.g. access to water, climate resilience)?	Significant environmental benefits.	Limited environmental benefits.	No significant environmental benefits.	No significant benefits, potential negative impacts.
<b>Social Benefits:</b> Does the initiative improve the lives of poor or disadvantaged communities?	Significant social benefits.	Moderate social benefits.	Limited social benefits.	No significant benefits, potential negative impacts.
<b>Governance Benefits:</b> Does the initiative deliver benefits in terms of corporate governance?	Significant governance benefits.	Limited governance benefits, no governance issues	No governance issues.	No significant benefits, potential governance issues.
<b>Financial Benefits:</b> To what extent does this initiative deliver financial benefits for the company?	Exceptional financial performance (arrears, client growth, portfolio size, profitability)	Strong financial performance.	Variable financial performance.	Financially unsustainable as standalone business.
Scalability	Level 4	Level 3	Level 2	Level 1
<b>Catalytic Effect:</b> Does the initiative create a new best practice that is reliable/scalable?	Practice likely to be replicated as new standard internationally.	Practice likely to be replicated within market segment.	Limited replicability, loss of benefits in scaling up.	Not replicable or scalable without loss of benefits.
Company's Role	Level 4	Level 3	Level 2	Level 1
<b>Company Impact:</b> Did the company itself play a value added role in achieving triple bottom line impacts?	Critical value added role within transaction.	Value added role.	Supporting role within sustainability value added.	Provision of plain vanilla financing.