



SMART BANKING

Krungsri's Experience



Pran Siamwalla

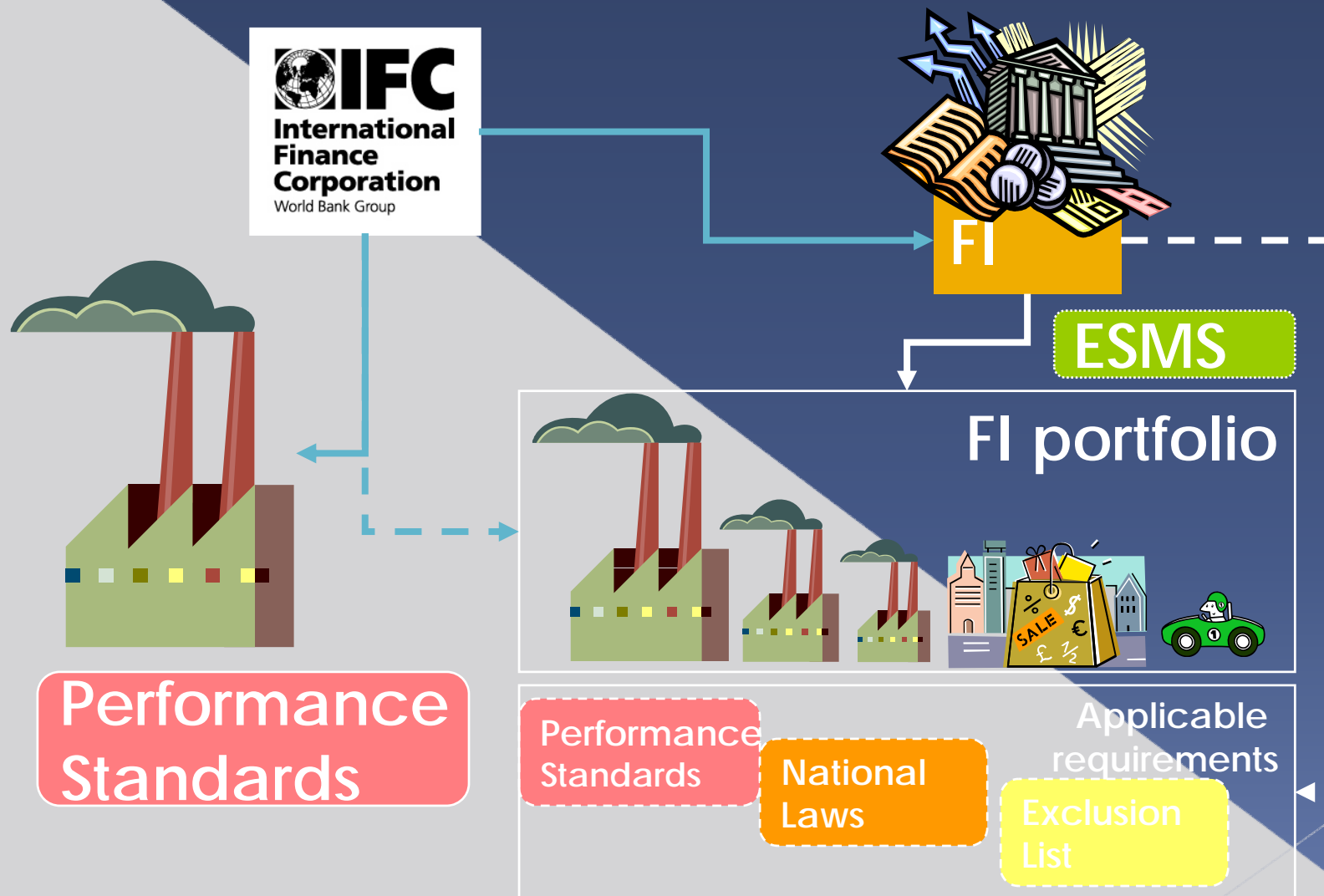
Environmental & Social Management System Officer

Why should FIs care about E&S Risk Management?

- **Potential harm to financial institution earnings and assets**
- **E&S risks linked to other types of risks for FIs:**
 - Credit risk (default probability; loss given default)
 - Liability risk
 - Reputational risk
- **Increasing pressure from:**
 - Banking regulators
 - Local governments
 - International lenders/ investors
 - Communities
- **Better Branding**
- **Opportunities for co-financing with Equator Principles FIs**



Approach to Financial Intermediaries



Eight Performance Standards



PS1: Assessment and Management of E&S Risks and Impacts



PS2: Labor and Working Conditions



PS3: Resource Efficiency and Pollution Prevention



PS4: Community Health, Safety and Security



PS5: Land Acquisition and Involuntary Resettlement



PS6: Biodiversity Conservation



PS7: Indigenous Peoples



PS8: Cultural Heritage



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ESMS Diagnostic

Sustainability Strategy

Credit, Liability, Operational, Rep risk management

E&S Risk Management

Policies

Processes

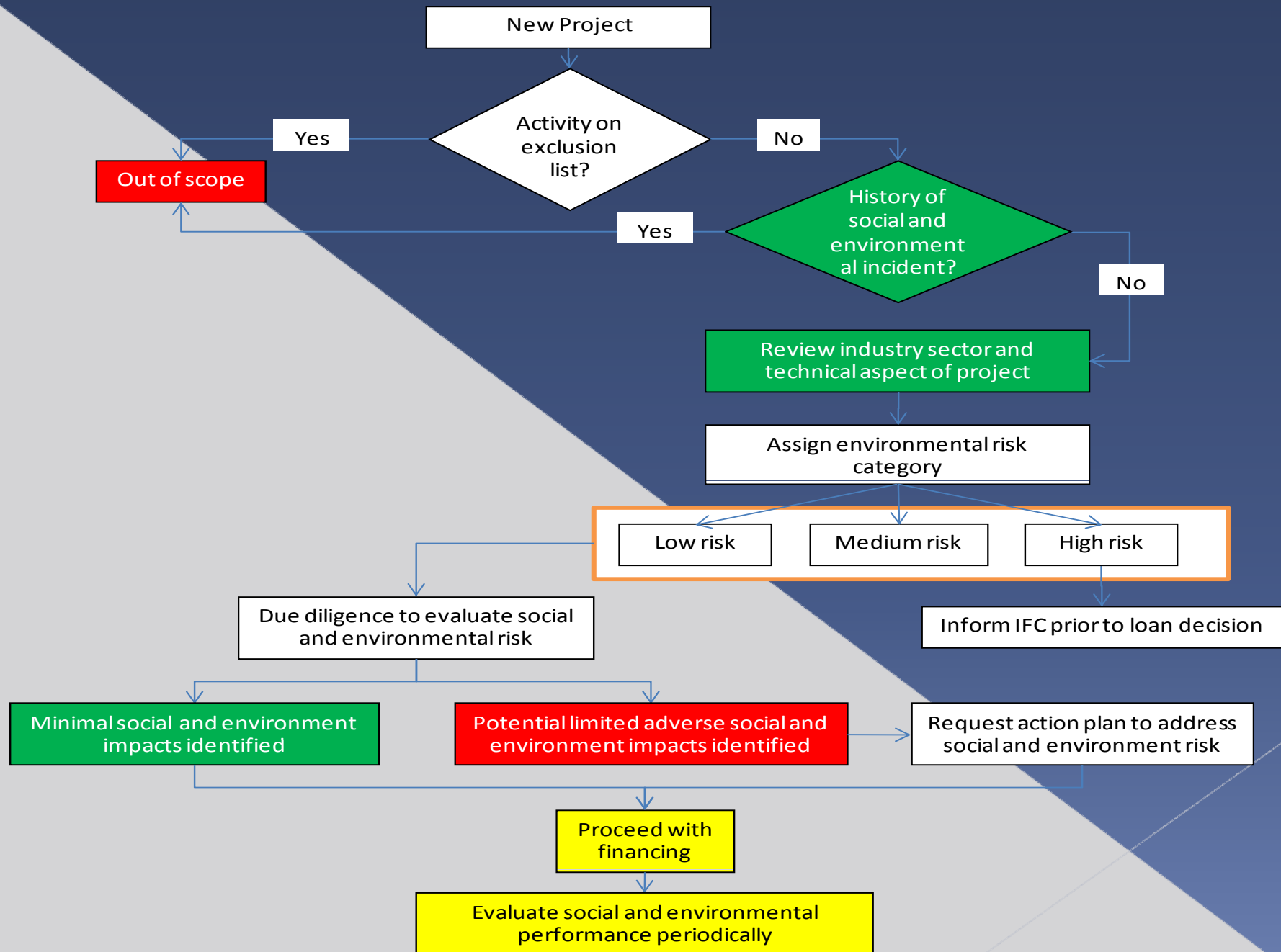
Reporting, data,
MIS systems

People, Training, Culture



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IFC Exclusion List:

- Production or trade in any product or activity deemed **illegal** under host country laws or regulations or international conventions and agreements, or subject to international bans, **such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife** or products regulated under CITES.
- Production or trade in **weapons and munitions**^[1].
- Production or trade in **alcoholic** beverages (excluding beer and wine)¹
- Production or trade in **tobacco**¹.
- **Gambling, casinos** and equivalent enterprises¹.
- Production or trade in **radioactive materials**. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded **asbestos** fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using **nets in excess of 2.5 km.** in length.
- Production or activities involving harmful or exploitative forms of **forced labor**^[2]/**harmful child labor**^[3].
- Commercial **logging** operations for use in primary tropical moist forest.
- Production or trade in wood or other **forestry products** other than from sustainably managed forests.

^[1] This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

^[2] Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

^[3] Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

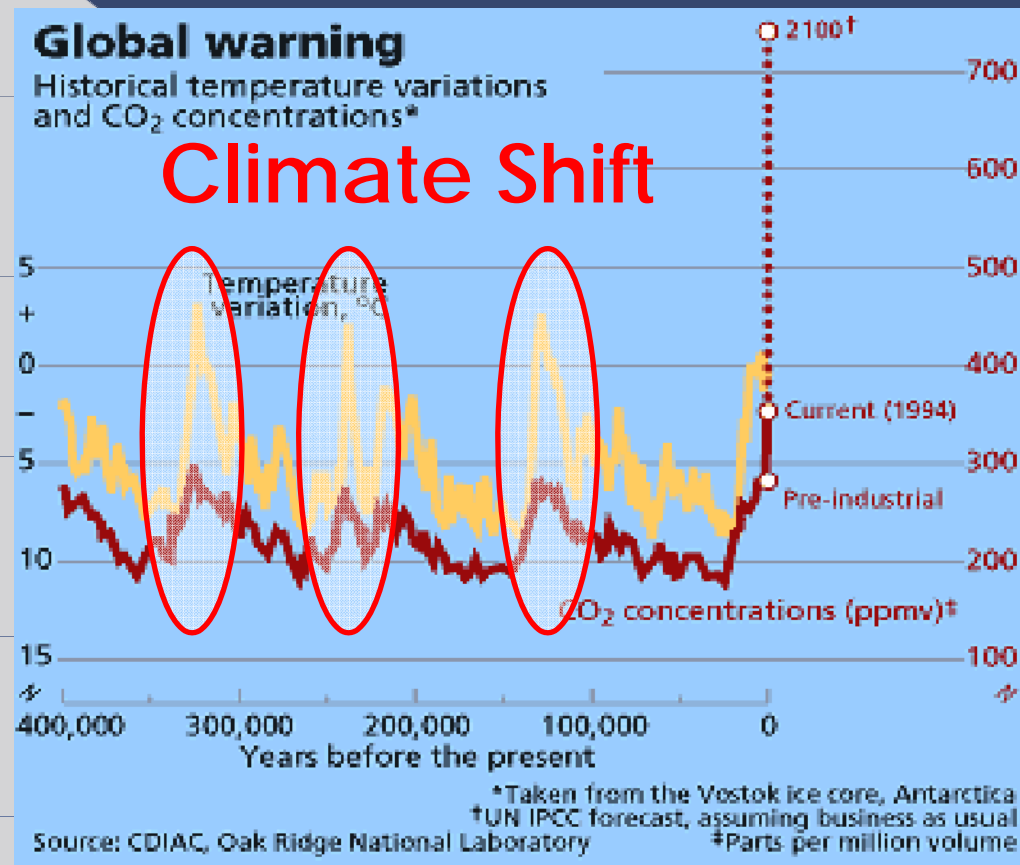
*Is being green -
enough?*



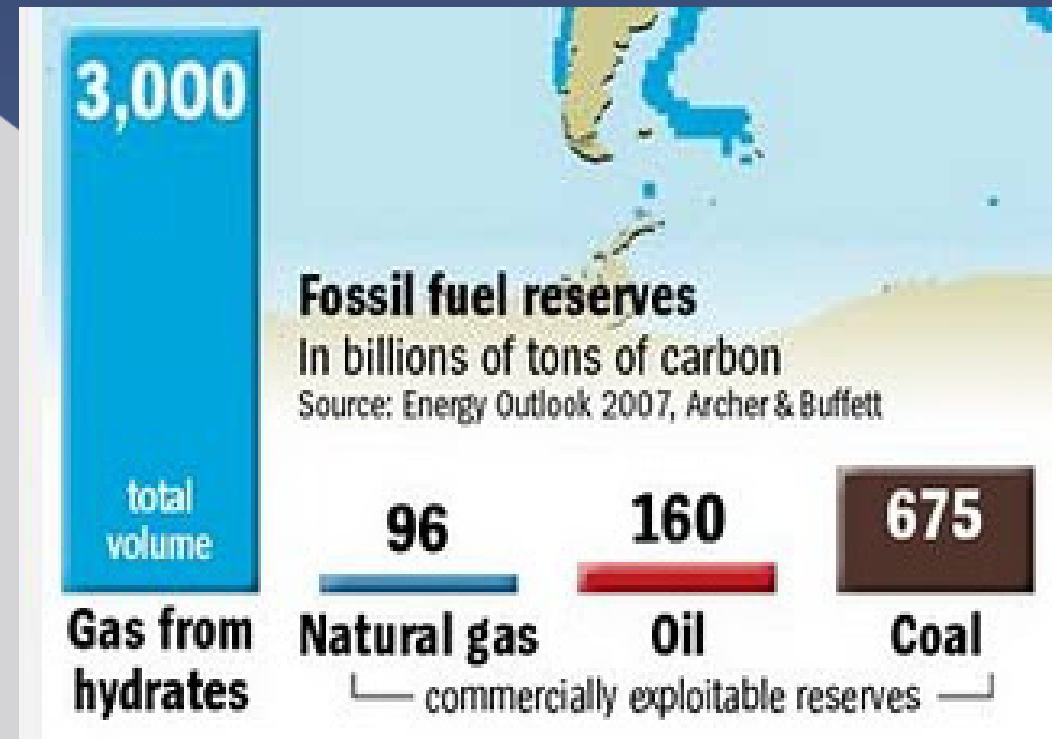
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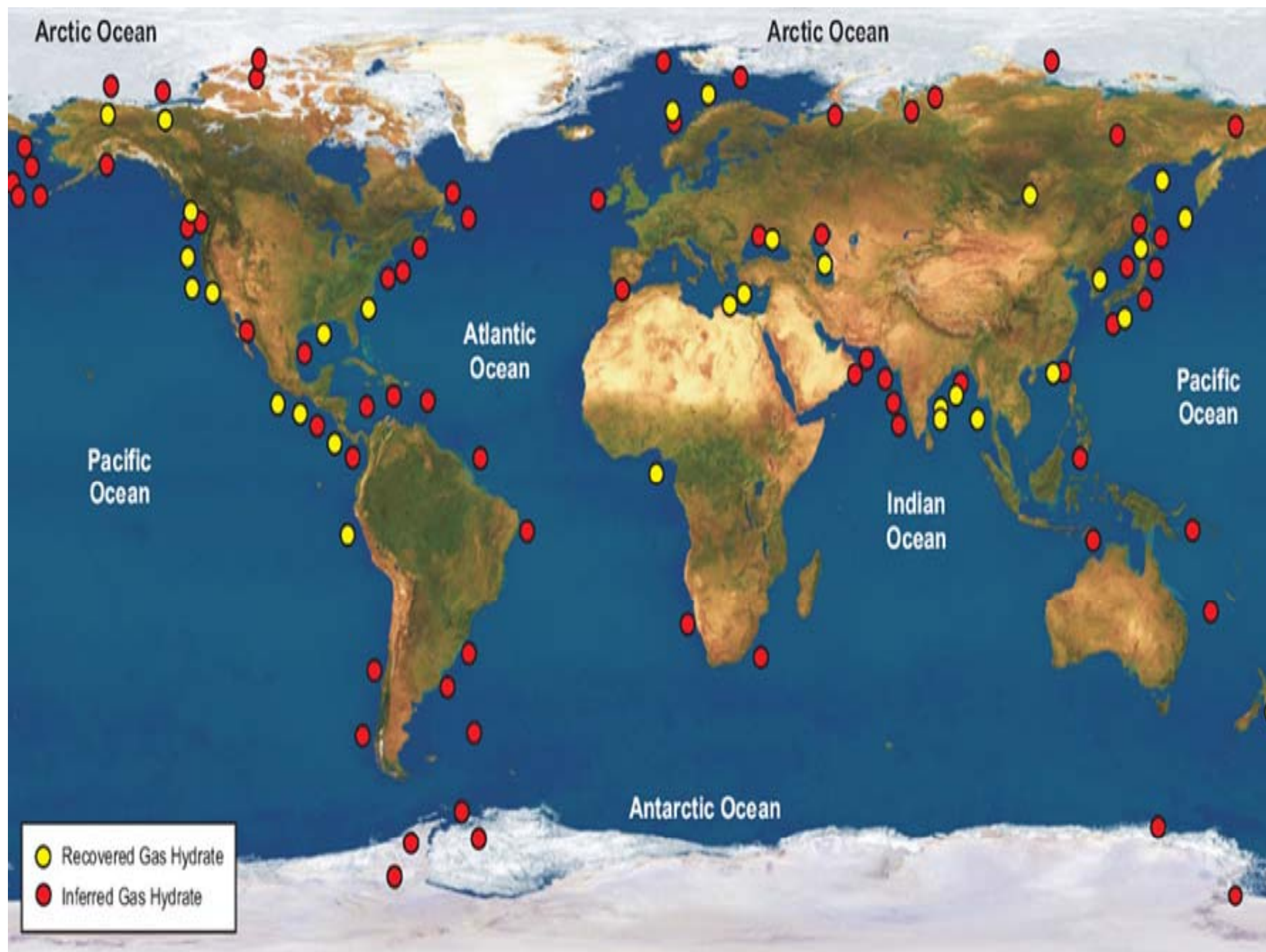


CO₂ Concentrations & Global Warming



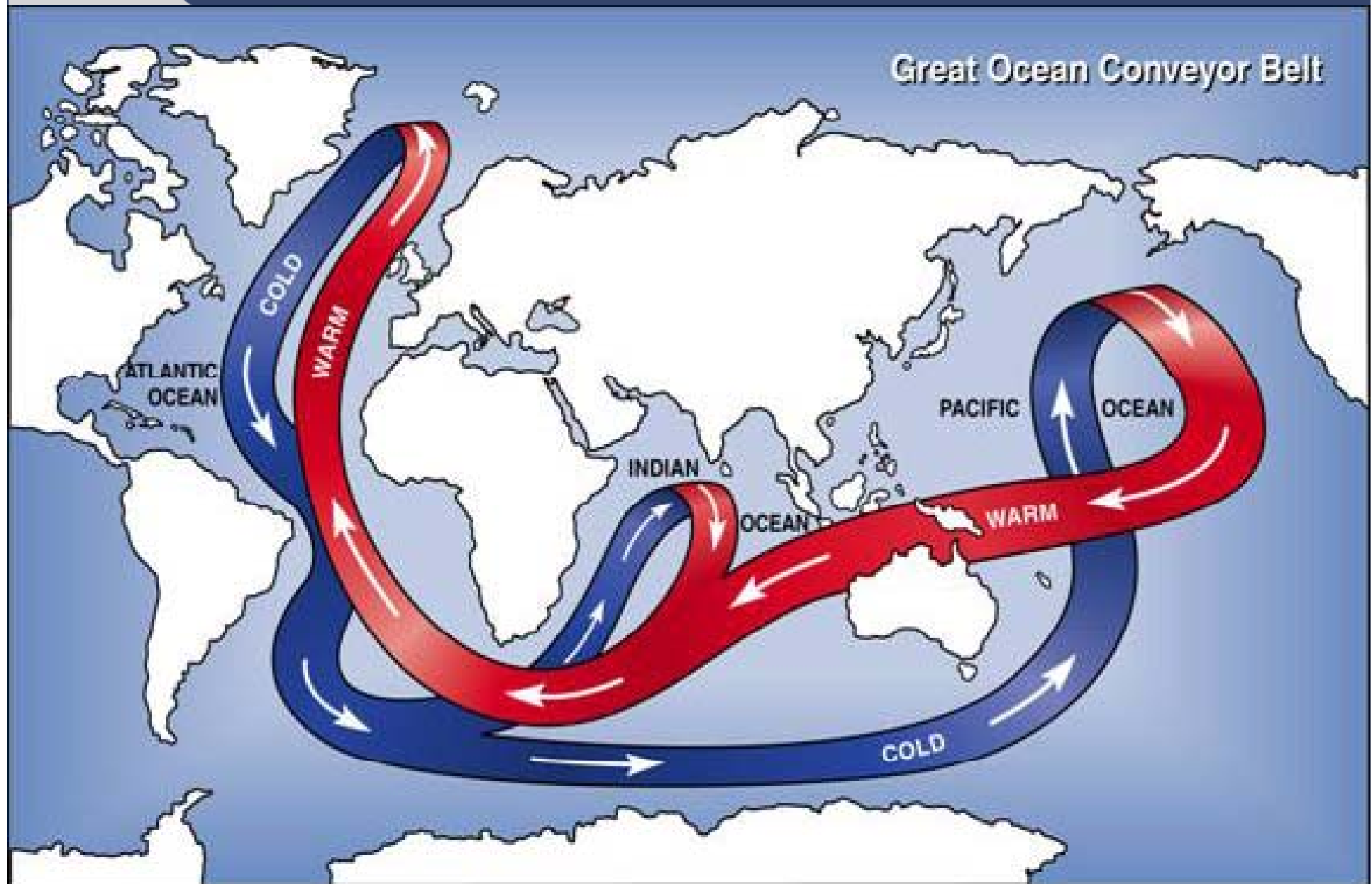
Methane Hydrate



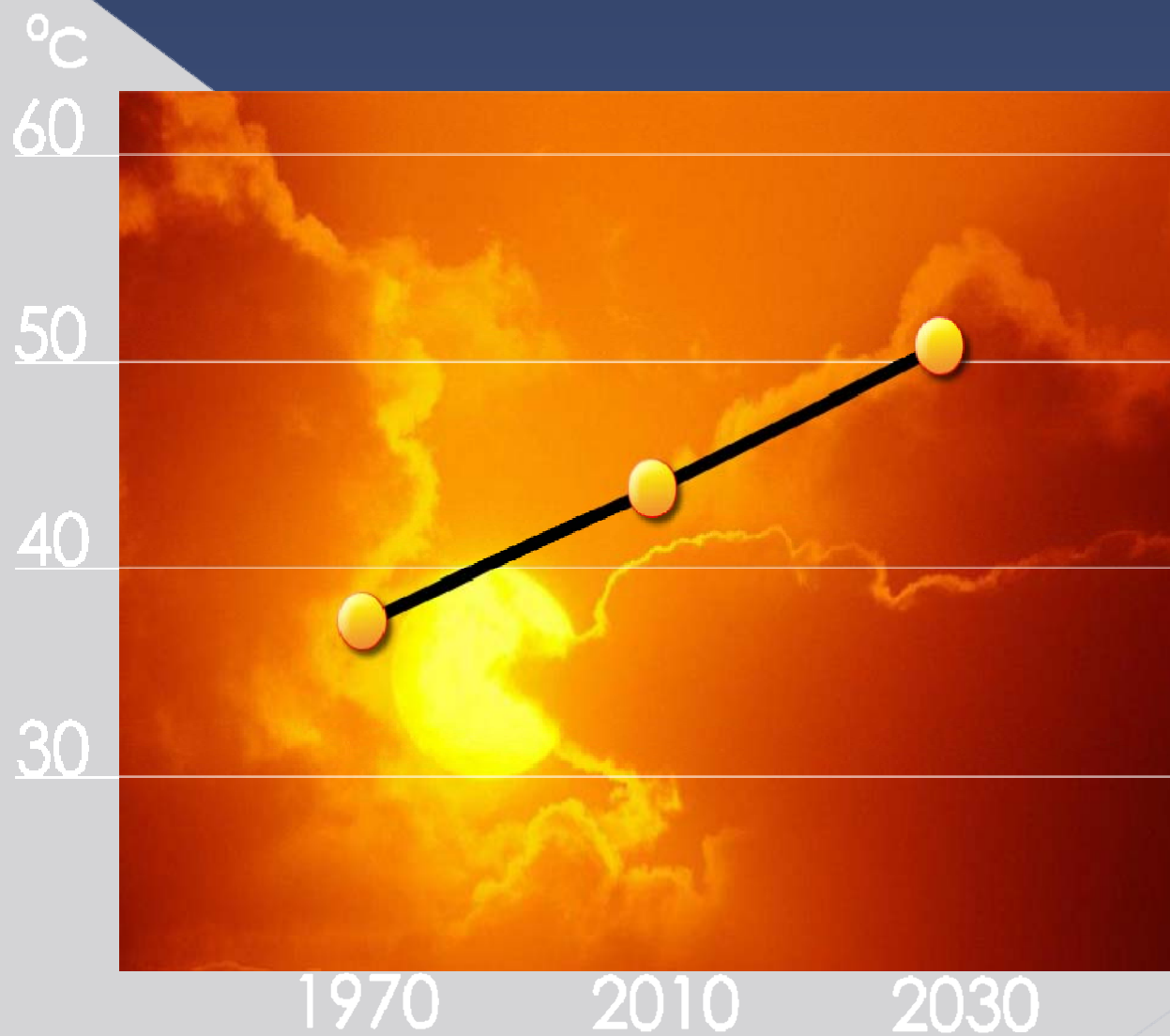




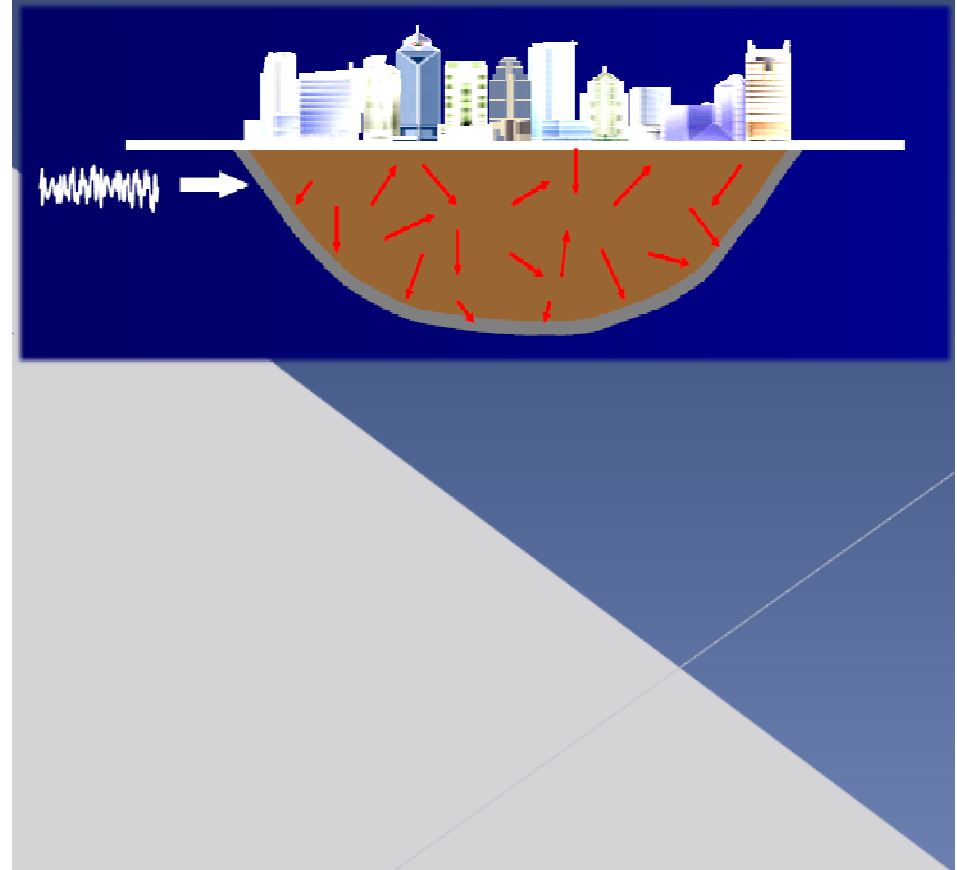
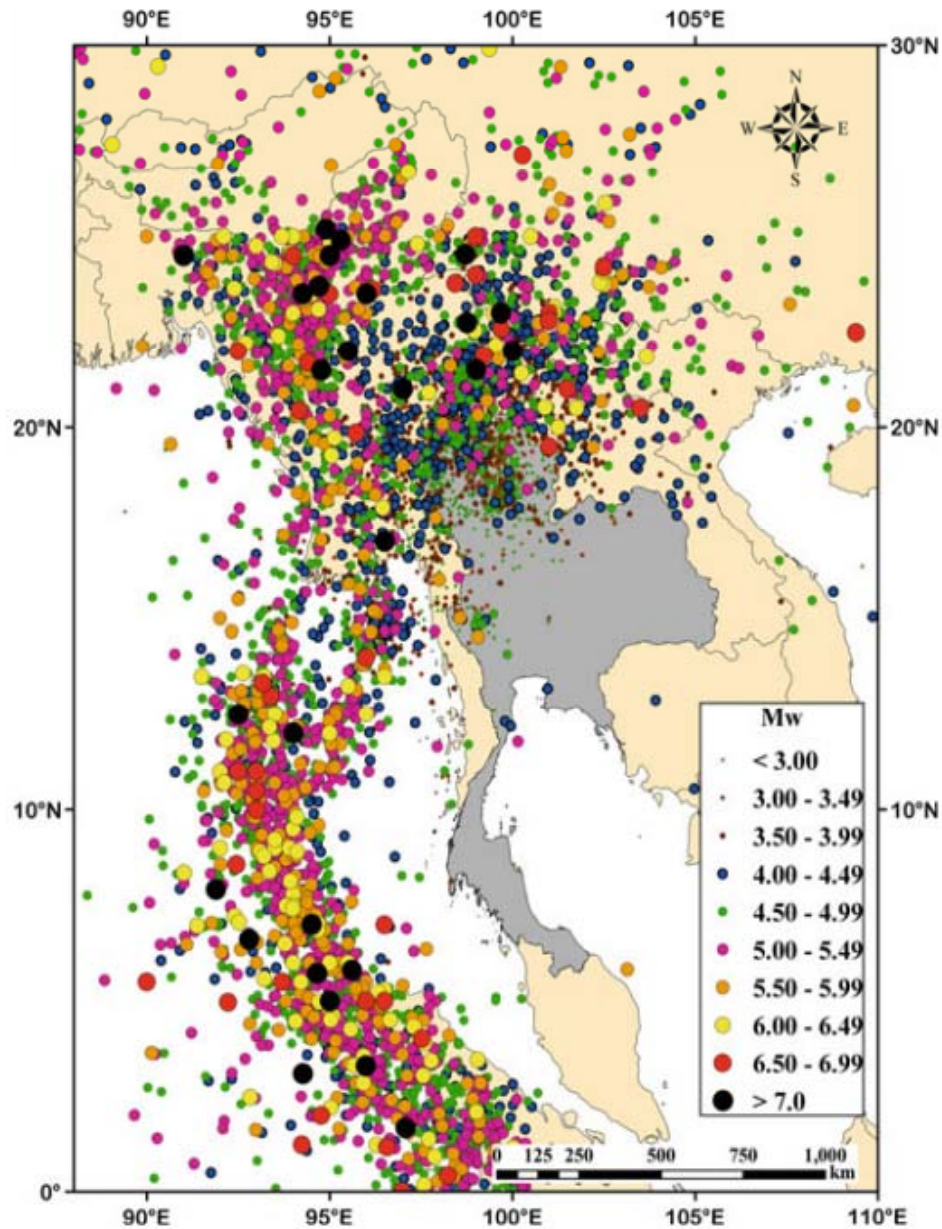
Ocean Currents Dysfunction

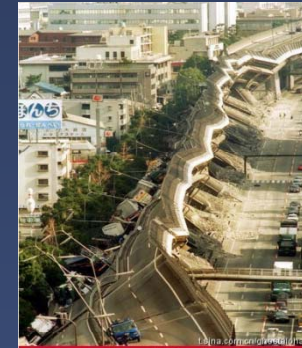


Thailand average highest temperature



Epic centers of Earthquakes 1910 - Present

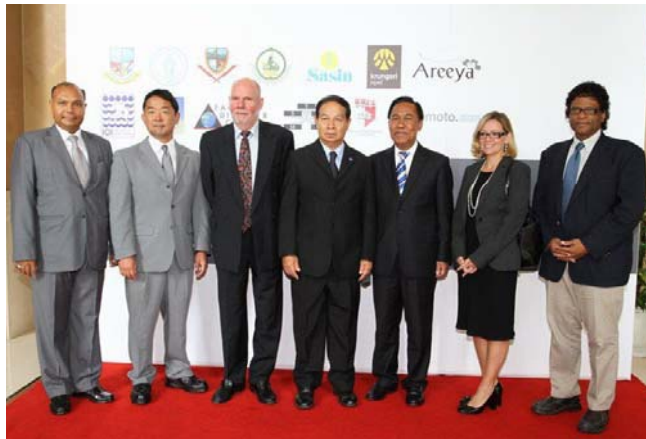




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A member of MUFG, a global financial group





Civilization Continuing Process now or Civilization no more!



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