# ESG Disclosure Based on Regulatory Landscape: An Enquiry Into the Stock Exchange Enlisted Banks in a Fastest Growing Economy

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*This research aims to reveal the extent, modes, and trend of ESG disclosure by the banks in Bangladesh. Analyses involve annual reports of 28 banks from 2016 to 2022 through the content analysis method using a 'checklist' comprised of 143 ESG disclosure items compiled from several policy guidelines regarding environmental and social performance disclosure circulated by the central bank, Bangladesh Bank. The study finds a spontaneously increasing tendency for ESG disclosure during the study period. Banks disclose information in both financial and non-financial modes, along with necessary details. However, information non-disclosure results in 75.18%, 63.38%, and 67.40% of environmental, social, and governance information, including many important ESG aspects that should not be ignored. The study result represents an optimistic scenario of ESG disclosure; nonetheless, Bangladeshi banks are yet to develop ESG disclosure practices.*

*Keywords: ESG disclosures, ESG scores, Bangladesh Bank, ESG disclosure practices, sustainability*

## INTRODUCTION

The ESG performance and disclosure are highly consequential in the context of a banking corporation, and these issues have been receiving increased consideration from academicians and policymakers (Bruno and Lagasio 2021; Lamanda and Tamásné Vőneki 2024; La Torre, Leo, and Panetta 2021). Banking corporations have been considered very crucial for the current dynamic business world. Commercial Banks play an essential role in any economy and aggregate sustainable development by channeling money into other business sectors (Jeucken and Bouma 2017). Proper ESG performance by the banks may prove at least twofold responsible behavior. Firstly, banks can impose conditions while granting credits to other sectors to act socially and environment-friendly, and secondly, by taking internal and external social and environmental institutional initiatives by themselves (da Silva Inácio and Delai 2022). So, this business wing should operate sustainably.

Sustainability is the form of sustainable deposits and advances in the bank business. Sustainable banking has received extraordinary attention since the UN Environment and Sustainable Dev. Funding Initiative (UNEP-FI) started in 1992 to encourage ecological factors inclusion in all facets of the monetary sector's functions and uses (da Silva Inácio and Delai 2022). Simultaneously, "ESG" officially appeared in 2004 in the UN transnational consolidated statement "Who Cares Win: Connecting Financial Markets to a Changing World." This writing suggested that companies integrate ESG principles and guidelines and report on ESG enactment in a more consistent and standardized format. Besides, UNEP-FI highlighted the usefulness of sustainability disclosures for financial institutions in developing and emerging countries by publishing 'Sustainability Management and Reporting' in 2006 (Sobhani, Amran, and Zainuddin 2012). Eventually, these initiatives led the key stakeholders, including regulatory authorities, to expect reliable, transparent sustainability reporting (Diouf and Boiral 2017). In this way, ESG reporting became the communication of corporate sustainability information (Makarenko and Makarenko 2023).

However, there was a lack of stringent reporting standards for a robust reporting system of ESG disclosures for a long time (Arif et al. 2020). So, institutions went for voluntary reporting owing to the nonappearance of standardized disclosure outlines. Banks have started publishing ESG information in financial and non-financial forms in their annual reports as integrated reporting, in stand-alone reports, and on websites, either voluntarily or by imitating competitors. To bring consistency and comparability in sustainability performance and to remove the disorderly reporting trend, several voluntary reporting guidelines have been adopted worldwide (Makarenko and Makarenko 2023; Tőzsér et al. 2024). Implementing specific guidelines and frameworks like the Global Reporting Initiative (GRI) can be a noteworthy example. (Zheng et al. 2022) CSR disclosure positively impacts a bank's productivity when it complies with GRI standards.

However, prior research has claimed the inconsistent adoption of GRI (Guthrie and Farneti 2008), which has resulted in incomparable information or information of a declarative nature (Safari and Areeb 2020). Information superiority in the sustainability statement is criticized (Diouf and Boiral 2017). So, countries' banking sectors have developed their version of sustainable banking guidelines, CSR policies, green banking (GB) initiatives, or sustainable financing policies.

This study examined the ESG practices & disclosure trends and tendencies of the DSE-enlisted Bangladeshi banks. In Bangladesh, financial regulators, i.e., Bangladesh Bank (BB) and the Dhaka Stock Exchange (DSE) have imposed various rules and policy guidelines to shape sustainable banking practices. Banks' ESG exposure practices banks in Bangladesh to go through these policies, especially those mandated by BB. Hence, these issues need further exploration. The important finding of this study reveals that the ESG disclosure trends of Bangladeshi banks are increasing gradually, but a satisfactory level is yet to be attained. This study has important contributions to the ESG research realm. Firstly, here, ESG disclosure trends and tendencies of the banks are justified through the lens of policy guidelines implemented by BB, where most of the previous studies were based on either the researcher's self-selected ESG criteria or international guidelines like GRI guidelines or ISO26000. Secondly, annual reports of 28 DSE-listed banks are analyzed for seven years through a content list comprised of 143, of which 26 are environmental, 61 are social checklist items, and 56 are governance-related. Researchers try to capture the disclosure nature of ESG indicators by categorizing information into three kinds, financial with supporting details, only financial and non-financial declarative types, and no information. This is the very first attempt to administer this study with a large set of ESG indicators with varying natures of disclosure and involving almost all listed banks for a comparatively long time. This study reflects the bank's ESG performance and disclosure trend. Besides, it reveals the bank's adherences to the central bank's regulation. Thirdly, external regulation and supervision, especially from BB, are given priority in selecting governance issues instead of inter-organizational corporate governance. This research comprises seven segments. After a brief overview, the following section discusses the background of ESG involvement in the Bangladeshi banking sector. The third section contains a literature review. The research methodology is discussed in detail in the fourth section. The fifth section represents outcomes, the sixth section discusses essential findings, and the last contains remarks.

## BACKGROUND OF ESG REPORTING IN THE BANGLADESHI BANKING SECTOR

In the middle of the last decade, corporate sustainability has become an essential institutional norm worldwide. Sustainable banking has also received considerable consideration from policy planners and academicians because they have become conscious of the financial risks arising from social and environmental causes in the banking sector (Park and Kim 2020; Ulrich Volz 2017). Critical groups of stakeholders, including regulatory authorities, demand reliable and transparent information regarding how banks include and practice social and environmental efforts in their operations and by operations (Bose et al. 2018). ESG inclusion in banking operations and reporting was initially voluntary and often criticized due to a lack of standardization. It made regulatory authorities and policymakers bring ESG practices and reporting within a specific framework. Another reason was that ESG reporting must be mandatory to make information comparable and consistent (Lamanda and Tamásné Vőneki 2024). The regulatory authorities have introduced various rules, standards, and frameworks to shape the reporting of ESG performance. These attempts support the overall ESG issues. As the supreme regulatory body, the central banks in almost all developed and developing countries have been playing a mentionable role in ensuring proper sustainable banking or ESG integration and reporting. Among the developing countries, Bangladesh Bank (the central bank) in Bangladesh has proved its skill to lead sustainable banking in the banking sector by formulating policies regarding green banking, sustainable finance, and corporate social responsibility (Park and Kim 2020). Before these attempts, BD banks were involved in voluntary environmental and social activities and disclosures too (Bose et al. 2018).The banking sector, driven by BB's mandatory regulations, gradually improves social and environmental performance and disclosure (Akhter et al. 2023; Bose et al. 2018; Islam and Kokubu 2018; Khan et al. 2021).

Bangladesh Bank issued Guidelines on Environmental Risk Management (ERM) in 2011, the pioneering initiative from any central bank or financial sector regulator (Bangladesh Bank, Sustainable Finance Department, 2017). Besides, this authority popularized sustainable financing in 2011 by drawing up green banking guidelines for banks in the country (Bose et al., 2018) .From 2011 to 2022, BB circulated 31 circulars regarding green banking, green finance, environmental and social risk management, green transformation funds, impact funds, refinancing schemes for sustainable finance, CSR activities, expenditure and reporting, etc. Among these, 26 circulars were pronounced after the adoption of UN SDGs. These initiatives were very appreciable in fostering sustainable banking. BB established the Sustainable Finance Department by replacing the Green Banking and CSR departments in 2015 (Bangladesh Bank, Sustainable Finance Department, 2015). To ensure sustainability in the banking sector, BB implemented 'the Sustainable Finance Policy for Banks and Financial Institutions—SFD Circular No-5, dated December 31, 2020, a policy guideline with a reporting format for all banks and financial institutions at the end of 2020 to partner with the government in the actualization of SDG-related plans to a greater extent (Bangladesh Bank, Sustainable Finance Department, 2020). This guideline came as a full package of instructions to direct the banks to better integrate environmental issues in financing and investing decisions, which accommodates all the previously circulated instructions regarding sustainable financing with an upgraded format. Another important policy about CSR is 'Policy Guidelines on Corporate Social Responsibility for Banks and Financial Institutions — SFD Circular No. 1, dated January 9, 2022'. This latest guideline is the most organized form for governing banks' CSR performance and disclosure, which is a substitution for the previous CSR instructions mandated by BB. These initiatives make the Bangladeshi banking sector a promising and accountable industry. So, it is necessary to know how these policies influence Bangladeshi banks to disclose their ESG performance. Table 1 represents the critical policies formulated by BB to foster sustainable banking.

**TABLE 1**
**IMPORTANT POLICY CHRONOLOGY REGARDING GREEN BANKING, CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE FINANCE**

| Circular No. | Date | Particulars |
|---|---|---|
| BRPD Circular No.01 | 30.01.2011 | Environmental Risk Management (ERM) Guidelines for Banks and Financial Institutions have been issued. |
| BRPD Circular No. 02 | 27.02.2011 | Green Banking Policy Guidelines for Banks have been issued. |
| GBCSRD Circular No. 04 & Letter No. 05 | 11.08.2013 &11.09.2013 | Policy Guidelines for Green Banking were also issued for the Financial Institutions (FIs) and the banks scheduled in 2013. |
| GBCSRD Circular No. 04 | 04.09.2014 | From January 2016 onwards minimum target of direct green finance was set at 5% of the total funded loan disbursement/investment for all banks and FIs. |
| GBCSRD Circular No. 07 | 22.31.2014 | Indicative guidelines for CSR expenditure allocation and end-use oversight |
| GBCSRD Circular No. 06 | 10.06.2015 | Reporting CSR activities |
| GBCSRD Circular No. 04 | 09.07.2015 | Banks and FIs were instructed to form a 'Climate Risk Fund' having an allocation of at least 10% of their Corporate Social Responsibility budget. |
| SFD Circular No. 01 | 26.07.2015 | Sustainable Finance Department |
| FEPD Circular No. 02 | 14.01.2016 | Green Transformation Fund for export-oriented textile & textile products and leather manufacturing industries. |
| SFD Circular No. 01 | 11.05.2016 | Banks & FIs have been instructed to set up Solid Waste Management Systems, Rainwater Harvesting, and Solar Power panels in their newly constructed or arranged building infrastructure. |
| SFD Circular No. 02 | 04.12.2016 | All banks and FIs to establish a Sustainable Finance Unit and Sustainable Finance Committee by abolishing both Green Banking and CSR units. |
| SFD Circular No. 03 | 08.12.2016 | All the banks & FIs must ensure the establishment and activeness of Effluent Treatment Plant (ETP) during financing to all possible clients. |
| **SFD Circular No. 02** | **08.02.2017** | **Guidelines on Environmental and Social Risk Management (ESRM) for Banks and Financial Institutions with an Excel-based Risk Rating Model have been issued.** |
| SFD Circular No. 03 | 16.03.2017 | Master Circular: Refinance Scheme for Green Products |
| FEPD Circular No. 32 | 17.08.2017 | Green Transformation Fund for export-oriented textile & textile products and leather manufacturing industries. |
| SFD Circular No. 04 | 06.09.2017 | A comprehensive list of Green Finance products/initiatives for banks and FIs has been circulated. |
| FEPD Circular No. 36 | 09.10.2017 | The export-oriented jute products manufacturing industry has been included in the Green Transformation Fund. |
| SFD Circular No. 02 | 05.04.2018 | Master Circular for Islamic Refinance Scheme. |

| | | |
|---|---|---|
| SFD Circular No. 01 | 04.04.2019 | Accreditation of all the scheduled banks & FIs' investments in impact fund as Green Finance. |
| SFD Circular No. 01 | 22.03.2020 | Provide necessary assistance to the victims to prevent the risk of the country's corona virus infection. |
| FEPD Circular No. 20 | 15.04.2020 | Introduction of Euro in Green Transformation Fund. |
| SFD Circular No. 02 | 19.04.2020 | Deferral of the Regulatory Statement Submission to the Sustainable Finance Department |
| SFD Circular No. 02 | 30.04.2020 | Refinance Scheme for Environment-Friendly Products / Initiatives / Projects. |
| SFD Circular No. 03 | 08.07.2020 | Refinancing/on lending scheme of USD 200 million and Euro 200 million under Green Transformation Fund (GTF). |
| SFD Circular No. 04 | 28.07.2020 | Guidance Note for on-lending/refinancing under Green Transformation Fund (GTF). |
| SFD Circular No. 05 | 09.09.2020 | From September 2020 onwards, the minimum target for green finance was set at 5% of the total funded term loan disbursement/investment for all banks and FIs. |
| SFD Circular No. 05 | 31.12.2020 | Sustainable Finance Policy for Banks and Financial Institutions. |
| SFD Circular No. 06 | 31.12.2020 | Sustainability Rating for Banks and Financial Institutions. |
| SFD Circular No. 01 | 11.01.2021 | Target and Achievement of Sustainable Finance & Green Finance. |
| SFD Circular No. 02 | 17.01.2021 | Refinance Fund for Technology Development/ Upgradation of Export-Oriented Industries. |
| SFD Circular No. 05 | 17.08.2021 | About Sustainability Rating Methodology for Banks & FIs. |
| SFD Circular No. 01 | 09.01.2022 | Policy Guidelines on Corporate Social Responsibility for Banks and Financial Institutions. |
| SFD Circular No. 03 | 26.06.2022 | Guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh. |
| SFD Circular No. 04 | 24.07.2022 | Refinance Scheme for Environment-Friendly Products/ Projects/Initiatives |
| SFD Circular Letter No.02 | 18.09.2022 | Regarding the Dedicated Sustainable Finance Help Desk |
| SFD Circular No. 05 | 20.09.2022 | Policy on Green Bond Financing for Banks and FIs |
| SFD Circular No. 07 | 07.12.2022 | Green Transformation Fund (GTF) in Taka is for export- and manufacturing-oriented industries. |

## LITERATURE REVIEW

Mentionable improvement has been driven by the practical study of the banking industry's reaction to ESG disclosure to account for sustainable banking practices. In the banking sector worldwide, ESG disclosure is very relatable. Because the idea of banks being only money managers is left far behind, this sector can adopt robust mechanisms to rule over other businesses and act more socially and environmentally friendly. The number of investigations on ESG practice and disclosure is increasing in emerging economies like developed polities. Gai et al., (2023) and Ielasi et al., (2023) have tried to create a new scoring model to measure banks' ESG performance. In developing the scoring tool, Gai et al., (2023)considered GRI guideline indicators only, which apply to banks. The model developed by Ielasi et al., (2023) named 'BESGI' proposed to measure the European bank's ESG performance level, including the indirect impacts score and the environmental, social, and governance score. The authors have attempted to capture the indirect and direct influences of ESG based on publicly known facts. (Tamásné Vőneki and Gabriella 2020) studied the ESG practices of nine large domestic banks in Hungary by applying the content analysis method. The authors tried to find answers to 32 ESG-related questions sub-grouped into framework, social, environmental, and corporate control from the bank's publicly available sustainability reports and relevant publications. According to the result, authors found heterogeneous ESG reporting practices due to the lack of standardized disclosure systems, and they suggested implementing uniform disclosure standards.

It is essential to know which factors influence banks to disclose ESG information. It may be voluntary norms, mandatory institutional practice, or regulatory requirements (El Khoury, Nasrallah, and Alareeni 2023). While ESG got institutional preference from the UN, regulatory authorities for the banking sector had started to include ESG issues in regulatory guidance. The regulations pondered over some facts, like inspiring banks to consider social and environmental welfare in their operational decisions, making banks conscious about and focus on ESG risk sources (La Torre et al. 2021); and guiding banks to disclose transparent ESG information to strengthen the community-company relationship (Galletta, Mazzù, and Naciti 2022). Consequentially, investors also became interested in the incremental value of ESG and, hence, put more preference on ESG information disclosure (Miralles-Quirós, Miralles-Quirós, and Redondo-Hernández 2019). So, banks started considering ESG disclosure to represent their corporate sustainability.

In some cases, the banks preferred disclosing ESG information to showcase their responsible behavior, while many top companies were blamed for not being socially and environment-friendly (El Khoury et al. 2023; Menicucci and Paolucci 2023). De Villiers, Naiker, and van Staden (2011) have justified environmental disclosure in company annual reports and websites subject to the institutional motives behind the disclosure and commented that firms disclose ecological information on yearly reports when they have a terrible environmental reputation. The considerations for gaining market preference and a good reputation may also push the bank's ESG disclosure (Gai et al. 2023). Birindelli et al. (2018) think integrating ESG into banking practice can lead to a long-term competitive advantage. Notwithstanding these, the number of studies that have exposed the actual level of BD Bank's sustainability performance and disclosure is scant (Sobhani et al. 2012). The prime regulator-central bank's guidelines, as standards for general sustainability reporting, do not get enough attention from researchers. Regulatory guidelines in the banking arena deserve more attention from the researchers. Regulatory pressure can boost ESG disclosure by the banks (Gai et al. 2023). Tőzsér et al., (2024) examined the compliance level of three reporting guidelines, Global Reporting Initiative —G4, Financial Services Sector Disclosures—GRI; Alliance for Corporate Transparency—ACT; ISO 26000:2010—ISO in disclosing ESG information by the top European and Hungarian bank's disclosure. They have mentioned the Central Bank of Hungary's (MNB) support for the Hungarian banking sector's green transition and sustainability practices (Bruno and Lagasio 2021) present an overview of the current European regulatory framework for ESG practices in banking institutions, make comparisons among the different policies proposed in other countries, and attempt to highlight ESG practices for both policymakers and practitioners.

As a central authority, BB took many mentionable and timely initiatives that paved the way for BD banks to practice sustainable banking. Previously, the authority provided provisions for the CSR engagement of banks in 2008 (Uddin, Siddiqui, and Islam 2018) and implemented green banking guidelines in 2011 (Bose et al. 2018). As a result, CSR and green banking practices of the BD banking sector have received enormous attention from researchers in the last decade. Belal and Cooper (2011); Habib-Uz-Zaman Khan, Halabi, and Samy (2009); Islam and Kokubu (2018); Islam, Kokubu, and Nishitani (2021); (Jahid et al. 2020) ; Khan et al. (2011); Rouf and Hossan (2021); Uddin et al. (2018); Zheng et al. 2022) have researched CSR. Bose et al. (2018) examined BD Bank’s green banking disclosure practices and commented that the regulatory guidance has an accelerating influence on the bank’s green banking disclosure. Next, with the popularization of corporate sustainability in the banking sector, researchers concentrated on this arena. Several studies commented that social initiatives from banking were insufficient and sustainability disclosure was unstructured (Habib-Uz-Zaman Khan et al. 2009; Sobhani et al. 2012).

Sobhani et al. (2012) measured corporate sustainability reporting in annual reports and websites of 29 DSE-listed and Chittagong Stock Exchange (CSE) listed banks categorized into three generations by considering corporate sustainability, economic sustainability, environmental sustainability, and social sustainability disclosure as criteria. Khan et al. (2011) investigated corporate sustainability reporting practices of the 12 private commercial banks listed based on GRI sustainability indicators. BB policies include mandatory guidelines and instructions bestowed at the discretion of the bank's authority. So, banks have enough chances to disclose voluntary information about environmental friendliness and social engagements. Furthermore, BB has made provisions for rewarding banks differently for complying with the policies. For example, it benefits banks for complying with green banking rules from 2011 (Bose et al. 2018) and provides sustainability ratings for banks regarding their social and environmental performance from 2020. As a result, a gradual improvement in sustainable banking practices and disclosure is vital (Khan et al. 2021; Weber and Chowdury 2020). Mazumder (2024) has also found a positive and rising trend in disclosing the bank's information regarding Sustainable Developed Goals (SDGs).

## RESEARCH METHODOLOGY

### Sample and Data

The banking industry of Bangladesh has chosen for this study to decide on the disclosure of ESG performance. All the scheduled banks are considered as research populations. 36 Dhaka Stock Exchange (DSE)-listed banks among 61 scheduled banks are selected as primary samples using purposive sampling. The sample period consists of 7 consecutive years, from 2016 to 2022, which limits the number of DSE-listed banks to 30, and primary observation includes 210 annual reports. Two banks, namely, Rupali Bank PLC and ICB Islamic Bank PLC, have been excluded from the samples due to publicly unavailable annual reports and missing ESG data in annual reports, respectively. This curved the sample size into 28 DSE-listed banks and 196 bank-year observations. The sample selection details are explained (See Table 2) and the sample banks' names and listing year (See Appendix 1).

**TABLE 2**
**SAMPLE STRUCTURE**

| | |
|---|---|
| Total number of scheduled banks | 61 |
| Total no. of DSE-listed banks | 36 |
| Total no. of DSE-listed banks for the sample period | 30 |
| Total no. of banks excluded for unavailability of data | 2 |
| Final sample banks | 28 |

### Data Collection Procedures

ESG-related information was gathered from the sample banks' annual financial statements for the selected periods. Usually, companies or firms represent ecological data in corporate annual reports, and it is the most essential tool for communicating information to stakeholders and maintaining legitimacy. In addition to annual reports, stand-alone sustainability reports and several banks' websites are also used as potential sources of information. Relevant data are collected through the 'content analysis' method. Content analysis methods and checklists are common in sustainability or ESG reporting-related studies, especially while studying compliance with regulations and standards (Tőzsér et al. 2024).Many authors, including Adu et al. (2022); (Katmon et al. 2019); H. Z. Khan et al. (2021); (Kiliç, Kuzey, and Uyar 2015); (Rouf 2017); Rouf & Hossan (2021); Tamásné Vőneki & Gabriella, (2020) have followed these techniques. Relevant data were collected using a 'checklist' comprised of 143 disclosure items (See Appendix 2), of which 26 are environmental, 61 are social, and 56 are governance-related. The checklist is constructed based on several essential policy guidelines through which BB regulates the ESG implementations of banks and financial institutions. Mainly, the *Sustainable Finance Policy for Banks and Nonbank FIs- SFD Circular No.5, dated Dec. 31, 2020'* and '*Policy Recommendations on CSR for Bank FIs and Nonbank FIs- SFD Circular No. 1, dated Jan. 9, 2022,* are prioritized to justify banks' environmental and social engagement and the degree of disclosing vindicating information.

**ESG Disclosure Index Calculation**

The ESG disclosure index calculation depends on the individual score (multiple values and dichotomous values) assigned to the checklist items according to the particular attributes. Firstly, the individual disclosure index is calculated for the environmental, social, and governance. Then, a combinative ESG disclosure score is calculated for each bank year to show the extent of banks' ESG disclosure of ESG issues over the study period. In most of the studies, (Akhter et al. 2023; Islam et al. 2021; Issa et al. 2022; Khan 2010; Moufty, Clark, and Al-Najjar 2021; Rouf and Hossan 2021), un-weighted combinative scores were calculated using dichotomous values (1 for fulfillment of the condition or 0 otherwise) for scoring aspects. This research's data are coded in diverse orders rather than using dichotomous values only. (Adu, Al-Najjar, and Sitthipongpanich 2022; Jizi et al. 2014) used weighted disclosure indexing through content analysis. Concerning 26 environmental and 61 social checklist items, the data code ranges from 0 to 3, i.e., ‘0’ for communicating no information about a single item, '1' for a mere statement about the items' accomplishment or implementation, '2' for communicating only financial information, i.e., monetary figures, and '3' for reporting quantitative monetary information with supportive non-financial information that represents justification and strengthens the information. In the case of 56 governance item disclosures, dichotomous values are used to construct the disclosure index. So, the environmental and social disclosure scores result in a weighted-average disclosure index, where governance scores represent an un-weighted average score. Then, the combinative ESG disclosure index is calculated from the indexes of three dimensions for each bank-year observation. Some vague statements were found in the annual reports that do not bear proof of transparent information about particular ESG performances; have not been assigned any score. The checklist items are represented in Annex 2.

Formula used for Environmental and social criteria disclosure index:

$$\text{Environmental Disclosure Index (EDI)} = \frac{\sum_{i}^{n}(x_{ij})}{n\times 3} \tag{1}$$

$$\text{Social Disclosure Index (SDI)} = \frac{\sum_{i}^{n}(y_{ij})}{n\times 3} \tag{2}$$

where, n = number of items

j= particular bank-year

i= Disclosure item

xij or yij=1, if non-financial information regarding the achievement or implementation of item i for j bank-year is disclosed;

2, if only financial information about an item i for j bank-year is released without any details;

3, if financial information is disclosed along with supportive non-financial information about an item i for j bank-year;

0, if no information about an item i for j bank-year is exposed.

So, $0 \leq ij \leq 3$

$$\text{Governance Disclosure Index (GDI)} = \frac{\sum_{i}^{n}(z_{ij})}{n\times 1} \tag{3}$$

where, $z_{ij}$ =1, if item *i* for *j* bank-year is disclosed;

0, if no information about an item *i* for *j* bank-year is disclosed.

So, $0 \leq i_j \leq 1$

$$\text{Environmental, Social and Governance Disclosure Index (ESGDI)} = \frac{\text{EDI+SDI+GDI}}{3} \quad (4)$$

**RESULT**

This research seeks to disclose the nature of ESG exposure by DSE-enlisted banks in Bangladesh. To fulfill this aim, 143 ESG disclosures information was gathered from 196 annual reports of 28 sample bank FIs for seven years, 2016-2022, using a checklist developed from the policy guidelines implemented by BB. Then, they were systematically coded and transformed into disclosure indexes to reach a research result.

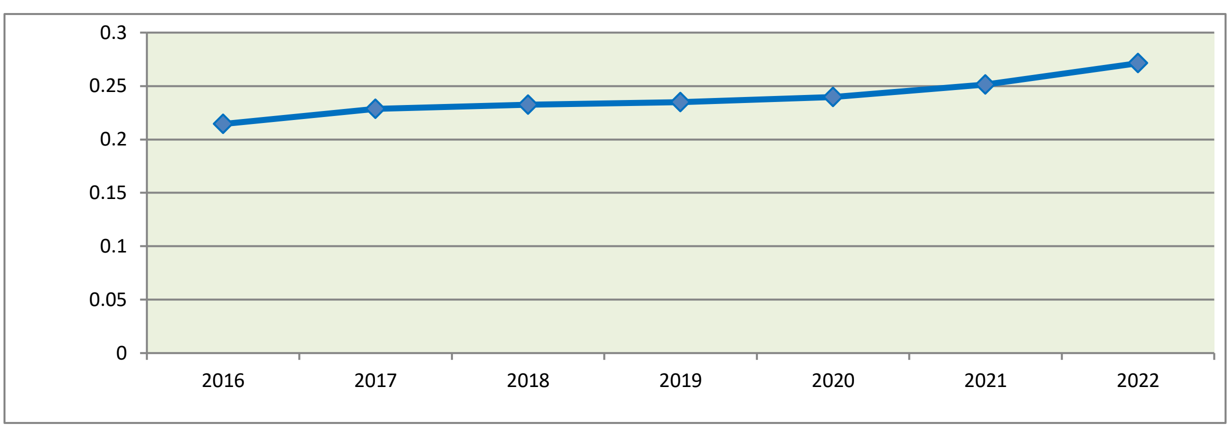
**ESG Disclosure Trend Over Sample Periods**

The ESG disclosure trend presented in the table and graph shows that the year-wise mean ESG score ranges from 21.44% to 27.13%. Graphical representation shows an increasing trend of ESG disclosure over a sample period in the banking sector.

**TABLE 3**
**ESG DISCLOSURE TREND OVER THE SAMPLE PERIOD**

| Year | ESGDI |
|---|---|
| 2016 | 0.214449 |
| 2017 | 0.228510 |
| 2018 | 0.232396 |
| 2019 | 0.234841 |
| 2020 | 0.239769 |
| 2021 | 0.251520 |
| 2022 | 0.271353 |

**FIGURE 1**
**ESG DISCLOSURE TREND FROM 2016 TO 2022**



**Individual Disclosure Trend for Environmental, Social, and Governance Over Sample Periods**

Weighted average scores show that, the highest disclosure percentages separately for environmental (15.93%), social (27.91%), and governance (37.57%) are found in 2022.The lowest environmental disclosure percentage (11.58%), social performance disclosure (24.14%), and governance disclosure percentage (28.38%) are found in 2020 and 2016, respectively.

**TABLE 4**
**INDIVIDUAL DISCLOSURE TREND FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE FROM 2016 TO 2022**

| Year | Weighted Average Environmental Disclosure Index (%) | Weighted Average Social Disclosure Index (%) | Weighted Average Governance Disclosure Index (%) |
|---|---|---|---|
| 2016 | 11.81 | 24.14 | 28.38 |
| 2017 | 12.04 | 26.60 | 29.91 |
| 2018 | 12.13 | 25.76 | 31.82 |
| 2019 | 13.74 | 25.02 | 31.70 |
| 2020 | 11.58 | 26.74 | 33.61 |
| 2021 | 13.69 | 26.56 | 35.20 |
| 2022 | 15.93 | 27.91 | 37.56 |
| | | | |
| Average | 12.99 | 26.1041 | 32.60 |
| Maximum | 15.93 | 27.91 | 37.56 |
| Minimum | 0.11584 | 0.241413 | 0.283801 |
| Standard Deviation | 1.57 | 1.24 | 3.13 |

**FIGURE 2**
**ENVIRONMENTAL DISCLOSURE TREND**

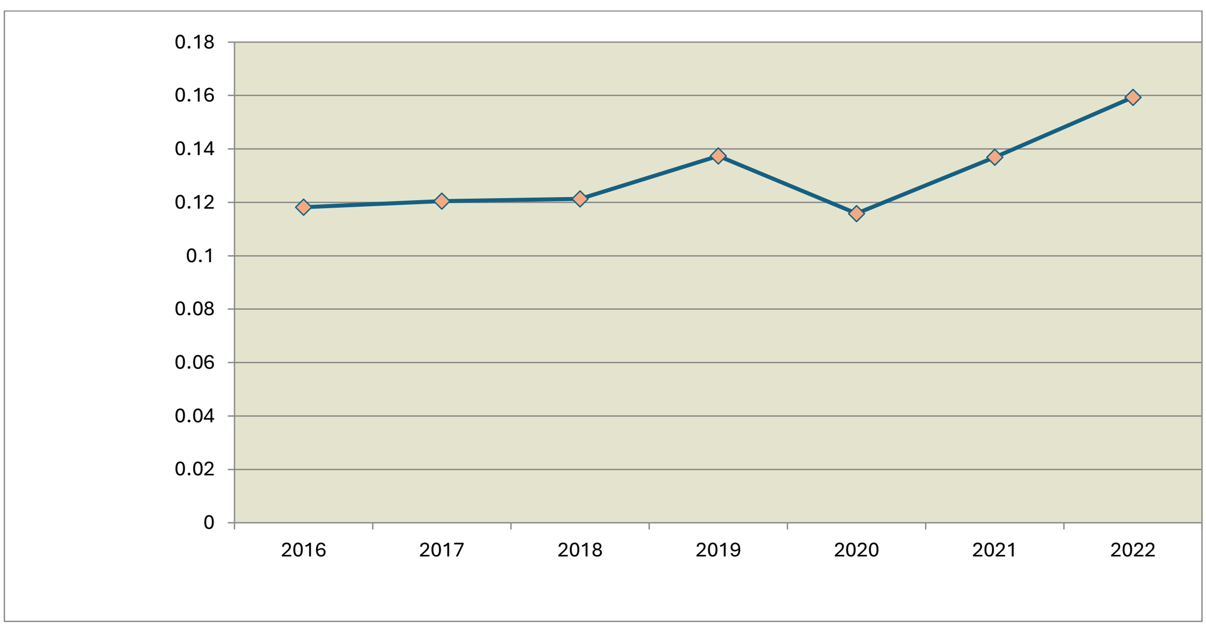


**FIGURE 3**
**SOCIAL DISCLOSURE TREND**

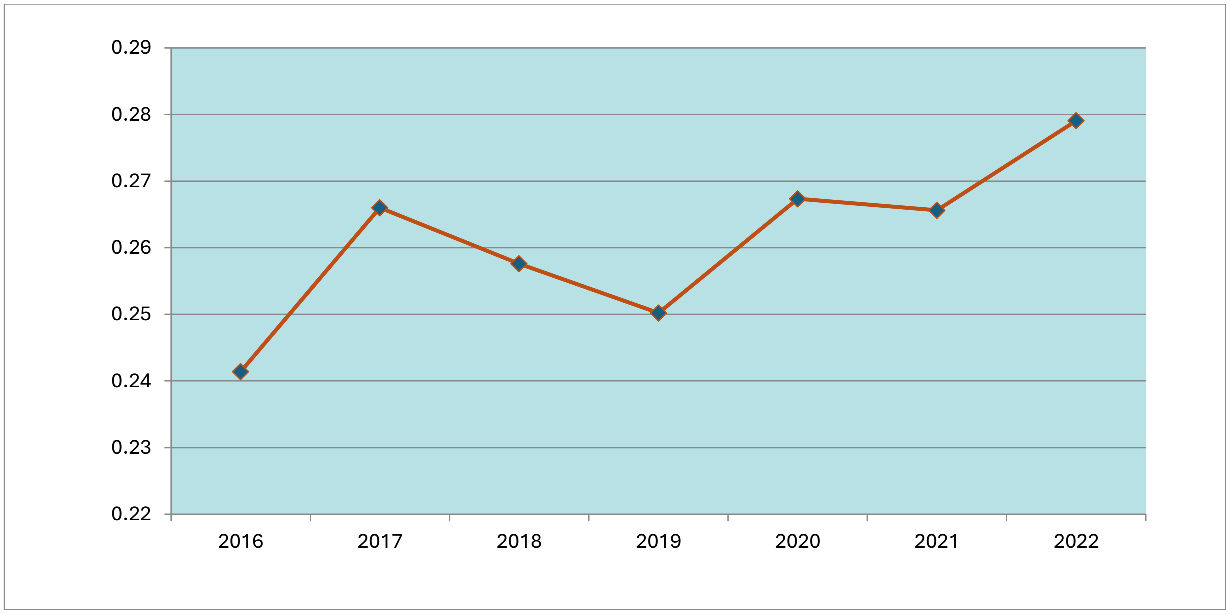
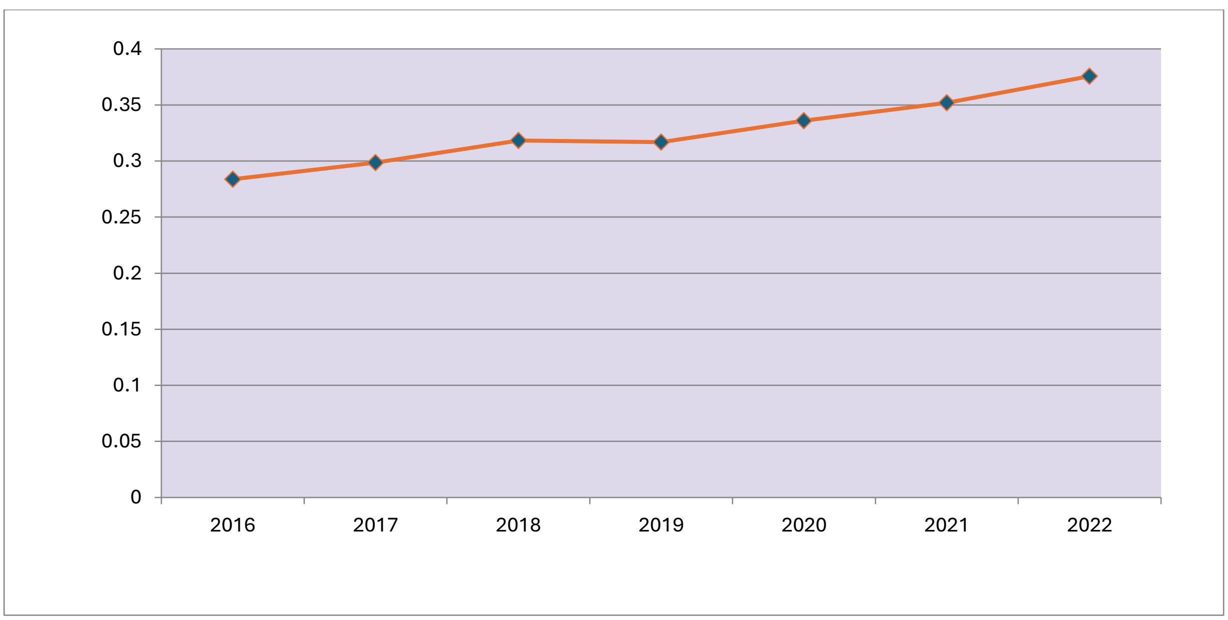



**FIGURE 4**
**GOVERNANCE DISCLOSURE TREND**




### Disclosure Score Statistics for a Total of 196 Bank-Year Observations

Islami Bank Bangladesh PLC discloses the maximum environmental information for 2021 and 2022, while Uttara Bank PLC reports the minimum disclosure score for two consecutive years, 2021 and 2022, and Southeast Bank Limited for 2020 and 2021. Both banks disclose only statements about their in-house resource-saving practices, which are aspects of in-house green banking approaches. Social Islami Bank PLC discloses the maximum amount of social information for 2017. Minimum social performance disclosure was reported by AB Bank PLC in 2018. Regarding governance issues, Shahjalal Islami Bank

PLC makes the maximum and second highest disclosure for 2021 and 2022, respectively. Prime Bank PLC reported the minimum disclosure for the year 2021.

**TABLE 5**
**OVERALL DISCLOSURE TREND FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

| | Environmental disclosure | Social disclosure | Governance disclosure |
|---|---|---|---|
| Weighted average | 0.12991 | 0.26104 | 0.32598 |
| Maximum | 0.33333 | 0.50273 | 0.69643 |
| Minimum | 0.01282 | 0.06557 | 0.07143 |
| Standard Deviation | 0.07876 | 0.09950 | 0.10357 |

### ESG Disclosure Modes

Multiple codes are used to assign scores on financial, non-financial, and there is no information about banks' ecological and social disclosure, where governance information is coded dichotomously by ‘1’ or ‘0’. Results show that only 3.36% of environmental information and 20.11% of social information are reported with financially quantifiable figures with supportive non-financial information. Monetary figures represent 7.48% of environmental and 1.48% of social information. Information relating to the disclosure of governance issues is only 32.6%. Moreover, the non-disclosure of ESG data of banks represents 75.18% ecological, 63.38% social, and 67.40% governance, respectively, over the sample period.

## DISCUSSION

This research strives to comprehend the extent of ESG disclosure by Bangladesh's DSE-listed banks. Findings indicate the increasing ESG disclosure over the sample, which aligns with the research findings of H. Z. Khan et al. (2021) and Weber & Chowdury (2020). Mazumder (2024)has also found that the banks have been disclosing information about Sustainable Developed Goals (SDGs).

### Environmental Disclosure

This study observed a moving upward trend in bank’s ecological disclosures. BB has dispersed 22 circulars from 2016 to 2021, through which it directed banks to create climate risk funds, set green and sustainable financing targets, and establish separate sustainable finance committees and policies to finance selected environment-friendly products, initiate several refinancing schemes, and so on. Vital instructions were passed in 2017 through Policies on Environmental & Social Risk Management (ESRM) relating to bank FIs and nonbank FIs in Bangladesh- vide SFD Circular No. 02 for considering environmental & social risk in overall risk management. Moreover, BB provides a reporting format and instructs for regular reporting of green and sustainable initiatives. These initiatives have played an essential role in accelerating environmental performance and reporting by banks, which is evident from this study. This finding supports Bose et al. (2018); and Nurunnabi (2016). They also mentioned BB regulation’s encouraging impact on banks for being environmentally friendly and reporting more environmental information.

In 2020, the COVID-19-year environmental disclosure percentage of 11.58%deteriorated from the previous year by 2.16% because the mandatory report submission to BB's Sustainable Finance Department at the time of government-declared general leave was relaxed by passing SFD Circular No. 2, dated April 19, 2020. However, environmental disclosure increased again in the succeeding year, while banking operations started to normalize in the last quarter of 2020.

Most banks prioritized financing for installing effluent treatment plants (ETP) and technology-based, ecologically sound brick production and disclosed the maximum necessary information. The following prioritized environmental disclosure facts are the bank’s in-house practices of green banking for energy and resource savings, financing for renewable energy projects, and climate risk funds. The lowest environmental disclosure scores are for financing in sand-witch panel projects, government-approved eco-tourism projects, carbon finance, and investment in impact funds.

**Social Disclosure**

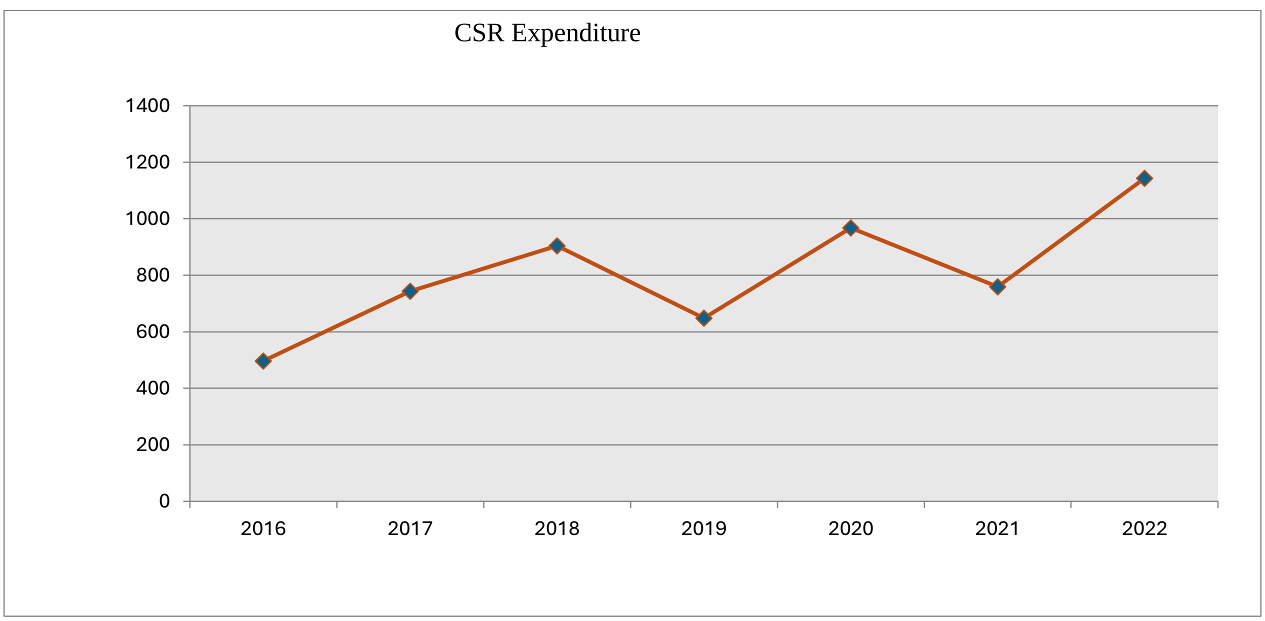
The study finds an assorted nature in banks' social disclosure scores. However, there is an uprising disclosure trend for the sample period. Social disclosure percentages have fallen in 2019 and 2021 compared to the respective previous years. BB’s statistics also show that total CSR expenditure by all scheduled banks has lessened in these years. This finding is in line with the study result. Table 6 and Figure No. 5 represent the relevant information.

**TABLE 6**
**CSR EXPENDITURE BY ALL SCHEDULED BANKS**

| Year | Total (Crore) |
|---|---|
| 2016 | 496.75 |
| 2017 | 743.99 |
| 2018 | 904.63 |
| 2019 | 647.87 |
| 2020 | 967.55 |
| 2021 | 759.21 |
| 2022 | 1143.146 |

Source: Sustainable Finance Department, Bangladesh Bank

**FIGURE 5**
**CSR EXPENDITURE FROM 2016 TO 2022**




Weber & Chowdury (2020) claimed that environmental information is prioritized for disclosure over social information. However, this study finds that banks prioritize social information disclosure more. Almost all banks disclose financial and non-financial information about CMSME banking and agricultural initiatives as part of their social activities. However, these two sectors are part of regular banking operations. In addition to these, most of the banks report their total contribution to CSR and donations to the Prime Minister's Relief Fund for disaster management and other social purposes. Moreover, banks disclose information about significant financial assistance to welfare organizations working for social purposes, women entrepreneurs, education, scholarship, the health sector, and disaster management. However, financial assistance for farmer's access to modern technology and cultivating Agro-products using ICT, online, or e-business platforms; contributions for the construction of cyclone or flood shelters; assistance to protect coastal inhabitants and coastal areas, rivers, canals, or wetlands and embankments got little attention from the banks.

**Governance Disclosure**

This study finds that the governance disclosure trend is increasing. Nevertheless, some essential governance item's scores should be considered intensively. It was found that disclosure relating to banks' greenhouse gas abatement and offset strategy has yet to be set in place. No disclosure has been reported by any bank about the CSR fund requirement or budget. Only one bank reports its additional budget for special CSR activities, and two banks reported performing CSR activities covering all divisions. But it is a special instruction from BB. A few banks disclose information about their CSR reporting to BB, but in practice, reporting CSR performance to BB is mandatory. Reporting about CSR due-diligence checklists, internal and external audits, and reviewing and monitoring are also not given enough emphasis for information disclosure by the banks. H. Z. Khan et al. (2021) have commented on the scant nature of external verification of sustainability reporting.

## CONCLUSION

Globally, ESG is a recurring concern that involves the financial sector, including banks, and reconnects economic growth to ethical societal and environmental thinking. The present study explores the extent and nature of ESG disclosure in Bangladesh's banking sector. This study explores ESG disclosure by banks, and Bangladesh is selected as the study area as the extent of research on ESG performance and disclosure by the banking sector is scant. Per the research objective, 28 DSE-listed banks were studied based on disclosed ESG information for seven consecutive years. ESG disclosure information was collected through contents comprised of 26 environmental, 61 social and 56 governance items compiled from several policy guidelines provisioned by BB. These indicators measure banks' ESG disclosures by considering the nature of information, whether the given information is financial with details, only financial or non-financial statement-like, or no disclosure.

The results find a steady growth in banks' ESG disclosure tendency. The overall disclosure increased from 2016 to 2022 as the percentage rose from 21.44% to 27.14%. Separately, environmental, social, and governance disclosure for 2016 is 11.81%, 24.14%, and 28.38%, respectively, and in 2022, the percentages are 15.93%, 27.91%, and 37.56%, respectively. Usually, banks disclose both financial and non-financial information. Financial and non-financial details are found in about 3.36% of environmental and 20.11% of social disclosure items. Only financially quantifiable information is found for 7.48% of environmental and 1.48% of social disclosure items. Sample banks disclose affirmations about 32.6% of government issues. Banks do not report 75.18%, 63.38%, and 67.40% information about environmental, social, and governance data, respectively. The overall percentage of ESG non-disclosure is 67.12%.

The researcher has identified banks' characteristics regarding ESG disclosure, which require further attention from the regulatory authority. Though ESG disclosures are increasing, the extent still needs to be improved. Banks' environmental and social disclosures are bound to the binding behest of the central bank. In some cases, disclosure quality shows alarming deterioration. Bangladesh Bank (BB) has made quarterly and half-yearly report submissions about banks' environmental and social performance and initiated a sustainability rating system to identify the top 10 banks' sustainable banks. Rating and rewarding by supervisory authority may incentivize the banks to disclose transparent ESG information (Ielasi et al. 2023). Besides these steps, BB should be stricter to ensure proper ESG disclosure by banks in their annual reports and websites, and banks should be made accountable for not conforming to the regulations. There is no substitution for regulatory provisions for extended mandatory disclosure and standardized and transparent reporting (Gai et al. 2023; Ielasi et al. 2023). Audited ESG information with a confirmatory report can be required to identify and remove a bank's green washing tendency. In addition to the BB directive measures, banks should be inspired to perform more socially and environmentally friendly and to disclose more voluntary ESG information.

More awareness-building programs arranged by the central authority may act as boosting measures in this aspect. This study has some limitations, which lead to crucial facts that require future research. Firstly, this research period is confined to 7 years. Because current research aimed to capture the ESG disclosure picture in response to the declaration of UN SDGs. A longitudinal study can be carried out as BD banks adopted sustainable banking initiatives far ago. A comparative study can be done regarding the before and after effects of specific BB guidelines implementation on ESG disclosure by banks. The second limitation is that a green washing tendency is noticed with the banks' representation of vague statements and immaterial disclosure. So, the quality of ESG information for reliability, relevance, and materiality deserves further exploration. New research may emphasize on the necessity and effect of independent audits of represented ESG information.

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**APPENDIX 1:LIST OF SAMPLE BANKS**

| | Names of the sample banks | DSE Listing Year | | Names of the sample banks | DSE Listing Year |
|---|---|---|---|---|---|
| 1. | AB Bank PLC | 1983 | 15. | Mutual Trust Bank PLC | 2003 |
| 2. | Al-Arafah Islami Bank PLC | 1998 | 16. | National Bank PLC | 1984 |
| 3. | Bank Asia PLC | 2004 | 17. | National Credit & Commerce Bank PLC | 2000 |
| 4. | BRAC Bank PLC | 2007 | 18. | One Bank PLC | 2003 |
| 5. | City Bank PLC | 1986 | 19. | Premier Bank PLC | 2007 |
| 6. | Dhaka Bank PLC | 2000 | 20. | Prime Bank PLC | 2000 |
| 7. | Dutch-Bangla Bank PLC | 2001 | 21. | Pubali Bank PLC | 1984 |
| 8. | Eastern Bank PLC | 1993 | 22. | Shahjalal Islami Bank PLC | 2007 |
| 9. | IFIC Bank PLC | 1986 | 23. | Social Islami Bank PLC | 2000 |
| 10 | EXIM Bank PLC | 2004 | 24. | Southeast Bank PLC | 2000 |
| 11 | First Security Islami Bank PLC | 2008 | 25. | Standard Bank PLC | 2003 |
| 12 | Islami Bank Bangladesh PLC | 1985 | 26. | Trust Bank PLC | 2007 |
| 13 | Jamuna Bank PLC | 2006 | 27. | United Commercial Bank PLC | 1986 |
| 14 | Mercantile Bank PLC | 2004 | 28. | Uttara Bank PLC | 1984 |

**APPENDIX 2: CHECKLIST ITEMS COMPRISING OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURE ITEMS**

| | **Environment** |
|---|---|
| Priority green products/ initiatives/ projects for sustainable financing | 1. Financing in renewable energy |
| | 2. Financing in energy & resource efficient products/initiatives/projects |
| | 3. Financing in alternative energy (bio crude oil, bio fuel- manufacturing plant, bio -gas) |
| | 4. Financing in liquid waste management project- (ETP, waste water TP, sewerage water etc.) |
| | 5. Financing in solid waste management project- (city/ municipal/ medical/e-waste/ hazardous waste) |
| | 6. Financing for recycling and manufacturing of recyclable goods (plastic/ bottle/ poly propylene / bag/ battery etc.) |
| | 7. Financing in Environment Friendly Brick Production |
| | 8. Financing in 'Other Sustainable linked finance' selected sector (Working Capital, Priority Green and Eco-Friendly Products for Trading Sector) |
| | 9. Financing for Inclusion of Technological Advancement |
| | 10. Financing for Green Agriculture |
| | 11. Financing for establishment of Green Industry/ housing/ Building/ Green Featuring Building |
| | 12. Concerning Factory working environment and safety |
| | 13. Ensure the establishment and activeness of ETP during financing |
| | 14. Financing in Solar- Irrigation Pump- FSIP |
| | **Environment** |
| Green SRF | 15. Community Investment |
| | 16. Financing in Green/ Clean transportation projects |
| | 17. Financing in Sand-witch Panel |
| | 18. Financing in Govt. approved Eco-tourism project |
| Green Investment | 19. Investment in Green Bond/Green SUKUK |
| | 20. Investment in impact fund |
| Bank's Carbon Footprint | 21. GHG inventory |
| | 22. Carbon finance |
| | 23. Green banking- in house green activities covering carbon footprint measurement |
| | 24. In-house solid waste management system, rainwater harvesting and solar power panel in banks building |
| | 25. In- house practice of energy and resources saving |
| | 26. Budget for climate risk fund |

| | Social |
|---|---|
| Income generating activities | 1. Sustainable/ Green CMSME |
| | 2. Socially Responsible Finance (SRF) for employment building/ self-employment |
| | 3. SRF in trading of green and agro products using ICT/ online/ e-business platform |
| | 4. SRF in Orphanage/Child Rehabilitation Center/Old Age Home/ Rehabilitation Center |
| | 5. Total CSR expenditure for the year |
| Education Sector | 6. CSR expenditure for education (Aggregate amount) |
| | 7. Educational support towards poor or unprivileged children's |
| | 8. Scholarship/stipends for students from low income family |
| | 9. Scholarship/stipends for the employee's children |
| | 10. Donation to PM's education assistance trust |
| | 11. Educational support towards mentally/ physically/ visually challenged or disabled children |
| | 12. Upgrading facilities in academic/ technical/ vocational training institutions |
| | 13. Job-focused vocational training |
| | 14. Set up library/ ICT, Science Laboratory |
| Health | 15. CSR expenditure in Health sector (Aggregate amount) |
| | 16. Health care support to unprivileged population |
| | 17. Medical facilities for the employees (not in executive level) and their dependents |
| | 18. Safety and wellness initiatives for their employees |
| | 19. Direct grants toward hospital or diagnosis costs for curative treatment of poor vulnerable patients/ unprivileged population for expensive treatment |
| | 20. Cost of preventive public health and hygiene initiatives like safe drinking water, hygiene toilet etc. for poor and floating population/ population from climate change or disaster prone area |
| | 21. Cost of preventive public health for combating pandemics and epidemics like Covid-19, SARS, and Dengue etc. |
| | 22. Reducing child mortality and improving maternal health by providing quality hospital facilities and low cost medicines |
| | 23. Supporting welfare organization working for the well- being of mentally/ physically challenged |
| | 24. Health care support to poor and helpless elderly/ old aged people |
| Environment and climate change related | 25. CSR expenditure for Environment and climate change mitigation and adoption sector |
| | 26. CSR expenditure in Disaster Management (Aggregate amount) |
| | 27. Construction of cyclone/ flood shelter |
| | 28. Tree Plantation |
| | 29. Agriculture- Initiatives for crop production/ Irrigation/ Fisherman/ livestock etc. |
| | 30. Concessional credit/ Collateral free credit to Agricultural sector |
| | 31. Coastal area protection |
| | 32. Sandwich panel for coastal inhabitants |

| | |
|---|---|
| | 33. Fund to support educational/ healthcare/ climate change/ Bengali literature and language related research |
| Disaster Management | 34. Financial assistance to Prime Minister’s fund/ organizations engaged in Disaster Management activities |
| | 35. Emergency disaster relief/ Donation |
| | 36. Support to emergency rescue services (Fire brigades, coastal guards) |
| Infrastructure Development | 37. Infrastructure as Road/ bridge/ culvert/ housing/ urban drainage facilities in vulnerable area/ village market for local products |
| | 38. Infrastructure development for tourism sector |
| | 39. Infrastructure/ operation/ maintenance for day-care center |
| | 40. Infrastructure for Educational/ school building, medical, children park, cultural center, etc. |
| | 41. Support for solar energy/ power plant/ bio-gas generation |
| | 42. Infrastructure for River/canal/ wetland de-settling/ Embankment |
| Income generating activities | 43. Assistance to farmers regarding access to better technology |
| | 44. Youth training/ skill development programs/ equipment supply to support training |
| | 45. Training and capacity building initiatives for blind people/ orphans/ street arching/ working children/ physically challenged/ olds for self-employment |
| Sports and Culture | 46. CSR expenditure for Arts, culture and Preservation and reconstruction of national heritage (Aggregate amount ) |
| | 47. Fund to non-profit events/ project running for blooming national history, culture, tradition, liberation war related program and publication, museums and libraries |
| | 48. Financial assistance to playing association/ players |
| | 49. Financial assistance to arrange folk/ traditional culture |
| | 50. Financial assistance to arrange indoor/outdoor sports events |
| | 51. Financial assistance to vulnerable players/ teacher/ trainer/ cultural artists having injury/ illness |
| Financial inclusion | 52. Financial inclusion facilities- Entrepreneur/ student account/ marginal farmer’s account/ garment worker’s account/ unprivileged people |
| | 53. Financial assistance to people from hill track/ enclaves |
| Women Empowerment | 54. Support and facilities to female employees |
| | 55. Financial assistance to female education |
| | 56. Financial assistance for female employment/ start-up/ entrepreneur |
| | 57. Concessional/ stimulus credit to women entrepreneur without collateral |
| | 58. Financial assistance for female skill development/ training |
| Other Social Purpose | 59. CSR assistance provided to Prime Minister’s office/ Government/ other organization which can provide for social purpose |
| | 60. Food and shelter to homeless/ blind people/ orphans/ physically challenged/ olds |
| | 61. Support to biranganas (brutally affected women in the Bangladesh liberation war of 1971) / freedom fighters |

| | Governance |
|---|---|
| Steps of screening and monitoring for Green and sustainable finance | 1. ESDD/ EDD Step 1- Client's loan proposals screened against the exclusion list (EDD= Environmental Due Diligence) (ESDD = Environmental and Social Due Diligence) |
| | 2. Step 2: DoE Categorization of industry sector and environmental & social issues/ loan proposals based on impact |
| | 3. Client's loan proposals screening against ESDD Risk Management tools as per ESRM guidelines (ERM before 2018) |
| | 4. Step 3: project's compliance and non-compliance with applicable national environmental and social regulations, compliance against international standards or industry best practice |
| | 5. Step 4 : Generate Risk Rating |
| | 6. Step 5: ESAP (environmental and social action plan) |
| | 7. Step 6: Escalation of risky project (according to escalation matrix) for High and Medium Risk transaction |
| | 8. Step 7: Monitoring client's performance on the basis of ESDD |
| | 9. Step 8: Reporting internally to senior management and also externally to Bangladesh Bank, shareholders on their sustainability performance |
| | 10. Corrective Action plans and covenants |
| | 11. Implementation of ESMS (Environmental & Social Management System) |
| Sustainable Finance Strategic Planning | 12. Sustainable Finance Committee of respective bank |
| | 13. Sustainable Finance Policy for respective bank |
| | 14. Establish Sustainable Finance Unit |
| | 15. Linking of Banks' Vision, Mission and Objectives with Sustainability issues |
| | 16. Identification and evaluation of funding sources – IEFS • Bank's/FI's own fund • BB support funds • Development partner's fun |
| | 17. Disclosure of BB Support Funds bank's website |
| | 18. Sustainable/ Green Marketing |
| | 19. Awareness raising programs/ training on social issues/ financial literacy/ disaster management issues/ green financing/ sustainable finance |
| | 20. Rewarded (one of the ten best sustainable banks) |
| | 21. Customer complaint/feedback option in website for queries regarding sustainable and green initiatives |
| | 22. Updated and detailed information regarding performances of major clients |
| Self- added | 23. Publication of independent/ Stand-alone Sustainability Report |
| | 24. Whether bank follows any established International sustainability guidelines like GRI |
| | 25. Whether bank shows adherence to SDGs |
| Sustainable finance Disclosure | 26. Report annual Target and budget allocation on Sustainable Finance |
| | 27. Report the target attainment/ expenditure amount of Sustainable Finance on quarterly basis |
| | 28. Updated annual reports with the disclosures on Sustainable Finance initiatives/ activities |

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| | 29. Updated website with the disclosures on Sustainable Finance initiatives/ activities- |
| | 30. Updated website/ database with a dropdown section for their existing Sustainable financing products |
| | 31. Whether banks' sustainable finance unit follow TOR (terms of reference) provided by BB |
| Green finance Disclosure | 32. Report annual Target and budget allocation on green finance at the beginning of the calendar year |
| | 33. Report the target attainment/ total expenditure of Green Finance (5% of direct green finance of the total funded loan) |
| | 34. Updated annual reports with green Financing initiatives/ activities/ Green Banking |
| | 35. Updated websites with green Financing initiatives/ activities/ Green Banking |
| | 36. Database and a dropdown section for their existing green products/ projects/ initiatives in website |
| | 37. Application of Green Transformation Fund (GTF) Guidance Note by BB |
| Green banking | 38. Whether bank follows any Policy Guidelines for Green Banking (self-policy/ BB policy 2013/ 2011) |
| | 39. Green Office Guideline |
| | 40. Online banking |
| | 41. Publication of (internal) carbon footprint |
| | 42. GHG abatement and offset strategy |
| CSR | 43. Screening process for CSR activities |
| | 44. CSR fund requirement/ Budget estimation |
| | 45. Due- diligence check list for CSR |
| | 46. Whether CSR policy approved by banks board |
| | 47. Whether CSR budget approved by banks' board |
| | 48. Additional CSR expenditure other than budget |
| | 49. Whether bank appoints any third party/ NGO/ agencies/ MFIs/ Related party/ foundation to conduct CSR activities on behalf of bank |
| | 50. Whether CSR activities are reviewed and monitored by bank itself |
| | 51. Whether CSR activities reviewed and monitored by BB |
| | 52. Whether CSR activities are internally audited |
| | 53. Disclosure of CSR activities in Annual report in different chapter |
| | 54. Publication of Annual CSR report in website |
| | 55. Submission of half-yearly CSR report to BB |
| | 56. CSR activities must cover all divisions |