

Rubric 2: Best practice recommendations for a climate risk governance framework

<i>Function</i>	<i>Responsible</i>	<i>Accountable</i>	<i>Consulted</i>	<i>Informed</i>
Climate risk screening	Front-line staff: - Conduct initial climate risk assessments at transaction origination - Flag risk hotspots for further review	Front-line staff / Risk manager: Ensure screening is embedded in workflows, review flagged risks and determine escalation needs	Sustainability team: - Advise on screening criteria and emerging climate issues - Provide support to business lines with guidance and trainings	Board (and Internal audit): - Receive periodic summaries of screening outcomes - Stay informed on material risk escalations or process gaps
Policy drafting/updating	Risk manager: - Draft climate risk management policies and procedures - Update policies and procedures regularly to reflect regulatory developments and lessons learned	CRO: - Approve final policy drafts - Ensure alignment with institutional risk appetite and regulatory obligations	Sustainability team: - Provide (or make available) subject-matter expertise on climate risk (trends) - Ensure policy coherence with sustainability commitments	Board: - Review and approve major policy changes - Maintain oversight of policy effectiveness and compliance
Breach escalation	Risk manager: - Monitor for breaches of climate risk appetite or materiality thresholds - Initiate escalation protocols with supporting documentation	CRO: - Take ownership for resolving breaches - Lead management response and propose remedial actions to board	Internal audit: - Review escalation process integrity - Assess root causes of incidents - Audit adequacy of management responses	Board: - Stay notified on significant breaches - Stay involved in oversight of response - Get updated on lessons learned
Board reporting	CRO: Collect, corroborate and validate climate risk exposures, incidents and strategic developments for board reporting cycles	Board (and Chairperson): - Ensure reports are tabled for board consideration - Facilitate robust discussion and action where needed	Sustainability/ESG lead: - Input on interpretation of results - Ensure data aligns with sustainability disclosures and stakeholder expectations	All committees: Stay notified on reports to maintain a common language and understanding of climate risk management across departments