

Roadmap for sustainable financial sector in Latvia



An institution **IDENTIFIES AND UNDERSTANDS** the sustainability risks it faces and assesses the impact of sustainability risks.



An institution incorporates sustainability aspects in the **STRATEGY** to ensure sustainable operations both in the **SHORT AND LONG TERM**, including planned risk appetite, future steps and ambitions.



An institution appoints a **PERSON RESPONSIBLE** for sustainability, gives him an appropriate action mandate and provides the necessary **RESOURCES** for the management of sustainability risks.

An institution assesses **THE IMPACT** of sustainability **RISKS** and defines risk **MITIGATING ACTIONS** by developing **METHODOLOGY AND SCENARIO ANALYSIS**.



An institution includes an assessment of sustainability risks (including credit risk, operational risk, market risk) **IN THE MANAGEMENT OF OTHER RISKS**.



An institution **INCORPORATES SUSTAINABILITY RISKS** in the existing risk management framework (including setting sustainability risk drivers and indicators, embedding them in the internal laws and regulations) within **THE ENTIRE INSTITUTIONAL STRUCTURE** (in line with three lines of defence – *business, risk control, internal audit*).



An institution **DISCLOSES TO THE PUBLIC INFORMATION** related to the sustainability of the institution, the impact of sustainability risks on its activities and the ways of risk management.



An institution **EXPLAINS AND PROVIDES ITS CUSTOMERS WITH INFORMATION** on sustainability risks and sustainable finance, as well as the impact of each person's action.



An institution **EXCLUDES GREENWASHING** in its activities and institution's commitments to sustainability are in line with its activities.