



Bank of Russia

# THE BANK OF RUSSIA'S SUSTAINABLE DEVELOPMENT EFFORTS

2026

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Bank of Russia

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The Bank of Russia's sustainable development efforts

SUSTAINABLE DEVELOPMENT:  
NATIONAL CONTEXT AND  
THE BANK OF RUSSIA'S ROLE

# Sustainable development concept

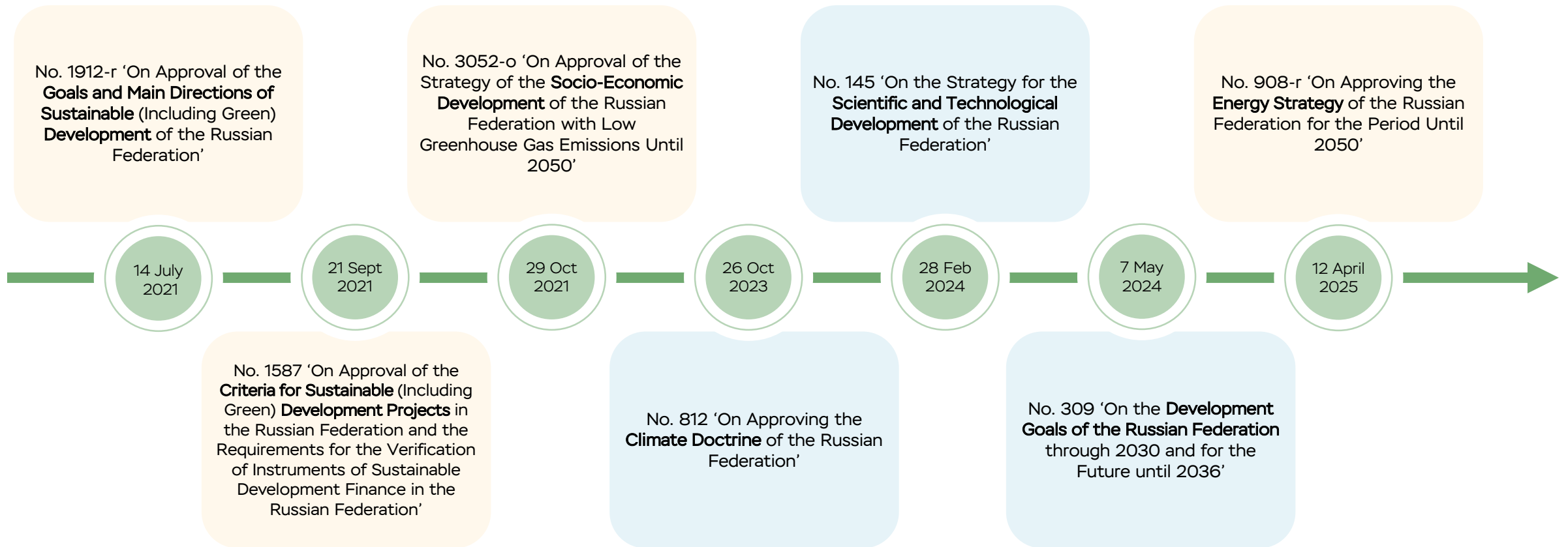
**Sustainable development** is development that meets the present needs without compromising the ability of future generations to meet their needs. Within the framework of sustainable development, **investment and consumption, technological innovations and institutional transformation** are balanced in such a way that they contribute to both current and future public welfare, taking into account national priorities.

## Sustainable Development Goals (SDGs):

- Established at the global level
- Serve as benchmarks for the development and implementation of regional, national, and local strategies



# National regulation related to sustainable development



# Sustainable development agenda taking into account national priorities

National development goals of the Russian Federation through 2030 and for the future until 2036

The national development goals are aligned with the UN Sustainable Development Goals (SDGs), for example:

- |  |       |   |
|--|-------|---|
| 1. Preserving the population and improving people's well-being | ----- | SDG 3 'Good health and well-being'                  |
| 2. Enabling the fulfilment of every person's potential         | ----- | SDG 4 'Quality education'                           |
| 3. Comfortable and safe living environment                     | ----- | SDG 11 'Sustainable cities and communities'         |
| 4. Environmental well-being                                    | ----- | SDG 14 'Life below water' and SDG 15 'Life on land' |
| 5. Resilient and dynamic economy                               | ----- | SDG 8 'Decent work and economic growth'             |
| 6. Technological leadership                                    | ----- | SDG 9 'Industry, innovation and infrastructure'     |
| 7. Digital transformation                                      | ----- | SDG 9 'Industry, innovation and infrastructure'     |

The instruments for achieving the national goals are [20 national projects](#) that ensure the sustainable economic and social development of the Russian Federation and the implementation of sustainable development goals

# The Bank of Russia's activities in sustainable development finance

1

## Developing the sustainable finance market:

- instruments and infrastructure of the sustainable finance market
- corporate governance and sustainability disclosure
- carbon market

2

## Climate, environmental, social, and corporate governance risks; micro- and macroprudential supervision:

- monitoring and analysing risks
- conducting scenario analysis and stress testing
- elaborating proposals, initiatives, and approaches in prudential regulation and supervision

## Integrating approaches facilitating the achievement of sustainable development goals into the Bank of Russia's operations:

3

- formulating and integrating strategic goals related to sustainable development
- fostering a culture aligned with the sustainable development goals
- sustainability disclosure

# 2

The Bank of Russia's sustainable development efforts

DEVELOPING AND STIMULATING  
THE SUSTAINABLE FINANCE  
MARKET

# Infrastructure development enables the financing of priority projects

A sustainable development taxonomy is [a list of criteria](#) used to determine whether a project complies with the sustainable development principles

The Russian Government has developed [taxonomies](#) of green, transition, and social projects  
(Resolution of the Russian Government No. 1587, dated 21 September 2021)



Enables a common understanding of which projects qualify as sustainable development initiatives



Facilitates the shaping of national priorities



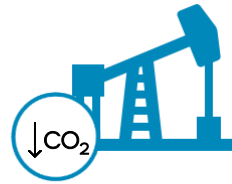
Provides an opportunity to offer incentives for implementing priority projects

# Infrastructure: taxonomies of green, transition, and social projects



## Green projects

- Waste management
- Energy
- Industrial production
- Transport and industrial machinery
- Agriculture
- Construction
- Water supply and disposal
- Natural landscapes, rivers, water bodies, and biodiversity



## Transition projects

- Waste management
- Energy
- Industrial production
- Transport and industrial machinery
- Agriculture
- Sustainable infrastructure



## Social projects

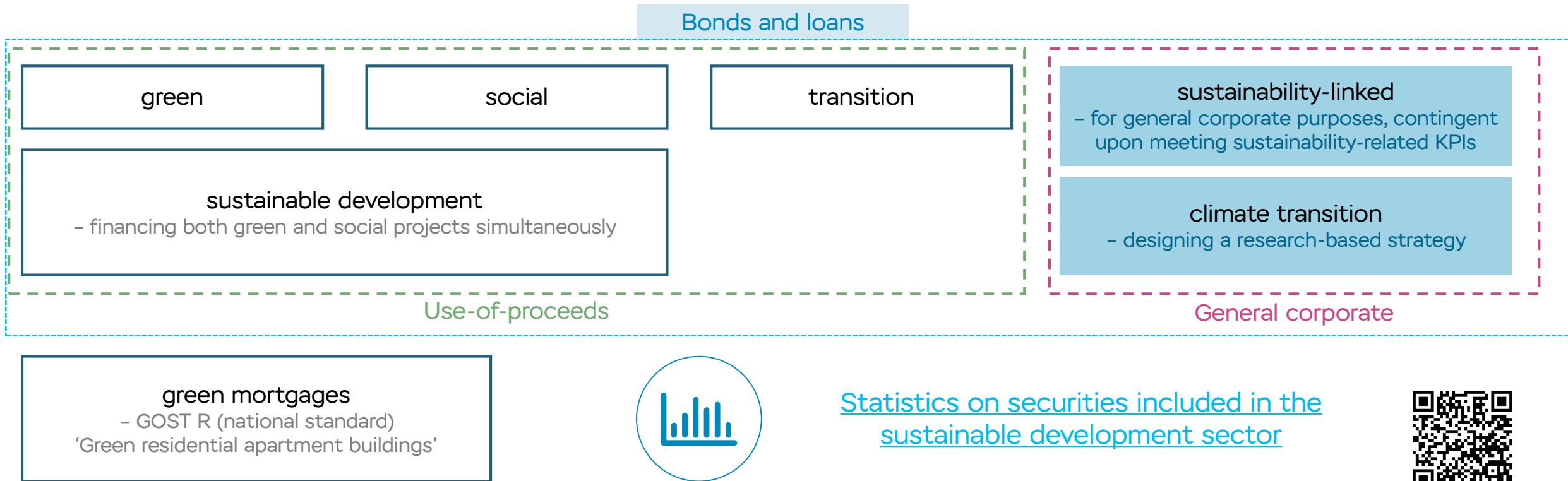
- Healthcare
- Education
- Employment
- Support for businesses and non-profit organisations
- Housing construction
- Sports
- Culture, arts, and tourism
- Creating accessible infrastructure
- Transport
- Food security and access to food
- Social support and protection
- Sustainable social infrastructure



The Do No Significant Harm (DNSH) principle calls for preventing significant adverse effects on the environment, on stakeholders directly impacted by the project, and on the livelihoods of the affected population

# Sustainable finance market in Russia: instruments

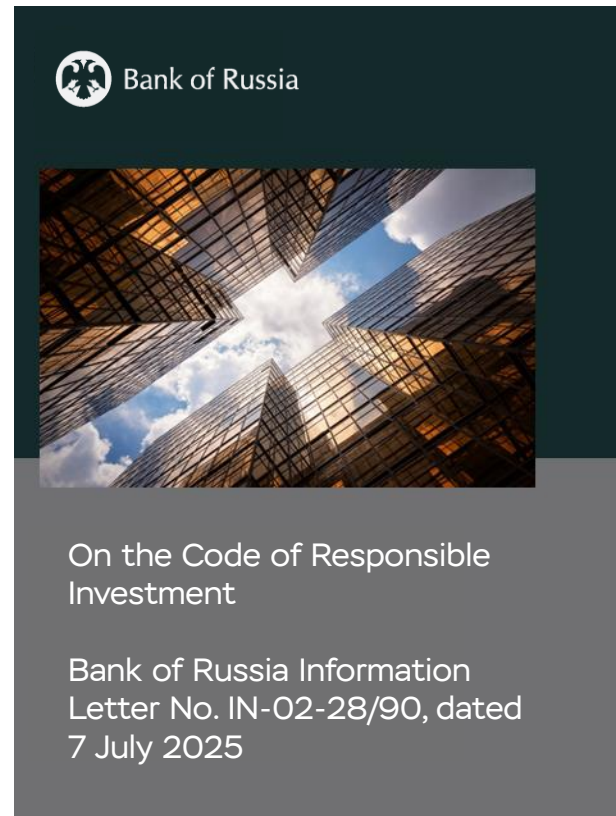
Bank of Russia Regulation No. 706-P, dated 19 December 2019, 'On Securities Issue Standards'



# Responsible investment

## Long-term investment returns

The Code establishes nine principles for protecting investments and ensuring long-term investment returns, recommendations for implementing the principles, and a recommended form for financial institutions to report on the progress of their adoption



- A benchmark for institutional investors when making investment decisions
- Contributes to long-term sustainable development, increased shareholder value, and higher returns on equity investments
- Facilitates achieving the national goal of ensuring the growth of the Russian stock market capitalisation

## Incentive-based regulation



The risk-oriented incentive-based regulation introduced by the Bank of Russia **makes the financing** of priority sustainable development projects **more appealing** to banks:

1

Priority green and transition projects are outlined in the sustainable development taxonomy (Resolution of the Russian Government No. 1587)

2

For these projects, risk weights may be reduced by 10–50% depending on the project's quality

The incentives apply to both loans and bonds related to sustainable development  
(Bank of Russia Instruction No. 220-I)

3

Reducing capital requirements improves project economics

# 3

The Bank of Russia's sustainable development efforts


SUSTAINABILITY DISCLOSURE,  
CORPORATE GOVERNANCE, AND  
ESG RATINGS

## Sustainability disclosure objectives

 Increasing organisations' **transparency** on ESG-related matters and the consideration of associated risks and opportunities

 Enhancing stakeholder **trust** in the organisation's operations

 Developing practices and procedures for integrating ESG principles within the organisation when formulating **strategic priorities**, setting key **performance** indicators, making **management decisions**, and organising **risk management** systems

 Evaluating the organisation's **investor appeal**: non-financial indicators affect the organisation's operational efficiency, profitability, financial attractiveness, market value, and cost of capital

# Sustainability disclosure recommendations

## Published for public joint-stock companies (PJSCs) and financial institutions

The relevant information letter establishes the criteria for determining material topics, disclosure principles, the content of information subject to disclosure, recommendations for applying international standards, the procedure for disclosing non-financial information and its independent external assessment



*Bank of Russia Information Letter No. IN-06-28/49, dated 12 July 2021*

Similarly, establishes the criteria for determining material information, the content of information, and its disclosure, taking into account the specific nature of financial institutions



*Bank of Russia Information Letter No. IN-06-28/49, dated 12 July 2021*

Describes general approaches to disclosing information about sustainable finance products and recommendations on providing such information to customers (including disclosure requirements applicable to specific types of organisations)

The letter also includes recommendations on avoiding greenwashing, engaging management bodies, and training specialists



*Bank of Russia Information Letter No. IN-02-28/38, dated 24 May 2023*

# Optimising forms for periodic disclosures

The goal of the optimisation is to maximise the economic value of issuers' data while minimising their costs associated with disclosures as well as creditors' and investors' costs associated with data processing

The report also includes proposals for the structure of the 'Sustainable development' section **in the annual report**

Sustainability disclosure in an issuer's report for a 12-month period is presented with the help of a minimal standardised set of indicators



Optimisation tools:

- end-to-end data processing in reporting
- shifting from static documents to digital reporting
- focus on the needs of the target audience
- shifting from fragmented to integrated reporting

# Sustainability disclosure



**Minimum set** of sustainable development indicators subject to **mandatory disclosure** by the issuers whose securities are included in the first- or second-level quotation lists of Moscow Exchange PJSC



**Objective:** to increase transparency and openness of information, ensure data standardisation and automate its preparation, reduce the costs of preparing reports, and ensure their alignment with international best practices

List of indicators subject to mandatory disclosure in a machine-readable XBRL format, identified through market participant surveys and consultations

With the consideration of IFRS S1, S2 and GRI standards



11 indicators



9 indicators



4 indicators



Incorporating these indicators into a Bank of Russia regulation

# Corporate governance recommendations

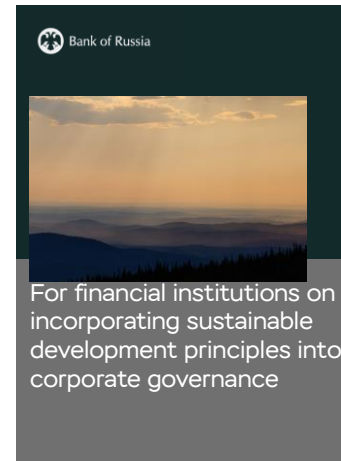
Published for public joint-stock companies (PJSCs) and financial institutions

Recommendations on designing a policy to incorporate ESG factors, including in the performance of the board of directors' functions and approaches to organising the board of directors' work to incorporate ESG factors and sustainable development principles



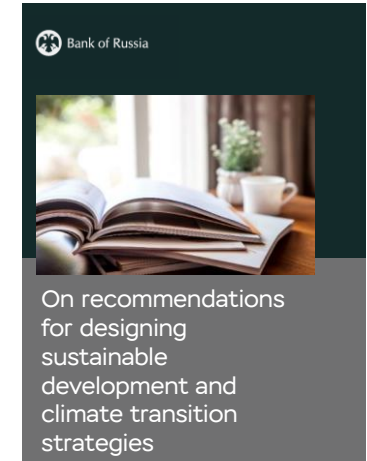
*Bank of Russia Information Letter No. IN-06-28/96, dated 16 December 2021*

A brief information letter recommending that boards of directors of financial institutions follow the principles and approaches outlined in Information Letter No. IN-06-28/96



*Bank of Russia Information Letter No. IN-02-28/145, dated 28 December 2022*

The recommendations outline the system and principles of corporate governance that should be followed when developing strategies, the stages of strategy development (including assessing the level of involvement, mapping risks and opportunities, devising a business development scenario and a range of possible goals, as well as formulating strategy goals), and a proposed template for the developed strategy's implementation plan

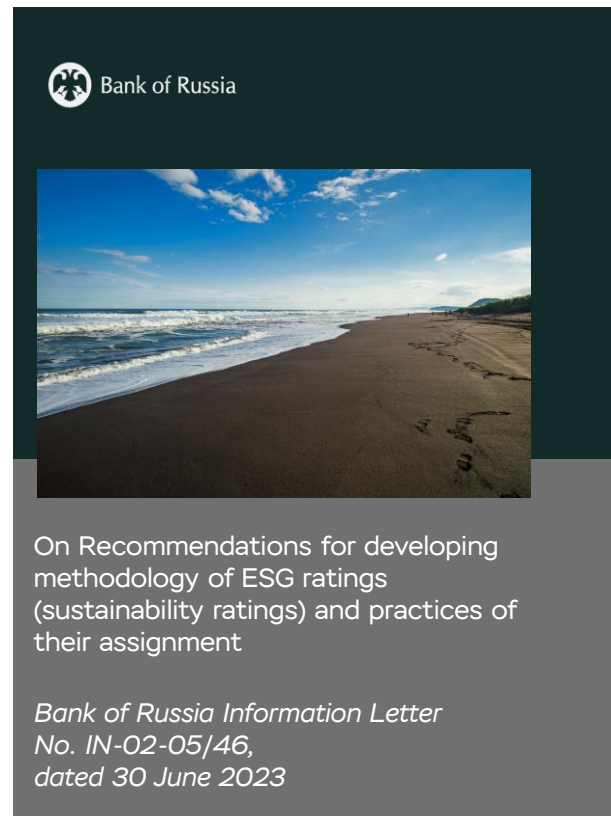


*Bank of Russia Information Letter No. IN-02-28/76, dated 29 December 2023*

# Comprehensive assessments based on ESG ratings

**An ESG rating is a public assessment of the environmental, social, and economic characteristics of an organisation, financial product, or financial instrument**

The letter includes both a general overview of organisational issues and rating assignment practices, as well as separate sections covering the evaluation of environmental, social, and corporate governance indicators together with the formation of a consolidated assessment



- Making it possible to evaluate the degree of organisations' impact on the environment and their exposure to external risks
- Confirming a responsible counterparty status
- Mitigating problems associated with ensuring independence and transparency and preventing conflicts of interest

# 4

The Bank of Russia's sustainable development efforts

ASSESSING CLIMATE RISKS  
AND INTEGRATING THEM  
INTO REGULATION

# Climate change destabilises the climate system and is one of the main challenges facing humanity

The international scientific community has reached a consensus that the main cause of today's climate change is anthropogenic greenhouse gas emissions

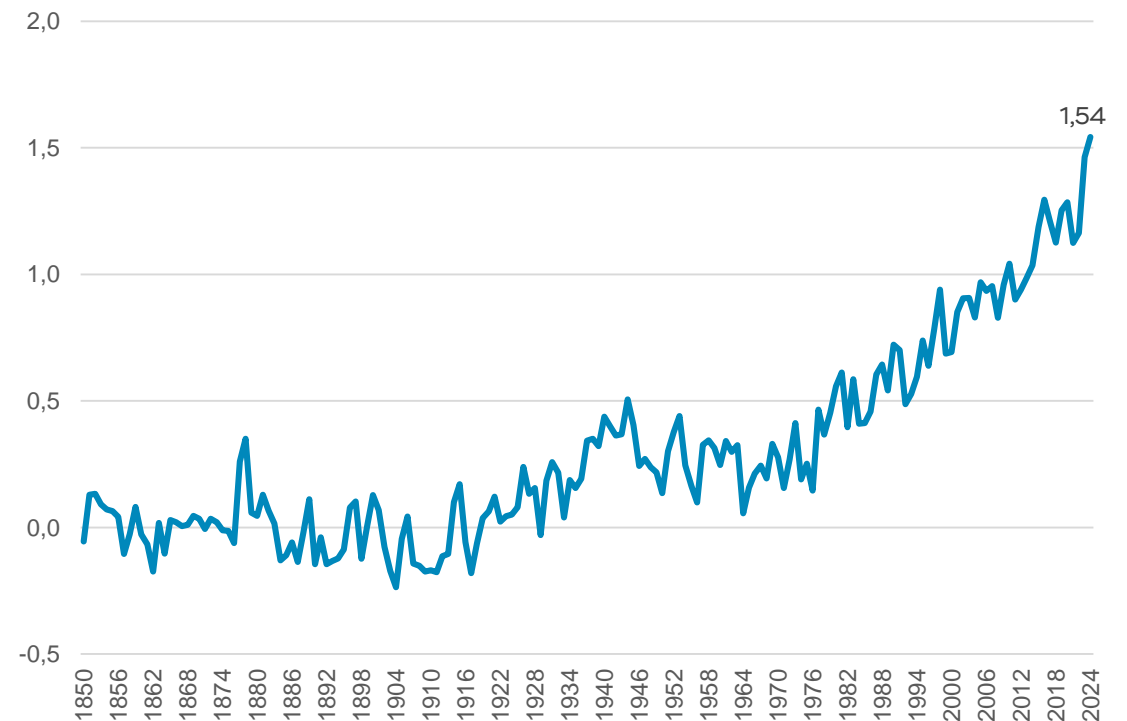
Greenhouse gases include carbon dioxide, methane, and nitrous oxide. An increase in their amount in the atmosphere amplifies the greenhouse effect and raises the Earth's surface temperature

Climate change is primarily caused by carbon dioxide emissions from fossil fuel combustion in energy production, vehicle operation, industrial processes, etc.



The concentration of carbon dioxide in the atmosphere reached an 800,000-year high

Difference in average land and sea surface temperatures relative to pre-industrial levels, °C

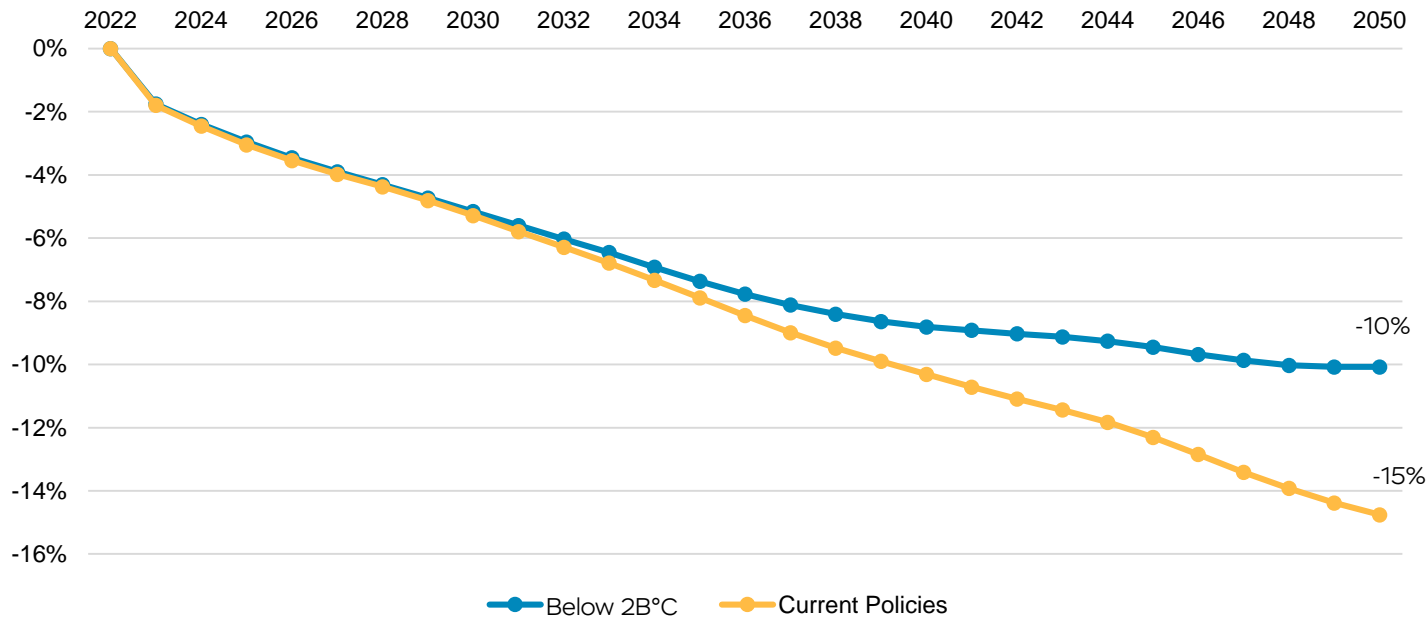


Source: Met Office Hadley Centre - HadCRUT5 (2025).

# Natural hazards and long-term changes in the climate system affect the economy

**Physical climate risks directly damage infrastructure and agriculture, and cause indirect losses through logistics disruptions and a downturn in business activity**

Global GDP impacts stemming from physical risk materialisation by 2050 to the baseline scenario (%), Below 2°C and Current Policies scenarios



In 2017, the Network for Greening the Financial System (NGFS) was created

Its purpose is to ensure the exchange of best practices for developing mechanisms to manage environmental and climate risks in the financial sector

The Bank of Russia applies the adapted NGFS scenarios in its climate stress testing

# Physical and transition climate risks

## Physical climate risks

Risks of losses stemming from the direct impact of climate change-induced natural hazards and long-term changes in the climate system

### Examples of natural hazards

Floods

Forest fires

Hurricanes

### Examples of long-term changes

Sea level rise

Changes in precipitation patterns

## Transition climate risks

Loss probability associated with measures to reduce greenhouse gas emissions and adapt to climate change

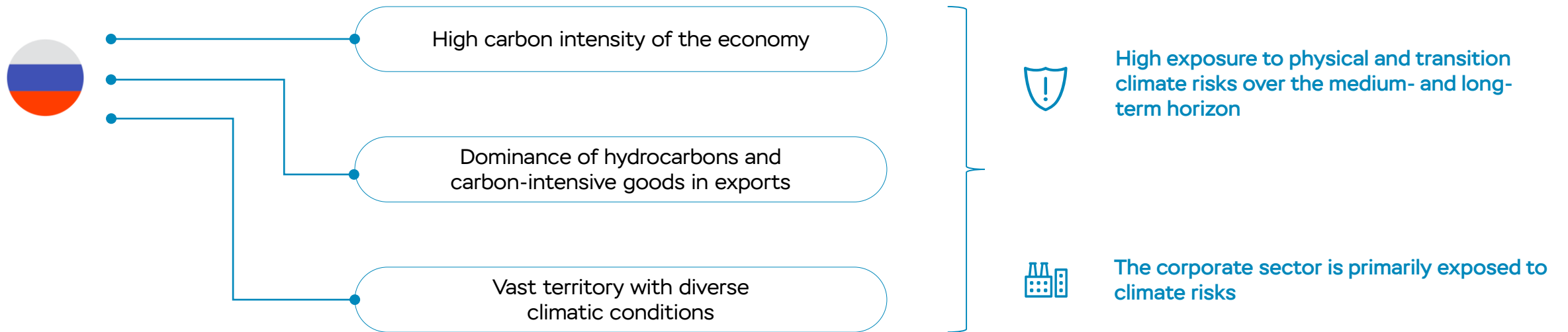
Regulation tightening

Changes in demand

Technological shifts

# Climate risks create systemic risks for the Russian financial system

Studying climate risks, assessing their potential impact at the micro- and macrolevel, and developing approaches to incorporate these risks into regulation and supervision are among the focus areas of the Bank of Russia's work



Potential materialisation of climate risks in the corporate sector

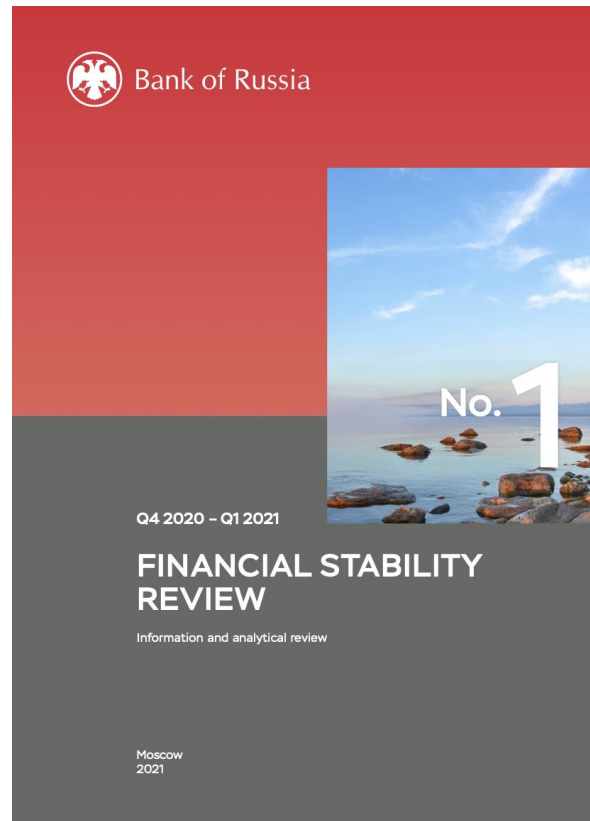


Increased strain on the financial and fiscal systems, risks to financial stability

# Stress testing of climate risks

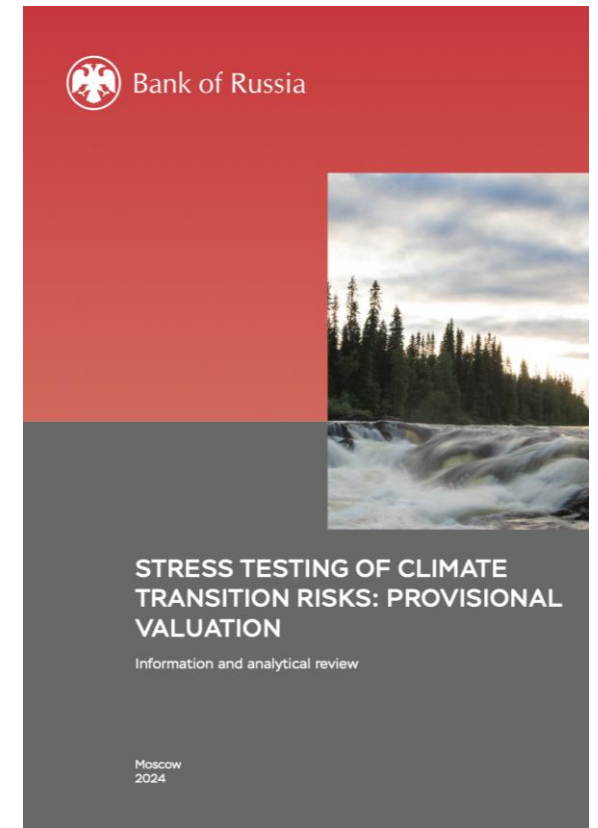
**Stress testing is a key tool for analysing the consequences of the materialisation of climate risks**

In early 2021, the Bank of Russia conducted its first stress test to assess the direct and indirect effects of the potential introduction of a cross-border carbon tax in Europe and Asia on Russian non-financial companies and banks



In 2023, the Bank of Russia conducted a stress test of transition climate risks, examining the scenarios of declining demand for carbon-intensive products

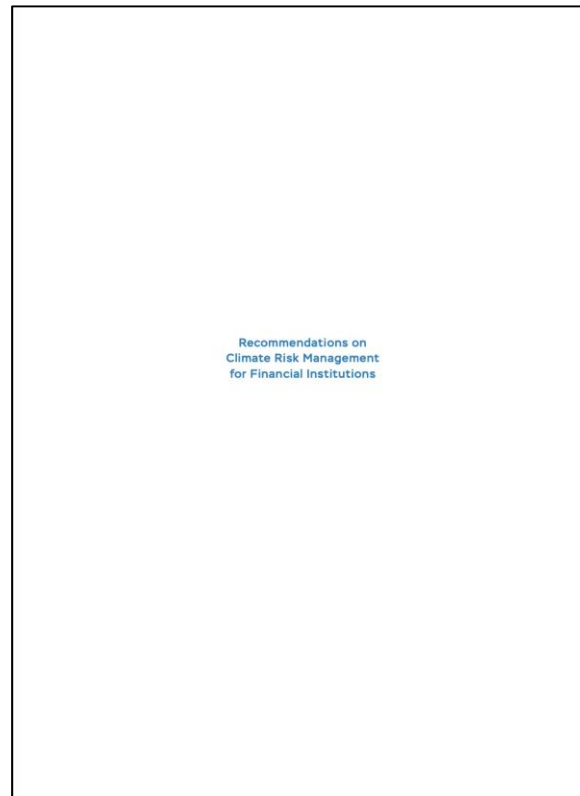
According to preliminary estimates, without any adaptation measures, a large number of non-financial companies might face a deterioration in their financial performance in the medium term, which will entail systemic risks for the financial sector



# Recommendations for Fis on climate risk management and a survey about their adoption in the financial sector

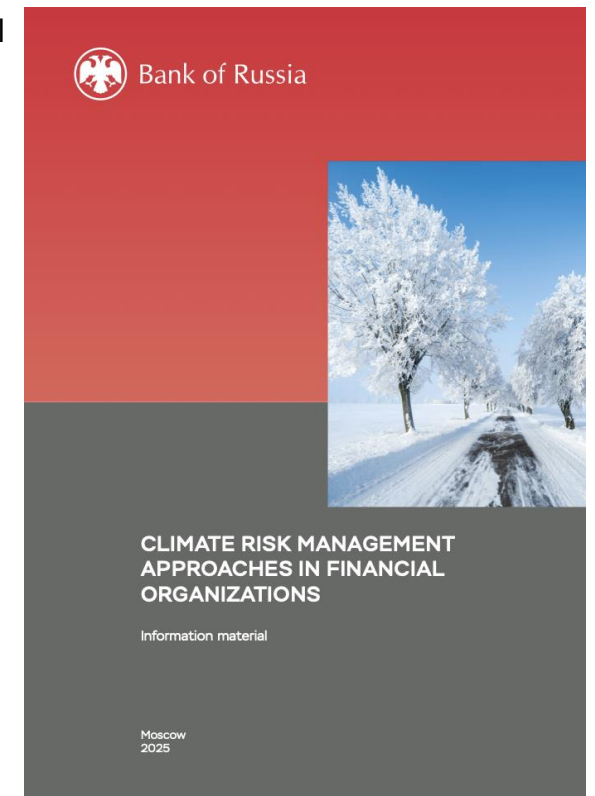
The recommendations are aimed at enhancing climate risk management by financial institutions and reducing the impact of these risks on the financial sector and the Russian economy as a whole

The document was prepared taking into account the feedback received during public consultations and contains principles for integrating climate risks into management processes, including identification, assessment, monitoring, the development of response measures, and information disclosure

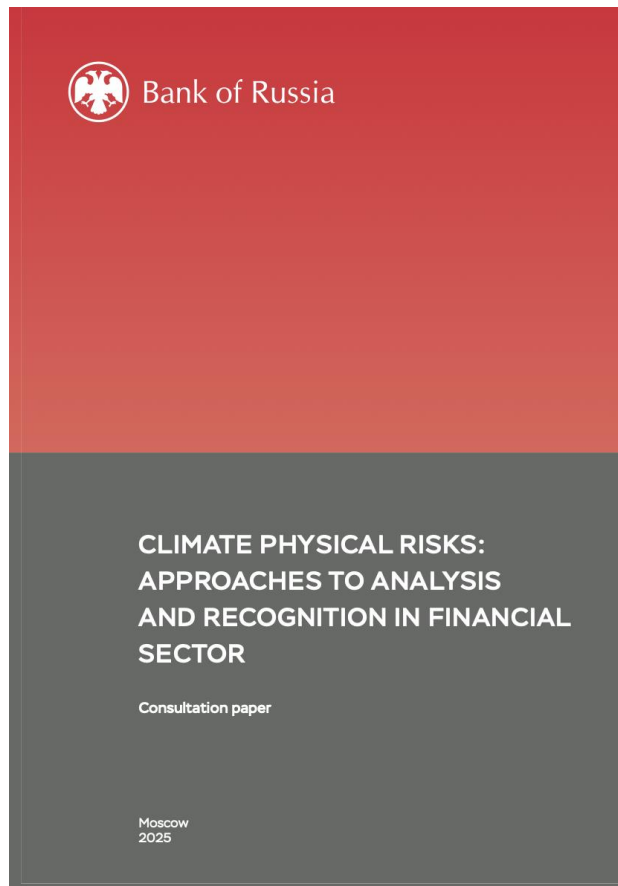


Compared to non-governmental pension funds and insurance companies, banks are more involved in the climate agenda, with some of them already stipulating relevant terms in loan agreements

Only a small percentage of financial institutions include all risks related to greenhouse gas emission reductions and climate change adaptation in their corporate risk management systems



# Climate physical risks: approaches to analysing and recognition in the financial sector



The report outlines questions for consultations and perspective work areas for the Bank of Russia and other stakeholders

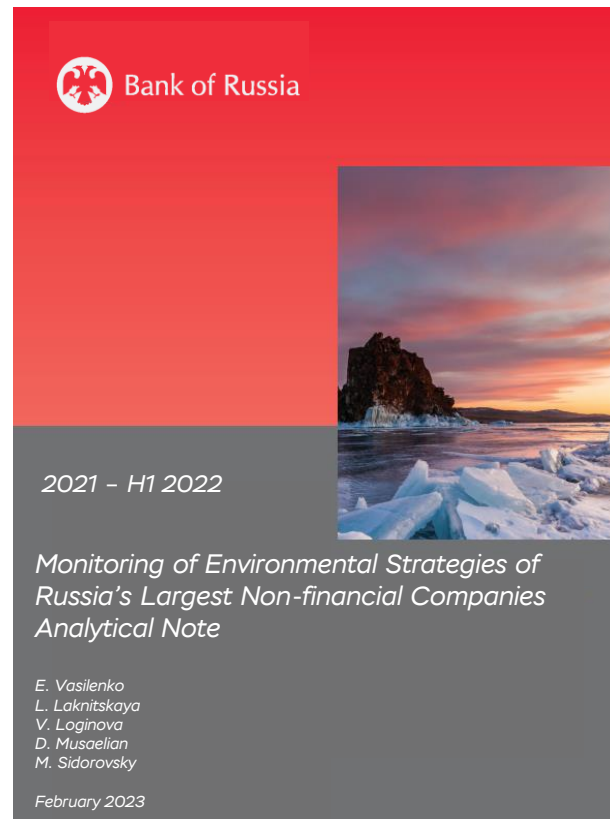
The report includes the estimates of damages caused by climate change worldwide and in Russia and describes the **current approaches to and tools for analysing physical climate risks** for financial companies

Public consultations have shown that **market participants generally support the proposed areas of work**, highlighting the need to strengthen the financial sector's resilience to physical climate risks. That said, respondents note the importance of developing models and data, enhancing research on the impact of climate change on the economy, and designing common methodological approaches to assessing climate risks

# Monitoring of climate and environmental strategies of Russia's largest non-financial companies

To estimate the current maturity level of major non-financial companies in terms of climate and environmental issues, the Bank of Russia regularly monitors their strategies

The monitoring covered 67 Russia's largest companies and revealed that 49% of them had set the greenhouse gas emission reduction targets, with the majority of these companies implementing environmental initiatives across various areas



The most recent analysis encompassed 41 entities from sectors most exposed to climate and environmental risks

The monitoring showed an improvement in the quality of companies' climate-related disclosures and a more proactive and ambitious target-setting in this area as compared to 2022



# 5

The Bank of Russia's sustainable development efforts

INTEGRATING SUSTAINABLE  
DEVELOPMENT PRINCIPLES INTO  
OPERATIONS

The Bank of Russia strives to contribute to the achievement of 10 out of the 17 UN Sustainable Development Goals (SDGs)




# The Bank of Russia strives to contribute to the achievement of climate- and environment-related SDGs

## The Bank of Russia's key priorities

- Responsible consumption and production
- Health and well-being
- Managing risks stemming from climate risk factors
- Reducing the environmental footprint of operations and production (coins, banknotes)

## The Bank of Russia's objectives for integrating sustainable development principles into its operations by 2030

-  Decarbonisation of operations
-  Development of the physical climate risk management framework

## Corresponding UN SDGs



# The Bank of Russia strives to contribute to the achievement of SDGs related to social development

## The Bank of Russia's key priorities

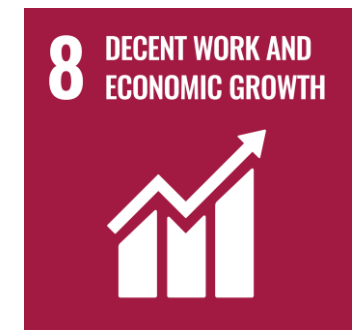
- Health and well-being
- Quality training
- Ensuring equal opportunities
- Ensuring decent working conditions for employees

## The Bank of Russia's objectives for integrating sustainable development principles into its operations by 2030



Ensuring decent working conditions and providing opportunities for human capital development

## Corresponding UN SDGs



# The Bank of Russia strives to contribute to the achievement of SDGs related to corporate governance

## The Bank of Russia's key priorities

Responsible procurement management

Development of an ethical environment

Disclosure of information on important issues and key indicators of sustainable development of the organisation's operations

## The Bank of Russia's objectives for integrating sustainable development principles into its operations by 2030



Development of the non-financial reporting framework at the Bank of Russia and its subsidiaries\*

\* as part of the roadmap to implement the Russian Financial Market Development Programme until 2028

## Corresponding UN SDGs



# Sustainable development management framework

## Organisation

- ✓ The Bank of Russia has established a cross-functional subgroup on integrating sustainable development principles into its operations, comprising representatives of departments and regions responsible for real estate management, procurement, human resources, training, and risk management


## Programme and project management

- ✓ Goals until 2030, relevant roadmaps, and KPIs have been developed based on the sustainable development priorities
- ✓ Metric methodologies have been developed (based on Bank of Russia recommendations, GRI and TCFD standards, and taking into account best practices)

## Competencies and people: engagement


- ✓ Annual training in professional competencies
- ✓ Enhancing engagement in developing the culture of equal opportunities and ESG using:
  - Internal communication system
  - Bank of Russia BrandBook
  - Regular training programmes
  - Modular sustainable development training

## Methodologies, documents, and regulations

- ✓ The methodology for calculating greenhouse gas emissions has been approved (based on international and national standards)
- ✓ The greenhouse gas emission calculation model has been built
-  The regulator has scheduled the preparation and publication of its corporate policy (the Russian Financial Market Development Programme: Objective 5)

## Reporting disclosure Section 2.6



-  Annual Report for 2025: indicators to be published in accordance with international (including IFRS S1 and IFRS S2) and national standards

## Data analysis and reporting framework

- ✓ Metrics and their calculation methodology have been approved for reporting purposes
- ✓ Sustainable development dashboard publication for internal use

✓ Implemented / is regularly implemented

 Planned

# 6

The Bank of Russia's sustainable development efforts

INTERNATIONAL COOPERATION

# The Bank of Russia participates in the UNFCCC COP negotiations as well as in the BRICS and G20 working groups



## UN Framework Convention on Climate Change

- Sessions of the Conference of the Parties to the UNFCCC
- UNFCCC Standing Committee on Finance
- Veredas dialogue on climate finance



## BRICS Finance Track: transition and sustainable finance

### Working groups:

- On harmonising sustainable development taxonomies
- On carbon market integration

### Contact Group on Climate Change and Sustainable Development

- The BRICS Leaders' Framework Declaration on Climate Finance has been prepared with the participation of the Bank of Russia

# Collaboration takes place within regional and professional associations



## Eurasian integration

- Advisory Board on Foreign Exchange Policy of Central (National) Banks of EAEU Member States
- Eurasian Council of Central (National) Banks (ECCB)
- Eurasian Regional Partnership (ERP)



## Asia-Pacific Economic Cooperation

- Working group on sustainable and innovative finance
- Regional Disaster Risk Financing and Insurance Solutions Working Group
- Initiative to develop a voluntary carbon market



## ESCAP

- Consultative Group on Financing Strategies for the Sustainable Development Goals



## Shanghai Cooperation Organization



## Commonwealth of Independent States

## Reports on international issues

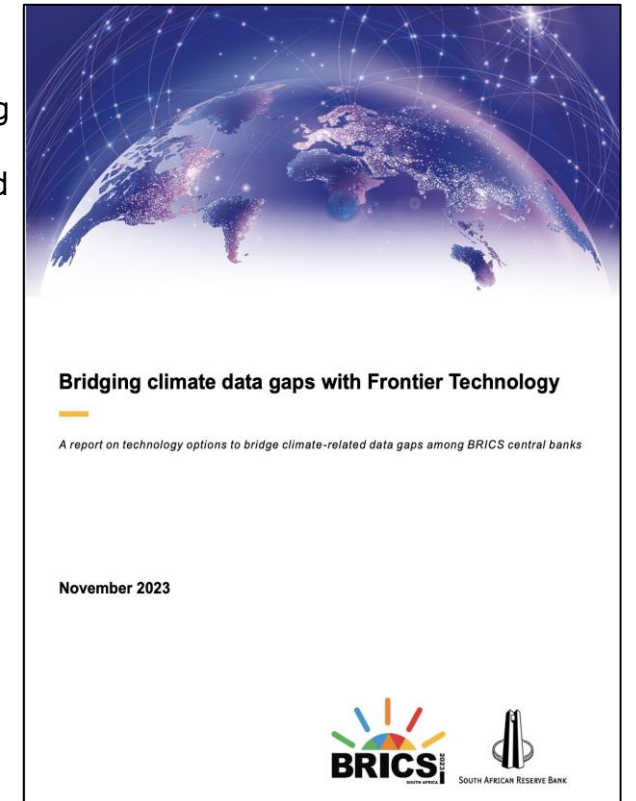
### Analysing international experience and practices within the framework of BRICS

Joint analytical work on sustainable development within the BRICS framework began in 2022 under the Chinese presidency

With the participation of central banks, a report on approaches and experience in transition finance was prepared



In 2023, the central banks of the BRICS countries analysed existing climate data needs and examined how advanced technologies could help address data gaps.

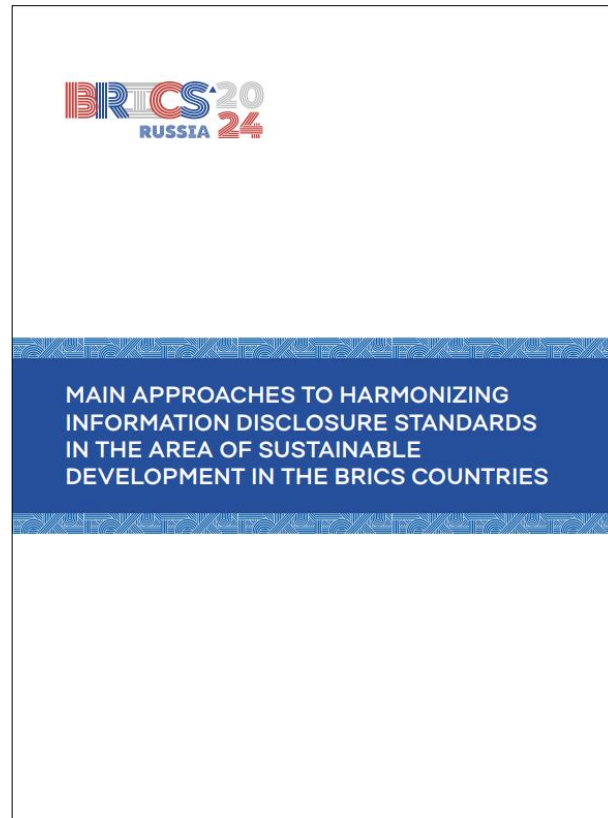


# Reports on international issues

## Analysing international experience and practices within the framework of BRICS

In 2024, under Russia's presidency, the BRICS central banks issued a report based on the results of the monitoring of sustainability disclosure standards used

Most countries intend to develop their sustainability disclosure regulation and work towards the comparability of the standards applied



A report on climate stress tests was published in 2025

The Bank of Russia took part in drafting and completing the questionnaire and editing the text of the report

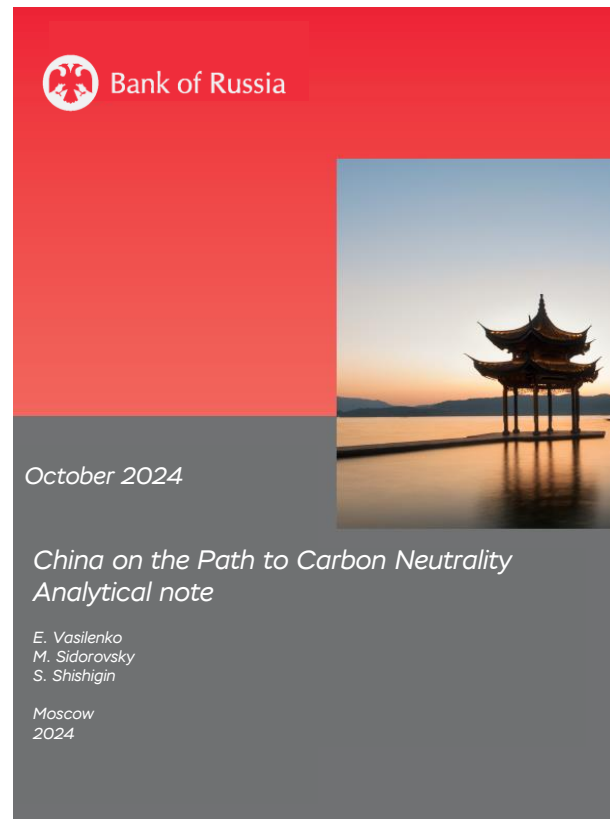
The report presents the experience of financial market regulators in conducting climate stress tests, as well as plans for further improving stress testing mechanisms



## Reports on international issues

The Bank of Russia website contains publications on sustainable development finance and climate regulation in different countries

The analytical note prepared by the Bank of Russia employees outlines measures taken by China to limit greenhouse gas emissions and describes the impact of these measures on Russian companies



In 2024, the Bank of Russia conducted a survey and an analysis of the current sustainability regulation in member states of the Eurasian Council of Central (National) Banks (ECCB)

In 2025, the survey was repeated with more in-depth questions

Cooperation on ESG priorities will continue both within the EAEU and as part of bilateral relations

*Title: ESG Activities of Central (National) Banks of Member States of the Eurasian Council of Central (National) Banks*

