



bankers' compliance group®

## Regulators Release New Climate-related Financial Risk Management Guidance\*

On October 24, 2023, the OCC, the FDIC, and the FRB released new interagency guidance entitled “Principles for Climate-Related Financial Risk Management for Large Financial Institutions” (the “Principles”). Intended to apply to financial institutions with over \$100 billion in total consolidated assets, the Principles provide a high-level framework for the safe and sound management of exposures to climate-related financial risks.

The Principles offer high-level guidance in six covered areas, including: (i) governance; (ii) policies, procedures, and limits; (iii) strategic planning; (iv) risk management; (v) data, risk measurement, and reporting; and (vi) scenario analysis. The Principles further describe how climate-related financial risks can be addressed in the management of traditional risk areas.

Although the Principles are not directly applicable to smaller financial institutions, the Principles may be a good reference tool for any institution in the process of developing internal policies and procedures to manage climate-related financial risks. A copy of the Interagency Climate Principles can be found at <https://www.occ.gov/news-issuances/news-releases/2023/nr-ia-2023-118a.pdf>.

Contact Mark Aldrich at [MAldrich@ABLAWYERS.COM](mailto:MAldrich@ABLAWYERS.COM) or Harry Khalsa at [HKhalsa@ABLAWYERS.COM](mailto:HKhalsa@ABLAWYERS.COM) with any questions regarding the Principles.

Copyright © 2023  
Aldrich & Bonnefin, PLC  
All Rights Reserved

\*Advertisement. This information is not, nor is it intended to be, legal advice. You should consult an attorney for advice regarding your individual situation. Contacting Aldrich & Bonnefin PLC does not create an attorney-client relationship. Please do not send any confidential information to us until such time as an attorney-client relationship has been established. Janet Bonnefin is retired from the practice of law with the firm.