

**Corrigendum 1 to GeM Bid Ref No. GEM/2023/B/4199181 dated 13/11/2023 for Selection of Consultant for preparing Sustainability Report and Climate Risk Management Framework of the Bank**

**It is decided to amend the following in respect of the above GeM bid:**

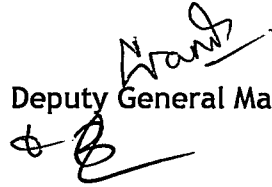
Sl. No.	Section/ Annexure/ Appendix of GeM Bid	Clause No.	Existing Clause	Amended Clause
a.	Annexure 9: Scope of work	Annexure 9: Scope of work	Existing Annexure 9: Scope of work	Amended Annexure 9: Scope of work
b.	Annexure 10: Technical Evaluation Criteria	Annexure 10: Technical Evaluation Criteria	Existing Annexure 10: Technical Evaluation Criteria	Amended Annexure 10: Technical Evaluation Criteria

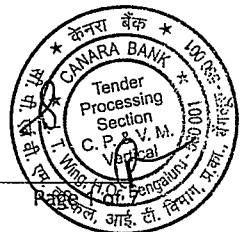
All the other instructions and terms & conditions of the above GeM bid shall remain unchanged.

Please take note of the above amendments while submitting your response to the subject GeM bid.

Date: 28/11/2023

Place: Bangalore

  
Deputy General Manager



Annexure-9

Scope of Work

**SUB: Selection of consultant for preparation of sustainability report and implementation of climate risk management framework for Canara Bank.**

**Ref: GEM/2023/B/4199181 dated 13/11/2023.**

Scope of Work- Sustainability Report & Climate Risk Management Framework

Businesses face new risks as investors, consumers, employees and partners demand greater corporate accountability, transparency and sustainability. Stakeholders and investors want to know how organizations are affecting the environment, how they treat their employees, clients and communities, and if they conduct their business ethically. In this context ESG reporting/Sustainability report by an organisation becomes a tool for shedding light on its ESG activities while improving investor transparency and inspiring other organizations to do the same. Bank is intending to appoint a consultant for preparing a Sustainability Report through which it can demonstrate that the organisational goals it is meeting with and the sustainable aspects it has embarked on, are genuine and paves way for the Bank reach greater heights in a sustainable way.

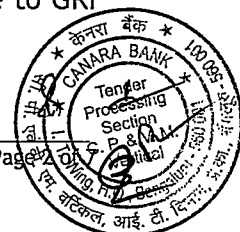
Climate Risk is an evolving aspect and a complex area in the current financial ecosystem. In order to tackle these emerging challenges, the Bank wants to appoint a consultant for implementing Climate Risk Management framework in its risk management process wherein the impact of climate related financial risks can be analyzed on the Bank's portfolio. The consultant is required to study the current global best practices in Climate related risks, assess the existing set-up in the Bank by conducting gap analysis and prepare the future set-up by implementing the Climate Risk Management framework in the Bank.

**1. Objectives:**

- 1.1.** Study the ESG practices of the Bank and prepare a Sustainability report which will be an addition to the existing Annual Report.
- 1.2.** Study the current global best practices in Climate Risk related aspects by conducting a gap analysis and guide the Bank in its transition towards sustainability with regard to Governance, Policies, Disclosures, Reporting, Products & Services, Risk, Operations, Lending & Investment portfolio, Capacity Building & International Coalitions.
- 1.3.** Study Bank's existing Governance, Policies, Disclosures, Reporting, Products & Services, Risk, Operations, Lending & Investment portfolio, Employee/Board Member Capacity & International Coalitions for embedding these aspects in Sustainability Report.
- 1.4.** Suggest the suitable model for creating the Infrastructure setup required for implementing climate risk management framework in the Bank by taking cognizance of various factors like Regulatory guidelines, evolving global best practices etc.

**2. Detailed Scope of Work**

- 2.1.** Designing and preparing Sustainability Report of the Bank for financial year 2023-24.
- 2.2.** Preparing Sustainability report by mapping of Bank's Key Performance Indicators (KPIs) with ESG related aspects and further show disclosures in accordance to GRI



(Global Reporting Initiative) framework and by embedding references to Bank's BRSR (Business Responsibility and Sustainability Reporting) report & BRSR Core.

- 2.3. Formulating the Sustainability report by including disclosures as defined by the International Sustainability Standards Board (ISSB) which encompasses aspects of Sustainability Accounting Standards Board (SASB) and aligning the report with Integrated Reporting (IR) framework of the International Integrated Reporting Council (IIRC).
- 2.4. Report content to draw recommendations from Task Force for Climate-Related Financial Disclosures (TCFD) and reports on initiatives intended to drive progress on the United Nations Sustainable Development Goals (UNSDGs).
- 2.5. Identifying important climate risk related priorities for the Bank and prepare Climate Risk Management Framework of the Bank.
- 2.6. Identifying climate related financial risks (Physical and Transitions risks) in the Bank's portfolio.
- 2.7. Classification of Bank's portfolio with Industry level demarcation based on high and low carbon emissions and preparing a Heatmap for classifying these sectors based on their carbon footprints and Bank's exposure.
- 2.8. Prepare a sectoral heatmap to rank degree of acute and chronic physical risk at an industry-level and rank industries on the basis of physical risk sensitivity and exposure using the above heatmap.
- 2.9. Prepare a sectoral heatmap to rank degree of transition risk - including policy, technology, reputation, market and legal risks at an industry-level. The bank is able to rank industries on the basis of transition risk sensitivity and exposure using the above heatmap.
- 2.10. Climate Risk Management Framework of the Bank should encompass the following major aspects under it:
  - 2.10.1. Define and prepare framework for conducting Scenario Analysis and Stress Testing on Bank's portfolio based on its exposure to climate related Physical and Transition risks.
  - 2.10.2. Define a framework and prepare models for assessing impact of Climate Risk (Physical and Transitional Risks) on the PD and LGD computations of Bank's portfolio and incorporating these impacts on the final ECL estimations.
  - 2.10.3. Incorporating Climate Risk factors into the ICAAP document of the Bank based on the results derived from Scenario Analysis and Stress Testing.
  - 2.10.4. Define and prepare mechanism for allocation of thresholds based on Climate Risk related financial impacts on Bank's existing credit and investment portfolios.
  - 2.10.5. Framework should also encompass aspects mentioned in above points 2.8 and 2.9
- 2.11. Based on the framework prepared, conduct Climate scenario analysis and stress testing on the portfolio of the Bank with a Short term, Medium term and Long term horizon.
- 2.12. Preparation of Climate risk related scenarios which are in line with TCFD expectations and NGFS scenarios and incorporating them after conducting trials.

- 2.13. Prepare templates and procedures for capturing data on Scope 1, Scope 2 and Scope 3 emissions of the counterparties which are available in public domain.
- 2.14. Implementing Climate Risk and ESG related aspects in the Front Book (identification and assessment of climate risk while underwriting loans) of the Bank.
- 2.15. Training of Bank's team on the newly developed climate risk related models to be developed (as per scope) and implemented in the Bank.
- 2.16. Incorporating and updating Climate Risk related aspects into the Risk Management Framework of the Bank as and when regulatory guidelines on the same are provided with, till September 2024.

**Note:** The above list is inclusive and not exhaustive i.e. Terms of reference shall include providing professional assistance for all activities required for preparation of Sustainability Report and successful Implementation of Climate Risk Management Framework in Canara Bank. The terms of reference shall also include implementation of the guidelines/ recommendations/ Instructions of the Reserve Bank of India/ Ministry of Corporate Affairs/ Indian Banks Association/ any other relevant regulatory bodies issued or to be issued during the contract period, to the satisfaction of the Bank without any additional cost. Delay in timelines arising out of additional scope of work that may be incorporated due to change/ modification/ updation of regulatory guidelines shall be mutually agreed upon by the Bank and the Bidder.

We confirm that the information furnished above is true and correct. We also note that, if there are any inconsistencies in the information furnished above, the bid is liable for rejection. All documentary evidence / certificates confirming compliance to Scope of Work should be part of Technical cum Eligibility.

Date:

Signature with seal

Name:

Designation:



Annexure-10

Technical Evaluation Criteria

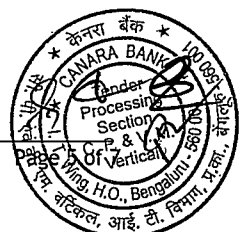
SUB: Selection of consultant for preparation of sustainability report and implementation of climate risk management framework for Canara Bank.

Ref: GEM/2023/B/4199181 dated 13/11/2023.

Technical bids will be subjected to following evaluation process. The eligible bidders will be required to give a presentation to the bank for technical evaluation.

The parameters for technical evaluation are as defined below:

Sl No	Parameter for Evaluation	Scoring Criteria	Maximum Score
1	<p><b><u>Work Experience in the Industry:</u></b></p> <p>a. Consultancy in developing Sustainability Report for a Bank/ AIFI/ Other reputed Financial entity.</p> <p>b. TCFD (Task Force on Climate related Financial Disclosures)</p> <p>c. SASB (Sustainability Accounting Standards Board)</p> <p>d. GRI (Global Reporting Initiative) for Banking Industry <u>/BFSI Sector</u></p> <p>e. Consultancy to a Bank/ AIFI/ <u>International financial entity (outside India)</u> reputed financial entities for measuring portfolio emissions. <u>With all regulatory documents, engagement letter and satisfactory letter from clients.</u></p> <p>f. Consultancy to a Bank/ AIFI/ reputed financial entities for conducting Scenario analysis and Stress Testing</p>	<p>a. 5 X N</p> <p>b. 5 X N</p> <p>c. 5 X N</p> <p>d. 5 X N</p> <p>e. 5 X N</p> <p>f. 5 X N</p> <p>N = Number of assignments</p> <p>The same should be backed by satisfactory letter from clients/ copy of engagement letters/ Work Contracts.</p> <p>Maximum Marks for each parameter is 10.</p> <p>Maximum Score will be capped at 60.</p>	60
2	<p><b>Qualifications of the Proposed Team based on 5 members:</b></p> <p>a. Prior work experience on ESG/ Climate risk related projects</p>	<p>1 mark for each completed year, per year per person. (Maximum 2 Marks per person.)</p> <p><u>(Letter from HR of the company clearly mentioning total experience of each individual with relevant experience)</u></p>	10



	b. Educational background and relevant qualifications pertaining to ESG and Climate Risk	<ul style="list-style-type: none"> <li>• PhD in Environment science - 2 marks X 5</li> <li>• Master in Environment science/ <u>Science/ Engineering</u>, from reputed university/ institutions - 1.5 Marks X 5</li> <li>• Bachelor degree in Environment science / <u>Science/ Engineering/ Relevant Streams</u>, from reputed university/ institutions - 1 Marks X 5</li> </ul>	10
3	<b>Presentation</b> <ul style="list-style-type: none"> <li>• Write-up to be provided as per the details given in Para below.</li> <li>• Presentation to be made to Technical Evaluation Committee</li> <li>• Approach for project</li> <li>• <u>Plan of completion of project in 12 Months</u></li> </ul>	<ul style="list-style-type: none"> <li>• 5 Marks</li> <li>• 5 Marks</li> <li>• 5 Marks</li> <li>• 5 Marks</li> </ul>	20
<b>Total Score</b>			<b>100</b>

Pointers for Presentation are as below:

Total no. of Pages - 13

Total no. of Slides - 13

Reporting (2 pages, 2 slides):

The consultant should elaborate their approach for Sustainability report by including content, design and ideas to engage with investors and other stakeholders.

Portfolio Assessment (4 pages, 4 slides):

The consultant should elaborate their approach on assessing Bank's portfolio level emissions and preparation of a heat-map analysis. Further, the consultant to cover aspects on analyzing impact of Climate risks (Physical Risk & Transition Risk) on the Front book & existing portfolio of the Bank. Data aggregation (Bank level and Borrower level) and screening methods for assessing climate risk aspects on the Front book of the Bank.

Risk (4 pages, 4 slides):

Consultant should elaborate on their approach for assessing impact of Climate Risk on PD and LGD computation of clients and finally on the ECL component. Provide insights on incorporating Climate risk appetite in the ICAAP document of the Bank and its approach on Stress Testing methods. For scenario analysis, the consultant should cover their approach as per TCFD expectations and their expertise on NGFS scenarios.

Team Composition (1 page, 1 slide):

Composition of the team including information of personnel.

Project Implementation Plan (2 pages, 2 slides):

Brief about the project implementation plan by covering on the timelines mentioned above and overall objective of completion of the scope in a period of 12 months.

The presentation slides to be submitted with Technical bid only and the same is to be used at the time of presentation for RFP evaluation.

Presentation Time - 60 minutes

Q & A Time - 20 minutes

**NOTE:** The above activities are for evaluation of consultant's approach for project implementation in the bank and should not be construed as the final approach. The actual implementation process will be decided by the bank based upon regulatory requirements and international best practices.

Kindly note that the Bank reserves the right to finalize the scores from the available bid documents and presentation made by the bidder and the Bank decision on technical evaluation is FINAL.

Bidders who score minimum out 70% marks on the technical evaluation criteria as mentioned above will only be considered for commercial bid. The Commercial bids of the applicants with technical marks less than 70% will not be considered for commercial/financial evaluation.

Also Canara Bank may, at its sole discretion, decide to seek more information from the bidders in order to normalize the bids. However, bidders will be notified separately, if such normalization exercise is resorted to.

#### Terms & Conditions

- a. Bank reserves the right to conduct interviews of the proposed team members.
- b. In case of absence of the allotted resource, the standby should perform the job of the absentee.
- c. Bank may reject such manpower if bank is not satisfied with his/her performance.

