



UN  
environment  
programme

finance  
initiative

Principles for  
Responsible Banking

# PRINCIPLES FOR RESPONSIBLE BANKING

SHAPING OUR FUTURE

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October 2021

# UNEP FI:

## A partnership between the United Nations & the Global Finance Sector



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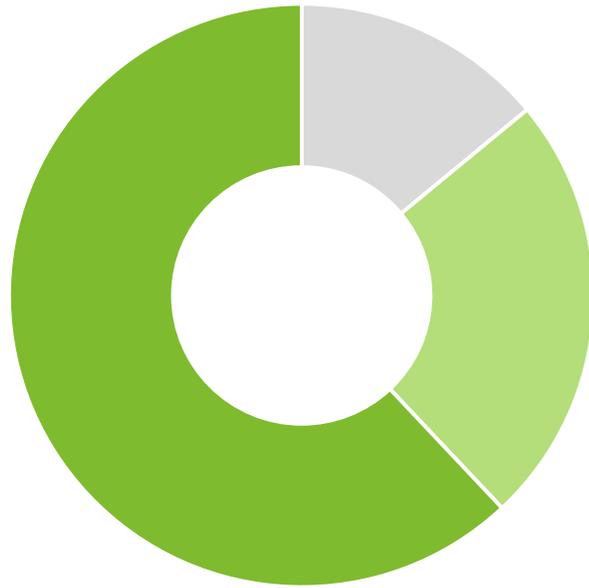


**We work** in partnership with banks, insurers and investors to help create a financial sector that serves people and planet

**We develop** the worlds' guiding norms to mainstream sustainable finance

**We co-create** practical research, tools and peer-exchange forums to help financial institutions deliver on their sustainable journey for stakeholders

## MEMBERSHIP BY SECTOR



**62% Banks**

**24% Insurers**

**14% Investors**

## MEMBERSHIP BY REGION



**124 Europe**

**54 Asia Pacific**

**48 LatAm & Carib.**

**34 Africa & ME.**

**29 N. America**

**Principles for Responsible Investment (2006)**

**Principles for Sustainable Insurance (2012)**

**Principles for Responsible Banking (2019)**

Increasing International Momentum  
Acceleration of International Momentum

1992 – UNEP FI established

2006 – Principles for Responsible Investment

2008 – Financial Crisis



Principles for Sustainable Insurance

UN 2030 Sustainable Development Goals



Principles for Responsible Banking  
Collective Commitment to Climate Action

Net Zero Asset Owner Alliance

Net Zero Insurance Alliance

UN COP 21  
Paris Climate Agreement

TCFD

Net Zero Banking Alliance

UN COP 15  
Biodiversity  
UN COP 26  
Climate  
TNFD

# Acceleration of the Sustainable Economy

**3/5**

of the 2021 WEF top 5 global business risks by impact are nature-related

WEF 2021

**\$44trn**

or 50% of global GDP relies on natural capital

WEF 2020

**\$1trn**

USD total issuance of sustainable debt since 2007

Bloomberg 2021

**+143%**

Increase in AUM of ESG-listed funds since 2010

IMF 2020

**44%**

Shareholder support for ESG proxy voting resolutions in 2021 to June

MORNINGSTAR 2021

2021 top global risks: Infectious diseases | climate action failure | weapons of mass destruction | biodiversity loss | natural resource crisis

# Principles for Responsible Banking



**250+**

Signatory Banks

**>40%**

of the global banking sector

**\$65trn**

USD Total Assets

**66**

countries

Source: UNEP FI

# PRB Market Penetration

Top 10 Banks by Total Assets

Asia Pacific	North America	Europe	Latin America	Middle East & Africa
ICBC	JP Morgan Chase	HSBC*	Itaú Unibanco	Qatar National Bank
China Construction Bank	Bank of America	BNP Paribas	Banco de Brasil	First Abu Dhabi
Agricultural Bank of China	Citigroup	Crédit Agricole	Banco Bradesco	Emirates NBD Bank
Bank of China	Wells Fargo*	Santander	Caixa Economica Federal*	Standard bank
Mitsubishi MUFG	Royal Bank of Canada*	Société Générale	Santander Brasil	Bank Leumi le-Israel
Japan Post Bank	Toronto Dominion Bank*	Barclays	BBVA	National Commercial Bank
Sumitomo Mitsui FG	Goldman Sachs	Group BPCE	Group Aval	Bank Hapoalim
Mizuho FG	Morgan Stanley	Deutsche Bank	Banorte	First Rand
Postal Savings Bank of China	Bank of Nova Scotia*	Lloyds	Santander Mexico	Abu Dhabi Commercial
Bank of Communications	Bank of Montreal	Intesa Sanpaolo	Citibanamex	Kuwait Finance House
<b>70% are PRB</b>	<b>30% are PRB</b>	<b>90% are PRB</b>	<b>70% are PRB</b>	<b>20% are PRB</b>

Green shading indicates PRB Signatory Bank  
\*UNEP FI member

Ranking based on Total Assets | Source: [2020 S&P Global rankings](#)

# The 6 Principles for Responsible Banking

## **01: Alignment** .....

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

## **02: Impact & Target Setting** .....

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

## **03: Clients & Customers** .....

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

## **04: Stakeholders** .....

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

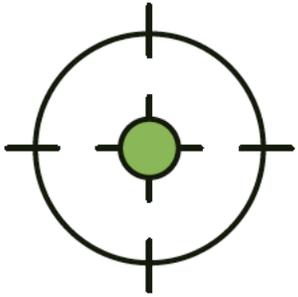
## **05: Governance & Culture** .....

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

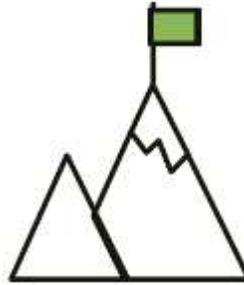
## **06: Transparency & Accountability** .....

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

# A 4-year Journey\*



**Analyzing your  
bank's Impact on  
Planet & People**



**Setting & Implementing  
Targets**



**Accountability &  
Measuring Progress**

\*For more detailed information, view the technical documents:

[Key Steps to be Implemented by Signatories](#) and [Reporting & Self-Assessment Template](#)

# Supporting the Journey

## Peer exchange

Bank-led, UN-convened forums for sharing best-practice

## Working groups & Collective initiatives

Producing industry-leading guidance

## Theme-based guidance

Climate, biodiversity, gender equality, financial inclusion, resource efficiency & circular economy

## Individual Feedback & Support

Individual support and guidance on your banks' progress

## Tools

Impact analysis tools, portfolio analysis tools, developed by banks for banks

# Benefits of Being a Signatory

- **Stay at the cutting-edge** of sustainable finance
- **One framework** to respond across the bank – at strategic, portfolio and transactional levels
- **Seize new business opportunities** created by the sustainable development agenda
- **Identify & manage impact & risk**
- **Strengthen trust** with key stakeholders by demonstrating alignment to the transition
- **Access a global community** of peers
- **Expert knowledge, tools and resources** to strengthen your banks' position

# A three-step Process



## 1. Sign the Principles for Responsible Banking

Your bank's CEO signs the official [Principles for Responsible Banking commitment for Signatories](#)



## 2. Become a UNEP Finance Initiative Member

[Apply for UNEP Finance Initiative membership](#) to join a global network of hundreds of financial institutions, and gain access to wide range of knowledge, tools, resources and expertise.



## 3. Promote your bank's commitment

Publicly promote your bank's positive action with a news announcement and quote from your CEO.

# Collective Progress Report

**The first Collective Progress Report of the UN Principles for Responsible Banking (PRB) signatories maps the early stages of implementation by signatories**

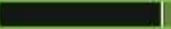
## **The report:**

- synthesizes individual reporting from 203 signatories
- provides a status update of progress in implementing the PRB framework,
- includes information regarding banks' progress addressing key impact areas
- includes an independent view from the Civil Society Advisory Body (CSAB),
- provides details of the resources delivered by the community of signatories so far that support and build capacity for effective PRB implementation

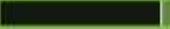
# Overview of progress across the 6 Principles for Responsible Banking

The community of PRB signatories has grown to represent **40% of the global banking system by assets**  
**US\$ 2.3 trillion of sustainable finance is being mobilized\***

## Principle 1: Alignment

**94%**   
focusing on sustainability as part of bank strategy

## Principle 2: Impact and target setting

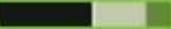
**93%**   
analysing impact

**30%**   
setting targets

**87%**   
climate focus

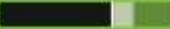
**47%**   
financial inclusion focus

## Principle 3: Clients & customers

**56%**   
have an engagement process or policy in place

**30%**  
are working on an engagement process

## Principle 4: Stakeholders

**65%**   
have a process to regularly consult, engage, collaborate, and partner with stakeholders

**12%**  
are setting up a process to regularly consult

## Principle 5: Governance & culture

**80%**   
established a governance system that incorporates the PRB

## Principle 6: Transparency & accountability

**69%**   
published their first PRB report

**30%**   
set up third party assurance of their PRB reporting

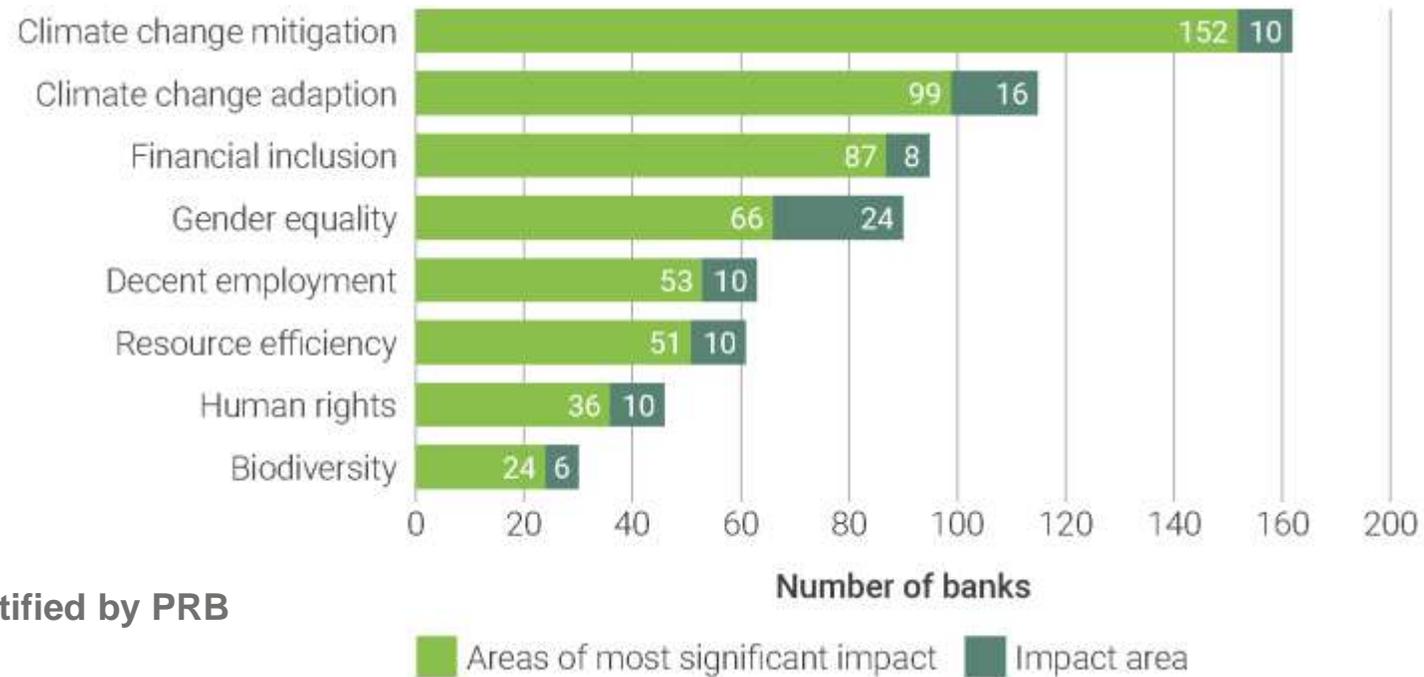
\* as reported by 87 banks

# Internal changes

## Signatories are making progress in establishing systems and policies in order to set targets for action

PRB signatories' reporting indicates that banks' current implementation has focused on putting the systems and policies in place for concerted action. Some banks have been undertaking a retooling of their core banking processes, with

- 94% Focusing on sustainability as part of their strategy
- 93% Analysing Impact



Impact areas identified by PRB banks

Source: UNEP Finance Initiative

# Environmental and social impact

## Early signs of impact in the real economy

There are some early indications of progress as signatories start to shift financing and investment practices towards positive sustainability impacts.

There are early signs of visible impact on the ground, including during the last year:

- **15,131 clients** (corporates and SMEs) being advised on climate strategies (as reported by 20 banks)
- **113 million vulnerable customers** gaining access to financial services (as reported by 41 banks)
- **69%** of banks with climate change mitigation as an impact area investing in green assets and low-carbon technologies
- **US\$ 2.3 trillion** of sustainable finance being mobilized (as reported by 87 banks)

## Progress differs widely across signatories

Many banks are navigating the complex process of analysing their impact in line with the PRB requirements. However, the progress made by PRB signatories differs widely.

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