



UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR **RESPONSIBLE BANKING**

SHAPING OUR FUTURE

November 2018

**CONSULTATION
VERSION**

ACKNOWLEDGEMENTS

28 leading banks from five continents, jointly representing more than USD 17 trillion in assets, have come together to establish the Principles for Responsible Banking under UNEP FI:



PROJECT TEAM:

UNEP FI Secretariat:

Simone Dettling
Banking Team Lead

Puleng Ndjwili-Potele
Banking Project Coordinator

Fernando Messineo Libano
Banking Team

Consultants:

Rory Sullivan
Karin Ireton
Adam Garfunkel
Séverin Fischer

Published by UNEP FI in November 2018

Copyright © UNEP FI

UNEP Finance Initiative

International Environment House
11–13 Chemin des Anémones
1219 Châtelaine, Geneva
Switzerland

FOUNDING BANK CEOs ON THE PRINCIPLES

"There is a greater need now, more than ever, to promote sustainability in the global financial sector. This is therefore the right time to launch the Global Responsible Banking Principles. At Access Bank, we are committed to setting standards and engendering innovative solutions that address social, economic and environmental challenges. We believe that the Sustainable Development Goals will be better achieved if we can work together, using these principles as a guide."

HERBERT WIGWE | CEO, Access Bank

"For a long time Banorte has been engaged in local and international initiatives in the social, environmental and governance dimensions. To participate as founders of the Principles for Responsible Banking represents an opportunity to enhance the impact of our operations in society and to contribute to a more sustainable future, while generating value for all our stakeholders."

MARCOS RAMIREZ MIGUEL | CEO, Banorte Financial Group

"Banks must be purpose-driven organizations. With the Principles for Responsible Banking we are redefining the role of banking in society to have a positive impact in people's lives. BBVA's purpose is to bring the age of opportunity to everyone. We believe that the Principles are very aligned with our strategy and that will help us to reinforce our commitment to sustainable development."

CARLOS TORRES VILA | CEO, BBVA

"We want to constantly advance towards becoming a reference of good practice and innovation, multiplying the positive impact on society and influencing the financial market in order to fulfil, with increasing efficiency, its role of supporting and encouraging sustainable development."

OCTAVIO DE LAZARI JUNIOR | CEO, Bradesco

"CIMB has always emphasised value creation which requires a delicate balancing of the long-term interests of our people, planet and profitability. To that end, we are pleased to commit to the UNEP FI objectives to champion responsible banking and help transform global banking practices. We firmly believe that as an industry that plays an instrumental role in economic growth and global trade, together banks could be a powerful force for change, to create a huge positive impact not just economically, but also socially and environmentally."

TENGKU ZAFRUL AZIZ | Group CEO, CIMB Group

"For Golomt Bank it is a privilege having become an active member of UNEP FI and actively work alongside leading global banks to foster sustainable engagement in Mongolia and positively influence other banks, communities and our customers. We recognize our responsibility towards society and the importance of enabling and providing opportunities to be more environmentally conscious."

GANZORIG ULZIIBAYAR | CEO, Golomt Bank

"The current environmental and social issues pose a multitude of opportunities and threats for financial institutions. Banks can either seize the opportunities and grow, or ignore the threats and go under. The Principles for Responsible Banking allow banks to generate new revenue streams by genuinely connecting to the environment and the society."

HASSAN ABDALLA | CEO, Arab African International Bank

"Barclays has been a member of the UN Environment Programme Finance Initiative for more than 20 years and we're proud to be part of the core group of 28 banks developing the Principles for Responsible Banking. Barclays exists to help develop sustainable economies and to empower people to build better futures. We are committed to playing our part to deliver the SDGs and we do this by helping our clients to raise billions of dollars of social and environmental financing, upskilling millions of people and helping to drive job creation."

JES STALEY | Group CEO, Barclays PLC

"Finance in its very nature is forward looking, and we must make sure that it works not only for profit but also for the future of the people and the planet. The framework set out by UNEP FI in its Principles for Responsible Banking will enable us to move collectively in that direction."

JEAN-LAURENT BONNAFÉ | CEO, BNP Paribas

"For years, CIB has worked to provide sustainable capital to help our clients grow, give back to the communities in which we live and work, and incite actionable change as it relates to environmental business practices. We believe it is critical that banks with a long track record of inciting change work together to create actionable and strategic frameworks, like the global Principles for Responsible Banking, to instigate that change from the top down."

MR. MOHAMED SULTAN | COO, Commercial International Bank – Egypt (CIB)

"To date, we strived to pave the way for doing better business for society through introducing many firsts to our market. The new Principles for Responsible Banking will guide us in building on what we achieved so far and allow banks to credibly showcase their concrete actions in building a better world."

ALI FUAT ERBIL | President & CEO, Garanti Bank

"Hana Financial Group (HFG) declared its commitment to fully respond to the requirements and changes of our time to fulfill corporate social responsibility. Our ultimate goal is to pursue the growth of all stakeholders for the betterment of our society and to meet our social responsibility in a balanced manner. We at HFG endorse the Principles for Responsible Banking as a global corporate citizen as well."

KIM JUNG-TAI | Chairman, Hana Financial Group

"As one of the founding banks of "Principles for Responsible Banking", ICBC will continue to make ceaseless efforts for sustainable economic and social development, and contribute to achieving society's goals as expressed in the Sustainable Development Goals and the Paris Climate Agreement."

SHU GU | President, Industrial and Commercial Bank of China

"We believe responsible business is about establishing and nurturing the foundation of growth for the next generations. To succeed, banks need to bring their written policies into action through strategy for creating long-term value through sustainable banking. KCB Group believes that these principles will create a path towards achieving sustainable financial success and widen the door to financial freedom."

JOSHUA N. OIGARA | CEO, KCB Group

"Through our products and services, we want to contribute to the transition to a low carbon economy and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and the Guiding Principles on Business and Human Rights. It is about mitigating risks, improving resilience and creating opportunities for a better society. Together we are on a journey towards a sustainable future."

CASPER VON KOSKULL | CEO, Nordea

"Responsible banking is not a new concept – but the Principles for Responsible Banking acknowledge how important a concept it is, especially today. Because banking can only fulfil its purpose—creating financial empowerment, jobs and economic growth—if it treats customers, shareholders and society with the respect they deserve. This is profit with purpose; this is the heart of responsibility."

ANA BOTIN | Executive Chairman, Santander Group

"The role of banking is about building the future. We are committed to the positive transformations of our economies and societies. We welcome collective approaches and best practice frameworks such as the Principles for Responsible Banking to pave the way for a positive impact together with our stakeholders."

FRÉDÉRIC OUDÉA | CEO, Societe Generale

"The financial sector is in a very good position to contribute to a sustainable world. Given the magnitude of the global challenges, a global initiative such as the UNEP FI Principles for Responsible Banking is important to achieve a systemic change. They are an important milestone to accelerate the journey of banks towards a sustainable business model and they provide a good roadmap. We call on all banks to endorse and sign up for the Principles."

PETER BLOM | CEO, Triodos Bank

"New age banks like YES BANK are paving the way towards a new economic system, geared towards sustainable growth. YES BANK has been mainstreaming its ethos of responsible banking by driving to market, innovative sustainable finance products that positively impact Sustainable Development Goals. The robust roadmap created by the six Principles for Responsible Banking, developed jointly by UNEP FI, YES BANK and 27 other global banks, will certainly enable the global banking sector to change its approach from maximizing profits to optimizing it, and to align future growth to sustainable development."

NAMITA VIKAS | Group President & Global Head, Climate Strategy & Responsible Banking, YES Bank

"The Principles for Responsible Banking articulate a common language in responsible banking practices worldwide. It gives banks a shared foundation on which to build a sustainable future."

RALPH HAMERS | CEO, ING Group

"By joining forces as a global banking sector to develop, implement and embed a set of Responsible Banking Principles that guide how we operate, we are able to shape the future we all want by acting to responsibly address the expectations of society now. Land Bank is looking forward to both contributing to and sharing in the expertise and experience of this global group as we guide the sector towards a smarter and more measurable framework."

TP NCHOCHO | CEO, Land Bank

"These Principles resonate with the values of Piraeus Bank and strengthen the organization's culture, founded on accountability, meritocracy and transparency. We endorse the Principles for Responsible Banking, because we believe that responsible relations with our customers, shareholders, employees and society at large give us a competitive advantage in building trust, supporting sustainable development and restarting the Greek economy."

CHRISTOS MEGALOU | CEO, Piraeus Bank

"To be a responsible financial group that grows and develops with society, Shinhan Financial Group has been implementing our mission of "Compassionate Finance, Your Companion for the Future". The Principles for Responsible Banking allow us to disseminate integrated thinking that makes positive impacts on our society and environment."

CHO YONG-BYOUNG | CEO, Shinhan Financial Group

"As a leading bank on the continent, with operations in 20 African countries, we support the development of the UNEPFI Principles for Responsible Banking. These global Principles encourage banks to think hard about our wider impacts – both negative and positive – on the societies and environments in which we live and work, and to integrate this thinking into our decision-making."

SIMPHIWE TSHABALALA | CEO, Standard Bank Group

"Westpac is proud to have been a founding member of UNEP FI and Equator Principles - being at the front end of creating positive impact through banking. We pride ourselves on long being recognised for taking action on sustainability issues and that's why we are so proud to be supporting the development of the Principles for Responsible Banking – reinforcing our commitment to the Paris Climate Agreement and the UN SDGs that sit at the heart of our 2020 Sustainability Strategy."

BRIAN HARTZER | CEO, Westpac Group

INTRODUCTION

This Document presents the Principles for Responsible Banking for a six-month public consultation with banks and stakeholders. The Principles for Responsible Banking have been developed by 28 banks from five continents, jointly representing more than USD 17 trillion in assets, on behalf of the wider UNEP FI membership. 12 civil society organizations, including Oxfam International, 2 Degrees Investing Initiative and WWF, assisted in the development of the Principles. These Principles are designed specifically for banks. Any bank, regardless of its starting point, context or size, can sign up. We encourage banks and stakeholders to participate in the consultation process by providing their input and feedback on the Principles, using the online consultation tool (www.unepfi.org/consult/), or by contacting us for further information (prb@unepfi.org).

What are the objectives of the Principles for Responsible Banking?

These Principles align banks with society's goals as expressed in the Sustainable Development Goals (SDGs) and the Paris Climate Agreement. They set the global benchmark for what it means to be a responsible bank, and provide actionable guidance for how to achieve this. They drive ambition and challenge banks to continuously increase their contribution towards a sustainable future. The Principles will help banks seize the opportunities of the changing economy and society of the 21st century by creating value for both society and shareholders, and help banks build trust with investors, customers, employees and society.

What are the key features of the Principles for Responsible Banking?

The Principles provide the banking industry with a single framework that embeds sustainability at the strategic, portfolio and transactional levels and across all business areas. Target setting in the most material areas is a key feature of the Principles. Banks are required to set and publish targets in line with society's goals, as expressed in the SDGs, the Paris Climate Agreement and relevant national frameworks, in the areas where they have the most significant positive and negative impact. The Principles require banks to be transparent and accountable. Banks are required to report publicly on their positive and negative impacts, their contribution to society's goals and their progress in implementing the Principles, and to engage with key stakeholders on their impacts. The Principles are supported by an Implementation Guidance, which provides details of the rationale for each Principle and practical guidance on how banks can approach the implementation of the Principles.

Get Involved!

Provide inputs and guidance for the further development of the Principles by visiting www.unepfi.org/consult/, and attending webinars and events hosted by UNEP FI and the founding banks over the next six months. For further information, please visit the UNEP FI website (www.unepfi.org/banking/bankingprinciples/). You may also contact us on prb@unepfi.org.

Banks and stakeholders such as banking associations, regulators, policy-makers, civil society organizations and investors can signal their support and become part of this leadership initiative by endorsing the Principles for Responsible Banking here www.unepfi.org/banking/bankingprinciples/endorsing/.

"The global banking industry is stepping up to the sustainability challenge. I'm optimistic we'll see a realignment of business practice – one that embraces the fact that green and socially responsible business is the best business."

ERIK SOLHEIM | Executive Director, United Nations Environment

CONTENTS

**The Principles
for Responsible Banking.....3**

Signatory Requirements10

Implementation Guidance.....12

Principle 114

Principle 218


Principle 323

Principle 427

Principle 531

Principle 637

Members of the Core Group.....43



THE PRINCIPLES FOR RESPONSIBLE BANKING

Banks play a key role in society. As financial intermediaries, it is our purpose to help develop sustainable economies and to empower people to build better futures.

Banking is based on the trust our customers and wider society put in us to serve their best interests and to act responsibly. Our success is intrinsically dependent on the long-term prosperity of the society we serve. Only in an inclusive society that uses its natural resources in a sustainable manner can our clients and customers and, in turn, our businesses thrive.

We therefore want to take a leadership role and use our products, services and relationships to support and accelerate the fundamental changes in our economies and lifestyles necessary to achieve shared prosperity for both current and future generations.

We therefore commit to the following Principles:

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 (SDGs), the Paris Climate Agreement and relevant national and regional frameworks. We will focus our efforts where we have the most significant impact.

How your bank can achieve this:

- Explicitly integrate the SDGs, the Paris Climate Agreement and other relevant national, regional or international frameworks into your business strategy and key business decisions, including your capital allocation decisions.
- Identify and assess where your banks' portfolio and service offerings generate, or could potentially generate, the most significant positive and negative environmental, social and economic impacts.
- In the identified focus areas, set and publish targets that align your business with and ensure your bank's significant contribution to the objectives and targets set out in the SDGs, the Paris Climate Agreement, and other relevant national, regional or international frameworks.

More information on this Principle on page 14



PRINCIPLES FOR
RESPONSIBLE
BANKING

01

IMPACT



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.

How your bank can achieve this:

- Use the SDGs, the Paris Climate Agreement and other relevant national, regional or international frameworks to identify, assess and be transparent on significant (potential) positive and negative impacts resulting from the bank's capital allocation decisions and its provision of products and services.
- Define key performance indicators (KPIs) to address, reduce and mitigate significant negative impacts and to realize opportunities to continuously expand and scale up positive impacts.
- Undertake forward-looking assessments of sustainability-related risks and opportunities at transaction, portfolio and strategic level and manage and mitigate significant risks.

More information on this Principle on page 18



UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR
RESPONSIBLE
BANKING

02

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.

How your bank can achieve this:

- Systematically identify where your bank can support its clients in reducing their negative and increasing their positive impacts by adopting new technologies, business models and practices and where your bank can encourage and support sustainable behavior and consumption choices among its retail customers.
- Develop strategies and define measures for the identified focus areas, such as development of new products and services or sustainability-related incentives and contractual conditionality.
- Help ensure that your retail customers have the knowledge and skills to effectively manage their finances, e.g. through financial literacy programs.

More information on this Principle on page 23



PRINCIPLES FOR
RESPONSIBLE
BANKING

03

STAKEHOLDERS

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

How your bank can achieve this:

- Identify and map key external stakeholders such as regulators, investors, policy makers, and civil society institutions, paying special attention to stakeholders directly or indirectly affected by the bank's business practices and lending and investment decisions.
- Engage, listen to and consult with these stakeholders to gather their expectations and advice regarding the material issues in your strategy and business practices. Create partnerships that enable your bank to deliver more than it could by working on its own.
- Ensure that your engagement with regulators and policymakers is aligned with the goals and objectives of these Principles. Proactively advocate for sustainable regulations and frameworks.

More information on this Principle on page 27



UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR
RESPONSIBLE
BANKING

04

GOVERNANCE & TARGET SETTING

We will implement our commitment to these Principles through effective governance and a culture of responsible banking, demonstrating ambition and accountability by setting public targets relating to our most significant impacts.

With regards to governance and culture:

How banks can achieve this:

- Assign roles and responsibilities for meeting your bank's strategic objectives regarding sustainability across all functional areas of the bank and ensure sufficient status, influence and resources.
- Establish effective policies, management systems and controls to ensure that sustainability objectives and targets are integrated into all decision making processes across the bank.
- Actively communicate top-level buy-in and integrate performance with regards to the bank's sustainability targets and responsible banking leadership into performance assessments, remuneration schemes and promotion decisions.

With regards to target setting:

Banks are required to:

- In the areas where your bank has the most significant (potential) positive and negative impacts set SMART targets that align your bank's portfolio and service offerings with the SDGs, the Paris Climate Agreement and other relevant national, regional or international frameworks to increase your contribution to society's goals.

More information on this Principle on page 31



PRINCIPLES FOR
RESPONSIBLE
BANKING

05

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.

Banks are required to:

- Within the first 14 months of becoming a signatory and every year thereafter be transparent on and accountable for their significant positive and negative impact and contribution to society's goals and provide information on their implementation of the Principles for Responsible Banking in their public reporting.
- Undergo an annual individual review process whose requirements differ depending on the self-declared "level" of the bank (see next chapter on signatory requirements).

More information on this Principle on page 37



PRINCIPLES FOR
RESPONSIBLE
BANKING

06

SIGNATORY REQUIREMENTS

1 SIGN UP

Communicating your commitment signals your intent and focuses organization-wide attention on the Principles



Your bank's CEO signs the Principles¹



Submit an application for membership of UNEP FI



Make a public announcement with a quote from the CEO

2 IDENTIFY AND SET TARGETS



Identify the most significant positive and negative social, economic and environmental impacts resulting from your bank's activities, products and services



Considering your significant impacts and your operating context, prioritize focus areas for setting targets



Set and publish targets within 12 months of becoming a signatory (24 months for banks self-assessing as "starters")



The targets have to meet or exceed the ambitions and timeframes expressed in the Sustainable Development Goals, the Paris Climate Agreement and/or relevant national and regional frameworks

¹ The Principles will include a legal disclaimer stating that they shall not be interpreted in any way as conflicting with any legal or contractual obligations of the signatory banks and any such legal or contractual obligations shall take precedence over these Principles. Nothing in these Principles, express or implied, is intended to or shall create or grant any right or any cause of action to, by or for any person.

3 REPORT AND GET FEEDBACK

Reporting and getting feedback demonstrates accountability to society and ensures continuous improvement

How you report

In your existing public reporting address how you are implementing the Principles for Responsible Banking. Once every twelve months submit a completed template to UNEP FI in which you provide references to the relevant information in your public report(s).

Feedback and consequences of non-compliance

Starter Bank: (up to 24 months)	Intermediate Bank: (up to 24 months)	Advanced Bank:
TRANSPARENCY: UNEP FI will provide feedback on your reporting and advise on how you might improve	TRANSPARENCY: If the information provided in your reporting is incomplete, UNEP FI will ask you to address the shortcomings	TRANSPARENCY: If the information provided in your reporting is incomplete, your assurance provider or an independent reviewer will ask you to address the shortcomings.*
	TARGET SETTING UNEP FI will provide feedback on your target setting process and advise on how you might improve	TARGET SETTING If your target setting process is not in line with the requirements, your assurance provider or an independent reviewer will ask you to address the shortcomings.*
		PROGRESS If your reporting does not show progress in implementing the Principles, your assurance provider or an independent reviewer will ask you to address the shortcomings.*

*Consistent, unexplained failure to do so will result in being removed from the signatory list

Support for Implementing the Principles

Support is available as you implement all six Principles and embed sustainable banking throughout your organization

- Follow the Implementation Guidance
- Use the Principles for Responsible Banking Dashboard – a practical step-by-step guide to implementing each Principle
- Access case studies and cutting-edge research
- Peer learning from other UNEP FI member banks in your region and worldwide
- Participate in UNEP FI banking working groups
- Meet with peers at the annual feedback meeting and access support from UNEP FI experts throughout the year



IMPLEMENTATION GUIDANCE



The following Implementation Guidance details the Principles for Responsible Banking and what requirements signatories need to fulfil. It sets out the relevance of and intention behind each Principle and provides detailed guidance on how it can be implemented. Taking into account that banks which commit to the Principles will differ significantly in context and starting point, there is specific guidance under each Principle for banks that are just starting out as well as for banks that are relatively advanced and are looking for guidance on how to continuously improve their performance. Under each Principle there are furthermore key resources banks can refer to and make use of for implementing the Principle as well as examples to provide some concrete ideas.

As UNEP FI members, banks that are signatories to these Principles will have access to a wealth of support, tools, expertise and peer learning. UNEP FI is, amongst other things, developing a dashboard that will allow banks to self-assess where they stand with regards to their implementation of each Principle and provide guidance on what steps and measures they could be taking next.

PRINCIPLE 1: 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. We will focus our efforts where we have the most significant impact.

Key words and intent: strategic alignment; SDGs and Paris Climate Agreement; materiality assessment; most significant impact

The environmental and social challenges facing the global community are so urgent that banks, like all organizations, must integrate these into the heart of their decision making to ensure finance is available at the pace and scale of change needed to address these challenges.

Strategic alignment means creating consistency between the bank's value creation model and the **SDGs**,^{2a} the **Paris Climate Agreement**^b and other relevant national, regional or international frameworks, which articulate globally agreed goals and challenges for building a more sustainable future. By aligning its strategy with society's goals, the bank shows that its business, and the products and services it provides, can support a sustainable future while achieving long-term business benefits. It signals that the bank accepts its shared responsibility for shaping and securing our future. Aligning its strategy with individual's needs means not only that the bank takes into consideration people's economic or financial necessities, but also prevents and addresses any risk of adverse impacts on people's rights.

2 See also Report "Business Reporting on the SDGs: An Analysis of the Goals and Targets", by UN Global Compact, GRI and PWC; the SDG Compass "SDG Compass" which provides guidance to businesses on how to align their strategies, and to measure and manage their contribution to achieving the goals; "Rethinking Impact to Finance the SDGs" by UNEP FI's Positive Impact Initiative. The Dow Jones Sustainability Index already aligns its questions to the SDGs: <http://www.sustainability-indices.com>

The **SDGs and the Paris Climate Agreement** identify the most pressing societal, environmental and economic needs of our time. Banks have a pivotal role to play in enabling them to be delivered. While the SDGs and the Paris Climate Agreement are directed at governments, they are underpinned by a series of specific targets and programme areas, where banks can make substantial contributions and by doing so align themselves clearly with the needs of society, their countries, clients and customers.

How your bank can achieve this

- Through a **materiality assessment** identify and assess where your banks' portfolio and service offerings generate, or could potentially generate, the most significant positive and negative environmental, social and economic impacts related to the objectives of the SDGs, the Paris Climate Agreement and other relevant national, regional or international frameworks, such as the UN Guiding Principles on Business and Human Rights.
- Ensure that the SDGs, the Paris Climate Agreement and other relevant national, regional or international frameworks are explicitly integrated into your business strategy and key business decisions, including your product development and capital allocation decisions.
- Focusing on those areas where you now have, or are likely to have in the future, the **most significant impacts**, set and publish targets that align your business with and ensure your bank's significant contribution to the objectives and targets set out in the Paris Climate Agreement, the SDGs and other relevant national, regional or international frameworks. (see further Principle 5: Governance and Target Setting).

Getting started...

- Liaise with relevant (scientific) institutions, experts, civil society organizations and governmental stakeholders to ensure that your bank, notably the Board and relevant departments and committees have a comprehensive understanding of the SDGs, the Paris Climate Agreement, the UN Guiding Principles on Business and Human Rights^c and other relevant national, regional or international frameworks that are relevant to your bank. Build internal expertise on the environmental, social and economic topics relevant to your bank's context, such as climate change, deforestation, pollution, biodiversity, human rights, gender, etc.
- Conduct a materiality assessment to determine where your banks' portfolio and service offerings generate or could potentially generate the most significant positive and negative impacts related to these frameworks.
- Align your existing or future strategic focus on sectors and technologies, type and location of clients and retail customers, products and services with the SDGs, the targets of the Paris Climate Agreement and other relevant national, regional or international frameworks. Use the climate targets and SDGs as a framework to evaluate and adapt your bank's value creation model and strategy:
 - Identify if any current activities, portfolio focus areas, products or services to clients and customers create a barrier to the delivery of the SDGs and of the Paris Climate Agreement.
 - Conduct a materiality assessment to identify your bank's most significant negative impacts as well as most significant (potential for) positive impacts with regards to society's goals, taking into account national priorities and areas where your bank has competitive advantage.
 - In the identified focus areas, assess current misalignment with society's goals and where your bank can contribute to society's goals and seize business opportunities at the same time.
 - Adapt business strategy, governance and action plans to ensure alignment with society's goals.

- Develop long-term targets, KPIs and performance measurement systems to address negative impacts in the focus areas and increase positive impacts in line with the SDGs and Paris Climate Agreement. Please refer to Principle 5 for more guidance on target setting.
- Management and Board commitment is crucial to ensure that your business strategy is aligned with the Sustainable Development Goals, the Paris Climate Agreement other relevant national, regional or international frameworks, and to ensure that this strategy is effectively implemented across the business (see detailed guidance under Principle 5).

Ensuring continuous improvement...

- Regularly review strategy, policies and targets with the aim to ratchet up your bank's level of ambition and contribution to society's goals over time. In some focus areas, set targets for your bank that exceed mere alignment with the SDGs, the Paris Climate Agreement and other relevant national, regional or international frameworks.
- Regularly consult and engage with relevant stakeholders to ensure full understanding of their expectations and of their relevant ideas and suggestions with aim at further increasing your contribution to society's goals (see also Principle 4).
- Take a leadership role among your peer banks and proactively reach out to and encourage other banks to align with society's goals and contribute to addressing local and global challenges. Enable peers' advancement by sharing best practices and providing peer learning opportunities (see also Principle 4).
- Provide effective incentives across the organization to foster positive action and innovation and establish processes and initiatives to innovate with relevant partners outside your bank (see also Principles 4 and 5).

Some key resources:

- Regarding the SDGs:
 - UNEP FI's Positive Impact Initiative^d explores solutions to addressing the financing gap for the SDGs and with the Principles for Positive Impact Finance provides a guiding framework for banks to holistically understand, assess and address their impacts. They are a 'meta-framework' intended for use across asset classes and financial instruments. Holistic impact analysis is key to the transition to the impact-based economy required to achieve the SDGs.
 - The SDG Compass^e: this tool has been developed by GRI, the UN Global Compact and the World Business Council for Sustainable Development (WBCSD). It provides guidance for companies on how they can align their strategies with as well as measure and manage their contribution to the realization of the SDGs.
 - Many of the main extra-financial rating agencies (e.g. MSCI, ISS Oekom, Sustainalytics, RobecoSam, Vigéo Eiris, Ethifinance, etc.) use the SDGs as a reference to assess the sustainability performance of corporates and financial institutions. Their questionnaires and methodologies can be a valuable source of guidance and inspiration to banks that wish to align their business strategy with the SDGs.
- Regarding the Paris Climate Agreement:
 - To ensure alignment with this global framework, the Science Based Targets^f initiative provides nascent tools and methodologies that enable banks to ensure that their financing strategies are consistent with what science requires to keep global temperature rise under the 2°C threshold.
 - The free-to-use Paris Agreement Capital Transition Assessment^g is an online tool which analyses exposure to transition risk in equity and fixed income portfolios over multiple climate scenarios.

- The ISO14097 standard,^h which is currently under development, will tackle climate issues for the financial sector and will be designed to integrate with other ISO standards.
- The Portfolio Carbon Initiative, a collaboration between the 2 Degrees Investing Initiative, the World Resources Institute and UNEP FI, has published a report on “Exploring Metrics to Measure the Climate Progress of Banks”,ⁱ which assesses the various metrics that can be used to assess a bank’s contribution to climate change and makes recommendations for choosing climate metrics by asset class.
- Translating their commitment under the Paris Climate Agreement into national targets, plans and priorities, countries have published Nationally Determined Commitments (NDC)^j which provide a valuable starting point for banks wishing to understand the local priorities and the scale of action required at country level. Some NDCs are not yet fully in line with the level of CO2 reduction required to keep global warming well below two degrees. Where this is the case, banks should additionally consult available scenarios by institutions such as the International Energy Agency (IEA), and the Potsdam Institute for Climate Impact Research (PIK)^k and the International Institute for Applied Systems Analysis (IIASA).^l

■ Regarding the UN Guiding Principles on Business and Human Rights:

The United Nations Guiding Principles on Business and Human Rights are the authoritative global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity, by establishing the baseline responsibility that all companies have to respect human rights. The OECD Due Diligence Guidance for Responsible Business Conduct,^m help financial institutions to implement the diligence recommendations set forth by the Guiding Principles.

- Regarding materiality assessment: a number of frameworks, such as the Integrated Reporting <IR> Frameworkⁿ and the GRI Standards^o offer guidance on conducting a materiality assessment.

Examples

a. Driving action towards sustainability with the help of the SDGs framework

Many banks already use the SDGs as a key framework to drive action towards sustainability. As an example, a major UK bank is reporting its contribution to the SDGs^p while a major French one measures and reports on an annual basis the share of its lending portfolio^q that strictly contributes to at least one of the 17 SDGs.

b. EU Sustainable Finance Action Plan

The EU’s sustainable finance policies^r make specific reference to the Paris Climate Agreement and the SDGs. This material notably includes a comprehensive framework on sustainable banking and is to set a taxonomy of sustainable activities that the banking sector should foster, providing good examples and suggestions of how a bank may align with societal goals. See, in particular, the EU “Action Plan: Financing Sustainable Growth” to find more information on what sustainable finance means to the EU Commission and how it could mobilize the European banking market.

c. The SDGs and Islamic Banking

Activities supported by Islamic banks are in line with Islamic law, which emphasizes the maximization of benefits to individuals and society and the minimization of harm (see, for example, , Bank Negara Malaysia’s strategy paper on value-based intermediation^s). The main areas of consideration tend to be the protection of morality and life, family, intellect and wealth. These elements form the primary basis of the business screens used by Islamic banks. As the SDGs address the most necessary elements of the majority of these considerations, they could augment existing screens and form a useful yardstick for Islamic banks for managing both the positive and negative impacts of their activities.

PRINCIPLE 2: IMPACT

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.

Key words and intent: impact assessment; people and environment; continuously increase positive impacts while reducing negative impacts; risk management

In the Preamble to these Principles banks have defined their purpose as helping to develop sustainable economies and to empower people to build better futures. To put this purpose into practice, banks need to identify, **assess** and improve the **impact** on **people and environment** resulting from their activities, products and services. All sectors of the economy create or have the potential to create both opportunities and positive impacts, risks and negative impacts. For the bank's capital allocation and provision of products and services to **continuously increase positive impact while reducing negative impact** on people and environment, there is a need to incorporate assessment of sustainability-related risks and impacts based on all three dimensions of sustainability (environmental, social and economic) into business decision making at strategic, portfolio and transaction levels.

How your bank can achieve this

- Use the SDGs, the Paris Climate Agreement and other relevant national, regional or international frameworks, such as the UN Guiding Principles for Business and Human Rights to identify and assess significant (potential) positive and negative impacts and risks resulting from the bank's capital allocation decisions and its provision of products and services.
- Define strategies, policies and KPIs to address, reduce and mitigate significant negative impacts and to realize opportunities to continuously expand and scale up positive impacts and put in place processes and systems to **manage risks** to people and environment.

Getting started...

- At strategic and portfolio level:
 - Per sector, client segment and/or geography identify and assess significant (potential) positive and negative impacts using the SDGs, the Paris Climate Agreement, the UN Guiding Principles for Human Rights and relevant national policies and targets as guiding framework.
 - Integrate the results of your impact assessment into strategy decisions and portfolio-allocation decisions and define strategic opportunities to increase positive impact, e.g. by expanding in certain sectors or segments.
 - Define overarching lending policies (e.g. sectoral – see key resources) and define and monitor KPI for portfolio adjustments over time to increase positive and reduce significant negative impacts.

- At transaction level:
 - Establish management systems and processes (e.g. policies, procedures, monitoring) to identify and manage social and environmental risks and negative impacts.
 - Include key questions on sustainability risks in your know-your-client-process.
 - Integrate environmental and social risk in your overall risk assessment.

Ensuring continuous improvement...

- Assess, monitor and be transparent about your total portfolio exposure to technologies, business models and sectors with significant sustainability impacts.
- Develop and publish increasingly quantitative and forward-looking assessments of your bank's positive and negative impacts and related risks and opportunities.
- Put in place a ratcheting-mechanism for your impact-related KPI so your bank regularly reviews and increases its level of ambition.
- Develop and regularly review a register of significant positive and negative impacts on and risks to people and environment and consult relevant stakeholders (see also Principle 5: Stakeholders) on it. Ensure these impacts and risks are managed/addressed across all business areas.
- Invest in innovation and strategic development of new client/customer segments, sectors/technologies and innovative product offerings.
- Build capacity and expertise on sustainability risk and impact assessment in credit committees, among client relationship managers and other relevant business committees.
- Harness technology to mitigate identified risks, seize opportunities, and enable better monitoring of impacts.

Some key resources:

- Many banks publish lists of the activities that they will not finance.³ These are a useful resource for banks looking to develop their own lists, although it is noted that banks adopting such lists need to account for local regulations and societal expectations.
- Sectoral policies have already been adopted and published by several global banks. These list the binding and evaluation criteria that their clients must meet to be eligible for capital allocation. These criteria are generally made public,⁴ which is key for banks that aim to develop their own internal policies that are adapted to their operational contexts and market positions.
- The Equator Principles[†] require banks to consider risks to society and the environment as well as to the bank and set out a framework for assessing and managing social and environmental risk in project finance.
- The IFC Performance Standards^u can be used to understand sector-specific ESG risks.
- The UNEP FI Principles for Positive Impact Finance^v and the PI Impact Radar: The Principles for Positive Impact Finance are a framework to enable financial institutions, their clients and their investees to apply an impact lens to their business. The Principles require organizations to consider both positive and negative impacts across the three

3 A few helpful examples among many others:
<https://www.sc.com/en/sustainability/position-statements/prohibited-activities/>
https://www.abnamro.com/en/images/Documents/040_Sustainable_banking/060_Strategy/ABN_AMRO_Exclusion_list.pdf

4 A few helpful examples among many others:
<https://www.hsbc.com/our-approach/risk-and-responsibility/sustainability-risk>
<https://www.db.com/cr/en/docs/DB-ES-Policy-Framework-English.pdf>
<https://group.bnpparibas/en/financing-investment-policies>
<https://www.citigroup.com/citi/sustainability/policies.htm>
https://www.santander.com/csgs/Satellite/CFWCSancomQP01/en_GB/Corporate/Sustainability/Santander-and-sustainability/Policies-.html?cidSel=1278689256241

dimensions of sustainable development: economic, environmental, social. Assessing impact through a transparent, consistent and repeatable methodology is important in order to ensure that progress is being made and to enable the pursuit of positive impact across the portfolio and business co-creation with clients. The Principles for Positive Impact Finance are accompanied by two tools:

- The PI Model Framework guides banks in developing frameworks for Positive Impact products and services.
- The PI Impact Radar enables financial institutions to carry out holistic impact identification, by proposing 22 impact categories, backed by definitions anchored in international sources, simplified for business use. These categories capture the sustainable development needs that underpin the SDGs (macro) while offering a basis against which indicators can be used to frame and measure financial contributions to sustainable development (micro). They enable financial institutions to identify negative and positive impacts across the three pillars of sustainable development allowing them to conduct a holistic impact analysis.
- Strategic risk assessment studies such as those produced annually by the World Economic Forum^w or other think tanks could assist banks when engaging stakeholders and assessing risk to their own strategies, operations, and their stakeholders as well as the natural environment.
- NGO reports, which highlight the social or environmental impacts of lending activities are useful for ensuring a comprehensive mapping of issues and facilitating understanding of civil society expectations.
- The UN Guiding Principles on Business and Human Rights are the globally recognized and authoritative framework for the respective duties and responsibilities of Governments and business enterprises to prevent and address adverse impacts on people resulting from business activities in all sectors, including the banking sector. To meet their responsibility to respect human rights, banks are required to exercise human rights due diligence to identify, prevent, mitigate and account for how they address impacts on human rights; and provide remediation for adverse impacts, which the enterprise has caused or contributed to. The UN Office of the High Commissioner for Human Rights,^x the UN Working Group on Business and Human Rights,^y and the OECD provide Guidance on the implementation of the UN Guiding Principles. The online Business and Human Rights Resource Center^z offers a useful compendium of guidance documents and tools.
- The UNEP FI Human Rights Guidance Tool for the Financial Sector^{aa} provides financial practitioners with information on human rights risks, specifically focusing on human rights issues relevant to the assessment of business relationships and transactions. This tool assists finance sector professionals to identify human rights risk and possible risk mitigation measures, as particularly relevant for lending operations. It also contains references to existing human rights standards, banking practice and further resources to help practitioners operationalize human rights due diligence.
- The Green Bond Principles^{ab} are voluntary process guidelines that provide a framework for transparency and disclosure for the issuers of Green Bonds. As such, they are primarily designed to aid investors by ensuring availability of information necessary to evaluate the environmental impact of Green Bond investments. However, as they set out a taxonomy of green activities, they are also a useful resource that banks can apply to identify and scale lending, products and services with positive environmental impacts.

- The report on “Exploring Metrics to Measure the Climate Progress of Banks”, co-published by UNEP FI, assesses the various metrics that can be used to assess a bank’s contribution to climate change and makes recommendations for choosing climate metrics by asset class.
- Initiatives like the Science Based Targets Initiative (see also Principle 1: Alignment), the CDP^{ac} (a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions on climate issues) or the ISO14097 framework, currently under development, are key resources regarding climate-related impacts.
- The Dutch Platform Carbon Accounting Financials has proposed a harmonized carbon accounting approach for the financial sector. The report^{ad} outlines the carbon footprinting methodologies per asset class.
- The World Wildlife Fund (WWF) provides a free-to-use water risk filter.^{ae}
- The Soft Commodity Risk Platform^{af} (SCRIPT) is a freely available system to help financial institutions understand and mitigate the deforestation risks associated with financing companies in soft commodity supply chains.
- The Finance Sector Supplement^{ag} to the Natural Capital Protocol provides a framework for financial institutions to assess the natural capital impacts and dependencies of their investments and portfolios.
- The Natural Capital Risk Explorer (available on UNEP FI website as of Dec. 2018) enables comprehensive risk analysis across all ecosystem services and economic sectors, using drivers of change of environmental assets such as climate change, natural disasters and human degradation.

Examples

a. Assessing and managing climate-related transition risks and physical risks

As stated by Mark Carney, Governor of the Bank of England and Chair of the Financial Stability Board, in his famous 2015 speech “Breaking the tragedy of Horizons”,^{ah} three major risks related to climate change and energy transition could affect financial stability and should be carefully addressed by banks and investors: physical risks, such as impacts from floods, droughts, storms or rising sea-levels; transition risks caused by the revaluation of assets resulting from the transformation to a low-carbon economy; and liability risks that could arise if those suffering climate change losses sought compensation from those they held responsible. Banks should analyze whether their products, services and activities contribute to these risks and where there are business opportunities for the banks in mitigating these risks and supporting the transition to a low-carbon economy.

The Task Force on Climate-related Financial Disclosures^{ai} (TCFD), provides corporations with a framework for assessing and reporting on their climate-related risk management strategy. The TCFD has been for example at the core of the recent EU Sustainable Finance^{aj} roadmap. As a result of the UNEP FI TCFD Banking Pilot^{ak} with 16 leading banks from around the world, UNEP FI has published two reports setting out an approach and methodology for scenario-based forward-looking assessment of transition-related risks and opportunities (Extending our Horizons^{al}) and approaches and methodologies for forward-looking, scenario-based assessment of risks and opportunities from the physical impacts of climate change (Navigating a New Climate^{am}).

b. Local regulations on social and environmental risks and impacts: the example of Brazil

Brazil has a regulation^{an} that requires financial institutions to develop social and environmental responsibility policies. Financial institutions are required to focus and prioritize their actions to address their most material risks and impacts. This regulation in combination with direct regulation of, for example deforestation, and similar regulation across the pension and insurance industry has helped to provide a clear vision of sustainable finance as a “new normal”.

c. Internalizing environmental costs

A major Chinese financial institution issued a paper^{ao} that discusses the impact of internalizing environmental costs onto a firm’s balance sheet and the consequent risks this creates for commercial banks. A relevant theoretical framework, transmission mechanisms and analytical methodologies are established to assess the impact of tightening environmental protection standards and climate change policies, joint and several liabilities that banks are exposed to via their customers’ activities and changes in the bank’s reputational standing in the eyes of its shareholders and depositors. Two industries, namely thermal power and cement production, are selected for stress testing against a range of high, medium and low stress scenarios and the impact on their financial performance and credit ratings is assessed as a result. Actionable responses to this analysis are put forward. Steel industry has also been assessed under the same approach.

In Europe, some banks use a range of carbon prices to stress test the business model of their main clients in the high greenhouse gas emitting sectors such as energy, steel, cement, glass, transportation, agriculture, and real estate. The objective is to assess the effect on the company’s financial performance (and consequently on its credit risk) of different carbon prices and regulatory scenarios.

PRINCIPLE 3: CLIENTS AND 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.

Key words and intent: creating synergies; encourage sustainable practices; enable sustainable economic activities; responsibility towards clients and customers

Banks are vital economic intermediaries and as such can achieve some of their most significant contributions to society's goals by **creating synergies** with customers and clients, **encouraging sustainable practices** and accompanying their customers and clients in their transition towards more sustainable business models, technologies and lifestyles. Beyond contributing to shared prosperity for current and future generations, **enabling sustainable economic activities** in this way presents a clear business case for banks: clients that are shifting to sustainable business models and technologies are better prepared for emerging regulations and better positioned to succeed in our changing economy and society. Accompanying its clients in their transition enables the bank to have a stronger relationship with those clients, ensuring the bank is the preferred partner to cater to thriving clients' growing investment needs and benefits from its clients' improved financial performance, i.e. lower default risk.

A strong relationship with its client and customers built on trust is crucial for any bank's success. A bank thus needs to ensure it behaves responsibly towards its clients and customers at all times and puts their clients' best interest first.

How your bank can achieve this

- Systematically identify where your bank could support its clients in reducing their negative and increasing their positive impacts by adopting new technologies, business models and practices. Identify, where your bank could encourage and support sustainable behavior and consumption choices among its retail customers.
- Develop strategies and define measures/actions for the identified focus areas for working with your clients. Such measures or actions could include:
 - raising awareness, engaging customers and clients and providing advice
 - encouraging customers to improve their social and environmental impacts and adopt robust sustainability standards and asking clients for information on their significant environmental and social risks and impacts
 - developing new products and services that encourage and support more sustainable business models, technologies, practices, lifestyles
 - incentivizing sustainable investments and choices
 - including sustainability-related conditionality in contracts
- Help ensure that your retail customers have the knowledge and skills to effectively manage their finances, e.g. through financial literacy programs, and banks can consult customer advocacy organizations on their practices and products.

Getting started...

- Educate and proactively communicate with clients and customers about your commitment to sustainability and to responsible banking.
- With clients:
 - Map your clients (e.g. corporates, SMEs, cities) on a sector-by-sector basis. For each major grouping, identify the sustainability impacts, positive and negative, that these clients need to manage and where your bank could play a role in supporting these efforts.
 - When undertaking routine client engagement (e.g. onboarding, Know Your Customer (KYC) reviews, transaction assessments), identify where new or existing financial solutions may play a pivotal role in fostering existing and potential sustainable practices. These practices could include:
 - energy efficiency, production or use of renewable energy,
 - low carbon transportation, smart building and cities,
 - responsible water and waste management, circular economy,
 - local / sustainable / organic products, conflict free and/or child-labor free and/or deforestation free resources,
 - Based on your analysis of your clients, develop a strategy, identify measures/ actions to take, such as creating new products and services.
- With retail customers:
 - Map your retail customers and for each major grouping identify the existing and potential sustainability-related behaviors and actions where your bank may provide them with support and/or incentives. Also, identify retail customer segments with low financial literacy and potential retail customer segments that are under-served by banks.
 - Based on your analysis of your retail customers develop a strategy and identify measures/actions to take. For example, you could consider offering access to basic financial services and offers directed at and adapted to the social "bottom of the pyramid", such as microfinance, savings and investment products for low income earners or rural communities. Alternatively, your bank could proactively finance and incentivize sustainable energy use through green loans for home insulation or the use of renewable energy, or carbon offsetting.
- Build capacity among bank employees to engage customers on sustainability issues. Establish policies/guidance for advising clients/customers on sustainability issues.

Ensuring continuous improvement...

- Involve clients and customers as stakeholders in what your bank should be doing; systematically engage customers on sustainability issues and review specific products and services to ensure they meet their needs. Integrate questions on your customers' sustainability preferences in the on-boarding process.
- Build up expertise within the bank, or through partnerships with other organizations to effectively advise clients and customers on adopting more sustainable business models, technologies, lifestyles. Ensure that client managers' incentives are aligned with the banks' responsible banking strategy and objectives.

- Develop appropriate incentives for clients and customers to make more sustainable investments and choices. This can be through preferential interest rates, bonus programs rewarding sustainable consumption choices, etc. Create a race to the top among clients and customers, offering more attractive interest rates/conditions/ services for sustainable clients and customers.
- Establish business partnerships to deliver solutions for sustainable production and consumption beyond your bank's current client base, e.g. with technology providers.
- Harness technology to innovate and provide sustainability-related products.

Examples

a. Changing business practices with the aim of stopping child trafficking

A European bank, concerned about the refugee crisis, decided that one of its major contributions would be to ensure that it was not in any way, directly or indirectly, complicit in enabling child trafficking. The goal is an ambitious and demanding one and the bank does not yet have all the answers. But, by linking this to its core banking systems it has identified the following actions.

1. Using improved systems to track and trace illicit funds,
2. Improving due diligence and Know Your Customer procedures before accepting clients,
3. Acknowledging privacy legislation and online anonymity as major challenges,
4. Tracking and reducing suspicious transactions,
5. Working with its peers to clean up the banking sector on that topic,
6. Working as an industry to use big data to identify trends.

This activity links to SDG 8 (decent work for all) and indicator 8.7 in particular, and SDG 17 (partnerships for the goals). See the full example here: <https://doi.org/10.1017/bhj.2017.25>.

b. Enhancing energy transition and social issues in line with the country's needs

A leading South African bank gave effect to its commitments to sustainable development finance in 2017 through numerous activities including: approximately US\$ 1.3 billion in utility-scale renewable energy finance that added a further 2100 MW to the national grid; through designing a "Smart Living Solutions" product to educate clients and give them access to revolving or advance facilities for financing renewable energy solutions for their homes; through providing approximately US\$ 9 million in new funding for green buildings; through its Green Savings Bond which attracted US\$ 700 million in new savings in 2017 (US\$ 352 million since inception) as well as investing in ensuring greater access to finance for black entrepreneurs previously underrepresented in the economy; increasing its financing of affordable housing, providing circa US\$ 58 million in 2017; student accommodation and student loans. Progress is reported in its Annual Integrated Report,^{ap} which is third party assured.

c. Increasing financial literacy for retail customers in developing countries

A bank focused on retail customers in emerging economies might create the most positive impact by increasing financial literacy and access to appropriate and affordable services while also taking care that remuneration incentives within the bank don't unintentionally encourage overselling to people (e.g. to seasonal workers whose livelihoods are uncertain). One example is from Turkey, where a bank has partnered with the Government to support financial literacy sessions^{ap} for families and households. Several hundred thousand persons have been trained since the inception of the initiative.

d. Supporting individuals to achieve insulation works or renewable power production in buildings

A bank with a mortgage book, commercial property or infrastructure business lines might set a target to increase the capital it has allocated for renewable energy or energy saving technologies and might promote this to clients. One example is an EU bank which has partnered with an incumbent EU energy player^{ar} to propose a comprehensive offer to individuals that allow them to finance - with a dedicated premium loan issued by the bank – and achieve the efficient insulation of their housing.

e. Sustainability-linked loans to corporates

Banks could offer “sustainability-linked loans” or “positive impact loans”, where some of the terms could be linked to corporate progress on sustainability (e.g., discounts could be provided based on the use of the funds or the realization of certain sustainability-related targets).

f. Financial Inclusion in Turkey through the use of technology

On the messaging application and conversational service of the biggest mobile telecom operator in Turkey, a bank^{as} enables its customers to transfer money to unbanked or underbanked people, solely by entering the receiver’s phone number. This enables unbanked/underbanked people to benefit from financial services.

g. Enabling Financial Inclusion through Technology

Enabling disabled people to access financial services is a key component of many financial inclusion initiatives. For example, ATMs can be designed for use by visually impaired customers, and many Internet Banking and Mobile Banking services have been made compatible with screen reader software, enabling audio transactions for disabled customers.

PRINCIPLE 4: STAKEHOLDERS

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

Key words and intent: proactive; consult, engage and partner; increasing impact; scale of change

Banks are a crucial part of our economic and social system. However, on their own, they cannot deliver the scale of change necessary to meet the objectives of the SDGs, the Paris Climate Agreement and other relevant national, regional or international frameworks, nor can they address all relevant global and local issues. By **partnering** with relevant stakeholders (notably their peers, investors, suppliers, clients, regulators, employees, policy-makers, scientists, academia, civil society, trade unions and communities), banks are able to significantly **increase the impact** of their actions and support action at the **scale of change** that is required.

Proactively consulting stakeholders ensures your bank benefits from their knowledge and subject-matter expertise and enables correct/legitimate definition of society's goals; it drives legitimacy and capacity to identify positive and negative impacts. Proactively **engaging** stakeholders early on ensures that all relevant interests are taken into account and a bank will not encounter challenges down the line.

How your bank can achieve this

- View your banks as part of a social system, in which it has to identify its key stakeholders and understand their roles, capabilities and needs, with the help of stakeholder mapping methodologies.
- Engage, listen and consult with these stakeholders to gather their views and advice on the material issues in your strategy and business practices and their ideas on the solutions that may be adopted. Consult notably on:
 - Stakeholder needs and expectations,
 - Focus areas/material impacts,
 - Translation of society's goals into bank objectives,
 - Target setting.
- Partner with relevant stakeholders which can help your bank to reduce negative impacts and achieve or scale up positive impacts. Create partnerships or relationships that enable your bank to leverage intellectual and social capital and deliver more than it could by working on its own.
- Work with your peers to accelerate change in the banking sector and help the implementation of these Principles.
- Ensure that your engagement with regulators and policymakers is aligned with the goals and objectives of the *Principles for Responsible Banking*. Proactively advocate for sustainable regulations and frameworks.

Getting started...

- Identify and map key external stakeholders such as regulators, investors, governments, suppliers, academia, civil society institutions and non-profit organizations. Pay special attention to “affected” stakeholders, i.e. those that are affected by the banks’ indirect impacts, such as communities or wildlife (represented by NGOs). It can be useful to differentiate stakeholders that you have a contractual relationship with such as investors, employees, customers and suppliers, from other stakeholders such as trade unions, civil society organizations, and governments.
- Identify those issues or areas where collaboration could help accomplish results beyond what the bank could deliver on its own.
- Consult and engage relevant stakeholders to allow them to express their expectations regarding your bank’s impacts, strategy, targets and in general the role your bank can play in driving sustainability. Make use of stakeholders’ expertise and knowledge.
- Engage all your stakeholders, notably investors and shareholders, on your efforts to implement these Principles.
- Be transparent on public policy engagement and actions and ensure they are in line with the bank’s commitments under these Principles. Proactively advocate for policies and regulations conducive to sustainable development and responsible banking in particular.

Ensuring continuous improvement...

- Establish partnerships with stakeholders in order to develop and implement solutions that make substantial contributions to the goals of the SDGs, the Paris Climate Agreement and other relevant national, regional or international frameworks.
- Establish multi-disciplinary consultation channels and ensure frequent interaction concerning your strategy with regard to the SDGs or Paris Climate Agreement, with focus on high impact issues (consistent with your materiality assessment).
- Use digital and connected technologies to facilitate continuous and fruitful engagement with stakeholders.
- Work with other banks and financial institutions to ensure concrete and at-scale change in the sector, taking into account the applicable competition law restrictions that may exist in your jurisdictions.
- Regularly review your stakeholder engagement strategy and raise ambition and action towards comprehensiveness and efficiency. Ensure adaptability and flexibility to embed new relevant stakeholders when needed.

Some key resources

- The IFC has issued a comprehensive guide^{at} to help companies with stakeholder mapping. The guide provides corporations and banks with concrete proposals to enable them to identify their key stakeholders and to establish fruitful relationships with them.
- The AA1000 AccountAbility Stakeholder Engagement Standard^{au} is a stakeholder engagement standard, issued by the private consulting agency AccountAbility. It is designed to support organizations in designing, implementing and communicating an integrated approach to stakeholder engagement.
- BSR (Business for Social Responsibility) has published a simple guide^{av} to conducting stakeholder-mapping exercises.
- Numerous peer initiatives have proven to be helpful in scaling up change. For example, the Dutch Banking Sector Agreement,^{aw} and the Thun Group^{ax} of Banks engaged in exploring the practical implications of the UN Guiding Principles on Business and Human Rights for banks; the Banking Environment Initiative^{ay} whose mission is to lead the banking industry in collectively directing capital towards environmentally and socially sustainable economic development; the Soft Commodities Compact^{az} that the BEI has issued

jointly with the Consumer Goods Forum is a client-led initiative that aims to mobilize the banking industry as a whole to contribute to transforming soft commodity supply chains and help clients achieve zero net deforestation by 2020.

- The National Association of Corporate Directors has published guidelines on board – shareholder engagement that banks’ boards might find quite helpful in strategically engaging the banks’ shareholders on the implementation of these Principles.

Examples

a. Stakeholder engagement: the vision of the International Integrated Reporting Council (IIRC)

Integrated Reporting (<IR>^{ba}) aims to improve the quality of information available to providers of financial capital by communicating the full range of factors, including environmental and social drivers, that materially affect the ability of an organization to create value over time. An integrated report should provide insight into the nature and quality of the organization’s relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests. IIRC’s view is that value is not created by or within an organization alone, but is created through relationships with others, and that stakeholders provide useful insights about matters that affect the ability of the organization to create value. IIRC’s framework provides organizations with a useful and concrete canvas to manage stakeholder relationships.

b. Working responsibly for policy change

Banks occasionally come up against policies, laws, regulations and soft law, which unintentionally prevent innovation that is needed to achieve the rapid transformation of the global economy (or even their local economy). Some years ago, for example, UNEP FI members commissioned academic research in order to provide input to the Basel Committee to address the problem of banking rules that penalized long-term debt and in so doing inadvertently increased the difficulty in financing some forms of renewable energy generation, which had longer pay back periods.

In these instances, where banks do engage stakeholders with a view to changing policies, it should be with full transparency so the engagement cannot be mistaken for acting in narrow self-interest. “Rules of Responsible Engagement”, based on the OECD Principles for Transparency and Integrity in Lobbying,^{bb} which notably include following points, should be considered when undertaking the engagement:

1. Do the bank’s rules and guidelines respect the socio-political and administrative context?
2. Are the rules and guidelines consistent with the wider policy and regulatory frameworks?
3. Is sufficient information on bank interventions publicly available?
4. Can stakeholders scrutinize the positions and approaches?
5. Are those undertaking the work on behalf of business meeting standards of professionalism and transparency?
6. Are the rules of engagement and compliance with them periodically reviewed?

c. Partnering to scale up

Social risks can be very significant in some regions where banks operate. When assessing materiality and when deciding on priorities for action, banks should not exclude issues such as large-scale migration resulting from climate change, water shortages or gender issues, simply because, on its own, the bank may not be able to have a significant influence on the issue in question. Banks should consider whether, in partnerships with others, they could make a significant contribution to social or environmental issues that are of particular concern to the locations where they operate.

As an example, in 2017 UN Environment and a major European bank have signed an agreement^{bc} to establish a collaborative partnership aimed at raising capital to drive sustainable economic growth in emerging countries. Both partners will collaborate to identify suitable commercial projects with measurable environmental and social impact, with a target of capital funding amounting to US\$ 10 billion by 2025 in developing countries. The aim is to support smallholder projects in emerging countries related to renewable energy access, agroforestry, water access and responsible agriculture among other sustainable activities.

Another fruitful area for partnering is mobile banking in low-income countries. In Africa, where there is an average of five branches per 100 000 adults (vs 32 in North America, source: McKinsey 2015^{bd}), unbanked communities in rural areas are reached through mobile technologies based on partnerships between banks and local telco operators. Many other brilliant examples in Kenya can be found here: <https://www.equitel.com/>.

PRINCIPLE 5: GOVERNANCE AND TARGET SETTING

We will implement our commitment to these Principles through effective governance and a culture of responsible banking, demonstrating ambition and accountability by setting public targets relating to our most significant impacts.

Key words and intent: target setting; most significant impacts; leadership; daily business culture and practice; roles and responsibilities; resource allocation

Fulfilling commitments to these Principles will allow your bank to credibly position itself as aligned with the needs of society and in so doing to building trust and credibility for its actions. In order to claim that credibility and an industry leadership role, to focus and drive efforts within the bank and to scale up your bank's contribution to society, it will be essential to **set targets** and KPIs. These need to be in the areas of your bank's **most significant impacts** and in terms of scale and ambition, in line with the objectives and targets expressed in the SDGs, and the Paris Climate Agreement and other relevant national, regional or international frameworks.

To be able to respond with the speed and scale necessary to address global challenges requires **leadership**, buy-in and active support of the CEO, senior and middle management. It requires establishing a **daily business culture and practice** in which all employees understand their role in delivering the bank's purpose, and integrate sustainability in their work and their decision making. To deliver on its commitments under these Principles, a bank needs to put in place effective governance procedures pertaining to sustainability, including assigning clear **roles and responsibilities**, setting up effective management systems and **allocating adequate resources**.

How your bank can achieve this

With regards to governance and culture:

- Integrate sustainability into a clearly communicated purpose and/or vision and mission for the bank.
- Actively communicate top-level buy-in from directors, CEOs and C-suite executives.
- Ensure that dedicated resources with sufficient status and influence to effectively lead and coordinate the implementation of sustainable practices throughout the bank are put in place. This could take the form of a sustainability team, environmental and social risk management unit, or positive impact capability.
- Engage all functional areas in the bank by assigning roles and responsibilities across your bank regarding its sustainability agenda and ensure adequate resource allocation.
- Establish appropriate policies, systems and procedures with effective management systems and controls, including risk, compliance and third-party assurance procedures.
- Educate and train employees to develop appropriate awareness and expertise at all levels.

- Integrate the bank's sustainability targets in the bank's incentive systems. Reward strong sustainability performance and leadership, for example through remuneration and by integration in performance assessments and promotion decisions.
- Communicate internally and externally (see Principle 6) on the bank's sustainability approach and performance, in particular on its targets and progress in meeting them.

What is required from your bank

With regards to target setting:

- Set SMART targets (see below) that address the most significant negative impacts resulting from your bank's products, services and activities and that scale up your bank's most significant (potential) positive impacts and contribution to society's goals. The ambition level of these targets needs to be in line with (i.e. align the bank's portfolio with) the international and national targets of the Paris Climate Agreement and the SDGs.
- Signatory banks are generally expected to set and publish their targets within 12 months of becoming a signatory to the *Principles for Responsible Banking*. The exception are those banks who self-assess as being in the early stages of integrating sustainability, i.e. "starter banks". These banks as a result may take up to 24 months to set and publish their targets.

Getting started...

With regards to governance and culture:

- Integrate sustainability into a clearly communicated statement linking environmental and social issues to the vision and mission of the bank, with clear C-suite endorsement.
- Actively communicate top-level buy-in from CEOs and the C-suite with statements, quotes and interviews in internal and external media and build awareness and knowledge among the bank's employees.
- When not already in place, set up a corporate sustainability department with strong leadership and clear roles and responsibilities, acknowledging that these Principles can only be fully implemented if all functions within the bank play a role.
- Assign clear roles and responsibilities at board level and across functional areas.
- Educate and train employees on your bank's sustainability strategy and targets in general, and in particular on sustainability issues pertaining to their respective area of work.
- Practice what you preach: For the bank's efforts on SDGs and climate to be credible to staff and to translate into culture and everyday practices, day-to-day realities in the bank need to reflect the ethos and values underpinning the SDGs and the Paris Climate Agreement. This includes issues such as gender equality, climate-friendly transport options, etc.

With regards to target setting, "starter banks" could:

- Conduct a gap analysis regarding the expected actions under all six Principles and then set targets to close these gaps on policy, strategy, assessment capability, leadership, management systems and procedures. These targets should be clear and specific and supported by plans defining the actions that will be taken and the intended completion dates. Progress should be regularly reported internally to maintain awareness, and periodically in public reports.
- Conduct a qualitative materiality assessment (see Principle 1: Alignment, and Principle 2: Impact), e.g. by mapping impacts on a sector-by-sector basis to identify where your bank's most significant positive and negative impacts with regards to society's goals are. Engaging key stakeholders, e.g. from civil society or government, can help to bring together the necessary expertise and knowledge. Based on this assessment, identify one to three focus areas for setting targets.

- Set targets linked to relevant national/regional/international frameworks (link can be qualitative for starter banks) and KPIs that enable progress against them. For a “starter bank” that might lack process, methodologies, and relevant data to set targets directly linked to the metrics of national/regional/international targets, KPI’s could be established in a simple way. As an example, regarding the contribution to the Paris Climate Agreement, a starter bank can decide that it wants to act on reducing greenhouse-gas emissions. From that point, they might realize they do not have client data related to carbon emissions yet nor the tools to obtain it. However, they could still have a target of, for instance, allocating more relationship managers to renewable energy companies, or having them spend at least 20% of their time or have 20% of their clients in that sector. This would be a possible qualitative target for “starter banks” while they work on developing systems and obtaining data and hence move forward to more intermediary/advanced practices regarding target setting (see below).
- Define measures to achieve these targets, such as working with clients and customers (see Principle 3: Clients and Customers) or proactively working to expand/reduce your exposure to certain sectors (see Principle 2: Impacts), etc. Allocate resources and responsibilities to ensure that the objectives and targets can be met.
- Ensure frequent reporting on progress to the Board of Directors and executive team to ensure its buy-in.

Ensuring continuous improvement...

With regards to culture and governance:

- Establish your internal sustainability community of champions including all the employees who have a clear contribution and responsibility towards the achievement of the targets. Manage and strengthen this community with frequent engagements, such as webinars, meetings and seminars, newsletters. Honor sustainability leaders.
- Integrate performance with regards to the bank’s sustainability targets and responsible banking leadership into performance assessments, remuneration schemes and promotion decisions. Formally include sustainability criteria in the Terms of Reference of nomination, remuneration and audit committees.
- Align lending policies with scientific and robust approaches developed via a multi-stakeholder process. Where available, use sustainability standards and certification systems developed via multi-stakeholder processes such as the ISO and ISEAL^{be} standards.
- Communication is repetition: regularly address sustainability-related topics in internal communications to raise awareness, understanding and interest among staff.
- Ensure sustainability objectives and targets are integrated into all decision making processes across the bank. Regularly review existing management systems and processes to assess whether these need to be modified or strengthened to enable your bank to deliver on its sustainability-related goals. Set key performance indicators that enable progress against the objectives and targets to be assessed.

With regards to target setting:

- Base your target setting on a thorough materiality assessment (see Principle 1: Alignment) and consult relevant stakeholders to identify focus areas, i.e. the areas where your bank has the most significant positive and negative impact (Principle 4: Stakeholders).
- Clearly link your targets to the relevant national/regional/international targets to ensure that your targets are at least in line with or more ambitious than the targets expressed in the SDG, the Paris Climate Agreement and other relevant national, regional or international frameworks, and be transparent on the scale of your contribution to these targets.

- Ensure that your objectives and targets drive continuous improvement in practice and performance regarding your contribution to society's goals. Establish mechanisms to continuously review your targets with the objective of ratcheting them up over time.
- Your objectives and targets should be SMART; that is, they should be:
 - **Specific:** It should be clear what activity is the subject of the objectives and targets, how the objectives and targets relate to individuals' needs and society's goals, what improvements in performance and in impact are being sought.
 - **Measurable:** It should be clear how performance and impact are being measured or assessed.
 - **Achievable:** The objectives and targets should be attainable. There is limited value in setting targets that cannot or will not be delivered.
 - **Relevant:** The objectives and targets should focus on areas where the bank has the greatest impact. They should clearly link to one or more of the Sustainable Development Goals, the Paris Climate Agreement and other relevant national, regional or international frameworks.
 - **Time-bound:** It should be clear when the objectives and targets are to be met, and the timeframes should be at least as ambitious as those expressed in the Sustainable Development Goals, the Paris Climate Agreement and other relevant national, regional or international frameworks.
- Set processes to monitor and review progress against the objectives and targets, including any negative impacts and take corrective action in the event that negative impacts are identified.
- Link internal functions, such as marketing and communication, training, human resources, innovation and compliance to the targets to ensure internal coherence.
- Link the achievement of targets and progress relating to the bank's sustainability objectives to remuneration and incentive systems throughout the organization.

Some key resources

- Integrated Governance by UNEP FI – 2014:^{bf} this report sets out a new model of governance that puts sustainability at the heart of governance and corporate boards' strategic agendas. The report makes a compelling case for the development and execution of sustainable strategies in corporations and illustrates why the current state of governance is not well suited to advancing sustainability effectively.
- Sustainability and the board: What do directors need to know in 2018?^{bg} This report gives an updated and concise view on the issues, questions and references that directors should have in mind or address when discussing sustainability at board level.
- Basel Committee on Banking Supervision (BCBS) issued in 2010 a set of principles for enhancing sound corporate governance practices at banking organizations.^{bh} Drawing on the lessons learned during the crisis, the principles set out best practices for banks. Key areas of particular focus include: (1) the role of the board; (2) the qualifications and composition of the board; (3) the importance of an independent risk management function, including a chief risk officer or equivalent; (4) the importance of monitoring risks on an ongoing firm-wide and individual entity basis, (5) the board's oversight of the compensation systems; and (6) the board and senior management's understanding of the bank's operational structure and risks.
- The OECD Corporate Governance Principles^{bi} aim at helping policy makers evaluate and improve the legal, regulatory, and institutional framework for corporate governance. They also provide guidance for stock exchanges, investors, corporations, and others that have a role in the process of developing good corporate governance. First issued in 1999, the Principles have been adopted as one of the Financial Stability Board's Key Standards for Sound Financial Systems and endorsed by the G20.

- G30 – Banking Conduct and Culture - A Call for Sustained and Comprehensive Reform:^{bj} this report addresses the governance challenges facing the world's largest banks, their boards, their management, and the supervisors who oversee the health of the financial system as a whole, and the economic sustainability and strength of the individual firms.
- Financial Conduct Authority: Transforming culture in financial services:^{bk} the British Financial Conduct Authority (FCA) has published this discussion paper on transforming culture in financial services which presents views from academics and industry thought leaders. The paper is intended to provide a basis for stimulating further debate on transforming culture in the sector.
- Earth On Board:^{bl} an ecosystem of sustainability actors dedicated to helping organizations achieve an Earth Competent Board, where board members are proficient in sustainability, with the right governance, asking management the right questions, recognizing that peer exchange is key to driving transformation.
- WWF Sustainable Banking Assessment (SUSBA) tool:^{bm} an interactive tool for banks to assess and benchmark their Corporate Governance (CG) and Environmental, Social, Governance (ESG) integration performance to accelerate their efforts to stay competitive, resilient and relevant in a resource constrained, low carbon future.
- The International Social and Environmental Accreditation and Labeling Alliance (ISEAL)^{bn} provides a database of sustainability certification standards which can be incorporated into banks' policies and client assessment criteria.

Examples

a. Linking sustainability objectives to remuneration

More and more banks are incorporating sustainability-related considerations into the performance assessment and remuneration of staff throughout the organization, including for their executive committees and board members. Aligning remuneration programmes with the sustainability agenda of the bank creates awareness, delivers action, and demonstrates credibility.

For example, a major European bank measures the share of its lending portfolio that strictly contributes to at least one of the 17 SDGs. This indicator is embedded in a set of sustainability-linked KPIs (e.g. exposure to renewable power sector, operational carbon footprint, number of individuals that have benefited from a financial education session provided by the group). Part of the long-term compensation for the bank's 5000 top managers across the group is linked to these criteria.

b. Dedicated Board Committee on sustainability

A major European bank has set up a “responsible banking, sustainability and culture committee” to assist the board of directors in fulfilling its oversight responsibilities with respect to the responsible business strategy and sustainability issues of the company. This committee:

- Advises the board of directors on issues such as the strategy on responsible business practices and sustainability, and on potential changes to the organization's approach on these issues.
- Reports periodically to the board of directors on the group's sustainability performance and the progress made.
- Liaises with the remuneration committee on the alignment of remuneration with the organization's culture and values.
- Liaises with the risk supervision, regulation and compliance committee in its review of the alignment of the risk appetite and its assessment and evaluation of the company's non-financial risks.
- Advises the board of directors on the Group's strategy on relations with stakeholders, including, employees, customers and local communities and on the quality of its engagement with these stakeholders.

c. Setting targets consistent with science expectation regarding climate goals

The Science Based Targets Initiative helps companies to set greenhouse gas emission reduction targets that are in line with the reductions needed to keep global temperature rise 2°C above pre-industrial levels. Companies can submit their targets for validation and verification against established criteria.

PRINCIPLE 6: TRANSPARENCY AND 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.

Key words and intent: transparency; accountability for positive and negative impacts; trust; periodic review; individual and collective implementation

Banks are accountable to their employees, investors and society as a whole. Signing the Principles for Responsible Banking demonstrates a clear commitment to being part of the solution to current and future sustainability challenges. In some parts of the world, trust in banks has been severely damaged and demonstrating transformative change requires target setting, **transparency** and **accountability for positive and negative impacts**.

Target setting and public disclosure are critical because they enable internal and external stakeholders to assess your banks' contribution to society and progress made. This, in turn, helps build confidence in bank's sustainability-related commitments and helps to distinguish your bank against competitors. Making targets public and reporting progress significantly increases the potential for success in achieving them. Qualitative and metric-based, i.e. quantitative, progress reports are key to ensuring the effectiveness of your approach, to motivating employees, competing with peers, driving innovation, and strengthening reputation and **trust**.

For the banking sector to play a key role in facilitating the economic transformation needed to achieve society's goal of a sustainable, equitable future, banks will need to continuously ratchet up their ambition and action. The periodic **review of individual and collective implementation** of the Principles will support such continuous improvement and enable banks to benchmark against their peers, share lessons learned, and establish the credibility of the Principles, the bank and of the sector as a whole.

What is required from your bank

With regards to transparency:

- Banks are required to within the first 14 months of becoming a signatory and every year thereafter provide information on their implementation of the Principles for Responsible Banking in their public reporting. Banks that are already reporting on sustainability, especially under common frameworks such as the GRI, will find that much, if not most of the information required is already part of their existing public reporting.
- In addition, signatory banks are required to publish in a template (see draft version available here www.unepfi.org/banking/bankingprinciples/reporting-template-and-review-guide-lines) references to where in their public reporting the relevant information on their implementation of the Principles for Responsible Banking can be found.

- The information provided in the bank's public reporting should broadly include the following (the specific transparency requirements are from the reporting template):
 - a description of your bank's business model, which includes the structure of the bank, sectoral focus areas, products and services, client base and geographic coverage.
 - information on how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to meeting individuals' needs and society's goals. This should include relevant KPIs and planned measures to achieve them.
 - a description of how and according to which criteria your bank has identified and assessed and/or is planning to identify and assess the significant risks to people and environment and the positive and negative social, economic and environmental impacts resulting from the banks activities, products and services. This should include a description of the identified most significant risks and positive and negative impacts alongside corresponding information on the bank's portfolio exposure to relevant technologies, business practices, sectors and geographies.
 - information on how your bank has increased and/or is planning to increase the identified positive impacts and has reduced and/or is planning to reduce the identified significant negative impacts over the last 12 months/in the coming 12 months or since your last annual reporting period/during your next annual reporting period.
 - a description of what policies and practices your bank has in place and/or is planning to put in place to ensure the relationship with its clients and customers is conducted in a sustainable and responsible manner.
 - a description of how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on the measures taken, their scale and the results and impacts achieved.
 - information on which stakeholders your bank has proactively consulted, engaged, collaborated or partnered with on which issues and with what results. This should include a description of how your bank has determined relevant issues for stakeholder consultation/engagement/collaboration/ partnership and how your bank has identified the relevant stakeholders for the identified issues. (Note: self-declared "advanced" banks are required to proactively consult relevant stakeholders on the bank's target setting process and its business practices. The fulfillment of this requirement is part of the review process for self-declared "advanced" banks).
 - a description of how your bank manages social and environmental risks associated with its operations, activities, products, and services with a focus on governance structures, roles and responsibilities, and processes.
 - a description of how your bank has fostered and/or is planning to foster a culture of responsible banking among its employees, and of what governance processes, roles and responsibilities and what management systems your bank has put in place and/or is planning to put in place to ensure effective implementation of the Principles for Responsible Banking.
 - a description of how your bank has set its targets. This should include a description of how your bank has prioritized and/or is planning to prioritize focus areas for target setting, reflecting your bank's most significant positive and negative impacts, the most significant challenges and goals of the society(ies) your bank operates in and your bank's business model and strengths/comparative advantages. Further, this should include a description of how your bank has arrived and/or is planning to arrive at its targets in the identified focus areas. The information provided should specify what framework(s) expressing society's goals (such as SDGs, Paris Climate Agreement, national policies) have been identified as the most relevant one(s) and how the level of ambition and timeline of your bank's target(s) correspond to the level of ambition and the timeline of the target(s) in the identified framework(s). For self-declared "starter banks" (see below under review), a description of how they are planning to set targets is sufficient.

- information on your bank's short and medium/long term targets related to the Principles for Responsible Banking. The information provided should include a description of the activities/measures your bank is planning to implement to achieve these targets, the key performance indicators your bank has set to enable and monitor progress, what resources and responsibilities your bank has assigned to ensure the targets are met, and the processes your bank has established to monitor and review progress against the targets and identify and address/mitigate any negative or unintended consequences. (Optional for self-declared "starter banks" (see below under review))
- discussion of your bank's progress made against your previously set targets. This should include information on what actions/measures have been taken and what impact they resulted in. (Optional for self-declared "starter banks" (see below under review))
- a summary of your bank's progress regarding the implementation of the Principles for Responsible Banking over the last 12 months. This should include information on the actions taken in key areas and their results.

With regards to accountability and review processes

Annual review process for the individual bank:

- It is recognized that banks are at different stages of integrating sustainability and that, even for banks that are relatively advanced in integrating sustainability in their strategy and business practices, the Principles for Responsible Banking represent ambition, commitments and obligations beyond their current practices.
- To allow all banks that are genuinely committed to sustainability, but are at different levels and operate in different contexts, to become signatories to these Principles and align with and continuously increase their contribution to society's goals, signatory banks will self-declare their "level" and with that be subject to adapted target setting and accountability requirements. Banks that self-declare as "starter" or "intermediate" have to progress to the next level within max. 24 months.
 - "Starter" banks:
 - report on their implementation of the Principles for Responsible Banking as described above under transparency. UNEP FI will review the submitted reporting template and once a year meet with the bank to discuss any gaps and provide advice on possible improvement and next steps.
 - "Intermediate" banks:
 - report on their implementation of the Principles for Responsible Banking as described above under transparency. UNEP FI will review the submitted reporting template and once a year meet with the bank to discuss any gaps and provide advice on possible improvement and next steps.
 - UNEP FI will assess if transparency requirements have been met. If the bank's public reporting does not meet the transparency requirements, UNEP FI will issue a clear request detailing what steps it has to take to comply with the transparency requirements. The bank should then either take the requested steps or provide a reasonable explanation why this is not possible. UNEP FI will publish the results of its assessment of the bank's transparency and will highlight best practice examples.
 - UNEP FI will review the information the bank has provided on how it has set its targets and provide feedback and advice with regards to possible improvements of the bank's process for setting targets.

- “Advanced” banks:
 - are required to consult and engage with relevant stakeholders on their target setting and implementation of the *Principles for Responsible Banking*.
 - report on their implementation of the Principles for Responsible Banking as described above under transparency.
 - submit to an independent review of their:
 - Meeting of transparency requirements
 - Target setting process
 - Progress made.

This independent review will follow review guidelines available from this website: www.unepfi.org/banking/bankingprinciples/reporting-template-and-review-guidelines.

Banks have two options:

1. Banks that already obtain third part assurance for their sustainability report can include the above three areas in the scope of their assurance. The assurance provider would issue a statement with regards to the bank having met the requirements on transparency, target setting and progress based on the criteria in the above-mentioned review guidelines. For the annual feedback and review meeting, UNEP FI would participate in the sections of the bank’s meeting with the assurance provider that pertain to the bank’s fulfilment of the accountability requirements under the Principles for Responsible Banking. If requirements have not been met, the assurance provider will issue a clear request detailing what steps the bank has to take to comply with the accountability requirements. If the bank continuously neither takes the requested steps nor provides a reasonable explanation why this is not possible, the assurance provider will recommend to the Governance Body of the Principles for Responsible Banking that the bank be removed from the list of signatories.
2. A “defined scope review” by an accredited review partner. As opposed to an assurance, this is solely based on the information in the bank’s public reporting. The review partner will check the criteria on transparency, target setting and progress set out in the review guidelines against the information in the bank’s public reporting and assess if, based on this information, the criteria are met. The reviewer issues a statement with regards to the bank having met the criteria on transparency, target setting and progress according to information provided in its public reporting. The annual feedback and review meeting/call will be with both the reviewer and UNEP FI. If the criteria have not been met, the reviewer will issue a clear request to the bank detailing what steps it has to take to comply with the accountability requirements. If the bank continuously neither takes the requested steps nor provides a reasonable explanation why this is not possible, the reviewer will recommend to the Governance Body of the Principles for Responsible Banking that the bank be removed from the list of signatories.

Collective Review Process

- The signatories will meet every two years to review their collective performance against the Principles for Responsible Banking and their collective contribution to society’s goals. They will discuss any recommendations for revisions and updates to the guidance documents, signatory requirements or, if necessary, to the Principles themselves. Relevant stakeholders including civil society will be invited to contribute to the collective review process as appropriate.
- The results will be published in the form of a short report which will include:
 - A list of new signatories and a list of banks that have left the initiative.
 - An assessment of the collective performance of all of the signatories against the Principles, and of their aggregate contribution to society’s goals.

- Wider reflections, and potentially recommendations, on the need for revisions to or updates of the Principles, the Signatory Requirements and the Implementation Guidance.

How your bank can achieve this

Getting started...

- Integrate disclosures relating to the implementation of the Principles into their existing reporting (e.g. primary annual report, sustainability report, your website, etc.). Where your bank cannot provide information yet, include a description on how your bank is planning to work towards obtaining and publishing that information. Expected disclosures should align with the requirements of the sustainability disclosure frameworks commonly used in the banking sector, such as the GRI. If the report does not meet the current best practice norms for reporting, the bank is expected to take steps to close the gap.
- Submit references to the relevant information on the implementation of the Principles in your public reporting via the UNEP FI reporting template (www.unepfi.org/banking/bankingprinciples/reporting-template-and-review-guidelines) and benefit from the annual review and feedback meeting and advice and make use of case studies and peer learning from banks in similar contexts.
- Allocate adequate resources to bring your public reporting in line with the transparency requirements.

Ensuring continuous improvement...

- Intermediate and advanced signatory banks should:
 - Proactively consult and engage with stakeholders on their target setting and implementation of the *Principles for Responsible Banking*.
 - Demonstrate that they have through consistent processes, linked to their own governance mechanisms, determined their most material issues, where they can have the most significant impact in terms of contribution to the SDGs and business outcomes.
 - Publish an annual transparent, balanced account of the progress they have made and focus on outcomes and impacts rather than process.
 - Disclose at aggregated level engagements with clients and other stakeholders to deliver this industry and market-shifting initiative.
 - Disclose at aggregated level strategic risks and opportunities and how these are integrated into the bank's own governance processes and strategy.
 - Disclose alignment of the bank's portfolio with climate targets and SDGs via appropriate metrics, targets and where possible using scientific scenarios.
 - Consider the Integrated Reporting <IR> Framework to enhance transparency on your bank's material issues regarding the SDGs and the Paris Climate Agreement.
 - Obtain third-party assurance for your sustainability reporting.

Some key resources

- International reporting frameworks (or local frameworks with equivalent level) such as:
 - The Integrated Reporting <IR> Framework^{bo}
 - The GRI Standards^{bp} and Financial Sector Supplement^{bq}
 - SASB (Sustainability Accounting Standards Board) financial sector standards.^{br}
- Benchmarking conducted for the Dow Jones Sustainability Index (DJSI) and the FTSE Russell index series, as well as ratings and assessments produced by organizations such as MSCI, CDP, RobecoSAM and Vigéo. These benchmarks and ratings enable stakeholders to compare the performance of different companies on a range of

sustainability-related issues. They also provide a useful reference framework for companies on the data and information that are of interest to investors and other stakeholders.

- The recommendations of the Financial Stability Board's (FSB's) Task Force on Climate-related Financial Disclosures (TCFD) provide a reference framework for companies, including those in the financial sector, to report on their climate-related risk management strategies. In 2018, UNEP FI released two guidance documents for banks wishing to report on the climate transition risks and on the climate physical risks^{bs} associated with their loan books, in line with the TCFD's recommendations. The UNEP FI TCFD Investor Pilot^{bt} with 20 investors will in turn publish methodological guidance on such scenario-based forward-looking assessments of climate-related risks and opportunities for listed equities, corporate bonds and property, in March of 2019.
- The Materiality Map^{bu} of the Sustainability Accounting Standards Board (SASB) provides suggestions for accounting metrics for sustainability issues that affect a number of specific industries, including the banking industry.

Examples

a. France's binding framework for asset owners and institutional investors to disclose ESG performance

Article 173-VI of France's Law on Energy Transition for Green Growth (LTECV) requires asset management companies and institutional investors to report on how they incorporate environmental, social and quality of governance (ESG) objectives into their investment and risk management policies. There is a particular focus on their exposure to climate risk and on the steps they have taken to play a part in achieving the objectives of the energy and ecological transition (including limiting the rise in global temperatures to well-below 2 degrees Celsius). The French Association of Asset Management (AFG) has published a guidebook^{bv} to support financial institutions with their reporting.

b. EU Directive on Non-Financial Reporting

This Directive^{bw} requires large companies to disclose certain information on the way they operate and manage social and environmental challenges. This helps investors, consumers, policy makers and other stakeholders to evaluate the non-financial performance of large companies and encourages these companies to develop a responsible approach to business. Companies are required to include non-financial statements in their annual reports from 2018 onwards and to publish reports on the policies they implement in relation to:





















- environmental protection,
- social responsibility and treatment of employees,
- respect for human rights,
- anti-corruption and bribery,
- diversity on company boards (in terms of age, gender, educational and professional background).









c. South Africa's private-led initiative to foster transparency on non-financial aspects in reporting

The King Code of Corporate Governance^{bx} in South Africa, now in its fourth iteration, was developed under the auspices of the membership-based Institute of Directors in South Africa. It has been incorporated into the rules of the Johannesburg Stock Exchange, and some aspects have been incorporated into company law. The King IV Code of Corporate Governance is a set of voluntary principles and leading practices, drafted to apply to all organizations. It asks organizations to be transparent in the application of their corporate governance practices and to fully integrate material non-financial considerations into their decision making. Sector supplements explain how the Code should be applied by certain sectors.

MEMBERS OF THE CORE GROUP

The Principles for Responsible Banking have been developed by representatives from the 28 founding banks and the UN. These representatives have driven the process with substantial investment of their time and expertise.

UNITED NATIONS  ELLIOTT HARRIS UN Chief Economist and Assistant Secretary-General	BARCLAYS  RHIAN-MARI THOMAS Global Head of Green Banking  VICKY MCALLISTER Director, Sustainability  EMILY FRY Vice President, Sustainability Lead - Implementation Subgroup	CIB  ADEL EL-ASHMAWY Head of Social and Environmental Risk  NURAN ASHRAF ATEF Social and Environmental Risk Analyst  WALID FAWZY Head of Credit and Investment Exposure Management
ACCESS BANK  OMOBOLANLE VICTOR-LANIYAN Head of Sustainability		
ARAB AFRICAN INTERNATIONAL BANK  DALIA ABDEL KADER Director of Sustainability and Marketing Communications  MOSTAFA MAHMOUD IBRAHIM ISMAIL Sustainable Finance Executive, Sustainability Unit Lead - Principles and Review Subgroup  DALIA MOHAMED NOUR EL DIN Sustainable Finance Executive, Sustainability Unit	BBVA  ANTONI BALLABRIGA Global Head of Responsible Business Lead - Engagement and Consultation Subgroup  EMILIO MARTIN-MORE COLOMA Director of Sustainability	CIMB  TSU MAE NG Director, Business Development Office, Group Islamic Banking  LUANNE SIEH Head of Group Sustainability Group CEO's Office
BANCO PICHINCHA  DAVID GREY Corporate Responsibility Sustainability & Communications Manager	BNP PARIBAS  LAURENCE PESSEZ Global Head CSR  EMMANUELLE AUBERTEL Sustainable Finance and Investment, Corporate and Investment Banking  NATHALIE JAUBERT Deputy Head CSR	CITI BANK  HUI WEN CHAN Vice President, Corporate Sustainability  BRANDEE MCHALE Head of Corporate Citizenship, and President, Citi Foundation
BANORTE  URSULA WILHELM Executive Head of Investor Relations, ESG and Financial Intelligence  MARIUZ CALVET Head of Sustainability and Responsible Investment Lead - Engagement and Consultation Subgroup	BRADESCO  MARCELO PASQUINI Head of Corporate Sustainability, Capital Management and Managerial Results  JULIA SPINASSE AQUINO MARQUES Corporate Sustainability Manager	FIRSTRAND  MADELEINE RONQUEST Head of Environmental and Social Risk Management, Climate Change Lead - Accountability Framework Subgroup
		GARANTI  DERYA ÖZET YALGI Sustainability Manager

GOLOMT BANK <div>  TOMAS BRAVENEC Deputy CEO (Financial Management, Treasury, Funding and FI) </div> <div>  UULEN BAYANMUNKH Executive Assistant to Deputy CEO Tomas Bravenec </div>	NATIONAL AUSTRALIA BANK <div>  ROSEMARY BISSETT Head of Sustainability Governance & Risk </div> <div>  LISA WADE Director, Sustainable Finance, Corporate & Institutional Banking </div>	SOCIETE GENERALE <div>  SYLVIE PREA Director of Corporate Social Responsibility </div> <div>  CÉCILE RECHATIN Director, Environmental and Social policies, CSR Department </div>
HANA FINANCIAL GROUP <div>  YOO-NA HA Manager of CSR Team </div> <div>  SUNG-JEA PARK Senior Manager of CSR Team </div>	NORDEA <div>  MAGDALENA KETTIS Head of Thematic Engagement, Group Sustainable Finance </div> <div>  PER BENGTSSON Executive Adviser, Group Sustainable Finance </div>	TRIODOS BANK <div>  JAMES VACCARO Director of Strategy Lead – Communications Subgroup </div>
ICBC <div>  JINNY YAN Managing Director, Chief China Economist, China Markets Strategy, Global Markets FICE Lead - Principles and Review Subgroup </div> <div>  QIU MUYUAN Associate Manager Analyst Department of International Market Research, Urban Finance Research Institute </div>	PIRAEUS BANK <div>  DIMITRIOS DIMOPOULOS Director of the Environment Unit Lead - Principles and Review Subgroup </div>	WESTPAC GROUP <div>  SIOBHAN TOOILL Group Head of Sustainability Lead - Engagement and Consultation Subgroup; Civil society </div> <div>  OLIVIA WEBSTER Sustainability Analyst </div> <div>  MICHAEL CHEN Head of Sustainable Finance </div> <div>  NATASHA MENEZES Senior Manager, Sustainability </div>
ING <div>  STEPHEN HIBBERT Managing Director, Energy - Global Lead Energy Transition, Wholesale Banking Chair, UNEP FI Banking Committee </div> <div>  LAURA IN 'T VELD Senior Strategic Communications Advisor </div>	SANTANDER <div>  GEORGE BRIDGES Senior Adviser to the Group Executive Chairman </div> <div>  FEDERICO GÓMEZ SÁNCHEZ Head of Sustainability </div> <div>  BEGOÑA ALÁEZ Corporate Sustainability Manager </div> <div>  ETIENNE BUTRUILLE Deputy Global Head of Sustainability </div>	YES BANK <div>  NAMITA VIKAS Group President & Global Head, Climate Strategy & Responsible Banking </div> <div>  NITESH CHANDRA Assistant Vice President, Responsible Banking </div> <div>  SRINATH KOMARINA President, Responsible Banking </div> <div>  CHAITANYA S KOMMUKURI Vice President, Responsible Banking </div>
KCB <div>  JUDITH SIDI ODHIAMBO Group Head Corporate and Regulatory Affairs </div>	SHINHAN FINANCIAL GROUP <div>  YOUNG JONG LEE Managing Director, Strategic Planning Team </div> <div>  YU JUNG YI Senior Manager, Strategic Planning Team </div>	
LAND BANK <div>  NEHRU PILLAY GM Research and Intelligence Lead - Implementation Subgroup </div> <div>  REBECCA PHALATSE General Manager of Marketing & Communications </div>	STANDARD BANK <div>  WENDY DOBSON Head of Group Policy, Advocacy and Sustainability, Group Risk Vice Chair UNEP FI Banking Committee </div> <div>  PRINCESS NDOOBE Sustainability Practitioner </div>	

ENDNOTES

- a <http://www.sustainability-indices.com>
- b <https://unfccc.int/process-and-meetings/the-paris-agreement/what-is-the-paris-agreement>
- c https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- d <http://www.unepfi.org/positive-impact/>
- e <https://sdgcompass.org/>
- f <https://sciencebasedtargets.org/>
- g <http://www.transitionmonitor.com/en/home/>
- h <https://www.iso.org/standard/72433.html>
- i <http://www.unepfi.org/publications/banking-publications/exploring-metrics-to-measure-the-climate-progress-of-banks/>
- j <http://www4.unfccc.int/submissions/INDC/Submission%20Pages/submissions.aspx>
- k <https://www.pik-potsdam.de/>
- l <http://www.iiasa.ac.at/>
- m <http://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>
- n <http://integratedreporting.org/resource/materiality-in-integrated-reporting/>
- o <https://g4.globalreporting.org/how-you-should-report/reporting-principles/principles-for-defining-report-content/materiality/Pages/default.aspx>
- p <https://av.sc.com/corp-en/content/docs/sustainability-aspirations.pdf>
- q <https://group.bnpparibas/en/hottopics/global-goals/bnp-paribas-sdgs>
- r https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en
- s http://www.bnm.gov.my/index.php?ch=en_announcement&pg=en_announcement&ac=555&lang=en
- t <http://equator-principles.com/>
- u https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards
- v <http://www.unepfi.org/positive-impact/principles-for-positive-impact-finance/>
- w <https://www.weforum.org/reports/the-global-risks-report-2018>
- x <https://www.ohchr.org/EN/Issues/Business/Pages/Resources.aspx>
- y <https://www.ohchr.org/EN/Issues/Business/Pages/CorporateHRDueDiligence.aspx>
- z <https://www.business-humanrights.org/en/un-guiding-principles>
- aa <http://www.unepfi.org/humanrightstoolkit/>
- ab <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>
- ac <https://www.cdp.net/en>
- ad <http://carbonaccountingfinancials.com/wp-content/uploads/2018/02/PCAF-final-report.pdf>
- ae <http://waterriskfilter.panda.org/>
- af <https://www.script.finance/>
- ag <http://www.unepfi.org/publications/ecosystems-publications/ncfa-publications/natural-capital-protocol-finance-sector-supplement/>
- ah <https://www.bankofengland.co.uk/speech/2015/breaking-the-tragedy-of-the-horizon-climate-change-and-financial-stability>
- ai <https://www.fsb-tcfd.org/>
- aj <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018DC0097&from=EN>
- ak <http://www.unepfi.org/banking/tcfd/>
- al <http://www.unepfi.org/publications/banking-publications/extending-our-horizons/>
- am <http://www.unepfi.org/publications/banking-publications/navigating-a-new-climate-assessing-credit-risk-and-opportunity-in-a-changing-climate/>
- an <https://portal.febraban.org.br/pagina/3118/45/en-us/social-environmental-responsibility-policy>
- ao http://www.emergingmarketsdialogue.org/wp-content/uploads/2018/02/2.2_Dr-Yin-Hong_ICBC_EN.pdf
- ap <https://www.nedbank.co.za/content/dam/nedbank/site-assets/AboutUs/Information%20Hub/Integrated%20Report/2017/2017%20Nedbank%20Limited%20Annual%20Report.pdf>
- aq <https://www.teb.com.tr/familyacademy/what-is-teb-family-academy/>
- ar <https://www.bnpparibas-pf.com/en/press-and-news/bnp-paribas-personal-finance-takes-responsibility-and-commits-its-expertise-to-promote-energy-transition/>
- as <https://www.garanti.com.tr/en>
- at https://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES
- au <http://www.accountability.org/standards/>
- av <https://www.bsr.org/en/topics/all-channels/Stakeholder-Engagement>
- aw https://www.imvoconvenanten.nl/banking?sc_lang=en
- ax https://www.business-humanrights.org/sites/default/files/documents/2017_12_Thun%20Group%20of%20Banks_Paper_UNGPs%2013b%20and%2017.pdf
- ay <https://www.cisl.cam.ac.uk/business-action/sustainable-finance/banking-environment-initiative>
- az <https://www.cisl.cam.ac.uk/business-action/sustainable-finance/banking-environment-initiative/programme/sustainable-agri-supply-chains/soft-commodities>
- ba <http://integratedreporting.org/resource/international-ir-framework/>
- bb <http://www.oecd.org/gov/ethics/oecdprinciplesfortransparencyandintegrityinlobbying.htm>
- bc <https://www.unenvironment.org/news-and-stories/press-release/un-environment-and-bnp-paribas-partner-bring-private-capital>

- bd <https://www.mckinsey.com/~media/McKinsey/Industries/Financial%20Services/Our%20Insights/African%20retail%20bankings%20next%20growth%20frontier/Roaring-to-life-growth-and-innovation-in-African-retail-banking-web-final.ashx>
- be <https://www.isealliance.org/about-iseal>
- bf http://www.unepfi.org/fileadmin/documents/UNEPFI_IntegratedGovernance.pdf
- bg <https://www2.deloitte.com/au/en/pages/risk/articles/sustainability-and-board-what-directors-need-know-2018.html>
- bh <https://www.bis.org/publ/bcbs176.htm>
- bi https://www.oecd-ilibrary.org/governance/g20-oecd-principles-of-corporate-governance-2015_9789264236882-en
- bj http://group30.org/images/uploads/publications/G30_BankingConductandCulture.pdf
- bk <https://www.fca.org.uk/news/press-releases/fca-publishes-discussion-paper-transforming-culture-financial-services>
- bl <https://www.earthonboard.org/>
- bm <https://susba.org/>
- bn <https://www.isealliance.org/>
- bo <http://integratedreporting.org/>
- bp <https://www.globalreporting.org/Pages/default.aspx>
- bq <https://www.globalreporting.org/resourcelibrary/GRI-G4-Financial-Services-Sector-Disclosures.pdf>
- br <https://www.sasb.org/standard-setting-archive/#1535575994696-260f8722-4a78>
- bs <http://www.unepfi.org/news/industries/banking/physical-risk-second-part-of-guidance-for-banking-industry-to-implement-tcfd-recommendations-now-available/>
- bt <http://www.unepfi.org/investment/tcfd/>
- bu <https://materiality.sasb.org/>
- bv http://www.afg.asso.fr/wp-content/uploads/2017/07/Rectoverso_LTE_art_173_ENG.pdf
- bw <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0095>
- bx https://c.ymcdn.com/sites/www.iodsa.co.za/resource/resmgr/king_iv/King_IV_Report/loDSA_King_IV_Report_-_WebVe.pdf



United Nations Environment Programme – Finance Initiative (UNEP FI) is a partnership between United Nations Environment and the global financial sector created in the wake of the 1992 Earth Summit with a mission to promote sustainable finance. More than 200 financial institutions, including banks, insurers, and investors, work with UN Environment to understand today's environmental, social and governance challenges, why they matter to finance, and how to actively participate in addressing them.

www.unepfi.org