



UN
environment
programme

finance
initiative

Principles for
Responsible Banking

PRINCIPLES FOR RESPONSIBLE BANKING

SHAPING OUR FUTURE

March 2022, Introduction of the PRB

Principles for Responsible Banking



250+

Signatory Banks

>40%

of the global banking sector

\$65trn

USD Total Assets

66

countries

Source: UNEP FI

PRB Market Penetration

Top 10 Banks by Total Assets

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

70% are PRB

30% are PRB

90% are PRB

70% are PRB

30% are PRB

Green shading indicates PRB Signatory Bank

*UNEP FI member

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

Global Systemically Important Banks G-SIBs

Bucket 3	Citigroup	HSBC*	JP Morgan Chase
Bucket 2	Bank of America**	BNP Paribas	Industrial and Commercial Bank of China
	Bank of China	China Construction Bank	Mitsubishi UFJ FG
	Barclays	Deutsche Bank	---
Bucket 1	Agricultural Bank of China	Mizuho FG	State Street
	Bank of New York Mellon	Morgan Stanley**	Sumitomo Mitsui
	Credit Suisse	Royal Bank of Canada*	Toronto Dominion*
	Goldman Sachs	Santander	UBS
	Groupe BPCE	Société Générale	UniCredit
	Groupe Crédit Agricole	Standard Chartered	Wells Fargo*
	ING Bank		

Green shading indicates PRB Signatory Bank

*UNEP FI Member

** Net Zero Banking Alliance Member

Source: FSB 2020 list of [Global Systemically Important Banks \(G-SIBs\)](#) listed in alphabetical order

The 6 Principles for Responsible Banking

01: Alignment

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

02: Impact & Target Setting

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

03: Clients & Customers

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

04: Stakeholders

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

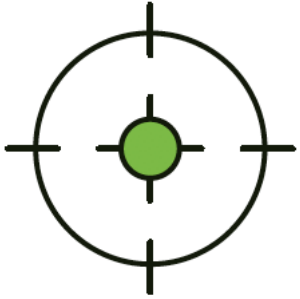
05: Governance & Culture

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

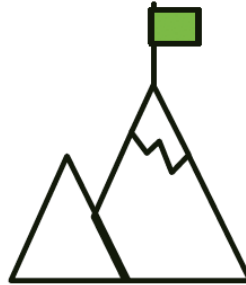
06: Transparency & Accountability

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

A 4-year Journey*



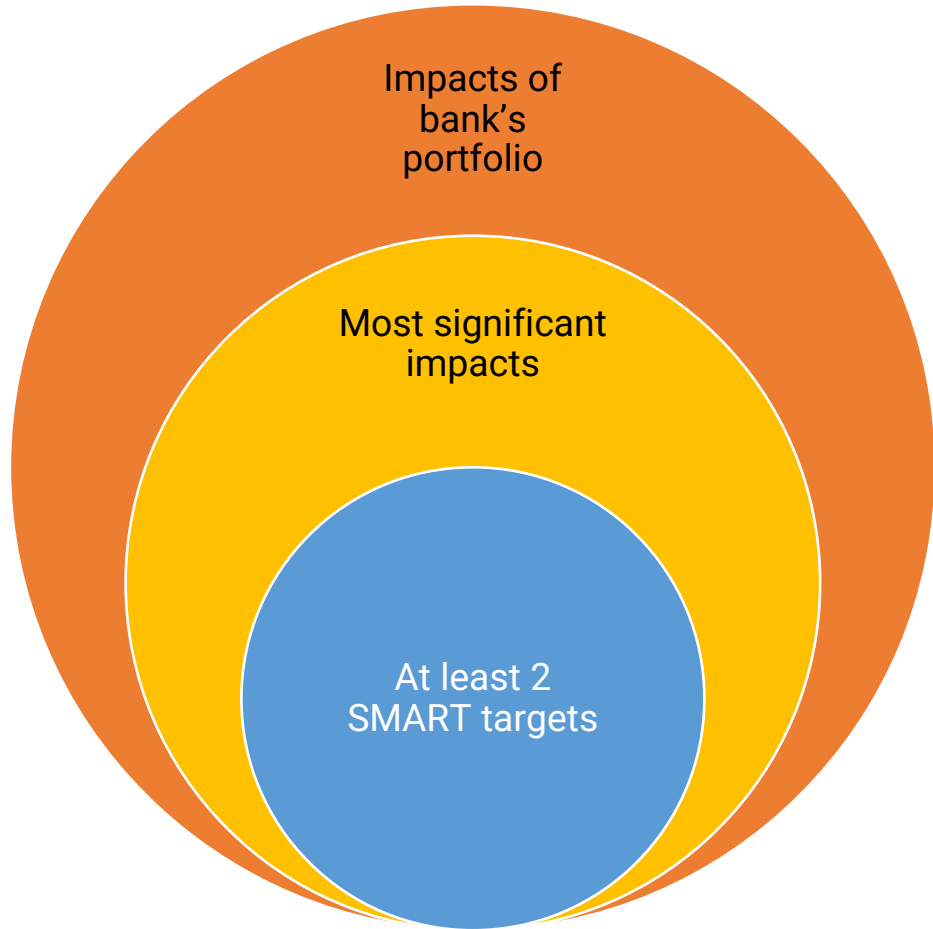
**Analyzing your
bank's Impact on
Planet & People**



**Setting & Implementing
Targets**



**Accountability &
Measuring Progress**



Impact Analysis

- Assess the positive and negative impacts of the portfolio and
- Identify areas with the most significant impact considering the context of the regions in which the bank operates.

Target Setting

Set at least two SMART targets that address at least two of the most significant impacts.

S – Specific
M – Measurable
A – Attainable
R – Relevant
T – Time-bound

The Principles for Responsible Banking require banks to conduct an impact analysis covering the following elements:

1. Determine **scope** to cover the bank's core business areas, products/services across the main geographies that the bank operates in
2. Review **scale of exposure** to different sectors. Where the bank's core businesses/major activities lie in terms of industries, technologies and geographies (industry exposure is measured in % of portfolio)
3. Understand **context**, i.e., the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates
4. Assess **intensity/salience** of (potential) social, economic and environmental impacts identified. You will make your performance assessment.

Implementing the Principles

The UNEP FI [impact analysis tool](#) has info on industry-by-industry impact associations. You can also create your own data visualization. See below an illustrative example.

			Climate	Soi	Water(avail ability)	Biodiversity	Water (quality)	Air	Vaste	Employment	Economic Convergence	Employment	Inclusive &Healthy Economy
		EAD (%)	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx	SDG xx
Major Country needs			x	x	x	x	x	x	x	x	x	x	x
Corporate portfolio (62% of total AUM)	Transport & logistics/distribution	22%											
	Electricity generation (renewable)	18%											
	Agriculture (crops)	16%											
	Textiles	8%											
	Services	7%											
	Cement	4%											
	Energy/power generation: coal	4%											
	Oil & gas	4%											
	Construction/infrastructure	4%											
	Automotive	3%											
Others	10%												
Illustrative example		100%	Positive impacts	Negative impacts									

The Impact tool is not mandatory, but we recommend you use the impact radar and mappings as a reference to determine sector-impact associations. If you use other reference materials, you must disclose the source.

You can download the sector mapping [here](#)

*For more detailed information, view the technical documents:
[Key Steps to be Implemented by Signatories](#) and [Guidance on Impact Analysis](#)

Popular impact areas of PRB Signatories

Which (most significant) impact areas or topics did you identify for your bank, as a result of the impact analysis?

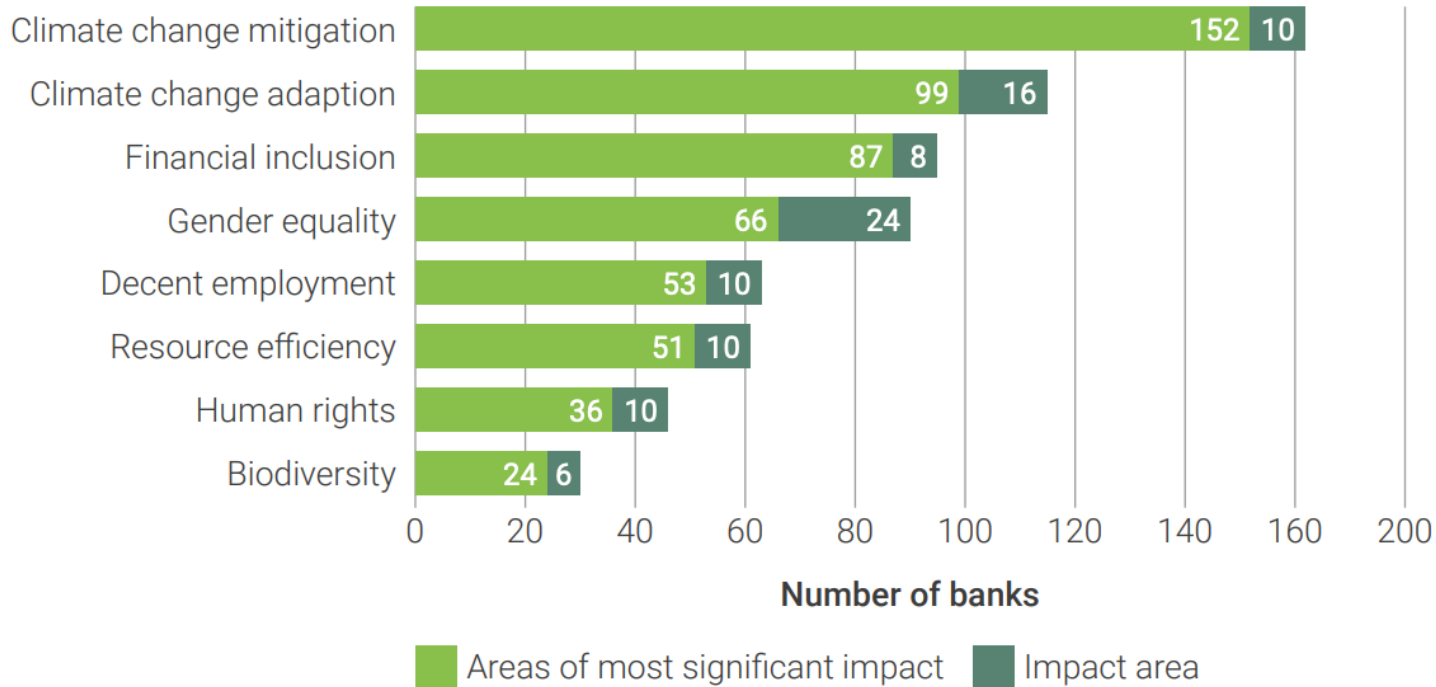


Figure 7: Impact areas identified by PRB banks

Source: UNEP Finance Initiative



*For more detailed information, read the [Collective Progress Report 2021](#)

Popular impact areas of PRB Signatories – developed vs. developing countries

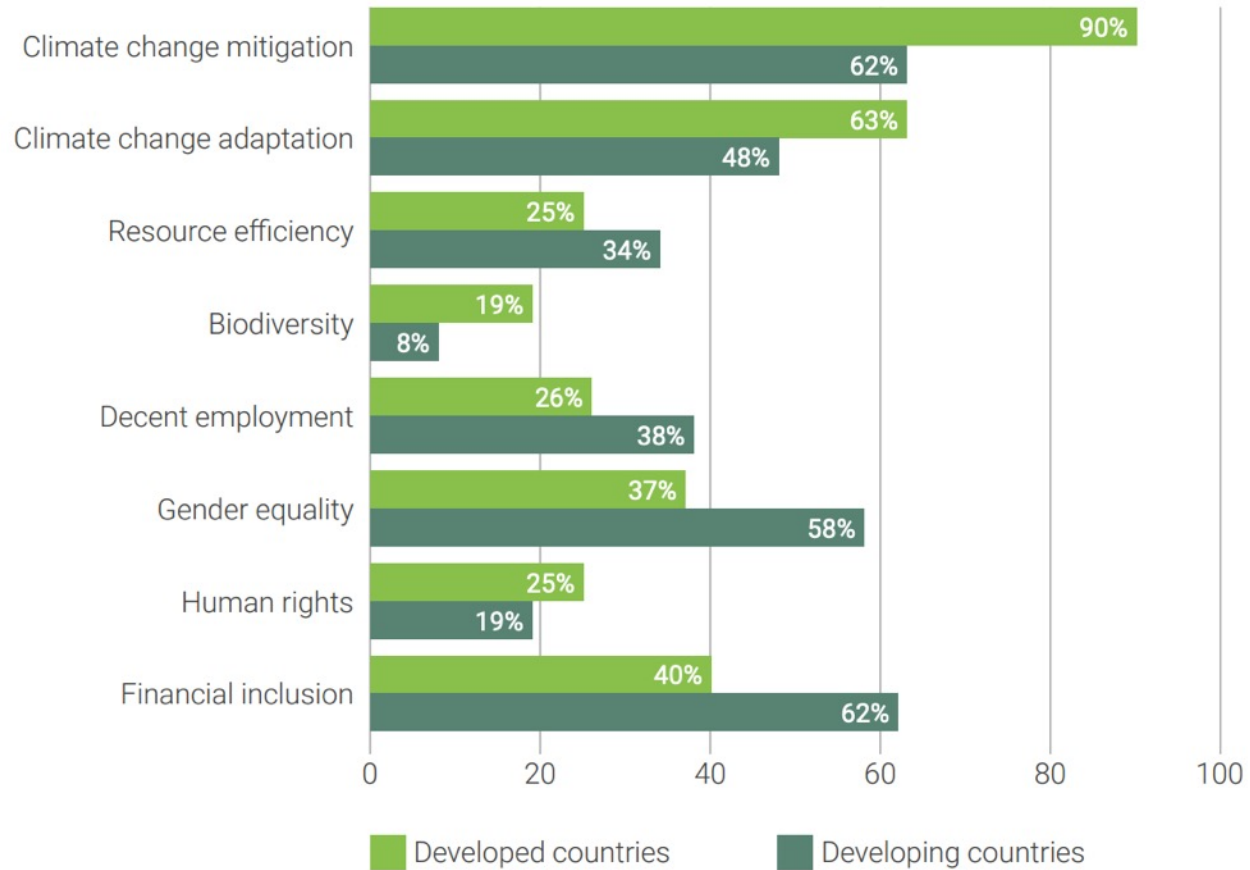


Figure 9: Relative importance of impact areas in developed and developing countries

Source: UNEP Finance Initiative

*For more detailed information, read the [Collective Progress Report 2021](#)

Supporting the Journey

Peer exchange

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

Working groups & Collective initiatives

Producing industry-leading guidance

Cutting edge themes

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

Individual Feedback & Support

Individual support and guidance on your banks' progress

Tools

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

Benefits of Being a Signatory

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

A three-step Process



1. Sign the Principles for Responsible Banking

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



2. Become a UNEP Finance Initiative Member

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



3. Promote your bank's commitment

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

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Banking Membership at UNEP FI

