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Principles for Responsible Banking

7 October 2026

UNEP Finance Initiative

SME Workstream Session 1

Testing the challenge, scope and route forward

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The SME Client Engagement Team

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Today’s agenda

1 15 min	2 10 min	3 20 min	4 20 min	5 10 min
0:00–0:15	0:15–0:25	0:25–0:45	0:45–1:05	1:05–1:15
Welcome, ground rules & introductions	**Individual reading & participant landscape**	**Scene-setting, scoping pulse check & bottleneck ranking**	**Member practices & challenges**	**Prioritisation & next steps**
	POLL	POLL		POLL

What we want to leave with today

1

A practical working scope

for SME client engagement, tested with members

2

A ranked, member-generated view

of the main bottlenecks and support needs

3

Priority topics for Session 2 & beyond

2–3 areas for a deep-dive

UNEP FI's role as secretariat: we convene, advise, synthesize, and connect. Our members drive the direction of the workstream.

Introduction – Hot potato style

TELL US

- Your name
- Your bank and country

5 min

The challenge is to cover everyone in the room in under 5mins! Ready?
Let's go!

Who is in the room?

Live poll

Q1 What is your role and primary function?

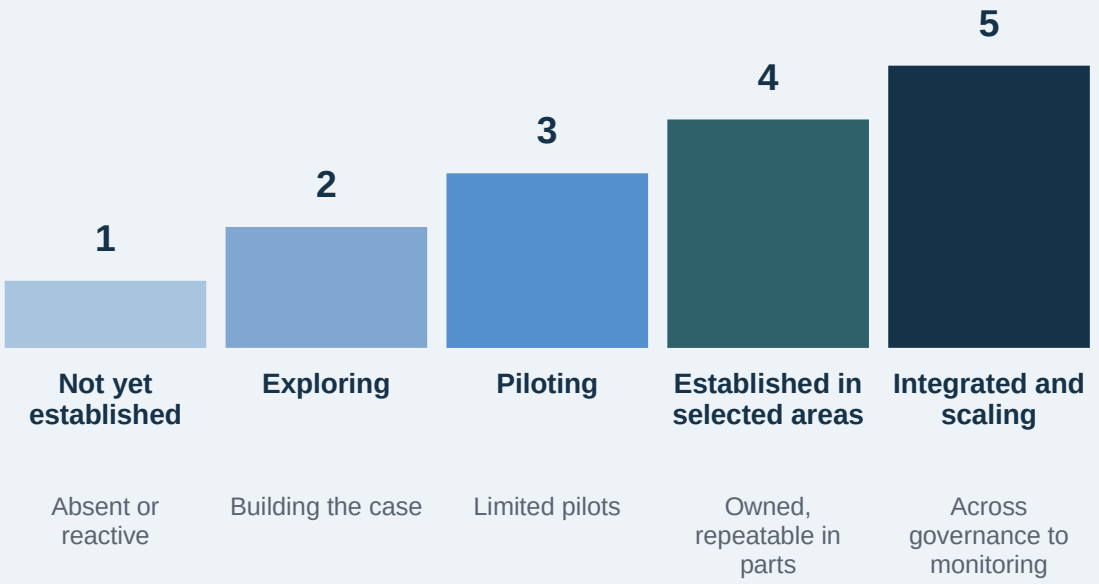
Select all that apply

- SME or business banking leadership
- Relationship management
- Sustainability team or CSO office
- Credit underwriting or risk
- Sustainable product
- Data or ESG analytics
- Strategy and governance
- Other (please specify)

Q2 How established is your bank's approach to SME sustainability engagement?

Select one

Unsure / no visibility



SME warm-up

SMEs: YES OR NO?

1	**Climate** Do SMEs account for 40–60% of global business-sector greenhouse gas emissions?	Yes	No
2	**Nature** Are more than 80% of the world's farms, nature-dependent micro and small enterprises, smallholdings of less than 2 hectares?	Yes	No
3	**Decent work** Do the self-employed, micro-enterprises and small businesses together provide 70% of jobs in the 99 countries studied by the ILO?	Yes	No
4	**Value chains** Do fewer than 10% of large companies' supply-chain sustainability goals specifically aim to empower SMEs?	Yes	No
5	**Inclusive economies** Is the share of global GDP generated by micro, small and medium enterprises bigger than the combined revenue of the world's 500 largest companies?	Yes	No

Sources: WEF & Schneider Electric (2025); Lowder, Skoet & Raney (2016), World Development; ILO (2019), Small Matters; WRI (2022); UN DCO; IMF WEO (April 2026); Fortune Global 500 (2026). Answers in speaker notes.

Individual reading

5 min

Questions will be used in the polls and the discussion.

1. Which of the **five candidate bottlenecks** is most material in your bank, and what have we missed?

2. What part of your bank's approach **works well** enough that peers could learn from it?

Why SMEs, why now

90%

of businesses worldwide are MSMEs, providing 60 to 70% of jobs and 50% of GDP

73% vs **2.8%**

of financial institutions offer green finance to SMEs,

only 2.8% of SMEs applied for it over three years

61%

of SMEs taking climate action do so mainly to meet customer expectations, up from 40% a year earlier

THE QUESTION FOR THIS WORKSTREAM

How can banks engage SME clients on sustainability in a way that is useful, proportionate and connected to practical support or financing?

Sources: UN DCO; OECD (2022); ICC & Sage (2024), Unlocking sustainable finance for SMEs; SME Climate Hub (2025) global SME survey.

Your clients sustainability journey?

Live poll

Q3 Which SME segments are most relevant to your work?

Select all that apply

- Self-employed and sole proprietors
- Microenterprises
- Small enterprises
- Medium-sized enterprises
- SMEs in high-impact or priority sectors
- SME suppliers in corporate value chains
- Women-led, youth-led or underserved
- No specific segmentation

Q4 Which readiness profiles are most common among your SME clients?

Select up to two

- Limited awareness; little or no data
- Aware, but no structured action
- Initial actions; seeking practical guidance
- Developing plans, targets or investment proposals
- Seeking finance for an identified measure
- Established strategy, data and reporting
- Varies widely or not assessed

Please use your bank's own SME segmentation. Indicative UNEP FI thresholds are in the appendix.

What already happens in your bank?

What do you **already discuss** with SME clients that touches on sustainability?

Integrating sustainability into SME banking

A framework for discussion: elements banks need, not a sequence

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WHAT BANKS NEED IN PLACE

Governance

Who owns SME sustainability, with what mandate and targets

Internal process

Who does what between RMs, credit, risk and specialists

Data & portfolio

What information is needed; which clients to prioritise

Client engagement & products

How common SME needs lead to products or financing

Capacity building

The skills, time and tools staff and SME owners need

UNDERLYING THEME: THE BUSINESS CASE

For the bank

Profitability and resilience levers

- Risk
- Revenue
- Strategy
- Balance sheet
- Cost efficiencies

For the SME client

Why acting on sustainability is worth it

- Lower energy and input costs
- Buyer and export requirements
- Resilience and insurability
- Access to finance

A diagnostic map, not a proposed UNEP FI solution. Business case levers draw on UNEP FI's PRB client engagement work.

Proposed scope: does it work for your bank?

In scope

— How banks set themselves up internally to engage SME clients

— How banks integrate sustainability into existing SME client relationships

— Both financing and non-financial support

Not in scope

— A single global SME definition

— A single prescribed operating model

— New SME reporting standards

If changes: what would you add or remove?

POLL **Agree** **Disagree**

Which bottleneck matters most in your bank?

Rank A–E by materiality (1 = most material), then tell us what we have missed

A

The data do not exist

SME clients cannot, or will not, provide reliable sustainability information.

B

The data are not connected

We collect information, but it does not enter credit, pricing or product decisions.

C

There is no mandate or incentive

Nothing in regulation, credit policy, product terms or front-line objectives requires or rewards it.

D

Engagement does not scale

Clients are too small for tailored, one-to-one engagement, and we lack standardised or digital approaches.

E

The business case does not work

We cannot show how SME engagement strengthens profitability or resilience; some client investments need support.

F

Something else?

Tell us the barrier we have missed.

Member practices and challenges

What works in your bank, and where do you get stuck?

Governance	Internal process	Data & portfolio	Client engagement & products	Capacity building
Who owns SME sustainability, and with what mandate or targets?	Who does what between RMs, credit, risk and sustainability specialists?	What information do you actually use, and for which clients?	Which SME needs lead to finance or practical support, for existing and new clients?	What do RMs and SME owners most need: skills, time or tools?

BUSINESS CASE Which profitability and resilience levers does SME engagement strengthen? What convinces SME clients to act?

Where should UNEP FI focus?

Select up to three and **rank your #1**. Colour shows the framework area.

A — Operating-model guidance

Who owns SME sustainability, and how it works in volume-based SME books

Governance · Guidance

B — Shared SME case library

Tag SME case studies and free tools for SMEs in a shared UNEP FI library

All areas · Curation

C — Client segmentation map

Which SME clients and sectors banks should prioritise, and why

Data & portfolio · Tool

D — Data and proxies checklist

What information to request from SMEs, proportionate to client size

Data & portfolio · Guidance

E — Shared voice on SME data

How banks' SME data needs reach regulators and standard-setters

Data & portfolio · Guidance

F — SME business case

What is different for SMEs: volume, ticket size and value for the client

Business case · Analysis

G — SME engagement toolkit

What RMs and SME owners each need to know, delivered at volume

Capacity building · Toolkit

H — Financing pathways

How products, blended finance and risk-sharing fit into the client journey

Client engagement & products · Guidance

+ — Other

Tell us about any priority we have missed

Next steps

Today

Poll results and challenge synthesis shape the workstream scope and the Session 2 agenda.

Within two weeks

A short, non-attributed summary of what we heard, the poll results and SME bank examples.

Session 2 · 5 November

Deep-dive on the 2–3 priority areas, and an introduction to UNEP FI's client engagement business case work.

Session 3 · 9 December

[Tentative] Bank sharing on best practices

HOW YOU CAN CONTRIBUTE

Share a practice example

One page on something that worked, or did not

Join a 30-minute interview

Bilateral, non-attributed, before Session 2

Bring a colleague

From credit, risk or SME banking to Session 2

LEARNING OPPORTUNITY COMING UP:

Client Engagement for SME Decarbonisation

Monday 2 November, 14:00 to 15:00 CET

Thank you

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Appendix: indicative SME thresholds

For reference only. Members are asked to use their own internal segmentation.

Enterprise type	Employees	Developed economies	Developing economies
Self-employed	Sole proprietor or freelancer, no employees	Assets up to USD 500,000; turnover USD 100,000–1 million	Assets up to USD 100,000; turnover USD 5,000–250,000
Microbusiness	1–10	Assets up to USD 500,000; turnover USD 100,000–1 million	Assets up to USD 100,000; turnover USD 5,000–250,000
Small business	10–49	Assets USD 500,000–4 million; turnover USD 1–4 million	Assets USD 100,000–1 million; turnover USD 250,000–2 million
Medium business	50–250	Assets and turnover USD 4–20 million	Assets USD 1–10 million; turnover USD 2–10 million

Source: UNEP FI, Driving Impact on Financial Health and Inclusion of Individuals and Businesses. Thresholds vary by geography, sector and exchange rates; adapt to local regulation.

Further discussion topics

STATEMENTS FOR DISCUSSION

1. If SME clients won’t engage even when get paid, the problem isn’t the bank.
2. For most SMEs, the conversation should start with floods and heat, not emissions.
3. For the smallest SMEs, sustainability should be built into a holistic programme of support, not offered as a standalone product.
4. Without development-bank funding and guarantees, most green SME lending would stop.

An illustrative client engagement cycle

ILLUSTRATIVE CYCLE FROM UNEP FI PRB GUIDANCE

FOR DISCUSSION

Does this differ for existing and new SME clients?	Who does what at each stage: RM, specialist or partner?	Which stages could be standardised or digital for smaller SMEs?

Adapted from UNEP FI PRB guidance on client engagement. Illustrative only: in practice, engagement with SME clients is ongoing and rarely linear.