PRB Worktrack on Engaging Clients on Sustainability Impacts, Risks & Opportunities

Essentials Stream Session 4 (September 17)

Summary of key insights and emerging practices shared during the peer discussion

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Session purpose & context

This fourth Essentials session focused on building organisational capability for client engagement on sustainability and securing internal buy-in from commercial teams and senior stakeholders. The session combined (i) a peer case study from BNP Paribas on how it has built sustainability into its strategy, governance and organisation since 2010, (ii) a facilitated peer discussion in which participants shared what has worked in bringing relationship managers and other client-facing colleagues on board, and (iii) an update on the PRB Business Case Resource Pack.

Peer case study snapshot: BNP Paribas's approach to building sustainability capability across the bank

Nathalie Jaubert, Head of Sustainability Strategy, Research and Expertise at BNP Paribas, set out how the bank has built sustainability into its strategy and organisation since 2010, when its sustainability team numbered four people. The approach rests on four levers (strategy and monitoring, public commitments, governance, and human capital and expertise), whose weight has shifted as the bank has matured. Sustainability features in the name of the bank's strategic plan and is tracked through a dashboard of no more than ten business-linked KPIs. It runs through existing committees, and 15 per cent of executive officers' variable remuneration is linked to sustainability performance, with a similar scheme for around 8,000 senior managers. A central element has been shifting the bank's energy financing mix from roughly 80 per cent fossil fuels to 80 per cent low-carbon, driven above all by growing low-carbon business. This is supported by a Low-Carbon Transition Group of around 250 bankers worldwide, covering the full product range, and a Sustainability Academy that tailors training to each role, with more than 70,000 employees completing at least one training in 2025. Nathalie was candid that there was no master plan: the bank has tested and adapted throughout, and its current challenge is to keep moving forward while adapting how sustainability is explained in a more difficult environment. To learn more, review BNP Paribas's CSR strategy.

What We Heard: Common Challenges and Emerging Practices

1) Making sustainability a business priority

Sustainability is still often read as compliance rather than revenue. When client engagement is framed as necessary to meet a net zero target or as a group priority, business lines treat it as a requirement rather than a source of business. One participant described the disconnect as sharpest in business lines under pressure to hit financial targets, and outside energy-intensive sectors, where the link to sales is least visible. Another recalled that their sustainability team first had to establish it was there to support the business, not act as an internal NGO. Only then could it build credibility with figures the finance function could test.

Emerging good practices

- **Anchor sustainability in the strategic plan:** Naming sustainability explicitly in the bank's strategic plan, backed by a clear message from management, helps establish it as part of every business line's remit. A top-down signal alone, however, does not deliver implementation.
- **Keep the dashboard short and business-led:** One bank capped its group dashboard at ten KPIs, chosen to be meaningful to the business: volumes of sustainable loans, bonds and assets under management, each aimed at a specific population. Input measures such as headcount were avoided as too far removed from the business.

- **Set stretching targets and explain shortfalls openly:** Targets should require commitment without discouraging teams. One participant noted that explaining a market-driven shortfall to clients, investors, NGOs and regulators proved easier than expected.
- **Integrate into existing governance:** A strong board-level anchor works best combined with sustainability embedded in existing committees, with the heads of risk, IT and other functions involved, rather than confined to a sustainability-only committee.
- **Adapt the approach to the stage of the journey:** The same levers apply throughout (strategy and monitoring, public commitments, governance, and human capital and expertise), but their weight shifts as a bank matures. The advice was to adapt to the bank's own structure and stakeholders rather than look for a master plan.

Looking forward: A mandate and business-led governance are necessary but not sufficient. The revenue case still has to be made visible to business lines, and evidencing it remains a priority for the Business Case Resource Pack.

2) Incentives: no single lever

No single incentive changes behaviour. Earlier sessions showed that linking sustainability to remuneration drives change; this session focused on how it lands and what needs to sit alongside it. Pay brings sustainability into something the organisation treats as serious, and measurement makes it real. One participant noted that when sustainability entered senior pay, some managers were hearing about the topic for the first time. The reaction was "wait and see" rather than opposition. Internally, asking the business to do less was described as generating little enthusiasm.

Emerging good practices

- **Link variable remuneration, even at a modest weight:** One bank tied a modest share of executive and senior management variable pay to sustainability. It was effective because the signal came from the board, sat in the pay package and could be measured.
- **Use thresholds rather than all-or-nothing targets:** Paying the full sustainability component if most dashboard KPIs are met (for example, seven out of ten) made the scheme far easier to accept than a binary approach.
- **Give every role something it can influence:** Including the bank's own operational footprint, though less material than financed impact, gives staff such as those in the retail network something within their control.
- **Lead with growth rather than restriction:** One bank paired reducing fossil fuel exposure with a target to grow low-carbon financing, backed by market intelligence and business cases. This, more than the targets themselves, generated enthusiasm among bankers.
- **Report progress to senior management:** Regular reporting upwards was described as highly effective, since teams want to show they have delivered.

Looking forward: Remuneration works best as one of several reinforcing elements. How to measure the quality of engagement, not just volume, remains open.

3) Equipping and reassuring relationship managers

RM hesitancy is as much about the client relationship as about knowledge. Participants described RMs as worried that sustainability questions could damage a relationship, or make the bank look difficult if it is the only one asking. Topics are also becoming more technical and broader, and RMs are reluctant to appear uncertain in front of a client. As a result, they tend to engage on one or two comfortable topics and stay there.

Emerging good practices

- **Show RMs they are not alone:** Telling RMs that other banks ask similar questions gives them the confidence to approach the client. Peer examples were seen as a practical way to provide that reassurance.

- **Break broad topics into tangible pieces:** Abstract themes such as biodiversity land better as concrete issues a client recognises, such as pollution, water use or land restoration. Attaching topics to specific sectors also helps.
- **Equip RMs and keep expertise close to them:** Sustainability teams add most value by producing talking points RMs can take straight to the client. One participant noted that even where these conversations have become a habit, embedded ESG experts are still needed to bring in new topics such as adaptation.
- **Tailor training, and curate it:** One bank offers formats from short modules to external certification, pushed to staff by role. Short recorded lunchtime webinars on technical topics have proved popular, often more than expected. After a period of rapid production, the challenge is now streamlining the offer.

Looking forward: RM confidence comes from practical support and reassurance, not from making RMs sustainability experts. The Secretariat will consider peer case studies in developing the Case Study Library.

4) Client data and assessment at scale

Client data remains both the foundation for engagement and the main constraint on scaling it. One participant with a small team asked how other banks divide assessment work between sustainability teams, specialists, bankers and automation. Another, in a market without mandatory emissions reporting, noted that client surveys are hard to get completed. Meanwhile, clients advanced on transition are now asking banks how they are assessed, and what it means for their cost of capital.

Emerging good practices

- **Combine external data with client input:** One bank buys external data annually for high-emitting sectors and asks clients for their own climate data. For large corporates only, it analyses the gap between the two; for SMEs this would be too burdensome.
- **Use AI to scale, with human validation:** One participant described AI extracting data from client disclosures against a standardised questionnaire, validated by the team. This lets a small team assess several hundred clients a year and prioritise who to engage.
- **Position the RM as door-opener:** In the same bank, the sustainability team leads the transition conversation, with the RM providing access and staying involved. RMs and product specialists come in as commercial needs emerge.
- **Be ready to explain the bank's own assessment:** Advanced clients rarely need help understanding their own market. What they need is help understanding the banking market.
- **Create value where disclosure is limited:** One bank built a non-financial offer for SMEs, from sustainable construction certification to emissions measurement. It generates data, deepens relationships and draws RMs into the topic, and SMEs proved more interested than larger corporates. Where standardised disclosure is mandated, as in one European market, it gives banks a reliable input.

Looking forward: How to divide assessment work remains unresolved for most banks. The approaches shared echo Session 3: carry the analytical burden internally and use automation to equip experts, not replace them. The 13 October plenary will deep-dive on assessing and using client transition plans.

5) Engaging clients in a changed environment

The external context has shifted. Participants described an ESG backlash in some markets and expectations diverging between regions. Bold commitments made after the Paris Agreement would be harder to make today. Conversations aimed at reducing negative impacts were recognised as harder than those about growing low-carbon business. Participants also noted that, as banks move to digital service models, RMs have less direct client contact. That leaves fewer openings for the trusted-advisor conversations that difficult transition discussions need.

Emerging good practices

- **Reframe around resilience:** One participant described adapting how the bank explains its approach, not its direction. The emphasis is on supply chains, energy dependence and business continuity, framed as resilience for both the bank and its clients. This echoes the London workshop.
- **Distinguish doing less from doing differently:** In oil and gas, Paris alignment means producing less; in sectors such as cement or steel, it means producing differently. The conversation and the offer differ accordingly.
- **Engage as part of an ecosystem:** No client changes because of a single banker. Change comes when suppliers, customers, banks and regulators ask for the same thing, so the bank's role is to offer solutions that connect transition to the client's commercial interests.
- **Read capex, not only public statements:** Some clients have publicly stepped back from commitments while still investing in transition. Their capital expenditure tells the more reliable story.
- **Invest in capability early:** Banks that built expertise early are benefiting from that legacy. The lesson was not to wait for a more favourable environment.

Looking forward: Regional divergence is likely to persist, making resilience-based framing more important. The effect of digitization on client contact was flagged as a candidate topic for future sessions.

Key Takeaways for PRB Banks

Make it the business's agenda: Anchor sustainability in the strategic plan, track it through a short set of business KPIs and run it through existing governance, so business lines see it as part of their own performance.

Combine incentives rather than relying on one: Pay with thresholds, business-linked targets and reporting to senior management reinforce each other. A credible growth story is what generates enthusiasm.

Make RMs feel prepared, not exposed: Reassure them that other banks ask the same questions, break abstract topics into concrete client issues and give them talking points they can use straight away.

Scale assessment without overloading clients or RMs: Combine external data with client input, use AI to equip experts, and let RMs open the door rather than carry the transition conversation alone.

Adapt the language, not the direction: Frame engagement around resilience, read clients' capex alongside their public statements, and keep investing in capability rather than waiting for a better environment.