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PRINCIPLES FOR
RESPONSIBLE
BANKING

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**Guidance Document:
Reporting on the Principles
for Responsible Banking**

Draft for comment by
UNEP FI Member Banks



Acknowledgments

The content of this document is based on discussions and work undertaken in the Principles for Responsible Banking Reporting Working Group



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Introduction

The purpose of this Guidance Document is to support signatories of the Principles for Responsible Banking with reporting on their implementation of the Principles. The Principles constitute an overarching framework that guides banks on how to align their business strategies and practices with society's goals. As such, your bank's implementation of sustainability frameworks/principles/directives such as the UN Global Compact Principles, TCFD recommendations, Non-Financial Reporting Directive, Principles for Responsible Investment among others, will contribute to your bank's fulfilment of the Principles. Reporting on the implementation of these frameworks should be integrated into your reporting on the Principles. In addition, there are a substantial number of similar reporting requirements between the Global Reporting Initiative (GRI) and the Principles for Responsible Banking, which are reflected in this document, and provide an opportunity for your bank to integrate its reporting.

This document comprises three sections – 1) Questions related to the reporting requirements in the Reporting and Self-Assessment Template, 2) Guidance on integrating reporting on the Principles with other frameworks, and 3) An example of how to complete the Reporting and Self-assessment Template. The content of this document is based on discussions and work undertaken in the Reporting Working Group. The Working Group has delivered this draft Guidance Document for comment from peer UNEP FI Member Banks by 29 January 2021.

In the first quarter of 2021, the Working Group will deliver an example of how to report on your bank's impact analysis, which will be included in this document.

Questions related to the reporting requirements in the Reporting and Self-Assessment Template

1. How should we use the Reporting and Self-Assessment Template?

Reporting on your bank's progress with implementing the Principles should be done in your bank's existing reports, for example its sustainability report, annual report, integrated report etc. Use the Reporting and Self-Assessment Template to provide a summary of the implementation steps taken by your bank, and provide links and page numbers for where more in-depth reporting on implementation can be found. The links and page numbers provided in the [Reporting and Self-Assessment Template](#) should link directly to where reporting on the specific reporting requirements can be found, therefore ensuring that readers easily find the information you are referring them to.

If there are areas that your bank has not made progress in yet, you can state that this is an area that your bank will start working on in the Reporting and Self-Assessment Template, and briefly share plans for how your bank intends to get started. When completing the Reporting and Self-Assessment Template, your team should refrain from making amendments to the Template, for example adjusting/amending/rephrasing the wording of the reporting requirements.

The completed Reporting and Self-Assessment Template should ideally be included in the report where your bank reports on its implementation of the Principles. Once your bank's report has been published, send a link to the report to the UNEP FI Secretariat.

2. Can our bank publish a stand-alone report?

The approach of reporting in your bank's existing reports and providing summaries in the Reporting and Self-Assessment Template aims to ensure that the reporting burden on Signatory Banks is not increased. It also serves to ensure that your bank's reporting on its implementation of the Principles is integrated with its sustainability reporting, therefore avoiding double reporting or reporting in silos. However, if your bank wishes to develop and publish a stand-alone report for parts or all of its reporting on implementing the Principles, for example its impact analysis, it may do so. The Reporting and Self-Assessment Template should still be completed with summaries of your bank's implementation, its conclusion/statements, and if some of the reporting is in a different report, links and page numbers to that reporting.

3. How do we report on impact analysis in practice? What is the required level of disclosure?

The first key step to implementing the Principles requires signatories to undertake an impact analysis. This is an important step because it will help your bank understand the impact it is making on your society, environment and economy through the products and services it offers to its clients and customers. This will help your bank make more informed decisions about capital allocation and determine in which areas of impact it should set targets.

The process followed and steps taken while conducting your bank's impact analysis should be included in your reporting, as well as the conclusions made and the rationale for them. Your reporting should include details of which business areas have been covered in your bank's analysis, which areas are not covered, and its plan for including those that are not covered. Your bank will need to disclose in detail the methodologies used to undertake its analysis, including how your bank linked sectors to specific impacts, how it quantified its impacts, how it assessed how much specific industries contribute to impacts, what scenarios it used, what data it relied on, the assumptions it made, and which stakeholders it engaged.

From your reporting, it should be clear to your stakeholders how your bank identified its areas of most significant impact and what those impacts are. If your bank is still in the process of undertaking its impact analysis at the time of issuing your bank's report, your bank can report on how far it is in its process, and what next steps it will take to complete its analysis.

If your bank is not able to include all of this information in one report, it can include this information in a separate report or document. What is important is that your bank's Reporting and Self-Assessment Template provides a link to the report or document where this information can be found.

For more guidance on conducting your bank's impact analysis, see the [Guidance Document on Impact Analysis](#). Guidance on how to report on your bank's impact analysis will become available in the first quarter of 2021.

4. Some impacts associated with our portfolios occur in different geographies to the countries we operate in. Reporting requirement 2.1 does not take this into account. How do we address this in our impact analysis?

The phrasing of the PRB impact analysis requirements currently lean in the direction of focusing on impacts that occur in the bank's countries of operation. However, it is often the case that clients may use finance provided by your bank in different geographies, therefore causing impacts in countries outside of the country your bank operates in.

During the first review of the Principle's framework documents, a proposal will be made to amend this requirement in order to extend the scope of impact analysis to geographies where the impacts occur.

It is acknowledged that it may be challenging to understand the impacts made in numerous geographies where clients operate, and it will take time for this to be fully incorporated into a bank's impact analysis. Banks are encouraged to start incorporating this provision into their impact analysis where possible to do so, prioritizing larger clients and/or relatively large transactions or projects in high-impact sectors.

5. Can we set two targets that address the same area of impact, and what is an acceptable timeframe for the targets?

The targets set by your bank should be in different areas of significant impact, and should therefore address a minimum of two areas of significant impact which your bank identified through its impact analysis.

The timeframe for your bank's targets will depend on the framework the target aims to align with, and what is achievable for your bank with respect to its baseline or starting point. The extent or level of intensity of the impact may also influence or determine the timeframe for a target. For example, your bank might set a gender equality related target to increase the allocation of loans to women-owned and/or led Small and Medium Enterprises to 25% within 5 years across the bank's retail and commercial lending portfolio.

Where the actual alignment target stretches over more than a few years, it is recommended to set and publish interim targets in two to maximum five-year intervals. Furthermore, the Principles require your bank to report on clear and well defined measures, milestones and key performance indicators that will help to keep your bank on track for achieving its targets. For example, if your bank sets a target for aligning its portfolio with the climate change goal of net-zero by 2050, it is required to set and publish interim targets and milestones, and report against these, given the long-term nature of the target.

6. What should the conclusion/statement look like?

This should be a few sentences that detail the extent to which your bank has fulfilled the reporting requirement concerned. It should be supported with justification. The statement should be brief. Please refer to the [Example of how to complete the Reporting and Self-Assessment Template](#), for a practical example of how the conclusion/statement could be completed.

7. How should we respond to the following reporting requirement under 6.1?

"Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1–2.4)."

This is an opportunity for your bank to highlight other actions it may have taken to implement the Principles which do not fall within any of the other reporting requirements. This could include structural and/or strategy-focused practices your bank has put in place to drive overall progress in implementing the Principles. Reporting on this requirement should focus on the concrete achievements made by your bank to improve its sustainability practices and create tangible positive impacts on society, the environment and the economy.

For example, your bank may have developed a policy or strategy for climate action, biodiversity conservation, racial equity, gender equality, transformation or diversity. Your bank could report on this under this requirement, share the steps it has taken to drive the implementation or achievement of the policy or strategy, and describe the tangible outcomes so far.

8. What are some examples of good practices (under reporting requirement 6) that we can refer to?

Examples of existing good practices for sustainable finance include the adoption of the Equator Principles (if your bank has a substantial project finance portfolio), the adoption of a human rights screening process, ideally guided by the UN Guiding Principles on Business and Human Rights, and the development of an exclusion policy for especially harmful economic activities.

Your bank should monitor regional and international practices that emerge from peers and stakeholders, and assess whether these constitute good practices that can help it adopt more sustainable practices and deliver sustainable solutions, products and services to its clients and customers. .

9. When should we have the assurance process in place?

The assurance process should be in place by no later than year four from the date your bank became a signatory to the Principles. Banks are encouraged to put this process in place well in advance. The Assurance working group together with a number of assurance providers is working on guidance for the assurance process. A draft of the guidance will be shared with signatories in late March 2021 for inputs.

Guidance on integrating reporting on the Principles with other frameworks

Reporting on your bank's implementation of the Principles should be integrated with your bank's existing sustainability reporting. Where there are overlaps and similarities in reporting requirements between the Principles and other standards or frameworks, reporting should be approached in an integrated manner. This presents an opportunity to streamline your bank's reporting.

The Reporting Working Group started to develop guidance on integrating reporting by looking at the areas of similarity between the Principles and the GRI 102 General Disclosures, focusing mainly on the core standards. The GRI Disclosure Standards are the most widely used sustainability disclosure standards, and therefore provided a good starting point. A mapping exercise was done, which reflects these areas of similarity, and some guidance on how, and the extent to which, reporting on these requirements could be integrated. Follow this [link](#) to access the mapping of the Principles for Responsible Banking reporting requirements and the GRI 102 General Disclosures.

The Reporting Working Group will provide guidance on how reporting can be integrated with other frameworks including UN Global Compact and TCFD.

*As the work currently underway by CDP, CDSB, GRI, IIRC and SASB to formulate a global, comprehensive corporate reporting system develops, this guidance document will be adapted.

Example of how to complete the Reporting and Self-Assessment Template:

Below is a draft example of how your bank could complete the Reporting and Self-Assessment Template. The draft focuses on your bank's first reporting as a signatory to the Principles, and is modelled on the Example of Implementing the Principles in year 1.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>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.</p>		
<p>1.1. Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>X Bank is a financial services group operating predominantly in Ireland and Russia. We provide products and services in the retail, wealth, corporate and investment banking business areas, which include home loans, vehicle finance, commercial loans (to mainly the energy (technologies financed include natural gas, coal and oil-fired power stations, solar and wind power generation), transport, agriculture, real estate sectors, and loan facilities for project finance), bond issuance, and IPOs, serving retail, SME, large corporate customers, and governments.</p> <p>55% of our loans are allocated to our customers in Russia, and 45% in Ireland.</p> <p>Retail lending constitutes 35% of the loan book in Ireland, and 40% in Russia, while our corporate lending constitutes 55% and 50% respectively, and lending in our private clients portfolio constitutes 10% in both loan books.</p>	<p>See the section "<i>About X Bank</i>" on p. xx of our 2020 Sustainability Report [Link]</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>1.2. Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Our Sustainability Strategy sets out the areas where we believe we can create sustainable, long-term value for our stakeholders, aligning with the Sustainable Development Goals and the Paris Agreement.</p> <p>Building on this, we are working to align our business strategy with the most relevant goals in the SDGs, the Paris Agreement, and relevant national frameworks. We have identified and reviewed other relevant intra-regional and national frameworks and policy documents for our countries of operation, which include the EU Action Plan, Ireland's Climate Action Plan, and Russia's national development goals framework.</p> <p>We determined that climate change, air and water pollution, decent employment, access to affordable housing, and economic inequalities across different regions are the main priorities across our countries of operation.</p> <p>We analysed our portfolios to assess how we could strategically contribute to these priority goals and challenges. In addition, the outcome of our impact analysis also showed us where our business strategy is inconsistent with national, regional and international goals. We determined that our financing to the energy sector and high polluting sectors is not aligned with these goals, and therefore we need to work to align our business strategy with these goals. We also identified that we contribute significantly to decent employment in our countries of operation, and we should seek strategic opportunities to support our clients' transition, while maintaining the jobs they create.</p>	<p>See "Our Business Strategy" on p. xx of our 2020 Sustainability Report [Link]</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>Principle 2: Impact and Target Setting We will work to 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.</p>		
<p>2.1. Impact Analysis:</p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <ol style="list-style-type: none"> Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. 	<p>We used x methodology/tool to undertake our impact analysis. We were able to analyse the products, services and activities in the bank's retail and corporate banking portfolios in Ireland and Russia. Our investment banking and asset management business were not covered in the analysis at this stage. The main sectors, industries and technologies we finance across our Ireland and Russia business are energy (constituting 20% of our corporate portfolio across our Ireland and Russia business) (technologies include solar, wind, coal, oil and gas fired power stations), agriculture (15%), commercial real estate (10%), steel (8%), cement (5%) and transport (mainly aviation and shipping) (15%). Project finance constitutes 17%. Our retail portfolio is concentrated in residential real estate (45%), vehicle finance (25%), and unsecured lending (25%).</p> <p>Through our analysis, we determined that these portfolios were strongly associated with impacts that include climate change (Greenhouse Gas (GHG) emissions), air and water pollution, biodiversity loss and degradation, access to housing, and decent employment.</p> <p>We were also able to determine that the most relevant challenges and priorities in Ireland included climate change, biodiversity loss and degradation, air pollution, affordable housing, and in Russia, climate change, biodiversity loss and degradation, and decent employment, through a review of a number of international and national resources (including the EU Action Plan, National Climate Action Plan and Programme for Government in Ireland, and Russia's national development goals framework, UN Biodiversity Lab platform, and WHO Global Ambient Air Pollution index), and engagement with xx stakeholders.</p>	<p>See "Impact Analysis" on p. xx of our 2020 Sustainability Report [Link]</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>d. Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p> <p>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> ■ Identified and disclosed its areas of most significant (potential) positive and negative impact ■ Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<p>The identified challenges and priorities, led us to look more closely at climate change and biodiversity loss and degradation, because these were priorities in our countries of operation, and due to the scale of our exposures in sectors that are key contributors to these areas of impact.</p> <p>To determine the scale and salience/intensity of these areas of impact, we conducted an assessment of the sectors/industries and technologies that were the primary contributors to these impact areas. We determined the intensity of GHG emissions in our portfolio was attributable to energy generation through coal-fired power stations and oil-fired power stations, the aviation, shipping, commercial real estate, and agriculture industries, because the emissions attributable to these technologies and industries are more intense in comparison to others in our portfolio.</p> <p>Agriculture, particularly through land-use change, use of fertilizers and pesticides, and raising of animals, coal and oil-fired power stations (through the release of particulate matter and toxic gases and metals into the environment), and project finance activities (building dams, bulk infrastructure) are amongst the leading contributors to biodiversity loss and degradation.</p> <p>Therefore, we concluded that climate change and biodiversity degradation and loss were the bank's areas of most significant impact.</p> <p>We will work with our clients in high impact sectors to identify viable transition opportunities, and support them by developing financing models that enable them to transform their businesses and align with climate and nature positive transition pathways.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p>We have undertaken our impact analysis and identified the significant impacts that are associated with our retail and corporate banking portfolios. The next step in our process will be to undertake an analysis of our investment banking and wealth portfolios.</p>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>2.2. Target Setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>Prior to undertaking our impact analysis, we had set a target to increase our lending to biodiversity friendly companies to USD xx by 2025. Based on the outcome of our impact analysis, and to align our target with the requirements for target setting, we amended and expanded the target.</p> <p>We started with determining our baseline for 2019. We established, using tools like Encore and Trase Finance, that 15% of the transactions in our agriculture portfolio were directly or indirectly (through supply chains) linked to land use change, through the clearing of forests for agriculture, thereby putting pressure on habitats and destroying carbon sinks. Coal and oil-fired power stations release toxic gases and metals into the environment, which threaten wildlife and degrade ecosystems. These technologies are also key drivers of climate change, which accelerates biodiversity loss. Our ability to quantify these impacts will improve over time, however we will already set our target with the available information, and refine this over time.</p> <p>We therefore amended our target to: No net loss of habitats or biodiversity from all lending activities by 2028, starting with zero deforestation and deforestation free supply chains by end of 2024. The target will drive alignment of our portfolios with SDGs 14 and 15 (Life below water and Life on Land), and will be adapted as required to align with the Convention on Biological Diversity (CBD) post-2020 Global Biodiversity Framework, once finalised.</p> <p>In achieving this target, we will work closely with our clients in these high impact sectors to support their transition, where possible, and protect the livelihoods of their employees, therefore mitigating the loss of jobs as much as possible.</p> <p>Our second target will aim to align our portfolios with the goals of the Paris Agreement on Climate. We are currently engaging with all business areas within the bank, as well as the risk functions, to determine our baseline and to understand what is needed to align high impact sectors within our portfolio with the goals of the Paris Agreement on Climate</p>	<p>See "Our Targets" on p. xx of our 2020 Sustainability Report [Link]</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>We have amended our existing target for biodiversity to bring it in line with the requirements of the Principles. As a result, we have already set one target in an area of most significant impact. We are currently in the process of setting another target for climate action, which we will publish in our next report.</p>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>2.3. Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>Measures and actions we plan to put in place include: developing and putting effective policies and processes in place regarding deforestation, engaging with companies in key sectors to identify alternative approaches and appropriate transition pathways, and increase lending in our corporate portfolio to nature positive sectors/activities, as well as finance for transition plans/pathways to support our clients, by x%</p> <p>Our key performance indicators include: having a policy on deforestation in place within six months; developing a client engagement strategy within 8 months, including identifying key clients to engage to identify how their business models can be transformed; engaging at least 75% of identified clients within 12 months, and agree on a plan and financing model for aligning their businesses with zero deforestation;</p>	<p>See "Our Targets" on p. xx of our 2020 Sustainability Report [Link]</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p>We have set measures and KPIs for our biodiversity target. These measures and KPIs may be adjusted in due course to reflect the goals or KPIs in the CBD post-2020 Global Biodiversity Framework. We are working on developing our second target in another area of most significant impact, being climate change. We will report on this target and the associated measures and KPIs in our next report.</p>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>2.4. Progress on Implementing Targets</p> <p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>		
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<p>We have recently set one target, and are in the early stages of implementing the measures we have put in place. We are currently working on developing our second target. We will report on progress made towards achieving our targets in our next report.</p>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>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.</p>		
<p>3.1. Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Due to the size of our retail segment and the loan book to private customers across our countries of operation, responsible sales practices is one of our key focus areas. Therefore, we currently have a staff training programme in place to ensure that staff are adequately trained on treating customers fairly and unconsciously bias.</p> <p>We are currently reviewing our incentive structures and remuneration policies of sales departments to ensure that these do not encourage mis-selling, and other unfair practices.</p>	<p>See "How we work with our clients" on p. xx of our 2020 Sustainability Report [Link]</p>
<p>3.2 Describe 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 actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>Over the last year we have been building capacity among all bank employees who are client-facing, to enable them to engage with clients, especially those in high impact sectors, and customers about the impacts that are associated with their activities.</p> <p>X Bank has also launched a credit card that shows customers the carbon emissions linked to their purchases. It has been rolled out in all three countries we operate in, and has been adopted by 15% of our retail customers within the first 12 months. We are starting to see some incremental changes in spending behaviour from clients who utilise the card, and some of these customers have enquired about aligning their investment portfolios with funds and companies that are aligned with sustainable outcomes. We continue to market the credit card to our retail customers, and are exploring the feasibility of extending this to other areas of impact such as biodiversity and responsible consumption.</p> <p>We have identified clients in high impact sectors which include energy, real estate, transport, agriculture, and are starting to engage with them to discuss their transition plans and identify opportunities to support them. We have started a programme for extending credit lines and bank guarantees on more favourable terms to projects that are focused on low-carbon energy generation, energy efficiency and waste management.</p>	<p>See "How we work with our clients" on p. xx of our 2020 Sustainability Report [Link]</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		
<p>4.1 Describe which stakeholders (or groups/ types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>As part of the process of undertaking our impact analysis, we consulted with policy-makers in x Department and x Civil Society Organisations to discuss our assessment of the most relevant challenges and priorities related to sustainable development in Ireland and Russia. We identified these stakeholders through a stakeholder mapping exercise.</p> <p>We also identified A, B, C stakeholders because they have expertise related to measuring and quantifying impacts in the areas of climate change and biodiversity loss and degradation. We engaged with them as part of our work to determine the scale and intensity/salience of the impacts associated with our portfolios.</p>	<p>See "Stakeholder engagement" on p. xx of our 2020 Sustainability Report, and "Impact Analysis" on p. xx of the same report [Link]</p>
<p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>		
<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>Within our established governance structure, our Responsible Banking Board Committee (RBBC) is responsible for overseeing the implementation of the Principles, and reporting progress to the Board of Directors quarterly. Our CEO is a member of the RBBC.</p> <p>Implementation of the Principles and periodic reporting on same is the responsibility of the Sustainability Implementation Group (SIG) which is chaired by our Chief Sustainability Officer. SIG's membership is drawn from the heads of business areas and departments across all areas of the bank, including Sustainability, Risk, Treasury, Data & Analytics, Retail, Corporate, Investment, Institutional & Business Banking. SIG reports monthly to the RBBC on progress made with implementing the Principles.</p> <p>SIG is responsible for overseeing the bank's impact analysis, and making strategic decisions about how to manage the bank's most significant impacts, including the setting of targets, and the introduction of mechanisms and measures across the bank to manage these impacts and implement targets. The SIG is required to get sign-off from the RBBC on its plans for managing the bank's most significant impacts.</p>	<p>See "Our governance structure" on p. xx of our 2020 Sustainability Report [Link]</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Our approach to responsible and sustainable banking is led by our CEO, who is a passionate advocate and regularly addresses employees on the topic. We have developed mandatory training for employees about sustainability, including the Principles for Responsible Banking. It is currently being rolled out across the bank, and has been completed by 80% of senior managers across the different business areas.</p> <p>We plan to start reviewing the KPIs in senior managers' performance contracts, and to include key performance indicators related to their performance in implementing the Principles as part of our annual review of performance contracts. We aim for x% of senior management and x% of all staff to have their remuneration linked to achieving the goals of the Principles.</p>	<p>See "Our People" on p. xx of our 2020 Sustainability Report [Link]</p>
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a. target-setting and actions to achieve targets set b. remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	<p>Our SIG is responsible for developing targets, monitoring progress towards their achievement to ensure we are on track, and identifying and addressing any unexpected negative impacts. Our RBBC has oversight over target-setting, measures put in place to achieve the targets, and determining remedial action where targets are not on track, or where measures need to be put in place to address unforeseen negative impacts. We will track our progress towards achieving our targets via our Balanced Scorecard, which is reported quarterly to our RBBC. The RBBC will report quarterly to the board on progress made with achieving our targets, and any remedial action taken to ensure achievement of targets and/or how negative impacts were addressed.</p>	<p>See "Our governance structure" on p. xx of our 2020 Sustainability Report [Link]</p>
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>We have progressed substantially in fulfilling this requirement. The Bank has established a governance structure for ensuring that the Principles are implemented effectively, including manage significant impacts, and setting and monitoring targets. We have assembled a team (the Sustainability Implementation Group) that is in charge of the day to day implementation of the Principles, and expanded the roles and responsibilities of our Responsible Banking Board Committee, which is responsible for overseeing implementation, and reporting quarterly to the Board of Directors on progress made to achieve targets and general implementation of the Principles.</p>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
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Principle 6: 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.

<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>We are currently developing a group climate action strategy, which will inform the bank's lending and investment policy and decision-making criteria. As part of this strategy, we will implement and start reporting in line with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, in order to understand our climate risk.</p> <p>We have developed a policy for racial equality within the organisation. The policy has been approved by our Board. The policy owner, working with the SIG, has developed an implementation programme that details how the policy will be implemented across our business, and will report periodically to the RBBC on its implementation. The policy aims at increasing diversity at senior management and Board level to equal representation by 2025, and to reinforce the bank's values of zero-tolerance towards discrimination.</p> <p>Through a mapping exercise of good practices on the market, we have identified the Equator Principles and the development of a human rights screening process, in line with the UN Guiding Principles on Business and Human Right, as good practices that we can adopt. These practices are relevant for the bank's business on the basis that we have a substantial project finance exposure, and the Equator Principles will guide us in determining, assessing and managing environmental and social risk in the projects we finance. We see the need to develop a human rights screening policy which will set out processes for conducting due diligence in order to understand the potential human rights impacts associated with our core business, and determining who we conduct business with. We will start working to implement these good practices into our business.</p>	<p>See "Our Business Strategy" on page xx of our 2020 Sustainability Report [Link].</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

The Bank has made good progress over the first 18 months of implementing the Principles. We are currently developing a group climate strategy which will guide our decision-making on lending and investment transactions. We have developed an internal policy on racial equality. We have initiated the process of signing up to the Equator Principles and are developing a human rights screening policy, which will guide our decision making processes across our business.



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