PRINCIPLES FOR RESPONSIBLE BANKING

SHAPING OUR FUTURE

March 2022, Introduction of the PRB
Principles for Responsible Banking

Signatory Banks: 250+ of the global banking sector

USD Total Assets: $65trn

Countries: 66

Source: UNEP FI
## PRB Market Penetration

### Top 10 Banks by Total Assets

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

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

<table>
<thead>
<tr>
<th>Bucket 1</th>
<th>Agricultural Bank of China</th>
<th>Mizuho FG</th>
<th>State Street</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bank of New York Mellon</td>
<td>Morgan Stanley**</td>
<td>Sumitomo Mitsui</td>
</tr>
<tr>
<td></td>
<td>Credit Suisse</td>
<td>Royal Bank of Canada*</td>
<td>Toronto Dominion*</td>
</tr>
<tr>
<td></td>
<td>Goldman Sachs</td>
<td>Santander</td>
<td>UBS</td>
</tr>
<tr>
<td></td>
<td>Groupe BPCE</td>
<td>Société Générale</td>
<td>UniCredit</td>
</tr>
<tr>
<td></td>
<td>Groupe Crédit Agricole</td>
<td>Standard Chartered</td>
<td>Wells Fargo*</td>
</tr>
<tr>
<td></td>
<td>ING Bank</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bucket 2</th>
<th>Bank of America**</th>
<th>BNP Paribas</th>
<th>Industrial and Commercial Bank of China</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bank of China</td>
<td>China Construction Bank</td>
<td>Mitsubishi UFJ FG</td>
</tr>
<tr>
<td></td>
<td>Barclays</td>
<td>Deutsche Bank</td>
<td>--</td>
</tr>
</tbody>
</table>

| Bucket 3 | Citigroup          | HSBC*       | JP Morgan Chase |

**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 Principles

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.
Implementing the Principles

A 4-year Journey*

Analyzing your bank’s Impact on Planet & People

Setting & Implementing Targets

Accountability & Measuring Progress

*For more detailed information, view the technical documents: Key Steps to be Implemented by Signatories and Reporting & Self-Assessment Template
Implementing the Principles

**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

*For more detailed information, view the technical documents: Key Steps to be Implemented by Signatories and Guidance on Impact Analysis.*
Implementing the Principles

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/saliency** of (potential) social, economic and environmental impacts identified. You will make your performance assessment.

*For more detailed information, view the technical documents: Key Steps to be Implemented by Signatories and Guidance on Impact Analysis*
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.

![Illustrative example](image)

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.

*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?

![Bar chart showing popular impact areas of PRB Signatories]

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
Becoming a Signatory

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