## Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

Three [Key Steps](https://www.unepfi.org/wordpress/wp-content/uploads/2019/07/Key-Steps-to-be-Implemented-by-Signatories.pdf) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

**Accommodating different starting points**

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

**Timeline for reporting and assurance**

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report[[1]](#footnote-2).



**Assurance**

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

All items that relate to the three [Key Steps](https://www.unepfi.org/wordpress/wp-content/uploads/2019/07/Key-Steps-to-be-Implemented-by-Signatories.pdf) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

* 2.1 Impact Analysis
* 2.2 Target Setting
* 2.3 Target Implementation and Monitoring
* 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](https://www.unepfi.org/wordpress/wp-content/uploads/2021/05/PRB-Guidance-for-Assurance-Providers-D3.pdf).

**Purpose of the template**

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank’s progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

**How to use this template**

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank’s reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank’s performance.

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| **Icon  Description automatically generatedPrinciple 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.** |
| * 1. **Business model**

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 across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank’s portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served. |
| *Response* | *Links and references (incl. pages)* |
| * 1. **Strategy alignment**

*Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?* [ ]  Yes[ ]  NoPlease describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks. *Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?*[ ]  UN Guiding Principles on Business and Human Rights [ ]  International Labour Organization fundamental conventions[ ]  UN Global Compact[ ]  UN Declaration on the Rights of Indigenous Peoples[ ]  Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: ---------------------[ ]  Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -------------------------[ ]  None of the above |
| *Response* | *Links and references* |

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| **Icon  Description automatically generatedPrinciple 2: Impact and 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.** |
| * 1. **Impact Analysis (Key Step 1)**

*Show* that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly[[2]](#footnote-3) and fulfil the following requirements/elements (a-d)[[3]](#footnote-4): 1. ***Scope:***What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.
 |
| *Response* | *Links and references* |
| 1. ***Portfolio composition****:* Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition your portfolio globally and per geographical scope

i) by sectors & industries[[4]](#footnote-5) for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or ii) by products & services and by types of customers for consumer and retail banking portfolios. If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors. |
| *Response* | *Links and references* |
| 1. ***Context****:* What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?[[5]](#footnote-6) Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

*This step aims to put your bank’s portfolio impacts into the context of society’s needs.* |
| *Response* | *Links and references* |
| Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)[[6]](#footnote-7)? Please disclose. |
| *Response* | *Links and references* |
| 1. *For these (min. two prioritized impact areas)*: ***Performance measurement***: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex. If your bank has taken another approach to assess the intensity of impact resulting from the bank’s activities and provision of products and services, please describe this. *The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.* |
| *Response* | *Links and references* |
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| **Self-assessment summary:** |
| **Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?[[7]](#footnote-8)*** Scope: Yes [ ] , In progress [ ] , No [ ]
* Portfolio composition: Yes [ ] , In progress [ ] , No [ ]
* Context: Yes [ ] , In progress [ ] , No [ ]
* Performance measurement: Yes [ ] , In progress [ ] , No [ ]

**Which most significant impact areas have you identified for your bank, as a result of the impact analysis?***Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify***How recent is the data used for and disclosed in the impact analysis?**[ ]  Up to 6 months prior to publication [ ]  Up to 12 months prior to publication [ ]  Up to 18 months prior to publication [ ] longer than 18 months prior to publicationOpen text field to describe potential challenges, aspects not covered by the above etc.: *(optional)* |

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| **2.2 Target Setting (Key Step 2)**Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets[[8]](#footnote-9) have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:Alignment: which international, regional or national policy frameworks to align your bank’s portfolio with[[9]](#footnote-10) have you identified as relevant? Show that the selected indicators and 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. *You can build upon the context items under 2.1.*  |
| *Response* | *Links and references* |
| Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.*You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.**A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.* If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex. Please include the relevant indicators using the indicator code in the following table:

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| *Impact area* | *Indicator code* | *Response*  |
| *Climate change* |  |  |
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| *Impact area* | *Indicator code* | *Response*  |
| *Financial health & inclusion* |  |  |
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| *Response* | *Links and references* |
| SMART targets (incl. key performance indicators (KPIs)[[10]](#footnote-11)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose. |
| *Response* | *Links and references* |
| Action plan: which actions including milestones have you defined to meet the set targets? Please describe.Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts. |
| *Response* | *Links and references* |
| **Self-assessment summary** |
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| Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your… |
|  | … first area of most significant impact: … *(please name it)* | … second area of most significant impact: … *(please name it)* | *(If you are setting targets in more impact areas)* …your third (and subsequent) area(s) of impact: … *(please name it)* |
| Alignment  | [ ]  Yes[ ]  In progress[ ]  No | [ ]  Yes[ ]  In progress[ ]  No | [ ]  Yes[ ]  In progress[ ]  No |
| Baseline  | [ ]  Yes[ ]  In progress[ ]  No | [ ]  Yes[ ]  In progress[ ]  No | [ ]  Yes[ ]  In progress[ ]  No |
| SMART targets | [ ]  Yes[ ]  In progress[ ]  No | [ ]  Yes[ ]  In progress[ ]  No | [ ]  Yes[ ]  In progress[ ]  No |
| Action plan | [ ]  Yes[ ]  In progress[ ]  No | [ ]  Yes[ ]  In progress[ ]  No | [ ]  Yes[ ]  In progress[ ]  No |

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| * 1. **Target implementation and monitoring (Key Step 2)**

**For each target separately:***Show* that your bank has implemented the actions it had previously defined to meet the set target. Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.***Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):*** describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary. |
| *Response* | *Links and references* |

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| **Icon  Description automatically generatedPrinciple 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.** |
| **3.1 Client engagement***Does your bank have a policy or engagement process with clients and customers[[11]](#footnote-12) in place to encourage sustainable practices?* [ ]  Yes[ ]  In progress[ ]  No*Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?* [ ]  Yes[ ]  In progress[ ]  NoDescribe 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[[12]](#footnote-13)). It should include information on relevant policies, actions planned/implemented to support clients’ transition, selected indicators on client engagement and, where possible, the impacts achieved.*This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).* |
| *Response* | *Links and references* |
| * 1. **Business opportunities**

*Describe* what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.). |
| *Response* | *Links and references* |

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| **Principle 4: Stakeholders****We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.** |
| **4.1 Stakeholder identification and consultation***Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups[[13]](#footnote-14)) you have identified as relevant in relation to the impact analysis and target setting process?* [ ]  Yes[ ]  In progress[ ]  NoPlease describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process. |
| *Response* | *Links and references* |

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| **Icon  Description automatically generated with low confidence****Principle 5: Governance & Culture****We will implement our commitment to these Principles through effective governance and a culture of responsible banking** |
| * 1. **Governance Structure for Implementation of the Principles**

*Does your bank have a governance system in place that incorporates the PRB?* [ ]  Yes[ ]  In progress[ ]  NoPlease 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 the effective implementation of the Principles. This includes information about which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as remuneration practices linked to sustainability targets. |
| *Response* | 1. *Links and references*
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| **5.2 Promoting a culture of responsible banking:**Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).  |
| *Response* | *Links and references* |
| * 1. **Policies and due diligence processes**

Does your bank have policies in place that address environmental and social risks within your portfolio?[[14]](#footnote-15) Please describe.Please describe what due diligence processes your banks has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks. |
| *Response* | *Links and references* |
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| **Self-assessment summary** |
| Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system? [ ]  Yes[ ]  NoDoes the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)? [ ]  Yes[ ]  NoDoes your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?[ ]  Yes[ ]  In progress[ ]  No |

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| **Icon  Description automatically generatedPrinciple 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.** |
| **6.1 Assurance***Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?*[x]  Yes ☒ Partially[ ]  NoIf applicable, please include the link or description of the assurance statement. |
| *Response* | *Links and references* |
| * 1. **Reporting on other frameworks**

*Does your bank disclose sustainability information in any of the listed below standards and frameworks?*[ ]  GRI[ ]  SASB[ ]  CDP [ ]  IFRS Sustainability Disclosure Standards (to be published)[ ]  TCFD[ ]  Other: …. |
| *Response* | *Links and references* |
| * 1. **Outlook**

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis[[15]](#footnote-16), target setting[[16]](#footnote-17) and governance structure for implementing the PRB)? Please describe briefly. |
| *Response* | *Links and references* |
| * 1. **Challenges**

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks. *What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months.*[ ]  Embedding PRB oversight into governance [ ]  Gaining or maintaining momentum in the bank[ ]  Getting started: where to start and what to focus on in the beginning[ ]  Conducting an impact analysis[ ]  Assessing negative environmental and social impacts[ ]  Choosing the right performance measurement methodology/ies[ ]  Setting targets[ ]  Customer engagement[ ]  Stakeholder engagement[ ]  Data availability[ ]  Data quality[ ]  Access to resources[ ]  Reporting[ ]  Assurance[ ]  Prioritizing actions internally[ ]  Other: …*If desired, you can* *elaborate on challenges and how you are tackling these*: |

**Annex**

The set of indicators has been developed using a Theory of Change approach considering the relationship between inputs, activities, outputs, short and long term outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found here, the one for financial health & inclusion here. The Theory of Change approach allows to identify metrics and set targets which align with a bank’s maturity.[[17]](#footnote-18) The indicators are all connected to a bank’s impact and can be considered as necessary steps towards measuring impact. It is not expected that a bank is able to report on all indicators from the beginning, which is why a set of indicators for different levels on a bank’s implementation journey is provided.[[18]](#footnote-19)

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| **Impact area** | **Action indicators** | **Output indicators** | **Outcome indicators** | **Impact** |
| **Code** | **Indicator** | **Response options & metrics**  | **Code** | **Indicator** | **Response options & metrics**  | **Code** | **Indicator** | **Response options & metrics**  | **Code** | **Indicator** | **Response options & metrics**  |
| **Climate change mitigation** | **A.1.1**  | **Climate strategy:** Does your bank have a climate strategy in place? | Yes / In progress / No | **A.2.1** | **Client engagement process:** Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model? | Yes / Setting it up / No;*If yes:*Please specify for which clients (types of clients, sectors, geography etc.) | **A.3.1** | **Reduction of GHG emissions:** how much have the GHG emissions financed been reduced? | % over time; baseline and tracking GHG emissions in kg of CO2e (or applicable metrics)[[19]](#footnote-20) | **A.4.1** | **Portfolio alignment:** How much of your bank’s portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)? | % of sector, and/or % of portfolio |
| **A.1.2**  | **Paris alignment target:** Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when? | Yes / In progress / No; *If yes*: please specify: to become **net zero by when**?**Emissions baseline / base year**: What is the emissions baseline / base year for your target?**Climate scenario used:** What climate scenario(s) aligned with the Paris climate goals has your bank used? | **A.2.2** | **Proportion of financed emissions covered by a decar-bonization target:** What proportion of your bank’s financed emissions is covered by a decar-bonization target, i.e. stem from clients with a transition plan in place? | % *(denominator: financed emissions in scope of the target set)* | **A.3.2** | **Financial volume of green assets/low-carbon technologies:** How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies? | bln/mn USD or local currency, and/or % of portfolio;*please specify* the definition of green assets and low-carbon technologies used |  |  |
| **A.1.3** | **Policy and process for client relationships:** has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients’ activities and business model?  | Yes / In progress / No | **A.2.3** | **Absolute emissions**: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio? | Total GHG emissions or CO2e | **A.3.3** | **Financial volume lent to / invested in carbon intensive sectors and activities and transition finance:** How much does your bank lend to / invest in carbon-intensive sectors and activities[[20]](#footnote-21)? How much does your bank invest in transition finance[[21]](#footnote-22)? | bln/mn USD or local currency, and/or % of portfolio |
| **A.1.4** | **Portfolio analysis:** Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio? | Yes / In progress / No;*If yes:* please specify which parts of the lending and investment portfolio you have analyzed | **A.2.4** | **Sector-specific emission intensity** (per clients’ physical outputs or per financial performance): What is the emission intensity within the relevant sector?  | Please specify which sector (*depending on the sector and/or chosen metric*): kg of CO2e/ kWh, CO2e / m2;kg of CO2e/USD invested, or kg of CO2e/revenue or profit |  |
| **A.1.5** | **Business opportunities and financial products:** Has your bank developed financial products tailored to support clients’ and customers’ reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, greensecuritisations etc.)? | Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for |  |  |
| **Financial health** | B.1.1 | # of products and services in the portfolio with a focus on financial health and inclusion | How much of the product and service portfolio has a focus on financial health/inclusion increase. This covers products with yields that protect from inflation, products and services embedded with nudges to simplify decision making, etc. | B.2.1 | % of active customers using the online/mobile banking platform/tools | By active we mean at least one access/usage per month. Measure recurrent usage of digital services beyond the effective access of the channels. Used also as a proxy to measure if there are digital skills or not. | B.3.1 | % of customers transferring money into a savings, deposit and/or investment account, at least once a quarter | Transferring money into a savings, deposit and/or investment account at least once a quarter. Disaggregate by type of product, tenure, liquidity, and prioritized groups | B.4.1  | % of customers for which spending exceeded 90% of inflows for more than 6 months last year  | Percentage. Customers that spend more than 90% their income every month are not being able to have large savings that will allow them to increase emergency funds or achieve future goals. A healthy measure is that outflows never exceed more than 90% of inflows. Transactional based |
|  |  |  | B.2.2 | % of individuals supported with dedicated and effective financial and/or digital education programs | Number of users, customers and non customers AS WELL AS EMPLOYEES, of financial and/or digital skills-building programs offered by the bank. Should be disaggregated by captive and non-captive users. Captive being those that can be deanonymized and non-captive being those that can't. Dedicated means that are specially created for a group of individuals. Effective means that its results have been evaluated periodically to yield the desired outcome of stronger financial skills | B.3.2 | % of customers using overdraft regularly | Percentage per year and disaggregated data per vulnerable group. Overdraft can be used to handle unexpected emergencies but more than 80% in a quarter (72 out of 90 days) denote regularity and a precursor to lower financial health | B.4.2  | % of customers that feel confident about their financial situation in the next 12 months | Percentage. One way to evaluate financial confidence is checking if the customer feels confident about their financial situation in the upcoming year. Survey based. |
|  |  |  |  |  |  | B.3.3 | % of customers experiencing 8 or more payment declines in the last 12 months | Percentage of customers experiencing 8 or more payment declines in the last 12 months. Applies to both credit and debit products when using for payments, not for withdrawals. | B.4.3 | % of customers that would struggle to handle a major unexpected expense by raising emergency funds or cover with insurance | Percentage. Survey based using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multichoice option of insurance, emergency funds, loan, credit card, etc. |
|  |  |  |  |  |  | B.3.4 | % of customers who use the bank's services to create a financial action plan | Percentage. Either digital or in person, are the customers using the banks services to set up an action plan to improve their financial health? | B.4.4 | % of customers with sufficient liquid financial assets to cover a three-month reduction/loss in income | Percentage. Objectively measures if there's financial resilience or not using transactional data to check if the customer is preapproved for a loan, has available balance in credit card or can activate overdraft, or has savings/investments. Special attention must be put to financially vulnerable customers who may not have access to some of these liquid assets. |
|  |  |  |  |  |  | B.3.5 | % of individuals with OECD Financial Literacy levels higher than minimum targets | Percentage of individuals that score higher than the OECD targets (Knowledge 5/7. behaviors 7/9, attitudes 3/5). Should be measured in customers and non-customers. Specially those that receive any type of financial skills-building programs by the bank or third parties | B.4.5 | % of customers with products connected to long-term saving and investment plans | Percentage. Track future planning amongst customers. The higher the number of these investment accounts and the volume, the better for the financial health of customers |
| **C. Financial Inclusion** | C.1.1\* | # of products and services in the portfolio with a focus on financial health and inclusion | How much of the product and service portfolio has a focus on financial health/inclusion increase. This covers products with yields that protect from inflation, products and services embedded with nudges to simplify decision making, etc. | C.2.1 | % of clients with effective access to a basic banking product | % of clients with effective access to a basic banking product. By effective we mean that beyond first access, there's usage afterwards. Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-money accounts, etc. (see annex for list of products) | C.3.1 | % of vulnerable customers supported with dedicated customer journey/advisory services | Percentage of prioritized customers supported with dedicated customer journey/advisory services. Measure the access and usage of advisory services and other tools available to help improve the conditions of customers towards further access to financial products and services as well as better financial decisions | C.4.1 | % of customers with 2 or more active financial products, from different categories, with the bank | % of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Indicator should be disaggregated by group and by product/service used |
|  |  |  | B.3.2 | % of individuals supported with dedicated and effective financial and/or digital education programs | number of users, customers and non customers AS WELL AS EMPLOYEES, of financial and/or digital skills-building programs offered by the bank. Should be disaggregated by captive and non-captive users. Captive being those that can be deanonymized and non-captive being those that can't. Dedicated means that are specially created for a group of individuals. Effective means that it's results have been evaluated periodically to yield the desired outcome of stronger financial skills | B.4.5 | % of individuals with OECD Financial Literacy levels higher than minimum targets | Percentage of individuals that score higher than the OECD targets (Knowledge 5/7. behaviors 7/9, attitudes 3/5). Should be measured in customers and non-customers. Specially those that receive any type of financial skills-building programs by the bank or third parties |  |  |  |
|  |  |  | C.3.2 | % of new customers from prioritized groups | % of new customers from prioritized groups. New to the bank. Disaggregate also by previously unbanked. | B.4.1 | % of customers transferring money into a savings, deposit and/or investment account, at least once a quarter | Transferring money into a savings, deposit and/or investment account at least once a quarter. Disaggregate by type of product, tenure, liquidity, and prioritized groups |  |  |  |
|  |  |  |  |  |  | B.3.1 | % of active customers using the online/mobile banking platform/tools | By active we mean at least one access/usage per month. Measure recurrent usage of digital services beyond the effective access of the channels. Used also as a proxy to measure if there are digital skills or not. |  |  |  |

1. Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account. [↑](#footnote-ref-2)
2. That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time. [↑](#footnote-ref-3)
3. Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](https://www.unepfi.org/wordpress/wp-content/uploads/2022/05/Impact-and-Target-Process-V-1.1-09.05.2022.pdf) . [↑](#footnote-ref-4)
4. ‘Key sectors’ relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here. [↑](#footnote-ref-5)
5. Global priorities might alternatively be considered for banks with highly diversified and international portfolios. [↑](#footnote-ref-6)
6. To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation. [↑](#footnote-ref-7)
7. You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted. [↑](#footnote-ref-8)
8. Operational targets (relating to for example water consumption in office buildings, gender equality on the bank’s management board or business-trip related greenhouse gas emissions) are not in scope of the PRB. [↑](#footnote-ref-9)
9. Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals. [↑](#footnote-ref-10)
10. Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets. [↑](#footnote-ref-11)
11. A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels. [↑](#footnote-ref-12)
12. Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy. [↑](#footnote-ref-13)
13. Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations [↑](#footnote-ref-14)
14. Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks. [↑](#footnote-ref-15)
15. For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement [↑](#footnote-ref-16)
16. For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc. [↑](#footnote-ref-17)
17. It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators. [↑](#footnote-ref-18)
18. Over time, indicators for more impact areas will be developed. [↑](#footnote-ref-19)
19. If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed. [↑](#footnote-ref-20)
20. A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](https://www.unepfi.org/publications/guidelines-for-climate-target-setting-for-banks/). [↑](#footnote-ref-21)
21. Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions. [↑](#footnote-ref-22)