

Principles for Responsible Banking

Banks play a key role in society. As financial intermediaries, it is our purpose to help develop sustainable economies and to empower people to build better futures. Banking is based on the trust our customers and wider society put in us to serve their best interests and to act responsibly.

Our success and ability to remain profitable and relevant is intrinsically dependent on the long-term prosperity of the societies we serve. We believe that only in an inclusive society founded on human dignity, equality and the sustainable use of natural resources, can our clients and customers and, in turn, our businesses thrive.

We therefore want to take a leadership role and use our products, services and relationships to support and accelerate the fundamental changes in our economies and lifestyles necessary to achieve shared prosperity for both current and future generations.

We therefore commit to the ambitions set out in the following Principles:¹

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.

2. 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.

3. 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.

4. Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

5. Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

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.

Further official Principles for Responsible Banking framework documents:

- [Key Steps to be Implemented by Signatories](#) and
- [Reporting and Self-Assessment Template](#)

¹ The Principles for Responsible Banking shall not be interpreted in any way as conflicting with any legal or contractual obligations of the signatory banks. Any such legal or contractual obligations shall take precedence over these Principles. Nothing in these Principles, express or implied, is intended to or shall create or grant any right or any cause of action to, by or for any person.

Net-Zero Banking Alliance

Industry-led, UN-convened

As part of delivering on our commitment under the Principles for Responsible Banking in the area of climate mitigation, we also sign the commitment to net-zero by 2050 and join the Net-Zero Banking Alliance.

We are pleased, together with other peer bank signatories, to commit to:

- transition all operational and attributable GHG emissions from our lending and investment² portfolios to align with pathways to net-zero by mid-century, or sooner, including CO₂ emissions reaching net-zero at the latest by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100. This approach will take into account the best available scientific knowledge, including the findings of the IPCC, so we commit to review and (if necessary) revise our targets at least every five years after the target is set.³
 - GHG emissions here refer to banks' Scope 1, 2 and 3 emissions. Banks' Scope 3 emissions should include their clients' Scope 1 and 2 and Scope 3 emissions, where significant, and where data allow.
- use decarbonisation scenarios which: are from credible and well-recognised sources; are no/low overshoot; rely conservatively on negative emissions technologies; and to the extent possible, minimise misalignment with other Sustainable Development Goals. We will provide a rationale for the scenario(s) chosen.
- prioritise our efforts where we have, or can have, the most significant impact, i.e. the most GHG-intensive and GHG-emitting sectors within our portfolios, which are key to the transition to a net-zero carbon economy.
- use the bank-led UNEP FI Guidelines for Climate Target Setting for Banks⁴ ("Guidelines") to set scenario-based intermediate targets for 2030, or sooner, for priority GHG-intensive and GHG-emitting sectors.
- publish annually and share with UNEP FI for review, to monitor consistency with the UN Race to Zero criteria and evidence that action is being taken in line with the commitments made here:
 - progress against absolute emissions and/or emissions intensity targets following relevant international and national GHG emissions reporting protocols and/or climate portfolio alignment methodologies;

² By the time net zero is achieved, all material attributable emissions will be covered. But at present, this refers to on-balance sheet investment and lending activities with the exclusion of on-balance sheet securities held for client facilitation and market-making purposes (as opposed to held for investment). Off-balance sheet activities, including facilitated capital markets activities, will be considered in the next version of bank-led UNEP FI Guidelines for Climate Target Setting for Banks. Banks may choose to include capital markets activity in target setting in advance of a revision of the Guidelines.

³ This commitment exclusively focuses on banking activities. Where entities within the group structure carry out other types of business such as insurance, pensions funds, or asset management, it may be appropriate for those entities to follow alternative net-zero frameworks.

⁴ [The Guidelines](#) apply on a comply-or-explain basis.

- progress against a board-level reviewed transition strategy setting out proposed actions and climate-related sectoral policies; and
 - disclosure for key sectors will be made within one year of setting of the target.
- contribute to the ongoing development of the Guidelines.

We will meet this commitment through:

- facilitating the necessary transition in the real economy through prioritising client engagement, and offering products and services to support clients' transition;
- engaging on corporate and industry (financial and real economy) action, as well as public policies, to help support a net-zero transition of economic sectors in line with science and giving consideration to associated social impacts; and
- supporting innovation, the near-term deployment of existing viable technologies, and scaling up the financing of credible, safe, and high-quality climate solutions that are compatible with other Sustainable Development Goals.

In implementing and reaching targets for all Scopes of emissions, offsets can play a role to supplement decarbonisation in line with climate science. The reliance on carbon offsetting for achieving end-state net zero should be restricted to carbon removals to balance residual emissions where there are limited technologically or financially viable alternatives to eliminate emissions. Offsets should always be additional and certified.

This Commitment recognises the vital role of banks in supporting the transition of the real economy to net-zero emissions, but we will only succeed in achieving this objective if our clients and other stakeholders also play their part. We make this Commitment with the expectation that governments will follow through on their own commitments to ensure that the objectives of the Paris Agreement are met.

Signature

Bank name

Name of CEO (or equivalent)

Date
