

Principles for Responsible Banking

2nd Biennial Progress Report

UN 
environment programme | finance initiative

Principles for Responsible Banking

The second biennial report assessing how far signatories have come as they implement the Principles for Responsible Banking framework reveals they are making progress! Here are some of the highlights:



325 member banks in 80 countries

Since its establishment with 130 founding member banks, the number of member banks has grown by 150%, now representing almost USD 90 trillion in assets (50% of global banking assets)



100% have submitted their reporting

As of 30 June 2023 all member banks have met their reporting requirements



98% have integrated sustainability oversight into their governance

with 91% at the board and CEO level



94% align strategy to global agreements

Member banks now have public strategies that are aligned to global agreements and norms



83% analysing impacts of portfolios

96% identifying at least one area where they can have a substantial impact on people and planet



77% with at least one public target

38% have set two targets



71% set targets for climate change mitigation

46% of which are NZBA member banks

Data as of 30 June 2023 extracted from first, second and third annual reports submitted by 245 banks to UNEP FI.

How banks are engaging with clients and customers to drive real world impact:



Improving energy efficiency and emission reduction: Reducing greenhouse gas emissions and contributing to a greener and cleaner world by offering discounts on loan interest rates for energy-efficient homes



Aligning with carbon-reduction targets: Declining/reducing finance limits for customers whose carbon transition plans do not align with their carbon reduction targets



Protecting nature: Implementing policies like No Deforestation, No expansion on Peat, and No Exploitation for sectors like palm oil and forestry, ensuring responsible practices that protect forests and benefit ecosystems and local communities



Human rights: Having a risk-based due diligence approach, focusing on sectors such as manufacturing that face increased scrutiny for human rights practices, especially concerning international/non-citizen/low-wage workers



Just transition to a low-carbon economy: Engaging with customers to work towards a just and inclusive transition to a low-carbon economy, avoiding negative impacts on vulnerable communities and promoting sustainable practices



Financial health and inclusion: Empowering entrepreneurs by supporting unbanked or underbanked entrepreneurs leads to economic growth, new businesses, and job opportunities, improving livelihoods and communities

Areas for improvement: Banks are urged to build upon their progress and accelerate action, enhancing their efforts in critical impact areas such as climate change, nature, human rights, resource efficiency and economic inclusion.

**Download the
report [here](#)**

Visit unepfi.org/banking/bankingprinciples to learn more about the Principles for Responsible Banking