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How to Think About Banks' Contribution to Sustainability and Sustainable Development?

A conceptual framework for impact
management and measurement by banks
as the 2030 horizon approaches



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About this paper

In the context of the 2026 UN Financing for Development (FFD) Forum, where governments, business and finance will reconvene following the 2025 FFD4 Conference in Seville, the aim of this paper is to:

1. Clarify the role that banks can play in relation to sustainability and sustainable development based on the inherent nature and characteristics of their activities
2. Clarify the meaning of bank contribution to sustainability and how it can be measured
3. Reflect on the Sustainable Development Goals (SDG) framework and how its potential extension or successor might be made more usable by the private sector, particularly the finance sector
4. Acknowledge existing work, resources and communities that can be leveraged to support the process of defining the post 2030 agenda

This paper was produced by UNEP FI through its Impact Centre¹ with feedback and insights from a group of PRB member banks.^{2,3}

Key Messages

1. Banks are enablers; while some of their own operations are central to sustainability, the bulk and specificity of their impacts are located downstream and are largely indirect in nature
2. Accordingly, expectations from banks, as well as approaches to measuring bank contribution to sustainability, need to reflect the specificity of the banking sector and the locus of its impact drivers
3. To build the global sustainability agenda beyond 2030 and accelerate progress, a dedicated and sector-specific focus on the private sector is needed, including the banking sector
4. There are existing resources and networks that can be leveraged to this end, including but not limited to those of UNEP FI (United Nations Environment Programme Finance Initiative)

1 The UNEP FI [Impact Centre](#) defines UNEP FI's impact management approach and methodology and develops the core impact management resources supporting its Frameworks, in particular the Principles for Responsible Banking.

2 UNEP FI would particularly like to thank Global Steering Committee members Banco Santander and Bancolombia who provided guidance throughout the discussion and clarification process around bank contribution and the SDGs, as well as Alinma Bank, Commercial International Bank (CIB), ING, Intesa Sanpaolo, Maybank, NatWest Group and Unicredit for their valuable insights and contributions at different moments of the process.

3 Input to this paper does not imply that contributing banks apply or endorse all statements, practices, views or proposals set out in the paper. The statements, practices, views and proposals expressed in this paper do not necessarily reflect the official positions, policies or opinions of any individual contributing bank. This paper is non-binding and does not create any legal or other obligations on any person, including banks. Any approaches or proposals referred to in this paper are to be understood in accordance with applicable laws and regulations, including competition law.



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Structured inventory of bank-specific sustainability indicators and metrics

The Bank Indicator Repository compiles sustainability and impact management related indicators that have been developed specifically for the banking sector and is available online in a separate, searchable file. Download the file [here](#).

1. Introduction

In 2015, the adoption of the Sustainable Development Goals (SDGs) marked the beginning of an acceleration phase in the activity and communication of the private sector, including the banking sector, on sustainability and sustainable development.

Today, the focus of the banking sector on the SDG framework has diminished; there is less emphasis on the Goals in annual reports, specialized products and data sets.⁴ On the one hand, the framework's direct and practical applicability by the private sector has proved to be limited, a reflection of the fact that it is first and foremost a government and policy focused framework. On the other hand, multiple sustainability-related disclosure initiatives, frameworks and standards specifically aimed at and applicable to the private sector (including the finance sector) have emerged over the last ten years. These include the Task Force on Climate-related Financial Disclosures (TCFD), the Task Force on Nature-related Financial Disclosures (TNFD), various green or sustainable taxonomies, the European Sustainability Reporting Standards (ESRS) and the International Sustainability Standards Board (ISSB).

Nevertheless, as the time horizon of the 2030 Agenda approaches, the role of the private sector and private finance is increasingly emphasized, as highlighted in the UN Pact for the Future⁵ and in the Sevilla Commitment, the outcome document of the 4th International Conference on Financing for Development (FFD4).⁶ While thinking and discussions on how the SDG framework could and might evolve post 2030 are only just beginning, it is likely that a greater focus on the role of the private sector, and private finance in particular, will feature prominently in what comes next.

At the same time, the private sector's increased communication on its sustainability practices and outcomes has led to questions and (sometimes legal) challenges over the reliability and verification of the claims made, resulting in caution and so-called "green-hushing", especially in some jurisdictions.

How, in this context of persistent sustainability challenges, raised expectations vis-à-vis the private sector and financial sector and methodological uncertainty, should one think about banks' role in relation to sustainability and the way to define and measure their contribution?

4 A desk-top market review was conducted by UNEP FI covering 94 Principles for Responsible Banking (PRB) member banks across different geographic regions. It considered SDG coverage, whether SDG Goals/Targets/Indicators are used, as well as the distribution of SDG covered.

5 United Nations Pact for the Future, Global Digital Compact and Declaration on Future Generations, 2024, [un.org/sites/un2.un.org/files/sotf-pact_for_the_future_adopted.pdf](https://un2.un.org/files/sotf-pact_for_the_future_adopted.pdf)

6 Compromiso de Sevilla, Outcome document of the Fourth International Conference on Financing for Development, 2025, docs.un.org/en/A/RES/79/323

The aim of this paper is to clarify this question, drawing from the extensive work undertaken in the context of the UN Principles for Responsible Banking (PRB), the world's foremost framework for sustainable finance.⁷ In doing so it aims to support a more harmonized approach by banks in the run-up to 2030, as well as to inform how the potential extension or successor of the SDG framework might be made more usable by the private sector and the finance sector in particular.

In this paper 'sustainability' and 'sustainable development' are used jointly and largely interchangeably. Both terms are used so that different readers can identify the term they are most familiar with. 'Sustainability' is an umbrella term for all matters affecting the sustainability of human activity for future generations; however, some audiences may fail to associate structural socio-economic concerns to the term. 'Sustainable development' functions similarly but in reverse, with environmental issues sometimes less well identified as part of the term.

7 The Principles for Responsible Banking (PRB) are a unique framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement. [unepfi.org/banking/bankingprinciples](https://www.unepfi.org/banking/bankingprinciples)

2. Contributing to sustainability and sustainable development as a bank

In the outcome document of the FFD4, member states pledge:

34. To support efforts of private business and finance to **contribute** to sustainable development [...]

c) We recognize the potential of private entities, especially large companies and institutional investors, to **contribute** to the national implementation of relevant intergovernmental agreements. To facilitate their effective engagement and clarify their **responsibilities**, as appropriate, we aim to provide clear and practical guidance.

To understand what a sector's role and contribution to sustainability could be and what its responsibilities should be, it is important to start by understanding its place in the economy, namely its value chain and the aspects of its activities that cause (positive and/or negative) impacts (i.e. the sectors' impact drivers). Figure 1 below provides a high-level outline of a bank value chain.

Upstream	Own operations	Downstream
<p>Suppliers:</p> <ul style="list-style-type: none"> Supplies (e.g. office furniture, IT, paper) Services (e.g. insurance, consulting) Capital 	<p>Bank's departments:</p> <ul style="list-style-type: none"> Operations & procurement Human resources Compliance & risk management Treasury & accounting Business (consumer, business, corporate & investment banking) Marketing Public policy 	<p>Clients:</p> <ul style="list-style-type: none"> Customers (individuals) Clients (public or private organisations of different sizes, sectors and operating models, e.g. multinationals, SMEs, sovereigns, etc.)

Figure 1: Banking sector value chain

As the figure shows, banks have relatively limited physical operations and upstream value chain, compared to the breadth and depth of their client base (which straddles all categories of economic actors). The primary role of a bank is that of an enabler, and as a result, the bulk and specificity of its impacts are located downstream.

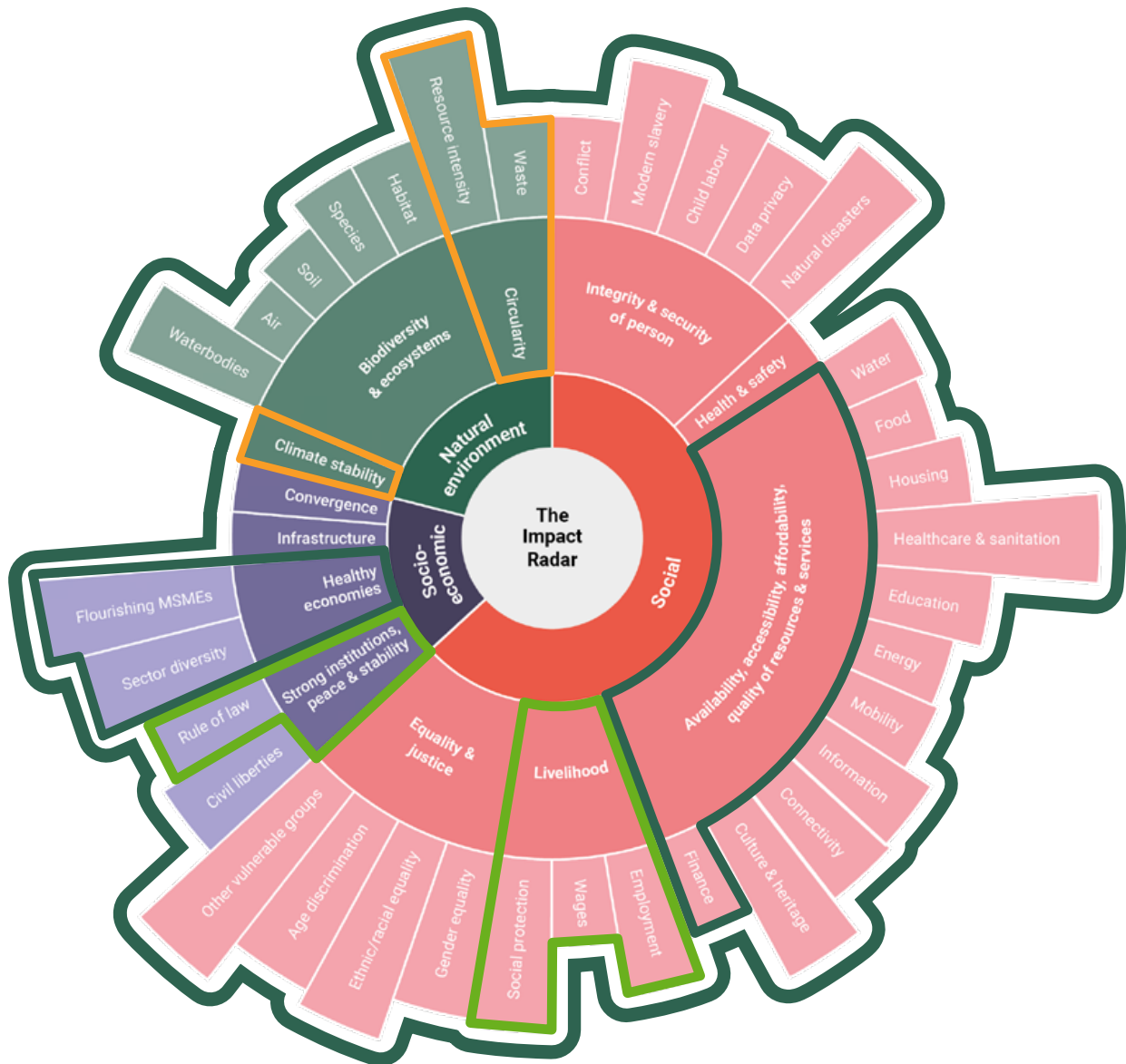
By analyzing the banking sector's value chain, it is possible to better understand the sustainability topics associated with banks, as well as the nature of those impact associations.

Upstream impacts include those related to the IT and equipment sectors that supply banks, namely as regards resource efficiency and carbon emissions. Within banks' own operations, significant impacts include those related to their work force, namely employment and decent work considerations such as gender balance, as well as those deriving from business conduct in relation to issues such as tax and non-competitive behaviour.

Downstream it is important to distinguish between impacts driven by the *characteristics* of banks' outputs (financial products and services), i.e. the benefits and/or harm associated with lending and related services *per se*, and those impacts driven by the *usage* of the banks' outputs, i.e. the activities and outputs that lending and related services contribute to or are linked to. In the first category of impacts (direct impacts), banks have significant impacts on the availability of finance and the enabling healthy economies. In the second category of impacts (indirect impacts) almost all sustainability topics may be associated with banks, by virtue of the cross-cutting nature and size of bank portfolios across the economy.

Figure 2 below provides a visual summary of the main banking sector impacts per value chain segment.⁸

8 Based on the UNEP FI Impact Radar & Sectors Mapping. The Impact Radar is UNEP FI's sustainability topic nomenclature, based on the SDGs. UNEP FI Impact Radar, 2022, unepfi.org/impact/impact-radar-mappings. The Sectors Mapping identifies the likely positive and negative impacts of business sectors and activities as per the impact areas of the Impact Radar. UNEP FI Sectors Mapping, 2024, unepfi.org/impact/impact-radar-mappings/impactmappings/sectors-mapping



Value chain segment	Main associated impacts	Nature of the impacts
Upstream impacts	"Climate" and "Circularity" are affected by bank suppliers	Indirect impacts
Own operation impacts	"Livelihood" and "Strong Institutions" can be driven by bank operations	Direct impacts
Downstream impacts	"Finance and Healthy Economies" can be driven by bank products while the usage of bank products by all companies in all sectors of the economy drives impact across all sustainability topics	Direct impacts (driven by bank product & services) and Indirect impacts (driven by the usage of bank products and services)

Figure 2: Summary of banking sector impacts per value chain segment

What, then, should be considered as banks’ responsibilities with regard to sustainability and sustainable development? What should they be doing to contribute? As per Figure 3, there are clear actions banks can take across their value chain. However, the majority and the most unique contributions are linked to their downstream impacts.

The lending, payment and transaction processing services provided to individuals and organizations of all kinds keep the economy functioning; any disruption to these services has immediate and severe economic and social consequences. Banks’ policies and processes are important ingredients for the achievement of public policy objectives, from combatting organized crime via anti-money laundering and anti-corruption systems, to the respect of environmental standards and human rights via the implementation of due diligence and responsible pricing and marketing practices. Banks’ targeted financial products and services (e.g. sustainability linked loans, green bonds, etc.) and client engagement are also crucial contributions for public policy goals such as financing sustainable transitions; at the same time as they act as powerful enablers for innovation and economic dynamism. Finally, by adopting responsible advocacy practices and engaging in strategic partnerships, banks can avoid contributing to economic imbalances and support the definition and attainment of effective environmental and social policy objectives.⁹

Upstream	Own operations	Downstream
<ul style="list-style-type: none"> ▪ Sustainable procurement / sourcing of supplies (e.g. office furniture, IT, paper) via procurement policies or know your supplier process (due diligence) 	<ul style="list-style-type: none"> ▪ Decent work employment practices ▪ Resource efficient and circular management of facilities ▪ Responsible business conduct practices in the fields of corporate governance, tax, non-competitive behaviour 	<ul style="list-style-type: none"> ▪ Setting and implementing responsible policies & practices (e.g. due diligence, responsible pricing and marketing) ▪ Managing portfolio composition and financial flows to support sustainable sectors and activities and to promote financial inclusion and health ▪ Engaging clients to support transitions ▪ Carrying out advocacy and partnerships strategically

Figure 3: Banking sector sustainability contribution (yellow indicates most significant contributions)

The exact nature and scale of individual banks’ contribution is a function of each bank’s specific context, size and business model, since the type and magnitude of sustainability challenges/needs varies from place to place.

9 In line with the PRB Banking Journey and the UNEP FI Impact Protocol. UNEP FI, Principles for Responsible Banking Implementation Journey—Defining Responsible Banking, 2025, unepfi.org/industries/banking/principles-for-responsible-banking-implementation-journey/; UNEP FI, Impact Protocol, 2025, p.5, unepfi.org/industries/banking/impact-protocol/

A further variable is of course the question of financial materiality, i.e. whether the impacts driven by banks have an effect on their business, in the form of risks and/or opportunities. As evidenced by the growth in sustainability-related regulatory and reporting developments (e.g., TCFD, ISSB, TNFD, ESRS), sustainability issues can drive risks that need to be managed and opportunities that are strategic to leverage, often creating a business case for contributing to sustainability and sustainable development. Where this is not the case (or not clearly evident), banks' contribution can be more limited in practice. It is essential, however, to note the dynamic nature of financial materiality. Impacts that do not translate into financial risks or opportunities today may become material in the future. This shift is not necessarily a long-term matter; it may unfold gradually over a long period of time or occur almost overnight. Holistically understanding and managing impacts is therefore important for the management of banks' risks and opportunities.

3. Measuring bank contribution to sustainability and sustainable development

Having established the bank value chain, impact drivers and derived bank responsibilities *vis-à-vis* sustainability and sustainable development, we can turn to measuring contribution.

In the development finance and impact investing fields, measuring contribution is typically understood as measuring the specific contribution made by the investor/financier to the addressal of a given, predetermined, issue (e.g., improving the health of a given population, or protecting a particular species). In this context, measuring contribution is intrinsically linked to impact measurement and, even more specifically, to the concepts of “additionality” (changes uniquely attributable to an organization) and “counterfactual” (changes which would not otherwise have happened). This is inherent to the nature of such actors, for whom impact management happens in relation to predetermined impact objectives (intentionality) and a set theory of change to make the impacts happen.

In the context of banks as a whole (rather than individual portfolios), issuing from the traditional banking sector (not from the development field), it is important to introduce further nuance to the notion of “contribution”.

Under the UN PRB Framework, Principle One sets the goal of alignment with societal goals, as expressed by the SDGs and various topical international frameworks such as the Paris Agreement, the Global Biodiversity Framework and the various Human Rights Conventions. Principle Two points to portfolio analysis and target-setting as key steps on the journey to achieving this alignment. However, alignment is not considered uniquely through the lens of impact measurement, as outlined above, but rather across the impact pathway.

Thus, the UNEP FI Impact Protocol (which provides the methodology for implementing PRB Principle two), outlines a holistic impact management and measurement approach, considering both the bank’s *practice* (what the bank does) and bank’s *impact* (the outcomes of what the bank does and the impacts caused, contributed to or linked to the bank).

As highlighted by the Impact Protocol, when it comes to the bank’s (institutional) portfolio-driven impacts, the indirect nature of many of these, as well as the inherent diversity and the size of portfolios mean that *impacts* will be hard to measure for most if not all sustainability topics. However, the *actions* taken to mitigate negative impacts and enhance positive impacts can be defined and measured with precision. Moreover, these actions are ultimately the key to driving the desired impact and, ultimately, alignment with global goals.

Accordingly, the Protocol distinguishes two categories of impact-related indicators and metrics: practice indicators and impact indicators.¹⁰

Figure 4 below illustrates the impact pathway for banks’ downstream impacts and illustrates how banks’ contribution can be measured across this pathway.



Figure 4: Measuring bank contribution

These indicator categories have been applied to a range of sustainability topics in the context of PRB’s suite of implementation materials, as among others on climate adaptation, resource efficiency and circular economy, financial health and inclusion and decent work. These have been co-developed by the UN and the banking sector, enabling the achievement of uniquely UN-aligned and bank-tailored indicators and metrics. They have

10 UNEP FI, Impact Protocol, 2025, p.21, unepfi.org/industries/banking/impact-protocol/

been compiled in a structured and searchable repository, which also maps each indicator to the relevant SDG(s) (see the [Annex](#) to this paper). The repository also includes indicators and metrics developed by TNFD.

Based on the work and learnings of the PRB, the following approach to measuring, managing and communicating bank contribution to sustainability and the SDGs is proposed:

1. Focus more on banks' **downstream impacts**, i.e. impacts driven by the nature and usage of the organisation's outputs (financial products and services). It is important to also focus on the responsible business conduct dimension of own operations (e.g., tax).
2. Make use of **both practice indicators**, which are central to impact management across sustainability issues, **and impact indicators where possible**, recognizing the challenges that can be related to the latter when considering indirect impacts.
3. For practice indicators, **consider all four bank action categories** highlighted by the UN PRB (as per Figure 4) **and strive to use both output and outcome indicators**. For practice indicators relative to institutional portfolio composition and financial flows, **consider both use-of-proceeds and general-purpose products and services**.
4. For impact indicators, **be guided by recognized sustainability taxonomies** (e.g. the EU Taxonomy, the Green Finance Endorsed Project Catalogue in China, or the Taxonomia Sustentável Brasileira in Brazil), where available.
5. **Policy focused impact indicators** such as those outlined in the SDGs **can be thought of as broader impact objectives** which bank-specific practice and impact indicators can be mapped to.

What indicators do banks typically communicate?

A high-level review of a sample of banks' 2024 and 2025 reports suggests that banks tend to report on the own operations segment of their value chain as much as (sometimes more than) they do on the downstream portion of their value chain. Examples of some the indicators most frequently found in the banks' annual reports are outlined below.

Own operations

- Total energy consumption
- Scope 1 & 2 emissions
- Water usage
- Percentage women in management/ leadership
- Number of employees trained

Downstream

- For consumer banking products: amounts/volume of finance for social housing, number of people reached / engaged in financial education programmes
- For business and corporate banking products: amounts/volume of finance for SMEs, amounts/volume of sustainable finance / green finance, financed/Scope 3 emissions in absolute (tCO₂e or tCO₂), or in terms of intensity (e.g. CO₂e/US\$ lent or invested).

4. Beyond 2030, a proposed way forward

While the unique nature of the SDGs as a cross-cutting and international framework continues to be acknowledged, a practical way forward for the private sector overall and the banking sector in particular is needed.

As pointed out in the Introduction, despite the initial wave of enthusiasm over the SDGs, the framework's lack of direct and practical applicability has contributed to a diminished focus of the banking sector on the SDG framework itself. A review of the SDG Goals, Targets and Indicators and their applicability for banks shows that while the overall Goals are all relevant to banks, the SDG Targets and Indicators can at best be used as "impact objectives", rather than indicators that banks can use directly, whether as part of impact management or for disclosure purposes.¹¹

Combined with the fact that scrutiny on claims made by banks has risen, many banks have significantly diminished their referral to the SDGs in their annual disclosures. A high-level review¹² of roughly one third of the PRB membership's 2024 and 2025 reports showed that a small portion had only minimal reference to the SDGs, while the majority included the SDGs in the form of mappings of their information to the SDGs and only a handful used the SDGs as central, structuring framework for their reporting.

In the same vein, a high-level review¹³ of finance sector service-providers products suggested a shift from SDG-focused products to more specific frameworks such as ESRS, ISSB and a number of green/sustainability taxonomies. As for the main private sector-facing standards themselves, the SDGs are at most cross-referenced in high-level scene-setting.

11 E.g. Target 9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets, or Indicator 8.10.2 Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider.

12 A desk-top market review was conducted by UNEP FI covering 94 PRB member banks across different geographic regions. It considered SDG coverage, whether SDG Goals/Targets/Indicators are used, as well as the distribution of SDG covered.

13 In this same market review the references to SDGs in the products of service providers (consultancies, data providers), and within the main disclosure frameworks, were reviewed.

Based on the unique and extensive experience gained through the UN PRB, UNEP FI offers the following points for consideration for the development of the post 2030 Agenda.

As regards the Agenda contents:

- i.** The private sector's role and contribution should be specifically acknowledged and addressed;
- ii.** Priority sectors should be identified, with expected roles and contributions outlined per sector and with specific qualitative and quantitative indicators specified where possible.

As regards the process:

- iii.** In outlining roles and contributions of the private sector overall, as well as per sector, practitioners from the respective sectors should be engaged;
- iv.** Furthermore, the emerging corpus of sector-focused sustainability standards and guidance developed by the main sustainability related standard-setters and voluntary initiatives should be used as the reference point, enhancing their adoption while also promoting their complementarity and interoperability.



UNEP Finance Initiative (UNEP FI) brings together a large network of banks, insurers and investors that catalyses action across the financial system to deliver more sustainable global economies.

For more than 30 years the Initiative has been connecting the UN with financial institutions from around the world to shape the sustainable finance agenda establishing the world's foremost sustainability frameworks that help the finance industry address global environmental, social and governance challenges.

Convened by a Geneva, Switzerland-based secretariat, more than 500 banks and insurers with assets exceeding USD 100 trillion are individually implementing UNEP FI's Principles

[unepfi.org](https://www.unepfi.org)

for Responsible Banking and Principles for Sustainable Insurance. Financial institutions work with UNEP FI on a voluntary basis to apply the sustainability frameworks within their industries using practical guidance and tools to position their businesses for the transition to a sustainable and inclusive economy.

Founded in 1992, UNEP FI was the first initiative to engage the finance sector on sustainability. Today, the Initiative cultivates leadership and advances sustainable market practice while supporting the implementation of global programmes at a regional level across Africa & the Middle East, Asia Pacific, Europe, Latin America & the Caribbean and North America.



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