

Principles for Responsible Banking

Individual feedback and support process – Overview

1. Purpose

The Individual feedback and support process is a key mechanism for providing implementation support to Principles for Responsible Banking (PRB) Signatories, and for upholding the **credibility of each signatory's commitment and the PRB as a whole**.

Through this process the UNEP FI Secretariat will review each signatory's reporting once a year, based on the requirements set out in official Principles for Responsible Banking framework documents (Key Steps to be Implemented by Signatories and Reporting and Self-Assessment Template), and provide feedback on the progress made, and recommendations on the next steps the bank can take on its implementation journey.

2. Individual Feedback and Support meetings

The individual feedback and support meetings will be based only on the **disclosed information found in the [Reporting and Self-Assessment Template](#) and the banks' reports**.

This annual meeting will provide substantial additional value to member banks through:

- Individualized substantive and actionable feedback and advice
- Progress assessment and benchmarking against practices of relevant peers
- Guidance for banks experiencing challenges in delivering on their commitments and validation for banks that are on track
- Advice regarding which collective initiatives, working groups and learning opportunities (e.g. capacity building, training etc.) your bank would benefit from most

Documents to be reviewed:

- Main document: each bank's completed Reporting and Self-Assessment Template
- References made in the Reporting and Self-Assessment Template to further content in the bank's report/s

Scope of Individual Review: Implementation of the Principles for Responsible Banking, mainly focused on the [Key Steps for Implementation](#):

- Impact Analysis
- Target Setting
- Accountability/Reporting

The review will also incorporate an assessment of implementation of the accompanying four Principles: *Strategy Alignment, Clients & Customers, Stakeholders, Governance & Culture*.

Guidance on next steps

Part of the individual feedback and support meetings is to reach a common understanding of the steps your banks will need to take in order to accelerate progress over the following year.

Timeline for the Feedback and Support Meetings:

At the 2020 Extraordinary General Meeting (EGM) it was agreed that all banks would receive a feedback and support meeting based on their second PRB report. As a result, each founding signatory's feedback and support meeting will be held within three months of publishing its second PRB report.

In order to provide support to non-founding signatories as early as possible, and thereby strengthen collective implementation by all signatories, feedback and support meetings will be offered following the publication of their first reports.

While the UNEP FI Secretariat will also aim to offer these meetings within three months of reports being published, this is not guaranteed, and will be determined by the volume of reports received at a given time, and the prioritisation of founding signatory reports over the first 12 months of this process (until September 2022).

3. Accountability Mechanisms for the PRB

Annex I ('Review of Status as Signatory to the PRB') of the [Banking Governance Framework](#) provides the governance provisions that are applicable should a signatory not be in line with its PRB commitments.

Your Banking Board has signed off the below guidance on how these governance provisions should be applied by the UNEP FI Secretariat, with its oversight. These provisions will come into effect from 1 September 2021.

Submission of PRB reporting:

Where a bank has not submitted its PRB report within 3 months of its reporting deadline, and has not engaged with the UNEP FI Secretariat on the reason for late submission, it will be declared an 'inactive signatory'.

If the report is not received by the UNEP FI Secretariat within a further 3 months (therefore within 6 months of the reporting deadline), and no reasonable explanation is provided for the late reporting, the bank will be removed from the list of PRB Signatories.

If the report is received prior to the 6 month deadline, the signatory bank's status will be adjusted to 'active signatory'.

To support signatories with delivering their reporting on time, the UNEP FI Secretariat will:

- a. Remind each signatory of the reporting deadline two months ahead of time
- b. Engage signatories whose reports are overdue to provide advice/guidance
- c. Communicate with signatories about any impending changes to their status as signatories

PRB Implementation:

In the event that the UNEP FI Secretariat identifies that a bank is struggling to implement the Principles as set out in the Key Steps for Implementation and/or the Reporting and Self-Assessment Template, i.e. shortcomings around reporting, impact analysis and target setting are identified, the bank will:

- a. Be provided with feedback and guidance in the first individual review on how to (better) implement the Principles for Responsible Banking
- b. If these shortcomings are not sufficiently addressed by the next feedback and support meeting, the UNEP FI Secretariat and the signatory bank will jointly develop a workplan, which should be implemented over a 12-month period

If the identified shortcomings remain unaddressed, the UNEP FI Secretariat will develop a recommendation for the Banking Board, who will then engage with the bank to find a solution in accordance with Annex I.

As a last step, and only if the Banking Board concludes that the bank is unwilling or unable to address the shortcomings, it may decide to remove the bank from the list of PRB signatories (see Annex I).

Role of the Banking Board:

- **The Banking Board is informed periodically about** cases of non-reporting, cases of late reporting and cases of banks with whom the UNEP FI Secretariat develops a workplan in order to meet the PRB requirements
- **The Banking Board signs off status changes of PRB signatory banks**, and in special circumstances, or as set out in Annex I, will engage with the signatory bank to reach a decision about its status.



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info@unepfi.org



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