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Principles for  
Responsible Banking

# Leading the Way to a Sustainable Future

## Priorities for a Global Responsible Banking Sector

October 2024

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We, as the UN Environment Programme Finance Initiative (UNEP FI), convene through the world's foremost framework on responsible banking—the UN Principles for Responsible Banking (PRB), a global network of leading banks committed to supporting and accelerating a positive global transition for people and planet, in alignment with the UN Sustainable Development Goals.

**In the five years since the launch of the PRB in 2019, the banking sector has greatly evolved.** Signatories have worked on aligning their core strategy, decision making, lending and investments with the UN SDGs and international agreements such as the Paris Climate Agreement and relevant national and regional frameworks. **Member banks have established the means to perform impact analysis and set targets in the areas of most significant impact. Now, member banks are ready to transition from target setting to target implementation and the delivery of impactful outcomes.**

To support the banking sector deliver impactful outcomes and address the most pressing needs to people and the planet, **four inter-related priorities have been established for the banking sector: climate, nature and biodiversity, healthy and inclusive economies and human rights.** These priorities have been identified together with signatory banks and are based on recommendations from civil society organisations.

These priorities have regularly surfaced in signatory banks' evidence-based impact analysis processes; therefore, while they do not override or prejudge individual signatories' context-based priorities, they represent common sustainability priorities for the global banking sector in the run-up to 2030, and are crucial for the delivery of a just transition where environmental and social policy supports positive and fair sustainable development.

**What follows is a deep dive into each priority area where banks can create substantial impact and respond to the most pressing global challenges.** This document should be read in conjunction with the Responsible Banking Blueprint, which showcases the actions banks can take—across for example, strategy, internal policies and processes, target setting, target implementation and disclosure—within each of the four priority areas of climate, nature, healthy and inclusive economies and human rights.



# Climate change

## **Support the transition towards net-zero and climate resilient development, in line with the Paris Climate Agreement and SDG 13**

Climate change is an existential crisis that threatens humanity. Unless greenhouse gas (GHG) emissions decrease dramatically, the impacts of climate change, especially on water availability, natural and agricultural systems, will increase and escalate the risks to people, infrastructure and economies. Addressing the climate crisis is a fundamental precondition to the resilience of human and natural systems, and achieving the 2030 Agenda for Sustainable Development.

The UN's first Global Stocktake of collective progress towards the goals of the Paris Climate Agreement reaffirmed the imperative of significantly reducing global GHG emissions this decade to limit the average global temperature rise to 1.5°C (climate mitigation) as well as working on climate-resilient development to adapt to the physical impacts of climate change (climate adaptation). **To achieve this, the global community of governments and businesses--including the financial sector--must take action to halve global emissions by 2030 and reach net zero globally by 2050, in line with science-based recommendations of the Intergovernmental Panel on Climate Change.**

By demonstrating climate leadership, banks develop and embed capabilities across their business to facilitate the transition, advocate for other stakeholders to align, identify and disclose the risks to their businesses from both the transition and the physical impacts of climate change and work with other stakeholders to support economic and societal resilience to climate impacts. At the same time, mitigation and adaptation measures should contribute to a fair, equitable, inclusive and just transition. Integrating circular economy principles and nature-based solutions can accelerate this transition, by leveraging the benefits of energy and resource efficiency, carbon sequestration and resilience.



# Nature and biodiversity

## **Support halting and reversing nature loss, in line with the Kunming-Montreal Global Biodiversity Framework and SDGs 14 and 15**

Nature is fundamental to human survival, a healthy planet, and economic prosperity for all people, including for living in balance and harmony within planetary boundaries. Nature loss poses financial risks, with more than half of global GDP highly or moderately dependent on nature. Addressing nature loss is crucial to sustain our livelihoods and for the stability of our economies and climate.

To reach the global vision of a world living in harmony with nature by 2050, governments, sub-national and local authorities, with the involvement of all of society, must take action to achieve the goals and targets of the Kunming-Montreal Global Biodiversity Framework (GBF), which sets out to halt and reverse nature loss by 2030<sup>1</sup> and to put nature on a path to recovery for the benefit of people and planet by 2050. The GBF recognises the essential role of nature's champions and stewards including women, and Indigenous Peoples and Local Communities.

The GBF contains targets that link nature-based solutions to climate, address the need to reduce harm from pollution, and aim to increase financial resources by leveraging private finance to close the biodiversity finance gap. In addition, circularity is essential to deliver on the Paris Agreement, GBF and Sustainable Development Goals (SDGs) in order to leverage sustainable consumption and production and to disconnect natural resource use and environmental impacts from economic activity and human well-being. Amongst other goals, the GBF specifically calls for progressively closing the biodiversity finance gap of USD 700 billion per year and aligning financial flows with the framework.

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1 [15/4. Kunming-Montreal Global Biodiversity Framework \(cbd.int\)](https://www.cbd.int/15/4)



# Healthy and inclusive economies

## **Support healthy and inclusive economies to leave no one behind, in line with SDGs 1, 5, 8 and 10**

Recognising the importance of the socio-economic components of the SDGs, healthy and inclusive economies are about promoting diverse, innovative and sustainable economies that are fit for purpose to deliver on society's evolving needs while simultaneously minimizing inequality and exclusion. Such economies prioritize the wellbeing and prosperity of all participants, striving to create an enabling environment where opportunities for growth and advancement are accessible to everyone.

**Governments and businesses, including the financial sector, have a critical role to play in delivering on the following SDGs in particular: No Poverty (SDG 1), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), and Reduced Inequality (SDG 10).**

Efforts to enhance financial health and inclusion for both people and micro, small and medium-sized enterprises contribute to poverty reduction, economic empowerment, and overall societal wellbeing, aligning with multiple SDGs, including No Poverty (SDG 1) and Reduced Inequality (SDG 10). Prioritizing decent employment (SDG 8) contributes to dignified livelihoods and economic stability, thereby also fostering sustainable economic growth and development. Additionally, initiatives promoting gender equality (SDG 5) empower women economically, leading to more inclusive and resilient economies. By addressing these interconnected issues, positive impacts can be catalysed across a range of SDGs, driving progress towards a more equitable, prosperous, and sustainable future.



# Human rights

## **Support the protection of human rights, in line with the UN Guiding Principles on Business and Human Rights**

Human rights are universal rights inherent to us all, regardless of nationality, sex, national or ethnic origin, color, religion, language, or any other status. They range from the right to life and the rights to food, education, work, health, water and sanitation, and liberty, to the right to a clean, healthy, and sustainable environment.<sup>2</sup>

The 2030 Agenda is grounded in human rights and the SDGs seek to realize human rights for all. Under the United Nations Guiding Principles on Business and Human Rights (UNGPs), States have a duty to protect human rights.

**Business enterprises, including financial institutions, have a responsibility to respect human rights, avoiding infringing on the human rights of others while addressing adverse human rights impacts with which they are involved.** The human rights framework spells out the responsibilities of duty bearers to rights-holders with respect to all human rights harms, including those caused by environmental degradation.

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2 [What are human rights? | OHCHR](#)

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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 for Responsible Banking and Principles for

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

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 organisation 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.



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



[info@unepfi.org](mailto:info@unepfi.org)



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