



# Bank Investor Engagement Project

**Banking Initiatives: Current State of Play**

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Disclaimer: All research in this document is based solely on publicly available information and was collected by or before November 2021.

# Banking Initiatives

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# Key Findings



**Global banks are engaging with initiatives:** Almost all banks participating in the IIE project engage with at least a handful of initiatives. However, impact of these initiatives remains questionable.



**Climate initiative domination:** There are more environmentally focused initiatives especially related to climate change compared to initiatives for other causes. Climate initiatives also tend to attract higher participation from large global banks.



**Social initiatives are catching up:** In recent years, initiatives targeting to address social issues such as discrimination and inequality (such as Partnering for Racial Justice in Business) are starting to rise following social and political unrest (e.g., Black Lives Matter) caused by systemic and long-standing social injustice.



**Response to Covid-19 crisis:** As the pandemic has exposed and exacerbated socio-economic disparities, it also triggered increase in altruism and reciprocity in society. Initiatives involving large banks are formed and demonstrate a commitment to action on supporting society and businesses in this unprecedented crisis.



**Initiatives for a better 'new normal':** During this ever-changing situation amid the pandemic, widely known as the 'new normal', many unprecedented challenges arise. These too have seen growing initiatives (such as Global Business Collaboration for Better Workplace Mental Health) with involvement of banks that aim to create a better environment for the new normal.

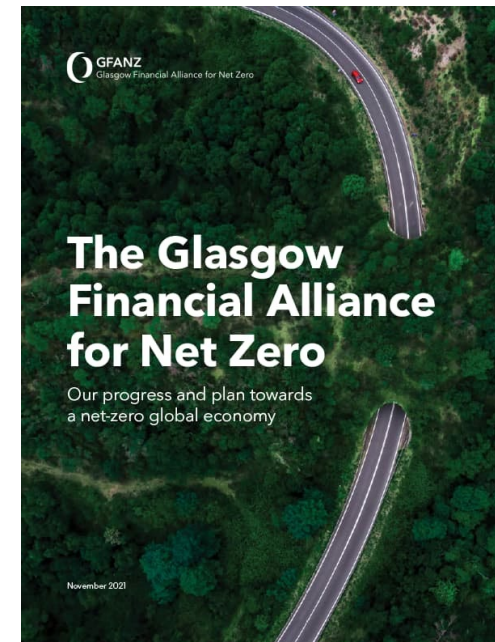
# COP26

“Over 450 of the world’s banks [have committed](#) to a new initiative at the COP26 UN Climate Change Conference which is designed to decarbonise their investments. Overseen by former Bank of England supremo Mark Carney, the banks and other financial institutions signing up to [Gfanz](#) (the Glasgow Financial Alliance for Net Zero) are pledging to report annually on the carbon emissions linked to the projects they lend to. They are also aiming to provide trillions of dollars in green finance, while committing to net zero emissions across the board by 2050.

[Major signatories](#) to the initiative, which was originally unveiled [in April](#), include Citi, Morgan Stanley and Bank of America.

While it’s very encouraging to see many of the world’s leading banks committing to sustainable lending, it’s hard not to feel apprehensive. It certainly isn’t the first opportunity that they have had to decarbonise their loan books, and so far the results have not been impressive.”

Banking arm of GFANZ: [Net-Zero Banking Alliance](#)

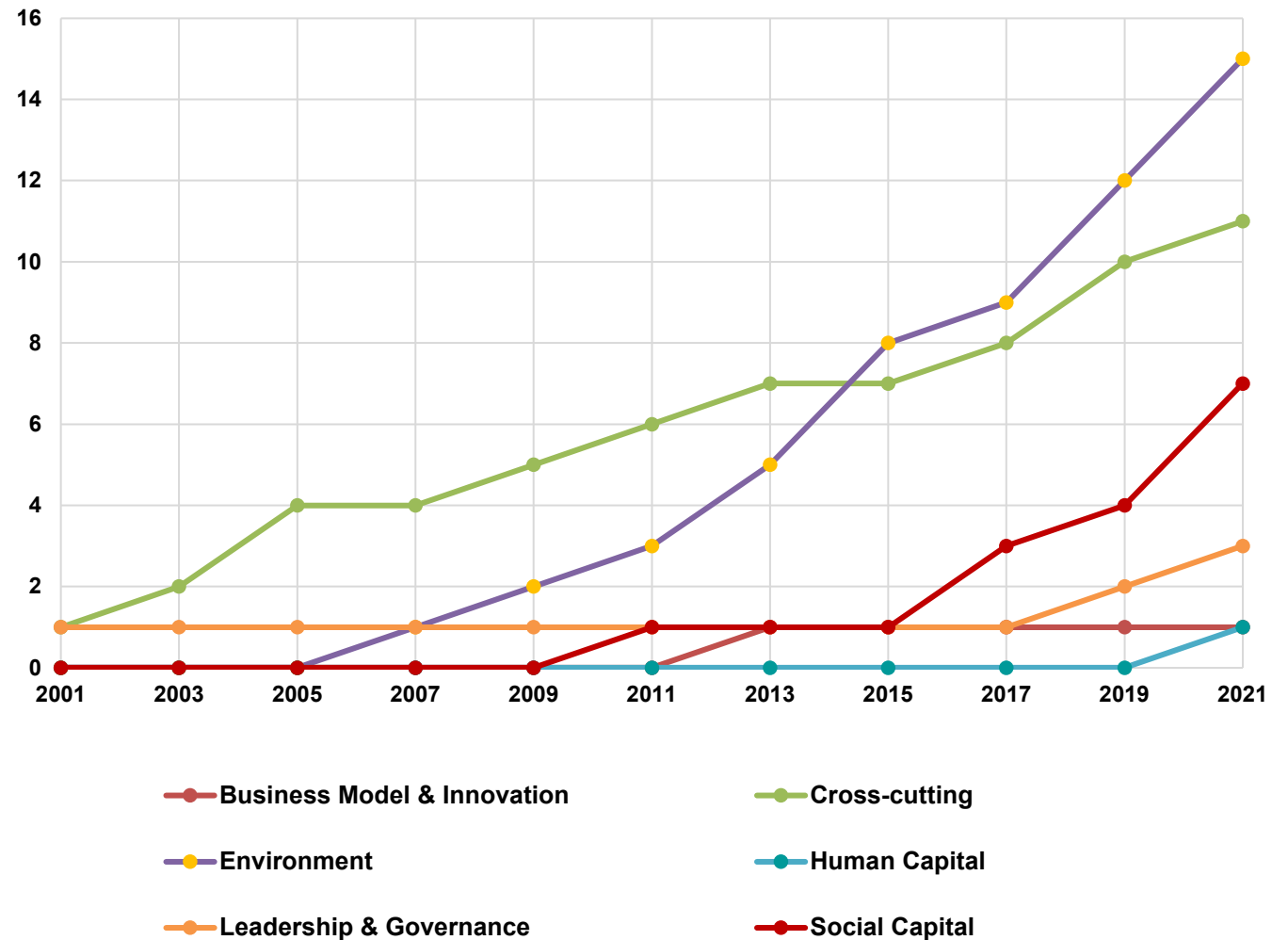


# Banking Initiatives

## Rise in Initiatives

Overall, we observe an increase in initiatives that global banks are involved in to a larger or lesser extent.

Most of these initiatives focus on environmental issues (in particular climate) or have more holistic sustainability/impact objectives.



# Banking Initiatives

## Environment

Initiative	Focus Area	Founded	Description	Supporters
Climate Bonds Initiative	Climate bonds	2009	Climate Bonds Initiative is an international organisation (investor-focused not-for-profit) working solely to mobilise the largest capital market of all, the \$100 trillion bond market, for climate change solutions. Climate Bonds Initiative is an investor-focused not-for-profit. Their work is an open-source public good.	103 firms ranging from investors, banks, issuers, services providers have become the members of CBI.  Bank members include: BNP Paribas, Barclays, RBC, UBS, etc.
RE100	Climate, renewable energy	2011	RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity.	341 companies around the world have pledge for 100% renewable electricity.  Global banks such as Barclays, HSBC, JP Morgan Chase & Co., Citi, etc, are members to RE 100.
2° Investing Initiative (2DII)	Climate	2012	2DII is an independent, non-profit think tank working to align financial markets and regulations with the Paris Agreement goals. Its team of finance, climate, and risk experts develop research, tools, and policy insights to help financial institutions and regulators hasten and adapt to the low-carbon transition.	A range of actors in the sustainable finance sector, from governments to financial institutions to investor coalitions.  Bank participation includes: BBVA, BNP Paribas, ABN AMRO, Bancolombia, Santander
Science Based Targets Initiative	Climate	2015	Companies commit to set out a clearly defined path to reduce emissions in line with the Paris Agreement goals. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement.	More than 1000 supporters worldwide,  63 banks, including: ING, Credit Agricole, Société Générale, HSBC, Commerzbank, NatWest.

# Banking Initiatives

## Environment

Initiative	Focus Area	Founded	Description	Supporters
Climate Action 100+	Climate	2017	Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. In signing up to Climate Action 100+, investors commit to engaging with at least one of 167 focus companies that are strategically important to the net-zero emissions transition.	617 global investors across 33 market responsible for more than \$60 trillion USD of combined AUM have joined Climate Action 100+
United for Wildlife Financial Taskforce	Nature, biodiversity, wildlife	2018	The Taskforce will leverage the existing global financial crime architectures, as well as specific work already done by a number of financial institutions to support efforts to combat Illegal Wildlife Trade (IWT).	Comprised of representatives from financial institutions as well as experts on illegal wildlife trade.  44 banks, including: Barclays, BNP Paribas, HSBC, Wells Fargo, Morgan Stanley
Poseidon Principles	Climate, shipping	2019	The Poseidon Principles establish a framework for assessing and disclosing the climate alignment of ship finance portfolios. They set a benchmark for what it means to be a responsible bank in the maritime sector and provide actionable guidance on how to achieve this.	28 financial institutions are Signatories to the Poseidon Principles, representing a bank loan portfolio to global shipping of approximately \$185 billion – nearly 50% of the global ship finance portfolio.
Net-Zero Banking Alliance	Climate	2021	The industry-led, UN-convened Net-Zero Banking Alliance brings together banks worldwide, which are committed to aligning their lending and investment portfolios with net-zero emissions by 2050.	92 banks in 39 countries holding above \$66 trillion USD of combined AUM (43% global banking assets)

# Banking Initiatives

## Social Capital

Initiative	Focus Area	Founded	Description	Supporters
UN Standards of Conduct for Business	Equality for LGBTI at workforce	2017	The United Nations Human Rights Office has developed five Standards of Conduct to support the business community in tackling discrimination against LGBTI people. The Standards, produced in collaboration with the Institute for Human Rights and Business, build on the UN Guiding Principles on Business and Human Rights and reflect the input of hundreds of companies across diverse sectors.	359 companies from all sectors have publicly supported the Standards. Bank members include: Lloyds, Scotiabank, Deutsche Bank, Credit Suisse, National Bank of Canada, and large global banks (HSBC, Barclays, Santander, BBVA, etc.)
Partnering for Racial Justice in Business	Social, diversity, racial Justice, inclusion	2021	The Partnering for Racial Justice in Business initiative is a global coalition of organizations and their C-suite leaders committed to leveraging their individual and collective power to build equitable and just workplaces for professionals with under-represented racial and ethnic identities.	58 corporations have joined the initiative. 4 banks, including: HSBC, Deutsche Bank, Bank of America, Standard Chartered Bank
Second Chance Business Coalition	Equality in employment	2021	Coalition members, comprised primarily of Business Roundtable member companies, believe the business community has a critical role to play in providing employment opportunities to individuals with a criminal record, supporting their re-entry into the workforce and improving equity in employment.	36 companies from all sectors are members to the Coalition. 2 banks, including: JP Morgan, Bank of America
UNEP FI Signatories on Covid-19	Crisis recovery	2021	To help support their customers and in turn communities in the most effective ways, UNEP Finance Initiative's coalition of banks has been sharing practices, solutions and lessons learned as they respond to the COVID-19 crisis and its economic impacts.	More than 220 banks from over 60 countries have publicly announced commitments to support society and businesses.

## Human Capital

Initiative	Focus Area	Founded	Description	Supporters
The Global Business Collaboration for Better Workplace Mental Health	Workplace mental health	2021	This initiative seeks to advance progress across the globe by committing senior leaders of corporations to a Pledge to create mentally healthy workplaces, as well as by sharing insights and best practice across workplaces to build out a Roadmap for change, wherever an organisation is on their journey.	Over 60 leaders have already signed up and supported the Pledge. 2 banks, including: HSBC and Mark & Spencer Bank



# Banking Initiatives

## Leadership & Governance

Initiative	Focus Area	Founded	Description	Supporters
The Wolfsberg Group	Business ethics, Anti money laundering, risk management	2000	The Wolfsberg Group is an association of thirteen global banks which aims to develop frameworks and guidance for the management of financial crime risks.	13 global banks established the Group, including: Santander, Bank of America, Barclays, Citigroup, Credit Suisse, Deutsche Bank, HSBC, JP Morgan, MUFG, UBS, Standard Chartered Bank, Standard Chartered Bank
Principles for Responsible Banking (PRB)	Business Ethics, SDGs, and Climate (Paris Agreement alignment)	2019	The 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.	200 signatories representing around 40% of the banking industry and serving more than 1.6 billion people worldwide.
Banking for Impact	Impact measurement	2021	As a consortium of banks and impact experts (Harvard's Impact Weighted Accounts Initiative (IWAI) and the Impact Institute), BFI aims to define a comprehensive and cost-effective method for impact measurement and valuation (IMV) to allow for the quantification, valuation, attribution and aggregation of impacts	BFI comprises of a consortium of banks (ABN AMRO, Danske, DBS and UBS) and impact experts.

## Business Model & Innovation

Initiative	Focus Area	Founded	Description	Supporters
Sustainable Purchasing Leadership Council	Supply chain management	2013	SPLC convenes buyers, suppliers, and public interest advocates to develop programs that simplify and standardize sustainable purchasing efforts by large organizations. Sustainable purchasing is purchasing that builds healthy communities, economies, and environments all along local and global supply chains.	174 institutions from academics to corporations have joined the Council.  4 global banks are involved: Bank of America, Citi, Truist, Wells Fargo

# Banking Initiatives

## Cross-cutting

Initiative	Focus Area	Founded	Description	Supporters
Business for Social Responsibility	Climate Change, DEI, inclusive economy, sustainable supply chain, sustainability management	1991	BSR is an organization of sustainable business experts that works with its global network of the world's leading companies to build a just and sustainable world.	300 companies are members to BSR.  10 banks, including: BNP Paribas, Wells Fargo, Morgan Stanley, PNC, Bank of America, Mizuho
Equator Principles (EP)	Environmental and social risk management	2003	EP are a framework used by financial institutions to determine, assess and manage environmental and social risk in projects.	126 financial institutions in 37 countries have adopted the Equator Principles.
Roundtable on Sustainable Palm Oil (RSPO)	Nature, biodiversity, forest, climate, supply chain management	2004	RSPO is a global, multi-stakeholder initiative on sustainable palm oil. The RSPO vision is to "transform the markets by making sustainable palm oil the norm".	More than 4000 members that come from across palm oil supply chain from investors to palm oil retailers are members to RSPO.  14 banks, including: BNP Paribas, HSBC, Citi, UBS
UN Global Compact	Human rights, labour, environment, anti-corruption	2005	The UN Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.	Over 12,000 companies are Signatories to UN Global Compact including 136 banks.
The Banking Environment Initiative (BEI)	Nature protection and restoration, climate, risk management, business model resilience	2010	BEI is a group of global banks committed to pioneering actionable pathways towards a sustainable economy. The BEI co-produces horizon scanning applied research, develops leadership tools and convenes academic and industry collaborations. It is a member-led, not-for-profit group convened by CISL and initiated in 2010 with the support of The Prince of Wales	9 large banks such as ABN AMRO, Barclays, BNP Paribas, Deutsche Bank, HSBC, NatWest, Santander are members to BEI.

# Banking Initiatives

## Cross-cutting

Initiative	Focus Area	Founded	Description	Supporters
Taskforce on Climate-related Financial Disclosures (TCFD)	Climate, risk Management, management of regulatory environment	2017	The Financial Stability Board established the TCFD to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.	2700 institutions in 39 countries have publicly declared support for the TCFD and its recommendations.
Financing a Just Transition Alliance (Investing in a Just Transition Initiative)	Just transition, climate change, inclusive development	2018	The Financing a Just Transition programme is designed to identify the role that finance can play in connecting action on climate change with inclusive development pathways to support a just transition for workers and communities. In July 2019, its scope widened to cover the role of banks, with a specific focus on UK banks, through <a href="#">the Banking on a Just Transition project</a> .	Signed by 53 countries at the 2018 COP24 climate conference. The 'Statement of Investor Commitment to Support a Just Transition on Climate Change' is endorsed by 161 investors representing US \$10.2 trillion in assets.  Global bank, including: BNP Paribas, NatWest, Lloyds, HSBC, Resona Banks, etc.
Global Investors for Sustainable Development (GISD) Alliance	Sustainable Development	2019	The GISD Alliance seeks to deliver concrete solutions to scale-up long-term finance and investment in sustainable development especially in developing countries.	30 giants of major financial institutions and corporations worth \$16 trillion USD.  8 large banks, including: Santander, CIMBC, Citi, Standard Chartered, UBS, Bank of America
Taskforce on Nature-related Financial Disclosures (TNFD)	Nature, risk management, ecological impact	2021	TFND is a new global market-led initiative which aims to provide financial institutions and corporates with a complete picture of their environmental risks and opportunities. The TNFD will deliver a framework for organisations to report and act on evolving nature-related risks, building on the success of TCFD.	33 executives from financial institutions have declared to support TFND.

# Banking Initiatives

## Overview of Participating Banks' Engagements

Initiative	HSBC	JP Morg	BNP Pa	Citi	Wells F	Santanc	Barclay	RBC	Goldma	UBS	Morgan	BBVA	CIBC	Truist	PNC
UNEP FI Signatories on Covid-19	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes	No	Yes	No	No	No
Think Forward Initiative (TFI)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Global Partnership for Financial Inclusion (GPII)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Partnering for Racial Justice in Business	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Second Chance Business Coalition	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No
UN Standards of Conduct for Business	Yes	No	Yes	Yes	No	Yes	Yes	No	No	Yes	No	Yes	No	No	No
Partnership for Global LGBTI Equality (PGLE)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
The Wolfsberg Group	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes	Yes	No	No	No	No	No
Banking for Impact	No	No	No	No	No	No	No	No	No	Yes	No	No	No	No	No
UNEP FI Principles for Responsible Banking	No	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	Yes	No	No	No
The Global Business Collaboration for Better Workplace Mental Health	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No
The Climate Group	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Climate Bonds Initiative	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No	No	No	No
2° Investing Initiative (2DII)	No	No	Yes	No	No	Yes	No	No	No	No	No	Yes	No	No	No
The Portfolio Decarbonisation Coalition	No	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No
Partnership for Carbon Accounting Financials (PCAF)	No	No	No	No	No	No	No	No	No	No	Yes	No	No	No	No
Science Based Targets Initiative	Yes	No	Yes	No	No	No	No	No	No	No	No	Yes	No	No	No
Climate Action 100+	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No	No	No
Net-Zero Banking Alliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Sustainable Markets Initiative's (SMI) Financial Services Taskforce (FSTF)	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No
RE100	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	No	No	Yes
Poseidon Principles	No	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No
Natural Capital Finance Alliance (NCFA)	No	No	No	Yes	No	No	No	No	No	No	No	Yes	No	No	No
Natural Capital Investment Alliance (NCIA)	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Act4Nature International	No	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No
United for Wildlife Financial Taskforce	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	No	No	No	No
Taskforce on Climate-related Financial Disclosures (TCFD)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
The Financing a Just Transition Alliance (Investing in a Just Transition Initiative)	Yes	No	Yes	No	No	No	Yes	No	No	No	No	No	No	No	No
The Banking Environment Initiative (BEI)	Yes	No	Yes	No	No	Yes	Yes	No	No	No	No	No	No	No	No
Global Alliance for Banking on Values	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
UN Global Compact	Yes	No	No	Yes	No	Yes (South)	No	No	No	Yes	No	Yes	No	No	No
Sustainable Banking and Finance Network	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Taskforce on Nature-related Financial Disclosures (TNFD)	Yes	No	Yes	No	No	No	No	No	No	Yes	No	No	No	No	No
Roundtable on Sustainable Palm Oil (RSPO)	Yes	No	Yes	Yes	No	No	No	No	No	Yes (UBS /	No	No	No	No	No
Equator Principles	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	No	No
Business for Social Responsibility	No	No	Yes	No	Yes	No	No	No	No	No	Yes	No	No	No	Yes
Global Investors for Sustainable Development (GISD) Alliance	No	No	No	Yes	No	Yes	No	No	No	Yes	No	No	No	No	No
Sustainable Purchasing Leadership Council	No	No	No	Yes	Yes	No	No	No	No	No	No	No	No	Yes	No

What's Next?

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# What's Next?



**Focus on Impact:** There will be increasing emphasis on measuring the real-world impact of financial products and services. New impact datasets and assessment methodologies will emerge, and banks will need to show their positive impacts on society and the environment.



**Collaboration for sustainability:** In the coming years, we expect more banks to work collectively on ESG initiatives (such as the Principles for Responsible Banking), with increasing involvement from the biggest players.



**Financial products innovation:** In the coming years, we expect more banks to work collectively on ESG initiatives (such as the Principles for Responsible Banking), with increasing involvement from the biggest players.



**More standardized reporting:** Reporting standards and frameworks are consolidating to establish common ESG disclosure metrics and lay the ground for consistent, comparable sustainability reporting.



**More and stricter regulations:** The sustainable finance agenda will continue to progress globally. Banks can expect a regulatory environment that is increasingly favorable to ESG, with a special focus on managing climate risk.