

To: SIGNATORIES OF THE PRINCIPLES FOR RESPONSIBLE BANKING

SUBJECT: CIVIL SOCIETY CALL TO ACTION

October 20, 2020

Dear Signatory of the Principles for Responsible Banking,

Last month marked the one-year anniversary of the Principles for Responsible Banking (PRBs). As the first reporting deadlines are now fast approaching, we call on you to set meaningful targets that genuinely align your bank with the Paris Climate Agreement and Sustainable Development Goals (SDGs), to take measures to facilitate stakeholder engagement, to respect all human rights and the specific rights of Indigenous People, and to be as transparent as possible about your progress in implementing the Principles.

As you know all too well, we find ourselves amidst a multitude of economic, social and environmental crises. The impacts of these crises continue to grow every day, and it has never been more urgent for banks to make serious changes to their business operations. By signing on to the PRBs, your bank committed to make such changes by aligning your finance with the SDGs and the goals of the Paris Climate Agreement. A welcomed commitment that now needs to be translated into concrete action.

The briefing that accompanies this letter illustrates that many PRB banks are still financing the fossil fuel industry and commodities driving deforestation, and facilitating human rights violations. We consider this incompatible with the commitments you have made under the PRBs.

In order for the PRBs to be successful, rather than being used as a greenwashing tool, such practices cannot continue. We therefore strongly recommend that you:

- 1) **Make a clear statement on what it means for your bank to be aligned with the Paris Climate Agreement and the Sustainable Development Goals (SDGs) and reflect this in your setting of targets.** Alignment should be in accordance with the [Principles for Paris-Aligned Financial Institutions](#), a civil society statement endorsed by 60 organizations which calls on banks to end the financing of fossil fuels and deforestation. Such a statement should also include an explicit commitment to respect human rights, including Indigenous rights, in accordance with the UN Guiding Principles on Business and Human Rights and the UN Declaration on the Rights of Indigenous Peoples.
- 2) **Report on your progress in implementing the PRBs** in a detailed manner, to allow for an external assessment by stakeholders, and provide an available and reliable contact through which stakeholders can engage with you on the content of your reporting.
- 3) **Take meaningful measures regarding stakeholder engagement** (Principle 4), irrespective of the to be established PRB civil society advisory body, including the establishment of a grievance mechanism that is accessible to impacted communities and other concerned stakeholders.
- 4) **In implementing the PRBs, prioritize high risk sectors and adverse impacts** based on the severity and likelihood of the impact on climate change, biodiversity and human rights.

We look forward to seeing your bank's progress in implementing the PRBs and would welcome an opportunity to further engage on these matters, such as with a multistakeholder workshop on the above-mentioned Principles for Paris-Aligned Financial Institutions. To respond to this letter and/or the briefing, please contact Daisy Termorshuizen at prb@banktrack.org.

Kind regards,

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