

# **Executive Summary**

## **Shifting the financial system: accelerating sustainable finance at banks**

**Insights for banks and banking  
professionals leading climate action**

**September 2023**



# Executive summary

This report examines the current status of sustainable finance in the banking sector and provides recommendations to accelerate action. It is based on insights from banking insiders.

As the global climate crisis intensifies, the financial sector, and banks in particular, have a critical role to play in fostering sustainability and providing capital to new low-carbon solutions. This report analyses the challenges, opportunities and best practices that banks can adopt to effectively address climate change, while aligning with global goals such as the [Paris Agreement](#) temperature targets.

It is important that strategies concerning reducing carbon emissions, referred to as 'climate' action in this report, are combined with social or just transition principles and broader ecological breakdown.

## Key findings

- 1** The economic and political context for banks acting on climate has become more complex and continues to change rapidly. Due to the emerging polycrisis and growing political polarisation, the pace of change is not expected to slow down.
- 2** There remains an ambition gap at banks. None of the bankers surveyed for this report thought the industry was doing enough to keep global warming within 1.5 degrees; 90% did not think their own institution was doing enough.
- 3** An ambitious, consistent and credible tone from the top is a key success factor to enable low-carbon transitions at banks.
- 4** Deeper cultural transformation inside banks is now required to further accelerate progress on sustainable finance. Progress has been made on collecting relevant environmental data from customers and developing new reporting standards.
- 5** Working on sustainable finance inside banks can be overwhelming, with many competing demands and high expectations. Supporting people and teams with appropriate investment, resources and people management tools for successful internal transformation is essential.
- 6** Often the teams who are perceived as barriers to climate action at banks are internal- rather than external-facing. Change management tools can support internal transformation at banks.
- 7** The interconnected nature of climate change requires collaborative efforts among banks, governments, non-profit organisations, communities and the private sector. Banks must support ambitious policy changes which accelerate the transition of their facilitation, lending and investing portfolios to the low-carbon economy.
- 8** More detailed recommendations and tools are available at the end of each section of the report, and a sample climate risk questionnaire and guide to integration across divisions are provided in the appendix.



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