

GUIDANCE NOTE FOR ISLAMIC FINANCE INSTITUTIONS REPORTING UNDER THE UN PRB

Addressing the specificities of Islamic financing modalities and providing common approaches for Islamic finance institutions (IFIs) to showcase the inherent similarities between Islamic finance principles and the UN Principles for Responsible Banking (PRB) in the PRB Reporting and Self-Assessment Template



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1 Introduction

The Disclosure & Reporting Working Group of the Global Islamic Finance and UN SDGs Taskforce has produced this guidance note to assist IFIs in meeting their PRB requirements as detailed in the Reporting and Self-Assessment template of the PRB. The Working Group is chaired by Gatehouse Bank, the world's first fully Shariah-compliant stand-alone Islamic finance institution (IFI) to sign up to the PRB, and the Taskforce was launched by the Islamic Finance Council (UK) (UKIFC) together with HM Treasury and the Islamic Development Bank (IsDB) in 2020. Further information on the UKIFC can be found in Appendix 1.

The Principles for Responsible Banking (PRB or the Principles) was publicly launched by 132 founding signatories in September 2019; it now has over 260 signatories (as of 27 October 2021). The PRB is a unique framework, comprising of six key principles, shown below, for ensuring that the strategies and practices of signatory banks align with the vision society has set out for its future as outlined in the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

 <p>PRINCIPLE 1: ALIGNMENT</p> <p>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>	 <p>PRINCIPLE 2: IMPACT & TARGET SETTING</p> <p>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>	 <p>PRINCIPLE 3: CLIENTS & CUSTOMERS</p> <p>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>
 <p>PRINCIPLE 4: STAKEHOLDERS</p> <p>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	 <p>PRINCIPLE 5: GOVERNANCE & CULTURE</p> <p>We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>	 <p>PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY</p> <p>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>

This short guidance note details the inherent similarities between Islamic finance principles and the PRB by providing common disclosure statements and highlights considerations for IFIs when completing their PRB Reporting and Self-Assessment template. IFIs by their nature, are already seeking to have a positive impact on society and this should be showcased when completing their PRB Reporting and Self-Assessment template, including noting progress on impact analysis and target setting. This guidance note aims to assist IFIs signed up to the PRB (and those looking to sign up) in making sure the nuances of Islamic financing modalities and governance structures unique to IFIs are considered within their PRB Reporting and Self-Assessment template.

A common disclosure approach enhances comparability between IFIs PRB Reporting and Self-Assessment templates and enables a better representation and understanding of Islamic finance principles by conventional banks within global sustainability standards, thereby encouraging both adoption and alignment between these sectors.

In compiling this guidance note, the UKIFC reviewed the publicly available PRB reports of six banks which were either fully Shariah compliant or have a prominent Islamic 'window' within a conventional bank. Interviews were held with four of the six banks to augment findings from the desk-based research. Further details on the research methodology can be found in Appendix 2 and 3.

2 PRB Reporting Requirements

The PRB is an alignment framework for sustainability; it is not a reporting framework providing guidance on sustainability disclosure.

The PRB [Guidance Document](#) for reporting on the Principles for Responsible Banking notes that "Reporting on your bank's progress with implementing the Principles should be done in your bank's existing reports, for example its sustainability report, annual report, integrated report etc."

Principle 6 (Transparency & Accountability) references other sustainability reporting initiatives e.g. Global Reporting Initiative (GRI), Integrated Reporting (IR) and Sustainable Accounting Standards Board (SASB) and notes that reporting should be done under such existing frameworks thereby enabling an integrated and streamlined approach. The PRB Reporting Working Group has completed a mapping exercise looking at the similarities between the [PRB and GRI 102 General Disclosures](#) and is considering developing further guidance on integrating PRB reporting with other frameworks (e.g. UN Global Compact, Task Force on Climate-Related Financial Disclosures (TCFD) or similar).

Signatory banks must also report annually through a '[Reporting and Self-Assessment Template](#)' provided by the PRB. The template requires them to summarise how they are aligning with the PRB and reference where further details can be found within the bank's existing publicly disclosed information. The PRB Guidance states that the "completed Reporting and Self-Assessment Template should ideally be included in the report where your bank reports on its implementation of the Principles.". All PRB Reporting and Self-Assessment templates are published and available publicly on the [PRB website](#).

Accordingly, the focus of this guidance note is limited to the reporting requirement for PRB and does not cover sustainability reporting frameworks e.g. GRI, IR and SASB. We recommend future research is completed to examine such existing, established reporting frameworks with an Islamic finance lens.

Within eighteen months of signing, and annually thereafter, a bank must provide its completed Reporting and Self-Assessment template to the PRB, reporting on:

- their impact
- how they are implementing the principles
- the targets they have set
- the progress they have made.

Within four years, a signatory bank must have met all of these requirements.

The PRB Reporting and Self-Assessment template is aligned with the six Principles and under each Principle there are between one and four reporting requirements. The PRB Reporting and Self-Assessment template requires the signatory to report on progress made in implementing the six Principles. The PRB Reporting and Self-Assessment template is not a prescriptive list of qualitative information. Six of the requirements (2.1 etc.) ask the signatory to describe progress on the three Key Steps of implementation (impact analysis, target setting and accountability) and require that an assurer provides limited assurance of the signatories' PRB Reporting and Self-Assessment template. An assurance process for these requirements should be in place no later than four years from the date the bank became a signatory to the Principles. The PRB has provided [guidance for assurance providers](#). The PRB Reporting and Self-Assessment template is designed so that each signatory bank can also provide a high-level summary for each requirement and then point to its existing public disclosures / reports for further details or a more detailed response by the bank.

3 PRB Reporting and Self-Assessment Template - Guidance for IFIs

There is sufficient flexibility in the standard PRB Reporting and Self-Assessment template to showcase the inherent similarities between PRB and Islamic finance and to address the nuances inherent in the Islamic banking sector. IFIs should follow the [PRB Reporting Guidance](#) in addition to the common disclosures noted below.

This guidance note focuses on the PRB Reporting and Self-Assessment template, and this section proposes specific text for common disclosures by Islamic banks for each of the relevant sections of the PRB Reporting and Self-Assessment template. The additional disclosures made by IFIs in their PRB Reporting and Self-Assessment template should complement, but not replace, the PRB requirements. The common disclosures are drafted in consideration of the nuances of Islamic finance and to raise awareness of Islamic finance amongst those banks not familiar with the industry's intricacies. The specific text can be simply copied directly into the high-level summary section of the PRB Reporting and Self-Assessment template. In addition, where specific prescriptive text is not provided, key considerations are highlighted to assist IFIs in drafting their high-level response.

The PRB Reporting and Self-Assessment template below details the proposed specific disclosures for IFIs. Note exact wording may need to be tailored depending on whether the IFI is a fully Shariah compliant bank or a conventional bank with a prominent Islamic 'window'. Reporting requirements shaded in grey are where specific reference to Islamic finance is not deemed necessary.

Principle 1: Alignment



"We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks."

PRB Reporting and Self-Assessment Template Requirements	Additional information from an IFI in the PRB High-level summary
1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	"[X] bank is fully Shariah compliant / has prominent Islamic finance operations. The Islamic banking business model focuses on asset backed financing, aligning with the real economy, and enhancing financial inclusion."

<p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>"Islamic finance principles have considerable inherent similarities with the UN Sustainable Development Goals and the Paris Climate Agreement such as stewardship, sustainability, purposefulness and fair play. Avoiding activities deemed harmful to society, (e.g. tobacco, alcohol, gambling and pornography) is a key imperative and thus not financed by Islamic finance institutions. Our bank focuses on [insert specific SDGs your bank focusses on]. In addition, we have considered relevant sustainability guidelines from specialist Islamic finance industry frameworks (for example AAOFI, IFSB and the National Regulators Shariah Supervisory Board)."</p>
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Principle 2: Impact and Target Setting



"We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts."

PRB Reporting and Self-Assessment Template Requirements	Additional information from an IFI in the PRB High-level summary
<p>2.1 Impact Analysis*</p> <p>2.2 Target Setting*</p> <p>2.3 Plans for Target Implementation and Monitoring*</p> <p>2.4 Progress on Implementing Targets*</p> <p>*the information above is the key headings only, the full text for each of the requirements can be found in the PRB Reporting and Self-Assessment template</p>	<p>General considerations:</p> <ol style="list-style-type: none"> 1) We note there is nothing specific to Islamic finance in regard to the impact analysis. This should be completed in the same way as conventional finance institutions. 2) Potential characteristics specific to IFIs that can be considered are: <ul style="list-style-type: none"> - Emphasising the positive impact of consciously avoiding harmful sectors; and - Financial inclusion - the positive impact of providing financial services to those who are otherwise potentially marginalised by conventional financial products. <p>Further research and collaboration could be undertaken on measuring and reporting the impact an IFI has from not investing in certain forbidden industries, e.g. the positive impact on society by not investing in tobacco. We are not aware of any IFIs currently doing this.</p>

Principle 3: Clients and Customers



“We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.”

PRB Reporting and Self-Assessment Template Requirements	Additional information from an IFI in the PRB High-level summary
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>“[As an Islamic finance Institution] / [In respect of our Islamic finance division] we have policies and practices that ensure our activities fulfil Shariah criteria which heightens promoting fair play and transparency towards customers. Most or all profit from late payment fees and penalties must be paid to charity.”</p>
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>“Our Islamic banking operating model requires us to work with customers we finance and review use of proceeds to avoid unsustainable practices. Depositors benefit from knowing their money is used by us within the ethical and sustainable parameters of Islamic finance which avoids highly speculative financial instruments.</p> <p>Islamic finance encourages risk sharing and financing the real economy through its financial structures, thereby promoting shared prosperity.”</p>

Principle 4: Stakeholders



“We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.”

PRB Reporting and Self-Assessment Template Requirements	Additional information from an IFI in the PRB High-level summary
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>General considerations: Include any specific outputs from workshops / consultations held with your Shariah Supervisory Board.</p>

Principle 5: Governance & Culture



“We will implement our commitment to these Principles through effective governance and a culture of responsible banking”

PRB Reporting and Self-Assessment Template Requirements	Additional information from an IFI in the PRB High-level summary
<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>“[As an Islamic finance institution] / [In our Islamic finance business] we have an independent Shariah Supervisory Board who review the alignment of our bank’s activities with the principles of Shariah and provides an additional layer of governance from experts who view decisions with an ethical and societal lens.”</p>
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	

Principle 6: Transparency & Accountability



“We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.”

PRB Reporting and Self-Assessment Template Requirements	Additional information from an IFI in the PRB High-level summary
<p>6.1 Progress on Implementing the Principles</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>General considerations:</p> <p>Reference your adoption or involvement with any new legislation, standards, guidelines or initiatives from Islamic finance industry development bodies focussed on sustainability (e.g., participation in the UKIFC Global Islamic Finance & UN SDGs Taskforce).</p>

4 Insights from IFIs and Broader Market Practice

This section shares insights attained from the review undertaken by the UKIFC of six IFIs who have signed up to the PRB and submitted Reporting and Self-Assessment templates along with a review of ING's PRB Reporting and Self-Assessment template.

The IFIs had all approached the PRB Reporting and Self-Assessment template independently and had made varying disclosures. Many of the banks noted challenges around obtaining data and the granularity required to enable them to establish a baseline and then set sensible targets, but these challenges are not specific to IFIs. One of the banks noted there may be some broader considerations for IFIs located in the global south in aligning with the SDGs both in terms of economic growth and social norms. For example, managing the interplay between economic development and sustainability e.g. investing in high-carbon energy sources.

Interestingly, the majority of IFIs either made limited or no reference to Islamic finance or Shariah in the high-level summary of the PRB Reporting and Self-Assessment template. The references made were in relation to Islamic finance being a division, activity or product, for example noting the Islamic banking division or an Islamic savings account. Gatehouse Bank provided the most detail on Islamic finance and was the only IFI to include information on what being a Shariah-compliant bank means and how Islamic finance aligns with the PRB in the high-level summary, for example:

1.2: "Gatehouse Bank is a British Shariah-compliant Bank, meaning that we follow a set of principles derived from Islamic teachings which promote fair play and ensure that our customers' financial affairs are handled responsibly. We see a natural alignment with the principles of Islamic finance and society's goals as expressed in the UN Sustainable Development Goals and other national and international frameworks. This is because the Islamic economic model takes into account the concept of both excluding funding for certain activities that have the potential to cause harm (SDG 3 Good Health and Wellbeing) and not offering speculative financial products. (SDG 8 Decent Work and Economic Growth)."

3.1: "As a Shariah-compliant Bank, our core offering promotes fair play and transparency towards customers."

3.2: "Our core product offering enables sustainable economic activities through an exclusion list that prohibits the funding of sectors that are against Shariah Principles and risk counteracting society's goals. We never use our funds, customer savings or approve property finance if they support the weapons and military equipment industry, tobacco, alcohol, gambling or adult entertainment. Additionally, Islamic finance principles require that all of our investments involve real assets such as real estate. This helps enable more sustainable economic activity and buffer society from some of the well documented negative impact of higher risk investment products."

5.1: "As a Shariah-compliant Bank, we have policies and procedures in place that ensure our activities fulfil Shariah criteria, including never financing certain industries that have the potential to cause harm to society and risk counteracting society's goals. Our compliance with Islamic Finance Principles is maintained by a dedicated internal team who are overseen by an independent Shariah Supervisory Board."

In the relevant information for the PRB Reporting and Self-Assessment template, the main references to Islamic and Shariah were in relation to business sectors, products, partners and e-learning modules. Few IFIs referred to Shariah governance and Shariah filters, Jaiz Bank and Gatehouse Bank specifically explained the implications of being an Islamic bank and what Islamic finance meant e.g. what Maqasid of the Shariah is. Gatehouse Bank referenced this back to the PRB. We note that our review was limited to the PRB Reporting and Self-Assessment

template and the areas specifically referenced in therein. Accordingly, this will not cover details noted in other parts of the reports.

There was a challenge from some of the IFIs interviewed for IFIs to go further than the requirements of Islamic law and focus increasingly on environmental impact, giving back to communities and promoting sustainable choices. It was also raised that IFIs should consider the law and the spirit of Shariah, ensuring products comply with Islamic law but also the overarching Islamic principles, thus aligning with the concept of Tayyib. Tayyib (wholesome) promotes the focus of Islamic finance on the evaluation of wider societal impact rather than an overly legalistic analysis of Shariah compliance.

During our review of the PRB Reporting and Self-Assessment templates we identified the following good practice:

- Requirements of the PRB should be answered clearly and concisely in the high-level summary, rather than just providing generic sustainability information.
- Specific SDGs should be referred to rather than just broadly referring to the SDGs and clear links to the Paris Climate Agreement and national and international priorities should be made, where possible.
- Achievements should be quantified, where possible, and the impact achieved should be stated.
- The use of other external sustainability tools and resources including internationally recognised reporting standards e.g. GRI, TCFD should be noted.
- Details of relevant GRI disclosures should be included either within the sustainability report or as a table in the Appendix.
- Key partnerships, industry platforms, forums, memberships and engagements should be stated.
- As much information as possible should be made publicly available and a link in the 'Reference(s)/Link(s) to bank's full response/ relevant information' column should be provided.
- The references provided in the PRB Reporting and Self-Assessment template should be specific i.e. information can be found on page x rather than referencing a whole report and references should be included as embedded links so that the relevant information can easily be found.

Comprehensive guidance on completing the PRB Reporting and Self-Assessment template has been provided by the PRB, a copy of which can be found [here](#).

5 Sustainability Reporting Standards and Tools

The Global Reporting Initiative (GRI) provides a good starting point for sustainability reporting and also the Task Force on Climate-Related Financial Disclosures (TCFD) is useful for climate related reporting. All of the six IFIs reviewed use GRI for sustainability reporting.

There is a PRB Working Group that has mapped GRI to PRB and identified areas of similarity and has provided guidance on how, and the extent to which, reporting on these requirements could be integrated. The PRB Working Group will also provide guidance on how reporting can be integrated with other frameworks including UN Global Compact and TCFD. The PRB Working Group will consider which other standards and frameworks to develop mappings for.

ING uses GRI and refers to conducting its materiality analysis in line with the Integrated Reporting Council (IIRC) principles and completing analysis in line with the UN Guiding Principles to identify salient human rights issues. ING is also making progress towards implementing the TCFD recommendations.

Work is currently underway by CDP (Carbon Disclosure Project), the Climate Disclosure Standards Board (CDSB), GRI, IIRC and the Sustainability Accounting Standards Board (SASB) to formulate a global, comprehensive corporate reporting system.

6 Conclusion

There are inherent similarities between Islamic finance and the SDGs and this should be referenced in IFIs PRB Reporting and Self-Assessment template through common disclosures.

The common disclosures suggested in this guidance note are based on our initial review and interpretation as well as insights provided by IFIs. We welcome any thoughts and feedback on these suggestions in accordance with SDG 17 - Partnership for the Goals.

If you are an IFI considering becoming a PRB signatory or you are already a PRB signatory we encourage you to get in touch with UKIFC (info@ukifc.com) who can facilitate collaboration with other IFIs and provide guidance on PRB.

The focus of this guidance is limited to the PRB Reporting and Self-Assessment template requirement for PRB and does not cover sustainability reporting frameworks e.g. GRI, SASB and IR. We recommend future research is completed to examine such existing, established reporting frameworks with an Islamic finance lens.

Appendix 1: The UKIFC

The UKIFC is a specialist not-for-profit advisory and development body focused on promoting and enhancing the global Islamic and ethical finance industry.

Having identified a number of synergies the UKIFC has been at the forefront of positioning Islamic finance within the broader ethical finance umbrella. By following Shariah principles we believe that Islamic finance is intrinsically interwoven with ethical finance values and strategies. Over the last 10 years we have pioneered a number of internationally acclaimed and award-winning initiatives that have critically reviewed the ethical credentials of Islamic finance to help the sector better understand how it integrates into the wider ethical finance movement.

The emergence of the SDGs has posed a challenge to the financial services sector. Financing the SDGs is a complex task as it requires an unprecedented coordination between public sector organisations and private institutions. It requires reform to global financial regulation and meaningful commitment from financial institutions. With a step change required in private investment financial institutions who have been trying to understand and define their role in delivering the SDGs whilst making a commercial return.

Although momentum has built and progress is now being made in the conventional finance sector, despite what would appear to be a natural alignment in many areas with the Maqasid al Shariah, a lack of knowledge and understanding has held back widespread adoption of the SDGs by IFIs.

With assets currently at US \$2.5 trillion and expected to reach US \$3.8 trillion in 2022, Islamic finance through its adeptness at innovative financial structuring, is well placed to create instruments that drive capital towards the SDGs.

At the UKIFC, we decided to take proactive steps to assist the global Islamic finance sector to better understand and engage with the SDGs. By joining the dots between IFIs, business opportunities and the SDGs we are committed to support and encourage the sector to use the SDG framework to drive positive growth.

In 2019 the UKIFC became the first advisory body dedicated to Islamic finance to endorse the PRB. Also in 2020, we launched a Global Islamic finance and UN SDGs Taskforce with the support of the UK Government. A new group of leading Islamic finance figures has been brought together by the UKIFC to draw up measures to encourage greater adoption of the SDGs. The Taskforce will have 24 months to come up with proposals on how to increase awareness and drive practical action within the sector.

As we enter the decade of delivery of the SDGs, this guidance note is intended to inspire IFIs to showcase the fact that the consideration for people, planet and purpose sits at the heart of Islamic finance in their PRB Reporting and Self-Assessment template, acknowledging the natural alignment between Islamic finance, the SDGs and the Paris Climate Agreement.

Through partnering with GEFI and the UNDP and building internal capacity, the UKIFC has developed unique insights and skill sets, coupling strong in-depth knowledge of mainstream sustainability, responsible and ethical finance together with Islamic finance. We can assist our clients and stakeholders in successfully responding to the challenges raised by the SDGs:

1. What is it? Enhance understanding through training, capacity building and thought leadership.
2. Why do SDGs matter to my business? Developing the business case.
3. How do we do this? Advising on mapping business processes, impact measurement and reporting.

We hope that you find this guidance note useful and we welcome interest from individuals and organisations willing to amplify our message and / or participate in future collaborations.

Appendix 2: Details of Institutions selected for review

These institutions were selected by the UKIFC on the basis that each institution is either fully Shariah-compliant or is a prominent Islamic 'window' within a conventional bank. The UKIFC has provided a summary below of each institution (based on publicly available information).

BANK	ISLAMIC FINANCE INFO	PRB REPORTING AND SELF-ASSESSMENT TEMPLATE AVAILABLE
ABSA	Absa Islamic banking has not only developed Shariah-compliant products, but it has adopted an end-to-end Shariah process with all products and detailed embedded processes approved and certified by an independent Shariah Supervisory Board.	Y
Ahli United Bank B.S.C.	Ahli United Bank's Shariah-compliant Islamic banking activities are offered through its Islamic Banking subsidiary AUBK, Islamic banking associate UBCI and dedicated Islamic banking branches/'windows' at AUB Bahrain, AUBUK and through its associate Ahli Bank S.A.O.G	N
Al Baraka	Al Baraka is licensed as an Islamic wholesale bank by the Central Bank of Bahrain and is listed on Bahrain Bourse and NasdaqDubai. It is a leading international Islamic banking group.	N
BPMB	BPMB's ambition is to become a full-fledged IFI. Islam offers guidelines and principles on how to manage economic development in a sustainable way for the betterment of human life while simultaneously preserving environmental interests. These tenets also cover banking practices, with Shariah-compliant financing and solutions that are in line with the national development agenda. As of 31 December 2019, 68.5% of BPMB's financing portfolio comprises Islamic financing.	N
Banque Misr	Banque Misr was the first Public Sector bank in Egypt to establish dedicated branches for Islamic transactions, to provide all banking, financial and trading activities for all sorts of economic and financial activities, according to the rules of Islamic Shariah. The funds of such branches are completely separate from those of the remainder of Banque Misr.	Y
CIMB	CIMB Islamic is CIMB Group's Islamic banking and financial services franchise, with an extensive suite of innovative Shariah-compliant products and services. It operates in parallel with the Group's universal banking platform.	Y
Gatehouse Bank	Gatehouse Bank follows a set of principles, derived from Islamic teachings, which promote fair play and ensure that customers' financial affairs are handled responsibly. The principles affect three main areas: Interest Use of funds Risk	Y
GIB UK	GIB UK operates an Islamic banking 'window', Gulf International Bank Islamic Banking.	Y
Jaiz Bank	Jaiz Bank Plc is a non-interest bank in Nigeria operating under Islamic banking principles. It is the first non-interest bank established in Nigeria.	Y

Appendix 3: Research Methodology

The UKIFC identified nine financial institutions that are PRB signatories which are either fully Shariah compliant or have a prominent Islamic 'window'; further details of these institutions can be found in Appendix 2. Of these nine institutions, the PRB Reporting and Self-Assessment template of six are available online; they are as follows:

ABSA (South Africa)

Banque Misr (Egypt)

CIMB (Malaysia)

Gatehouse Bank (UK)

GIB UK (UK)

Jaiz Bank (Nigeria)

Text reviewed included the PRB Reporting and Self-Assessment template and the relevant sections of any supporting documentation referenced. References to Islam, Islamic or Shariah were checked in the PRB Reporting and Self-Assessment template and the supporting documentation to understand how the IFIs were articulating the Islamic aspects of their business and the alignment with PRB.

Desk-based analysis was conducted on ING's PRB Reporting and Self-Assessment template. ING is a Netherlands-based global commercial bank with more than 57,000 employees serving around 39.3 million customers, corporate clients and financial institutions in over 40 countries. ING is a founding signatory for the PRB and has already published two PRB Reporting and Self-Assessment templates. ING is a pioneer in sustainable finance, having introduced the first sustainability-linked loan and made-to-measure sustainability improvement loan.

To augment our desk-based research we also spoke to four of the IFIs institutions, namely CIMB, Gatehouse Bank, GIB UK and Jaiz Bank as well as representatives from CIBAFI and DDCAP. The Principles for Responsible Banking were also contacted. We also spoke with BPMB, an IFI that is also a PRB signatory but is yet to submit its PRB Reporting and Self-Assessment template. UKIFC is particularly thankful to these organisations for their time and contributions to this guidance note.

End notes and further information

[Global Islamic Finance SDG Taskforce - Islamic Finance Council UK \(ukifc.com\)](https://www.ukifc.com)

[Home - Islamic Finance Council UK \(ukifc.com\)](https://www.ukifc.com)

[Principles for Responsible Banking – United Nations Environment – Finance Initiative \(unepfi.org\)](https://www.unepfi.org)

[PRB-Reporting-Guidance-Document-8.pdf \(unepfi.org\)](https://www.unepfi.org/PRB-Reporting-Guidance-Document-8.pdf)

[Signatories – United Nations Environment – Finance Initiative \(unepfi.org\)](https://www.unepfi.org)

[GRI - Home \(globalreporting.org\)](https://www.globalreporting.org)

[SASB](https://www.sasb.com)

[Integrated Reporting](https://www.integratedreporting.org)

[Task Force on Climate-Related Financial Disclosures | TCFD \(fsb-tcfd.org\)](https://www.fsb-tcfd.org)

[Homepage | UN Global Compact](https://www.un.org/globalcompact)

[UN Guiding Principles Reporting Framework \(ungpreporting.org\)](https://www.ungpreporting.org)

[Home - CDP](https://www.cdp.com)

[Homepage | Climate Disclosure Standards Board \(cdsb.net\)](https://www.cdsb.net)

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GEFI works through capacity building, strategic initiatives & campaigns, events, research & advisory and developing practical products. GEFI is the partner for action on ethical finance.

The Global Ethical Finance Initiative (GEFI) has been working with the UKIFC to assist IFIs in aligning with the SDGs. GEFI has become the hub at the centre of the ethical finance movement.

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