



UNEP **Finance Initiative**  
Innovative financing for sustainability

# UNEP FI 2008 Overview



Change will not come if we wait for some other person or some other time.  
We are the ones we've been waiting for.  
We are the change that we seek.

**Barack Obama**

## 2008 UNEP FI events & meetings at a glance

### January

- Implementation workshops for PRI Signatories in South Africa, Cape Town and Johannesburg, South Africa

### March

- Symphony of the Earth: Giving the Earth a Voice, Geneva, Switzerland

### April

- ATF Online Training Course on Environmental and Social Risk Analysis

### May

- Integrating Biodiversity into Investment Decisions (CBD COP 9), Bonn, Germany
- West African Outreach Event, Lagos, Nigeria
- Implementation & recruitment events for PRI Signatories in Brazil, Sao Paolo and Rio, Brazil

### June

- Changing Landscapes: Towards a Sustainable Economy in Asia, Seoul, Korea
- Launch of the CEO Briefing on Human Rights and Finance at the Sustainable Finance Summit, Brussels, Belgium

### July

- ATF Online Training Course on Environmental and Social Risk Analysis

### August

- Becoming Bankable: Experiences and Challenges in Market-Based Finance in the Water Sector, Stockholm, Sweden.

### September

- 6th International Responsible Investment Conference, Melbourne, Australia
- Bringing the Universal Owner Rationale to Life: All you Need is Water, London, UK.

### October

- Valuing Natural Capital: Overcoming Barriers to Market Valuation of Biodiversity & Ecosystem Services, Barcelona, Spain
- Launch of the Revised Online Human Rights Guidance Tool
- UN Global Compact Human Rights Working Group (HRWG) Meeting, Bonn, Germany
- Addressing ESG Inefficiencies of the Capital Markets, Vienna

### November

- The Role of Finance & Insurance in Climate Change, Tokyo, Japan
- Towards a Sustainable Society: The Roles expected of Corporations and Investors, Tokyo, Japan
- 2008 SRI Seminar: CSR Disclosure and Effect on Corporate Valuation, Tokyo, Japan
- Bringing the Universal Owner Rationale to Life: All you Need is Water, Melbourne, Australia
- Addressing ESG Inefficiencies of the Capital Markets, Johannesburg
- The Policy Context for Responsible Investment workshop, Geneva, Switzerland

### December

- Making Forests Competitive: Practical Solutions for Permanence event, Poznan, Poland

# UNEP FI in 2008

## Foreword

## A roller coaster ride brings new opportunity

2008 was a roller coaster of a ride for the financial community, but it also marked an unprecedented opportunity for UNEP FI to get its message across. Consequently we have worked throughout the year to ensure that the embedding of sustainable finance, responsible investment and green business principles takes priority in the global response to the financial crisis and to advocate for corporate responsibility in all economic, financial and investment activity.

Alongside, and parallel to, the financial crisis has been our concern with climate change and the growing realization that less than a year remains before a new agreement must be reached to replace the Kyoto Protocol. UNEP FI must become increasingly bold in its advocacy and more proactive in its activities to drive home the climate change message. In this respect our input to December's UNFCCC meeting in Poznan, Poland has been a good start.

Our entry into the post-credit crunch era, when it comes, also marks a chance for the finance and investment community to truly integrate environmental, social and governance issues into corporate business policies and business practices. Some of UNEP FI's 2008 activities – I would single out our contributions to the June Special Session of the UN General Assembly – will, I hope, provide invaluable input to this process.

The partnership was quick off the starting block in 2008. In February we were invited to participate in a meeting co-convened by the OECD and the World Economic Forum. A few weeks earlier our voice had been heard at the Global Environment Ministerial Forum in the Principality of Monaco. At this meeting UNEP FI convened a roundtable and our Chair, Rob Tacon, from Standard Chartered Bank, joined a panel that presented to government ministers.

Many quality reports were produced in 2008 and it is hard to single one out. However it is particularly pleasing that *Bloom or Bust* which examines the relationship between financial services and biodiversity and ecosystem services, came immediately ahead of the May UN Convention on Biological Diversity COP meeting in Bonn and, along with our half-day event at that gathering, helped reinforce the call for responsible, sustainable development of new markets based on natural value.

Our work this year has not gone without recognition. UNEP FI received an award at the Triple Bottom Line Investing (TBLI) conference in Amsterdam and the magazine Investment & Pensions Europe (IPE) recognized the partnership for its "Outstanding Contribution to the Development of Environmental, Social and Governance (ESG) Investing".

The uncertainty that looms over the financial world will doubtless carry though into 2009. Market volatility will certainly continue – even the most expert commentators cannot predict what's coming next. However, whatever may come, however severe the downturn may be, UNEP FI will enter the year in a strong position, with a growing base of influential and committed Signatories, ready to continue its drive to make sure that financial flows into effective development do not suffer.

### Paul Clements-Hunt

Head of Unit  
UNEP Finance Initiative

# And in 2009...

Two burning questions seem set to dominate sustainable finance in the coming year -- how can we, as UNEP FI Signatories, accelerate the mainstreaming of environmental, social and governance issues into the process of rebuilding trust and reputations that all banks and financial institutions must now undertake; and, how can our expert opinion be best used to ensure that the negotiators, now looking for a post-Kyoto climate change agreement, overcome national and sectorial differences and secure the best possible deal for the planet and its people, particularly those living in persistent poverty?

Neither question is easy to answer and, while public concern over the credit crunch and the threat of global warming has certainly brought these questions to the fore, much hard work needs to be undertaken in the coming year to keep them a focus of public debate, a topic for boardroom discussion and, above all, high on the international agenda.

As UNEP FI Signatories we must never forget our commitment to sustainability and development and our duty, not only to our shareholders and investors, but to the millions upon millions of poor people and future generations whose survival, let alone happiness, depends on our efforts in this coming year.

**Rob Tacon**  
UNEP FI Chair

# Facts & Figures 2008

## Funding

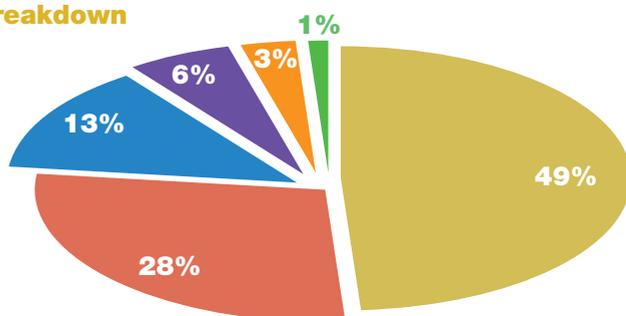
UNEP FI 2007 INCOME	US\$ '000
<b>Core Income</b>	
Signatory contributions	1,665
UNEP funds	150
<b>Total Core Income</b>	<b>1,815</b>
Sponsorship & Miscellaneous Funds	140
<b>Total Income</b>	<b>1,955</b>

## Signatories to the UNEP FI Statements

UNEP FI welcomed 13 new members in 2008, with a total membership of 177 Signatories at the end of the year.

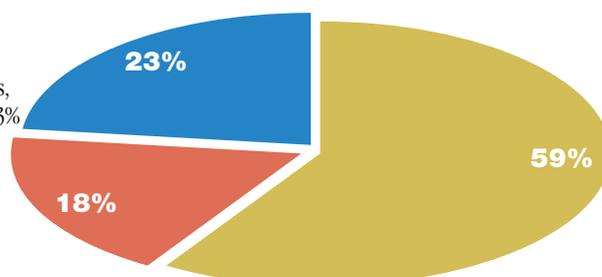
## Geographical Breakdown

- Europe 49%
- Asia Pacific 28%
- North America 13%
- Latin America 6%
- Africa 3%
- Middle East 1%



## Sectoral Breakdown

- Banking 59%
- Insurance 18%
- Others (Asset Managers, Pension Funds, etc.) 23%



## 2008 research & publications at a glance

### CEO Briefings

- CEO Briefing on Human Rights

### Reports

- GRI Financial Services Sector Supplement
- Responsible Property Investing: What the leaders are doing (English, Japanese)
- Building Responsible Property Portfolios (English, Japanese)
- Innovative financing for sustainable small and medium enterprises in Africa

- Narrowing the gap: A survey of the barriers and drivers to commercial microfinance in Africa
- Biodiversity and Ecosystem Services: Bloom or Bust?
- Making Forests Competitive: Exploring insurance solutions for permanence (Concept Paper)

### Newsletters

- Australasian UNEP Finance Initiative Newsletter, Issue 15
- Australasian UNEP Finance Initiative Newsletter, Issue 14



# Work Streams

**UNEP FI's strategic work programme is focused on current and emerging issues which are relevant to its members. UNEP FI's sector-based and theme-specific work streams provide a forum to Signatory institutions to work collaboratively on finding innovative approaches to managing these issues.**

## Asset Management Working Group (AMWG)



### Fiduciary Responsibility and ESG Issues

A follow-up report is being prepared to *A Legal Framework for the Integration of ESG Issues Into*

*Institutional Investment* – produced in 2005 for the AMWG by the international law firm, Freshfields Bruckhaus Deringer, and arguably the single most effective document for promoting the integration of environmental, social and governance (ESG) issues into institutional investment

This sequel report – *Fiduciary Responsibility: Theoretical, Practical and Legal Aspects of Integrating ESG Issues Into Institutional Investment* – will be launched in 2009 and is expected to be another powerful agent of systemic change that will further mainstream the integration of ESG issues into the investment process.

Consequently, the AMWG initiated a multi-year, multi-faceted study encompassing the state of the art on fiduciary duty and ESG issues; how asset owners can integrate of ESG issues into their mandates; best practices

from asset managers and investment consultants and their duties to their principals with respect to ESG issues; and to explore specific failures, misalignments and conflicts of interest within the system.

### Capital Markets and the Valuation of ESG Factors

The AMWG, in partnership with the World Business Council for Sustainable Development, conducted pioneering global workshops on ESG factors and company valuation in 2008. The aims of the workshops, which spanned Africa, Asia, Europe and North America, were to develop a common view on ESG value, to understand current gaps in communicating ESG information, to improve the integration of ESG factors into company valuation, and to accelerate progress on sustainable development. A practical field guide document for investors and companies will be published in 2009.

**Co-Chairs:** Calvert Group Ltd (USA), HSBC Global Asset Management

**Members:** Acuity Investment Management (Canada), AIG Investments (US), Aviva Investors (UK), Banco Real (Santander Asset Management) (Brazil), BNP Paribas Asset Management (France), Calvert Group (US), ClearBridge Advisors (US), Eurizon Capital (Intesa Sanpaolo Group) (Italy), Groupama Asset Management (France), Henderson Global Investors (UK), Hermes Pensions Management (UK), HSBC Global Asset Management (France), Mitsubishi UFJ Trust & Banking (Japan), Nikko Asset Management (Japan), Pax World Management (US), RCM (UK)

**Contact:** [investment@unepfi.org](mailto:investment@unepfi.org)

## Climate Change Working Group (CCWG)



### Addressing carbon market failures

In 2008, the CCWG decided to address the market failures observed in cap and trade schemes; the flexible mechanisms of the Kyoto Protocol and, in mitigation trends generally; and the global shortage of energy efficiency and forestry related mitigation activities.

The CCWG is now asking: what are the reasons for these shortages and how can the finance sector contribute to the solutions?

### Capacity Building in the Finance Sector

The E-Learning Course of the CCWG was re-launched in 2008, to provide capacity building to 100 finance practitioners from around the globe on the implications of both physical and regulatory climate change for their institutions. Given the positive feedback, the course will be repeated in 2009.

**Chairs:** Allianz, Caisse des Dépôts

**Members:** AXA, Aviva, Bank of America, Calvert Group, Carbon Re, Development Bank of Japan, Development Bank of Southern Africa, Fortis, HSBC, Japan Bank for International Cooperation, Munich Re, Pax World Management Corp., Standard Chartered, Sustainable Asset Management (SAM), Swiss Re, UBS, American International Group  
**Associate Members:** Price Waterhouse Coopers  
**Contact:** [climate@unepfi.org](mailto:climate@unepfi.org)

## Property Working Group (PWG)



In 2008 the Property Working Group continued to demonstrate how real estate portfolios can be managed in a way that achieves environmental and social goals, while increasing, or at least not diluting, financial return. By reporting on case studies from real estate funds applying a responsible investment approach the group has identified ten key strategies for managing real estate portfolios responsibly.

The PWG has also collaborated with the PRI on gathering best practices showing how the Principles can be applied to real estate portfolios. This will help foster the implementation of the now widely-spread PRI into other asset classes.

In order to help more investors manage their real estate funds responsibly, the PWG will provide more concrete, practical guidance on getting started on RPI through a series of toolkits.

The group has worked in collaboration with UNEP SBCI on a comparison of green building standards worldwide. This is designed to help investors understand how the various schemes' rankings compare.

**Co-Chairs:** Caisse des Dépôts, PRUPIM

**Members:** AXA Real Estate Investment Managers France, Caisse des Dépôts, Calvert Group, F&C Property Asset Management plc, Hermes Investment Management Limited, Infrastructure Leasing & Financial Services, Innovest Strategic Value Advisors Inc., Mitsubishi UFJ Trust and Banking Corporation, Morley Fund Management, PRUPIM, The Sumitomo Trust & Banking Co., Ltd., WestLB AG

**Advisor:** University of Arizona

**Observers:** CalPERS, Cherokee Investment Partners, Investa Property Group, Land Securities PLC, Lend Lease

**Contact:** [property@unepfi.org](mailto:property@unepfi.org)

## Human Rights (HRWS)

The HRWS, which aims to address human rights as they relate to the activities of finance institutions, including those linked to environmental sustainability, launched a Briefing aimed at the CEO level in 2008. The Briefing explains what human rights are; why they are relevant to financial institutions; and the basic systems and processes that financial institutions should have in place to effectively manage human rights issues.

The online Human Right Guidance Tool for the Financial Sector has been reviewed and refined and is now available for use by UNEP FI's global partnership. It includes background information and a focus on specific issues relating to different industry sectors, cultures and geographies. This "one stop shop" tool is designed to assist frontline business and client officers in the lending and investment community.

**Chairs:** Barclays Group plc, Insight Investment

**Members:** ABN AMRO, Barclays Group plc, Citigroup, F&C Asset Management, Fortis B.V., Fundacion Social, Insight Investment, Intesa SanPaolo, Nedbank, Standard Chartered, UBS AG, Westpac

**Partners:** INCAE - CLACDS Business School

**Contact:** [humanrights@unepfi.org](mailto:humanrights@unepfi.org)

## Water & Finance (WFWS)

In 2008, the WFWS continued to push forward its double agenda of *changing finance* and *financing change*. *Changing finance* activities included promoting the idea that water should be further considered in financial due diligence and stock picking exercises. WFWS's strategy has been to move from awareness-raising to support for action. The *Global Water & Finance Survey 2008* has, in this respect, shown what steps need to be taken next and which sectors and regions should be considered as a priority.

When it comes to *financing change*, the WFWS has worked to show that the mobilization of private finance for water solutions can make sense, both from a financial as well as a sustainability perspective.

For those large institutional investors

who need to *change finance* and *finance change* simultaneously, the WFWS has helped bring the water issue to the table by asking how, as Universal Owners, these bodies can deal with water externalities in their economy-wide portfolios.

**Chairs:** Banco Funds (Swedbank), Australia and New Zealand Banking Group (ANZ)

**Members:** ASN Bank, BNDES, BMCE, Calvert, Ekobanken, I&S, Insight Investment, Intesa San Paolo, mecu, Nedbank, Rabobank, SAM, VicSuper, Westpac

Associate members: Environment Protection Authority Victoria, Goldman Sachs, IPA Economics, Organisation for Economic Cooperation and Development (OECD), Stockholm International Water Institute (SIWI), UNEP Regional Seas, UN Water

**Observers:** UNEP Regional Seas, Stockholm International Water Institute, Food and Agricultural Organisation (UN Water), ICF Water, Connexis, Environmental Protection Authority Victoria

**Contact:** water@unepfi.org

## Principles for Responsible Investment (PRI)



Capacity building of local emerging markets (EM) investors by creating networks between local and international investors in emerging markets and developing countries was the focus of PRI activities in 2008. The project supported and

coordinated collaborative investor engagement around sustainability and governance disclosure by local companies operating in the target emerging markets.

The EM project also engaged in several outreach activities to promote responsible investment in India, China, Russia, Middle East and South East Asia. PRI in EM was also involved in implementing the PRI – UNEP FI Universal Owner Project, which examines how externalities can be addressed through shareholder engagement.

PRI in EM is funded by SIDA, implemented by UNEP, and managed by UNEP FI. The goal of the project is to promote responsible investment in emerging markets and developing countries.

## Insurance Working Group (IWG)



### Global Survey on ESG Factors and Insurance

The IWG established the first-ever UNEP FI Academic Working Group (AWG) in 2008, to provide input on and support for its work on sustainable insurance. Membership includes leading academic institutions from the United States and Europe. The IWG and AWG have also jointly designed a major new global survey on the understanding and integration of ESG factors in insurance underwriting and product development, which will be conducted in 2009. Key findings from the survey will be captured in a report mapping the global state of sustainable insurance.

### Microinsurance and Innovative Risk Financing Solutions

The IWG has begun work on a multi-year study linking microinsurance, natural catastrophe insurance mechanisms and insurance-linked securities. The study, which will be launched in 2009, aims to establish the business case for innovative risk financing solutions in developing countries; articulate how these solutions improve community resiliency to natural disasters; help the poor out of poverty traps, and to understand the collective impact of solutions on sustainable development, particularly with respect to goals such as the MDGs and the Hyogo Framework for Action.

### Forestry, Insurance and the Carbon Markets

As part of a forestry and insurance initiative to combat climate change, the IWG conducted a sample survey of its member institutions, who are among the leading global insurers and reinsurers, on the state of play in the forestry and insurance marketplace. The key findings from this survey will form an integral component of a concept paper on forestry, insurance and the carbon markets – *Making Forests Competitive: Exploring Insurance Solutions for Permanence* – which will be jointly produced by the IWG and the Climate Change Working Group.

### Promoting Sustainability in the Insurance Industry and Public Policy

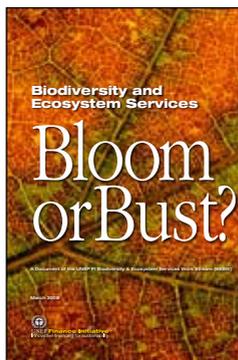
The IWG has called on the insurance industry and policymakers to advance sustainable insurance thinking and practice through strategic articles in major international publications including the commemorative book of the *2008 World Insurance Forum*; the *2008 Commonwealth Finance Ministers Reference Report*; and the *2008 Climate Action Report* launched at the UN Climate Change Conference in Poznan, Poland.

**Co-Chairs:** AXA, Insurance Australia Group

**Members:** Achmea, Allianz SE, American International Group, AXA, Folksam, HSBC Insurance Brokers, Insurance Australia Group, Interamerican Hellenic Life Insurance, Lloyd's, MAPFRE, Munich Reinsurance Company, Norwich Union (Aviva), RSA, Storebrand, Swiss Reinsurance Company, The Co-operators Group, Tokio Marine & Nichido Fire Insurance, XL Group

**Contact:** insurance@unepfi.org

## Biodiversity & Ecosystem Services (BESW)



Throughout 2008, the Biodiversity and Ecosystem Services Work Stream (BESW) continued its crucial work of promoting the increasing global importance of biodiversity issues. It notably published and launched its

*Bloom or Bust* report which explored the risks and opportunities faced by financial institutions in relation to biodiversity and ecosystem services (BES).

Work on the Natural Value Initiative (NVI), also continued and is set to be finalized and launched in June 2009. This benchmarking tool will focus on finance-sector investments in the food, tobacco and beverage industries.

The NVI will use case studies to present the business case for action in BES management,

and promote the wider use of good practices and standards.

2009 will also see the launch of the Environmental and Social Responsibility Observatory (ESRO) project, which was developed throughout 2008.

This interactive database will present real-life case studies to allow financial institutions to showcase their experiences in environmental and social risk analysis and sustainable project financing.

**Chair:** Merrill Lynch

**Members:** Bayern LB (Germany), Citigroup (USA), Development Bank of South Africa, F&C Asset Management (UK), Insight Investment (UK), KfW Banking Group (Germany), Nedbank (South Africa), Nikko Asset Management (Japan), Rabobank (Netherlands), Sustainable Asset Management (Switzerland), Sustainable Development Capital LLP (UK), VicSuper (Australia)

**Associate Members:** Association Française pour Entreprises Privées (France), Business for Social Responsibility (USA), Convention on Biological Diversity, Fauna and Flora International (UK), Forest Trends (UK), Industrial Development Corporation (South Africa), KMPG (UK), Rio Tinto (Australia), The Katoomba Group (Uganda), United Nations Development Programme (Panama office), UNEP - World Conservation Monitoring Centre (UK)

**Contact:** biodiversity@unepfi.org

# Activities in the Regions

**UNEP FI's Regional Task Forces serve to ensure the Initiative addresses the specific regional needs of its Signatories and that the outputs of its thematic work streams is relevant to the realities of different regions.**

## Asia Pacific



The Asia Pacific Task Force (APTF) operates through four sub-groups – the Australasia Group, the Japan Group, the Korea Group, and an overall Outreach Group.

Recognizing that there is an opportunity to add value to both financial institutions and their suppliers in the supply chain management process, the APTF Australasia

Group has investigated ways of working together to increase efficiencies in the evaluation of suppliers and their sustainability performance. The report will be further developed and APTF will implement its key recommendations in collaboration with NATF.

In June, the United Nations' three leading sustainability driven organizations – UNEP FI, UN Global Compact and the Principles for Responsible Investment (PRI) – hosted a conference “Changing Landscapes: Towards a Sustainable Economy in Asia”. In association with Eco-Frontier, Korea, UNEP FI also co-hosted the “UNEP FI Conference on Sustainable Finance”.

The Japan Group organized a series of events on CSR Disclosure and its Effect on Corporate Valuation, the Role of Finance & Insurance in Climate Change and on Mainstreaming Sustainable Finance. The APTF Japan Group has also been developing the Japanese adaptation of the UNEP FI E-learning course on Climate Change.

APTF, in collaboration with the Centre for Development Finance (CDF) India, is working on developing a gap analysis tool targeted at the Indian finance sector. The tool uses material initially developed in Spanish by LATEF.

### Australasia Group

**Host:** EPA Victoria

**Chair:** mecu

**Members:** Australia & New Zealand Banking Group (ANZ), Export Finance and Insurance Corporation, Insurance Australia Group, Medibank, National Australia Bank, QBE Insurance Group, Savings & Loans Credit Union, VicSuper, Westpac Banking Corporation

### Korea Group

**Host:** Eco-Frontier

**Chair:** Woori Bank

**Members:**

Daegu Bank, Hana Bank, Hyundai Marine and Fire Insurance, Kookmin Bank, Samsung Investment Trust Management, Shinhan Bank, The Export-Import Bank of Korea

### Japan Group

**Chair:** The Bank of Tokyo-Mitsubishi UFJ

**Members:** Aioi Insurance, Chuo Mitsui Trust & Banking, Daiwa Securities Group, Development Bank of Japan Good Bankers, Japan Bank For International Cooperation (JBIC), Mitsubishi UFJ Trust and Banking Corporation, Mitsui Sumitomo Insurance, Mizuho Financial Group, Nikko Asset Management, Nikko Citi Holdings, Nipponkoa Insurance, Sompō Japan Insurance, Sumitomo Mitsui Financial Group, The Shiga Bank, The Sumitomo Trust & Banking, Tokio Marine & Nichido Fire Insurance

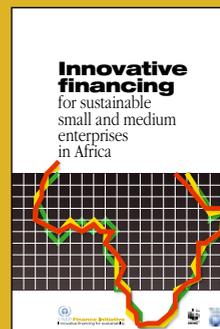
### Outreach Group

**Chair:** Japan Bank of International Cooperation

**Co-Chair:** Association of Development Financing Institutions in Asia and the Pacific (ADFIAP),

ABN AMRO India, Association for Sustainable & Responsible Investment in Asia (ASrIA), Development Bank of the Philippines, Eco-Frontier, EPA Victoria, Netherlands Development Finance Corporation (FMO), Japan Bank for International Cooperation (JBIC), Infrastructure Leasing & Financial Services (IL&FS), Ministry of Environment (Indonesia), mecu, National Australia Bank, Savings and Loans Credit Union, VicSuper, Westpac Banking Corporation, YES Bank Limited

**Contact:** [ap@unepfi.org](mailto:ap@unepfi.org)



United by a common objective to define innovative approaches to sustainability for the African financial sector, ATF members collaborate to advance sustainable finance, responsible investment, and increased provision of financial services for the poor.

In 2008, the ATF launched two reports. The first – *Narrowing the Gap: A Survey of the Barriers and Drivers to Commercial Microfinance in Africa* – provides guidance on overcoming current barriers and increasing commercial microfinance investment in Africa. A survey was conducted to understand why very little commercial microfinance activities have been invested in Africa and how to overcome this.

The second report – *Innovative Financing for Sustainable Small and Medium Enterprises in Africa* – is a compilation of case studies resulting from a 2007 international workshop of experts in small and medium enterprise (SME) financing and sustainability from public, private and philanthropic investment communities, as well as Africa-based organizations working on SME financing.

**Chairs:** Banking Association of South Africa, Nedbank, Oceanic Banking International

**Members:** Bank of Industry, BMCE Bank, Citi, Development Bank of South Africa, Fidelity Bank, Nedbank, Oceanic Bank, Standard Chartered Bank, Societe General, The Netherlands Finance Corporation, (FMO), UBA Foundation, Zenith Bank

**Partners:** African Institute for Corporate Citizenship (AICC), Africa Investor

**Contact:** [africa@unepfi.org](mailto:africa@unepfi.org)

## Latin America



The Latin American Task Force (LATF) strengthened its overall training programme in 2008, and continued to make headway in the development of implementation tools for practitioners.

Five online courses were delivered as a part of the Environmental and Social Risk Analysis (ESRA) E-Learning Programme while an introductory training workshop on the same topic was delivered in Barbados, the first time in the Caribbean.

LATF also developed and piloted a brand new E-Learning Programme on Corporate Ecoefficiency.

2008 also saw significant progress in the development of the Environmental and Social Risk Observatory (ESRO), including an expansion of its scope through collaboration with UNEP FI's Water & Finance and Biodiversity work streams. ESRO, which will be launched in 2009, is an

online database of cases and illustrations of real-life environmental and social risk and opportunities. By centralizing information on how risks can be dealt with and how real opportunities can be seized, it will act a desktop tool for financial analysts worldwide.

Finally, the LATF continued to support the development of a Sustainability Gap Analysis Tool within the Mexican Banking Association's Sustainability Committee. This will be a web-base tool which, when finalized in 2009, will enable users to obtain basic, but across-the-board, information on sustainable finance implementation, an outline of their current profile, and guidance on improving their profile.

**Chairs:** ABN Amro Banco Real, Brazil, HSBC Mexico

**Members:** ABN Amro Mexico, BBVA Peru & Spain, Banco Itau (Brazil), BANOBRAS (Mexico), BNDES (Brazil), CAF (Venezuela), FIRA (Mexico), Fundación Social (Colombia), HSBC Argentina & El Salvador, Rabobank Brazil.

**Associate Members:** CLACDS/INCAE Business School & Ecobanking Project (Costa Rica), FBDS (Brazil), FGV/Ces (Brazil), FFLA (Ecuador), Instituto Nacional de Ecología / INE (Mexico).

**Contact:** [la@unepfi.org](mailto:la@unepfi.org)

## North America

In 2008, the North American Task Force (NATF) produced a report on *Understanding Corporate Sustainability Disclosure Requests*, which aimed to frame the business case for companies – financial institutions or otherwise – who are asked to respond to sustainability-related surveys. The report identifies some of the main organizations which seek information on companies' sustainability policies and practices, as well as why and how they go about collecting such data.

NATF also hosted a workshop in Boston on the report's key findings in October 2008. Hosted by the Task Force's CoChair State Street Corporation, the event was attended by over 50 participants from UNEP FI member institutions and other stakeholders in North America. A diverse group of experts provided further insights into the latest trends and challenges around sustainability disclosure in the North American financial sector.

**Chairs:** Royal Bank of Canada & State Street Corporation

**Members:** Bank of America, Bank of Montreal, Canadian Imperial Bank of Commerce, Citigroup, HSBC USA, JPMorgan Chase & Co., Merrill Lynch, Royal Bank of Canada, Scotia Bank, TD Bank Financial Group, The Bank of Tokyo-Mitsubishi UFJ, Ltd., UBS, Union Credit Bank, Vancity, WestLB.

**Contact:** [na@unepfi.org](mailto:na@unepfi.org)

# Training

## Central & Eastern Europe

The CEETF focused on building an effective awareness-raising strategy in Turkey in 2008 in collaboration with EBRD, UNDP and the Regional Environmental Center for CEE. The CEETF continued to support the E-learning programme. To foster implementation of sustainable finance in countries where the CEETF had previously conducted awareness-raising in previous years, three very successful ESRA courses have been held. A case study to further adapt the training materials for regions has been developed in collaboration with UNEP FI's Romanian signatory Banca Commerciala Romana.

**Chairs:** Mark King, EBRD

**Members:** Alpha Bank, Intesa Sanpaolo, Bank Austria Creditanstalt (United Group), Croatian Bank for Reconstruction and Development (HBOR), EFG Eurobank Ergasias S.A., Emporiki Bank, Hypovereinsbank (Unicredit Group), Interamerican Hellenic Life Insurance Company SA, Piraeus Bank, Raiffeisen Zentralbank Austria AG,

**Contact:** [cee@unepfi.org](mailto:cee@unepfi.org)

## Western Europe

The Western European Forum (WEF) is an informal network of regional Signatories, who aim to promote active participation in UNEP FI. The WEF works closely with Regional Task Forces, as most Western European Signatories have subsidiaries in other regions.

In 2008 UNEP FI has continued its successful collaboration with the German VfU (Association for Environmental Management in Banks, Savings Banks and Insurance). As usual the UNEP FI/VfU Roundtable conference was held in November 2008, this year focusing on the practical implementation of climate change policies into financial services. A workshop on the Principles for Responsible Investment also was held in June 2008 by UNEP FI, VfU and the German SRI Forum in Frankfurt, Germany.

**Contact:** [we@unepfi.org](mailto:we@unepfi.org)

## Training & Tools for Implementation

### Environmental & Social Risk Analysis (ESRA) E-Learning Programme

The ESRA E-Learning Programme aims to educate employees of local, regional and international financial institutions in the identification, analysis and management of environmental and social risks, as generated through their lending and investment activities, particularly in an emerging market and/or developing country context.

The courses delivered under the programme provide in-depth, personalized training over a three-week period, with experienced tutors engaging with participants on a daily basis. Participants take part in a range of activities, ranging from simulating implementation of environmental and social policies and guidelines and analysing case studies, to carrying out exercises based on their own clients' environmental and social impacts.

The ESRA E-Learning Programme, developed in Spanish in 2006 and adapted into English a year later, is a joint product of UNEP FI, Capacity Building International (InWent), and the INCAE Business School, delivered with the support of the Ecobanking Project. The Spanish version was developed with the support of Bank of America, the English with that of FMO. By the end of 2008 some 20 courses had been delivered to analysts throughout the world.

**Contact:** [risktraining@unepfi.org](mailto:risktraining@unepfi.org)

### E-Learning Course on Climate Change Risks and Opportunities for the Finance Sector

In June 2007, UNEP FI launched an online training course called "Climate Change: Risks and Opportunities for the Finance Sector". The course was the result of collaboration between UNEP FI, United Nations Institute for Training and Research (UNITAR), UNEP FI Australasian Credit Risk Advisory Committee and Bank of America, who sought to develop a toolkit that would enhance the knowledge of financial institutions staff on climate change and carbon finance, specifically the Kyoto Protocol's flexible mechanisms, and provide support for the development of effective internal policies.

The primary focus of this e-Learning programme is to provide senior and mid-level executives in financial institutions with a flexible, cost-effective and accessible training service with a view to continued skills building and networking.

**Contact:** [cc-training@unepfi.org](mailto:cc-training@unepfi.org)

### UNEP FI-GRI Working Group on Performance Indicators

The joint working group led by the Global Reporting Initiative (GRI) and UNEP FI completed its work on the GRI Financial Services Sector Supplement in May 2008, and after approval by the GRI Board, the final supplement was launched in October 2008.

The supplement, which is based on and coherent with the widely-used G3 Guidelines, focuses on measuring the sustainability performance of the financial sector's products and services. This makes it unique compared to other sustainability reporting guidance and the supplement is expected to become the standard for reporting on financial institutions environmental and social performance. Detailed reporting guidance for all indicators has been developed in order to facilitate their use and to enhance the comparability of reported information.

The supplement has been developed, tested and revised over a five-year period starting in 2003. Its development involved more than 28 financial institutions, a wide range of stakeholders in two working groups and several public consultation periods.

**Members:** BCSC Fundacion Social, BMO Financial Group, CECA (Confederacion Espanola de Cajas de Ahorros), Co-operative Financial Services, National Australian Bank, State Street Corporation, Tapiola Insurance Group, Vancity & Citizens Bank of Canada, VicSuper Pty Ltd, Westpac Banking Corporation, Zurich Kantonalbank

**Stakeholder Group:** Christian Brothers Investment Services (CBIS) Inc, CoreRatings - DNV, Earthwatch, EIRIS, FGVSP (Centro de Estudos em Sustentabilidade), Friends of the Earth, Germanwatch, Suedwind Institute, Union Network

**Contact:** [gri@unepfi.org](mailto:gri@unepfi.org)

## UNEP FI CEO Briefings



This series of UNEP FI Publications provides concise, easy-to-use updates and research findings on themes examined by our Work Streams and Regional Task Forces. Available at [www.unepfi.org/publications](http://www.unepfi.org/publications)

## UNEP FI Newsletter



"0.618..." is UNEP FI's newsletter. It covers current issues relating to innovative financing for sustainability, and includes contributions from leaders and experts in the field. Available at [www.unepfi.org/publications](http://www.unepfi.org/publications)

## UNEP FI Secretariat

Head of Unit

**Paul Clements-Hunt**

Administration

**Ken Maguire**

**Emira Ben-Ayed**

**Julie Talisco**

Signatory Relations

**Kiki Lawal**

Communications

**Careen Abb**

**Susan Steinhagen**

UNEP FI Roundtable

**Henry Thomas**

IT Support

**Richard Hansen**

Investment

**Butch Bacani**

**Remco Fischer**

Property

**Regina Kessler**

Insurance

**Butch Bacani**

Climate Change

**Yuki Yasui**

**Remco Fischer**

Water & Finance

**Heidi Mayhew**

**Remco Fischer**

Biodiversity & Ecosystem Services

**Susan Steinhagen**

Human Rights

**Cristina Gueco**

Sustainability Reporting

**Regina Kessler**

Sustainability Training

E&S Risk Analysis:

**Careen Abb, Cristina Gueco**

**Regina Kessler**

**Susan Steinhagen**

Climate Change:

**Yuki Yasui & Remco Fischer**

African Task Force

**Cristina Gueco**

Asia Pacific Task Force

**Yuki Yasui**

**Susan Steinhagen**

Central & Eastern European Task Force

**Regina Kessler**

**Dona Stenzel**

Latin American Task Force

**Careen Abb**

North American Task Force

**Careen Abb**

Western European Forum

**Kiki Lawal**

**Regina Kessler**

Interns

**Monica Hoz de Vila**

# UNEP Finance Initiative

The United Nations Environment Programme Finance Initiative (UNEP FI) is a unique public-private partnership between the United Nations and the global financial sector.

## Mission

“To identify, promote, and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations.”

## Background

The idea of gathering financial institutions around environmental issues in the form of a Finance Initiative within UNEP materialized in 1991, when a small group of commercial banks joined forces with UNEP to catalyse the banking industry's awareness of the environmental agenda. In May 1992, the UNEP Financial Institutions Initiative was established, followed by the UNEP Insurance Industry Initiative in 1995. Both Initiatives were merged into the current, joint, Finance Initiative in 2003, following the first joint Annual General Meeting of the Initiatives that was held in October 2003.

Today, UNEP FI is the largest global voluntary partnership of its kind, with over 170 signatories to the UNEP FI Statements. UNEP FI members include banks, insurers, asset managers, pension funds, and other categories of financial institutions, all working together to understand the links between sustainable development considerations and financial services, in order to maximize mutual positive impacts.

## Structure

UNEP FI is governed by an elected Steering Committee comprised of representatives from its membership and from UNEP. UNEP FI's annual work programme is coordinated by a Geneva-based Secretariat and is determined in consultation with the Steering Committee.

## UNEP FI Steering Committee 2008

### Chair

Standard Chartered: Robert Tacon

### UNEP Representative

Division of Technology, Industry, and Economics (DTIE): Sylvie Lemmet

### Signatory Representatives

Lloyds TSB Group plc: Paul Turner

ANZ: Sean Silvey

PT Bank Negara Indonesia: Bien Subiantoro

### Working Group Representatives

SRI: Gianluca Manca (AMWG)

AXA: Catherine Boiteux-Pelletier (IWG)

Caisse des Depots: Blaise Desbordes (PWG)

Prudential Plc (London): Paul McNamara (PWG)

Allianz Dresdner: Armin Sandhoevel (CCWG)

Caisse des Depots: Claire Boasson (CCWG)

### Regional Task Force Representatives

Banking Association of South Africa:  
Cas Coovadia (ATF)

Mecu Limited :  
Damien Malsh (APTF)

European Bank for Reconstruction and  
Development:  
Mark King (CEETF)

Emporiki Bank:  
Stella Kovlaka (CEETF)

Banco Real Santander Group:  
Chris Wells (LATF)

Royal Bank of Canada:  
Sandra Odendahl (NATF)

State Street Corporation:  
Richard Pearl (NATF)



**UNEP Finance Initiative**  
Innovative financing for sustainability

United Nations Environment Programme

UNEP Finance Initiative

International Environment House

15, Chemin des Anémones

CH-1219 Châtelaine, Genève

Switzerland

Tel: (41) 22 917 8178 Fax: (41) 22 796 9240

email: fi@unep.ch website: www.unepfi.org