



UNEP FI

2023 Annual Overview



Introduction

The years 2022 and 2023 were pivotal for our members. Severe climate events and geopolitical crises worldwide underscored the urgent need to address the triple planetary crisis of climate change, biodiversity loss, and pollution. Despite numerous regulatory and global challenges faced by financial institutions, our membership reached 500 for the first time. This milestone reflects the growing recognition within the global finance industry of the importance of adopting a responsible approach to banking and insurance.

Our work programme expanded significantly. It encompassed new areas such as climate mitigation and adaptation, nature, pollution, the circular economy, and just transition financial inclusion. We also developed innovative methods for our members to

assess and act upon their sustainability risks and impacts. Our members have demonstrated remarkable resilience and progress, driving the sustainable finance agenda forward during turbulent times, marked by geopolitical shifts, economic challenges, climate, nature, and pollution crises unfolding across regions.

In this review of activities, we note some key developments to advance sustainable finance amongst the world's largest network of banks and insurers working to implement global sustainability frameworks. As we reflect on these accomplishments, we look forward to building on this momentum. We will continue to integrate sustainability into financial practices while driving systemic change for people and planet.



Without vision, ambition and the leadership of UNEP FI... we will not succeed in aligning banking with society's goals."



Implementation for a sustainable future

Eric Usher

Head UNEP FI

The period from 2022 to 2023 represented a significant era of advancement in responsible banking and sustainable insurance to help finance the transition towards a more sustainable and resilient economy. Financial institutions worldwide have increasingly embraced sustainability. UNEP FI experienced a significant surge in both membership and engagement across all initiatives. This growth is a testament to the commitment of banks, insurers, institutional investors to integrate sustainability considerations into financial decision-making. The progress made in 2022 and 2023 is commendable, yet challenges still lay ahead. Addressing the triple planetary crisis of climate change, biodiversity loss, and pollution—demand even greater ambition and action from both the private sector and policymakers.



Finance plays a crucial role in driving the transition towards a sustainable resilient future. UNEP FI is committed to supporting its signatories and engaging with policymakers and regulators to foster industry-wide sustainable finance practices that have lasting positive impacts on the environment for sustainable finance.

The progress of the Principles for Responsible Banking signatories, the continued expansion of the community working on implementing the Principles for Sustainable Insurance, and the ambitious targets set by the UN-convened net-zero alliances all highlight the tangible actions being taken to achieve sustainable development goals. These efforts are directed towards creating a sustainable, equitable, pollution-free, and net-zero world.

UNEP FI is set to build on momentum to address global challenges. While the pace of change may vary across jurisdictions, financial institutions that help companies transition to sustainable and climate-resilient business models will be well-placed to create a resilient economy that serves the long-term interests of society.

The achievements of the past two years reflect the remarkable strides made by UNEP FI and its members.

The challenges we face are formidable, but the finance industry's capacity to drive change is unparalleled. Together, we have the potential to shape a future where finance not only supports but actively accelerates the transition to a sustainable and equitable world.

We extend our gratitude to all of our members and partners for their commitment to sustainable finance. Thank you for being a part of this transformative journey.

Eric

Our impact and growth

“Micro, small, and medium enterprises in vulnerable states are often aware of insurance but do not see its value. Projects such as the Principles for Sustainable Insurance’s V-20 Sustainable Insurance Facility are aiming to change that.”



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Financial institutions worldwide have increasingly
embraced sustainability, with UNEP FI experiencing
a significant surge in both membership and
engagement across all initiatives.



500

UNEP FI reached a
milestone of **500** members

Training nearly **1,000** finance
professionals on social, environmental
and climate risks assessment and
management across 2022 and 2023.

1000

UNEP FI released

2022

44 publications

45 webinars

102 articles

2023

48 publications

27 webinars

87 articles

3000

Over **3,000** attendees across more than 70 countries at UNEP FI's
biennial **Global Roundtable (GRT)** in 2022 featuring environmental
leaders: Al Gore, Mark Carney, Christiana Figueres, Oliver Bäte,
Elizabeth Mrema, Ravi Menon, and Emmanuel Faber.

3rd meeting

UNEP FI's Leadership Council convened for its **3rd meeting**, reinforcing the agenda of green finance
with global finance leaders. The Council brought together CEOs, presidents, and board chairs of
banks and insurers in its governance bodies to focus on aligning global economies with sustainable
development goals.

+325 banks

PRB celebrated its fourth anniversary with over **325 banks**—representing almost **USD 90 trillion in assets**—more than **50% of banking assets** worldwide

34 banks create guidance on nature

PRB **Nature Target Setting** guidance co-developed with a task force of 34 PRB signatory banks to support the **banking industry to act against nature loss** and set targets aligned with the Kunming-Montreal Global Biodiversity Framework (GBF) objectives

PSI celebrated its **10th anniversary** and continued growth expanding to **153 signatories** total—representing nearly one-third of the world's premiums and USD 15 trillion in assets under management (AuM).

PSI 10th anniversary

PSI launched a paper titled "Nature-Positive Insurance: Evolving Thinking and Practices" which recommended the need for a first of its kind collective roadmap for the insurance sector to develop skills and development on nature.

first of its kind roadmap to develop skills

27 members from 17 countries joined the **NZBA** to take it to 127 members with more than USD 70 trillion in total assets

127 members over USD 70 trillion in AuM

86 members over USD 11 trillion in AuM

NZAOA reached 86 members with the addition of the first asset owners from Belgium, Gabon, and Spain in 2023 with over USD 11 trillion in AuM.

38 banks joined the Climate Risk and TCFD Programme

programme growth

— Highlights

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UNEP FI can help the finance industry harmonise sustainable finance standards by convening members in working groups on technicalities, networking with mainstream standard setters, and promoting wider adoption of such standards.”



Across 2022 and 2023, UNEP FI celebrated several milestones and accomplishments

We launched the first [ESG Guide for Life and Health Insurers](#), a collaborative effort with HSBC Life under the **Principles for Sustainable Insurance (PSI) Initiative**. The guide provides comprehensive guidance to the insurance industry on evaluating ESG risks, marking a significant step towards integrating sustainability into insurance practices.

Additionally, the Initiative saw significant growth, reaching 153 signatories total, reflecting a strong commitment to addressing ESG risks.

We partnered with the International Labor Organization to release the first **Just Transition Finance** roadmap for banks and insurers. [The roadmap](#) was created to further support financial institutions in achieving an equitable economic shift.

We published **Principles for Responsible Banking (PRB) guidance documents**

to support our members in areas such as financial inclusion, nature, climate adaptation, impact protocols, and financing the transition to a circular economy.

Our **Climate Risk and Task Force on Climate-related Financial Disclosures (TCFD)** Programme helped 46 banks enhance their climate risk preparedness.

The **Net-Zero Banking Alliance (NZBA)** expanded its membership to 127 banks, and we made substantial progress in setting science-based sectoral targets for 2030.

The **Net-Zero Asset Owner Alliance (NZAOA)** surpassed 80 members and strengthened its Accountability Mechanism. This system, designed to ensure members meet their climate targets, exemplifies the commitment to credible and transparent action.

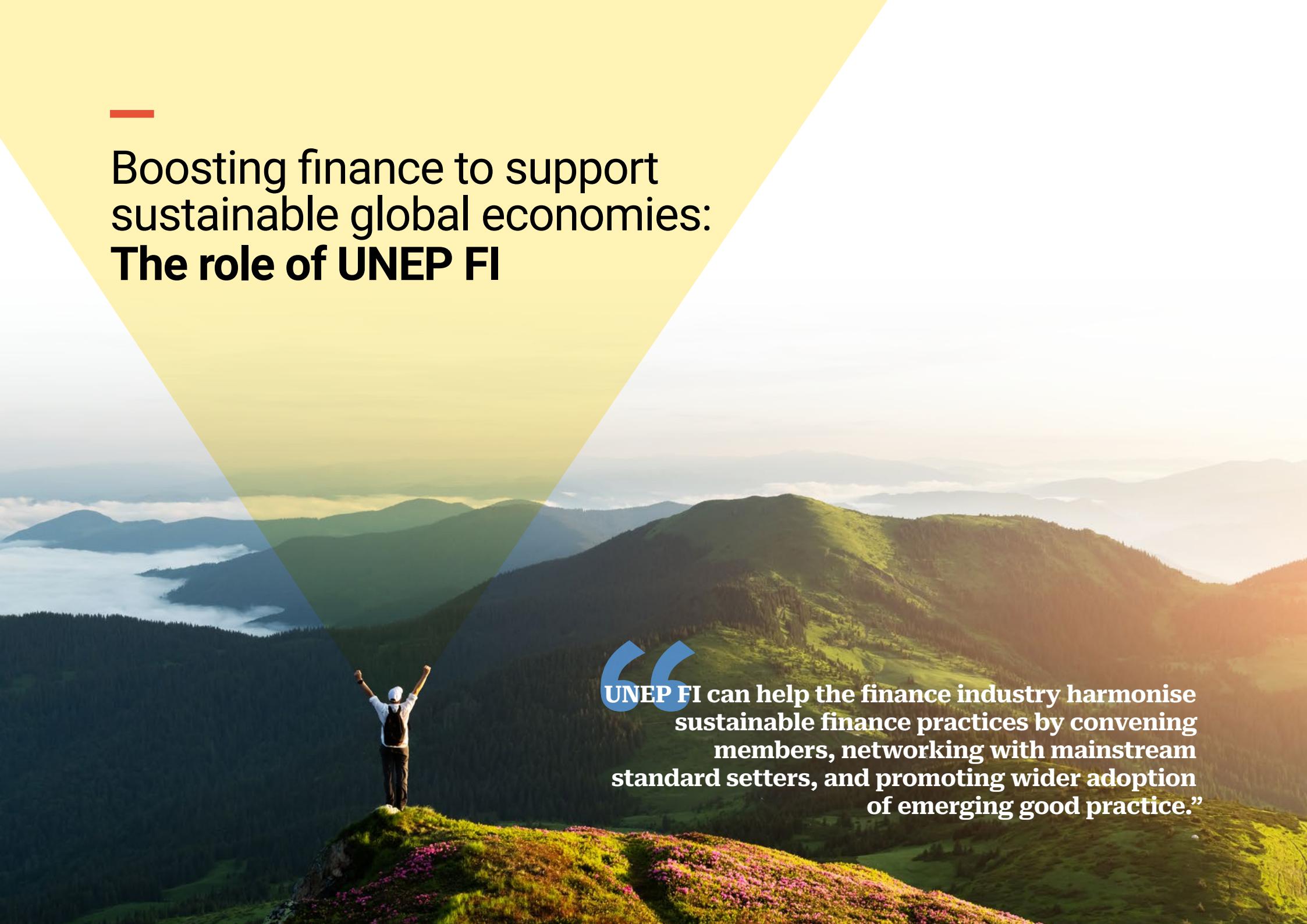


As finance sector leaders, we have the power to set a high ambition in the industry and translate that into the transformation needed."

The **Net-Zero Insurance Alliance (NZIA)**, which operated from July 2021 until April 2024, developed foundational concepts and frameworks to help insurers and reinsurers decarbonise their underwriting portfolios. A white paper on net-zero insurance was released, as well as the PCAF Insurance Associated Emissions Standard, and the NZIA Target-Setting Protocol.

In 2023, we launched the **Net-Zero Export Credit Agency (NZECA)**, marking a milestone as public finance institutions committed to transitioning operational and attributable emissions from portfolios and business activities to align with net-zero pathways by 2050 or sooner. This initiative supports the decarbonisation of trade and export finance.

Boosting finance to support sustainable global economies: **The role of UNEP FI**



“UNEP FI can help the finance industry harmonise sustainable finance practices by convening members, networking with mainstream standard setters, and promoting wider adoption of emerging good practice.”

We envision a financial system that drives sustainable global economies through the action of its vast network of banks, insurers, and investors. **For over 30 years, we have connected the United Nations with financial institutions worldwide, shaping the sustainable finance agenda and establishing leading sustainability frameworks to integrate social and environmental considerations into its core business.**

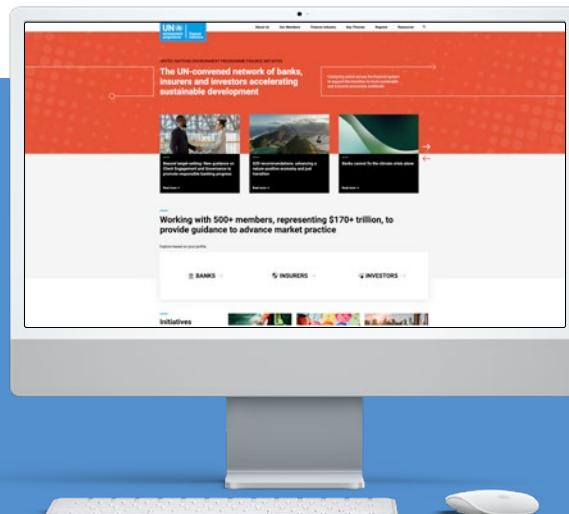
Headquartered in Geneva, Switzerland, UNEP FI is the driving force behind a network of over 500 banks and insurers with assets exceeding USD 170 trillion. These institutions, by individually implementing the Principles for Responsible Banking and Principles for

“Financial institutions need to ensure internal sustainability activities and advocacy are aligned and informed by the science of climate change.”

Sustainable Insurance, gain access to a wealth of practical tools and guidance. By voluntarily aligning with our sustainability frameworks, financial institutions are guided and empowered to transition towards a sustainable and inclusive economy.

Since our founding in 1992, we have been a pioneer in engaging the finance sector on sustainability, including incubating the

Principles for Responsible Investment, which has become the world's leading advocate for responsible investment. Today, we continue to cultivate leadership, advance sustainable market practices, and support the implementation of global programmes at a regional level across Africa and Middle East, Asia Pacific, Europe, Latin America and the Caribbean, and North America.



Continued opportunities and benefits for members

Throughout 2023, we continued to provide members with a robust platform to advance sustainable finance. We have been instrumental in creating industry-specific frameworks and setting new standards across banking, insurance, and investment. These efforts ensure that private finance aligns with societal goals, contributing to the global sustainable development agenda. By scaling up sustainable finance, we aim to achieve targets under agreements such as the Global Biodiversity Framework adopted at the end of 2022 and the Paris Agreement goals to limit warming to 1.5°C.

Impact through policy and regulatory work

In 2023, UNEP FI witnessed a significant increase in policy and regulatory reforms worldwide, with numerous countries establishing ambitious net-zero finance frameworks. This momentum culminated in the UN Task Force on Net Zero Policy launch at COP28.

The policy and regulatory landscape saw different mechanisms implemented across jurisdictions at various speeds. Emerging economies saw the rollout of more taxonomies, while growing emphasis on harmonising and ensuring the interoperability of reporting and sustainable finance tools. An enabling policy environment began to emerge for climate alignment, incorporating nature and biodiversity risks into both prudential and corporate disclosure frameworks.



In support of these global efforts, we co-released a common framework for sustainable finance taxonomies in Latin America and the Caribbean in July 2023. We also contributed to the technical development of

sustainable taxonomies in Brazil, Panama, and Costa Rica. Recognising the critical need to adapt our economies to global climate challenges to avoid surpassing the earth's tipping points, we published [a series of articles](#) based on its input paper to the G20 on credible net-zero commitments from 2021. UNEP FI engaged policymakers to help the development of effective, coherent regulation to enable sustainable finance.

UNEP FI supports the readiness of members for emerging policy and regulatory frameworks and informs policymakers of emerging practices in sustainable finance. Our members form the backbone of our work and have been at the forefront of our efforts. They receive comprehensive support through a range of members-only and public webinars covering transition plans, disclosure regulations, human rights and environmental due diligence.

Key policy milestones



2023

Increase in policy reforms



Cop28

Launch of UN Task Force



Future

Action sector-specific policies

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"More science-based policy advocacy is needed. A barrier is that access to the science on which to base this is not readily available to financial institutions. The UN could convene academics to increase access to science-based information that will help drive governments, clients, and customers to act."

Learning and education

The **PRB Academy** has emerged as a powerful online learning platform. Launched in September 2022, the Academy was designed to **rapidly enhance banking professionals' understanding of sustainability**. It offers interactive courses on the fundamentals of responsible banking, client and customer engagement, and climate change. A specialised course for Board members and senior executives is offered.

The Academy has empowered nearly 1,000 participants with knowledge to integrate sustainability into banking operations, strategy, and client engagement.

Throughout 2023, we continued to support finance professionals by offering in-depth online courses and tailored in-person workshops. We trained over 600 individuals in social, environmental, and climate risk assessment and management. We also provided tutor-led courses on environmental risk analysis, climate change risks, opportunities, and corporate eco-efficiency. These courses, designed for organisations at the beginning of their sustainability journey, certified 600 professionals in 2022 and 378 in 2023.

+950 certified
in social, environmental, and climate risk assessment and management

“Financial institutions currently face **challenges** in moving from pledges to concrete action due to the lack of capacity. We welcome the establishment of the **PRB Academy**, which will benefit bankers in developing countries and emerging economies as well.”





Championing responsible banking & sustainable insurance: Industry perspectives and essential focus areas

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As finance sector leaders, we have the power to set a high ambition in the industry and translate that into the transformation needed."

A photograph of three young girls with dark hair, smiling and laughing. The girl on the left has her hand to her face. The girl in the middle is wearing a white t-shirt with colorful paint splatters. The girl on the right is wearing a floral patterned shirt.

Banking

After testing the EU taxonomy's application to banking products in 2021, we published a report in 2022 detailing practical approaches for applying the taxonomy to bank lending. The report aided banks in understanding and meeting disclosure requirements.

In 2023, the [Principles for Responsible Banking](#) focused on advancing gender equality and financial health and inclusion. With many women and girls worldwide living in poverty and lacking access to education and finance, we partnered with UN Women to harness banks' influence on gender equality. In June 2023, a three-pillar approach was released to help banks promote gender equality.

 **The Principles for Responsible banking have helped us embed sustainability into our business strategies."**



2021

Testing of EU taxonomy on banking products



2022

Publication of a report on applying the taxonomy



2023

Focus on gender equality and partnership with women



Insurance

In 2022, we celebrated the 10th anniversary of the Principles for Sustainable Insurance, highlighting a decade of commitment to sustainable practices in the insurance sector. The initiative showed robust growth, expanding by nearly 30% and welcoming its first US-based signatory. To commemorate this important anniversary, the PSI hosted a three-day event titled "[The PSI after 10 years: Amplifying sustainable insurance in the UN's Decade of Action](#)." The event brought together senior representatives from the insurance industry, various corporations, regulatory and supervisory authorities, the UN, civil society organisations, and other key stakeholders.

The discussions were focused on enhancing sustainable insurance practices in alignment with the UN's Decade of Action, reflecting the ongoing momentum and expanding influence of the PSI. Additionally, the PSI published a [paper](#) in June 2023 for life and health insurers to close the health insurance protection gap and promote preventative healthcare globally.

As demonstrated in recent work by the PSI, insurers play an important role in preventing loss and damage and driving change through insuring natural assets such as coral reefs."



Investment

We developed a [joint report](#) with the PRI in 2023 to highlight the current state of sustainability in investment banking. The report focused on good practice and provided recommendations for integrating sustainability into investment banking operations.

“Unlike ever before, climate change and its wide range of associated and unprecedented impacts need to be addressed in haste.”

The Investment Leadership Programme brings together leading responsible investors to develop cutting-edge initiatives that are ahead of mainstream adoption. This programme enables the investment industry to collaborate with our network of banks and insurers. By linking financial institutions with policymakers, it helped drive systemic change across the finance sector. The NZAOA and the Legal Framework for Impact project are the first two initiatives under the Programme. In 2023, we also published a significant report on sustainability in the investment banking sector.



Essential focus areas in sustainability

Climate change

UNEP FI developed resources to help financial institutions assess and disclose on climate-related risks and align portfolios with the goals of the Paris Agreement. This includes deepening understanding of climate risk assessments, as well as financing adaptation and resilience to the physical impacts of climate change.

In 2023, we launched the first progress report for the Adaptation and Resilience Investors Collaborative, a global initiative aimed at increasing private investment in climate adaptation and resilience in developing countries.

We also released the [PRB Climate Adaptation Target-Setting Guidance](#), to further bridge the adaptation finance gap. This new guidance helps banks accelerate their management of climate-related impacts and unlock private sector finance for climate adaptation.

Social & human rights

Ensuring that the transition to low-carbon and resilient economies delivers equitable economic and social benefits, while protecting the most vulnerable populations—is imperative. UNEP FI developed resources on financial health & inclusion, gender, and a just transition towards a climate-resilient economy.

We launched [Just Transition Finance: Pathways for Banking and Insurance](#), at the climate COP28 to provide a roadmap on the financial sector's role in facilitating a just transition. We established a Human Rights Community of Practice to facilitate knowledge sharing. We partnered with UN Women to support banks on contributing to gender equality, using a [three-pillar approach](#) to leverage the unique position that banks have in influencing gender-power dynamics in the economic system.



“In banking, addressing drivers of biodiversity loss helps us meet our net-zero commitment.”

Nature

UNEP FI was at the forefront of mobilising private finance for nature in 2022/23. We helped financial institutions understand the actions they can take to contribute to implementing the goals and targets of the global Kunming-Montreal Global Biodiversity Framework (GBF) adopted in 2022. UNEP FI worked with members and key stakeholders to develop guidance for banks on nature target setting to help fulfil their commitments under the Principles for Responsible Banking.

We also contributed to the development of the Taskforce on Nature-related Financial Disclosures recommendations to enable financial institutions to report on nature-related dependencies, impacts, risks and opportunities. We established communities of practice for banks on biodiversity for insurers on nature-positive insurance. We also developed guidance to support blue finance and a webinar series on nature-based solutions.

“There is value in financial institutions partnering with non-governmental organisations, academic institutions, and others to evolve sustainability objectives collectively. This can provide the network, expertise, and resources to inform institutions and regulators on addressing issues such as biodiversity.”



Pollution & circular economy

Our Finance Leadership Group on Plastics has played a key role in providing suggestions to UN member states on the desired outcomes of the legally binding, international agreement aimed at ending plastic pollution. This agreement is expected to be finalised in 2024. Established in January 2023 at the World Economic Forum, this group is also helping the finance sector to take action on plastic pollution banks and insurers to foster the development of the future treaty and prepare the global finance sector to address plastic pollution effectively.

"There are challenges, risks, and opportunities that the finance industry faces in tackling the root causes of plastic pollution."

Transitioning from a linear to a circular economy is crucial for achieving multilateral agreements. This shift promotes sustainable production and consumption patterns, which are essential for long-term environmental and economic health.

In March 2023, we published a report emphasising the potential for unlocking circular economy finance in Latin America and the Caribbean. A similar resource focusing on Africa will be released in 2024.



SDGs & impact

UNEP FI continued developing and updating resources to help members analyse their impacts and contribute towards the achievement of the SDGs. We launched the third version of the Portfolio Impact Analysis Tool for Banks to help members implement the PRB, enabling comprehensive impact analysis across business activities. UNEP FI released the Impact Protocol, a step-by-step guide for managing the environmental, social, and socio-economic impacts of bank portfolios.

In 2022, in response to new rules and standards on social and environmental reporting worldwide, UNEP FI released a European Sustainability Reporting Standards topics mapping, [to assist banks in implementing new impact materiality](#) assessment requirements. This was the first in a series of resources to help members comply with the EU Corporate Sustainability Reporting Directive. As co-chair of the Impact Management Platform, UNEP FI also [continued to support the agenda on clarifying and building consensus on the practice of impact management](#).



Driving decarbonisation via alliances

NZBA

The Net-Zero Banking Alliance

welcomed 44 new members from 26 countries, bringing its total to 127 members with over USD 70 trillion in assets. These banks made substantial progress on their commitments to set science-based sectoral targets for 2030 or sooner, aligned with 1.5°C pathways. As outlined in the NZBA's second progress report, by late 2023, more than two thirds of the banks had set such targets with more on track to achieve this milestone.

NZAOA

The Net-Zero Asset Owner Alliance

also saw substantial growth, surpassing 80 members by adding the first asset owners from Belgium, Gabon, and Spain. During the 2023 reporting cycle, 69 members set intermediate climate targets in accordance with the Alliance's Target-Setting Protocol, an increase from 44 members the previous year. The NZAOA unveiled its **third annual Progress Report**, highlighting increased climate action and urging governments to implement and accelerate policies that will facilitate the flow of capital towards the net-zero transition.

NZIA

The Net-Zero Insurance Alliance

in collaboration with the Partnership for Carbon Accounting Financials, developed the first Global GHG Accounting and Reporting Standard for the Insurance Industry. This standard was a significant milestone for net-zero insurance, providing methodologies for measuring and reporting insurance-associated emissions. The **NZIA's target-setting protocol served as a best practice guide to support the analysis of decarbonisation targets for insurance and reinsurance underwriting portfolios.**

UNEP Finance Initiative (UNEP FI) brings together a large network of banks, insurers and investors to catalyse action across the financial system, driving the transition to more sustainable global economies.

For more than 30 years, the initiative has been connecting the UN with financial institutions from around the world to shape the sustainable finance agenda. We have established the world's foremost sustainability frameworks that help the finance industry integrate social and environmental considerations into its core business.

Convened by a Geneva, Switzerland-based secretariat, more than 500 banks and insurers with assets exceeding USD 100 trillion are

individually implementing UNEP FI's Principles for Responsible Banking and Principles for Sustainable Insurance. Financial institutions work with UNEP FI on a voluntary basis to apply the sustainability frameworks within their industries, using practical guidance and tools to position their businesses for the transition to a sustainable and inclusive economy.

Founded in 1992, UNEP FI was the first initiative to engage the finance sector on sustainability. Today, the Initiative cultivates leadership and advances sustainable market practice, while supporting the implementation of global programmes at a regional level across Africa & Middle East, Asia Pacific, Europe, Latin America & Caribbean and North America.

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 info@unepfi.org

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