Helping Banks, insurers and investors embed sustainable finance into their business strategy

Guided by the UNEP FI secretariat, UNEP FI members can take part in a broad range of technical projects and leadership initiatives. The workplans run on an annual basis from July to June. You can take part in work that is designed specifically for your industry or join cross-cutting initiatives that go deeper into specific sustainability themes that are relevant across the banking, insurance and investment sectors.

In the following pages you can view the activities available to members over the period July 2019 to June 2020 organised by industry and region.

Contact your regional coordinator for more information and to get involved.
Strategy Statement

Our strategy to achieve this mission is:

- to create the most effective network for sharing knowledge and best practice; and
- to amplify the collective voice from the finance sector in policy debate.

Success is measured through the growth in the quantity and quality of "sustainable financial institutions".

Mission statement

Accelerate the global development of financial institutions that integrate sustainability as a value creation driver and which contribute to the UN Sustainable Development Goals.

Vision Statement

To create a financial sector that positively impacts and serves people and planet.

Strategy

In 2017, the Global Steering Committee led the development of the UNEP FI strategy for the next 5 years, 2018–2022.
Implementing the Strategy through the Integrated Workplan

Strategic goal and the integrated workplan

The strategic goal to grow sustainable financial institutions is not achieved by UNEP FI but through the decision and efforts of UN Environment FI members to develop itself towards a sustainable institution. The principle objective of the UNEP FI integrated workplan therefore is to ensure the UNEP FI's offerings provide the best support for all members to work towards this goal.

Strategy wheels and the integrated workplan

In the Strategy Wheel, the strategic goal is the centre wheel identified as the member level. This wheel is supported by two outer wheels which are at the project level "established business imperative" and at the resource level "strengthened networking capacities". These two outer wheels and its components provide the strategic foundation of UNEP FI's integrated workplan. The 2018–2019 workplan has been built to ensure each activity implement one or more strategic components in the wheel.
The section provides an explanation of each of the strategic components in the two outer wheels and examples of activities that implement the strategy.

PROJECT LEVEL:
Established Business Imperative

**Sustainability diagnostic**

The need for transparency and accountability with regard to ESG related activities of financial institutions is growing. In response, the development of the UNEP FI Sustainability Dashboard as the overarching framework and self-assessment diagnostic tool to support sustainability integration for members and the Pilot Projects on implementing the TCFD Recommendations by banks, investors and insurers are projects that respond to this strategic component.

**Norm setting & uptake**

UNEP FI has framed the sustainable finance agenda through the development of principles, standards, statements of commitments, etc. For example, the development of the Banking Principles and the Fiduciary Duty in the 21st Century project respond to this strategic component.

**Support leadership action & market transformation**

Many UNEP FI activities are initiated and led by sustainability leaders with a vision to transform markets. One such example is the Positive Impact Initiative which is working to develop both the demand and supply of the SDGs finance market. The Energy Efficiency Finance work, in collaboration with the G20 and European Commission, is aiming to enhance energy efficiency investment and contribute to standardization, thereby transforming the energy efficiency market to full maturity.

Globally facilitate and promote leadership on sustainability by financial institutions. Examples include raising awareness of members’ leadership activities.

**Develop methodologies, guidance & tools**

Many UNEP FI activities provide practical methodologies and tools to assist financial institutions in applying sustainable finance to their business decision-making, products and services. For example, the global guidance on the integration of ESG risks into insurance underwriting in development will be a major tool for the insurance industry to identify and define ESG risks from an insurance underwriting perspective, while the framework for natural capital-related portfolio risk will help financial institutions to evaluate the dependencies of economic sectors on natural capital.
Maximize community building

As a unique partnership between the UN and the finance sector, one of UNEP FI’s offerings is its ability to convene a wide range of stakeholders under a neutral platform. The 2018 edition of the UNEP FI Global Roundtable in Paris in November will be a key global agenda-setting event on sustainable finance, bringing together hundreds of leaders from all parts of the financial system as well as from civil society, academia, government and the United Nations. Regional Roundtables in 2019 will help foster UNEP FI’s regional networks.

Engage the broader membership in work programme implementation, through relationship management and activities such as communications to inform members of planned projects, progress, consultations and outputs.

Leverage UN network

The ability to mobilize a wide range of expertise from within the UN system is another strength increasingly utilised by UNEP FI. For example, UNEP FI’s natural capital and sustainable landuse activities work extensively with the UN Environment’s Ecosystems Division. UNEP FI’s Social Issues work bridges UNEP FI with specialized UN fora on human rights such as the UN Office of the High Commissioner on Human Rights and the UN Working Group on Business and Human Rights.

Scale up training programme

Partner with institutions that provide training to finance professionals to expand capacity building on sustainable finance, and to broaden knowledge development on emerging best practice, methodologies, tools, guidance etc.

Strengthen communication & engagement

Strengthen financial sector commitment through growth in signatories to Statement.

Identify priority themes and initiatives across regional hubs, undertake outreach to key stakeholders to grow networks, and provide market intelligence on priority countries.

To support the effectiveness of implementing the workplan and maximise its impact, the Secretariat will continue improving its communications and engagement activities. For example, it has invested in a new Customer Relations Management systems and is looking at upgrading the UNEP FI website. Membership surveys are to be contacted on a regular basis to review and improve on the membership engagement strategy.

Maintain & build partnerships

Supporting Institutions play a significant role in UNEP FI’s activities. For example, many Principles for Sustainable Insurance projects such as the development of a risk management protocol for Illegal, unreported and unregulated (IUU) fishing and creation of Insurance Development Goals for Cities are made possible through collaborations with partners. UNEP FI’s regional activities also rely on regional and national partners such as the Banking Associations and academia.
**Highlights**

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<th>Q3</th>
<th>Banking:</th>
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<tbody>
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<td>◾ Launch of the Principles for Responsible Banking</td>
<td>◾ Launch of the Net-Zero Asset Owner Alliance</td>
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<th>Q4</th>
<th>Cross-cutting:</th>
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<td>◾ Launch of the Sustainable Blue Economy Finance Initiative</td>
<td>◾ Launch of the final report of the Fiduciary Duty in the 21st Century</td>
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<th>Cross-cutting:</th>
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<td>◾ Start project on setting Science-Based Biodiversity Targets</td>
<td>◾ Launch of the PSI global ESG guide for non-life insurance business</td>
<td>◾ Start the Phase II of TCFD Investment Pilot Working Group</td>
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|     | ◾ Global Roundtable, Mexico City, 13-14 October 2020 | }
1. Cross-cutting activities

Emerging Concepts
- Financial inclusion
- Banking and insurance industries supporting a just transition

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| 4.3 | TCFD Investors Pilot Working Group  
- Launch the Real Estate Portfolio component of Phase I Changing Course report in Q4 2019  
- Start the Phase II pilot in Q1 2020 | Q3 Q4 Q1 Q2 |
| 4.4 | A Legal Framework for Impact (Phase I) - Develop legal understanding of how investors can manage fiduciary duty and sustainability impact duties | Q3 Q4 Q1 Q2 |
| 4.5 | The Investor Agenda (https://theinvestoragenda.org/) | Q3 Q4 Q1 Q2 |
| 4.6 | Supporting G20 2019 Japan: G20 Global Summit on Financing Energy Efficiency, Innovation and Clean Technology | Q3 Q4 Q1 Q2 |
| 4.7 | Global Environmental, Social and Governance (ESG) Action Real Estate Investment Survey | Q3 Q4 Q1 Q2 |
5. Regional activities

Across all regions, regional co-ordination will include activities to support market leadership on sustainability, to engage policymakers on creating an enabling environment for sustainable finance, and to undertake outreach to expand the sustainable finance community.

Activities to engage members in global work plan implementation across industries and thematics include:

- Identifying and responding to regional priorities and needs.
- Relationship management with members and their subsidiaries.
- Raising awareness of opportunities for members to participate in relevant activities.
- Communications to engage members in project pipeline, initiation, project updates, and consultations; disseminate and follow up on outputs for adoption and uptake.
- Sharing knowledge and best practice – convening meetings, webinars, calls, events for regional sharing of knowledge and best practice to complement the global workplan; facilitating peer-to-peer learning for cross-industry and thematic learning and development.

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| 5.1 | Peer-to-peer learning, enabling environment and baseline study on sustainable finance in the Arab region | Co-funded by: League of Arab States |
| 5.2 | Climate Risk Survey for banks in Latin America and Caribbean on TCFD recommendations. | Co-funded by: CAF |
| 5.3 | Side-events at Climate COP 25 in Spain | Co-funded by: Finis Terrae University |
| 5.4 | Studies and community building for Sustainable Finance in Ghana and Mauritius | Co-funded by: Partnership for Action on Green Economy |
| 5.5 | Environmental & Social Risk Analysis Introductory Training Workshops in China, Dominican Republic, Honduras, Kyrgyzstan, Paraguay, etc and in other countries. | Co-funded by: UNEP, PAGE, Sponsorships |
| 5.6 | Peer-to-peer learning Africa | Co-funded by: Financial institutions |
| 5.7 | Peer-to-peer learning Latin America & Caribbean | Co-funded by: Financial institutions |
| 5.8 | Regional & country engagements in Africa & Middle East, Asia Pacific, Europe, Latin America & the Caribbean and North America | |
| 5.9 | UNEP FI 2019 Regional Roundtables - N. America in NY (Sep 2019); L. America in Sao Paulo (Oct 2019); Europe in Luxembourg (Nov 2019) | |
| 5.10 | Tokyo Dialogue on Sustainable Finance on the occasion of Japan's presidency of the G20 | |
| 5.11 | Develop a Diploma on Sustainable Finance at the Finis Terrae University, Chile | Co-funded by: Finis Terrae University |
## Monitoring the Implementation of the Strategy: Measures of Success

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<th>Umbrella Goals</th>
<th>Monitoring of Umbrella Goals</th>
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| 15% of members "Sustainability leaders" | Source: UNEP FI Sustainability Dashboard*  
Proxies to combine the following:  
• Dow Jones Sustainability Index  
• Public commitments to TCFD, UNEP FI organised Statements (eg. Investor Statement on Climate Change, Tobacco free finance pledge), FI's own commitments, etc.  
• CEO participation in UNEP FI activities  
• Member of UNEP FI projects  
• Member of UNEP FI Global Steering Committee and Industry Committees  
• Signature to additional initiative/principles – Positive Impact Principles, Natural Capital Finance Alliance, Banking Principles working group, etc | Monitoring of the 15% and 60% may not be possible in 2018–2019 as the Dashboard will be under pilot in 2018  
Proxies to be used in the meantime |
| 60% of members working towards sustainability | Source: Incremental changes in UNEP FI Sustainability Dashboard result over the years*  
Proxies to combine % of members participating in:  
• UNEP FI events  
• Dashboard  
• Membership survey | |
| 30% membership growth globally | Baseline: Number of UNEP FI members reported at the 2017 AGM = 215  
Other KPIs to monitor:  
• Retention rates and new member’s growth  
• Deeper assessment in key markets – Identifying key FIs and which are members and non-members  
• Potential members list. | Membership retention and growth to be separately monitored |