

**2020 Annual General Meeting  
Online meeting**

**16:00-17:30 Geneva Time (CEST)  
Tuesday 6 October 2020**

**&**

**8:00-9:30 Geneva Time (CEST)  
Wednesday 7 October 2020**

**Agenda**

<b>UNEP FI 2020 Annual General Meeting Provisional Agenda</b>		
<b>Agenda item &amp; Description</b>		<b>Time Oct 7<sup>th</sup> / Oct 6<sup>th</sup></b>
<b>1</b>	<b>Opening</b> i. Welcome by the Co-Chairs of the UNEP FI Global Steering Committee <ul style="list-style-type: none"> <li>• 6 Oct Antoni Ballabriga, Global Head of Responsible Business, BBVA.</li> <li>• 7 Oct Jacki Johnson, Advisor Climate and Sustainability, Insurance Australia Group Limited.</li> </ul> ii. Welcome by Eric Usher, Head of UNEP FI	08:00 / 16:00
<b>2</b>	<b>Communications &amp; membership updates</b> <i>For Information</i> Presented by Liesel van Ast, UNEP FI i. Membership's Growth ii. New members' introduction iii. Communication channels	08:15 / 16:15
<b>3</b>	<b>Financial Discussions</b> <i>For Discussion and Approval</i> Presented by Jacki Johnson as the GSC Advisor for Budgeting & Financial Reporting (7 Oct) and Yuki Yasui, UNEP FI (6 Oct) i. 2019 Financial Report ii. 2020 Interim Report with 2021 Budget Proposal iii. Proposed 2022 membership fees	08:20 / 16:20
<b>4</b>	<b>2021 Workplan</b> <i>For Information and Discussion</i> Presented by the GSC members i. Banking - Antoni Ballabriga, GSC member ii. Insurance – Tomás Carmona, PSI Board member (6 Oct); Ulrike Decoene, GSC member (7 Oct) and Butch Bacani, UNEP FI iii. Investment/Leadership Hub/property subsection – Eric Usher, UNEP FI	08:35 / 16:35
<b>6</b>	<b>2020 Global Roundtable Briefing</b> <i>For Information</i> Presented by Mustafa Chaudhry, UNEP FI	09:15 / 17:15
<b>7</b>	<b>Closing of the AGM</b> Presented by Oualid Rokneddine, UNEP FI i. Information on AGM voting ii. GSC Elections iv. Any other business	09:20 / 17:20
<b>END OF MEETING</b>		

# **UNEP FI Annual General Meeting 2019**

## **Meeting Summary**

## 1. 2019 Voting Results

All five voting items have been approved as follows:

- Approval of the Summary Record from the 2018 Annual General Meeting
- Approval of the UNEP FI Governance Framework revision proposal
- Approval of the 2018 Financial Report
- Approval of the proposed 2020 budget
- Approval of the proposed 2021 membership fee

## 2. 2021 Membership Fees

	2020	2021
Total assets (US Dollars)	CHF	CHF
From 100 billion and above	20,900	21,320
From 5 billion to less than 100 billion	10,450	10,660
From 1 billion to less than 5 billion	4,120	4,200
Below 1 billion	2,510	2,560

## 3. UNEP FI Finances

### 2018-2020 overview

	2020 budget USD'000	2019 forecast USD'000	2018 actual USD'000
<b>Income</b>			
Members Annual Contributions	3,600	2,848	2,451
Training		201	129
Members sponsorships & additional contributions		446	716
Other Sponsorships & other income	1,917	1,639	1,852
<b>Total income</b>	<b>5,517</b>	<b>5,134</b>	<b>5,148</b>
<b>Expenses</b>			
Personnel costs	2,329	2,099	1,500
Activities costs	252	234	181
Industry extra budget	400		
All sponsored activities	1,817	2,286	2,033
Overheads	519	465	354
<b>Total Expenses</b>	<b>5,317</b>	<b>5,084</b>	<b>4,068</b>
<b>Net Income</b>	<b>200</b>	<b>50</b>	<b>1,080<sup>#</sup></b>

<sup>#</sup>2018 net income includes carry forward of sponsored commitments of \$781K.

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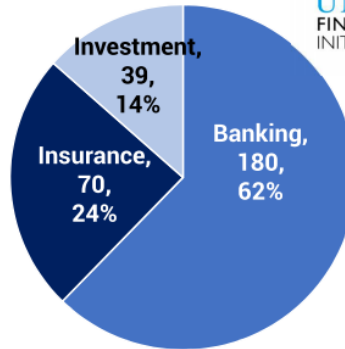
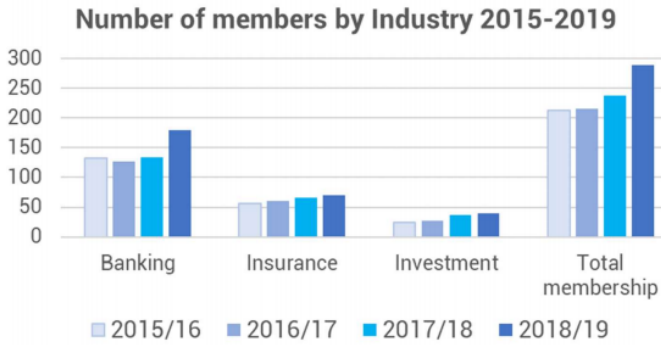
## 4. Membership Update

UNEP FI has 289 members as at end of September 2019 and welcomed 63 new members since the 2018 AGM as below:

ABANCA Corporación Bancaria, S.A.	Ecology Building Society
ABSA Group Limited	Fana Sparebank
AIB Group plc	Fidelity Bank Ghana Limited
Bank of Alexandria (ALEXBANK)	Gatehouse Bank Plc
Amalgamated Bank	Global Climate Partnership Fund
American Hellenic Hull Insurance Company Ltd	Globalance Bank AG
AMERRA Capital Management, LLC	GLS Bank eG
Arion Bank	Grupo Financiero BBVA Bancomer (GFBB) (BBVA Mexico)
Banca Monte dei Paschi di Siena S.p.A.	Hua Xia Bank CO., Limited
Banco de Crédito Social Cooperativo (Grupo Cooperativo Cajamar)	Innovation Credit Union Ltd
Banco de la Produccion S.A Produbanco	Jaiz Bank Plc
Banco de la Producción, S.A	Jyske Bank A/S
Banco Popular Dominicano	Lloyd's Banking Group
Banco Promerica de Costa Rica, S.A.	Maha Agriculture Microfinance
Banco Sabadell S.A	National Bank of Canada
Bank J. Safra Sarasin Ltd.	Natixis
Bank Julius Baer & Co. Ltd.	Nomura Holdings, Inc.
BANKIA SA	Nykredit A/S
Banque Misr	OP Financial Group
BBVA Banco Francés S.A	Poste Vita S.p.A
Blue Oceans Capital	Sompo Seguros S.A
Caixa Econômica Federal	Sovcombank
Caixa Geral de Depositos S.A. (CGD).	SpareBank 1 SMN
Caja Laboral Popular Coop. de Credit (LABORAL Kutxa)	SpareBank 1 SR-Bank
CBRE Global Investors	Sparebanken Vest
CDG Capital	Suncorp Group
Commerzbank AG	The Mauritius Commercial Bank Limited
COMPANHIA DE SEGUROS ALIANÇA DO BRASIL	Türkiye Kalkınma ve Yatırım Bankası
Coopeservidores	A.Ş./Development and Investment Bank of Turkey
Crédit Agricole S.A.	Willis Towers Watson
De Volksbank	
Desjardins Insurance	
Eagle Point Credit Management LLC	

## Membership update

Number of members: **289**



### Membership by Industry

Data as of 30 September 2019

22% increase in members between 2017/18 and 2018/19

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## 5. UNEP FI Updated Governance Framework

The updated Governance Framework is found [here](#).



# UNEP Finance Initiative 2020 AGM Financial Report

- 1) UNEP signed Interim Statement of Financial Performance for the year ended 31 December 2019 on the FIL Trust Fund
- 2) 2019 Financial Report (proforma)  
1 January to 31 December 2019
- 3) 2020 High Level Intermediary Financial Report (proforma) & 2021 proposed budget  
January to August 2020

- Annual proforma financial statements are an extract from the UNEP financial statements

UNEP Finance Initiative  
2019 financial report (proforma)

January through December 2019

<u>Income</u>	<u>Actual 2019</u>	<u>Budget 2019</u>	<u>Actual 2018</u>
	USD	USD	USD
<b>Trust Fund Income</b>			
Members Annual Contributions	3,297,136	2,800,000	2,451,293
Training income	208,554		129,140
Members sponsorships & additional contributions			
- TCFD Pilot WGs	458,775		373,756
- Principles for Responsible Banking	176,000		303,566
- Regional Roundtable sponsorship	61,000		
- Banking Taxonomy project	44,970		
- Others	-		38,598
	<u>4,246,435</u>		<u>3,296,353</u>
Other grants			
Switzerland (SECO) - Natural Capital Finance Alliance	264,224		-
PRI - Net Zero Asset Owners Alliance	262,360		-
Generation Foundation - Investment Fiduciary Duty Project	204,342		204,342
League of Arab States - Sustainable finance in the Arab region	200,000		-
National Philanthropic Trust - TCFD	100,000		
Netherlands - Global Commission on Adaptation	108,535		-
Germany (BMU) - G20 Energy Efficiency Finance	91,432		-
2Dii - Investor Energy-Climate Action Toolkit (INVECAT)	84,205		-
Luxembourg Roadmap	58,242		410,959
Other	209,827		-
<b>Voluntary Contributions (as per FIL Statement)</b>	<b>5,829,602</b>		<b>3,911,654</b>
Other allocations (as per FIL Statement) - UNDP - MENA activities	500,000		-
Investment Revenue (as per FIL Statement)	92,394		90,610
<b>Total Trust Fund Income (per FIL statement)</b>	<b>6,421,996</b>		<b>4,002,264</b>
<b>Additional Funding &amp; Sponsorship</b>			
UNEP - Environment Fund and German JPO	396,667	250,000	410,000
EC - Positive Impact (32ECL)	185,721		368,264
SAICM - Green buildings in Sri Lanka	90,000		
Sweden - Sustainable Blue Economy Initiative	75,000		
GFL - Sustainable Landuse			318,871
Other (UNEP Green Growth Knowledge Platform)	41,110		49,300
<b>Total Additional Funding &amp; Sponsorship</b>	<b>788,498</b>		<b>1,146,435</b>
<b>Total Income</b>	<b>7,210,494</b>		<b>5,148,699</b>
<b>Expenses</b>	USD	USD	USD
Trust Fund Expenses			
Expenses under general members contributions	3,168,768	3,050,000	2,719,887
Expenses under project contributions & training	557,106		
	<u>3,725,874</u>		
Other grants	595,724		2,959,662
AFDA adjustments per 32 FIL Statement	86,453		
Other Revenue (as per FIL Statement) - Foreign exchange gains	(2,374)		
<b>Total Trust Fund Expenses (as per FIL Statement)</b>	<b>4,405,677</b>		<b>5,679,549</b>
Expenses under Additional Funding & Sponsorship	788,498		1,146,435
<b>TOTAL EXPENSES</b>	<b>5,194,175</b>		<b>6,825,984</b>
<b>Net Income (as per FIL Statement)</b>	<b>2,016,319</b>		<b>(1,677,285)</b>
<b>Net Income Breakdown</b>			
Net income under general members contributions	128,368		
c/f of sponsored commitments	392,193		
Net income under members contribution & training	520,561		576,466
c/f of commitments from other grants	1,487,443		(2,344,361)
Other: Investment gains, foreign exchange, adjustments	8,315		90,610
<b>Trust Fund Net Income (as per FIL Statement)</b>	<b>2,016,319</b>		<b>(1,677,285)</b>
<b>Changes in Net Assets</b>			
<b>Net Assets</b>			
Net assets at the beginning of the period (as per FIL Statement)	5,194,917		6,872,202
Surplus/(deficit) for the period	2,016,319		(1,677,285)
<b>TOTAL NET ASSETS (as per FIL Statement)</b>	<b>7,211,236</b>		<b>5,194,917</b>



UNEP Finance Initiative  
2019 financial report (proforma)

January through December 2019

Detailed Expenses	2019	2018
<b>Work Programmes</b>	<b>USD</b>	<b>USD</b>
<b>Banking</b>	<b>337,146</b>	<b>348,875</b>
of which sponsored projects	146,667	
<b>Insurance</b>	<b>350,359</b>	<b>255,841</b>
incl. advance payments for 2020	80,977	
<b>Investment</b>	<b>511,861</b>	<b>282,548</b>
of which sponsored projects	245,742	112,194
<b>Regional Activities</b>	<b>871,120</b>	<b>560,078</b>
of which sponsored project	193,514	90,040
<b>Biodiversity &amp; Ecosystem Services</b>	<b>422,918</b>	<b>3,145,233</b>
of which sponsored project	75,000	3,076,299
<b>Climate Change</b>	<b>607,582</b>	<b>197,526</b>
of which sponsored project	422,931	
<b>Positive Impact</b>	<b>374,444</b>	<b>534,178</b>
of which sponsored project	185,721	368,264
<b>Training</b>	<b>167,008</b>	<b>109,572</b>
<b>UNEP FI-wide Activities</b> (GRT/RRTs, AGM/GSC)	<b>320,284</b>	<b>237,596</b>
of which sponsored	220,465	
<b>Total Work Programmes</b>	<b>3,962,722</b>	<b>5,671,447</b>
<b>Overhead Costs</b>		
Management & administration	890,832	537,425
Communications & IT	163,386	305,916
Programme support costs - UNEP	227,359	201,337
Premises (Rent, Telephone, Postage, etc)	148,138	109,859
Other		
	<b>1,429,715</b>	<b>1,154,537</b>
Other - Adjustments	(198,262)	
<b>Total Expenses</b>	<b>5,194,175</b>	<b>6,825,984</b>

UNEP Finance Initiative  
2020 Interim financial report (proforma)  
January through August 2020  
with 2021 Proposed Budget

	Jan-Aug 2020	Forecast Sep-Dec 2020	Total 2020 (estimate)	Budget 2020	Proposed 2021 Budget Summary
	USD	USD	USD	USD'000	USD'000
<b>INCOME</b>					
Membership Contribution	1,690,803	2,100,000	3,790,803	3,600	4,000
Training	98,271	100,000	198,271		
Others - TCFD, PRB	1,227,654	800,000	2,027,654	1,917	1,254
<b>Total Income</b>	<b>3,016,728</b>	<b>3,000,000</b>	<b>6,016,728</b>	<b>5,517</b>	<b>5,254</b>
<b>EXPENSES</b>					
Personnel Costs	904,466	1,500,000	2,404,466	2,329	2,775
Activities costs	31,454	500,000	531,454	652	572
All sponsored activities	1,325,925	900,000	2,225,925	1,817	1,154
Overheads	184,240	200,000	384,240	519	553
<b>TOTAL Expenses</b>	<b>2,446,086</b>	<b>3,100,000</b>	<b>5,546,086</b>	<b>5,317</b>	<b>5,054</b>
<b>Net Income</b>	<b>570,642</b>	<b>(100,000)</b>	<b>470,642</b>	<b>200</b>	<b>200</b>



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# Work Programme

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January–December 2021

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# Introduction

**The work programme of UNEP Finance Initiative (UNEP FI) runs on an annual basis. Key activities available to members in 2021 are highlighted below.**

UNEP FI works with more than 300 members—banks, insurers, and investors – and over 100 supporting institutions—to help create a financial sector that serves people and planet while delivering positive impacts. We aim to inspire, inform and enable financial institutions to improve people’s quality of life without compromising that of future generations. We do this by creating the most effective network for sharing knowledge and best practice; and amplifying the collective voice from the finance sector in policy debate.

UNEP FI accelerates growth in sustainable financial institutions by supporting global industry frameworks to catalyze integration of sustainability into financial market practice, including:

- [Principles for Responsible Banking \(PRB\)](#) launched in 2019 and now signed by more than 190 banks collectively holding more than USD 50 trillion in assets, or 40% of the global banking sector;
- [Principles for Sustainable Insurance \(PSI\)](#), established 2012 by UNEP FI and today applied by one-quarter of the world’s insurers (25% of world premium), and supported by a global network of the leading insurance industry initiatives, insurance associations, and insurance regulators and supervisors;
- [Principles for Responsible Investment \(PRI\)](#), established in 2006 by UNEP FI and the UN Global Compact, applied by half the world’s institutional investors (USD 83 trillion).

UNEP FI’s work programme supports implementation of these principles to accelerate sustainable finance, providing the basis for standard-setting and helping to scale up the financial sector’s contribution to achieving the [UN Sustainable Development Goals \(SDGs\)](#) and [Paris Agreement on Climate Change](#) agreed by governments in 2015.

The integrated work programme aims to contribute to achieving UNEP’s strategy to implement enabling programmes to catalyze finance and economic transformation to address the climate, nature and pollution crises and social inequality. It will also contribute to delivering on UNEP FI’s vision, mission and strategic goals for 2018–2022 (see Annex 1), including goals to:

- Develop methodologies and tools
- Support norm-setting and uptake
- Support leadership action and market transformation
- Develop sustainability diagnostics

## Vision statement

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

## Mission statement

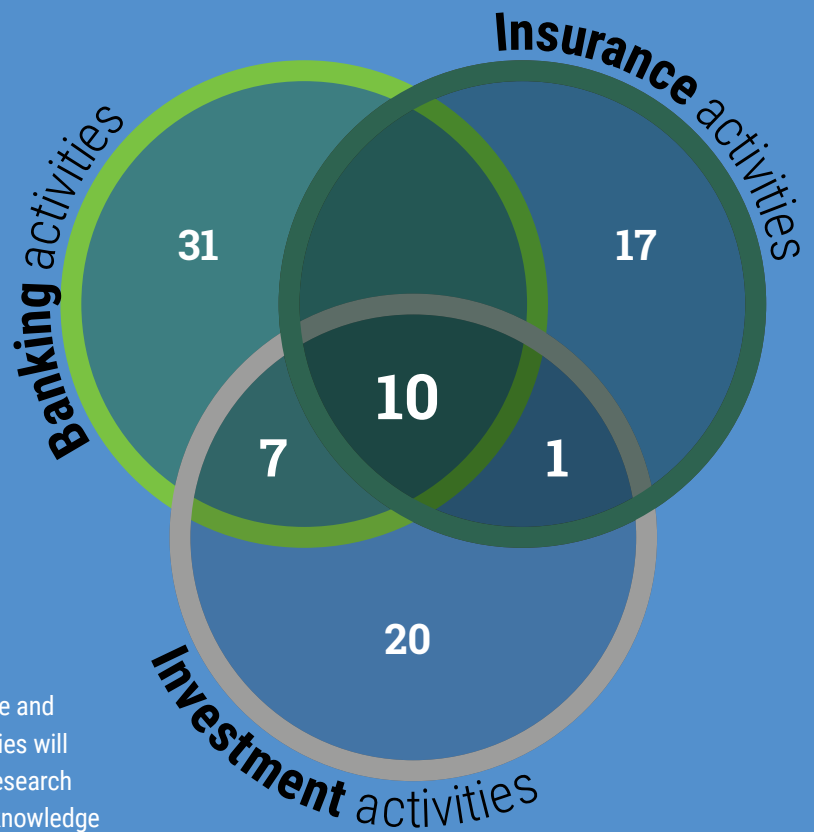
Accelerate the global development of financial institutions that integrate sustainability as a value creation driver and which contribute to the UN Sustainable Development Goals.

## Appendix 3

Guided by the UNEP FI secretariat, opportunities for members to participate in our community of practice for collaboration, technical work and peer learning include taking part in a range of leadership initiatives, research projects, consultations and piloting of practical methodologies, guidance and tools. You can take part in work that is designed specifically for banking, insurance or investment or join cross-cutting initiatives that go deeper into specific sustainability themes. The work programme will be implemented under UNEP FI's structure of thematic and industry workstreams.

Highlights of our work programme for 2021 are shown by industry below under banking, insurance and investment. Additional global and regional activities will support uptake and dissemination of guidance, research and tools already developed, and cross-industry knowledge sharing, as well as events including webinars to share learning, good practice and thought leadership.

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



	Banking	Insurance	Investment
Climate Change			
Ecosystems			
Positive Impact			
Social Issues			

# 2021 Highlights

	Q1	Q2	Q3	Q4
Banking	Civil Society Advisory Body established	Guidance on target setting on biodiversity, gender equality and financial inclusion released	Individual review process established for PRB Signatories and first biennial Collective Progress Report released	
Insurance	Expand global alliance to develop Insurance Sustainable Development Goals, as well as industry roadmaps and insurance company targets	Support development of climate, disaster risk and inclusive insurance solutions for vulnerable communities	Produce strategy paper to establish global agenda for the life & health insurance industry and sustainable development Explore opportunities to align insurance portfolios with Paris Agreement and Post-2020 Global Biodiversity Framework	
Investment	Establish leadership projects under Joint Investment Leadership Programme with the PRI	Net-Zero Asset Owner Alliance developing 2025 targets; decarbonisation pathways and engagement strategy	Property Working Group to examine impacts of physical risk/extreme weather events on materiality/value	Adapt impact analysis tools for real estate assets and portfolios
Cross-cutting	Tool to align portfolios with post-2020 Global Biodiversity Framework Guidance on Financing a Sustainable Blue Economy V2 of the Tools for Portfolio Impact Analysis by Banks and Corporate Impact Analysis and launch of new tools for Portfolio Impact Analysis of investment portfolios		Technical assistance for TCFD implementation with climate risk platform, knowledge tools and best practice, disclosures	

# Bank- ing

**Implementing  
the Principles for  
Responsible Banking**



## **1. Launch of Civil Society Advisory Body to advise the Banking Board and the community of Signatories**

- 1.1** The Civil Society Advisory Body will consist of 12 organisations representing different geographies and types of stakeholders as well as subject matter expertise in the social and environmental matters most relevant to sustainable banking. The Body will regularly advise the Banking Board and the community of Signatories along their journey.

## **2. Biennial Collective Progress Report on implementation of the Principles (Q3/Q4 2021)**

- 2.1** To help deliver on a collective commitment to accountability, the first biennial review will showcase progress, highlight and shape global best practices. The report will demonstrate how Signatories are delivering on the commitments they have made.

## **3. Establish individual review process for signatory reporting and annual feedback and support meetings for signatories (Q3 2021)**

- 3.1** The UNEP FI Secretariat will annually review each Signatory's reporting based on the requirements set out in Official Principles for Responsible Banking Framework Documents (Signature Document, Key Steps to be implemented by Signatories and the Reporting and Self-Assessment Template). The aims of the review include identifying and engaging banks that need additional guidance and support, and identifying best practices to facilitate targeted peer learning.
- 3.2** Based on the results of the individual review process, the Secretariat will conduct an annual feedback and support meeting to provide banks with guidance on which areas to focus on, which peers to work with and a benchmark against the practices of relevant peers. It will ensure each Member Bank receives the necessary support to make progress and deliver on its commitments and enable signatories to make the most of the extensive community of sustainability leaders.

## **4. Shaping the sustainable banking agenda and knowledge sharing**

- 4.1** Shaping the sustainable banking agenda by convening banking industry leaders and practitioners, regulators and supervisors, and key stakeholders nationally, regionally and internationally.
- 4.2** Regional implementation support includes events, webinars, knowledge sharing materials, workshops, study groups and peer exchanges.

## 5. Implementation support structure

### 5.1 Communications and knowledge-sharing working group.

### 5.2 Impact working groups:

- a Developing impact analysis guidance and peer exchange
- b Application and further development of Portfolio Impact Analysis Tool (see Positive Impact Finance below).

### 5.3 Target-setting working groups:

- a Climate target-setting working groups will focus on (1) learning and applying existing methodologies, knowledge and experiences to assess and set scenario-based targets on climate alignment and; (2) guiding harmonized and credible practice, standards for setting and reporting on climate alignment targets for [Collective Commitment to Climate Action](#) (CCCA) signatories, and comparability and monitoring of climate impacts. This group will develop scenario-based target-setting guidelines to support implementation of the CCCA to align portfolios to reflect and finance the low-carbon, climate-resilient economy required.
- b Target setting working groups will develop common frameworks/guidance on target setting covering indicators, metrics and methodological approach(es) for setting and monitoring progress on targets across five specific impact areas: financial inclusion; gender equality; biodiversity (and pollution drivers of biodiversity loss); resource efficiency and; decent employment.

### 5.4 Reporting and assurance working groups:

- a Assurance working group to develop guidance for assurers for providing limited assurance to PRB self-assessment.
- b Exchange on reporting working group to share practices, learning and practical guidance.

### 5.5 Engaging with clients and peer learning working groups:

- a Peer learning working group to lead peer exchange.
- b Engaging with clients working group to develop approaches and strategies towards a transition to more sustainable business practices.

### 5.6 Progress monitoring and evaluation working group:

- a Developing indicators and metrics to measure collective progress on implementation of the PRB and defining what monitoring and evaluation mechanisms need to be put in place.

## 6. Positive Impact to catalyze financing for the SDGs

### 6.1 Release of V2 of the Portfolio Impact Analysis Tool for Banks:

- a New features and guidance, including on data collection and prioritization; performance assessment; results interpretation and strategy development.
- b Interoperability mechanisms and guidance in relation to key impact measurement and disclosure frameworks and standards (e.g. Impact Management Project, Sustainability Accounting Standards Board, Climate Disclosure Standards Board, etc.).

**6.2** Release of Portfolio Impact Analysis Tool for investment portfolios.

**6.3** Release of V2 of the Corporate Impact Analysis Tool:

- a** New features and guidance, including on data collection and prioritization; performance assessment; results interpretation and strategy development.
- b** Interoperability mechanisms and guidance in relation to key impact measurement and disclosure frameworks and standards (e.g. Impact Management Project, Sustainability Accounting Standards Board, Climate Disclosure Standards Board, etc.).

**6.4** Ongoing implementation support for the suite of Impact Analysis Tools.

**6.5** Ongoing development of the suite of Impact Analysis Tools:

- a** Country needs assessment
- b** [Impact mappings](#) (by sector, client typology, product typology, etc.).

## 7. Catalyzing climate leadership

**7.1** Technical assistance for implementing the Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures (TCFD) recommendations:

- a** Establishing a UNEP FI climate risk platform for banks on topics including stress-testing, sector-specific analytics on risk and opportunity, integration of physical and transition risk analysis, and a global database of TCFD disclosures from the financial sector.
- b** Consolidating tools, data and best practice. Following on from four industry-specific pilot projects to implement the recommendations with more than 80 banks, insurers and investors, UNEP FI will bring together its members, the scientific and supervisory communities to further improve, consolidate and standardize the required methods, data and tools, and to define finance sector best practice on disclosure.
- c** Supporting further piloting of TCFD recommendations with banks.

**7.2** Defining and mobilizing finance sector leadership on physical climate change, resilience and adaptation and the management of physical climate change risks and impacts at the 2021 Global Adaptation Summit (see below).

## 8. Advancing integration of nature into decision-making

- 8.1** Aligning portfolios with the post-2020 Global Biodiversity Framework. UNEP FI is working with the UNEP World Conservation Monitoring Centre (UNEP-WCMC), Global Canopy and more than 30 banks and investors to design a ground-breaking new biodiversity module for financial institutions to evaluate alignment with global biodiversity goals, focusing on the agriculture and mining industries. The module will be added to the ENCORE tool (Exploring Natural Capital Opportunities, Risks and Exposure), building on its functionality to identify the impacts and dependencies of sectors on nature.
- 8.2** Contributing to the formation of a Task Force on Nature Related Financial Disclosures (TNFD). UNEP FI is supporting an Informal Working Group (IWG), together with the UN Development Programme, Global Canopy and WWF to lay the groundwork for a TNFD to be launched to help strengthen disclosure of nature-related risks and opportunities.
- 8.3** Catalyzing sustainable blue economy financing. Activities include expanding the community of practice under the Sustainable Blue Economy Finance Initiative, undertaking a study on the status of sustainable finance for maritime ecosystems, and developing guidance on financing sectors including seafood, marine ports & services, maritime transport, maritime and coastal tourism and renewable electricity.
- 8.4** Advancing sustainable land use finance. Activities include:
  - a** Technical support to restoration projects in Africa and Asia aimed at achieving financial bankability and the unlocking of public and private finance at scale.

## 9. Policy engagement

- 9.1** Contributing to the International Platform on Sustainable Finance as an Observer.
- 9.2** Participating in the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) as a stakeholder.
- 9.3** On-going participation in the G7-mandated Impact Management Project facilitated Structured Network for the consolidation of a unified global system for impact measurement and management.
- 9.4** Contributing to relevant consultations on sustainable finance policy and regulatory initiatives.
- 9.5** Providing inputs into UN processes relevant to sustainable finance.

## 10. Training

- 10.1** Updated Environmental & Social Risk Analysis (ESRA) course for banks.
- 10.2** Updated Climate Change: Risks and Opportunities for the Finance Sector online course for banks, insurers and investors.
- 10.3** Developing training for banks to integrate natural capital impacts and dependencies into decision-making.

# Insur- ance

**Implementing the Principles for  
Sustainable Insurance**

## 1. Sustainable insurance frameworks

**1.1** Developing a set of Insurance Sustainable Development Goals, a PSI global [initiative](#) launched in July 2020. Key aims of the initiative include:

- a** Create a UN-backed alliance of leading insurers committed to supporting the achievement of the SDGs by 2030 via their insurance portfolios through a set of Insurance Sustainable Development Goals (iSDGs)
- b** The alliance will map existing insurance products and solutions and how they already support the SDGs, and identify gaps where new products and solutions are needed, and assess potential trade-offs between positive and negative contributions
- c** The iSDGs are ambitious, quantitative, insurance product/solution-specific goals/targets at the global insurance industry level. They will promote insurance products and solutions to support the achievement of the SDGs in the UN's Decade of Action leading up to 2030, and to close the protection gap across developing and developed countries worldwide
- d** For each iSDG, a roadmap at the global insurance industry level ("industry roadmap") and targets at the insurance company level ("company targets") will be developed by alliance members. The aim is to increase the penetration of existing SDG-supporting insurance products and solutions, and develop new SDG-supporting products and solutions that are needed
- e** The alliance will develop methods and toolkits for the insurance industry and key stakeholders on how to measure progress in achieving the SDGs in the context of insurance products and solutions.

**1.2** Supporting the implementation of the first global insurance industry [guide](#) developed by the PSI to manage environmental, social and governance risks in non-life insurance business.

## 2. Climate change, disaster risk management and inclusive insurance

**2.1** Supporting the implementation of the recommendations of the FSB Task Force on Climate-related Financial Disclosures (TCFD) through the PSI-TCFD pilot project on climate-related physical, transition and litigations risks in the context of insurance portfolios (see the [progress update](#)); exploring further TCFD piloting; and contributing to UNEP FI-wide efforts to establish climate risk platforms on topics such as stress-testing, sector-specific analytics on risk and opportunity, integration of physical, transition and litigation risk analysis; and a global database of TCFD disclosures from the financial sector.

**2.2** Supporting the work of the [UN-Convened Net-Zero Asset Owner Alliance](#) (AOA) to transition investment portfolios to net-zero emissions by 2050 to help achieve the aims of the Paris Agreement, and exploring opportunities to develop a [net-zero framework for insurance portfolios](#).

**2.3** Supporting the development of climate, disaster risk and inclusive insurance solutions for vulnerable communities, such as a [Sustainable Insurance Facility for V20 countries](#), and initiatives such as the Microinsurance Network, ILO's Impact Insurance Facility, Insurance Development Forum, InsuResilience Global Partnership, and Munich Climate Insurance Initiative.

### 3. Natural ecosystems and pollution prevention

#### 3.1 Supporting the implementation of pioneering global insurance industry guidance:

- a The [guide](#) developed by the PSI, WWF and UNESCO to protect World Heritage Sites
- b The [guide](#) developed by the PSI to tackle the risks of plastic pollution, marine plastic litter and microplastics, and exploring further work in specific insurance lines and/or asset classes
- c The [guide](#) developed by the PSI and Oceana to tackle illegal, unregulated and unreported fishing.

#### 3.2 Producing a grounding paper on environmental liability and sustainable insurance.

#### 3.3 Exploring biodiversity and ecosystem risk assessment tools and frameworks tailored for the insurance industry.

#### 3.4 Supporting the agenda of aligning financial portfolios with the [Post-2020 Global Biodiversity Framework](#) and initiatives such as the [Task Force on Nature-related Financial Disclosures](#) (TNFD) and [UNEP FI Sustainable Blue Economy Finance Initiative](#).

### 4. Life & health

#### 4.1 Shaping the global agenda for the life & health insurance industry and sustainable development.

#### 4.2 Supporting the [Tobacco-Free Finance Pledge](#) for banks, insurers and investors.

### 5. Cities

#### 5.1 Supporting the implementation of the [Insurance Industry Development Goals for Cities](#) developed by the PSI and ICLEI to help achieve UN Sustainable Development Goal 11 on resilient and sustainable cities.

### 6. Sustainable insurance roadmaps and strategies

#### 6.1 Contributing to the development of sustainable insurance roadmaps and strategies in several countries and jurisdictions, such as the work to develop a [California Sustainable Insurance Roadmap](#).

## 7. Policy, supervision and regulation

- 7.1 Engaging with [UNEP's Sustainable Insurance Forum](#) (SIF), an international network of insurance regulators and supervisors that aims to promote cooperation on critical sustainability challenges and opportunities.
- 7.2 Contributing to the insurance industry-related priorities of the [COP26 Private Finance Hub](#).
- 7.3 Contributing to the International Platform on Sustainable Finance, consultations on sustainable insurance/finance policy and regulatory initiatives, and UN processes relevant to sustainable insurance/finance.

## 8. Shaping the sustainable insurance agenda and knowledge sharing

- 8.1 Shaping the sustainable insurance agenda by convening insurance industry leaders and practitioners, regulators and supervisors, and key stakeholders nationally, regionally and internationally through events and webinars such as the [PSI-Swiss Re virtual event series](#) on sustainability leadership in insurance and the [PSI sustainability leadership series](#) launched in 2020 during Climate Week NYC and the UN Biodiversity Summit.



# Invest- ment

**Implementing Responsible Investment**

## 1. Catalyzing responsible investment

- 1.1 Establishing Investment Leadership Programme with the PRI. The programme will host projects or initiatives focused on achieving real world impact in alignment with the UN SDGs and the Paris Agreement.
- 1.2 Developing responsible investment in real estate under the Property Working Group. Activities will include:
  - a Undertaking academic-led empirical research into physical risk from extreme weather events and effects on financial materiality and asset values.
  - b Structured engagement programme with investors, insurers, and other key stakeholders on strategies for assessing physical risk and impact on asset valuation, on data capture and sharing, and on risk and cost sharing for resilience
- 1.3 Supporting the Sustainable Stock Exchanges Initiative. Engagement of partners on the SSE agenda—UNCTAD, the UN Global Compact, and the PRI—to explore how exchanges can enhance performance on environmental, social and governance (ESG) issues and promote sustainable investment.
- 1.4 Catalyzing an impact-based approach to financing the SDGs. Activities will include:
  - a Release of Portfolio Impact Identification Tool for investment portfolios
  - b Release of V2 of the Corporate Impact Analysis Tool
    - New features and guidance, including on: data collection and prioritization; performance assessment; results interpretation and strategy development
- 1.5 Interoperability mechanisms and guidance vis-à-vis key impact measurement and disclosure frameworks and standards (e.g. Impact Management Project, Sustainability Accounting Standards Board, Climate Disclosure Standards Board, etc.).
- 1.6 Release of Impact Analysis Tool for Real Estate Investments.
- 1.7 Ongoing implementation support for the suite of Impact Analysis Tools.
- 1.8 Ongoing development of the suite of Impact Analysis Tools.
  - a Country needs assessment
  - b Impact mappings (by sector, client typology, product typology, etc.).

## 2. Catalyzing climate leadership

- 2.1 Growing the [UN-Convened Net-Zero Asset Owner Alliance \(AOA\)](#) on alignment with the mitigation objectives of the 2015 Paris Agreement on Climate Change. Planned activities include:
  - a Setting the first intermediate portfolio-decarbonization targets for 2025 following guidelines established in 2020.
  - b Developing 1.5 degrees compatible sectoral decarbonization pathways for carbon-intensive sectors.
  - c Rolling out a strategy for engagement with key stakeholders including companies, asset managers and policymakers.

## **2.2** Technical assistance for implementing the Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Activities will include:

- a** Establishing a UNEP FI climate risk platform for investors on topics including stress-testing, sector-specific analytics on risk and opportunity, integration of physical and transition risk analysis, and a global database of TCFD disclosures from the financial sector.
- b** Consolidating tools, data and best practice. Following on from four industry-specific pilot projects to implement the recommendations with more than 80 banks, insurers and investors, UNEP FI will bring together its members, the scientific and supervisory communities to further improve, consolidate and standardize the required methods, data and tools, and to define finance sector best practice on disclosure.
- c** Supporting further piloting of TCFD recommendations with real estate investors.

## **2.3** Defining and mobilizing finance sector leadership on physical climate change, resilience and adaptation. Catalyzing finance sector leadership on climate change adaptation and the management of physical climate change risks and impacts at the 2021 Global Adaptation Summit (see below).

### **3. Advancing integration of nature into financial decision-making**

- 3.1** Supporting biodiversity-target setting by FIs and alignment of portfolios with the post-2020 Global Biodiversity Framework. UNEP FI is working with the UNEP World Conservation Monitoring Centre (UNEP-WCMC), Global Canopy and more than 30 banks and investors to design a ground-breaking new biodiversity module for financial institutions to evaluate alignment with global biodiversity goals, focusing on the agriculture and mining industries. The module will be added to the [ENCORE](#) tool (Exploring Natural Capital Opportunities, Risks and Exposure), building on its functionality to identify the impacts and dependencies of sectors on nature. Knowledge from guidance developed for banks on setting biodiversity targets consistent with the latest industry good practice will be shared with interested investors.
- 3.2** Contributing to the formation of a Task Force on Nature Related Financial Disclosures (TNFD). UNEP FI is part of an 'accelerator group' of partners (with UNDP, Global Canopy and WWF) that has created an Informal Working Group (IWG) of leading financial institutions and key stakeholders to lay the groundwork for a TNFD to be launched in 2021. Building from the progress and lessons of the TCFD, this initiative will help to improve consistency and standardize disclosure of nature-related risks (and potentially opportunities) across sectors.
- 3.3** Catalyzing sustainable blue economy financing. Activities include expanding the community of practice under the Sustainable Blue Economy Finance Initiative, undertaking a study on the status of sustainable finance for maritime ecosystems, and developing guidance on financing sectors including seafood, marine ports & services, maritime transport, maritime and coastal tourism and renewable electricity.

## 4. Policy engagement

- 4.1 Contributing to the International Platform on Sustainable Finance as an Observer.
- 4.2 On-going participation in the G7-mandated Impact Management Project facilitated Structured Network for the consolidation of a unified global system for impact measurement and management.
- 4.3 Contributing to relevant consultations on sustainable finance policy and regulatory initiatives.
- 4.4 Providing inputs into UN processes relevant to sustainable finance.

## 5. Training

- 5.1 Climate Change: Risks and Opportunities for the Finance Sector online course for banks, insurers and investors.
- 5.2 Developing training for banks and investors to integrate natural capital impacts and dependencies into decision-making.

## Key events 2021(tentative dates)

<b>January</b>	<a href="#">Climate Adaptation Summit</a> , virtual event
<b>February</b>	UN Environment Assembly 5 in Nairobi, Kenya
<b>May</b>	UN Convention on Biological Diversity (CBD) Conference of the Parties (COP15) in Kunming, China
<b>November</b>	Finance sector engagement at the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP 26) in Glasgow, Scotland
<b>February-December</b>	UNEP FI Regional Roundtables across Africa & Middle East, Asia Pacific, Europe, Latin America & the Caribbean and North America

# UNEP FI Strategy

In 2017, the Global Steering Committee led the development of the UNEP FI strategy for the 5 years, 2018–2022.

## 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.

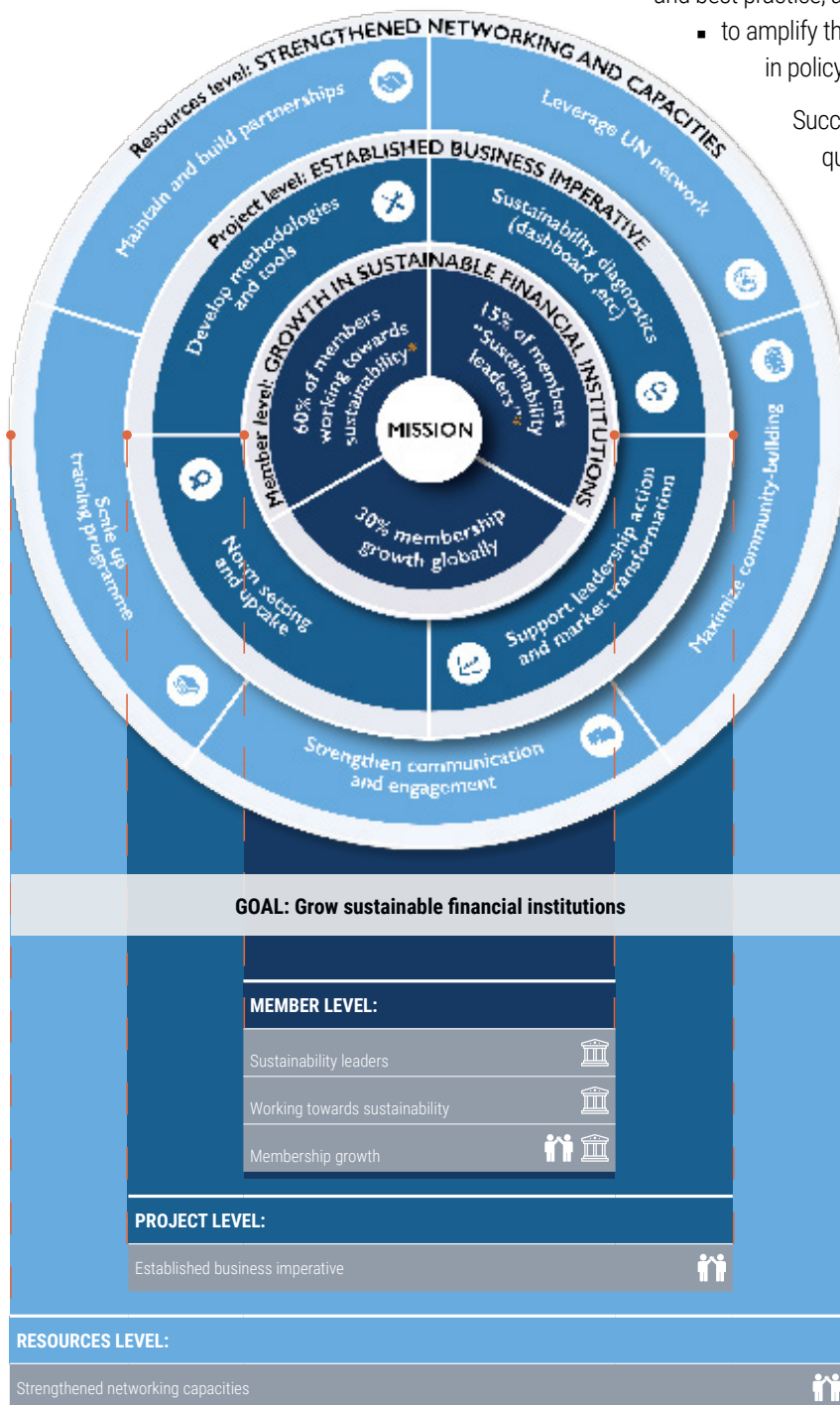
Success is measured through the growth in the quantity and quality of “sustainable financial institutions”.

## Strategic goal and the integrated work programme

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 work programme 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 work programme

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 work programme.



Implemented by UNEP FI partnership



Implemented by members