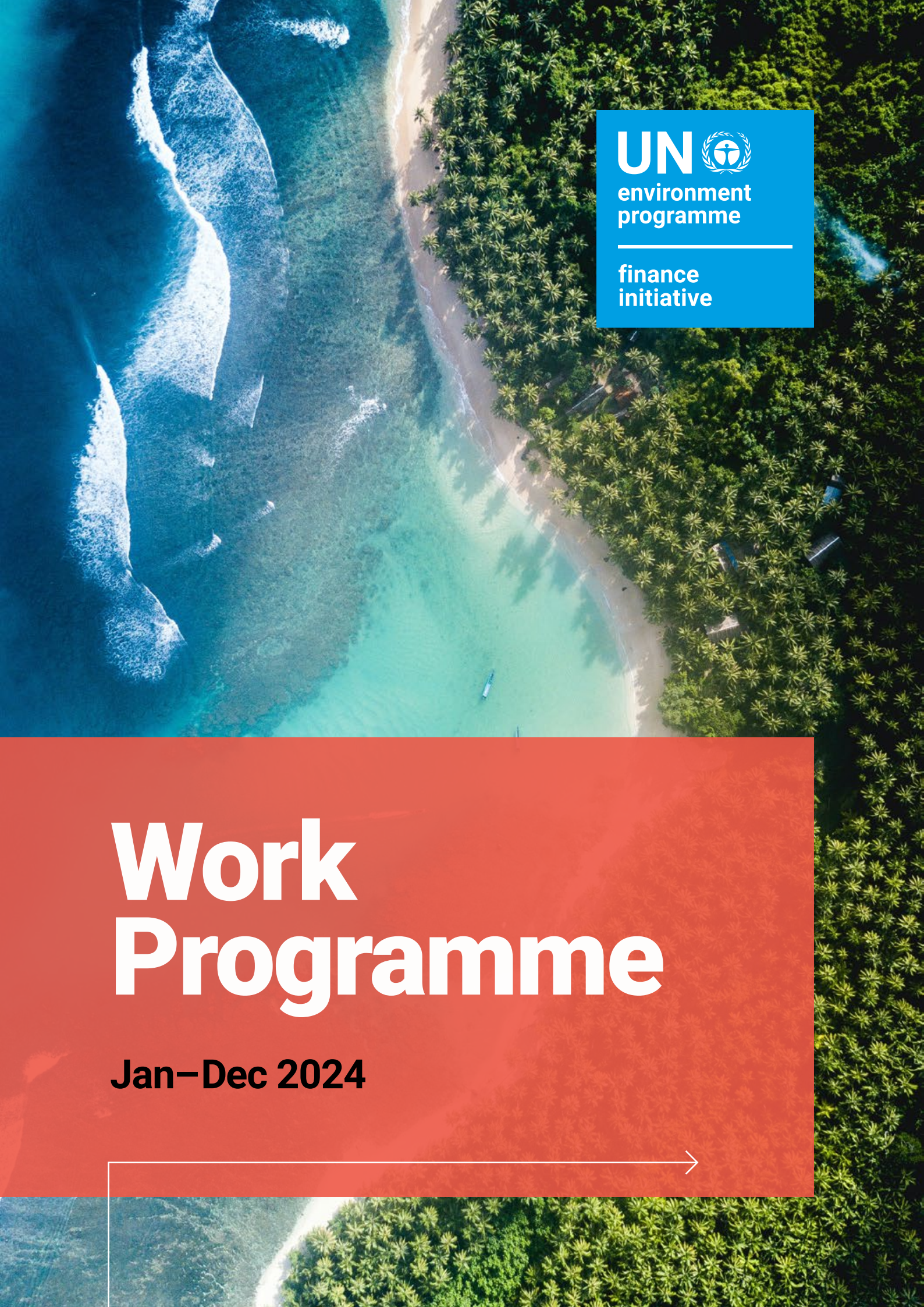


UN environment programme

finance initiative

Work Programme

Jan–Dec 2024

About UNEP FI

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

- **Principles for Responsible Banking (PRB)** launched in 2019 and now signed by 300 banks collectively representing nearly 50% of the assets of the global banking sector;
- **Principles for Sustainable Insurance (PSI)**, established in 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 200 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 more than 5,000 institutional investors (USD 120 tr).

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.

United Nations Environment Programme Finance Initiative (UNEP FI) is a partnership between UNEP and the global financial sector to mobilise private sector finance for sustainable development. UNEP FI works with more than 500 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. By leveraging the UN's role, UNEP FI accelerates sustainable finance.

unepfi.org

UNEP FI works with more than 500 financial institutions to create a financial sector that positively impacts and serves people and planet.

This integrated work programme aims to contribute to achieving UNEP FI's mission and implementing its strategy for 2022–2025.

Vision

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

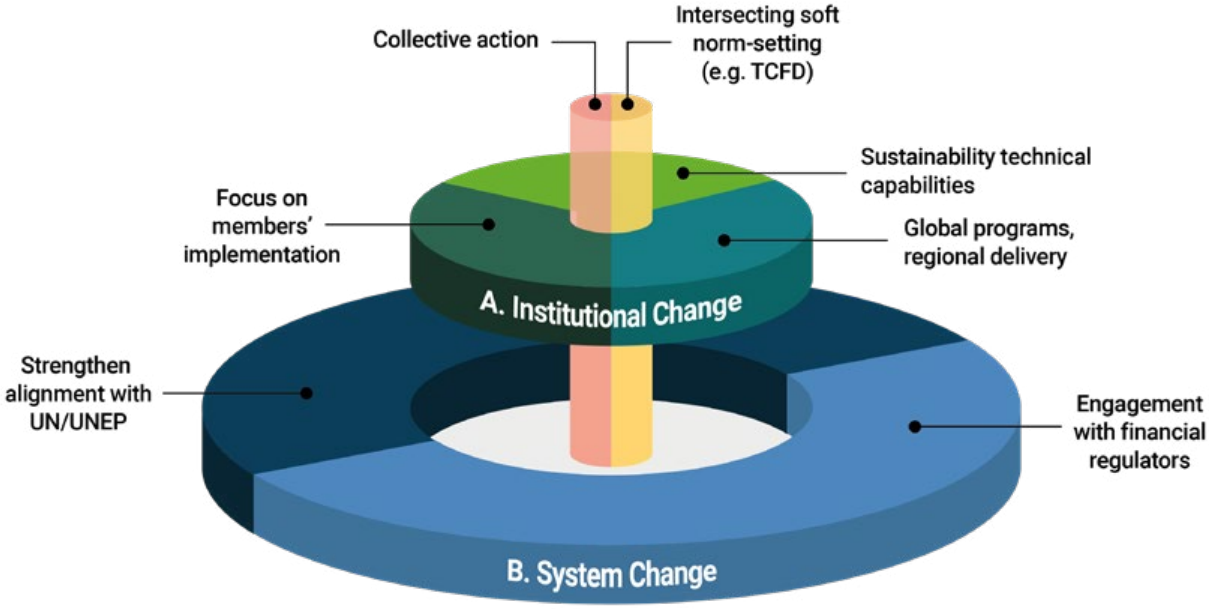
Mission

We aim to inspire, inform and enable financial institutions to improve people's quality of life without compromising that of future generations

The annual work programme of UNEP FI runs from January to December.

Key activities available to members in 2024 are highlighted below.

Strategy



Mainstreaming sustainability in financial institutions while contributing to overall industry transformation is at the core of UNEP FI's strategy for 2022–2025. The strategy has two guiding pillars, with five strategic drivers embedded under these:

- **Guiding pillar A: Institutional change:** To drive change at the level of financial institutions (i.e. UNEP FI members);
  - **Strategic driver 1: Focus on members' implementation:** Prioritise implementation of existing UNEP FI programs and initiatives including the Principles for Responsible Banking, Principles for Sustainable Insurance, and collective commitments to deliver value to members and deepen industry influence.
  - **Strategic driver 2: Global programs, regional delivery:** Intensify delivery of global programs at regional level, balancing a focus on the collective global membership and regional implementation support.
  - **Strategic driver 3: Sustainability technical capabilities:** Expand industry leadership by building sustainability technical capabilities of members in response to industry demand.

- **Guiding pillar B. System change:** To provide industry leadership and drive change at the broader sectoral level.
  - **Strategic driver 4: Engagement with financial regulators:** Enhance engagement with financial regulators to strengthen sustainable finance industry positioning and relevance.
  - **Strategic driver 5: Strengthen alignment with UN/UNEP:** Contribute more strongly to global environmental governance, including the triple challenge of climate change, nature loss and pollution, and social objectives including ensuring human rights, gender equality and access for the under-served to key financial services. This will enhance UNEP FI's contribution to the Decade of Action global efforts and support the aspirations of the UNEP Medium-Term Strategy (MTS) 2022–2025.

Implementing UNEP FI's strategy

In 2024, UNEP FI's focus on members' implementation will include rolling out global programs through regional delivery, and capacity building to help strengthen sustainability technical capabilities among members.

UNEP FI's Secretariat will continue to help foster financial sector leadership, shape industry norms, and support financial institutions in implementing key frameworks including the Principles for Responsible Banking (PRB), Principles for Sustainable Insurance (PSI) and Net-Zero Alliances in 2024.

Thematic areas of work to address key sustainability challenges are continuing to mature, with deeper and broaden industry engagement and resources to support members on aligning with UN-led global agreements including the Paris Climate Agreement, Kunming-Montreal Global Biodiversity Framework, Sustainable Development Goals and emerging agreements on plastics and chemicals pollution.

UNEP FI's Global Policy and Regulation workstream and leadership in the Impact Management Platform, a collaboration between providers of sustainability standards and guidance, are playing key roles in delivering UNEP FI's strategy to drive systems change.

Several aspects of UNEP FI's work programme intersect institutional change at the members' level and system change at the industry-wide level, helping to set soft norms. Many members actively participate in working groups and communities of practice to help shape industry-wide approaches to addressing environmental and social risks and opportunities, defining methodologies, indicators and metrics to integrate sustainability into strategies and operations. Events, webinars and podcasts help share knowledge resources across UNEP FI's membership and beyond, to inform wider banking and insurance industry market practice and norms.

Delivery of UNEP FI's work programme and strategy for 2022–2025 is supported by implementation of two enabling sub-strategies:

Digital

UNEP FI is implementing its digital strategy in three phases:

- Enhance communications to inform, inspire and enable sustainable finance leadership and uptake
- Strengthen value proposition for members and support project implementation via digital channels
- Identify opportunities to accelerate sustainability integration through digital transitions under way in the financial sector.

Education and training

UNEP FI is developing an enhanced education and training program to support implementation of the Principles for Responsible Banking and Sustainable Insurance frameworks in member institutions, raise industry-wide awareness and provide technical capacity-building beyond the UNEP FI membership.

Work programme

The UNEP FI work programme to implement the strategy in 2024 will provide members with opportunities to participate in our communities of practice to find solutions to global sustainability challenges and advance market practice and industry norms.

UNEP FI will continue to facilitate leadership initiatives, peer learning, knowledge development, learning and education, and piloting of practical methodologies, guidance and tools. You can take part in initiatives that are designed specifically for banking or insurance operations, and join initiatives that address sustainability priorities across industries.

The work programme will be implemented under UNEP FI's structure of thematic and industry workstreams, policy and regulation, regional coordination and training. Highlights of our work programme for 2024 are shown by industry under banking, insurance, investment and thematic activities to address UN-led priorities to find shared solutions to common global crises, such as climate change, nature loss and pollution. Additional global and regional knowledge sharing, capacity building and training activities will support uptake and dissemination of guidance, research and tools. UNEP FI will also hold its Global Roundtable in 2024, alongside a series of webinars and podcasts, to provide leadership, learning, good practice and facilitate dialogue to advance the sustainable finance agenda.

Bank-ing

Implementing the Principles for Responsible Banking

2024 Highlights

- **PRB 2030:** further develop and position the Principles in an evolved sustainability landscape and guide members' delivery of their commitments and targets in years five to ten of their journey.
- **Individual Feedback and Review process:** signatory banks benefit from an annual individual feedback meeting to support their implementation. This accountability and support mechanism is key to upholding the credibility of each Signatory's commitment, and the Principles as a whole, by identifying shortcomings, challenges and trends—which inform UNEP FI workplans.
- **Update and refine target-setting guidance to address impact**-level target setting with a sectoral approach where relevant, also considering interlinkages between impact areas, in areas such as nature and biodiversity.
- Develop **new target-setting guidance on environmental and social impact** areas (e.g. pollution, decent work) to expand the suite of thematic guidance available to banks.
- Provide **implementation support and guidance** to banks in year 5 of their journeys and in their delivery against targets set (incl. for example action plans and transition plans)
- **Regionally focused capacity building** programme and content development for impact analysis and target setting in areas including climate change mitigation
- **Develop new PRB Academy modules**, including on nature, support uptake including integration into banks' learning management systems and roll out in additional languages
- **Drive excellence in climate, environmental and social risk management through technical resources.**

1. PRB 2030

1.1 As the first four years of the PRB journeys conclude in 2023, this is a critical moment to assess how the world and the sustainable banking community have progressed and to define common guidance and milestones for Signatory Banks to deliver on the commitments made and targets set in years five to ten. A Core Group of 27 banks (see below) from all world regions is at the heart of this process to guide members' delivery of their individual commitments and targets in years five to ten of their journeys. The process began in 2023 and will conclude in Q2 2024. It is under the oversight of your elected representatives—the Banking Board—and involves all member banks, our Civil Society Advisory Body, and relevant stakeholders through various consultation and engagement formats.

2. Delivering annual feedback and review meetings for signatories

This accountability and support mechanism is key to upholding the credibility of each Signatory's commitment, and the Principles as a whole, by identifying shortcomings, challenges and trends—which inform UNEP FI workplans.

2.1 The UNEP FI Secretariat annually provides individualised feedback to each signatory on its progress on implementing the Principles. The main purpose is to support signatory banks on their Principles implementation by providing guidance and advice. The Secretariat provides an evaluation of progress, shares good practice and indicates areas for potential improvement to fulfil commitments under the Principles.

2.2 The Feedback and Review process is a key mechanism for the accountability and credibility of the Principles and Signatories. It considers the banks' reporting based on the Principles Framework Documents. It informs the UNEP FI Secretariat and the Banking Board on challenges and trends across signatories and advises on individual cases, in accordance with the Banking Governance Framework.

3. Engagement with the PRB Civil Society Advisory Body

3.1 The Civil Society Advisory Body consists 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. In 2024, the Body will provide input into the PRB 2030 process, advise the Banking Board and the community of Signatories on strategic priorities related to PRB Implementation, and provide inputs and expertise in the focus areas of the Banking Programme. The Civil Society Advisory Body will continue to provide input into the UNEP FI global workstream on Policy and Regulation.

4. Shaping the sustainable banking agenda and knowledge sharing

4.1 Convening banking industry leaders and practitioners, regulators and supervisors, and key stakeholders nationally, regionally and internationally to inform market practice.

4.2 Regional workshops, events, webinars, technical assistance, study groups and peer exchanges to share knowledge.

4.3 Developing the milestones and steps in the implementation journey of PRB signatories from years five to ten.

5. Implementation support structure

5.1 Impact analysis/impact management support

- **a.** Induction workshops for new members
- **b.** Impact analysis helpdesk providing technical assistance to members
- **c.** Impact Analysis Tool community of users: exploring specificities per business line and region, peer exchange, developing new content/modules and exploring future development priorities, e.g., data system needs, integration.

5.2 Target-setting working groups and capacity building

- **a.** Refine target-setting guidance for priority impact areas and test and develop implementation support resources.
- **b.** Net-Zero Banking Alliance (NZBA) signatories working groups will focus on implementation measures and capacity building work to advance climate target setting (see Catalysing net-zero climate leadership below).
- **c.** Gender equality target-setting guidance will be updated to include the PRB gender framework developed in 2023.
- **d.** Capacity building programme on biodiversity target setting, with a Community of Practice raising awareness on nature.
- **e.** Regional capacity building programme for climate target setting, including methodologies, scenarios.
- **f.** Capacity building programme for target setting in a third impact area, after climate and financial health and inclusion.
- **g.** Capacity building programme for social and human rights due diligence and support for banks to implementation human rights policies in line with the UN Guiding Principles.
- **h.** Compilation of social indicators examples, with emphasis on decent work.
- **i.** Support the development of action plans and client engagement to implement targets to address specific impacts.
- **j.** The Circular Economy and Pollution workstream will work on interlinkages with other impact areas and how pollution can drive biodiversity loss and circular economy approaches can enable delivery of climate mitigation and nature targets and be considered in banks' target-setting processes.
- **k.** Supporting banks on implementing guidance on climate adaptation and just transition.

5.3 Accelerating responsible banking across regions

a. Regional engagement, workshops on impact analysis, setting and implementing targets in areas including climate mitigation, webinars, technical assistance and peer-to-peer exchanges in Africa and Middle East, Asia Pacific, Europe, Latin America and the Caribbean and North America to support PRB implementation.

6. Learning and education

6.1 Support banks on deploying Principles for Responsible Banking Academy e-learning modules to help promote a culture of responsible banking among employees.

a. Support uptake of introductory, specialist and executive/board level e-learning courses on the PRB Academy, including through banks' learning management systems, to help promote continuing professional development and sustainability knowledge and skills.[1]

b. Update and promote 4 existing PRB Academy modules: Getting Started in Responsible Banking, Responsible Banking for Board Members and Executives, Clients and Customers and Climate Change.

c. Develop new PRB Academy modules on topics including nature, with Chartered Banker Institute (CBI) and GIZ.

d. Roll out existing modules in Spanish and other languages and expand delivery of localised PRB Academy training in emerging markets with CBI and GIZ.

e. Convene PRB Academy Advisory Committee to inform training developments.

6.2 Environmental and Social Risk Analysis (ESRA) training program for banks.

6.3 Climate Change and the TCFD: Risks and Opportunities for the Banking Industry training program (updated in 2023).

7. Catalysing net-zero climate leadership

7.1 Advancing the UN-Convened Net-Zero Banking Alliance (NZBA) as the PRB's portfolio alignment platform focused on the 2015 Paris Agreement on Climate Change.

7.2 Further advancing 1.5°C compatible sectoral decarbonisation pathways for carbon-intensive sectors which can be used in investment decision making. Developing tools which can help banks implement sectoral pathways

7.3 Defining and mobilising finance sector leadership on physical climate change, resilience and adaptation.

7.4 Supporting banks in contributing to a just and equitable net-zero transition.

1 UNEP FI members can access the PRB Academy e-learning modules at a reduced fee.

8. Driving excellence in climate, environmental and social risk management

8.1 Technical assistance for implementing the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations:

- **a.** Convening UNEP FI climate risk hub 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. UNEP FI is consolidating tools, data and best practice and bringing together its members, the scientific and supervisory communities to further improve, consolidate and standardise the required methods, data and tools, and to define finance sector best practice on disclosure. UNEP FI will explore links between climate and nature-related financial risk.
- **b.** Supporting further piloting of TCFD recommendations with banks.
- **c.** Updating the UNEP FI human rights tool to support PRB members in managing social risks, through a human rights-based approach. Supporting Members through UNEP FI's Human Rights Community of Practice.

9. Advancing integration of nature into decision-making

9.1 Advancing nature target setting based on guidance for mainly process targets published in 2023, and moving towards impact targets.

9.2 Continuation of peer networking and building the community of practice for nature and banking, including the PRB Biodiversity Community for an introduction, the target-setting working group for those working on setting and implementing targets, and the development of a "Journey" for PRB banks on nature.

9.3 Supporting members on implementing the Taskforce on Nature-Related Financial Disclosures (TNFD) risk management and disclosure framework. UNEP FI is leading on capacity building for emerging market financial institutions with support from IKI and the Global Environment Facility, in partnership with UNDP and others.

9.4 Secondment of natural capital analysts to banks in South Africa, Peru and Colombia, with Swiss government support. Hands-on support for leading emerging market banks' target-setting activities and development of illustrative case studies.

10. Advancing integration of pollution and circular economy into financial decision-making

10.1 Supporting resource efficiency and circular economy target setting by banks considering interlinkages with other impact areas like climate change mitigation and nature.

10.2 Developing guidance on how to operationalise the nexus between the circular economy and climate, nature and pollution, together with a task force of banks.

10.3 Developing initial assessment and guidance on pollution target setting for banks.

10.4 Building readiness for banks on plastic pollution in view of the future international plastic treaty and contributing to the negotiation process, through the Finance Leadership Group on Plastics, a leadership initiative on plastic pollution.

10.5 Informing banks on the Strategic Approach and the sound management of chemicals and waste beyond 2020 ("SAICM Beyond 2020") framework (adopted in September 2023), and supporting its implementation.

10.6 Advancing chemical and plastic pollution prevention and reduction in the agriculture sector and food systems, through the GEF Financing Agrochemicals Reduction and Management ("FARM") Programme.

10.7 Supporting integration of energy efficiency into financial decision-making through a collaboration with the European Commission to support the establishment of a European Energy Efficiency Finance Coalition.

Insur-ance

Implementing the Principles for Sustainable Insurance

2024 Highlights

- Accelerate the **delivery of climate risk insurance solutions** for micro, small and medium enterprises (MSMEs) in developing countries via the PSI-hosted V20 Sustainable Insurance Facility (SIF)
- **Promote the foundational net-zero insurance concepts**, metrics, methods, and frameworks produced by the Net-Zero Insurance Alliance (NZIA) and its partners
- **Establish the Net-Zero Insurance Transition Forum (NZITF)** as the next-stage evolution of the NZIA to advance net-zero insurance thinking and practices globally
- **Advance nature-positive insurance thinking and practices** globally and explore the establishment of a Nature-Positive Insurance Forum to support the goals of the Kunming-Montreal Global Biodiversity Framework
- **Support the implementation of PSI global guidance on ESG risk management for non-life and life & health insurance business**, and advance sustainability in life & health insurance business
- **Define sustainable insurance business** in the context of the SDGs
- **Support the UNFCCC** process to operationalise a loss and damage fund for vulnerable countries
- Support the **development and implementation of sustainable insurance** strategies and roadmaps across regions

1. Climate change mitigation and adaptation: Net zero, resilience and inclusive insurance

1.1 The Net-Zero Insurance Transition Forum (NZITF) is the next-stage evolution of the Net-Zero Insurance Alliance (NZIA). This new Forum chaired and hosted by UNEP will convene and work with insurance market participants (e.g. insurers, reinsurers, brokers) and a range of key stakeholders (e.g. insurance regulators and supervisors, net-zero standard-setters and initiatives, sustainability disclosure initiatives, real economy actors, the scientific and academic community, civil society, accounting and legal firms, policymakers) to advance net-zero insurance thinking and practices globally. The NZIA has successfully delivered the foundational net-zero insurance concepts, metrics, methods, and frameworks with its partners (e.g. NZIA white paper on net-zero insurance, NZIA Target-Setting Protocol, NZIA-supported PCAF Insurance-Associated Emissions Standard). Therefore, the NZITF aims to build on these pioneering outputs and span other key priorities, including transition plans by insurance market participants, engagement with corporates in the real economy, and insurance solutions that support the net-zero transition.

1.2 Development, implementation and promotion of climate, disaster risk and inclusive insurance solutions to build the resilience of vulnerable communities, primarily via the PSI-hosted Vulnerable Twenty Group of Ministers of Finance (V20) Sustainable Insurance Facility (SIF) and its contributions to the goals of the InsuResilience Global Partnership, Global Shield Against Climate Risks, and UNFCCC Loss and Damage Fund. The V20-SIF project office at the PSI is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ). The V20 comprises 58 climate-vulnerable economies with a combined population of 1.5 billion people and a 5% share of global emissions. Other relevant initiatives include the PSI-supported Nairobi Declaration on Sustainable Insurance, Financial Sector Deepening (FSD) Africa, Microinsurance Network, ILO Impact Insurance Facility, Insurance Development Forum, and Munich Climate Insurance Initiative.

1.3 Supporting the UNFCCC process related to the design and operationalisation of the UNFCCC Loss and Damage Fund, including providing input and coordinating input from PSI members and stakeholders

1.4 Supporting the implementation and promotion of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) through the key findings and outcomes of the PSI's TCFD pilot project on climate-related physical, transition and litigations risks in the context of insurance portfolios; and a TCFD paper on life and health insurance business.

2. Sustainable insurance frameworks

2.1 Implementation and promotion of the first global insurance industry guide developed by the PSI to manage environmental, social and governance risks in non-life insurance business.

2.2 Implementation and promotion of the first global insurance industry guide developed by the PSI to manage environmental, social and governance risks in life and health insurance business.

2.3 Development, implementation and promotion of sustainable insurance business definitions, thinking, practices and metrics in the context of the UN Sustainable Development Goals (SDGs) in order to shape "Insurance SDGs" and align insurance portfolios with the SDGs.

2.4 PSI involvement in the Global Reporting Initiative (GRI) Technical Committee to develop a sector standard for insurance.

3. Nature-positive insurance and pollution prevention

3.1 Implementation and promotion of pioneering global insurance industry guidance and studies:

- The guide developed by the PSI, WWF and UNESCO to protect World Heritage Sites
- The guide developed by the PSI and Oceana to tackle illegal, unregulated and unreported fishing
- The guide developed by the PSI to tackle the risks of plastic pollution, marine plastic litter and microplastics
- The study by the PSI and sponsored by DB Insurance on how to harness environmental pollution liability insurance for a sustainable economy
- The PSI-supported guide by WWF on how the insurance industry can tackle high-impact hydropower projects and support the transition to a nature-positive economy
- The PSI-supported study by the Minderoo Foundation on social costs and corporate liabilities relevant to plastic pollution, and further work in this area

3.2 Promotion of the briefing paper on nature-positive insurance thinking and practices produced by the PSI and UNEP FI's Nature Team.

3.3 Establishment of a Nature-Positive Insurance Forum that will shape and advance nature-positive insurance globally.

3.4 Supporting the agenda of aligning insurance and financial portfolios with the Kunming-Montreal 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 and health

4.1 Promotion and implementation of the PSI guide to manage ESG risks in life and health insurance business.

4.2 Promotion and implementation of the PSI paper "Health is our greatest wealth: How life and health Insurers can drive better health outcomes and close the protection gap".

4.3 Promotion and implementation of the Tobacco-Free Finance Pledge for banks, insurers and investors and exploring guidance on tobacco-free insurance.

5. Cities

5.1 Implementation and promotion 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 Development, implementation and promotion of sustainable insurance roadmaps and strategies in several countries and jurisdictions, including the following:

- California Sustainable Insurance Roadmap
- PSI Canadian Sustainable Insurance Taskforce
- Nairobi Declaration on Sustainable Insurance
- Costa Rican Insurance Industry's Protocol for Responsible Business Conduct

7. Policy, supervision and regulation

7.1 PSI/UNEP FI's engagement with the UN-convened Sustainable Insurance Forum (SIF), the global leadership group of insurance supervisors and regulators working together to strengthen understanding and responses to sustainability issues.

7.2 PSI/UNEP FI's engagement with the European Commission's Climate Resilience Dialogue to strengthen the understanding between insurers, policymakers and other stakeholders and close the climate protection gap.

7.3 PSI/UNEP FI's engagement with the UNEP-led intergovernmental process to forge an international legally-binding agreement to end plastic pollution.

7.4 UNEP FI's work on sustainable finance policy, supervision and regulation, and UN processes relevant to sustainable finance (e.g. climate change, nature/biodiversity, oceans, plastics)

8. Shaping the sustainable insurance agenda and knowledge sharing

8.1 Development, implementation and promotion of the sustainable insurance agenda by convening insurance industry leaders and practitioners, regulators and supervisors, companies across industry sectors, and other key stakeholders nationally, regionally and internationally through events and webinars. Examples include the PSI 10th anniversary event in 2022, the PSI Sustainable Insurance Series for COP26 (2021) and COP27 (2022), the Nature-Positive Insurance Series of the PSI and UN Convention on Biological Diversity (CBD) in 2021 in support of the UN Biodiversity Conference (COP15), the PSI-Swiss Re virtual event series in 2020 on sustainability leadership in insurance, and the PSI CEO sustainability leadership series launched during Climate Week NYC and the UN Biodiversity Summit in 2020.

Investment leadership

1. Advancing the Investment Leadership Programme (ILP) with the PRI

The programme hosts projects/initiatives, thought pieces and tools, focused on achieving real world impact in alignment with the UN SDGs and the Paris Agreement by investors and foster cross-industry knowledge transfer (PRI-PSI-PRB). In 2024, the ILP will advance:

1.1 Cross-industry engagement on sustainability integration.

1.2 Net-Zero alignment coordination.

1.3 Identify areas for cooperation across PRI, PRB, and PSI on thematic topics.

1.4 Collaborate on biodiversity and nature-related initiatives.

1.5 Collaborate on social issues such as human rights and just transition norms.

1.6 Collaborate on pollution in the context of intergovernmental processes such as the future international plastic treaty.

1.7 Collaborate on impact management methodology and resources for investors (incl. Release of V2 of the Investment Portfolio and Real Estate Impact Analysis Tools (modular format), in collaboration with PRI.).

2. Catalyzing net-zero climate leadership

2.1 Advance the UN-Convened Net-Zero Asset Owner Alliance (AOA) and portfolio alignment with the 2015 Paris Agreement on Climate Change. Planned activities include:

- **a.** Third version of the NZAOA Target Setting Protocol, including additional asset class methodologies.
- **b.** High-level position papers on issues including (i) Soft Commodities and Deforestation and (ii) Global Climate Clubs.
- **c.** NZAOA 3rd Progress Report.
- **d.** NZAOA online tool and guide on climate solutions investing.

2.2 Advance the work of the Investor Agenda on Climate Change which seeks to accelerate action towards net-zero alignment.

3. Coordinating on financial systems change

3.1 Identify potential areas for engagement on financial policy and regulation to advance alignment of private finance with global sustainability goals.

3.2 Collaboration in the context of the Impact Management Platform to develop consensus on of key terms, concepts, practices and methodologies and promote interoperability across finance-sector sustainability initiatives and their frameworks.

Cross-cutting

1. Catalysing climate disclosure and action

1.1 UNEP FI hub on climate risk in the finance sector to provide technical assistance for implementing the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations across banking and insurance and engage regulators on technical developments.

1.2 Guidance on integrating climate risk and opportunity assessments and tools into financial strategy and decision-making.

1.3 Supporting net-zero target implementation and monitoring, across the UN-Convened Net-Zero Financial Alliances, including:

- **a.** Further advancing 1.5°C compatible sectoral decarbonisation pathways for carbon-intensive sectors which can be used in financial decision-making, including developing tools which can help financial institutions implement sectoral pathways.
- **b.** Cross-Industry work on scaling Net-Zero GHG Emissions tools (reporting and scenario selection tools) and Initiatives (including the Net-Zero Asset Owner Alliance, Net-Zero Banking Alliance, Net-Zero Asset Managers Initiative and net-zero service providers).
- **c.** Establish net-zero finance sector functions across regions, with a focus on emerging economies and developing countries

1.4 Defining and mobilising finance sector leadership on physical climate change, resilience and adaptation.

2. Nature

2.1 Supporting biodiversity-target setting by FIs and alignment of financial flows with the goals and targets of the Kunming-Montreal Global Biodiversity Framework (GBF) agreed in 2022. UNEP FI will develop tools and guidance to advance alignment of portfolios with the GBF with partners such as the PRI and the Finance for Biodiversity Foundation. This will include supporting delivery of Goal D to ensure adequate means of implementation, including financial resources; target 14 to integrate biodiversity into decision-making, aligning all relevant public and private activities, fiscal and financial flows with the goals and targets of the framework; and target 19 to increase financial resources to USD200 billion per year by 2030, including USD30 billion through international finance.

2.2 Support target 15 of the GBF for business to assess and disclose biodiversity dependencies, impacts and risks, and reduce negative impacts, by supporting financial sector implementation of the Taskforce on Nature-related Financial Disclosures (TNFD) risk management and disclosure framework.

2.3 Develop sustainable food systems case for action and financial solutions, building on the High Ambition Group of the Good Food Finance Network convened by UNEP FI.

2.4 Catalyse sustainable blue economy financing through activities including developing Version 2 of Sustainable Blue Finance Guidance.

2.5 Advancing thought leadership on nature finance through the 'New Green Shoots' annual review of new nature finance innovations, and related thought-leadership products.

3. Pollution and circular economy

3.1 Advancing integration of circular economy into financial decision-making

- **a.** Supporting resource efficiency and circular economy target setting by FIs.
- **b.** Catalysing circular economy financing through target-setting support, regional initiatives.
- **c.** Supporting integration of energy efficiency into financial decision-making through a collaboration with the European Commission to establish a European Energy Efficiency Finance Coalition.
- **d.** Developing guidance on how to operationalise the nexus between the circular economy and climate, nature and pollution, with a Task Force of Banks.

3.2 Advancing integration of pollution into financial decision-making

- **a.** Develop initial assessment and guidance on pollution target setting for banks
- **b.** Engage the leadership initiative, the Finance Leadership Group on Plastics, to address plastic pollution and support the future international plastic treaty negotiation process.
- **c.** Inform members of the Strategic Approach and the sound management of chemicals and waste beyond 2020 ("SAICM Beyond 2020") framework (September 2023), and supporting its implementation.
- **d.** Engage financial institutions on global agrochemical and agroplastic pollution. UNEP FI will help advance chemical and plastic pollution prevention and reduction in the agriculture sector and food systems, through a Global Environment Facility Financing Agrochemicals Reduction and Management ("FARM") Programme.

4. Social and human rights

4.1 Advance integration of social and human rights into financial decision-making.

4.2 Support members on incorporating just transition considerations into their systems, operations and transition plans. Banks and insurers can test UNEP FI guidance on financing a just transition developed with the International Labour Organization (November 2023).

4.3 Supporting social-target setting by FIs, namely in the areas of Financial Health and inclusion, gender equality, decent work or social housing.

4.4 Support alignment of portfolios with the UN Guiding Principles on Business and Human Rights (UNGPs), by building a resource tool and hosting a Human Rights Community of practice for members.

5. Regional delivery

5.1 Member engagement and outreach for opportunities to participate in initiatives and inform regional priorities.

5.2 Facilitating workshops, events and peer-to-peer exchanges for knowledge sharing and awareness raising.

5.3 Roll out of policy and regulatory engagement plans in regions and jurisdictions, including mapping of relevant regulations worldwide and further testing in selected regions.

5.4 Events—see UNEP FI's website for the latest information on upcoming events unepfi.org/category/events/

5.5 Accelerating responsible banking across regions

a. Regional donor-funded projects to accelerate sustainable finance include:

- **Africa and Middle East:** Technical support and research to advance climate and SDG finance under an SDG-Climate Facility project in the Arab region, research/support on financing a circular economy in Africa, contributing to research etc.
- **Asia Pacific:** Developing a sustainable finance action plan with State Bank of Vietnam, catalysing SDG financing for small and medium enterprises in Indonesia.
- **Europe:** Engagement and awareness raising on policy and regulatory developments in the region, Observer on the EU Platform on Sustainable Finance, EU International Platform on Sustainable Finance and High-Level Expert Group on scaling up sustainable finance in low- and middle-income countries. Work may include specific testing of regulatory approaches in relation to UNEP FI initiatives such as Impact Management in relation to materiality assessment requirements.
- **Latin America and the Caribbean:** Capacity building and support on innovative financial mechanisms for deforestation risks and opportunities in Brazil, Paraguay and Argentina; catalysing circular economy finance; and Climate Risks Center for financial regulators and practitioners in partnership with UNEP and other key players.
- **South-South:** South Africa, Colombia, Peru—identify and manage natural capital risk opportunities, and exposure, by building the tools needed to improve finance-sector literacy and action on these issues, with Global Canopy and the UNEP World Conservation Monitoring Centre.

6. Training and education

6.1 Professional development

a. Banking professionals can access introductory, specialist and executive/board level courses available online through the Principles for Responsible Banking Academy's e-learning platform, which includes the following 4 modules:

- Getting Started in Responsible Banking
- Climate Change
- Clients and Customers
- Responsible Banking for Board Members and Executives

b. The modules can also be deployed to employees through banks' learning management systems to support knowledge and skills development and culture change.

6.2 Develop new PRB Academy modules on topics including nature, consulting the PRB Academy Advisory Committee of banks to identify needs and inform content development.

6.3 Support roll out of the courses in additional languages (e.g. Spanish), and emerging markets, along with the Chartered Banker Institute and GIZ.

6.4 Environmental and Social Risk Analysis (ESRA) training program for banks.

6.5 Climate Change and TCFD: Risks and Opportunities for the Banking Industry training programme.

System-level work

1. Policy and regulatory engagement

Undertake policy and regulatory engagement, including mapping relevant regulations worldwide and further testing in selected regions.

1.1 Knowledge hub on sustainable finance policy and regulation

- **a.** Support members with implementation of voluntary commitments at the intersection of regulatory developments, including support understanding regulatory developments across regions.
- **b.** Leverage UNEP expertise to support finance institutions connect financial regulation with environmental policies and global frameworks.

1.2 Collaboration on multilateral platforms for global alignment of standards, policies, and provide ambitious level playing field

- **a.** Support the development of clear policies and soft norms that provide clear directions and produce interoperable standards/global frameworks (e.g. disclosures, sustainability targets, scenarios).
- **b.** Contribute to the International Platform on Sustainable Finance as an Observer.
- **c.** Participate in the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) as a stakeholder.
- **d.** Knowledge partner of the G20 Sustainable Finance Working Group
- **e.** Contribute to the EU sustainable Finance platform on Sustainable Finance and High-Level Expert Group for Low and Middle-Income countries as Observer.
- **f.** Provide inputs into UN processes relevant to sustainable finance.
- **g.** Support macroprudential frameworks and financial system stability mechanisms globally.
- **h.** Engage MDBs, NDBs on policies and regulations that are conducive to facilitate blending finance mechanisms.
- **i.** Support UNEP representation on the International Sustainability Standards Board (ISSB) Stakeholder Consultative Committee.
- **j.** Contribute to the Investor Agenda's policy and advocacy programme, driving ambitious public policy globally and target regions (Australia, EU, Japan, US)

1.3 Step up engagement for finance policy and regulatory change as catalyst for finance sector transition, at jurisdiction and regional levels.

- **a.** Develop thematic and country-specific analysis on how to enhance banking regulatory frameworks in key jurisdictions.
- **b.** Contribute to the EU Platform on Sustainable Finance as an Observer.
- **c.** Contribute to relevant consultations on sustainable finance policy and regulatory initiatives.
- **d.** Regional Banking Taxonomy Pilots to test, engage and support development of national and regional taxonomies.

e. Support and enhance regulators' readiness on sustainable finance policy and regulation.

f. Explore which sector regulations are most conducive to accelerating sustainable finance and formulate recommendations to enhance finance sector engagement with real economy regulators.

g. Join efforts with other UNEP initiatives on policy and regulation, such as the Green Growth Knowledge Platform (GGKP), the Partnership for Action on the Green Economy (PAGE), in coordination with the United Nations Development Programme (UNDP) and other key actors.

2. Driving harmonisation and interoperability across sustainability frameworks and initiatives

2.1 Consensus building and R&D with peer organisations via the Impact Management Platform. Co-Chair with OECD the Impact Management Platform, a collaboration between leading providers of public good standards and guidance for managing sustainability impacts to clarify the meaning and practice of impact management; driving interoperability filling implementation gaps and engaging, as appropriate, with policymakers. In 2024 the IMP plans to focus consensus building on: iterating and enriching its 'system map'; enriching its repository of key concepts and terms; delivering sustainability nomenclature mappings and analysis and; issuing a paper on fit-for-impact industry classifications.

2.2 In the context of both PRB implementation guidance development and IMP interoperability projects, coordinate and collaborate with real economy-facing initiatives such as the UN Global Compact and BLAB to align methodologies and foster collaboration across the respective practitioner networks, and to support client engagement guidance and activities developed by UNEP FI.

2.3 In the context of both the ILP special projects and IMP interoperability projects, coordinate and collaborate with the PRI and other finance sector-facing initiatives to align and coordinate methodological approaches across the value chain.

UN environment programme

finance initiative

UNEP Finance Initiative brings together a large network of banks, insurers and investors that collectively catalyses action across the financial system to deliver 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've established the world's foremost sustainability frameworks that help the finance industry address global environmental, social and governance (ESG) challenges.

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