

Just Transition Finance
Case Studies from
Banking and Insurance

UN 
environment
programme

finance
initiative



Tokio Marine Group
Advancing Human Rights
in Carbon Markets

→
April 2026

Disclaimer

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Mention of a commercial company or product in this document does not imply endorsement by the United Nations Environment Programme or the authors. The use of information from this document for publicity or advertising is not permitted. Trademark names and symbols are used in an editorial fashion with no intention on infringement of trademark or copyright laws.

The views expressed in this publication are those of the authors and do not necessarily reflect the views of the United Nations Environment Programme. We regret any errors or omissions that may have been unwittingly made.

© Maps, photos and illustrations as specified

Suggested citation: United Nations Environment Programme (2026). *Just Transition Finance: Case Studies from Banking and Insurance*. Geneva.

Production: United Nations Environment Programme Finance Initiative

Cover photo: Aureliano Soares Martins with one of the cisterns he uses to water his crops. IFAD.org / © Fernanda Oliveira.

This report includes case studies illustrating how banks and insurance companies are embedding just transition considerations in their strategies, processes, products, and partnerships. It reflects practices current at the time of publication and is intended to support financial institutions in considering approaches to just transition; it does not prescribe specific actions or define expectations for financial institutions.

Any approaches, criteria, or recommendations referred to in this report are to be understood in accordance with applicable law, including competition law. They do not constitute a recommendation by, or binding commitment on, any of the banks or insurance companies mentioned in this report, nor do they supersede any legal and contractual obligations. Financial institutions remain responsible for determining their own strategies and actions in relation to just transition.

Participation in the UNEP FI Just Transition Pilot Programme, or inclusion of a case study in this report, does not imply that a financial institution applies or endorses all statements, practices, or recommendations set out in this report.



Executive summary

The transition to low-carbon, climate-resilient economies is not only a technical challenge—it is a social one. Transition pathways that fail to address the needs of workers, communities, and vulnerable populations face growing political and operational risk, while those designed with equity and inclusion at their core are more credible, durable, and effective. Financial institutions play an important role in enabling and financing these pathways.

This report draws on the UNEP FI Just Transition Pilot Programme—a yearlong initiative that convened over a dozen banks and insurers for peer exchange and expert input—to document how just transition considerations are being integrated across banking and insurance. Its main contribution is a set of case studies illustrating how participating institutions are embedding just transition in their strategies, processes, products, and partnerships. These institutions are at different stages of engagement and operate in diverse regulatory, sectoral, and geographic contexts.

The case studies reveal that just transition integration has no single starting point. They are united not by a common method but by a common orientation—identifying where the social dimensions of transition are most material to the institution’s own portfolio, mandate, and client relationships, and building from there. For most institutions, this required organizational groundwork: cross-functional collaboration to bridge silos, internal capacity building to develop shared understanding, and senior sponsorship to establish mandate.

Product and client-facing finance saw significant activity, while partnerships and co-creation also proved essential: virtually every case study involves collaboration beyond the institution itself—with multilateral organizations, public authorities, peer institutions, municipalities, academic partners, or civil society—reflecting that the reach and legitimacy required for just transition finance often exceeds what any single institution can provide alone.

Recommendations

The case studies demonstrate that just transition finance has moved beyond conceptual endorsement into an early phase of applied practice. Institutions are moving past the question of whether just transition is relevant toward how it can be translated into concrete decisions. Building on the framework established in [Just Transition Finance: Pathways for Banking and Insurance](#), ten recommendations provide practical entry points for financial institutions at different stages of engagement:

- 1 Leverage just transition as a horizontal, integrative lens**, connecting climate, social, human rights, and business objectives rather than treating just transition as a standalone agenda.
- 2 Develop place-based and sector-specific strategies anchored in local realities**, leveraging local presence and partnerships to respond to concentrated transition risks and opportunities.
- 3 Embed social dimensions in transition planning**, systematically addressing social dependencies and impacts of institutional plans, and using transition planning as a vehicle for engaging clients on workforce impacts, gender equality, and inclusive transition pathways.
- 4 Align institutional practice with international standards as the baseline**, treating frameworks such as the UN Guiding Principles on Business and Human Rights as a floor rather than a ceiling.
- 5 Engage clients and business partners as co-agents of just transition**, investing in advisory capacity and co-designing financing and protection solutions around client needs.
- 6 Invest in meaningful stakeholder engagement**, developing channels for consultation and transparency that extend beyond existing client relationships to reach workers, communities, and affected populations, and encouraging clients to do the same.
- 7 Advance just transition through partnerships and collaboration**, contributing to public-private partnerships, multi-stakeholder initiatives, and the broader enabling environment for just transition finance.
- 8 Recognize the broadening scope of just transition**, extending approaches beyond industrial phaseout to transition-enabling activities, adaptation, resilience, nature, and the circular economy.
- 9 Invest in governance, capacity, and cross-functional coordination**, addressing internal silos and cultivating senior sponsorship to create mandate and accountability on just transition.
- 10 Develop approaches to measuring and reporting on just transition activities and outcomes**, including simple, decision-useful indicators that can track progress without waiting for comprehensive methodologies to mature.



Case studies: Just transition finance in practice

Click the organization's name on this page to read their case study and click [here](#) to read the full report.

Tokio Marine Group

INDUSTRY

- Insurance

REGION

- Japan
- Global

CLIMATE FOCUS

- Mitigation

KEY THEMES

- Human rights and the UNGPs
- Carbon markets
- Multi-sector partnership
- Stakeholder engagement and benefit-sharing

Tokio Marine Group has positioned itself as a key enabler of climate transition in Japan and globally, including through partnerships that combine technical advisory, project development support, and innovative risk-transfer solutions linked to Green Transformation (or 'GX'). The Group aims to be a comprehensive solutions provider in carbon credits, including for project sourcing, feasibility studies, performance monitoring, advisory, and risk transfer. In recognition of the material human rights risks in carbon markets, and in line with its own human rights commitments, Tokio Marine has set out to strengthen human rights practices across the carbon credit value chain. A process of co-creation with Tokyo Gas, human rights law expert Sakon Kuramoto at the Kuramoto International Law Office, and the engineering consultancy Nippon Koei—part of ID&E Group, which has become a member of Tokio Marine Group—led to the development of the Framework for Respecting Human Rights by Business Enterprises Involved in Carbon Credit Generation Projects. This is a practical self-assessment tool designed to help carbon credit project developers and stakeholders identify and mitigate human rights risks, thereby enhancing the integrity of carbon markets.

Advancing Human Rights in Carbon Markets

Tokio Marine Group aims to contribute to the economy-wide transition towards a sustainable society and embraced Green Transformation (“GX”) as a strategic focus. In 2025, the company launched [Tokio Marine GX](#) (TMGX), a unified platform for green transition insurance, offering specialized coverage and innovative solutions for low-carbon transition for multiple industries. In parallel, it established Tokio Marine SmartGX, a non-insurance decarbonization support service for SMEs that provides advisory and practical support for emissions reduction. In the carbon credit space, TMGX serves as the lead capacity provider to Artio, a carbon credit insurance underwriter, while Tokio Marine Kiln partners with Kita—a managing general agent (MGA) with specialist expertise in carbon credits—to provide capacity for dedicated carbon credit insurance solutions. Together, these initiatives reflect Tokio Marine’s goal to be a one-stop provider of carbon credit and transition solutions—from project development support and advisory to risk transfer.

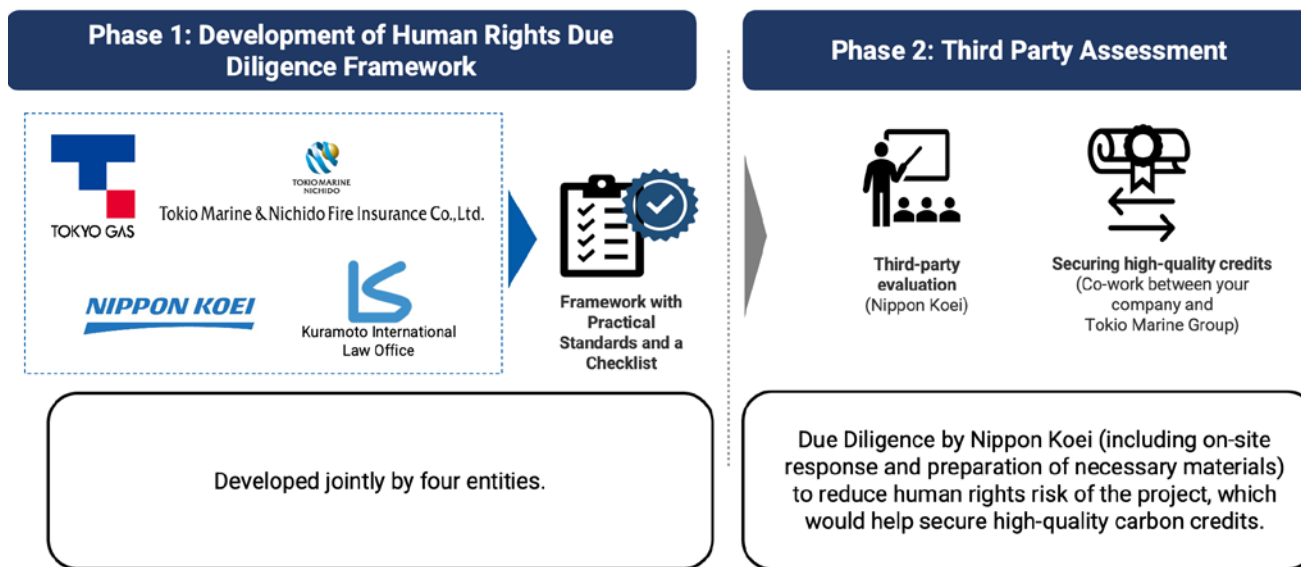
Meanwhile, global climate policy developments have heightened the importance of credible carbon markets. The implementation of Paris Agreement Article 6 (international emissions trading) is accelerating demand for carbon credits as a way for companies and countries to meet climate goals.¹ However, past experiences have shown that without proper safeguards, carbon offset projects can inflict social harms that undermine their credibility. Highly publicized cases—from Indigenous communities in Cambodia facing rights violations under a REDD+ project,² to reports of forced evictions of the Ogiek people in Kenya for a conservation carbon scheme³—have exposed how carbon projects can fail local stakeholders and even lead to human rights concerns. As evidenced by the introduc-

tion of human rights safeguards in the Paris Agreement Crediting Mechanism (Article 6.4), just transition principles must guide carbon market development: offset projects must deliver shared benefits, protect communities in circumstances of vulnerability, and uphold human rights.

Tokio Marine Group’s Basic Policy on Human Rights outlines the Group’s commitment to respect human rights across its business activities, in line with the UN Guiding Principles on Business and Human Rights. This policy also shapes its expectations for business partners across its value chain. This foundation led Tokio Marine to examine how such commitments should apply to new areas of climate finance, such as carbon credits. Strengthening carbon market integrity by addressing human rights risks and impacts therefore not only aligns with the Group’s commitment to respect human rights and steward the trust of its customers, but also to protect the long-term viability of the carbon credits that increasingly feature in its clients’ decarbonization strategies.

Developing a human rights framework for carbon credit projects

Seeing an opportunity to fill a critical gap in the carbon market, Tokio Marine convened several key partners: Tokyo Gas, a utility in need of high-integrity offsets; Nippon Koei, an infrastructure consulting firm with on-the-ground project and social safeguard expertise; and Mr Sakon Kuramoto, a human rights law expert at the Kuramoto International Law Office. This multi-disciplinary team—spanning energy, finance, engineering, and law—collaboratively developed a new framework, launched in August 2025, that grounds carbon credit



step-by-step guidance for project proponents at planning, implementation, and monitoring stages, detailing actions to identify, prevent, and mitigate human rights issues. Finally, the Checklist is a comprehensive list of criteria and questions for assessing whether a project is meeting human rights standards. This checklist is based on a tool originally developed by Nippon Koei and used by the Japanese government in official development assistance projects. The Framework is structured around the core elements of the UN Guiding Principles on Business and Human Rights—including require-

Mitigation of human rights risks in carbon markets

practices in the UN Guiding Principles on Business and Human Rights while drawing on emerging carbon market standards, including those of the Integrity Council for the Voluntary Carbon Markets (ICVCM) and the Voluntary Carbon Market Integrity Initiative (VCMI), to address an area not yet covered by existing tools.

The “Framework for Respecting Human Rights by Business Enterprises Involved in Carbon Credit Generation Projects” is designed as a practical toolkit that any project developer, investor, or stakeholder in carbon credit projects can use to evaluate and manage human rights risks. It consists of three main components: (1) Overview, (2) Practical Guidelines, and (3) Checklist. The Overview section lays out the framework’s guiding principles and reference standards, highlighting business enterprises’ responsibility to respect international human rights norms. The Practical Guidelines provide

ments related to human rights policy, human rights due diligence, grievance mechanisms, and access to remedy, with stakeholder engagement as a cross-cutting concern. It also draws on leading frameworks—including from ICVCM and VCMI—that emphasize the role of safeguards and sustainable development in carbon projects.

The framework is designed as a self-assessment tool that will be freely available. Any organization involved in carbon credit projects can use it to assess themselves or their counterparties. Tokio Marine and its partners intend this to promote greater transparency and consistency in how human rights are addressed. By setting clear evaluation criteria—from labour rights and community consultation to benefit-sharing—the framework helps clarify expectations for all value-chain participants and can flag issues early so that they can be addressed.

As an insurer, Tokio Marine views this as laying the groundwork for future risk transfer solutions. If human rights risks become more measurable and managed, related insurance products could eventually be developed. Tokyo Gas has already committed to integrate the framework's criteria into its risk assessment process for procuring carbon credits and has applied the framework in the context of a reforestation carbon project in Ghana.

The partners are now seeking feedback to refine the tool. An English translation is underway (the initial release was in Japanese) and stakeholders globally have been invited to review the framework and provide input. For example, the framework has been submitted to the ICVCM's Indigenous Peoples and Local Communities Engagement Forum for evaluation and feedback.

Challenges, enablers, and lessons

Developing and implementing a human rights framework for carbon credit projects posed several challenges. Chief among them was the breadth and diversity of carbon projects, which span multiple sectors and geographies with highly varied social contexts. Designing a tool that was sufficiently granular to be actionable, while flexible enough to apply across project types, required careful calibration.

Several enabling factors helped overcome these challenges. Market demand for high-integrity carbon credits has intensified, with regulators and voluntary market actors calling for stronger social safeguards. Tokio Marine's initiative aligned closely with this momentum, as well as with its own institutional strengths in risk underwriting and human rights policy. Equally important was the partnership model: Tokyo Gas contributed its practical knowledge of carbon credit generation projects; Nippon Koei contributed project-level and safe-

guards expertise; Mr. Kuramoto of Kuramoto International Law Office brought legal expertise on human rights; and Tokio Marine acted as convener and international interlocutor. Engagement with external standard-setters, including ICVCM, further reinforced credibility.

This project offers a practical example of how human rights expectations can be translated into project-level risk assessment and engagement processes within carbon markets, supporting both social safeguards and the long-term functioning of those markets. Although open questions remain—notably around how the Framework can continue to shape related policies, procedures, and products in the insurance industry and beyond—this project demonstrates how financial institutions can play a catalytic role in addressing systemic barriers to a just transition by translating high-level principles into operational tools for actors in their value chains.



unsplash.com/pt-br/@jackcharles

Endnotes

- 1 United Nations Development Programme (UNDP). What Are Carbon Markets and How Do They Work? New York: UNDP Climate Promise; 2025. Available from: climatepromise.undp.org/news-and-stories/what-are-carbon-markets-and-how-do-they-work [Accessed 4 March 2026].
- 2 Human Rights Watch. Carbon Offsetting's Casualties: Violations of Chong Indigenous Peoples' Rights. New York: 2024. Available from: hrw.org/report/2024/02/29/carbon-offsetting-casualties/violations-chong-indigenous-peoples-rights [Accessed 4 March 2026].
- 3 Marshall C. Kenya's Ogiek people being evicted for carbon credits—lawyers. BBC News. 9 November 2023. Available from: bbc.com/news/world-africa-67352067 [Accessed 4 March 2026].



UNEP Finance Initiative brings together a large network of banks, insurers and investors that catalyzes 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, helping the finance industry achieve sustainability goals, address sustainability risks and identify the business opportunities in taking a responsible approach to banking and insurance.

Convened by a Geneva, Switzerland-based secretariat, more than 550 banks and insurers are individually implementing UNEP FI's Principles for Responsible Banking and Principles for Sustainable Insurance. Financial institutions work with UNEP FI on a voluntary basis to apply these industry frameworks and

unepfi.org

develop practical guidance and tools that drive institutional change, shaping the future of sustainable finance and positioning their businesses for the transition to a sustainable and inclusive economy. In parallel, UNEP FI also drives systems change and fosters enabling conditions in service of the broader mission to mobilize and align private finance to help achieve the UN Sustainable Development Goals.

Founded in 1992, UNEP FI was the first organization to engage the finance sector on sustainability and incubated the Principles for Responsible Investment, now the world's leading proponent of responsible investment.

Today, we cultivate leadership and advance sustainable market practice while supporting the implementation of global programmes at a regional level across Africa & the Middle East, Asia Pacific, Europe, Latin America & the Caribbean, and North America.



unepfi.org



info@unepfi.org



UN Environment Programme Finance Initiative