

Just Transition Finance
Case Studies from
Banking and Insurance

UN 
environment
programme

finance
initiative



Westpac
Breaking Silos to
Integrate Just Transition in
Climate Transition Planning

→
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.



Westpac

INDUSTRY

- Banking

REGION

- Australia
- Aotearoa New Zealand

CLIMATE FOCUS

- Mitigation
- Adaptation

KEY THEMES

- Climate transition planning
- Cross-business collaboration
- Internal capacity building
- Transition-exposed regional communities
- Customer engagement
- First Nations peoples and free, prior, and informed consent

Westpac Banking Corporation, based in Sydney, Australia, has a significant consumer, small business, and corporate banking footprint across Australia, Aotearoa New Zealand, and the Pacific. Operating in markets facing both rapid energy transition and escalating physical climate risks, Westpac has framed just transition as a means of responding to the needs of customers and communities affected by both low-carbon transition and climate change itself. Recognizing that the social dimensions of transition cut across its sustainability focus areas, Westpac has integrated its just transition approach within its [Climate Transition Plan \(CTP\)](#), drawing on principles set out in its [Human Rights Position Statement \(HRPS\)](#) and [Reconciliation Action Plan \(RAP\)](#). This approach reflects the cross-functional nature of just transition and seeks to incorporate social considerations into transition planning in a way that is proportionate to customer needs and regional contexts.

Breaking Silos to Integrate Just Transition in Climate Transition Planning

Australia and Aotearoa New Zealand are at different stages of energy transition but share exposure to both transition and physical climate risks. In Australia, the government has set a target to achieve 82% renewable energy in the country's grid by 2030, alongside a new target to reduce emissions by 62–70% from 2005 levels by 2035.¹ The scale and pace of renewable energy deployment have brought increased attention to affordability, reliability, land use, and community engagement considerations. In New Zealand, although the grid has reached over 88% renewable electricity, demand is expected to rise significantly by 2050 requiring additional generation capacity.²

Both countries are also highly exposed to physical climate risks. New Zealand, which is highly exposed to floods and other natural hazards, is taking bold steps in climate change adaptation through its National Adaptation Plan, National Adaptation Framework, and associated legislation.³ The Plan recognizes the risks that climate change poses to social cohesion and cultural heritage, including for Māori communities, as well as the risk of increasing inequalities, and outlines measures to promote nature-based solutions, community partnerships, and culturally sensitive planning. Managed retreat—a coordinated relocation of people, assets, and infrastructure away from climate-vulnerable areas—is also being considered as a policy option in areas exposed to increasing climate risk.

Integrating a just transition approach within climate transition planning

Westpac identified the [Climate Transition Plan \(CTP\)](#) as the most appropriate anchor for integrating just transition considerations, with the objective of strengthening how social considerations are identified, assessed and addressed as part of organizational processes and customer engagement.





Rather than establishing a standalone program, Westpac sought to draw on principles articulated in its [Human Rights Position Statement \(HRPS\)](#) and [Reconciliation Action Plan \(RAP\)](#), applying them within the context of climate transition planning where social impacts are most likely to arise. This approach will aim to make just transition considerations useful by integrating them in existing processes for customer engagement, risk assessment, and transition planning.



To establish a foundation for its approach, Westpac drew on input from teams and leadership spanning climate change and human rights, strategy, risk and business divisions. This internal engagement supported a shared understanding of just transition priorities and informed the identification of focus areas within the CTP.

Engaging across divisions helped surface differing transition considerations across customer segments. These insights informed how the Bank considers the social dimensions of transition across both mitigation and adaptation contexts and the uneven capacity of customers and communities to absorb associated costs and disruptions. This reinforced the value of tailoring engagement approaches to different customer needs and regional circumstances.

The approach outlined in the figure to the right provides principles to guide decision making and customer engagement at the intersection of climate-related and human rights risks and opportunities; it also identifies ways to support transition- and climate-exposed customers and communities. The focus areas include: 1) institutional and business customer engagement on just transition practices; 2) Tailored support for transition-exposed regional communities; and 3) Resilience-building for customers impacted by extreme weather and disaster risks in Australia and New Zealand.

As part of the Bank’s RAP commitments, Westpac is also engaging customers to better understand how they approach and experience Free, Prior and Informed Consent (FPIC), with the potential to better understand how institutional customers intersect with just transition initiatives.

 <p>INCLUSIVE</p> <p>Collaborate and partner with customers, industry and government to create opportunities.</p>	 <p>ORDERLY</p> <p>Address the demand for investment in green, transition and social transactions¹ and limit unintended impacts.</p>	 <p>FAIR</p> <p>Consider fairness and social equity in business practices and engagement.</p>	 <p>PLACE-BASED</p> <p>Tailor approaches to the needs of communities and regions to respect human rights.</p>
---	---	---	---

 <p>ENABLE AN ORDERLY AND JUST TRANSITION</p> <p>Understand how we can engage and support institutional and business customers' progress towards a just transition, including considerations for First Nations peoples.</p>	 <p>SUPPORT HIGHLY IMPACTED REGIONS</p> <p>Contribute to the continued prosperity of regional communities. Provide insights and identify products to support economic stability and assistance to our more impacted customers.</p>	 <p>BUILD GREATER RESILIENCE</p> <p>Advocate for impacted customers to prepare for and respond to the physical impacts of climate change.</p>
---	--	---

Actively shaping just transition through meaningful customer and community engagement

The just transition approach aims to highlight how social factors can shape transition outcomes for customers and communities, including trade-offs between speed, affordability, and inclusion, and how engagement can support more orderly transition outcomes. It establishes a shared internal understanding of just transition, providing a foundation for more targeted action over time.

Challenges, enablers, and lessons

Westpac's experience highlights that operationalizing just transition within a large financial institution requires coordination across functions and translating conceptual considerations into practical risk management and business opportunity activities.

Cross-functional collaboration was a key enabler, helping the Bank clarify the business drivers for this work and develop an approach that can respond to different customer needs and regional contexts. Customer expectations, alongside those of regulators and investors concerned about the risks of disorderly transition, informed how the business case for just transition was framed.

Finally, by integrating the just transition approach within the CTP, Westpac established a basis for ongoing learning, engagement with customers and communities, and the continued incorporation of just transition considerations across the Bank's activities.



unsplash.com/@_k8_

Endnotes

- 1 Australian Government, Department of Climate Change, Energy, the Environment and Water (DCCEEW). Setting Our 2035 Target and Path to Net Zero [Internet]. Canberra: DCCEEW; 18 September 2025. Available from: [dcceew.gov.au/about/news/setting-2035-target-path-net-zero](https://www.dcceew.gov.au/about/news/setting-2035-target-path-net-zero) [Accessed 31 March 2026].
- 2 New Zealand Ministry for the Environment | Manatū Mō Te Taiao. New Zealand's Second Emissions Reduction Plan 2026–30: Sector Policies and Plans [Internet]. Wellington: Ministry for the Environment; December 2024 (amended January 2026). Available from: environment.govt.nz/publications/new-zealands-second-emissions-reduction-plan/sector-policies-and-plans/ [Accessed 31 March 2026].
- 3 New Zealand Ministry for the Environment | Manatū Mō Te Taiao. Aotearoa New Zealand's First National Adaptation Plan [Internet]. Wellington: Ministry for the Environment; August 2022. Available from: environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/adapting-to-climate-change/national-adaptation-plan/ [Accessed 31 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