

UN 
environment
programme

finance
initiative



Leadership Council

Annual meeting summary



December 2024

About UNEP FI's Leadership Council

Chaired by Inger Andersen, the [UNEP FI Leadership Council](#) brings together a group of CEOs and Chairpersons of institutions elected to serve on the UNEP FI Global Steering Committee or the Principles for Responsible Banking and Sustainable Insurance boards. The council meets annually to provide vision and strategic direction to UNEP FI in orienting its role—and that of the UN—in shaping, mainstreaming, and deepening the integration of sustainability considerations into financial practice. It further mobilizes the financial community to support a sustainable, resilient, and inclusive economy.

2024 meeting

Questions to UNEP FI's Leadership Council in 2024 focused on two topics:

1. **Policy drivers for the climate transition in a multipolar world:** What key actions is the financial sector seeking from policymakers and regulators in developed and developing economies to achieve climate-resilient portfolios?
2. **Implications for transitions on nature and pollution:** How can the financial sector enhance readiness for the evolving regulatory landscape to help finance clients and customers in their transition to sustainable practices and business models? How can UNEP FI best support financial institutions on this transition?

The purpose of the meeting was to provide insights into the implications of policy and regulatory multifurcation for the financial sector, identify key takeaways or actions to implement after the meeting, and gather strategic feedback or guidance to inform UNEP FI's role in advancing sustainable finance in a complex external environment.



Chair

Inger Andersen
UN Under-Secretary-General,
UNEP Executive Director



Facilitator

Elliott Harris
Former UN Assistant
Secretary-General for
Economic Development and
Chief Economist



Opening speaker

Oliver Bäte
CEO, Allianz Group, and
UNEP FI Leadership Council
member



Name	Title	Bank	UNEP FI initiatives
Alvaro Carillo	CEO	Seguros Bolivar	Principles for Sustainable Insurance
Christos Megalou	CEO	Piraeus Bank	Principles for Responsible Banking
Eric Andersen	President	Aon Plc	Principles for Sustainable Insurance
Franco Mora (on Behalf of Juan Carlos Mora, CEO)	Head of Sustainability	Bancolombia	Principles for Responsible Banking, Net-Zero Banking Alliance
James Russell	CEO	TD Insurance	Principles for Sustainable Insurance
Lesley Ndlovu	CEO	African Risk Capacity Ltd.	Principles for Sustainable Insurance
Marie-Aude Thépaut	CEO	CNP Assurances	Principles for Sustainable Insurance
Olivier Bäte	CEO	Allianz	Principles for Sustainable Insurance
Patty Karuaihe-Martin	CEO	NamibRe	Principles for Sustainable Insurance
Paul Russo	Group CEO	KCB Group	Principles for Responsible Banking, Net-Zero Banking Alliance
Philip Lopokoiyit	Group CEO	ICEA Lion	Principles for Sustainable Insurance
Wellington Holbrook	CEO	Vancity	Principles for Responsible Banking, Net-Zero Banking Alliance
Yinka Sanni	CEO	Standard Bank	Principles for Responsible Banking
Xia Ping	CEO	Bank of Jiangsu	Principles for Responsible Banking

Read more about the entire Council membership [here](#).

Resources: The topics discussed during the third meeting are outlined in a [Background Paper](#).

Policy drivers for transitions on climate, nature, and pollution in a multipolar world

CEOs and Presidents of banks and insurers in UNEP FI's Leadership Council meeting in December 2024 focused on the varied pace of regulatory action across jurisdictions and the need for client engagement to facilitate economic transitions to tackle climate change, nature loss and pollution. The leaders of members in UNEP FI's governance bodies discussed how lessons learned from the climate transition could inform action to address the parallel nature and pollution crises.

The purpose of the annual meeting was to inform strategic priorities for UNEP FI and actions for finance leaders in 2025. The risk of delaying climate action in an increasingly fragmented global policy environment was raised during the discussion.

Mobilizing climate finance across sectors to mitigate risks

UNEP Executive Director **Inger Andersen** warned that although the financial sector has been leaning in on climate commitments, UNEP's latest Emissions Gap Report, released alongside the international climate conference (COP29) in November, found that global greenhouse gas (GHG) emissions rose by 1.3% year-on-year in 2023.¹ This contrasts with the need to slash emissions by 42% from 2019 levels by 2030 to follow a least-cost pathway that transitions the global economy to net zero emissions by 2050 to limit the average global temperature increase to 1.5°C relative to pre-industrial levels. Limiting the temperature increase to 2°C degrees, which would result in greater risks from the physical impacts of climate change, would require a 28% cut in emissions by 2030.

Andersen emphasized that, "Reversing the current trajectory of emissions to a downward trend is critical. It is still mathematically possible and would create significant investment opportunities in energy, industrial, transport, agriculture, and forestry sectors."

Outcomes of COP29 that could help meet emissions targets include a multilateral agreement on rules to create an international carbon trading system and a pledge by developed countries to raise USD 300 billion in climate finance annually for developing countries by 2035, with efforts to secure USD 1.3 trillion a year. Scaling up climate finance from both public and private sources will be important to achieve this.

1 unep.org/resources/emissions-gap-report-2024

Elliott Harris, former UN Assistant Secretary-General for Economic Development and Chief Economist, who facilitated the meeting, recognized that financial leaders are essential in mobilizing capital for decarbonization.

Successes in the financial sector include noteworthy progress made by financial institutions in initiatives such as the UN-convened Net-Zero Asset Owner Alliance (NZAOA). The Alliance's institutional investors recently reported progress in reducing portfolio emissions by 6% annually since 2019 and mobilizing more than USD 550 billion in finance for climate solutions. NZAOA members aim to increase financing for climate solutions to USD 1 trillion over the next three to four years.

One of the NZAOA's founding members is Allianz Group, whose CEO Oliver Bäte, a UNEP FI Leadership Council member, kicked off the finance leaders' dialogue by reflecting on changes since the Alliance's launch in 2019. These included geopolitical conflicts, demographic, technology and climate change impacts taking effect, with economic consequences including much higher costs for insurance.

Bäte noted, "Changing the economic model to low-carbon intensity is economically sensible. It is important that we, as an insurance company, understand that climate change is both our fiduciary duty and a long-term business imperative. We believe doing good and doing well are not mutually exclusive."

With 2024 setting a record for catastrophe losses, several insurance CEOs raised concerns. One leader noted that changing environmental impacts have not had political effects and called for help through regulatory action such as codes for more resilient buildings. Another insurance leader said that the industry is trying to price climate risk into day-to-day business to set the capital needs for insurers. However, there are significant concerns about uncertainties in underlying models. The industry is approaching the challenge in two ways—innovating to understand climate risk and playing a key role in deploying capital to technologies such as renewable energy.

"Changing the economic model to low-carbon intensity is economically sensible... climate change is both our fiduciary duty and a long-term business imperative."

Bäte added, "It is important to look at where the opportunities are for innovation, using a combination of decarbonization approaches across investment portfolios. This includes engaging companies to support their decarbonization efforts, investing to accelerate the transition across sectors, and increasing allocations to support the low-carbon economy."

CEOs highlighted enabling actions include strengthening climate risk disclosure and reporting in line with international standards as one way of improving the allocation of capital for investment in climate action. Several called for government incentives to boost investment in climate action, as well as a coordinated and unified, global carbon market with a stable carbon pricing mechanism in line with the Paris Agreement. One CEO called for systematic interventions to reduce demand for oil and gas, while another expressed his desire for regulation that is clear, purposeful, and designed to accelerate

change, while reducing unnecessary reporting burdens.

Engagement for clear, effective, and consistent policy and regulatory frameworks

One CEO said that enhancing the predictability and continuity of climate policy is key to securing long-term financing and investment for renewable energy and other transition activities. Another added that key actions the financial sector seeks from policymakers and regulators include a clear and consistent climate policy framework aligned with the Paris Agreement and relevant regional plans, while considering national priorities. Ambitious national climate plans—known as Nationally Determined Contributions (NDCs) under the UN Paris Agreement adopted by 196 parties in 2015—are crucial for financial institutions’ decarbonization strategies, climate targets and sectoral transition pathways.² 2025 marks a critical juncture, since governments have a deadline of February to update NDCs to include targets and measures for 2035, with pressure to provide clearer pathways to achieve net zero emissions.

Harris noted a call from several CEOs for more continuous engagement with policymakers and regulators, adding that predictability and continuity in climate policy are key to mobilizing long-term climate finance. “There has to be an enabling policy framework that is clear, consistent and takes into account the development priorities of different jurisdictions,” he acknowledged.

Bäte pointed out that continually changing objectives and approaches to climate change are “not useful.” He said: “Let us really stay clear on the policy framework, on the commitments and on the follow up. People need clear objectives and targets with a just transition.”

Another CEO agreed that “Clarity in regulations is key to facilitating the movement of capital into low-carbon opportunities more efficiently globally.”

Harris highlighted that rising emissions signal the need for an integrated transition framework to align policy objectives with climate plans that set out concrete sector-wide climate action. Instead, financial institutions operate in an increasingly complex regulatory environment. Although many countries have committed to net-zero targets, regulatory frameworks are diverging rather than converging. In December, over one-third of global GHG emissions were covered by net-zero targets for 2050 or earlier, while 45% were covered by net-zero pledges for years later than 2050. However, significant gaps remain in detailing national-level transition plans that outline the specific industry or sector decarbonization pathways needed to meet these targets.

2 Background Paper, UNEP FI Leadership Council Meeting 2024, December 2024

CEOs recognized that progress was being made, including by policymakers, but emphasized the need to accelerate climate action due to the speed of global warming. They noted that regulatory frameworks are not evolving in line with ambitious commitments, depending on the jurisdiction in which financial institutions operate. As a result, there is a need to simplify implementation and take a more streamlined approach, while maintaining the high-level of ambition of net zero. One CEO said that simpler, harmonized regulation between jurisdictions, which is fair and competitive across economies, would help banks make progress on climate-related issues.

A bank CEO said although the world is becoming increasingly multipolar, with the risk of more intense geopolitical and economic tensions, climate change is a common challenge and requires cooperation.

He emphasized that the financial sector must strengthen collaboration on policies, standards, and capacity building to shift portfolios in the climate landscape. “We must design climate action under global climate frameworks with a long-term perspective. We also need to advance a more robust climate finance and investment system. He called for action to accelerate the standardization of climate finance and investment approaches, strengthening capacity building for actions in these areas.

“Addressing climate changes requires a systematic approach with comprehensive climate finance solutions involving the global banking industry,” he said. “A unified standard can enhance an effective financial supply, improve market liquidity, and elevate the quality of risk management. This effort requires collaboration with regulatory bodies, financial institutions, and certification and industry bodies on global standard-setting to ensure regional challenges are addressed.”

“Enhancing the predictability and continuity of climate policy is key to secure long-term financing and investment for renewable energy and transition activities.”

Harris turned the discussion to the implications for economic transitions to address nature loss and pollution, which are gaining attention in the financial sector following global agreements. These include the Kunming-Montreal Global Biodiversity Framework agreed in 2022 and a Global Framework on Chemicals and Waste reached in 2023. Both frameworks provided foundations for the financial sector to mobilize finance and align activities to help achieve related goals and targets. Countries are expected to finalize a legally binding instrument to end plastic pollution in 2025.

Andersen said it is important for the financial sector to ‘build the muscle’ to catalyze and align financing with national biodiversity strategies and action plans, including through nature-related portfolio targets to support the transition to a nature-positive economy. “The agreements on chemicals and plastics provide a foundation for action in these important areas, which are major drivers of nature loss,” she said. She also noted that central banks and regulators are increasingly taking note of nature-related risks and embedding these risks into prudential frameworks. “This is vital to protect the stability of the financial system as these risks are rising,” she added.

“We see efforts to standardize corporate disclosures on nature and emerging disclosure frameworks that are trying to tease out information that would support rational and effective decision-making. In this regard, we envision transition plans and taxonomies being developed to help guide financial flows towards nature-positive outcomes and to support the alignment of finance with biodiversity strategies, alongside regulatory objectives being set across regions and sectors. She emphasized that UNEP FI has been working hard to improve the harmonization of frameworks on nature-related finance, including developing taxonomies and supporting disclosures to strengthen alignment.

Sharing information, building capacity and engaging clients

Harris said that the multipolarity of different policy and regulatory enabling environments for the transition moving at various speeds across jurisdictions raises challenges and opportunities to learn from experiences in different contexts. “Institutions active in a range of different jurisdictions can learn from each other’s experiences in both enabling and less enabling environments,” he explained.

“Tackling nature loss and pollution is even more complex than climate because of the multitude of factors that affect them,” he added. “This makes it more challenging to prioritize actions to avert biodiversity loss and abate pollution.”

Andersen called for CEOs to consider whether there are lessons from climate finance that could be applied to nature loss and pollution. “Can we expect a faster pace of change in this area than we initially experienced in climate?” she asked.

A CEO said that a key lesson from the climate transition is the need for simplicity and clarity in rules and regulations so that the private market can respond effectively, supporting other industries by creating products, models, and attracting capital. “There is a need to keep the process as simple and clear as possible and stay focused on what the ultimate outcome is supposed to be,” he explained. “Once the rules are set and the regulations are clear, the industry can respond, innovate, and create what it is being asked to do. Clarity is important so that people know where to direct their resources.”

One CEO highlighted the need to share information about what works and can be replicated, while highlighting the importance of sharing successes. Harris suggested that the finance sector can build on progress made in the field of climate finance and portfolio decarbonization. “We’re trying to set up a system that can enable the financial sector to be a driver of positive change,” he said. “What do leaders need to position their institutions in this effort, drawing on experience in dealing with climate change and establishing the internal infrastructure and resources to deal with these issues?”

A bank CEO responded: “We must play our part. We need to engage our clients in adopting nature-positive and pollution-reducing practices. This includes educating them and introducing a range of green financing products. Banks can also develop their capacities and bring clients up to date.”

An insurance CEO said: “As insurers engage clients, there is pressure on the industry to better understand climate risks, in order to help facilitate more of the transition.”

He added that an interesting element of his organization being an early adopter of nature-related disclosures was pressure from clients. “There is a need for financial institutions and clients to learn and co-create solutions, while engaging policymakers and regulators in the fairly new area of nature-based solutions,” he said. “There is a greater need for collaboration so that financial institutions can learn from progress in different jurisdictions. For example, learning from past mistakes in areas such as carbon credits when dealing with biodiversity credits.”

Harris stressed the importance of engaging with clients and industry associations to foster an understanding of objectives. CEOs emphasized the need to prioritize and focus as well as the need for collaboration and strengthening existing initiatives.

Andersen emphasized that UNEP FI is a broad partnership across regions to support the financial sector in navigating the way forward and building capacity, while recognizing that different markets are moving in different directions.

Andersen thanked those who responded to the UN Secretary-General’s call for finance leaders to act on climate, nature and pollution and said: “Now that we see political winds shifting, I want to ask you to stay with this commitment and to continue the good work that you have been doing. There is a real opportunity now to shift from high-polluting linear economies to resource-efficient, clean technologies and circular models.”

Priorities for UNEP FI to support the financial sector

UNEP FI's work programme in 2025 will address the following priorities raised by the Leadership Council:

1 Mobilizing climate finance across sectors to mitigate risk

2 Engaging policymakers and regulators on clear, effective, and consistent policy and regulatory frameworks

3 Sharing information on lessons learned, opportunities and successes that could be replicated

4 Building capacity

5 Supporting client engagement

UN 
**environment
programme**

**finance
initiative**

UNEP Finance Initiative (UNEP FI) brings together a large network of banks, insurers and investors that 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 establishing the world's foremost sustainability frameworks that help the finance industry address global environmental, social and governance challenges.

Convened by a Geneva, Switzerland-based secretariat, more than 500 banks and insurers with assets exceeding USD 100 trillion are individually implementing UNEP FI's Principles

unepfi.org

for Responsible Banking and Principles for Sustainable Insurance. Financial institutions work with UNEP FI on a voluntary basis to apply the sustainability frameworks within their industries using practical guidance and tools to position their businesses for the transition to a sustainable and inclusive economy.

Founded in 1992, UNEP FI was the first initiative to engage the finance sector on sustainability. Today, the Initiative cultivates leadership and advances 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



[/UNEPFinanceInitiative](https://www.facebook.com/UNEPFinanceInitiative)



[UN Environment Programme Finance Initiative](https://www.linkedin.com/company/unepfi)



[@UNEP_FI](https://twitter.com/UNEP_FI)