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UNEP Finance Initiative

Aligning Financial Institutions to the Paris Agreement Goals



Agenda of the first workshop

A Brief introduction to UNEP FI and PRB

UNEP FI Climate Mitigation Journey

Vietnam's Climate Risks and Best Practices for TCFD Disclosure

Aligning Financial Institutions to the Paris Agreement Goals
- Key steps for climate targets

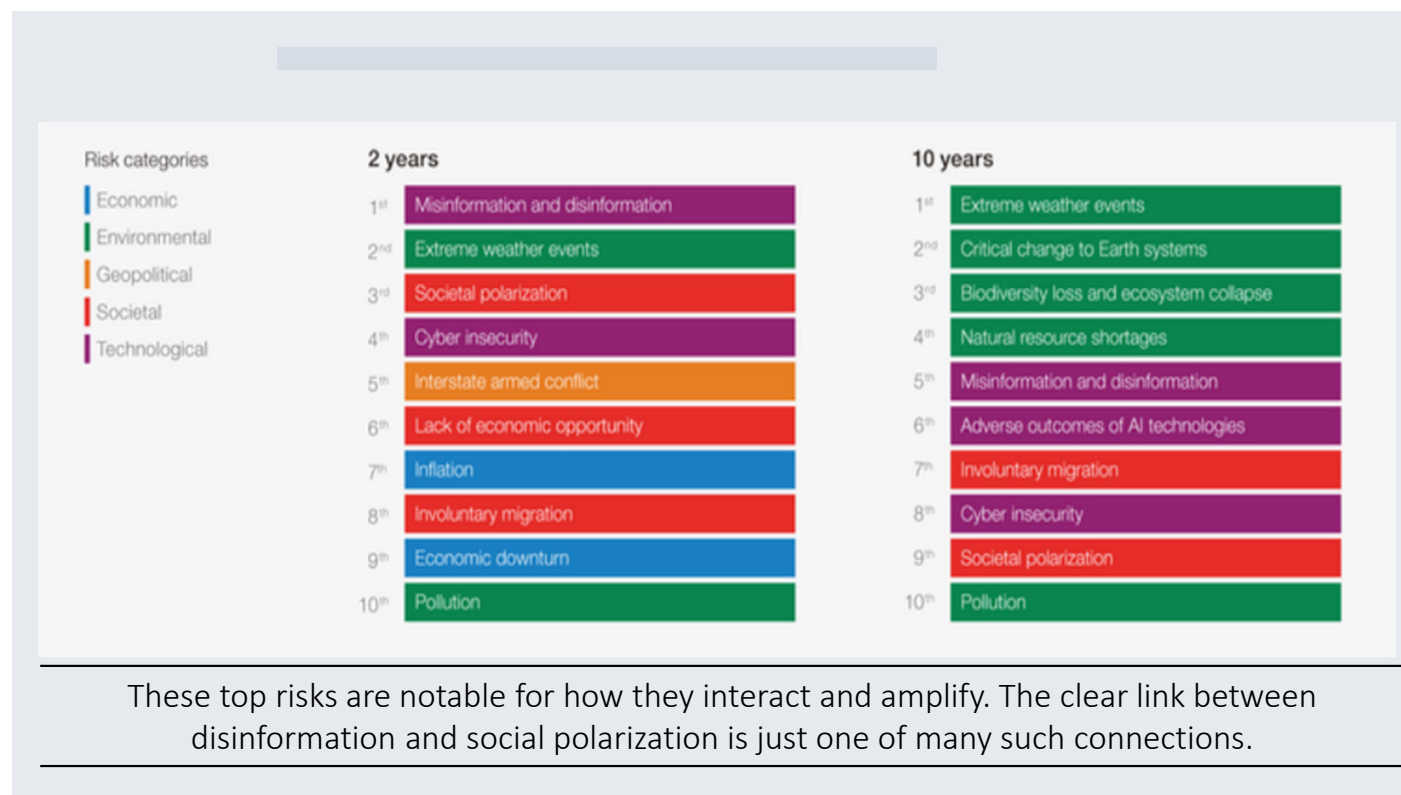
Climate Target setting guidance in Vietnamese

The climate crisis can only be managed and averted through a systemic-scale rechanneling of trillions USD per annum of largely private-sector investment and finance, appropriately enabled and incentivised by public finance, across all sectors of the economy.

Paris Agreement Article 2.1.c. - commits Governments to ensure that all financing - public and private - becomes consistent with the Agreement's objectives.

Global risks are on the rise

According to the WEF Global Risks report, environmental concerns remain high in the near term and critical in the medium/longer term for executives



A brief introduction to UNEP FI and PRB



UNEP FI:

A partnership between the United Nations & the Global Finance Sector



+



We work in partnership with banks, insurers and investors to help create a financial sector that serves people and planet

We develop the world's guiding norms to mainstream sustainable finance

We co-create practical research, tools and peer-exchange forums to help financial institutions deliver on their sustainable journey for stakeholders

Principles for Responsible Banking




The Principles are the **world's foremost sustainable banking framework** to:

Ensure that **banks' strategy and practice align** with the vision society has set out for its future in the UN Sustainable Development Goals and the Paris Climate Agreement.

Drive global momentum to **shape the future of banking** to one that is positive for people and the planet.

Help banks mainstream and **embed sustainability** into the heart of their business.

The 6 Principles for Responsible Banking

 <p>PRINCIPLE 1: ALIGNMENT</p> <p>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>	 <p>PRINCIPLE 2: IMPACT & TARGET SETTING</p> <p>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>	 <p>PRINCIPLE 3: CLIENTS & CUSTOMERS</p> <p>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>
 <p>PRINCIPLE 4: STAKEHOLDERS</p> <p>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	 <p>PRINCIPLE 5: GOVERNANCE & CULTURE</p> <p>We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>	 <p>PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY</p> <p>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>

Aligning finance with the SDGs

Key thematic workstreams



Climate change

Accelerate the transition to low-carbon economies



Nature

Protect and restore land and ocean nature and biodiversity



SDGs & Impact

Holistic impact analysis and management to close financing gap



Pollution & Circular Economy

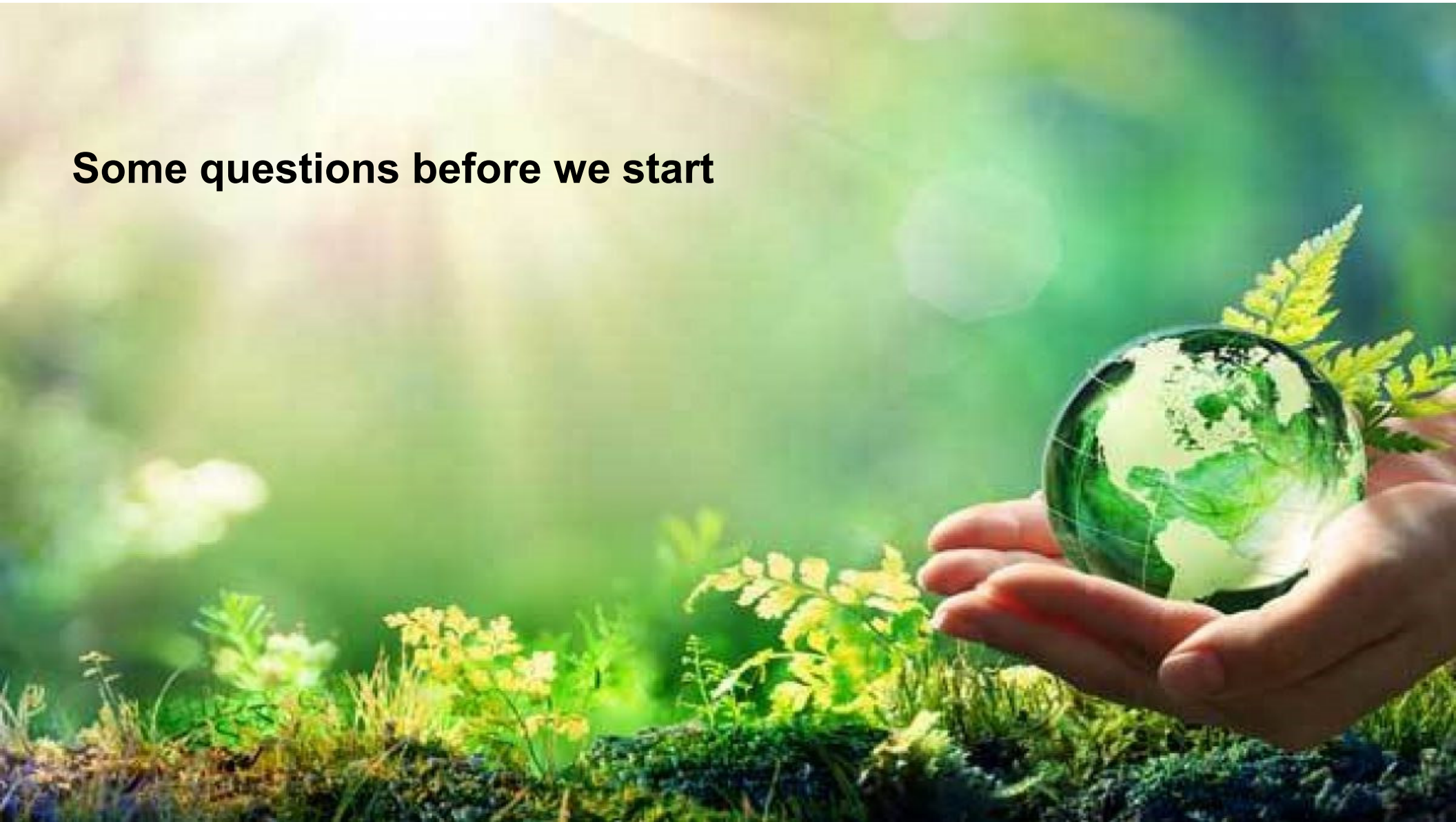
Accelerate the transition to pollution-free and circular economies



Social & Human Rights

Exploring the intersection between finance and human rights

Some questions before we start



Q1 - What comes to your mind when someone says sustainable finance



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Q2 - What is the goal of the Paris Agreement



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Q3 - What are Nationally Determined Contributions (NDCs) in the context of climate change?



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Q4 - What does the term "net zero" mean in the context of climate change?

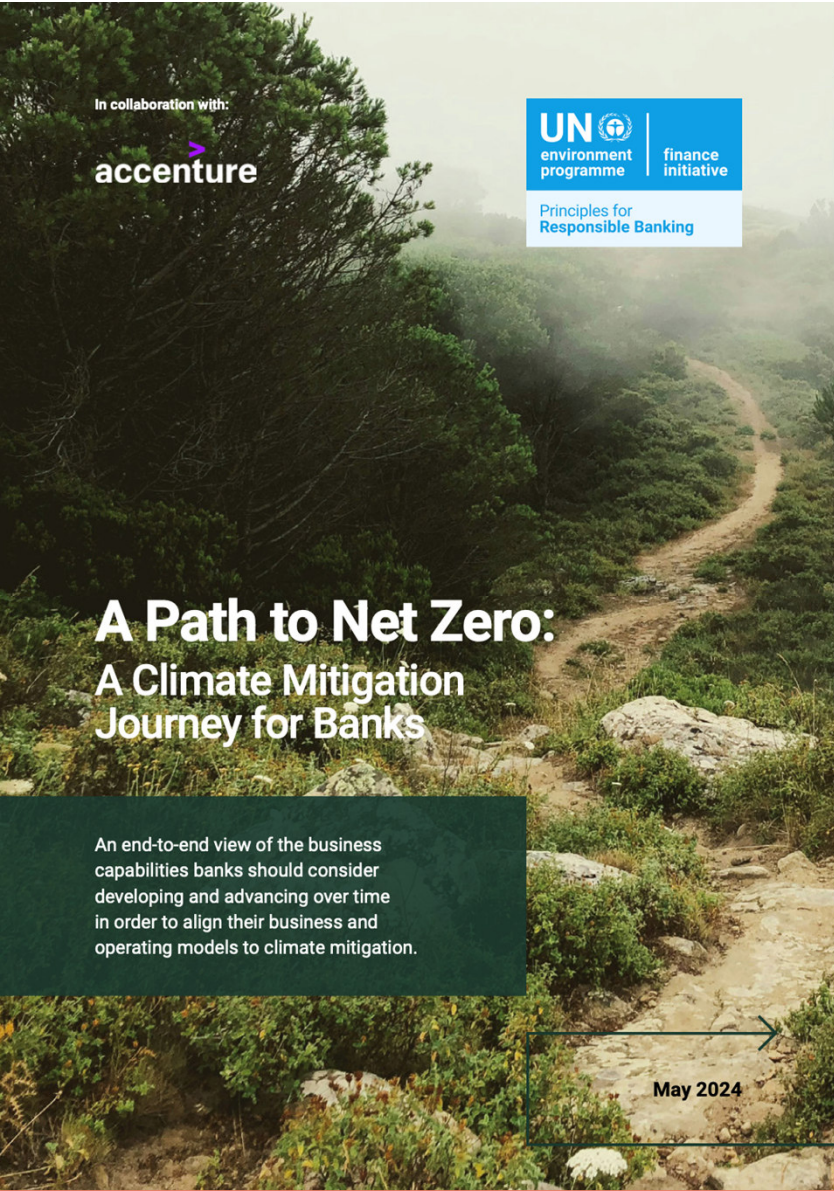


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UNEP FI Climate Mitigation Journey





In collaboration with:

accenture

UN
environment
programme | finance
initiative

Principles for
Responsible Banking

A Path to Net Zero: A Climate Mitigation Journey for Banks

An end-to-end view of the business capabilities banks should consider developing and advancing over time in order to align their business and operating models to climate mitigation.

May 2024

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UNEP FI Climate Mitigation Journey (CMJ) for banks

About the Climate Mitigation Journey (CMJ)

End to end approach to banking climate mitigation

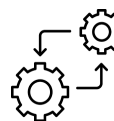
A climate strategy framework that outlines relevant business capabilities banks should consider building and iterating iterating for years to come as they are looking to individually align themselves to their independent net-zero objectives



Lack of a **universally accepted view and shared language** of what climate mitigation practically means for banks end-to-end



Lack of clarity on how **different climate mitigation frameworks / guides for banks by different actors** complement each other



Evolving methodologies / practices across different parts of banking climate mitigation (e.g. climate risks, carbon accounting)



Varying **maturity levels between jurisdictions on emissions data and policies and regulation** on banking climate mitigation



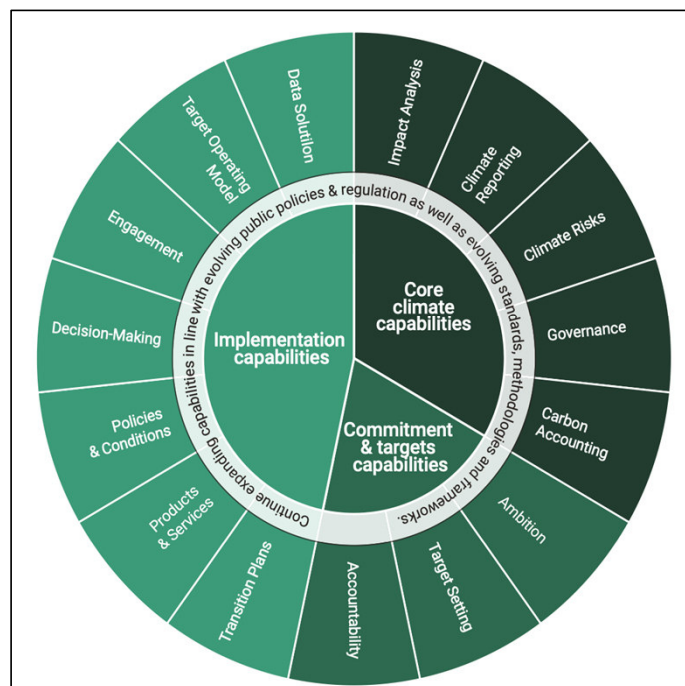
Limited internal capacity / specialized skills required to advance internally different parts of banking climate mitigation

*The CMJ is applicable to all banks regardless of their **climate maturity or jurisdiction***

Three Capability Blocks of the CMJ

Outlining all the business competencies banks should develop and iterate as they advance their path to net zero

← Climate Mitigation Journey for Banks →



Core Climate Capabilities

➤ Embark on the path to net zero by building **strong foundational capabilities** that will help you to develop operational capacity on climate mitigation.



Commitment & Targets

➤ Develop and communicate - internally and externally - your **net zero ambition** and translate that into measurable targets.



Implementation

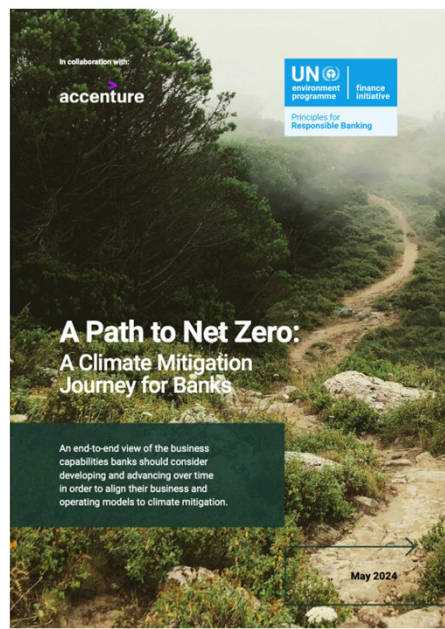
➤ Develop and deliver long-term end-to-end **transformation initiatives** that will allow you to gradually transition your business and operating models in order to achieve your net zero ambition.



Policy & Regulation

Overview of the CMJ Publication

Maps out the relevant standards, methodologies, and frameworks as well as actors in the net zero ecosystem



Explanation & Examples

Materials & Guidance

Net Zero Ecosystem

Core Climate Capabilities

Core Climate Capabilities | **What is it for?** | **Real-world example of an advanced bank**

Impact Analysis: Conduct portfolio analysis across business lines and sectors to recognize the double materiality (i.e. financial and non-financial) of climate identifying climate as a strategic priority and a source of opportunities.

Climate Reporting: Build a climate reporting capability in line with global reporting standards and methodologies and national disclosure requirements in priority sectors of operation.

Climate Risk: Identify, assess, and mitigate climate-related risks (i.e. physical and transition risks) across business lines and sectors and develop climate stress testing capability in line with evolving standards.

Real-world example of an advanced bank: Conducted portfolio analysis using TCFD's Sector Analysis Tools for all relevant portfolios (i.e. Commercial, Business and Consumer Banking) and identified climate mitigation as a strategic priority with Impact, Risk and Opportunity (IRO) areas (i.e. IRO3) per (SBC) materiality, while understanding potential impacts on other related areas.

Established a dynamic climate reporting capability in line with TCFD recommendations, further expanding it over time in line with (SBC) standards and (SBC) standards, and eventually aligning climate reporting with the (SBC) standards (SBC1, SBC2) and the Basel III Disclosure Framework for climate-related risks.

Established a climate stress testing capability for physical and transition risks, initially covering carbon-intensive sectors, then further expanding to the entire portfolio by leveraging a combination of (SBC) climate reporting and (SBC) climate scenarios.

Table 1: Core Climate Capabilities - Internal & External Stakeholders

Capability	Internal Stakeholders	External Stakeholders
Impact Analysis	Board, Senior Management, Business Lines, Risk, Compliance, Legal, HR, Finance, Operations, Marketing, Communications, Sustainability, ESG, Regulatory, Stakeholders	Investors, Regulators, Customers, Suppliers, Community, Media, NGOs, Academia, Government
Climate Reporting	Board, Senior Management, Business Lines, Risk, Compliance, Legal, HR, Finance, Operations, Marketing, Communications, Sustainability, ESG, Regulatory, Stakeholders	Investors, Regulators, Customers, Suppliers, Community, Media, NGOs, Academia, Government
Climate Risk	Board, Senior Management, Business Lines, Risk, Compliance, Legal, HR, Finance, Operations, Marketing, Communications, Sustainability, ESG, Regulatory, Stakeholders	Investors, Regulators, Customers, Suppliers, Community, Media, NGOs, Academia, Government

Commitment & Targets

Commitment and Targets | **What is it for?** | **Real-world example of an advanced bank**

Commitment: Develop Board-level climate commitments to align business portfolio and operations to net zero in line with international climate agreements (Paris 1.5°C agreement) and evolving climate science.

Target Setting: Develop interim targets to reduce financial emissions across business lines and sectors in line with evolving climate science, supervisory, and national regulatory guidance.

Implementation: Continuously demonstrate to investors, customers, and other stakeholders progress against climate commitment and interim targets across the business portfolio, including in greenwashing risks.

Real-world example of an advanced bank: Issued a binding voluntary of the TCFD's Sector Analysis Tools for all relevant portfolios (i.e. Commercial, Business and Consumer Banking) and identified climate mitigation as a strategic priority with Impact, Risk and Opportunity (IRO) areas (i.e. IRO3) per (SBC) materiality, while understanding potential impacts on other related areas.

Developed an annual climate-related reduction targets for the appropriate bank bank for the Oil & Gas, Power Generation, and Consumer Bank sectors, leveraging a mix of sectoral reduction pathways provided by (SBC) and (SBC), while understanding customer legal obligations in other related areas for those sectors.

Continuously demonstrate to investors, customers, and other stakeholders progress against climate commitment and interim targets across the business portfolio, including in greenwashing risks.

Table 2: Commitment and Targets Capabilities - Internal & External Stakeholders

Capability	Internal Stakeholders	External Stakeholders
Commitment	Board, Senior Management, Business Lines, Risk, Compliance, Legal, HR, Finance, Operations, Marketing, Communications, Sustainability, ESG, Regulatory, Stakeholders	Investors, Regulators, Customers, Suppliers, Community, Media, NGOs, Academia, Government
Target Setting	Board, Senior Management, Business Lines, Risk, Compliance, Legal, HR, Finance, Operations, Marketing, Communications, Sustainability, ESG, Regulatory, Stakeholders	Investors, Regulators, Customers, Suppliers, Community, Media, NGOs, Academia, Government
Implementation	Board, Senior Management, Business Lines, Risk, Compliance, Legal, HR, Finance, Operations, Marketing, Communications, Sustainability, ESG, Regulatory, Stakeholders	Investors, Regulators, Customers, Suppliers, Community, Media, NGOs, Academia, Government

Implementation

Implementation | **What is it for?** | **Real-world example of an advanced bank**

Implementation: Develop a climate action plan, including climate-related policies, procedures, and systems, in line with evolving climate science and regulatory requirements, and ensure alignment with the relevant (SBC) standards.

Implementation: Build green transition finance and solutions ability for the four sectors of the portfolio in line with evolving climate science and regulatory requirements, and ensure alignment with the relevant (SBC) standards.

Implementation: Develop a climate action plan, including climate-related policies, procedures, and systems, in line with evolving climate science and regulatory requirements, and ensure alignment with the relevant (SBC) standards.

Real-world example of an advanced bank: Developed and issued a climate action plan, including climate-related policies, procedures, and systems, in line with evolving climate science and regulatory requirements, and ensure alignment with the relevant (SBC) standards.

Developed green transition finance and solutions ability for the four sectors of the portfolio in line with evolving climate science and regulatory requirements, and ensure alignment with the relevant (SBC) standards.

Table 3: Implementation Capabilities - Internal & External Stakeholders

Capability	Internal Stakeholders	External Stakeholders
Implementation	Board, Senior Management, Business Lines, Risk, Compliance, Legal, HR, Finance, Operations, Marketing, Communications, Sustainability, ESG, Regulatory, Stakeholders	Investors, Regulators, Customers, Suppliers, Community, Media, NGOs, Academia, Government
Implementation	Board, Senior Management, Business Lines, Risk, Compliance, Legal, HR, Finance, Operations, Marketing, Communications, Sustainability, ESG, Regulatory, Stakeholders	Investors, Regulators, Customers, Suppliers, Community, Media, NGOs, Academia, Government
Implementation	Board, Senior Management, Business Lines, Risk, Compliance, Legal, HR, Finance, Operations, Marketing, Communications, Sustainability, ESG, Regulatory, Stakeholders	Investors, Regulators, Customers, Suppliers, Community, Media, NGOs, Academia, Government

UN environment programme | **finance initiative** | **GFANZ**

Integration of regional & national components

Vietnam's Climate Risks and Best Practices for TCFD Disclosure



Q5- Which of the following would you categorise as physical risks?



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Climate risks: two main types

Risks may arise from climatic events (physical risks) or from the shift to a low-carbon economy (transition risks)

Physical risks

- Driven by changes in the physical systems as a result of climate change
- Incremental risks: Long-term changes in baseline conditions as a result of climate change
 - Increasing droughts
 - Desertification
 - Sea-level rises
- Extreme events: Short-term events that may be exacerbated or made more common by climate change
 - Heatwaves
 - Hurricanes
 - Fires
 - Floods

Transition risks

- Driven by the transformation of the economy due to climate action
- Policy risks
 - Regulatory or public policy actions that increase the costs of various activities (e.g., carbon taxes)
 - Regulations or restrictions on certain activities (e.g., fracking)
- Technology risks
 - Changing economics of low-carbon technologies that replace or challenge incumbent emitters (e.g., solar vs. coal)
- Market risks
 - Revaluation of assets based on shifts in demand or the recognition of potential stranded assets (e.g., fossil fuel reserves)
 - Changes in consumer preferences



Vietnam's Climate Risks and Best Practices for TCFD Disclosure

Tangible climate-related financial risk disclosure guidance for emerging and developing market participants

Implemented by

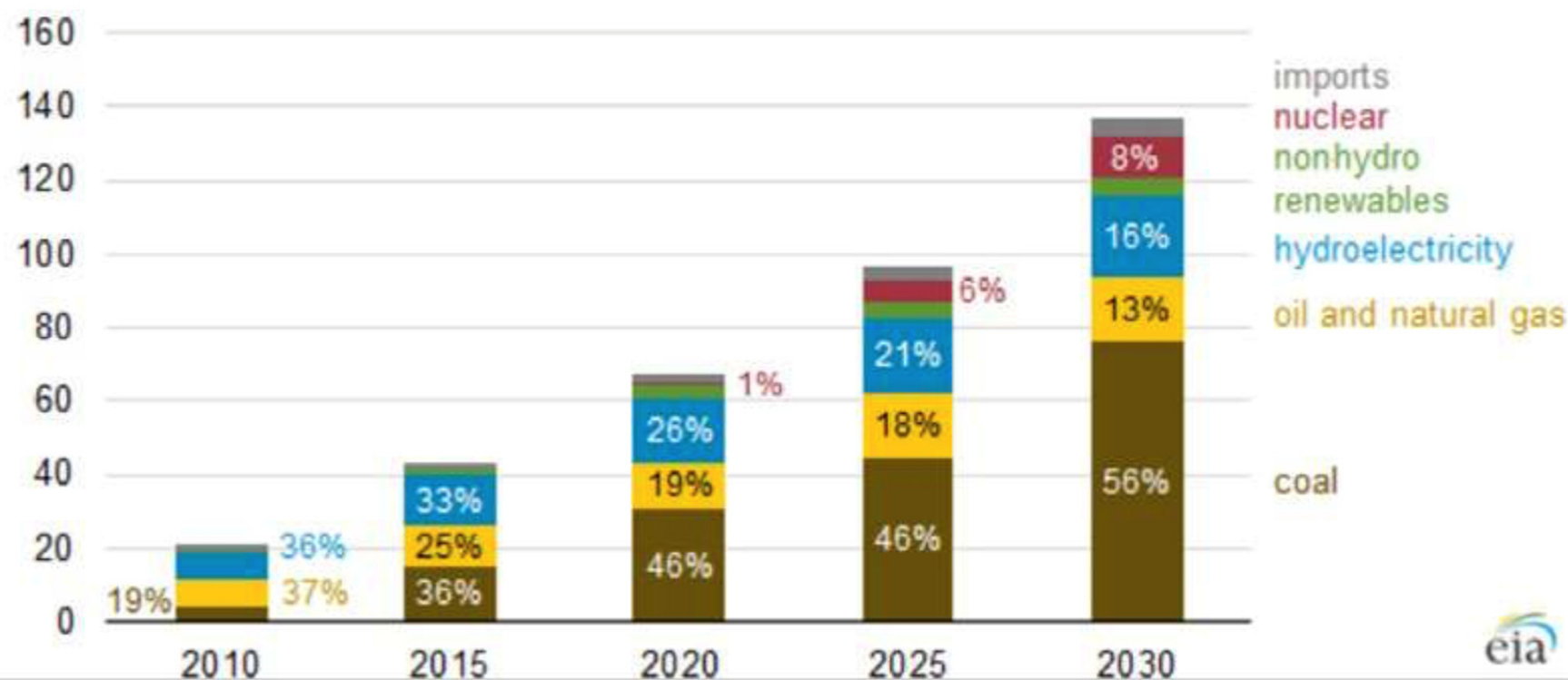


This report highlights:

- Climate-related risks in Vietnam
- Practical steps towards disclosure (including getting started)
- Recommended next steps for Vietnamese banks
- Commercial bank case studies



Vietnam's forecasted energy use



Source: EIA, 2020



UNEP FI's climate risk programme and its objectives

In addition to the current PRB target setting program, UNEP FI has another program dedicated to climate risks

Providing FIs with peer/expert access and innovative climate risk/opportunity evaluation methods

Identify



Climate Risks and Opportunities

- Firms learn about the diverse set of climate risks and how they are exposed
- Firms consider the implications of climate change on specific sectors

Measure



Climate Risks and Opportunities

- Firms can assess the impacts of a wide range of climate scenarios
- Firms gain an institutional perspective of climate risks (both physical and transition)

Manage



Climate Risks and Opportunities

- Firms understand the active measures needed to mitigate their climate risks and support the low-carbon transition
- Firms integrate climate insights throughout their operations and overall strategy

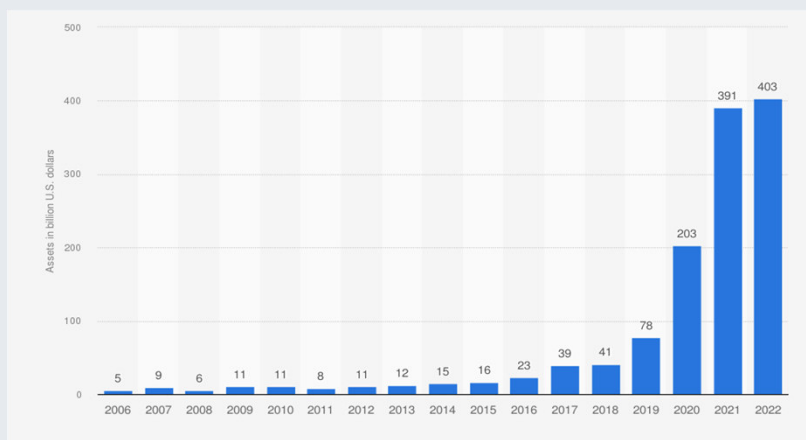
Overview on Climate Regulation



Climate-related disclosure standards & regulations

What gives rise to the evolution of climate-related disclosure standards / regulations?

Global ESG ETF assets from 2006 to November 2022¹



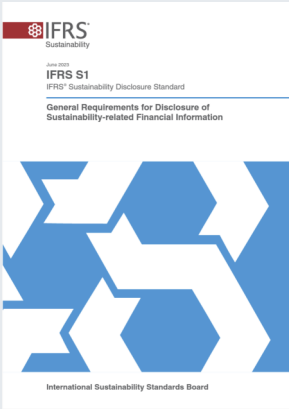
- Rapidly growing sustainable finance market¹
- Increased focus on climate-related disclosures, leading to legislative actions in multiple countries
- Since its establishment in 2017, the TCFD has gained global recognition, with over 3900 supporters²
- The TCFD framework paves the way for the advancements of climate-related disclosure standards & regulations worldwide

¹ Statista, 2023 ² TCFD, 2022

ISSB standards: General (IFRS S1) and Climate (IFRS S2)


These standards provide a common language for disclosing sustainability and climate-related financial information

Key concepts in IFRS S1



- Sets out general reporting requirements;
- Points to other standards and frameworks in absence of a specific IFRS Standard
- IFRS agnostic in methodology
- Single-materiality focus

Key concepts in IFRS S2



- Disclosure of material information about climate-related risks and opportunities
- Includes industry-based disclosure requirements, such as financed emissions
- Industry-specific metrics included as illustrative guidance, taken from SASB Standards
- Requires disclosure of information about physical and transition risks, and climate-related opportunities

1. **IFRS S1** General Requirements for Disclosure of Sustainability-related Financial Information sets out **overarching requirements for a company to disclose information about sustainability-related risks and opportunities**. The core disclosure requirements in IFRS S1 also integrate the TCFD recommendations.
2. Designed to be complementary to IFRS S1, **IFRS S2** sets out requirements that relate specifically to **climate-related risks and opportunities** and expands on the specific TCFD disclosures.

Reporting requirements

Regulation may increase reporting burdens but will also provide the market with better information about decarbonization and improve the setting and monitoring of targets



International Sustainability Standards Board (ISSB)¹

- Created in 2021 by the International Financial Reporting Standards Foundation (IFRS).
- Aims to develop a comprehensive global baseline for sustainability disclosure standards.
- Above standards were published in June 2023.

Corporate Sustainability Reporting Directive (CSRD)²

- The new ESG disclosure regime in the EU that entered into force in January 2023.
- The European Commission adopted the European Sustainability Reporting Standards (ESRS) in July 2023.
- ESRS effective dates vary with first reporting starting from ranging from FY 2024 to 2028³

U.S. Securities and Exchange Commission (SEC)⁴

- Draft climate disclosure proposal was published in March 2022 with the final rule expected in October 2023, but may likely be pushed out even further.
- Draft proposal builds on the TCFD with some differences.
- Phased-in implementation timeline.

United Kingdom Financial Conduct Authority (FCA)⁵

- Premium-listed companies published TCFD reporting in 2022, and standard-listed companies started in 2023.
- 6 April 2022 FY start date is applied to most other companies and financial institutions, and 1 June 2023 applies to smaller managers/asset owners
- New IFRS S1, S2 disclosure rules set to finalise by 2024, first reporting for FY 2025⁶.

1) [ISSB \(2023\)](#); 2) [CSRD \(2023\)](#); 3) [EU Commission \(2023\)](#); 4) [SEC \(2022\)](#); 5) [FCA \(2022\)](#) 6) [FCA \(2023\)](#)

Latest highlights from 2024 in APAC

AU Australia proposes mandatory climate-related financial disclosures from 2024/25. Draft Bill for consultation until 9 February 2024

CN China: Stock exchanges in Shanghai, Shenzhen, and Beijing finalized Sustainability Report Guidelines after extensive public consultation

JP Japan: The Sustainability Standards Board of Japan (SSBJ) is seeking feedback on its plan to introduce disclosure standards (sustainability and climate), aligning with global practices (ISSB) while addressing local needs (Transition reliefs). Consultation on the drafts continues until July 31 + Scenario planning piloted to include Scope 3

ID Indonesia mandates climate risk consideration in banking by 2026 (Dec 2023). OJK issued a Climate Risk Management & Scenario Analysis (CRMS) guideline for the banking sector, demonstrating Indonesia's commitment to assessing the resilience of bank business models in facing climate change.

SG Singapore - Singapore announced mandatory climate-related reporting requirements for listed and large non-listed companies, aligning with the ISSB

MY Malaysia explores integrating ISSB standards into sustainability reporting

HK Hong Kong: The Stock Exchange of Hong Kong announced mandatory climate-related disclosures for all listed companies based on the ISSB, with Scope 1 and 2 emissions disclosure beginning in 2025.

PH Philippines' central bank eases lending rules to promote green project

KR South Korea: The Financial Services Commission (FSC) is set to release ESG disclosure standards, aiming to balance domestic industrial nuances with global benchmarks.

Aligning Financial Institutions to the Paris Agreement Goals: Climate Alignment and Target Setting



Q6 - Is Climate part of your banking strategy?



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Q7 - What are Scope 3 emissions?



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Q8 - How would you rate your organization's progress in terms of climate mitigation?

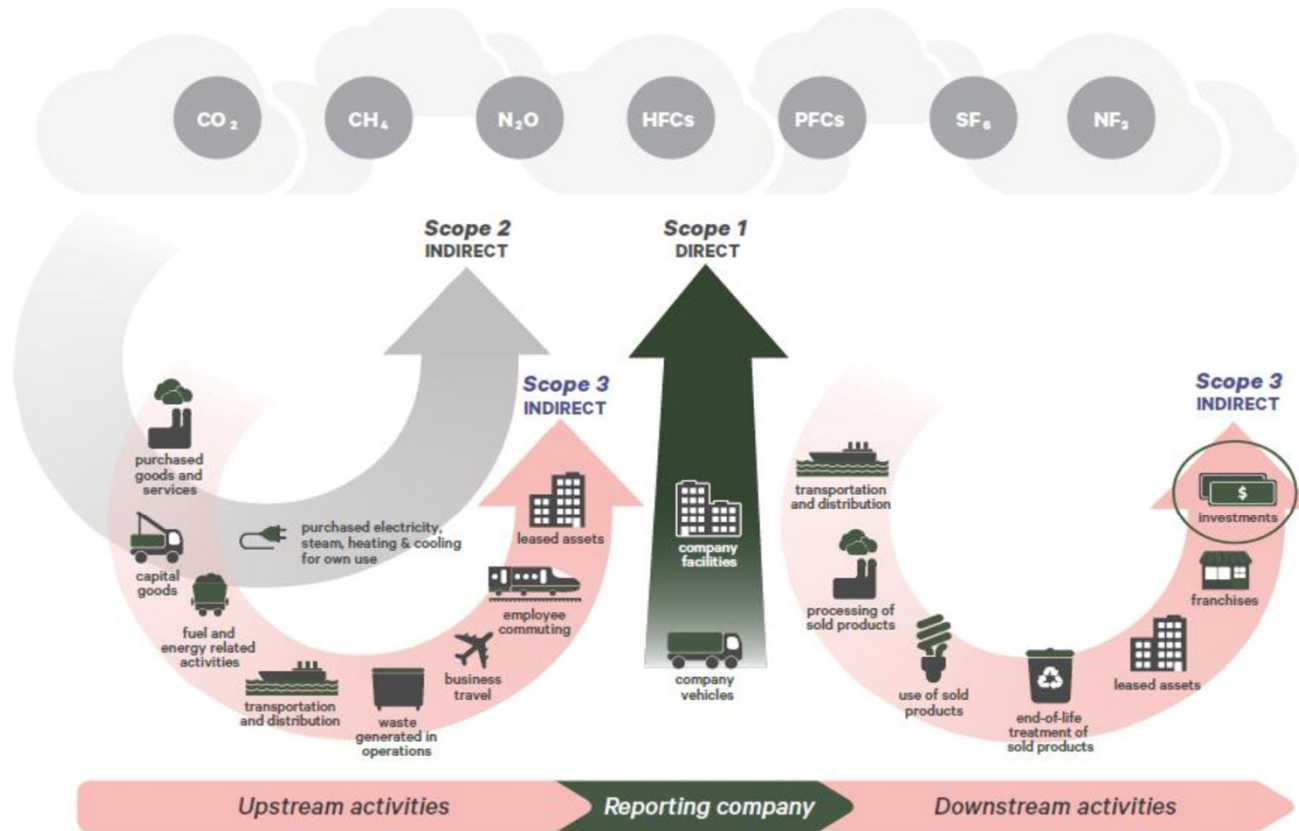


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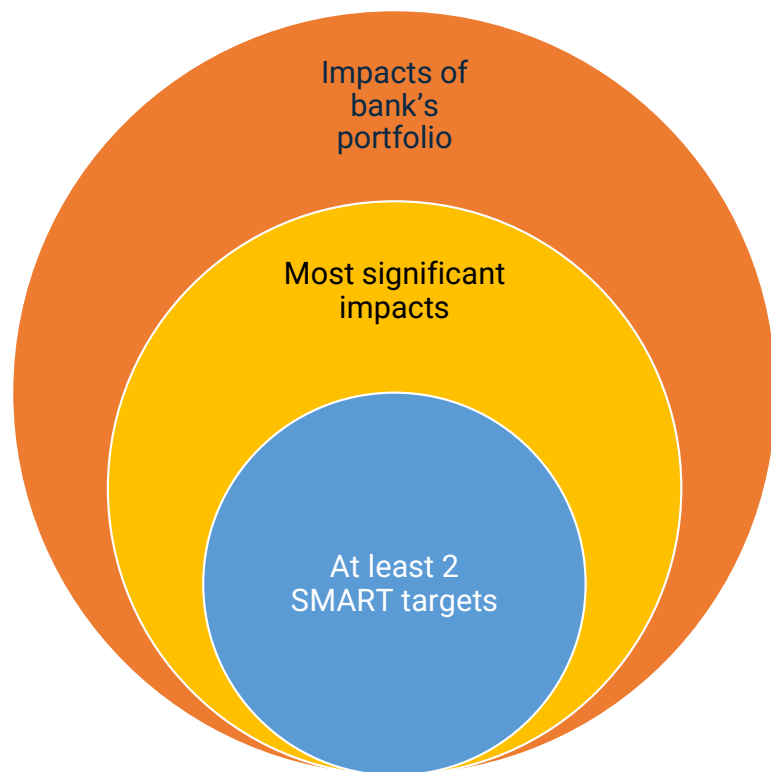
Scope 1-2-3

Overview of GHG Protocol scopes and emissions across the value chain



Source: WRI and WBCSD, 2011; PCAF 2022

Implementing the Principles



Impact Analysis

- Assess the positive and negative impacts of the portfolio and
- Identify areas with the most significant impact considering the context of the regions in which the bank operates

Target Setting

Set at least two SMART targets that address at least two of the most significant impacts

S – Specific
M – Measurable
A – Attainable
R – Relevant
T – Time-bound

*For more detailed information, view the [technical documents](#):
[Key Steps to be Implemented by Signatories](#) and [Guidance on Impact Analysis](#)

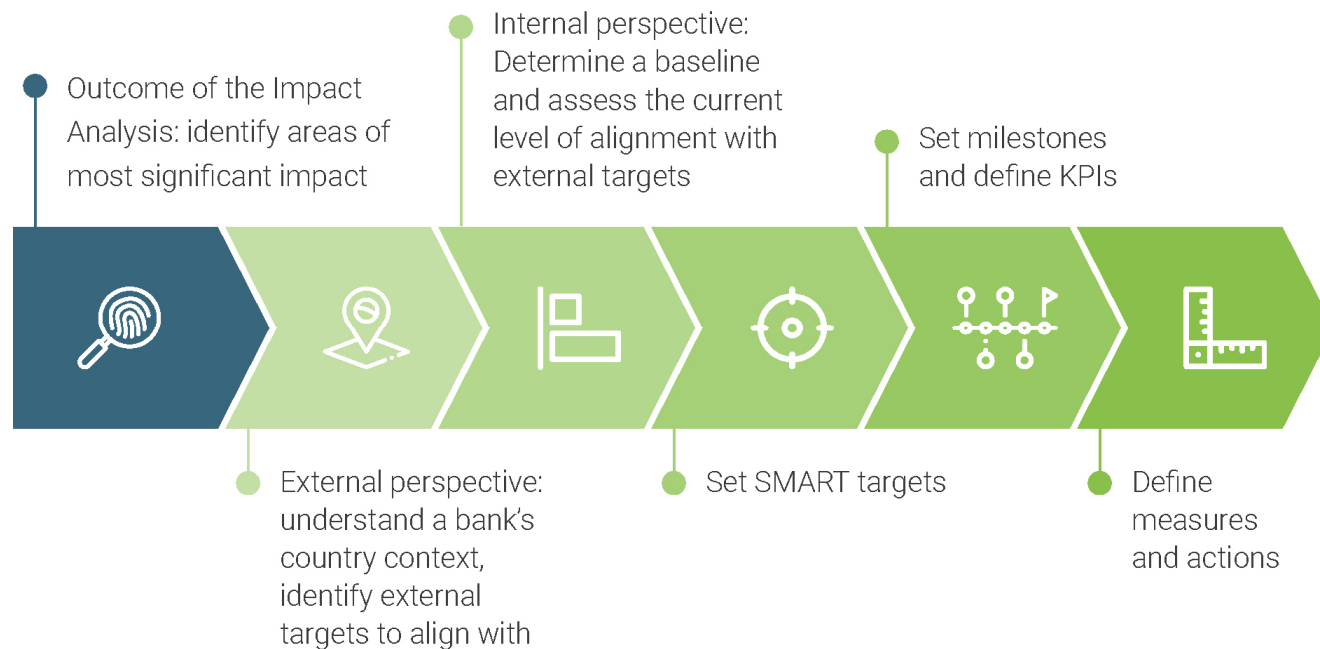
The Principles for Responsible Banking require banks to conduct an impact analysis covering the following elements:

1. Determine **scope** to cover the bank's core business areas, products/services across the main geographies that the bank operates in
2. Review **scale of exposure** to different sectors. Where the bank's core businesses/major activities lie in terms of industries, technologies and geographies (industry exposure is measured in % of portfolio)
3. Understand **context**, i.e., the most relevant challenges and priorities related to sustainable development in the countries/regions in which the bank operates
4. Assess **intensity/salience** of (potential) social, economic and environmental impacts identified. You will make your performance assessment.

*For more detailed information, view the technical documents:
[Key Steps to be Implemented by Signatories](#) and [Guidance on Impact Analysis](#)

Step 2: Target Setting and Implementation

Target setting requirements / process:



Why set targets for climate mitigation?

- To maximize your positive impacts / minimize your negative impacts on the environment/society
- To reduce your climate related transition risks
- Laying down a credible net zero pathway is often helpful to comply with emerging regulatory climate risk requirements and investor expectations

Foundations of Climate Target Setting



Foundations of Climate Target Setting



1

Understand
the landscape



3

Set robust,
science-based
targets



2

Measure & disclose
financed emissions



4

Implement
the targets



1 Understand the landscape



UN  |
Additional resources
about national
contexts

Understanding of the terminology used

Knowing how to apply national and regional frameworks



Embedding the topic in your bank's business

Gaining a good understanding of the regulatory context the bank is active in



Having a sufficiently good overview of the range of tools and methodologies in the market

Assessing the applicability of tools and methodologies for your bank's balance sheet

Overview of the range of tools and methodologies



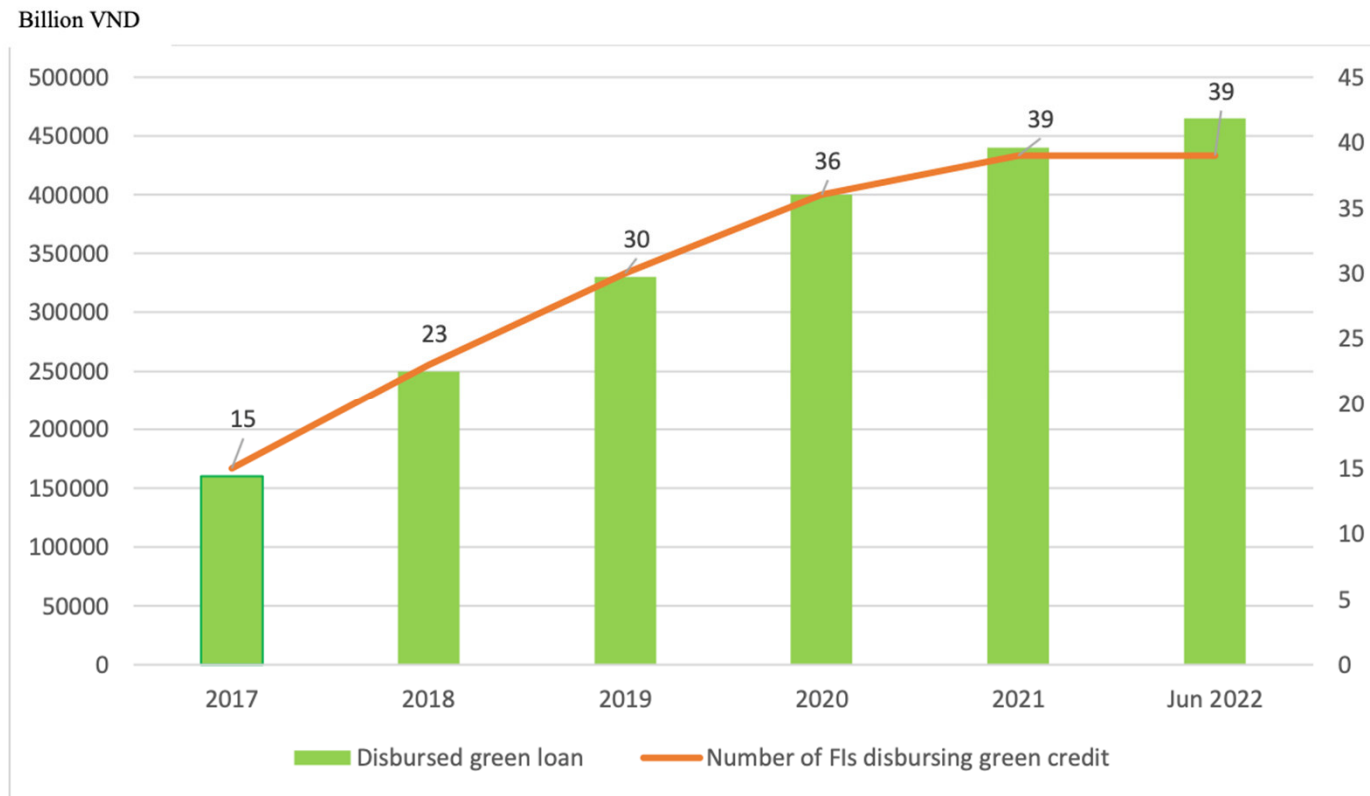
Frameworks, methodologies developed to comply with Paris Agreement Article 2.1c) **“making finance flows consistent with a pathway towards low greenhouse gas emission and climate-resilient development”**

Gaining a good understanding of the regulatory context

Vietnam

- Vietnam is clear in its determination to respond to climate change, committing to a 2050 net-zero carbon emissions target and making efforts towards transitioning to a low-carbon energy system.
- It is estimated that more than USD 300 billion through 2040 is required to finance the net-zero pathways in Vietnam
- Vietnam has strongly committed to sustainable development with the approval from the government of the National Green Growth Strategy for 2021-2030 and various financial initiatives.
- There is an urgent need to strengthen the understanding of the green finance market towards enabling the engagement of stakeholders, such as financial institutions, fund providers, and enterprises.

Green credit increase Vietnam



Source: SBV

Gaining a good understanding of the adaptation context

Vietnam

Key Vulnerabilities¹:



Flooding: Flooding represents the largest climate-related risk facing Vietnam, today accounting for an estimated 97% of average annual losses from hazards



Globally, Hanoi and Ho Chi Minh City are two of the most at-risk metropolises from experiencing heat stress



Cyclones are already a major cause of flood damage in Vietnam, with the nation experiencing nearly 100 storms from 1990- 2020

Actions included on the NDC:



GHG Emission Reduction



Climate Change Adaptation



Support needed to implement the SDGs, including need for capacity development

2

Measure & disclose financed emissions

Applying the chosen tools and methodologies to measure financed emissions



Identifying data sources for GHG-emissions and continuing to improve collection of relevant climate data

Annually disclosing financed emissions

The key question of banks: what if I don't have data?

The fact that you don't yet have client level data should not stop you from estimating your financed emissions.

Using sector averages and proxies is acceptable as a start.

There are readily available approaches to tackle data gaps.

For instance, PCAF provides a **database of emission factors when data is limited.**



But: you need to be transparent about data quality and simplifications, and should improve data quality going forward.

Disclosure checklist: footprinting

- Emissions profile** Banks shall establish an emissions baseline and annually measure and report the emissions profile of their lending portfolios and investment activities following relevant international and national GHG emissions reporting protocols and guidelines.

- Coverage** Emissions profile shall cover a significant majority of a bank's Scope 3 emissions, including the set list of carbon-intensive sectors (see below).

- Carbon-intensive sectors** Agriculture; aluminium; cement; coal; commercial and residential real estate; iron and steel; oil and gas; power generation; and transport

- Reporting of emissions** Annual reporting of emissions where targets have been set:
 - absolute emissions, and
 - portfolio-wide emissions intensity (e.g., CO₂e/\$ lent or invested), and
 - sector-specific emissions intensity (e.g., CO₂e/metric)

- Disclosure** Shall disclose and provide the rationale regarding the:
 - scope and boundary of the asset classes and sectors included;
 - asset class and sector coverage of the emissions; and
 - measurement method(s) and metric(s) used at portfolio, asset class or sector level

3

Set robust, science-based targets

Identifying material sectors



Determining the baseline

Identifying appropriate climate pathway(s) to use



Calculating the degree of alignment with the chosen temperature outcome



Formulating intermediate sector targets

Focusing on achieving a real-world impact and not causing harm



The target setting process

Commit to a high-level target

- In line with Paris - 1.5 degrees is recommended

Intermediate targets for 2030 or sooner

- Portfolio-wide or sectoral

Subsequent intermediary targets

- Set no more than five years apart from each other

Example: Products and services – DBS



Sustainability-linked Loans

Loans with interest rates pegged to a series of ESG performance metrics

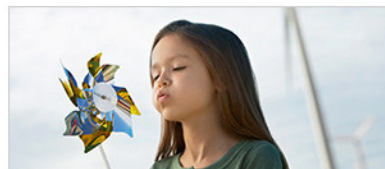
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Renewable Energy Financing

Financing renewable energy projects across our key markets

[Learn more](#)



Sustainable Bonds

Bonds designed to create positive outcomes through financing or re-financing in green projects

[Learn more](#)



Green and Sustainable Trade Financing

Facilitating trade with financing solutions tailored to help promote sustainable development

[Learn more](#)



Digital Solutions for Sustainability

Leveraging digital technologies that help drive environmental and social impact

[Learn more](#)



Invest in Climate-aligned Bonds

Moving capital markets for a low-carbon, climate-resilient future

[Read more](#)

Example – DBS



Sector	Sub-sectors & types of financings included	Emission scopes included	Target metric	Reference scenario	Baseline (and reference start-point) ¹⁸	2022 ¹⁷	2030 (reduction vs. baseline)	2050
					Financed emissions		Decarbonisation targets	
Power	• Power generation • Power equipment manufacturers	• Scope 1 (generation) • Scope 3 (equipment)	• Emissions intensity (kgCO ₂ /MWh)	IEA NZE	260 (438)	227	138 (-47%)	0 (-100%)
Oil & Gas	• Upstream • Downstream • Integrated	• Scope 1-3	• Absolute financed emissions (MtCO ₂ e)	IEA NZE ¹⁸	38.6 (N/A)	35.6	27.7 (-28%)	3.0 (-92%)
Automotive	• Automotive OEMs • Captive automotive finance companies ¹⁹ • Automotive distributors • Dedicated powertrain manufacturers	• Scope 3 (tailpipe emissions of passenger vehicles)	• Emissions intensity (kgCO ₂ /vehicle-km)	IEA NZE ²⁰	0.120 (0.144) (NEDC)	0.117 (WLTIP) 0.108 (NEDC)	0.052 (-57%) (NEDC)	0 (-100%) (NEDC)
Steel	• Steel production	• Scope 1-2	• Emissions intensity (kgCO ₂ e/kg)	Mission Possible Partnership – Tech Moratorium Scenario	1.95 (1.90)	1.99	1.42 (-27%)	0.14 (-93%)
Aviation	• Airlines • Aircraft leasing companies • Secured aircraft financing	• Scope 1 for airlines and secured aircraft financing • Scope 3 for aircraft leasing companies	• Emissions intensity (kgCO ₂ /p-km)	IATA Fly Net Zero	Baseline: 0.389 (0.191) 2019: 0.088 (0.107) ²¹	0.152	0.074 (-16%) ²²	0 (-100%) ²²
Real Estate	• Real estate owner-operators • Real estate special purpose vehicles • Real Estate Investment Trusts (REITs)	• Scope 1-2 (operating emissions)	• Alignment delta (%)	Carbon Risk Real Estate Monitor – Global Decarbonisation Pathways	-14.0%	-11%	≤0% (-42%)	≤0% (-95%)
Shipping	• Individual vessel financing	• Scope 1	• Alignment delta (%)	International Maritime Organization – Poseidon Principles	-11.8%	+ 5.4%	≤0% (-23%)	≤0% (-71%)

Q9 - Are you already doing any of the following?



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Q10 - What are some key barriers to your organization's climate mitigation / portfolio decarbonisation journey?



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1649 3952

Climate Target Setting Guidelines- in Vietnamese



Nguyên tắc hoạt động Ngân hàng có trách nhiệm: Hướng dẫn cho các ngân hàng

Principles for Responsible Banking

Cơ sở thiết lập mục tiêu giảm nhẹ biến đổi khí hậu

Hướng dẫn Thiết lập Mục tiêu Khí hậu cho Ngân hàng

Phiên bản 2

Tháng 4 2024

UN environment programme | finance initiative

Principles for Responsible Banking

Nguyên tắc hoạt động ngân hàng có trách nhiệm

Vì vậy, chúng tôi cam kết thực hiện các tham vọng được nêu trong các Nguyên tắc sau đây:¹

- 1. Sự phù hợp**
Chúng tôi sẽ điều chỉnh chiến lược kinh doanh để phù hợp và đáp ứng nhu cầu của cả nhân cũng như mục tiêu của xã hội, như đã được thể hiện trong các Mục tiêu Phát triển bền vững, Thỏa thuận Paris và Biên đối khí hậu và các khuôn khổ quốc gia và khu vực có liên quan.
- 2. Thiết lập mục tiêu và tác động**
Chúng tôi sẽ liên tục tăng cường các tác động tích cực trong khi giảm thiểu các tác động tiêu cực và quản lý rủi ro đối với con người và môi trường phát sinh do các hoạt động, sản phẩm và dịch vụ của chúng tôi. Để đạt được mục tiêu này, chúng tôi sẽ thiết lập và công bố các mục tiêu mà chúng tôi có thể tạo ra những tác động đáng kể nhất.
- 3. Khách hàng**
Chúng tôi sẽ làm việc có trách nhiệm với khách hàng để khuyến khích các hoạt động bền vững và hỗ trợ các hoạt động kinh tế nhằm tạo ra sự thịnh vượng chung cho các thế hệ hiện tại và tương lai.
- 4. Các bên liên quan**
Chúng tôi sẽ tham vấn ý kiến, kết nối và hợp tác với các bên liên quan một cách chủ động và có trách nhiệm để đạt được các mục tiêu của xã hội.
- 5. Quản trị và văn hóa**
Chúng tôi sẽ thực hiện cam kết theo các Nguyên tắc này thông qua quản trị hiệu quả và văn hóa ngân hàng có trách nhiệm.
- 6. Tính minh bạch và trách nhiệm giải trình**
Chúng tôi sẽ xem xét định kỳ việc thực hiện các Nguyên tắc này của cá nhân và tập thể, đồng thời minh bạch và chịu trách nhiệm về các tác động tích cực và tiêu cực cũng như đóng góp của chúng tôi cho các mục tiêu của xã hội.

Các nguyên tắc chính thức khác dành cho các Khung tài liệu về hoạt động ngân hàng có trách nhiệm:

- [Các bước quan trọng cần được thực hiện bởi các bên ký kết](#) và
- [Mẫu báo cáo và tự đánh giá](#)

¹ Các Nguyên tắc Ngân hàng có Trách nhiệm sẽ không được hiểu theo bất kỳ cách nào là xung đột với bất kỳ nghĩa vụ pháp lý hoặc hợp đồng nào của các ngân hàng ký kết. Bất kỳ nghĩa vụ pháp lý hoặc hợp đồng nào như vậy sẽ được ưu tiên hơn các Nguyên tắc này. Không có nỗ lực nào trong các Nguyên tắc này, dù là định hay ngụ ý, nhằm mục đích hoặc sẽ tạo ra hoặc gây bất kỳ quyền hoặc bất kỳ nguyên nhân hành động nào cho, bởi hoặc cho bất kỳ người nào.

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Thank you