



# Climate Action in Financial Institutions

PRINCIPLES FOR MAINSTREAMING CLIMATE ACTION



## What is the **Climate Action in Financial Institutions** initiative?

The *Climate Action in Financial Institutions* initiative is an unprecedented coalition of public and private financial institutions around the globe aiming to systematically integrate climate change considerations across their strategies, programs and operations.

Launched in 2015, the initiative aims to provide public and private financial institutions an opportunity to learn from each other, to disseminate good practice and lessons learned and to collaborate on areas of common interest.

Guided by 5 voluntary principles, the Climate Action in Financial institutions initiative aims to make climate change considerations a core component of how financial institutions conduct business, parallel to and in addition to the necessary development of appropriate regulatory and enabling environments at the domestic and international levels.

This implies ensuring that climate change objectives, risks and opportunities are fundamental considerations when financial institutions deploy capital across all activities.

PRINCIPLE 1:

COMMIT  
to Climate  
strategies

PRINCIPLE 2:

MANAGE  
Climate  
Risks

PRINCIPLE 3:

PROMOTE  
Climate  
Smart  
Objectives

PRINCIPLE 4:

IMPROVE  
Climate  
Performance

PRINCIPLE 5:

ACCOUNT  
for your  
Climate  
Action

## How do **supporting institutions collaborate?**

The initiative aims to provide an opportunity for financial institutions to:

- learn from each other;
- ensure lessons-learned around good practice are disseminated;
- support the development of new approaches.

## Why should **my institution join the initiative?**

Signing up to the Climate Action within Financial Institutions initiative and adopting the Five Voluntary Principles for Mainstreaming is a statement of leadership on climate relevant financing. Becoming a Supporting Institution gives institutions an opportunity to learn, dialogue and contribute to the rapidly evolving practice of integrating climate considerations.

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## What is the **vision** of the initiative?

The *Climate Action in Financial Institutions* initiative builds on the pivotal role financial institutions play in scaling up and directing financing toward investments and assets that are necessary for transitioning to low-carbon, resilient economies globally, and achieve 'net zero' carbon emissions in the long term. In line with the internationally agreed commitments to urgently address the threat of climate change, through the application of five voluntary principles the Initiative supports the global objectives of:

- holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit temperature increase to 1.5°C;
- increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience; and
- making finance [flows] consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

## What are the Initiative's Work Streams?

For the 2017-2018 period, supporting institutions will focus on four priority areas seen as key for the initiative, and more broadly climate integration of climate considerations in line with the 5 Principles:



## Supporting Institutions

As of May 2017, the *Climate Action in Financial Institutions* initiative is comprised of 30 public and private Supporting Institutions:



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