

Driving systemic change within the finance sector

Examples of positive action

The examples below are randomly selected from different areas to illustrate the sheer breadth of tools/materials that are available to help organisations drive positive change.

Align organisational purpose and strategy, and innovate business models and financial structures to better serve society:

- Clearly articulate and integrate a sustainable corporate purpose (e.g. see CISL's [Leading with a Sustainable Purpose](#) report).
- Align purpose, vision and values with delivering a sustainable, inclusive future and ensure that this is cultivated as part of the organisational culture (e.g. the British Standards Institution has provided helpful guidance on this in the form of [PAS808:2022: Purpose-driven organisations: worldviews, principles and behaviours](#)).
- Ensure that corporate purpose follows internationally recognised standards for purpose-led corporate governance, such as the guidance set out in [ISO 37000:2021 Governance of organizations](#).
- Assess commercial risks and opportunities through [detailed scenario analysis](#) and align strategies with delivering against a scenario that delivers the Paris Agreement and international [commitments around the protection of nature](#) (e.g. by [stopping flows of finance to new fossil fuel expansion](#) and [deforestation](#)).
- With a dual materiality lens, identify where your organisation can have a material positive impact on the world that intersects with its 'competitive advantage' to deliver positive social and environmental outcomes – this can help to identify tactical short-term opportunities for new forms of innovation and value creation (e.g. see the UNEP Finance Initiative's [Impact Analysis tool for banks](#)).

Set evidence-based targets, measure and be transparent to ensure capital is priced according to the true cost of business activities:

- Require standardised reporting on sustainability issues that focus on both single and double materiality (e.g. in line with the [Global Reporting Initiative](#), or develop ambitious [Sustainable Development Performance Indicators](#), recognising that [companies are still struggling to define and report on relevant double materiality indicators](#)).
- Set a target to reduce the total carbon emissions across a portfolio to net zero (e.g. see the [net zero investment framework implementation guide](#)).
- Develop systems and analytics to help understand how clients/sectors will likely evolve, highlighting medium-term risks and opportunities (e.g. [CISL's ClimateWise transition risk framework](#)) – define your ideal customer/client mix for 2025 and 2030 and set out a strategy to get there.

Embed sustainability in practice and decisions to ensure capital acts for the long term:

- Ensure an increasing proportion of investments actively contribute to delivering positive social and environmental outcomes (e.g. [SFDR Article 9 aligned funds](#)).
- Scale nature positive financing (e.g. see the [Financial Sector Guide for the Convention on Biological Diversity: Key Actions for Nature](#)).

- Actively engage large and small corporates to help them understand the need for change and to support them to transition (e.g. see CISL's client engagement tool [Let's Discuss Climate](#), [sector transition mapping](#) and guidance for [engaging SMEs](#), as well as the work of the UK Treasury backed [Transition Plan Taskforce](#)).

Engage, collaborate and advocate for progress towards a sustainable and resilient economy:

- Work proactively with clients/customers to support them to transition and [engage in sustainable marketing practices](#).
- Join industry-wide initiatives and certification schemes (e.g. [PRB](#), [PRI](#), [Climate Action 100+](#)) and remove support for trade bodies that lobby against action on climate change.
- Join peer learning networks, such as the [Climate Safe Lending Network's learning labs and fellowship programmes](#) or one of [CISL's interactive, tutor-led online courses](#).
- Collaborate with others – such as, local NGOs, community groups and academic institutions – to unlock new market opportunities that support the transition to a circular, net zero and socially just economy – this is key to unlocking systems change at a sector and society level.