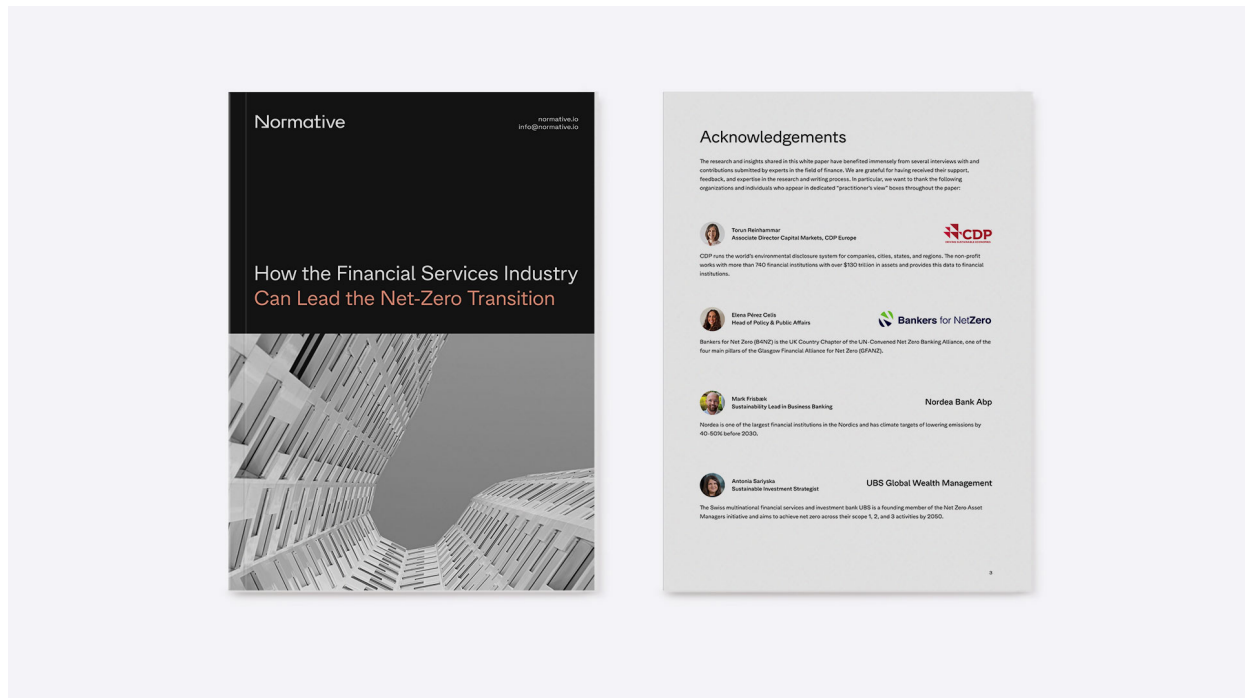


Normative

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Financial services is at a crossroads - Normative report analyzes the situation with expert insights including Bankers For Net-Zero, CDP, and Nordea



- The number of financial institutions setting science-based climate targets quadrupled in 2022 but the industry is at a crossroads in the transition towards net-zero emissions.
- Normative has published a white paper drawing on insights from industry leaders Bankers for Net Zero, CDP, Nordea, and UBS Global Wealth Management.
- The white paper helps the financial industry to guide their decision making on the transition towards net zero.

The leading carbon accounting engine [Normative](#) has published a white paper entitled *“How the Financial Services Industry Can Lead the Net-Zero Transition.”* Drawing on insights from industry leaders Bankers for Net Zero, CDP, Nordea, and UBS Global Wealth Management, the paper charts a path through the regulatory landscape, the challenges organizations face, and how to move forward.

“Large companies and banks have so much power to help businesses across the UK transition towards the low carbon economy,” says Elena Pérez Celis, Head of Policy & Public Affairs at Bankers for Net Zero.

But the financial services industry is at a crossroads in the transition to net-zero emissions. Financial actors now have the choice to take a reactive or proactive approach to how they move forward with their sustainability commitments. Their decisions will crucially influence their ability to deliver on commitments – and will play a vital role in determining the success of the global transition to net-zero emissions.

“As allocators and facilitators of capital flows, financial institutions bear a lot of responsibility in ensuring climate financing and investing is effective,” says Antonia Saryiska, Sustainable Investment Strategist at UBS Global Wealth Management.

Normative’s white paper examines the reactive and proactive approaches that financial institutions can take while navigating this landscape, and the challenges associated with both. The analysis of recent developments and future trends shows that the proactive path to net zero creates long-term resilience and growth for financial institutions – and is thus the most viable option to ensure a sustainable transition.

Over the past decade, the relevance given to climate-related considerations in finance has significantly increased. The number of financial institutions setting science-based climate targets quadrupled in 2022, with now more than 40 institutions having submitted their targets.

“Much like financial information, having data on emissions - alongside nature factors - enables institutions to engage actively with their portfolio companies, to effect change and unlock opportunities that lie within the transition,” says Torun Reinhammar, Associate Director, Capital Markets, Europe at CDP.

To propel the global net-zero transition, regulators have developed a range of regulations and frameworks for the financial sector. These are designed not only to drive the sector towards more sustainable practices, but also to inform and protect

investors, consumers, and other stakeholders from the risks emerging from a changing climate. This includes physical risks from extreme weather events and transition risks emerging from policy and technology changes, as well as changes in consumer and investor expectations. Accordingly, comprehensive and transparent climate disclosures have become crucial for both navigating the regulatory landscape and for reducing risk.

With the white paper, Normative and the contributing organizations provide a deeper understanding of the current state of the financial industry and regulatory landscape, identify key challenges for the industry, and share how practitioners plan to overcome them.

“According to the World Meteorological Organization, there is a 66% probability of breaching the 1.5 degree celsius threshold for average global temperature increases - crossing this line would risk irreversible changes to the climate,” says Kristian Rönn, CEO and co-founder of Normative. *“Financial organizations can make a huge contribution to tackling this challenge by taking steps to hedge against climate-related risks, planning to support increasingly granular regulatory requirements and making investments in new opportunities in the transition to a net-zero economy. There is a huge chance for the sector to play a leading role and capture the business opportunity of selecting the proactive pathway.”*

Find Normative’s white paper here: <https://bit.ly/44TTRKl>

About Normative

Normative is the world’s first carbon accounting engine, enabling enterprises to calculate their full carbon footprints and reduce their emissions to net zero. With rigorous, science-based emissions factors and rich value chain insights, Normative delivers accurate and comprehensive carbon calculations through scope 1, 2, and 3 for enterprises globally. Headquartered in Stockholm, Normative accelerates the transition to net zero and partners with leading climate change organizations including the UN. normative.io

About Bankers for Net Zero

Founded in October 2019, Bankers for Net Zero convenes the first Country Chapter of the UN-convened Net-Zero Banking Alliance. It brings together banks, businesses, policymakers and regulators to accelerate the UK economy’s transition to net zero and provides a bridge between the international net zero commitment and implementation on the ground in the United Kingdom. www.bankersfornetzero.co.uk

About CDP

CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 740 financial institutions with over \$130 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests. Nearly 20,000 organizations around the world disclosed data through CDP in 2022, including more than 18,700 companies worth half of global market capitalization, and over 1,100 cities, states and regions. www.cdp.net

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