



**B4NZ**

Commitments Into Action  
Impact Report 2024

## Reflections from Heather Buchanan

To unlock significant net zero capital flows to the real economy, we must turbocharge radical collaboration. Over the past 4 years, B4NZ and our members have been relentless in our pursuit of pragmatic, evidence-based and robust solutions that spearhead pre-competitive collaboration across sectors and accelerate the transition to a net-zero and nature-positive economy.

Since the first conversation that sparked the idea of B4NZ in 2019, the core mission has always been the same: we need a coordinated effort across sectors, that goes beyond the 'business as usual' approach to policy development and collaboration, to allow the UK to meet its climate targets but also leads the way in sustainable development, green finance, and securing a resilient and prosperous future for all. From COP26, the transformation that B4NZ has undergone has been unprecedented:

- We've grown our organisation to a small but mighty team of seven dedicated, passionate and committed individuals who have strengthened our proposition and accelerated our visibility, reach and impact across the market.
- We've built deep and practiced relationships across UK Government, and have worked collaboratively with policymakers, Parliamentarians and various Government groups to maintain political ambition for sustainable finance solutions and net zero.
- We've engaged with industry executives and at the coalface of global climate events, including our partnership with UK Government at COP28 in Dubai and showcasing our work at COP27 in Sharm El Sheikh and Davos.

Despite a number of years of economic and political instability, our now powerful coalition has grown rapidly and has remained dedicated to establishing crossparty support for net zero across Government. The transition to net zero does not mean substituting a sustainable future for a profitable one. As the breadth of our partnerships has shown, B4NZ, alongside academia, trade bodies, industry leaders, Government and our civil society partners have proved successful in collaborating,

challenging each other, and identifying the most impactful policy interventions to support a just and resilient climate transition.

However, we must not be complacent. As an institution, we will continue to build partnerships with expert, evidence-based organisations, including from business, academia and civil society, as well as with parliamentary colleagues from across the world. This way, we can ensure that all voices are accounted for at the decision-making table, to help shape the important decisions that policymakers and industry leaders will make, rooted in the most ambitious climate science.

The breadth of our work has expanded, but our priorities remain laser-focused. We work within a UK policy and regulatory environment, looking at not only national implementation of global net zero commitments but also promoting the international influence and impact of the UK as a global financial centre.

There is a long road ahead but I am confident that the commitment and ambition of the B4NZ ecosystem will get us there. I must share a heartfelt thank you to our banking and corporate members who have earnestly rolled their sleeves up to work with us and have remained steadfast in their commitment to delivering trillions in sustainable finance. It is through pre-competitive partnerships like this that we will be able to transform the way that institutions collaborate, and deliver the large-scale, transformative investments required to accelerate net-zero delivery and unlock green growth in the UK.

A handwritten signature in white ink that reads "Heather Buchanan". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

— Heather Buchanan, Chief Executive Officer and co-founder, B4NZ

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## 2026 Strategic Vision for Impact



# FINANCE DELIVERING NET ZERO

Achieving net-zero emissions by mid-century is a global imperative and a monumental challenge that demands the coordinated efforts of all sectors of society. While government policies and international agreements provide the framework for climate action, the scale and speed required to reach net zero will be unattainable without substantial involvement and financing from the private sector. Private financial institutions—including banks, asset managers, insurers, and investors—will be critical to driving the transition to a low-carbon economy through allocating capital, managing climate-related risks, and integrating environmental, social, and governance criteria into investment decisions.

The global financial sector controls trillions in assets, which, when mobilised effectively, can accelerate the decarbonisation of key industries, foster innovation in clean technologies, and fund the development of sustainable infrastructure. By directing capital towards renewable energy, energy efficiency, and other low-carbon solutions, private finance will play a pivotal role in reducing greenhouse gas emissions across the global economy and can influence corporate behavior by prioritising

investments in companies that demonstrate strong commitments to sustainability.

Collaboration between private finance and government is not just useful; it is essential for addressing the complex and interrelated challenges posed by climate change and the net zero transition. Together, they can create a virtuous cycle where public policies drive private investment, and private finance accelerates the implementation of government climate strategies. This partnership is key to unlocking the trillions of dollars needed to fund the transition to a net-zero economy and to ensuring that the benefits of this transition are widely shared, particularly in developing countries that are most vulnerable to the impacts of climate change.

In this collaborative framework, the strengths of both sectors are harnessed to deliver outcomes that neither could achieve alone. As the world moves towards the critical deadlines set by the Paris Agreement, integrating private finance and government efforts will be pivotal in shaping a sustainable, resilient, and inclusive global economy capable of meeting the challenges of climate change.

# COP26



## **COP26 & B4NZ**

COP26, held in Glasgow, UK, from October 31 to November 13, 2021, was a critical juncture in the global fight against climate change. As the first significant climate summit since the Paris Agreement, COP26 aimed to strengthen international commitments and spur concrete actions to limit global warming to 1.5°C above pre-industrial levels.

To support this effort, B4NZ was established as a working group in 2020 to develop ambitious but achievable policy recommendations against key real economy sectors.



## Our core mission?

National policy focus with international impact: Understanding how private capital can best support our ability to deliver on net zero goals and understanding what is needed from UK policy and regulation in order to ensure a rapid and just transition to a resilient and environmentally sustainable economy.





*“This initiative is an important step in helping banks deliver on their commitments under the UN Principles for Responsible Banking. Bold leadership and a collaborative approach will be required in the coming years as we grapple with the transition to net zero. We look forward to working with the B4NZ team, including through the PRB Collective Commitment to Climate Action, as the UK forges a path to deliver, on the ground, real change that enables the most effective transition to a net zero economy.”*

- Eric Usher, Head of UNEP FI

By the time COP26 arrived, the B4NZ initiative already had leading UK financial services firms signed up and engaged in the work programme, including Santander UK, HSBC UK, Handelsbanken, Triodos Bank, Allica Bank and more.

In April 2021, to coincide with the launch of the Glasgow Financial Alliance for Net Zero (GFANZ) and the Net Zero Banking Alliance (NZBA), B4NZ was announced by the United Nations Environment Programme Finance Initiative (UNEP FI) as the first and only, country chapter of the NZBA in the world. Today, B4NZ remains a supporting institution of NZBA and NZBA is an observer to our programme. Through this partnership, we work with NZBA members, as well as non-NZBA members, to turn net zero commitments into action on the ground by translating global business climate commitments into an enabling UK policy and regulatory framework. Through this, we clear potential roadblocks to net zero for industry in the UK and enable cross-sector collaboration that delivers results

Through this work with international NGOs and the UNEPFI, B4NZ was brought into the UN Race to Zero Campaign as an Accelerator partner, one of only 30 organisations in the world who support the campaign by aligning with Race to Zero’s criteria, accelerating membership; sharing knowledge, hosting events; engaging with the Race to Zero team and enhancing diversity across regions and sectors.



*“B4NZ has played a unique role as one of our 30 Accelerators by drawing key connections between policymakers and financial institutions. Its incredibly important that non-state actors, businesses and financial institutions have the right policy and regulatory incentives to transition in a streamlined way, and Bankers for Net Zero is having those conversations on a day-to-day basis to incentivise those key institutions in the race to zero to go further, faster”*

-Tessa Vincent, Policy and Engagement Lead,  
Race to Zero Campaign

## B4NZ Today

Since 2021, when B4NZ first took to the global stage, our one-off initiative has grown exponentially to include over 30 current and onboarding members from across the financial and professional services ecosystem and employing seven staff members.

We are an independent nonprofit operating at the nexus of industry commitments, policy development, regulation, business and civil society. Our work is guided by the “north star” goal of accelerating the UK’s path to net zero – moving the date forward from 2050. This allows us to focus on the transformative solutions we need rather than incremental steps.

We operate in the UK at a practical market level, understanding the infrastructure and architecture requirements, as well as the policy enablers to enhance capital flows linked to green growth & development. We are uniquely placed in our ability to bring this together through our UK government connections & parliamentary profile, as well as through engagement with our global partners.

Our focus is strategic policy alignment. By creating clarity on which areas of the net zero transition require policies which can optimise the contribution banks can make to the real economy, we enable both policymakers and banks to play their part in accelerating the transition to net zero. The process paves the way for strategic policy alignment amongst all stakeholders and gives banks an anchor to act with maximum impact and purpose in the journey to net zero.

The journey to a just and resilient climate economy demands urgency. We recognise the need for innovative solutions to be deployed at pace and scale, with the government interventions necessary to support capital mobilisation and investment. B4NZ works across sectors to deliver these implementable solutions – market infrastructure, financial products and incentives, structural changes – combined with the policy levers needed to drive education, upskilling and green growth.

## Our Rebrand

After serious consideration and discussion with partners across industry, civil society and Government, in July 2024, we began a rebranding transition from ‘Bankers for Net Zero’ to simply ‘B4NZ’. This rebrand was taken to help us better capture the cross-sectoral and diverse nature of our growing membership base. Growing our membership base has enabled us to better support our core mission: to advocate for an enabling policy environment to accelerate sustainable finance flow; and to support the UK financial services sector to unlock significant levels of private capital to support a just and resilient transition to a low carbon economy.



## Amplifying Civil Society Voices

Through this journey, B4NZ has ensured that our membership represents a powerful and diverse coalition that engages with stakeholders from across the political and social spectrum in a credible and impactful way. Achieving net-zero emissions in line with the most ambitious climate science is a complex and urgent challenge that requires the active engagement of all sectors of society. Among these, civil society groups in the UK and globally — including non-governmental organisations (NGOs), think tanks, academia, and grassroots movements—play a crucial role in shaping the climate debate, holding policymakers and industry leaders accountable, and driving the push for more ambitious climate action. For B4NZ, ensuring that these voices are heard is

essential for us to craft policies and strategies that are not only effective but also equitable and inclusive.

The collaboration fostered between civil society, policymakers, and industry leaders through our B4NZ programme is essential for creating comprehensive and effective climate solutions. To date, we have and continue to partner with leading UK civil society groups, including E3G, the Green Finance Institute, WWF and the Aldersgate Group, to deliver an inclusive approach that fosters a sustainable, resilient, and equitable path to net zero in the UK; one that leaves no one behind and fully aligns with the most ambitious climate science.



# Member Logos & Stats

## 26

financial institutions and private businesses are members of B4NZ, spanning retail banks, building societies, fintech and challenger banks, tech and data providers and more.

## 1/3

More than 1/3 of B4NZ members are non-financial institutions.

## 83%

of B4NZ finance members have made public facing, net zero or science aligned climate targets across the full breadth of their operations and financing.

## 60

B4NZ members operate in over 60 countries around the world.



Clear.Bank





KAMMA

**Oxbury**   
The Agricultural Bank

**Paragon**  
+IMPACT



paragon 

**Banc** 

Handelsbanken

Sage

Opna<sup>TM</sup>

 **Allica Bank**

**tred**

 **Gamma Risk**  
FRICTIONLESS INSIGHT

 **Ecology**  
Building Society

 **Perenna**

**tide** <sup>®</sup>

 **NatWest**

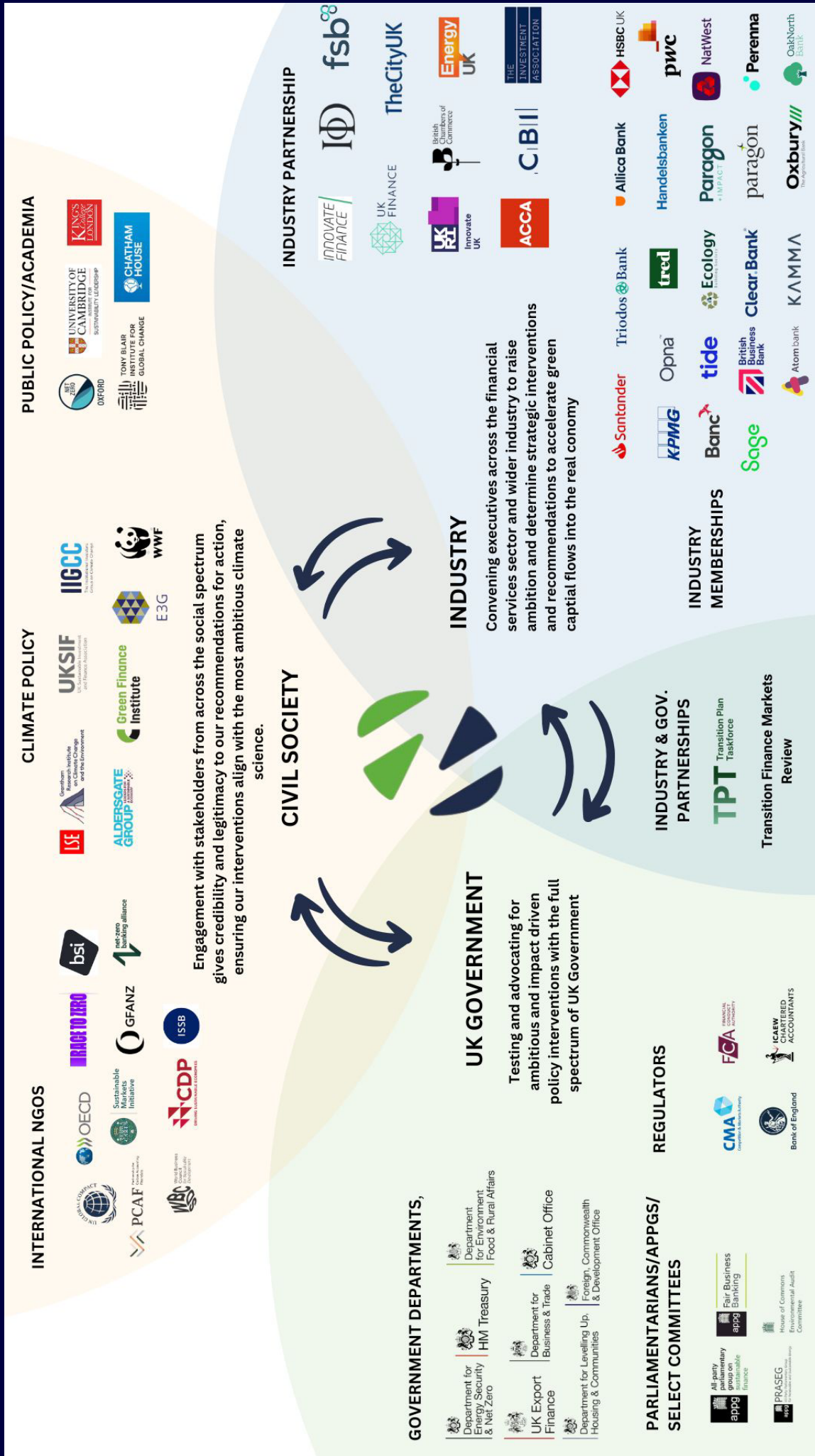
 **climeworks**

**ID**

 **HSBC UK**

 **Santander**





— This is a B4NZ only perspective that reflects a strong selection of the partnerships and relationships across our ecosystem



## Results: B4NZ Membership Survey

Our inaugural membership survey revealed three primary motivations for joining B4NZ, reflecting our role as a growing force in the sustainable finance landscape:

**Demonstrating Commitment to Tackling Sustainability Issues.** Many members joined B4NZ to publicly affirm their dedication to addressing climate change and other sustainability challenges. By associating with B4NZ, these organisations signal their commitment to stakeholders, investors, and the broader public.

**Sharing Policy and Legislative Action on Sustainability Issues.** Many members value B4NZ for our efforts in sharing and shaping policy and legislative frameworks related to sustainability. Members stay informed and influential in the evolving regulatory landscape through our advocacy and policy engagement initiatives.

**Joining a Pre-Competitive Coalition on Sustainability Issues.** B4NZ's unique approach, fostering collaboration on common sustainability challenges without the constraints of market competition, is a key draw for many organisations. This collective strategy promotes innovation and shared learning, propelling the entire industry forward.





## How B4NZ Supports Our Members

Our survey also explored how B4NZ's support is perceived by our members, highlighting the diverse ways in which we contribute to their sustainability efforts and carbon reduction strategies:

**Deeper Policy Engagement and Advocacy.** Members appreciate our active role in policy engagement and advocacy. By representing their interests in policy discussions and legislative processes, B4NZ ensures that their voices are heard and their sustainability goals are supported by conducive regulatory environments.

**Sector-Specific Work Programmes and Insights.** Our targeted work programmes and sector-specific insights are highly valued. These initiatives provide members with actionable intelligence and tailored strategies, helping them navigate the complexities of sustainability within their specific industries.

**Industry Networking and Events.** Networking opportunities and events organised by B4NZ are crucial for building connections and fostering collaboration. These events facilitate knowledge exchange and partnership building, enabling members to tackle sustainability challenges collectively.





## Raising Political Momentum on Sustainable Finance

The UK Government is well-positioned to encourage private financial institutions to set credible targets and to take practical steps towards their ambitions for decarbonisation. As part of broader government action, parliamentarians can help to create an enabling environment to encourage commitment to net zero targets, support the implementation of those targets, and establish tools to help determine the credibility of commitments.

They can promote this enabling environment by engaging with the private sector and civil society to identify barriers to setting net zero targets, providing expertise and funding to build capacity, and coordinating with other government agencies to provide regulatory clarity and develop disclosure requirements. With the correct policies, regulations and incentives, the government can minimise public spending and maximise private sector buy-in to accelerate net zero investment and set the legal and regulatory framework for sustainable finance.

## Our Advocacy Approach

Policy engagement and advocacy sit at the heart of the B4NZ programme. We work collaboratively, across the political spectrum, with Parliamentarians of all parties to define and implement the necessary solutions to enable the private sector to mobilise finance to support a just and resilient climate economy in the UK.

Across all B4NZ programmes, our key focus is strategic policy alignment: Identify areas that require the most attention if the UK is to meet its 2030/2035 targets, to create a shared understanding of where current policies are inadequate to deliver on future UK carbon budgets and where financial institutions can play a role in closing the gap.

Our work focuses on generating traction around sectoral policy and regulatory proposals and building cross-party support from Parliamentarians in both houses. To do this, we drive practical collaboration between stakeholders to identify tangible political activities and opportunities through hosting policy roundtables, debates in the House of Commons, written and oral parliamentary questions, and engaging with the full spectrum of government, including APPGs and Select Committees.

*"I'm delighted to be the parliamentary champion for Bankers for Net Zero. Their impact and subsequent growth in such a short time is a testament to their work is importance to the development of policy, the finance world and the broader net zero transition. I'm honoured to be Bankers for Net Zero's voice in Parliament."*

- Lord McNicol of West Kilbride, B4NZ  
Parliamentary Champion

*"Bankers for Net Zero do a fundamentally crucial job in terms of connecting policymakers with the finance sector. I have learned so much through engaging with professionals at Bankers for Net Zero events whether in Parliament or at COP. If they didn't exist we would have to invent them!"*

- Alex Sobel MP, B4NZ Parliamentary  
Champion

*"I am delighted to join B4NZ's ecosystem as a Parliamentary Champion to to collaborate on our shared aims of financing nature recovery. As we face the twin challenges of climate change and biodiversity loss, it is vital that our financial systems play a leading role in driving investment towards nature-based solutions. I look forward to working with B4NZ to ensure the natural environment is at the heart of our economic recovery, creating a sustainable future for generations to come."*

- Lord Zac Goldsmith, B4NZ Parliamentary  
Champion

### Case Study 1:

## **Mobilising Green Investment - 2023 Green Finance Strategy**

In 2022, B4NZ convened several working group sessions with leading financial institutions and the Department for Energy Security and Net Zero to deep dive into decarbonisation roadmaps for critical areas of the UK's transition to net zero, including workshops on supporting SMEs and supply chains and retrofitting the built environment. After extensive engagement with civil servants, ministers and parliamentarians, Perseus, our joint programme with Icebreaker One to create scalable and low-friction sustainability reporting for SMEs, was highlighted in the Government's 2023 Green Finance Strategy. The programme was showcased as a crucial element of the decarbonisation architecture required to ensure that the UK reaches its emissions reduction targets in a way that leverages private sector investment into the UK's net zero transition and boosts growth.

### Case Study 2:

## **Net Zero Council**

In May 2024, B4NZ was invited by the then Minister for Energy Security and Net Zero, Graham Stuart, to support the delivery of the SME workstream for the Net Zero Council within DESNZ. B4NZ has since worked with policymakers, the Federation of Small Businesses and the Green Finance Institute (among others) to identify the critical challenges faced by SMEs up and down the country, as well as supporting their transition with concrete policy solutions to support access to green finance in different real economy sectors. As part of this programme, in partnership with the Federation of Small Businesses, B4NZ hosted finance and transport industry executives at a workshop to explore how to accelerate the UK's transition to electric commercial vehicles and improve the financial incentives available for SMEs to make the switch to zero emissions vans and HGVs.

### Case Study 3:

## **MP Briefings Sessions and Drop-Ins**

B4NZ hosts regular drop-in sessions with MPs and Parliamentarians to bring to life the impact of climate transition on different businesses and sectors within local constituencies. By engaging MPs in dialogue around supporting their farming constituents in transitioning their business to a more regenerative practice or how they can help local businesses to take climate action at a firm level, we can shape the opinions and decisions of policymakers, bringing our members' priorities to the forefront of public and political discourse. Our collaborations with APPGs and Select Committees further create a strategic platform for influencing policy and facilitating informed decision-making.





Department for  
Energy Security  
& Net Zero

**Rt Hon Graham Stuart MP**  
Minister of State for Energy Security and Net  
Zero

**Department for Energy Security & Net  
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Director & Co-founder  
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[www.gov.uk](http://www.gov.uk)

Our ref: MCB2023/09495  
Your ref: DJ54839

25 May 2023

Dear Heather,

Thank you for your letter of 3 March, addressed to the Secretary of State, regarding your work on Project Perseus. I am responding as this matter falls under my Ministerial portfolio. I apologise for the delayed response.

I would like to congratulate you and the Bankers for Net Zero team for developing a solution to a highly complex and important issue. The Government recognised the significance of UK small and medium-sized enterprises (SMEs) in the Mobilising Green Investment: 2023 Green Finance Strategy, and appreciates the importance of both supporting SMEs to decarbonise and reducing disproportionate reporting burdens.

Project Perseus epitomises the kind of net zero leadership we want to see from the business and finance community. I feel it will be a valuable contribution to the UK's transition, and would like to offer my full support. In the recent inaugural Net Zero Council meeting we committed to establishing a cross-cutting working group to champion SMEs across the financing and business sector roadmap delivery groups. Martin McTague of the Federation of Small Businesses agreed to lead this working group, and my office is happy to connect you to the group to ensure that Project Perseus is represented.

Additionally, please find attached my letter to CEOs on behalf of the project. I hope this helps convey the opportunity net zero presents for recipients to become leaders in delivering net zero. My office will liaise with you to ensure the letter is sent without delay.

In the meantime, please do not hesitate to communicate other ways the Government can help to accelerate or amplify Project Perseus.

Yours ever,

**Rt Hon Graham Stuart MP**  
Minister of State for Energy Security and Net Zero

A personal letter from the then Minister for Green Finance, Graham Stuart MP, to B4NZ CEO, Heather Buchanan.

# Designing, Testing and Scaling Ambitious Real Economy Solutions

Governments and real-economy companies worldwide have committed to achieving net zero to limit global warming to 1.5 degrees. To deliver on these commitments and drastically reduce GHG emissions, real-economy firms and sectors — supported by clear policy signals from the government and the provision of robust transition finance and related services from the financial industry — will have to decarbonize their business activities and scale climate solutions to replace high-GHG-emitting assets, products, and services.

There is growing recognition that financial institutions play a critical role in enabling the real economy in its decarbonisation efforts, supporting a wide range of real-economy actors to deliver everything from innovative climate solutions to addressing high-emitting activities through to the orderly phaseout of high-emitting assets.

Private finance plays a key role by providing capital and support necessary for the transition at scale and pace to the real-economy companies that need it most. The most significant emissions reduction will be achieved by directing financing — rather than divesting from — high-emitting sectors, entities, and assets that need the funding to transition. Financial institutions can leverage the resources, innovation and knowledge they have developed to support sectors, customers, and clients towards a transition that avoids the worst impacts of climate change, minimizes firm-specific transition risks, and is just and orderly across countries and communities.







## B4NZ Work Programmes

Our market-leading work programmes centre around a core process of deep exploration and stakeholder engagement to research, test and scale-aligned and ambitious climate policy recommendations from industry and civil society. Through this process, we engage the full spectrum of our coalition to tackle the thorny issues facing financial institutions, by testing and scaling innovative policies that deliver practical sustainable finance outcomes for high emitting sectors, businesses and communities.

To date, B4NZ has designed programmes and is working across three real economy sectors, SMEs, Agriculture & Built Environment, for participating members to engage.

## **Mobilising SMEs for Climate Action**

Small and Medium-Sized Enterprises (SMEs) face significant obstacles to tackling net zero at a firm level and reporting their emissions within their business practice. This is compounded by two key issues:

1. There is no standard framework or practice for SMEs to report their sustainability impacts to customers.
2. Reporting emissions is often a burdensome, manual, and complex task that distracts SMEs from getting on with the task.

To date, B4NZ's SME work programmes have, and continue to, tackle these critical issues through streamlining and standardising the transition process (SME Advisory Group for the TPT & the SME Sustainability Data Taskforce) and delivering frictionless, automated emissions reporting (Project Perseus).



## Case Study:

# Project Perseus

In a collaborative effort with Icebreaker One, B4NZ is developing Perseus, a pioneering initiative to automate emissions reporting for small and medium-sized enterprises (SMEs) across the UK. Perseus aspires to create a scalable, low-effort, low-friction environment for emissions reporting, facilitating data flow from energy companies to financial institutions with customer permission. This approach aims to enhance data quality and improve all stakeholders' outcomes.

Perseus offers a unique whole-of-market approach to sustainability reporting, aligning closely with the UK's Smart Data strategy. Market participants, including banks, carbon accounting applications, and SMEs, co-designed it, ensuring broad utility and oversight from non-commercial bodies. By establishing rules and processes for automated reporting, Perseus eases the implementation of reporting standards.

The initiative builds trust with SMEs by providing a standard, collaboratively developed process. It enhances data access for end users, like banks, and quality by streamlining processes and improves compliance with

Partnership for Carbon Accounting Financials (PCAF) standards. Additionally, it simplifies legal compliance for customer data access, enhances common benchmarking, ensures data can be assured and auditable, reduces green lending risk, and improves monitoring and verification. Furthermore, Perseus mitigates reputational risks associated with greenwashing, enables personalised Net Zero recommendations for SMEs, and allows banks to match these recommendations with financial products to drive capital deployment towards the transition.

Perseus aims to automate emissions reporting in a transparent manner, with the right legal constructs in place. Initially, it will focus on electricity data for small and medium sized businesses. Future expansions can include other categories, such as gas and water, driven by market needs and priorities.

Technically, Perseus integrates various metering setups, in collaboration with SmartDCC and other members. Perseus avoids the need for a central database, similar to the Open Banking Standard.

### The impact of Perseus extends to multiple stakeholders:

- **For lenders**, access to assured data reduces risks and supports green financing decisions, potentially amounting to hundreds of billions of pounds.
- **For the government**, it opens opportunities for tax incentives to support sustainability efforts, and supports efforts to help SMEs decarbonise.
- **For those implementing solutions**, it promises significant improvements in efficiency, cost reductions, and faster analysis.
- **For carbon reporting solutions**, it enhances capability with high-resolution energy consumption data.
- **For SMEs**, Perseus unlocks access to capital for sustainability initiatives, improves data quality and reliability, enhances their reputation through a demonstrated commitment to sustainability and identifies cost savings from energy efficiency measures.



**In November 2024, the Perseus pilot programme went live - meaning that the first SMEs will begin using the first, pilot version of Perseus, and the first banks will receive assurable emissions data to help them make lending decisions.**

This pilot will operate from Nov 2024 to Jun 2025. It will use half-hourly consumption, consumption tariff and exported electrical energy data from real SMEs, collected and processed with the correct real-world emissions factors to produce assurable monthly emissions reports. The pilot forms part of an iterative process, helping us develop and improve the way Perseus works for SMEs, energy data providers, accounting platforms, and banks to remove cost and friction from the process and to improve accuracy and assurability.

## Case Study:

# SME Advisory Group for the Transition Plan Taskforce

The SME Advisory Group for the Transition Plan Taskforce, chaired by B4NZ, was set up in July 2023 to consider proportionate sustainability reporting and transition planning activities for SMEs. The working group brought together over 85 leaders across finance, industry, UK Government, regulators, trade associations and SMEs for a series of working sessions and interviews over Autumn 2023.

From this engagement, B4NZ developed a set of guiding principles that ensure that future transition guidance is developed with SMEs at the forefront to accelerate progress towards net zero in the real economy, considering a

proportionate minimum reporting baseline to allow low-effort, low-friction sustainability reporting. Recommendations were fed into our paper 'Considerations on SMEs and Transition Plans', published as part of the TPT's final transition plan resources to help businesses unlock transition finance and manage climate-related transition risk.

## Case Study:

# Transition Finance Markets Review

In October 2024, The Transition Finance Markets Review has launched its final review. The report, co-sponsored by HM Treasury and Department for Energy Security and Net Zero, provides a growth framework for transition finance – financial products and services that facilitate an economy-wide transition to net zero.

The Review emphasises the need for ambitious real economy decarbonisation policy, bolstered by ambitious, robust sector pathways that unlock private finance by creating the right policies, pathways and signals for investment through collaboration between government, investors, business and civil society.

B4NZ partnered with the TFMR to amplify the essential and unique role that SMEs will play as agile, innovative champions of our low carbon future. We were delighted to see the Review call for a “convergent, ambitious and forward looking strategy for addressing issues related to SME data provision” and feature our flagship programme Perseus as a case study of the critical decarbonisation architecture needed to support SMEs on their journey to net zero.



## Case Study:

# SME Sustainability Data Taskforce

To tackle the market challenges of SMEs facing fragmented and disproportionate disclosure requests from customers, B4NZ has convened a Data Taskforce, bringing together leaders from across financial services (including Natwest, Allica Bank), SME member bodies (including the Institute of Directors, Federation of Small Businesses and the British Chambers of Commerce), and industry (including Sage and Experian) to align and create consensus on an SME first, bottom-up approach to SME data sharing and disclosure.

The Taskforce is closely observed by the Department for Energy Security and Net Zero, international standard setters and NGOs such as the OECD, UNEFI and the High-Level Climate Champions network.

The Taskforce is working to set accessible, proportionate guidelines and principles that enable SMEs to share sustainability data in a streamlined, frictionless way between customers and banking partners. The project will also work to support SMEs in improving the data quality of their submissions by creating a clear data quality scale that promotes the move towards trustworthy, verifiable data.

This will provide SMEs with a vital route to access more sustainable finance, new incentives for green growth and business development, and enable them to make targeted decarbonisation interventions to seize the opportunities presented by the transition to a low-carbon economy.

This is an aligned 'sister' programme to Project Perseus, providing the framework for decision grade, 'Perseus-enabled' data to be adopted at scale. To date, the Taskforce has established:

- A draft baseline standard which prioritises mandatory reporting for Scope 1 and Scope 2 emissions, offering SMEs a manageable entry point to sustainability data. For Scope 3 emissions, an optional, phased approach has been established.
- A 4-level data quality framework that balances accessibility and reliability. This system helps to educate SMEs about good quality submissions, allowing them to start where they can and improve over time.



— SME Sustainability Data Taskforce members at a breakfast roundtable at COP29 in Baku.

# ACCELERATING THE TRANSITION TO NET ZERO AGRICULTURE

Agriculture is responsible for 11% of total greenhouse gas (GHG) emissions in the UK despite only representing 0.5% of GDP. Concerningly, emissions from agriculture and land use have remained relatively stable since 2008, inconsistent with the UK Government's Net Zero target. Accelerating the transition to low-emissions and nature-positive farming is essential if the UK is to meet its long-term climate and nature goals.

## Case Study:

### **B4NZ Agricultural Working Group**

The B4NZ Agriculture working group was established in December 2022 to develop recommendations for accelerating UK agriculture's transition to net zero. The working group includes participants from the following banks and stakeholder organisations: Atom Bank,

Gentle Farming, Handelsbanken, HSBC UK, Linking Environment And Farming (LEAF), the National Farmers' Union (NFU), the Nature-Friendly Farming Network (NFFN), Oxbury Bank Plc, Paragon Banking Group, Re:Pattern, the Soil Association and Triodos Bank UK.

**In 2023, the B4NZ Working Group published our recommendations in our Fertile Ground report. Our recommendations include:**

- Incentivise peer-to-peer learning and knowledge exchange with government grants to support national climate and nature goals.
- Create a pre-competitive forum for banks, farmers and key players in the food value chain to come together and align on GHG measurement, reporting, and standards.
- Use public sector food procurement standards to create demand for low-emission Farming in food supply chains.
- Set out a clear plan and timeline for phasing down the use of fossil fuel-based agrichemicals.
- Clarify how public finance will attract and complement private finance to support farmers in decarbonising their operations.

# UNLEASHING A RETROFIT REVOLUTION

Greening the built environment is one of the UK's most significant economic, social, and environmental opportunities over the next three decades. It will create jobs, stimulate economic growth, reduce fuel poverty, and improve health and wellbeing, not to mention helping to eliminate the 40% of UK greenhouse gas emissions produced by the built environment sector. In contrast to industries such as power, the built environment has seen a stasis of progress in emissions reductions in recent years.

As previous B4NZ research has highlighted, this is essentially the result of a delivery gap where the policy drivers to effect change in this space must be improved in practice. Over the past three years, the B4NZ Retrofit programme has worked to develop robust policies that drive greater public-private collaboration and unlock private finance that supports household retrofitting.

## Case Study: EPC Policy Campaign

Energy Performance Certificates (EPCs) are crucial in retrofitting the UK's buildings. EPCs enable stakeholders to assess the performance of building stock and have the potential to be effective engagement and decision-making devices. However, many organisations have highlighted issues with EPCs and made recommendations for reform.

B4NZ, in collaboration with industry partners and the National Retrofit Hub, is working with financial institutions and other sector leaders to gather and enhance feedback on existing EPC reforms. The programme aims to explore innovative technologies and solutions to improve energy performance in buildings and examine how EPC ratings can be fit for delivering on the UK's Net Zero targets, aiming to align reform recommendations across the financial and retrofit sectors.

In tandem, B4NZ is co-convening a finance working group for the National Retrofit Hub alongside the Green Finance Institute.

The group works to define and implement solutions to retrofit financing processes across the domestic property market. It brings together lenders, local authorities, delivery partners and the broader ecosystem to begin exploring the barriers and enablers for financing retrofit at scale and identify collaboration opportunities to drive positive change.



# **Maintaining International Accountability**



Whilst the core of our policy and regulatory practice is focused within a UK jurisdictional framework, the scale of our impact and insights are inherently global. As our policy and regulatory proposals gain traction in the UK, our mission goes beyond research. We actively engage with international policymakers, financial institutions, and industry leaders to promote innovation and knowledge exchange and advocate for policies supporting green finance development in different jurisdictions.

### **Our Approach is Multifaceted:**

- We have collaborated with international partners to develop common standards, frameworks, and protocols for emissions reporting that can be adopted globally.
- We collaborate extensively with international NGOs, including the Race to Zero Campaign and GFANZ, and engage in capacity-building initiatives to enhance global expertise in sustainable finance policy.
- We have facilitated numerous peer-to-peer learning and capacity-building opportunities for political leaders involved in sustainable finance development across different jurisdictions, including through webinars, training sessions, and knowledge exchange programs

## Case Study:

# International Green Finance Policy Workshops with FCDO

In 2023, B4NZ, in collaboration with the Foreign, Commonwealth and Development Office, hosted local industry executives and senior officials from the Bolivian Government for a dialogue session to share our learnings from engaging stakeholders across the social and political spectrum to accelerate green finance deployment within Bolivia and their Latin American partners. We heard the sustainability barriers and opportunities faced by Bolivian policymakers, and we explored the differences between the UK and Bolivian banking systems regarding the accounting of financed emissions and setting emissions targets. B4NZ banking members presented throughout the session to demonstrate how the Bolivian Government could promote their green finance agenda through a more sustainable capital market and by supporting public institutions' green, social, and sustainable bond issuance.

B4NZ also had a similar session with the FCDO and Peruvian Government officials and industry executives in April 2024 to strengthen Peru-UK collaboration on green finance and deliver a framework for a green recovery, post-pandemic, through innovative sustainable finance mechanisms.

## Case Study:

# Knowledge Partnership with OECD – Financing SMEs for Sustainability

In 2023, B4NZ announced a new strategic knowledge partnership with the Organisation for Economic Cooperation and Development (OECD) to accelerate SMEs' and financial institutions' green transition and ensure small businesses are not left behind in the journey to net zero. The OECD Platform on Financing SMEs for Sustainability, launched in November 2021, provides a forum to advance knowledge sharing, data and analytical work, and policy dialogue on sustainable finance for SMEs.

Our partnership ensures collaboration and knowledge-sharing between B4NZ and the OECD Platform on Financing SMEs for Sustainability. It enables the OECD Platform Secretariat and members to learn from and engage with B4NZ and its members and promote outreach and engagement globally. By contributing to shaping future outputs and high-level guidance for the OECD, B4NZ's cooperation will accelerate the transition to net zero for SMEs and provide a systematic approach for SMEs to engage fully in reducing their carbon emissions.

## **COP26 Through To COP30**

The Conference of the Parties (COP) plays a pivotal role in uniting countries worldwide to reach a consensus on climate action. The COP process facilitates the negotiation and adoption of international agreements like the Paris Agreement (2015), which saw nearly every country commit to limiting global warming to below two °C above pre-industrial levels. By fostering global cooperation, COP has enabled a unified approach to addressing climate change, ensuring that all nations, regardless of economic status, have a voice in climate governance.





## COP26

At COP26 in Glasgow, B4NZ was launched as a small, one-off project with five banking members collaborating with the UK Government and UNEPFI. Through our Memorandum of Understanding with UNEPFI, B4NZ was established to accelerate local implementation of NZBA frameworks and principals by providing granular support in applying UK regulation, policy and economic context, allowing participating financial institutions to deliver against international and local commitments and requirements.

## COP27

B4NZ took its first foray onto the global stage, invited by the Egyptian Presidency to showcase our work in the Green Zone. Livestreamed from our thought leadership and networking hub, Sharm-El-Sheikh, B4NZ co-curated a stimulating schedule of panel events and fireside discussions at COP27, featuring high-profile speakers from international financial institutions, civil society leaders and senior Government officials, including then Secretary of State for Business, Energy & Industrial Strategy, Grant Shapps MP.





## COP28

Our deep and practised relationship with the UK Government is showcased globally, as B4NZ was announced as the first partner to sponsor the UK Pavilion at COP28 in Dubai. This provided an unparalleled opportunity to demonstrate our impact and Project Perseus on a global stage and contribute to the dialogue and actions that will shape our future and the path to net zero. Through bilaterals with industry leaders and international policymakers in the Blue Zone to insightful networking and collaborative roundtable discussions in the downtown Financial District, the B4NZ team worked tirelessly for ten days in Dubai to champion the cross-sector collaboration needed to unlock the systems change in our financial ecosystem necessary for a just transition to net zero.

## COP16

Our focus in COP16 in Cali, Colombia was clear: we were there to kickstart our nature finance workstream, build robust partnerships, and gather essential insights to shape policy priorities that support a nature-positive future. The team participated in productive discussions with the UK Parliament delegation on the global leadership potential for nature finance, exploring both risks and opportunities for the UK to lead on nature-positive initiatives. We also hosted a parliamentary briefing, where industry members were able to showcase their work directly to policymakers, specifically cross-party MPs from the Environmental Audit Committee and the APPG on Sustainable Finance.





## COP29

This year, B4NZ joined global delegates in Baku to champion a just, resilient and sustainable future made possible by finance. There was a thoughtful atmosphere on the ground: delegates pondering to what extent recent political developments would impact the Paris process and the real-life business of delivering emissions reductions.

However, through our meetings and discussions, it quickly became clear that much of business and finance are deeply serious about driving forward the transition to a low-carbon economy.

A highlight of our week was a breakfast roundtable hosted by B4NZ and SME Data Taskforce members, where we convened

financiers, policymakers, SMEs and tech leaders to explore the critical role of SMEs in achieving our net zero goals. This event, kindly supported by EY and the British Business Bank, reinforced our commitment to supporting SMEs with better data solutions, educational resources, and aligned financial incentives.

Finally, we were delighted to see our work highlighted by the COP29 High Level Champion, Nigar Arpadarai, with the inclusion of the SME Data Taskforce in her Climate-Proofing Campaign, which highlighted ambitious and innovative global solutions allowing SMEs to tackle net zero and go further, faster.





## COP30

At the upcoming COP30 summit in Brazil, B4NZ will continue to lead the way in accelerating the UK and global economy transition to net zero through our ambitious work programmes.

- We are driving support for SMEs in the transition to net zero through mobilising investment and demystifying sustainability reporting requirements for SMEs.
- We are accelerating decarbonisation of the built environment through bolder government leadership and policy at national, devolved and local levels

- Transforming food systems through incentivising investment in regenerative agriculture and protecting food security, global health and biodiversity.

In doing so, we shall continue to champion the role of banks, businesses and regulators to play their part in the transition to net zero.





# 2026 Strategic Vision for Impact

# From Humble Beginnings

Since 2022, B4NZ has made significant progress in growing the organisation beyond the lean, start-up basis of our first two years of operation. Our agile, fast-paced nature has allowed our programme to align with a rapidly changing and occasionally tumultuous political atmosphere. As awareness of our impact has spread across government and industry, we began 2024 with a growing team and greater financial security to maximise our long-term impact.

Adaptability and flexibility have been essential in our response to new policies, regulations, and political shifts within the UK, and a lean structure enables us to stay ahead in the dynamic world of sustainable finance, where rapid innovation and evolving best practices require a nimble approach. Scaling our team and impact has enabled B4NZ to experiment, innovate, and implement changes swiftly, ensuring we remain at the forefront of sustainable finance solutions and can deliver impactful outcomes efficiently for industry and government.

## Funding

B4NZ is an independent, not-for-profit membership organisation that engages the full spectrum of government, industry and civil society in our offering. The full breadth of B4NZ operations has come solely from membership fees, paid annually by banking and corporate members participating in our work programmes, events and communications.

However, to ensure diversity within our ecosystem and maintain a clear focus on policies and principles aligned with the most relevant and ambitious climate science, B4NZ offers free memberships to leading climate think tanks, civil society organisations and academia. This ensures that diverse perspectives get a place at the table and maintains a robust level of accountability.

## Team Working

Since our inception, B4NZ staff have worked effectively in a hybrid way, combining hotdesk space in the Portcullis House with working from home. This model has been effective, enabling the recruitment of highly skilled staff who live in and around London and keeping costs to a minimum during our start-up phase. However, dedicated facetime has become more valuable as workload and complexity have grown along with the size of the team. In 2023, the B4NZ team moved into brand-new office space on the top floor of the Institute of Directors. The grand and historic environment of the IOD has proved to be a fantastic space to host meetings, roundtables, and workshops, all while being in the heart of Central London and a stone's throw from Parliament.

# Strategic Vision

Over the past four years, the B4NZ coalition has made remarkable strides in bringing diverse voices and stakeholders together to accelerate sustainable finance policies and solutions to support decarbonisation across the real economy. Through collaboration, commitment, and a clear sense of purpose, we have successfully built a diverse ecosystem that has enabled us to tackle urgent climate transition challenges.

Our coalition's success is a testament to the strength of this unified and pre-competitive approach. However, the scale of the transformation needed goes beyond individual actors. We need a whole-of-market, collaborative and pre-competitive approach from Government, industry and civil society.

To truly maximise our potential and solidify the foundations we have built, we plan to focus on scaling and amplifying our work to leverage our existing strengths while embracing new possibilities for growth. This strategic vision sets forth a bold path for the future—one that seeks to expand our reach, deepen our impact, and foster greater resilience within the B4NZ ecosystem and beyond.

## Moving forward, our strategy will centre around 4 core pillars:

1. Advocating for systemic change that transcends sectors and jurisdictions
2. Testing and scaling innovative decarbonisation policies and solutions to support the real economy
3. Growing the size and diversity of the B4NZ ecosystem to reach critical sectors and communities
4. Building on our solid internal processes and foundations to improve business resilience and scale our operations.

In support of this mission, we will build transparency and resilience in the B4NZ ecosystem and beyond by expanding our membership network and partnerships. By broadening our reach to include new partners, building the skills and resources needed to adapt to a rapidly changing sustainable finance landscape, and influencing key policy and decision-making processes, we aim to create a more inclusive, sustainable, and impactful movement.





## 1. Systems change for a sustainable future

Our work has fostered a diverse membership base of decision-makers and valuable partnerships, inspired innovative solutions, and created a platform for innovative action that has engaged our policy solutions and recommendations across previously fragmented communities, industries, and sectors. Acting as a touchpoint between industry, Government and civil society, we aim to establish B4NZ as a critical civil society actor that acts as a convening partner for industry, policymakers and civil society to amplify and catalyse sustainable finance development in the UK and globally.

We will continue to develop a comprehensive Theory of Change (ToC) for B4NZ to map out the pathway from our activities to the long-term impact we seek to achieve, ensuring that every action we take is purpose-driven and strategically aligned with our mission.

## 2. Innovation for the real economy

The size and urgency of the climate crisis mean financial commitments must now become real investments. Our sectoral work programmes have significantly impacted policymakers and industry leaders, by testing and scaling the necessary interventions to support an enabling policy environment for finance to flow towards real economy decarbonisation.

Over the next strategic year, we will continue to develop and broaden the scope of these programmes to explore innovative solutions for different sectors that require urgent decarbonisation support. By expanding our focus to include a wider range of sectors, we can engage with diverse stakeholders, allowing ambitious thinking to flourish. This will enable us to develop strategies that address each sector's unique challenges and opportunities, fostering targeted collaborations and scalable solutions with technical sector specialists and new financial innovations. This approach enhances our ability to influence sector-specific transitions and builds a more interconnected network of partners committed to shared climate goals.

### 3. Scaling for Impact

Growing the size and diversity of organisations within our ecosystem is crucial for fostering new and innovative partnerships and approaches to accelerate the transition to a net zero and nature-positive future. By bringing together a wide range of stakeholders—policymakers, industry leaders, financial institutions, and civil society organisations—we can create a dynamic and collaborative environment that leverages the unique strengths and perspectives of each group.

Over the next strategic year, we will continue developing our membership growth strategy and feedback process to foster a more dynamic, diverse, and collaborative membership base. A formalised plan will help us identify the most meaningful ways to involve members, from active participation in decision-making to co-creating initiatives that drive impact. This diversity is essential for breaking down silos, encouraging cross-sector dialogue, and co-creating solutions that are both innovative and practical. This allows us to address systemic barriers, identify scalable opportunities, and align incentives for sustainable investment and climate action

### 4. Scaling for impact Building on our foundations

Growing our team whilst retaining an agile start-up structure has allowed B4NZ to build a robust foundation for our internal structures, allowing us to manage increased demands, maintain high levels of collaboration, and deliver on our strategic objectives. Maintaining transparency and resilience within our internal operations will be critical to this objective.

To support these efforts, we are reforming our Advisory Board to develop our tripartite governance structures and provide strategic direction for our ongoing programme. Our new board, comprising leaders across several sectors and disciplines, will provide strategic guidance to ensure B4NZ's initiatives align with emerging trends and leverage the collective expertise to address critical challenges and seize new opportunities in the evolving economic landscape.

Our forward-looking strategy is not just about growth in numbers but about strengthening our foundation to amplify our collective voice, ensuring that policymakers, financial institutions, civil society and other actors within our ecosystem are equipped to navigate emerging challenges and seize innovations on the road to a net zero climate economy. Together, we will continue to build on our successes, driving forward an ambitious, inclusive, and transformative vision.







