

# Sustainable Finance

## Environmental, Social & Governance (ESG)

### Investment

# 2024

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## SUSTAINABLE DEVELOPMENT GOALS



September 2024



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**Thank you to all my friends who have contributed to this report.**

## Introduction

## Compliance Disclaimer

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## Climate change and sustainable finance - FCA



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Climate change and other environmental, social and governance (ESG) matters are increasingly central to the activities of listed companies, regulated firms and consumers. Find out more about our work on ESG.

Financial services and markets have an important role to play in the transition to a more sustainable future. The pressure is also increasing on business to be more purposeful and responsible.

We aim to make sure that our regulatory approach creates an environment in which market participants can manage the risks from moving to a more sustainable economy and capture opportunities to benefit consumers.

Our [ESG strategy](#) is based on 5 themes. These build on the priorities set out in our feedback statement [FS19/6](#).

- [Transparency](#) – promoting transparency on climate change and wider sustainability along the value chain
- [Trust](#) – building trust and integrity in ESG-labelled instruments, products and the supporting ecosystem
- [Tools](#) – working with others to enhance industry capabilities and support firms' management of climate-related and wider sustainability risks, opportunities and impacts
- [Transition](#) – supporting the role of finance in delivering a market-led transition to a more sustainable economy
- [Team](#) – developing strategies, organisational structures, resources and tools to support the integration of ESG into our activities

The Chancellor's [remit letter](#) [Link is external](#) to us in December 2022 stated that we should consider the Government's ambitions for the provision of sustainable finance when we work to advance our objectives and perform our functions as a regulator. Our strategy sets out the key actions we are taking.

To assist us with our work, the FCA's Board is advised on ESG issues by its [ESG Advisory Committee](#), made up largely of external subject-matter experts. The ESG Advisory Committee's terms of reference can be found [here](#). More information on the FCA Board can be found [here](#).

Read more about our work so far.

### Transparency

#### Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD was set up by the Financial Stability Board in 2015 to identify the market's climate-related information needs and develop a set of climate-related disclosure recommendations.

The TCFD's final report, published in June 2017, sets out [11 recommended disclosures](#) under 4 pillars:

- governance
- strategy
- risk management
- metrics and targets

In December 2020 we finalised [new disclosure rules for companies with a UK premium listing](#) and, in December 2021, we:

- extended the application of our TCFD-aligned Listing Rule for premium-listed commercial companies to a wider scope of listed issuers
- introduced TCFD-aligned disclosure requirements for asset managers and asset owners (including life insurers and FCA-regulated pension providers)

In July 2022, we published [our review](#) of the first TCFD-aligned disclosures by premium-listed commercial companies. At the end of 2022 in [Primary Market Bulletin 42](#), we reminded companies of our rules, guidance and expectations, ahead of the first mandatory disclosures by standard listed companies.

In 2022, we published our own TCFD-aligned [climate-related financial disclosures](#) for the first time, alongside our annual report.

Find out more about [climate-related reporting requirements](#) for listed companies and financial services firms.

### International reporting standards

We have been influencing international efforts towards a common international corporate reporting standard for sustainability disclosures.

To make sure we leverage existing industry capabilities, we're promoting a solution that builds on the TCFD's recommendations and other existing frameworks.

We co-chair a workstream on sustainability reporting under the International Organization of Securities Commissions' (IOSCO) Sustainable Finance Taskforce. In a [report released in June 2021](#), IOSCO set out the outcomes of this work so far. The report elaborated on IOSCO's vision for an International Sustainability Standards Board (ISSB) to sit alongside the International Accounting Standards Board under the International Financial Reporting Standards (IFRS) Foundation.

Consistent with this vision, the IFRS Foundation [launched the ISSB at the United Nations Climate Change Conference \(COP26\)](#). This is a significant development. It's the first step towards developing a global baseline corporate reporting standard on climate change and sustainability matters, integrated with financial reporting standards under the IFRS Foundation's robust governance structure.

When the ISSB was first proposed by the IFRS Foundation in 2020, we [responded to the consultation](#) supporting the initiative and also issued a supportive [joint statement](#) along with the Government and other UK financial regulators.

Jointly with other UK authorities, we are committed to adopting the ISSB's standards. The Government's [Roadmap to Sustainable Investing](#) confirmed that the ISSB's standards would form the 'backbone' of whole-of-economy Sustainability Disclosure Requirements (see '[Trust](#)'). We will work with the Financial Reporting Council (FRC) and others to establish and implement an appropriate oversight and enforcement mechanism for disclosures against the new standards.

In March 2022, the ISSB published for comment proposals for General Sustainability-related Disclosure Requirements and Climate-related Disclosure Requirements. We have submitted a [response to the ISSB's consultation](#), welcoming the proposals. Our response evaluates the proposals against a set of criteria relevant to our target outcome of high-quality climate- and sustainability-related disclosures. We confirm that the proposed standards generally meet our expectations and we consider they will help to enhance market quality and integrity.

We also co-chair IOSCO's workstream on assurance of sustainability-related corporate disclosures.

We welcome the [report published in March 2023](#)[Link is external](#), which [elaborates on IOSCO's support](#)[Link is external](#) for the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants' (IESBA) work to develop a global assurance framework by the end-2024 reporting period, without compromising quality. The report sets out considerations for the standard setters and stakeholders across the ecosystem (focusing on issuers and assurance providers) as the work progresses. This includes early engagement with the standard setters' initiatives and capacity building.

### ISSB Consultation on Agenda Priorities: FCA response

In May 2023, the ISSB issued a consultation seeking feedback on its priorities for its next two-year work plan following the publication of the first two standards (IFRS S1 and IFRS S2).

Our [response](#) recommends that the strategic direction of the ISSB's work should focus on embedding these first two standards, while also launching a comprehensive work programme to develop a suite of investor-material sustainability-related disclosure standards beyond climate.

We also encourage the ISSB to begin work towards a thematic standard on nature, leveraging the final recommendations and framework of the [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#)[Link is external](#).

## Trust

### Sustainability Disclosure Requirements (SDR) and investment labels

On 28 November 2023, we published our [final rules](#) for SDR and investment labels, applying to asset managers in respect of their UK funds (PS23/16).

On 23 April 2024, we published the [guidance for the anti-greenwashing rule](#), applicable to all FCA-authorized firms, following a consultation (GC23/3) earlier in the year. The guidance will help firms understand and implement the anti-greenwashing rule.

We have also published a [consultation paper \(CP24/8\)](#) which contains our proposals to extend the Sustainability Disclosure Requirements and labels regime to portfolio management. The consultation closes on 14 June 2024.

Our rules will help consumers navigate the market for sustainable investment products and help combat potential 'greenwashing' by requiring firms to back up the sustainability claims they make.

The package includes:

- **Anti-greenwashing rule** for all FCA-authorized firms to reinforce that sustainability-related claims must be fair, clear and not misleading, consistent with the sustainability profile of the product or service.
- **Four labels** to help consumers differentiate between sustainability objectives and investment approaches and enhance consumer trust.
- **Naming and marketing rules** for investment funds or products, to ensure the use of sustainability-related terms is accurate.
- **Consumer facing disclosures** to provide consumers with better, concise and more accessible information to help them understand the key sustainability features of a product.
- **Detailed product and entity level disclosures** for institutional investors and retail investors who want more information, covering the sustainability characteristics of investment products.



In November 2023, ahead of our SDR publication, we published the findings of our [Guiding Principles review](#). In our review, we found that while progress has been made, many firms still have further to go to meet our expectations, particularly around the disclosure and clarity of information being given to retail investors and consumers.

We expect AFMs to assess how they are meeting our rules and guidance in relation to their ESG and sustainable investment funds, including as useful preparation for the SDR and labels regime.

The rules for the SDR and labels regime have been informed by several other inputs. In November 2021, we published a Discussion Paper on SDR and investment labels ([DP21/4](#)), and received broadly positive feedback on key policy design issues.

Alongside the DP, we established a Disclosures and Labels Advisory Group (DLAG) composed of industry experts and consumer representatives. The group gave us feedback, technical advice and constructive challenge as our work developed. Find out more under the [Terms of Reference](#).

We also carried out several rounds of consumer behavioural research on the consumer-facing disclosures – including the labels – to inform our final proposals. The findings are published in [Occasional Paper 62](#), and a [research paper](#) summarised in the CP and PS.

### **ESG integration in capital markets**

We took the opportunity in our consultation on TCFD-aligned disclosures ([CP21/18](#)) to gather views on select ESG topics in capital markets, focussing on two active areas of debate: how to build trust in green and other ESG-labelled debt instruments; and the case for regulation of ESG data and rating providers. In June 2022, we published a [Feedback Statement](#) bringing together respondents' views, clarifying our expectations and setting out our potential next steps.

Market participants must be able to trust the claims made by issuers regarding the sustainability characteristics of green and other ESG-labelled financial instruments, and rely on them to perform as they expect. [Primary Market Bulletin 41](#) – published alongside our [Feedback Statement](#) – elaborates on our response to feedback, encouraging issuers of ESG-labelled bonds to consider relevant industry standards and reminding them of their obligations in relation to advertisements.

As industry participants more fully integrate ESG into their activities and expand their ESG-focused product offerings, they are increasingly reliant on third-party ESG data and ratings services. The Government noted, in its [Roadmap to Sustainable Investing](#), that 'it is important that providers deliver ESG data and ratings transparently, and that they have strong governance and management of conflicts of interests'.

As set out in [FS22/4](#), we see a clear rationale for regulatory oversight of certain ESG data and ratings providers. We are working closely with the Government as it [consults](#) on a potential regulatory regime for ESG ratings providers. In 2021, we contributed to IOSCO's recommendations to both regulators and ESG data and ratings providers. We see [IOSCO's recommendations](#) as a sound basis for a globally consistent regulatory approach.

Should the Government decide the FCA should regulate these firms, introducing a regulatory regime would take time. To maintain momentum, and help raise standards in the interim, we have worked to convene, support, and encourage industry participants to develop and follow a voluntary Code of Conduct. The International Capital Market Association (ICMA) and the International Regulatory Strategy Group (IRSG) are acting as the Secretariat leading this work. [They have convened an independent group](#) to develop the Code. Consistent with our objectives, the FCA sits as active observers to this group, alongside the Treasury and other relevant financial regulators. Read the group's [Terms of Reference](#).

Industry-led solutions will help support the aims of the FCA's ESG Strategy, by helping to promote more rapid development of best practice, in advance of potential regulation. The Code will seek to be internationally consistent, by taking into account not only IOSCO's recommendations but also developments in other jurisdictions. The Code could also continue to apply for ESG data and ratings providers that fall outside the scope of potential future regulation.

## Tools

### Climate Financial Risk Forum

In 2019, we established the [Climate Financial Risk Forum \(CFRF\)](#) with the Prudential Regulation Authority (PRA).

The CFRF brings together senior financial sector representatives to share their experiences in managing climate-related risks and opportunities, and helps build capabilities and capacity across the industry.

In December 2022, the CFRF published its third round of guides to help the financial sector develop its approach to addressing climate-related financial risks and opportunities. Written by industry, for industry, this round of guides build on the CFRF's previous publications, and aims to continue to contribute to the development of effective practice.

### Sustainability and innovation

We are undertaking a programme of work using our innovation services to assist firms and regulators to overcome some of the challenges that the transition to net zero will raise, by supporting the development of new approaches and solutions in the area of sustainability and climate change.

- [Global Financial Innovation Network \(GFIN\)](#)[Link is external](#): The GFIN is a collaborative knowledge and policy sharing network aimed at advancing effective regulatory responses to the use of emerging and more traditional technologies in financial services. The GFIN is overseen by the Coordination Group, made up of GFIN Members, which sets the overall direction, strategy and annual work programme of the GFIN. The coordination group is chaired by the FCA.
- [Second Digital Sandbox pilot](#): an 8 to 10 week programme to provide support to start-ups and innovators in developing and validating working proofs of concept to improve the transparency of ESG-related market disclosures and consumer understanding of the ESG characteristics of the products and providers they are engaging with. Read more about the key lessons learned in our [evaluation report](#).

### Advisers' Sustainability Group

The FCA has established a new industry-led [working group](#) to focus on enhancing sustainable finance capabilities within the financial advice sector. PIMFA will provide the secretariat to the Advisers' Sustainability Group, which will be led by Daniel Godfrey (chair) and Julia Dreblow (vice-chair). The FCA will sit as an active observer of the group and has asked that it be ready to report on how the advice sector can be supported in delivering good practice in the second half of 2024.

Ongoing updates and information about the group, including membership of the group, Terms of Reference, minutes and when available, any findings, will be accessible on the group's [webpage](#)[Link is external](#)



## Transition

We support the Government's direction of travel towards requiring the disclosure of net zero transition plans across the UK economy. We have a role to play in delivering on that ambition.

### Transition plans

We integrated [guidance on transition planning](#), published by the TCFD in October 2021 into our final TCFD-aligned disclosure rules for listed issuers and regulated firms. We engaged with stakeholders in the first half of 2022 to consider how best to build on this guidance, with a view to promoting credible and effective transition plans that consider the Government's net zero commitments.

At COP26, the [Government announced](#) that the UK will be the world's first net zero-aligned financial centre. The UK will move towards making it mandatory for institutions across the financial sector to publish robust firm-level transition plans that set out how they will decarbonise as the UK meets its net zero targets.

The Treasury then launched the UK Transition Plan Taskforce (TPT) in April 2022 to develop the 'gold standard' for private sector transition plans in the UK. We have been actively involved in the development of the Taskforce's [Disclosure Framework](#)[Link is external](#) and accompanying [Implementation Guidance](#)[Link is external](#), co-chairing its workstream on user and preparer guidance. The Taskforce has also launched a Sandbox for companies and financial institutions to test implementation.

The Guidance is currently under consultation, and we will ultimately draw on the TPT's final outputs to strengthen our disclosure expectations of listed companies and regulated firms.

### Investor stewardship

Stewardship by asset owners and asset managers involves making informed decisions about where to invest, and proactive oversight of assets once invested.

Active investor stewardship is, therefore, an important tool to support an effective transition to a net zero economy, and to promote wider sustainability objectives.

We have been considering how investor engagement and the exercise of existing shareholder rights, such as shareholder resolutions and voting against directors, can be used more effectively to encourage positive ESG outcomes.

Through exercising stewardship and challenging issuers' strategies and decisions, asset owners and their asset managers can improve issuers' understanding of their interests and influence corporate strategy to further those interests. In [Primary Market Bulletin 42](#), the FCA clarified its position that Market Abuse Regulation (MAR) is not intended to inhibit or stifle high quality engagement with shareholders.

In Spring 2022 the FCA and FRC jointly held a series of workshops with issuers, investors, service providers and wider stakeholders to consider how shareholder rights could be used more effectively on climate-related issues. Findings from the workshops have been used to feed into the Transition Plan Taskforce's work to develop a transition plan framework, and associated user and preparer guidance.

### Vote Reporting Group

The Vote Reporting Group was set up in [November 2022](#) to develop detailed proposals to enhance shareholder vote reporting by asset managers operating in the UK.

The group consulted on their proposals for a voluntary, comprehensive and standardised vote reporting template in 2023. Decisions on the next steps are being considered and will be communicated in due course.

The group has members across the investment community, invited through their representative organisations. They include investment managers, pension funds, insurers, companies, investment consultants, proxy advisers and non-governmental organisations, with the FCA acting as the group Secretariat.

More information about the Group can be found [here](#).

### **Green Home Finance**

The FCA convened a workshop in December 2022 to explore how green home finance can help lenders deliver their net zero targets, while also incentivising borrowers to retrofit energy efficiency measures in their homes. Attendees included delegates from the largest UK mortgage lenders by market share, as well as relevant trade bodies, Government departments, the Bank of England and leading environmental organisations.

The workshop explored a range of themes, including the need for decarbonisation of the UK's mortgaged housing stock, perceived constraints on the demand for energy efficiency improvements, and the risk that net zero carbon emission targets may be missed unless the mortgage lenders' net zero strategies include decarbonisation of housing stock as a primary focus (Emissions from mortgaged homes are estimated to account for 80% of mortgage lenders' total emissions).

### **Team**

#### **Embedding ESG across the FCA**

We are working to integrate ESG considerations across our functions, and are taking steps to embed net zero and wider ESG considerations in all our policy work, as well as our market oversight, supervision, authorisations and enforcement activities.

Reflecting the scale and urgency of the climate challenge and the government's ambition for the provision of sustainable finance, climate change will remain a priority. However, we are working to make sure that, as an organisation, we keep pace with the integration of wider environmental and social considerations in economic and financial decisions and financial instruments, products and services.

This will include, for example:

- Setting ESG-related expectations at the authorisations gateway.
- Incorporating ESG-related questions and criteria in supervisory assessments and engagements to ensure that firms' ESG performance is being monitored and reviewed as appropriate.
- Building ESG-related elements into enforcement models to develop regulatory approaches to tackling ESG-related breaches of rules.



## The Association of Professional Compliance Consultants

The recognised trade body for UK Financial Services Compliance Consultants.

The APCC was setup to provide a forum for compliance consultants and the FSA (now FCA / PRA) to meet and discuss issues of joint interest. Membership of the APCC is open to compliance consultancy firms who support the APCC's objectives and principles, agree to comply with the APCC Code of Ethics, which include the APCC Professional Standards, and meet its eligibility criteria.

The APCC was formed with the following clear objectives:

- SET STANDARDS - Promote the professional standards of its members
- COMMUNICATE - Provide a clear regulatory communications channel
- PROMOTE - Provide information on services provided by members
- ACCREDIT - Recognised mark of quality and standards for consultants
- REPRESENT - Recognised as a Trade Body by all key stakeholders

Our members come from all sectors of the financial services industry and advise circa 25,000 regulated firms. Our members of which we have circa 160 specialise in specific sectors such as fund management, retail investment intermediaries, general insurance, consumer credit, payment services, digital assets & wholesale to name but a few.

The APCC provides a sanctuary of like-minded experts, a place of learning, sharing of knowledge, support, and community which is acclaimed by our members. And certainly, one of the fundamental lessons we have learned over the last 20 years is the importance of collaboration, working together and sharing expertise.

We have a range of Working Groups who meet regularly to discuss sector specific topics or more cross cutting areas such as Sustainability, our Sustainability working group is chaired by Lee Coates OBE and deputy chair Tony Catt.

The group was formed to discuss and review one of the main regulatory growth areas – Sustainable Finance. Since the Government issued their [Greening Finance: A Roadmap to Sustainable Investing](#) in 2021, sustainable finance is impacting on more and more areas of the financial services industry. No longer is sustainable finance limited to the investment area. New regulations span across the entire investment industry, as well as retail and commercial lending, consumer credit, funeral plans etc.

This group will look at what firms need to be aware of to monitor and advise providers, advisers and brokers on sustainable finance. It will review the challenges for the industry and look to provide feedback to FCA consultations and directives in sustainable finance.




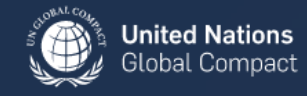

**Ian Beardsmore**  
Chief Operating Officer, APCC



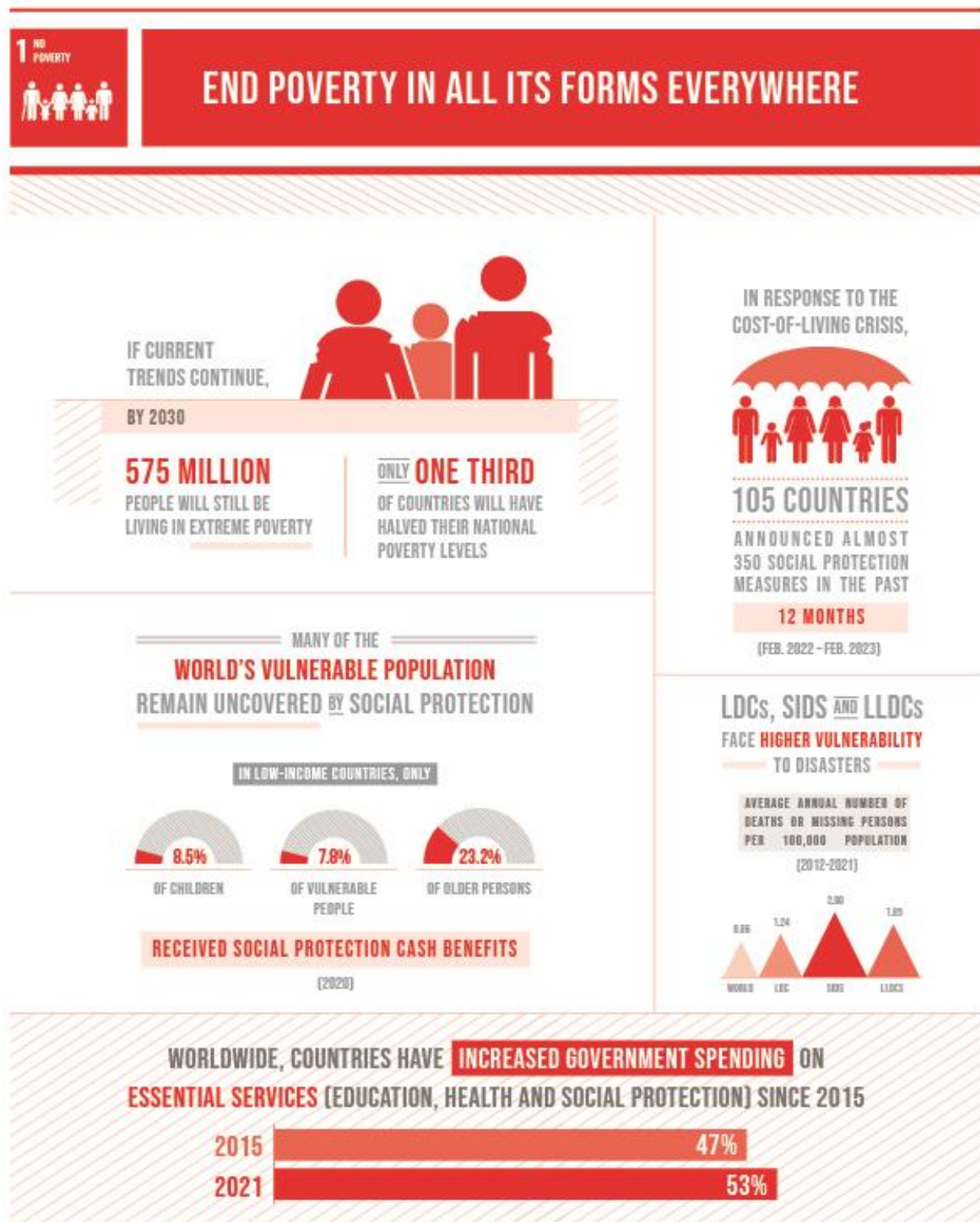
## Industry organisations and Initiatives

	<p>Asian Corporate Governance Association (ACGA)</p>	<p>An independent, non-profit membership organisation dedicated to working with investors, companies and regulators in the implementation of effective corporate governance practices throughout Asia.  <a href="https://www.acga-asia.org/index.php">https://www.acga-asia.org/index.php</a></p>
	<p>Carbon Tracker</p>	<p>An initiative working to align capital markets with climate change objectives.  <a href="https://carbontracker.org/">https://carbontracker.org/</a></p>
	<p>CDP (formerly the Carbon Disclosure Project)</p>	<p>A global not-for-profit organisation, founded in 2000 that provides the world's only global natural capital disclosure system.  <a href="https://www.cdp.net/en/">https://www.cdp.net/en/</a></p>
	<p>Climate Disclosure Standards Board (CDSB)</p>	<p>An international consortium of business and environmental NGOs, set up to promote greater alignment between natural and financial capital through disclosure standards, research and advocacy.  <a href="https://www.cdsb.net/">https://www.cdsb.net/</a></p>
	<p>Council of Institutional Investors</p>	<p>An organisation of asset managers and asset owners promoting effective US corporate governance practice.  <a href="https://www.cii.org/">https://www.cii.org/</a></p>
	<p>European Sustainable Investment Forum (EuroSIF):</p>	<p>The leading European sustainable and responsible investment organisation whose mission is to promote sustainability through European financial markets. Different regions have their own local SIF e.g. US SIF, UKSIF, SWESIF  <a href="http://www.eurosif.org/">http://www.eurosif.org/</a></p>
	<p>Financial Reporting Council (FRC)</p>	<p>An independent regulator in the UK, responsible for regulating auditors, accountants, and actuaries, and setting the UK's Corporate Governance and Stewardship Codes.</p>
	<p>Global Reporting Initiative (GRI)</p>	<p>An international organisation that develops and publishes sustainability reporting standards and measures for global companies. It has become the closest thing to a global reporting standard for ESG measures; it reports that 92% of the world's largest 250 corporations report on their sustainability performance.  <a href="https://www.globalreporting.org/">https://www.globalreporting.org/</a></p>
	<p>The Glasgow Financial Alliance for Net Zero (GFANZ)</p>	<p>chaired by Mark Carney, UN Special Envoy on Climate Action and Finance, brings together over 160 firms (together responsible for assets in excess of \$70 trillion1) from the leading net zero initiatives cross the financial system to accelerate the transition to net zero emissions by 2050 at the latest.  <a href="https://unfccc.int/news/new-financial-alliance-for-net-zero-emissions-launches">https://unfccc.int/news/new-financial-alliance-for-net-zero-emissions-launches</a></p>

	The Intergovernmental Panel on Climate Change (IPCC)	<p>The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change.</p> <p>The IPCC was created to provide policymakers with regular scientific assessments on climate change, its implications and potential future risks, as well as to put forward adaptation and mitigation options.</p> <p><a href="https://www.ipcc.ch/">https://www.ipcc.ch/</a></p>
	International Financial Reporting Standards Foundation (IFRS)	<p>The IFRS Foundation is a not-for-profit, public interest organisation established to develop a single set of high-quality, understandable, enforceable and globally accepted accounting standards—IFRS Standards—and to promote and facilitate adoption of the standards.</p> <p>IFRS Standards are set by the IFRS Foundation's standard-setting body, the International Accounting Standards Board.</p> <p><a href="https://www.ifrs.org/">https://www.ifrs.org/</a></p> <p>International Sustainability Standards Board (ISSB) – proposed body being established by the IFRS Foundation to develop global sustainability reporting standards.</p>
	International Corporate Governance Network (ICGN)	<p>An investor-led organisation of governance professionals, ICGN's mission is to inspire and promote effective standards of corporate governance to advance efficient markets and economies world- wide.</p> <p><a href="https://www.icgn.org/">https://www.icgn.org/</a></p>
	International Integrated Reporting Council (IIRC)	<p>A global coalition of regulators, investors, companies, standard-setters, the accounting profession and non-governmental organisations (NGOs) that helps businesses and investors adopt integrated reporting.</p> <p><a href="https://integratedreporting.org/">https://integratedreporting.org/</a></p>
	International Organization of Securities Commissions (IOSCO)	<p>the international body that brings together the world's securities regulators and recognized as the global standard setter for the securities sector. IOSCO develops, implements, and promotes adherence to internationally recognized standards for securities regulation. It works with the G20 and the Financial Stability Board (FSB) on the global regulatory reform agenda.</p> <p><a href="https://www.iosco.org/">https://www.iosco.org/</a></p>
	Principles for Responsible Investment (PRI)	<p>An investor initiative in partnership with the UN Environmental Programme Finance Initiative and the UN Global Compact. Founded in 2006, the PRI has become the leading network for investors demonstrating their commitment to responsible ownership and long-term, sustainable returns.</p> <p><a href="https://www.unpri.org/pri/about-the-pri">https://www.unpri.org/pri/about-the-pri</a></p>
	Sustainability Accounting Standards Board (SASB)	<p>A US non-profit organisation started in 2011 to establish sustainability standards for companies traded on US exchanges.</p> <p><a href="https://www.sasb.org/">https://www.sasb.org/</a></p>

	Task Force on Climate-related Financial Disclosures (TCFD)	A task force established by the Financial Stability Board to develop voluntary, consistent climate-related financial risk disclosures for use by companies when providing information to investors, lenders, insurers and other stakeholders. <a href="https://www.fsb-tcdf.org/">https://www.fsb-tcdf.org/</a>
	UK Sustainable Investment and Finance Association (UKSIF):	The membership network for sustainable and responsible financial services in the UK. <a href="https://www.uksif.org/">https://www.uksif.org/</a>
	UN Development Programme	The UN's global development network partnering with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves quality of life for everyone. <a href="https://www.undp.org/">https://www.undp.org/</a>
	UN Global Compact Principles:	Ten corporate sustainability principles for long-term success covering the areas of human rights, labour, the environment and anti-corruption. <a href="https://www.unglobalcompact.org/what-is-gc/mission/principles">https://www.unglobalcompact.org/what-is-gc/mission/principles</a>
	UN Sustainable Development Goals:	A set of 17 goals adopted by world leaders in September 2015, aimed at ending poverty, preserving the planet and ensuring prosperity for all. <a href="https://www.un.org/sustainabledevelopment/sustainable-development-goals/">https://www.un.org/sustainabledevelopment/sustainable-development-goals/</a>





THE SUSTAINABLE DEVELOPMENT GOALS REPORT 2023: SPECIAL EDITION- [UNSTATS.UN.ORG/SDGS/REPORT/2023/](https://unstats.un.org/sdgs/report/2023/)

**2 ZERO HUNGER**  
**END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE**

**ZERO HUNGER GOAL**

**AT RISK**



**MORE THAN 600 MILLION** PEOPLE WORLDWIDE ARE PROJECTED TO **FACE HUNGER IN 2030**

**LITTLE TO NO PROGRESS** HAS BEEN MADE IN REDUCING ANAEMIA WORLDWIDE SINCE 2000



PREVALENCE OF ANAEMIA IN **WOMEN AGED 15-49**

HAS REMAINED STAGNANT **AT AROUND 30%**

DESPITE DROPPING IN 2021, **HIGH FOOD PRICES** CONTINUE TO PLAGUE MANY NATIONS

SHARE OF COUNTRIES EXPERIENCING MODERATELY TO ABNORMALLY HIGH FOOD PRICES:



**1 IN 3 PEOPLE**



WORLDWIDE STRUGGLE WITH MODERATE TO SEVERE **FOOD INSECURITY**

**MALNUTRITION PERSISTS WORLDWIDE, JEOPARDIZING CHILDREN'S WELL-BEING AND FUTURE DEVELOPMENT**

CHILDREN UNDER AGE-5 AFFECTED BY: (2022)



**STUNTING**  
148 MILLION



**WASTING**  
45 MILLION



**OVERWEIGHT**  
37 MILLION

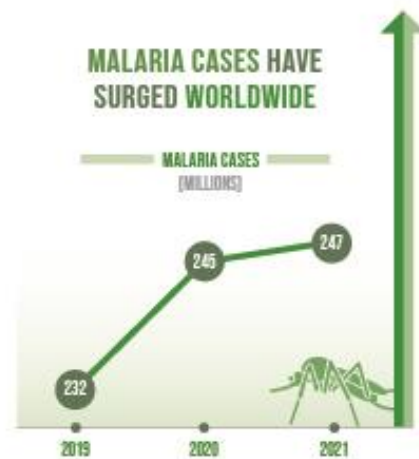
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**3 GOOD HEALTH AND WELL-BEING**  
**ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES**

**NOTABLE STRIDES HAVE BEEN MADE TOWARDS IMPROVING GLOBAL HEALTH OUTCOMES**

- 146 OUT OF 200 COUNTRIES OR AREAS HAVE ALREADY MET OR ARE ON TRACK TO MEET THE UNDER-5 MORTALITY TARGET**
- EFFECTIVE HIV TREATMENT HAS CUT GLOBAL AIDS-RELATED DEATHS BY 52% SINCE 2010**
- AT LEAST ONE NEGLECTED TROPICAL DISEASE HAS BEEN ELIMINATED IN 47 COUNTRIES**

**25 MILLION CHILDREN MISSED OUT ON IMPORTANT ROUTINE IMMUNIZATIONS IN 2021**  
**6 MILLION MORE THAN IN 2019**



**OUT-OF-POCKET PAYMENTS FOR HEALTH PUSHED OR FURTHER PUSHED**

**381 MILLION PEOPLE (4.9% OF POPULATION) INTO EXTREME POVERTY**

**A WOMAN DIES EVERY TWO MINUTES FROM PREVENTABLE CAUSES RELATED TO PREGNANCY AND CHILDBIRTH (2020)**

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**4 QUALITY EDUCATION**

**ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL**

DESPITE SLOW PROGRESS,

**THE WORLD IS FALLING FAR BEHIND IN ACHIEVING QUALITY EDUCATION**

WITHOUT ADDITIONAL MEASURES, BY 2030:



**PRIMARY AND SECONDARY SCHOOL COMPLETION RATES ARE RISING, BUT THE PACE IS SLOW AND UNEVEN**



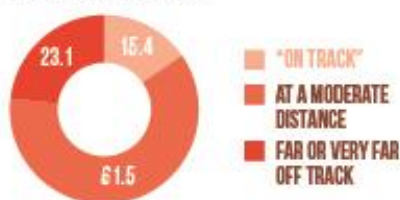
LOW- AND LOWER-MIDDLE-INCOME COUNTRIES FACE A NEARLY **\$100 BILLION ANNUAL FINANCING GAP** TO REACH THEIR EDUCATION TARGETS

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**5 GENDER EQUALITY**  
**ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS**

**THE WORLD IS NOT ON TRACK TO ACHIEVE GENDER EQUALITY BY 2030**

OUT OF GOAL 5 INDICATORS:



AT THE CURRENT RATE, IT WILL TAKE



**300 YEARS** TO END CHILD MARRIAGE



**286 YEARS** TO CLOSE GAPS IN LEGAL PROTECTION AND REMOVE DISCRIMINATORY LAWS



**140 YEARS** TO ACHIEVE EQUAL REPRESENTATION IN LEADERSHIP IN THE WORKPLACE

**LEGISLATED GENDER QUOTAS ARE EFFECTIVE TO ACHIEVE EQUALITY IN POLITICS**

WOMEN'S REPRESENTATION IN PARLIAMENT (2022)



**30.9%**  
COUNTRIES APPLYING QUOTAS



**21.2%**  
COUNTRIES WITHOUT QUOTAS



**NEARLY HALF** OF MARRIED WOMEN LACK DECISION-MAKING POWER OVER THEIR SEXUAL AND REPRODUCTIVE HEALTH AND RIGHTS

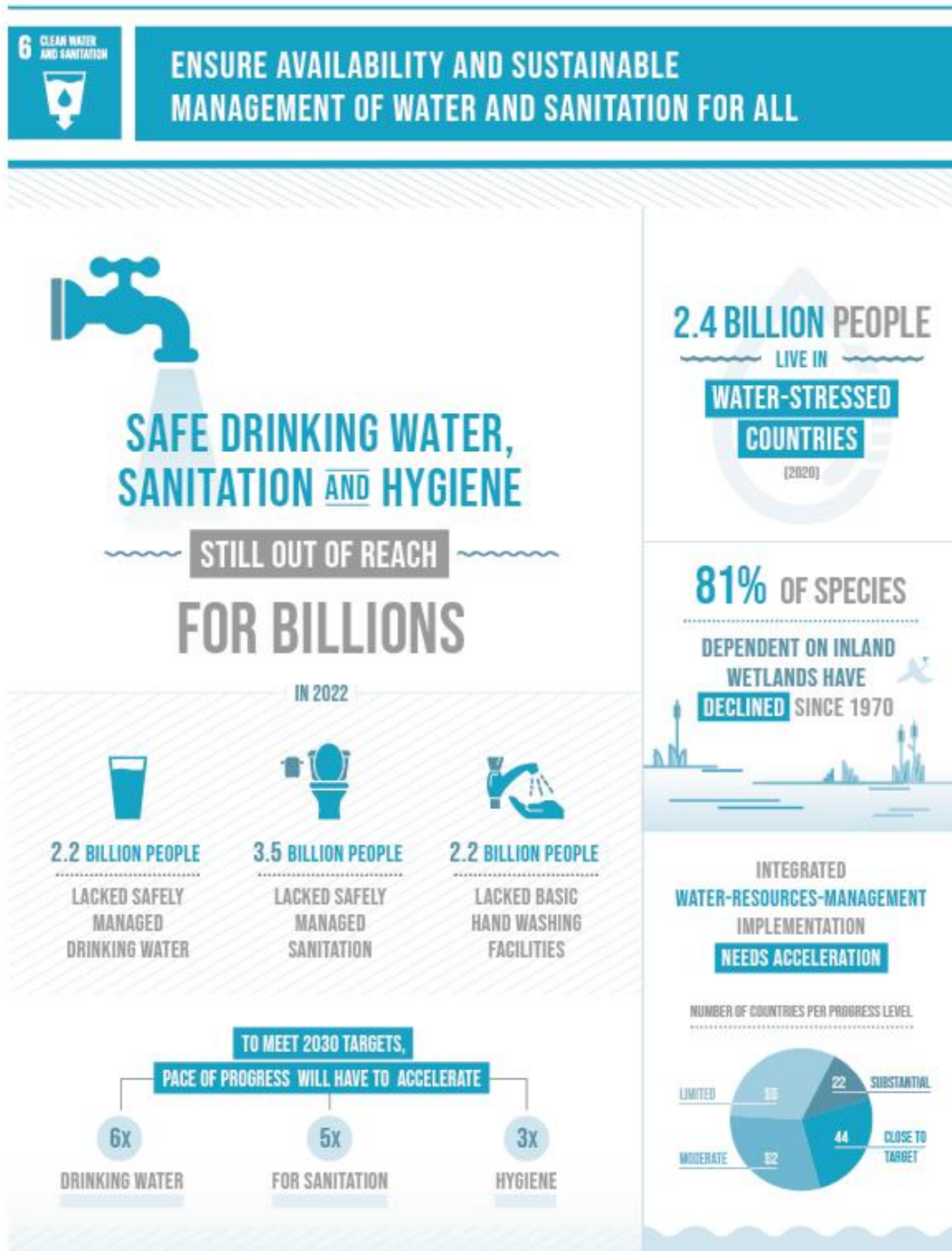
**1 IN 5 YOUNG WOMEN**

**ARE MARRIED BEFORE THEIR 18TH BIRTHDAY**





SDG 6 – Clean Water & Sanitation



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SDG 7 – Affordable and Clean Energy





SDG 8 – Decent Work and Economic Growth

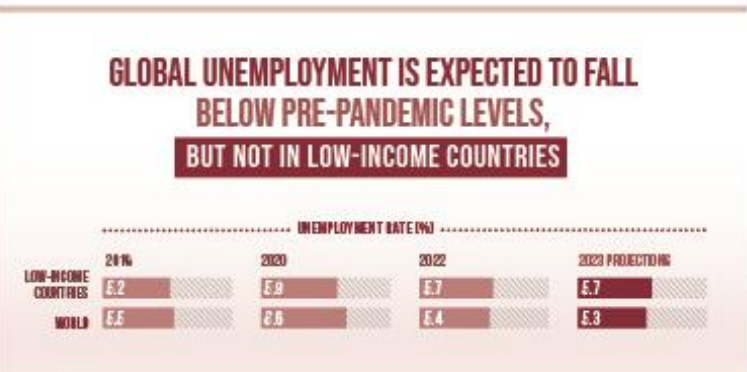
8
DECENT WORK AND ECONOMIC GROWTH

**PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL**



2 BILLION WORKERS ARE IN PRECARIOUS INFORMAL JOBS WITHOUT SOCIAL PROTECTION

(2022)



## 1 IN 4 YOUNG PEOPLE ARE NOT IN EDUCATION, EMPLOYMENT OR TRAINING,

WITH YOUNG WOMEN MORE THAN TWICE AS LIKELY AS YOUNG MEN TO BE IN THIS SITUATION

(2022)

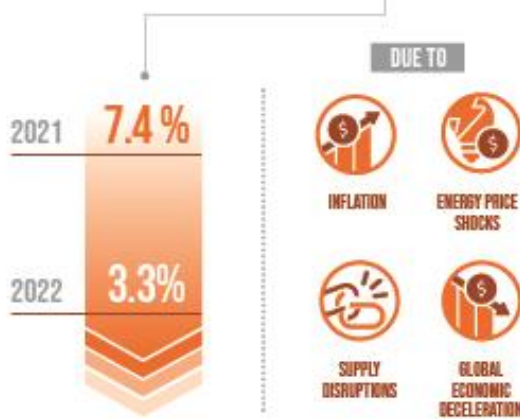
## DURING THE PANDEMIC, 4 IN 10 ADULTS IN LOW- AND MIDDLE-INCOME COUNTRIES OPENED THEIR FIRST BANK ACCOUNT

**9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE**

**BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION**

**GLOBAL MANUFACTURING**

GROWTH SLOWED FROM



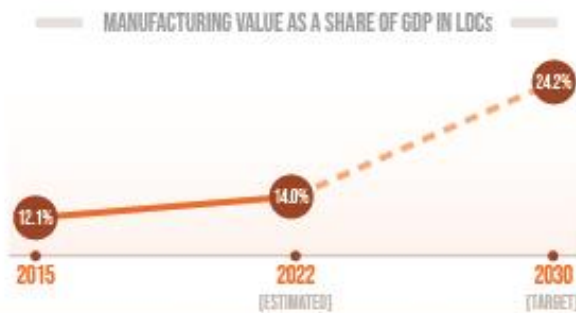
**ENERGY-RELATED**

**CO<sub>2</sub> EMISSIONS**

REACHED  
**36.8 BILLION**  
 METRIC TONS IN 2022  
 A RECORD HIGH



**LDCs ARE LIKELY TO MISS THEIR 2030 TARGET OF DOUBLING MANUFACTURING SHARE OF GDP**



**MEDIUM-HIGH AND HIGH-TECHNOLOGY INDUSTRIES EXPERIENCED**

**STRONG GROWTH IN 2022**

BUT WITH REGIONAL VARIATION

SHARE IN TOTAL MANUFACTURING



**95% OF THE WORLD**

HAS **MOBILE BROADBAND ACCESS (3G OR HIGHER)** [2022]

BUT COVERAGE IS ONLY **82% IN SUB-SAHARAN AFRICA AND 68% IN OCEANIA\***



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SDG 10 – Reduced Inequalities

**10 REDUCED INEQUALITIES**  
**REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES**

**COVID-19 TRIGGERS** THE LARGEST INCREASE  
 IN BETWEEN-COUNTRY INEQUALITY IN **THREE DECADES**,

**CHANGE OF BETWEEN-COUNTRY INEQUALITY (2019-2020)**

PRE-PANDEMIC FORECAST: -0.8%  
 POST-PANDEMIC PROJECTION: 4.4%

**REVERSING DECADES** OF INCOME CONVERGENCE

THE INCOME DIFFERENCES BETWEEN COUNTRIES DECREASED BY **37%** BETWEEN 1990 AND 2019

IN 2022, REFUGEE NUMBERS HIT A RECORD HIGH OF **34.6 MILLION**

AMONG THEM WERE:  
 ● CHILDREN: 41%

GLOBALLY, **WOMEN ARE TWICE AS LIKELY AS MEN** TO REPORT EXPERIENCING **DISCRIMINATION** BASED ON THEIR SEX

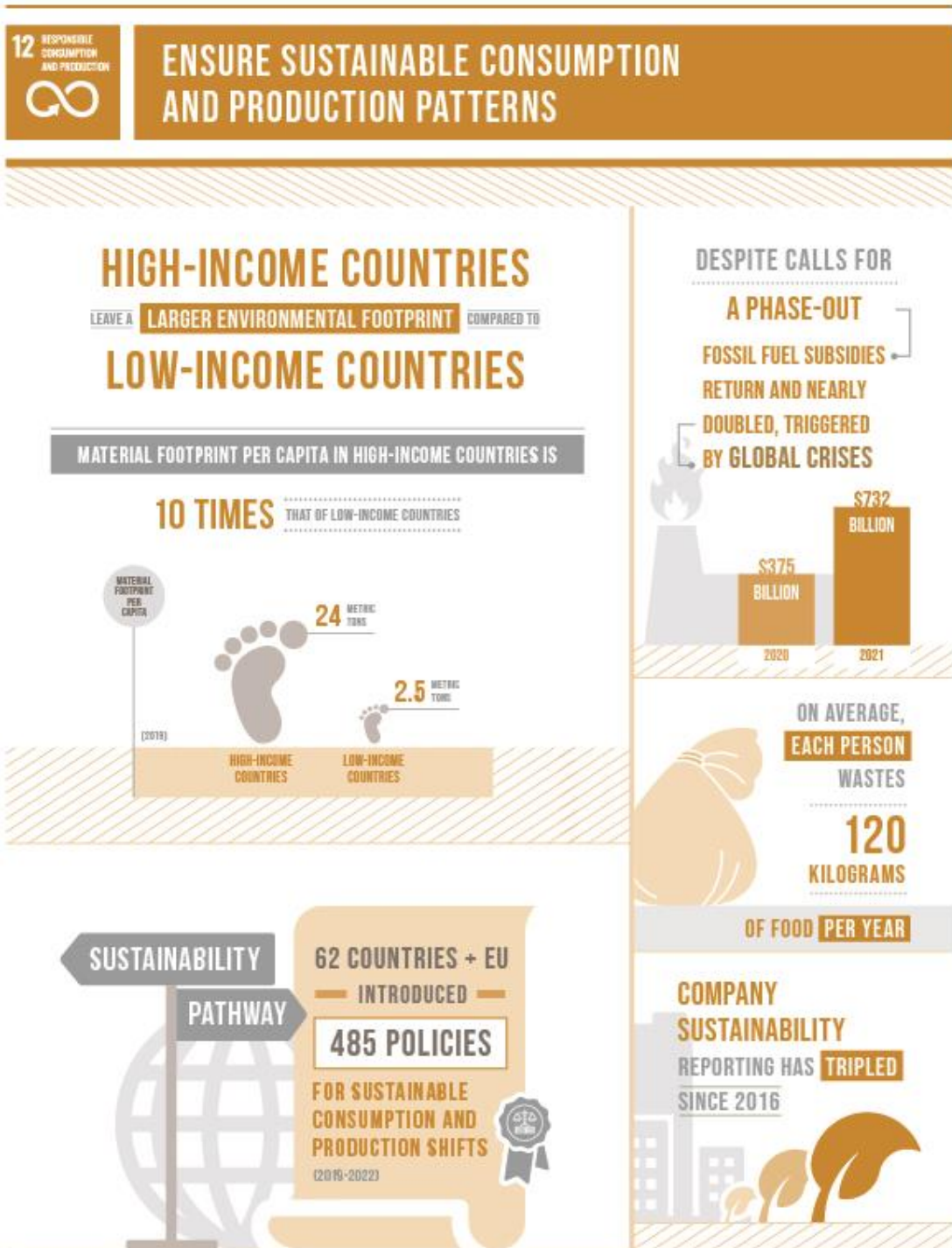
THE TRAGIC LOSS OF NEARLY **7,000 LIVES** ALONG MIGRATORY ROUTES IN 2022

UNDERSCORES THE PRESSING NEED FOR **IMMEDIATE ACTION** TO ENSURE SAFE MIGRATION

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**11 SUSTAINABLE CITIES AND COMMUNITIES**  
**MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE**

SDG 12 – Responsible Consumption and Production



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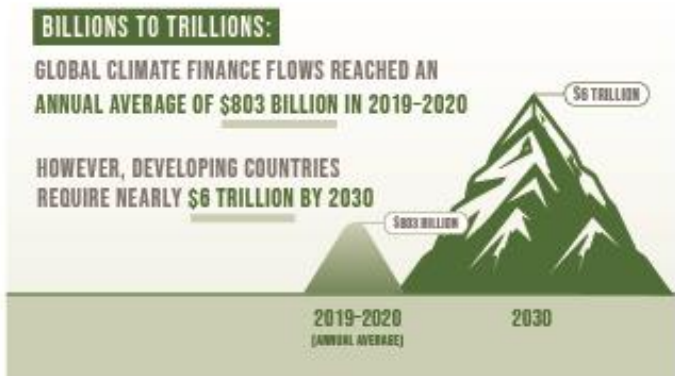
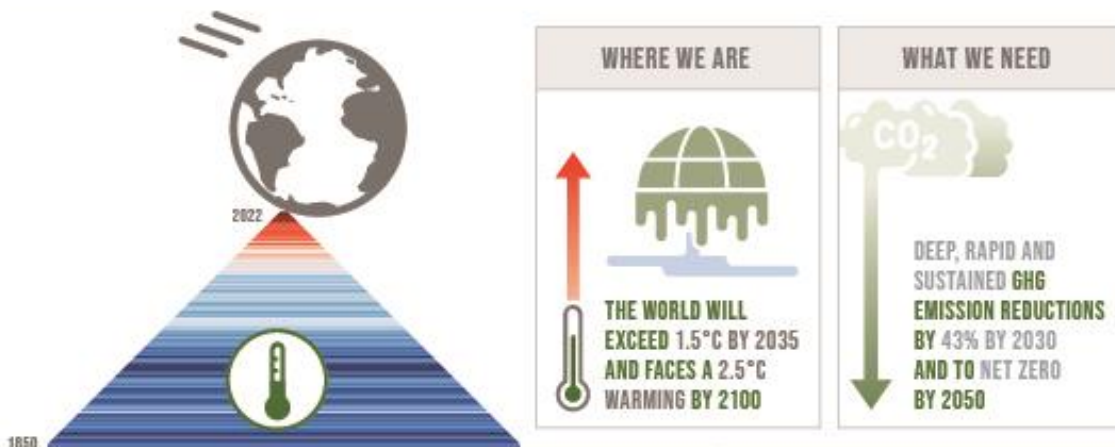
13 CLIMATE ACTION



## TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

# EARTH'S TIPPING POINT

### STANDING AT THE BRINK OF CLIMATE CALAMITY



**HIGHLY VULNERABLE REGIONS** EXPERIENCE **15X HIGHER MORTALITY RATES** FROM DISASTERS COMPARED TO VERY LOW VULNERABILITY REGIONS (2010-2020)



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SDG 14 – Life Below Water



**CONSERVE AND SUSTAINABLY USE THE OCEANS, SEA AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT**

**PRESERVE THE BLUE, PROTECT THE EARTH:  
 URGENT ACTIONS NEEDED TO SAFEGUARD  
 THE PLANET'S LARGEST ECOSYSTEM**



**OCEAN EMERGENCY**



**COASTAL EUTROPHICATION:**  
 CAUSING ALGAL BLOOMS AND DEAD ZONES



**OCEAN ACIDIFICATION:**  
 30% HIGHER THAN IN PRE-INDUSTRIAL TIMES



**OCEAN WARMING:**  
 SEA-LEVEL RISE AND AFFECTING MARINE ECOSYSTEMS



**PLASTIC POLLUTION:**  
 17 MILLION METRIC TONS IN 2021-2-3X MORE BY 2040



**OVER-FISHING:**  
 MORE THAN A THIRD OF GLOBAL FISH STOCKS ARE OVERFISHED

**CITIZEN SCIENCE BEACH CLEAN-UPS**

• SHED LIGHT ON THE MAGNITUDE OF OCEAN PLASTIC POLLUTION



**SUFFOCATING SEAS**

• COASTAL EUTROPHICATION TRIGGERS CRUSTACEAN WALKOUTS



**OCEAN ACIDIFICATION REPORTING STATIONS HAVE TRIPLED WORLDWIDE**



2021: 178 STATIONS  
 2022: 308 STATIONS  
 2023: 539 STATIONS

**1 IN 5 FISH CAUGHT ORIGINATES FROM ILLEGAL, UNREPORTED AND UNREGULATED FISHING**



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### SDG 15 – Life On Land

15 LIFE ON LAND



PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS

## A FUNDAMENTAL SHIFT IN HUMANITY'S RELATIONSHIP WITH NATURE IS ESSENTIAL

ESCALATING



FOREST LOSSES



LAND DEGRADATION



SPECIES EXTINCTION

POSE SEVERE THREATS TO PEOPLE AND THE PLANET

## 100 MILLION HECTARES

OF HEALTHY AND PRODUCTIVE LAND WAS DEGRADED EVERY YEAR

FROM 2015-2019

EQUIVALENT TO 2X THE SIZE OF GREENLAND



THE WORLD IS CURRENTLY FACING THE LARGEST SPECIES EXTINCTION EVENT SINCE THE DINOSAUR AGE



PROTECTED AREA COVERAGE OF KEY BIODIVERSITY AREAS HAS STALLED

SINCE 2015

### THE KUNMING-MONTREAL GLOBAL BIODIVERSITY FRAMEWORK

PROVIDES RENEWED IMPETUS FOR CONSERVING TERRESTRIAL ECOSYSTEMS



4 OUTCOME-ORIENTED GOALS BY 2050



23 TARGETS BY 2030

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**16 PEACE, JUSTICE AND STRONG INSTITUTIONS**  
**PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS**

STEEP RISE IN  
**CONFLICT-RELATED CIVILIAN DEATHS**

WITH AN OVER **50% SURGE** IN 2022,  
 FUELED BY THE **WAR IN UKRAINE**

2021 SAW  
**THE HIGHEST NUMBER OF INTENTIONAL HOMICIDES**  
 IN 20 YEARS  
**458,000 LIVES LOST**  
**9 IN 10 VICTIMS WERE MALE**

**MORE THAN**  
**108.4 MILLION PEOPLE**  
 HAD BEEN FORCIBLY DISPLACED  
 WORLDWIDE **AS OF** END-2022  
**2.5X THE NUMBER A DECADE AGO**

**NEARLY 200,000**  
**TRAFFICKING VICTIMS**  
 WERE DETECTED WORLDWIDE  
 BETWEEN 2017 **AND** 2020  
 BUT MANY MORE LIKELY  
 REMAINED **UNDETECTED**

**YOUTH FACE UNDERREPRESENTATION IN POLITICS,**  
 HINDERING THEIR PARTICIPATION IN DECISION-MAKING PROCESSES

**30**  
 GLOBAL MEDIAN AGE

**51**  
 AVERAGE AGE OF MEMBERS OF PARLIAMENT

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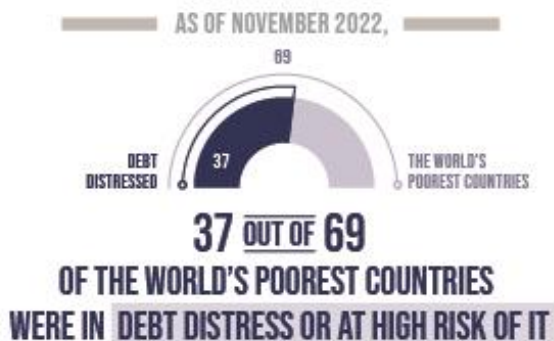


SDG 17 – Partnerships for the Goals



**STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT**

**MANY DEVELOPING COUNTRIES ARE FACING A DEBT CRISIS**



**THE SHARE OF EXPORTS FROM LDCs IN GLOBAL MERCHANDISE TRADE**



**HAS STAGNATED AT AROUND**

**1%**

SINCE 2011



**NET ODA REACHED \$206 BILLION IN 2022, UP 15.3% FROM 2021**

MAINLY OWING TO SPENDING ON REFUGEES IN DONOR COUNTRIES AND AID TO UKRAINE

NET ODA REACHED 0.37% OF GNI, STILL BELOW THE TARGET OF 0.7%

**2 IN 3 PEOPLE USED THE INTERNET**

IN 2022

**259 MILLION MORE MALE THAN FEMALE USERS**



**ODA FUNDING FOR DATA**



**DROPPED BY MORE THAN**

**20%**

(2018-2020)