

# Australian Sustainable Finance Institute 2024 Strategy and Business Plan



January 2024



## Acknowledgement of Country

The Australian Sustainable Finance Institute acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, the oldest continuing culture in human history.

We pay respect to Elders past and present, and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

There is no meaningful conversation about sustainability, including sustainable finance, without proper recognition and understanding of the people who lived so carefully, consciously and abundantly, in relationship to these places. There is no 'just transition' without Indigenous peoples at its heart.

We reflect on the continuing impact of ASFI and our community, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families, and communities, towards improved economic, social and cultural outcomes.

## Vision

### Australia has a financial system

- That is sustainable, resilient and stable and can withstand systemic risks and other shocks and strains.
- Meets the present and long-term needs of all Australian's, the environment and the economy.
- Where financial decisions are informed by and consider sustainability risks, impacts and opportunities.
- That enhances financial inclusion, wellbeing and informed choice.
- Where capital flows to support Australia to meet sustainable development goals, including facilitating an orderly transition to a net-zero, a resource-efficient and social inclusive economy.

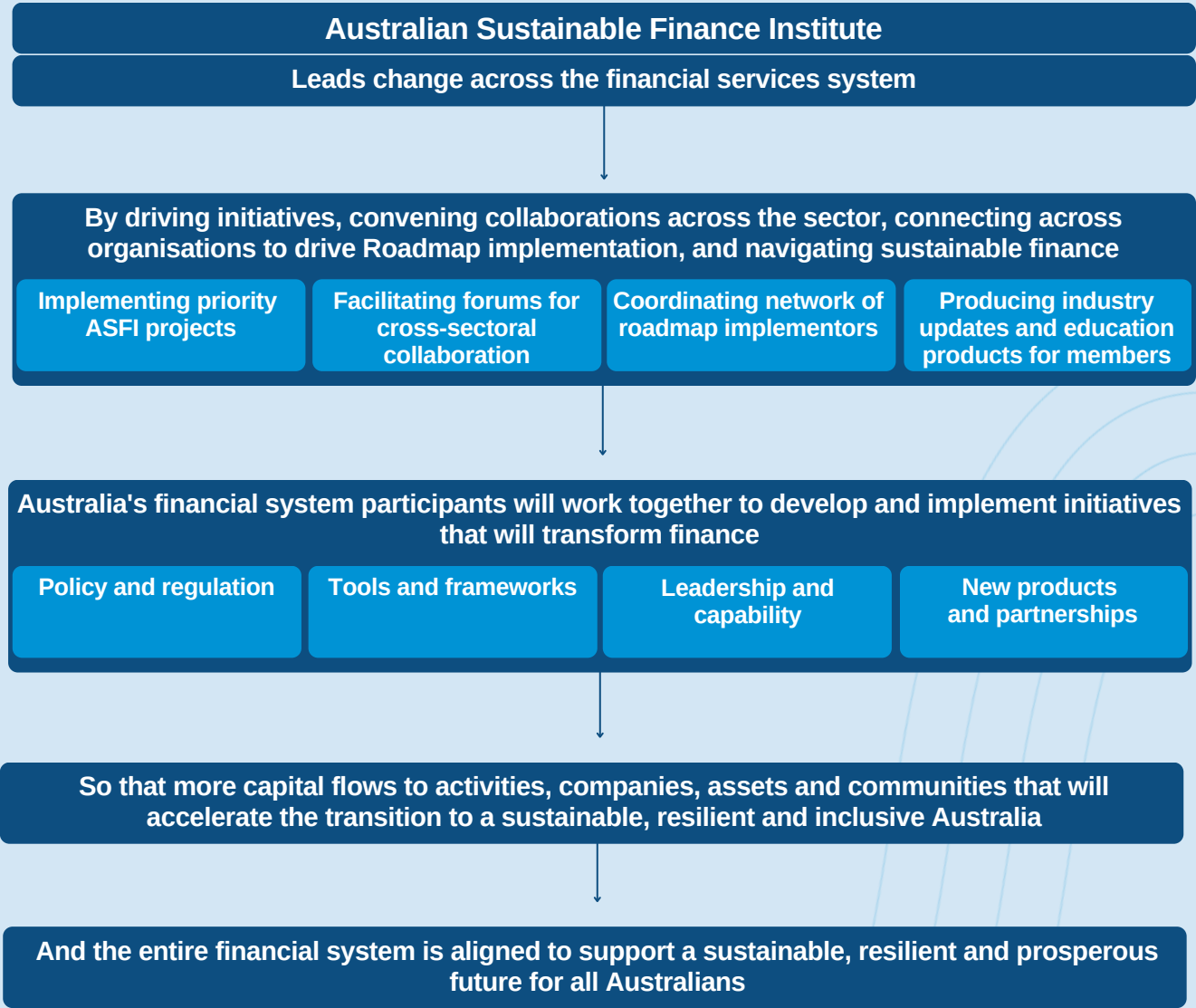
## Mission

To realign the Australian financial services system so that more money flows to activities that will create a sustainable, resilient and inclusive Australia. We do this by coordinating, facilitating and driving implementation of the Australian Sustainable Finance Roadmap.

## How ASFI will deliver on its mission

- **Driving** programs of work that deliver Roadmap recommendations and report on progress.
- **Convening** cross-sector collaboration across the full financial services sector, with government, regulators and civil society.
- **Connecting** across industry associations, peak bodies, civil society, think-tanks and environmental and social research bodies to support Roadmap implementation in alignment with global developments.
- **Navigating** the rapidly evolving field of sustainable finance, providing a central point to help financial services organisations across banking, insurance, superannuation, asset management and financial advisory make sense of and contribute to the field.

# Theory of Change



## Values

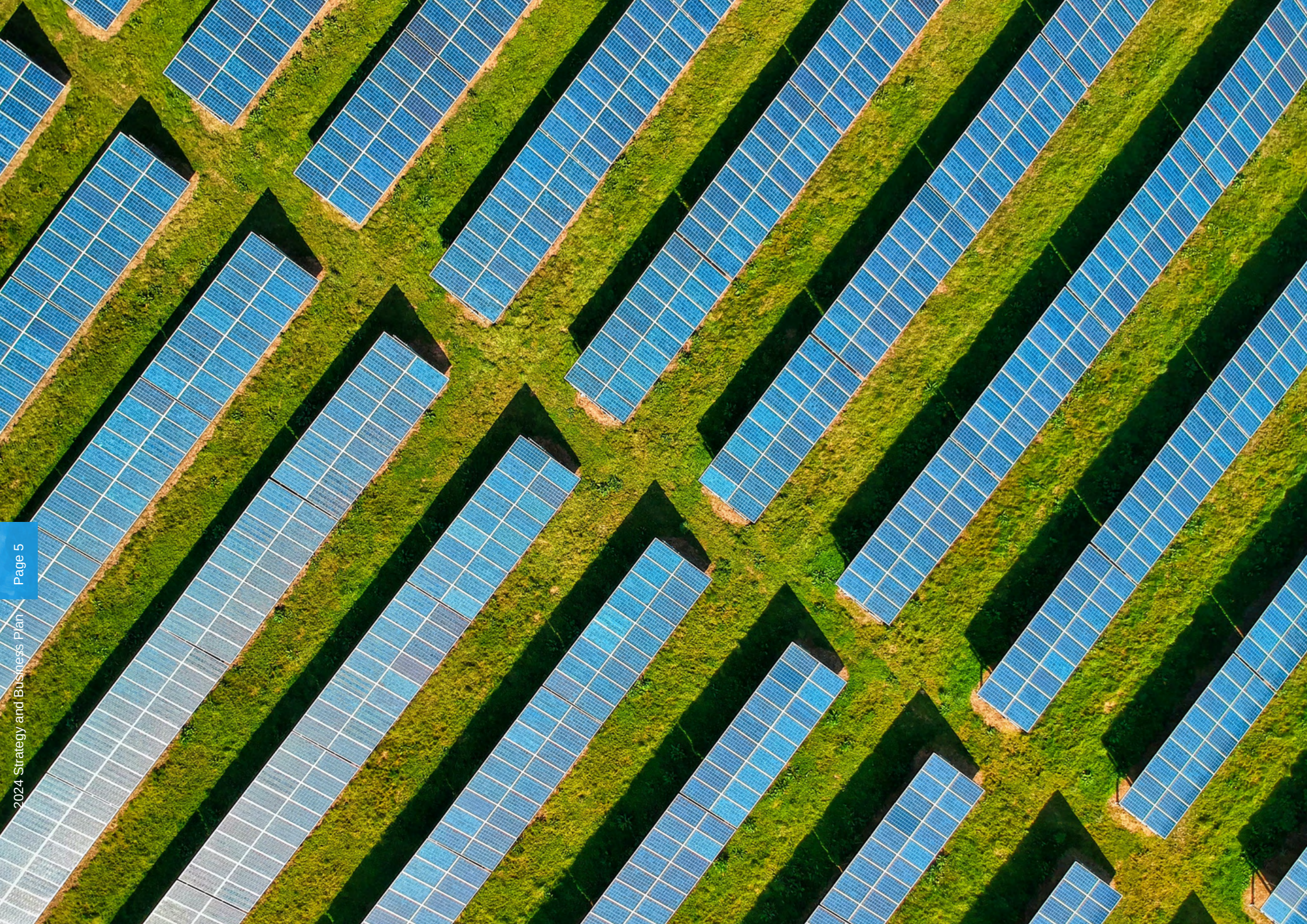
### At ASFI we

- **Collaborate to achieve more** – we work across organisational, industry and sectoral boundaries to enable greater progress. We care about others and their success, supporting and amplifying it.
- **Know sustainable finance** – we have and continue to grow our expertise and networks in sustainable finance in Australia and globally. We take an analytical, evidence-based approach to our work, we are non-partisan and we are not a lobby group.
- **Are open and inclusive** – we value diversity in experience, perspective and background and recognise the benefits this brings for individuals, organisations and our work. We value the perspectives, expertise and knowledge of First Nations Peoples.
- **Are committed and adaptable** – systems change is challenging, and we know there will be set backs and course corrections along the way. We are willing to roll up our sleeves and make things happen.
- **Continually improve** – we set stretch goals for ourselves, admit honestly when we make mistakes and are committed to continual improvement. We have the courage to try new things and innovate.

## ASFI's value proposition

ASFI operates across the whole financial system to address systemic challenges across climate, environment and social aspects of the sustainable finance agenda. We have close and productive working relationships with regulators and government to support or drive development of policy and regulation in this area, and act as a bridge between the finance sector and government.

We are highly collaborative, recognising, amplifying and supporting progress on Roadmap implementation by other organisations and partner with other industry organisations, government, our members, international peers and think tanks and research institutions are a strong focus for ASFI. Our membership base comprises of progressive organisations across the financial sector who are driving the growth and credibility of sustainable finance in Australia.



## Our Structure

The work that we're doing means working with many different organisations to drive change. Our formal structures reflect the whole of sector, inclusive approach that is a core strength of ASFI, and these formal structures are complemented by many more informal partnerships and networks.

ASFI has been established as a company limited by guarantee and is a registered charity, regulated by the ACNC.

**Board:** The ASFI Board provides oversight of ASFI, with six Directors elected from the ASFI membership (2 members each from asset owners/asset managers, banks and insurers). There are two additional Board seats that can be filled from outside those categories, including by non-members. As an important part of ASFI governance, the Board provides high level guidance and oversight for ASFI. Current Board members are Kristian Fok (Chair), Michelle McPherson, Katharine Tapley, Vivienne Bower, Jeff Brunton, Connie Sokaris, Fiona Reynolds and Robynne Quiggin.

**Advisory Committee:** The Advisory Committee provides advice to the ASFI Board and management and ensures close coordination of ASFI activities with other organisations working in sustainable finance. Industry organisations, universities, think tanks, financial regulators and government are represented on the Advisory Committee. Current members include Anna Skarbek (ClimateWorks, Chair of Committee), Estelle Parker (RIAA, Deputy Chair of the Committee), Robynne Quiggin (UTS), Kar Mei Tang (PRI), Kylie Macfarlane (ICA), Kate Griffiths (ACSI), Rebecca Mikula-Wright (IGCC), Emma Penzo (ABA), Katherine Palmer (NSW Treasury) and observers Jeremy Lawson (RBA), Sean Carmody (APRA), Claire LaBouchardiere (ASIC), Alex Heath (Commonwealth Treasury).

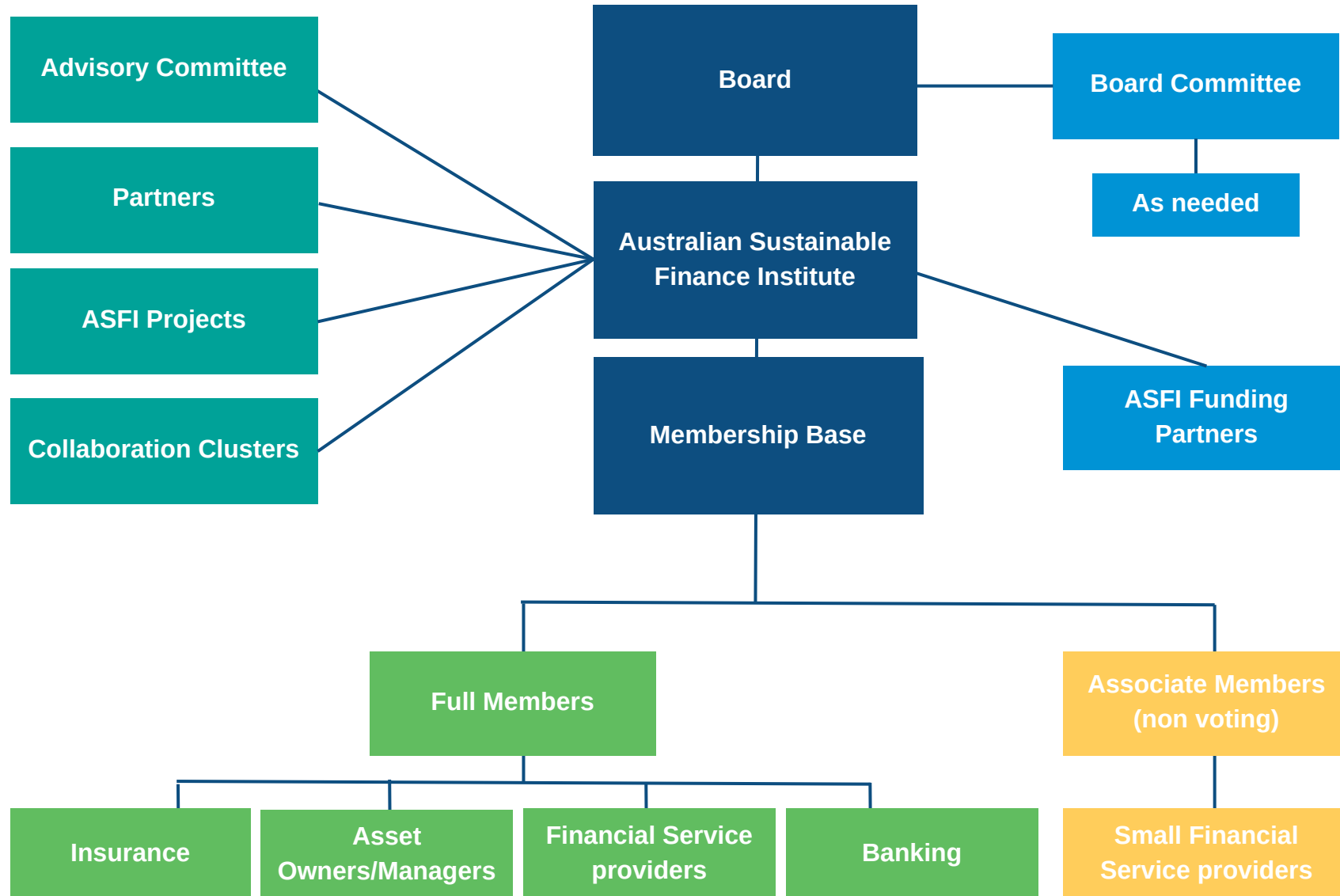
**Members:** ASFI members are financial services companies and institutions support ASFI's vision and mission. In addition to annual membership fees, they actively contribute to ASFI's projects and work. Full members can nominate someone for the Board and vote at the ASFI AGM. Members also have priority access to ASFI project working groups, collaboration clusters, invitations to member-only government engagement and other events, and discounted tickets to the Australian Sustainable Finance Summit. ASFI members are listed on the ASFI website.

**Network of Roadmap Implementation Partners:** These are organisations whose work is taking forward implementation of some Roadmap recommendations. ASFI works closely with these organisations to ensure strong coordination across the financial system, and these organisations support ASFI to identify gaps in Roadmap implementation that ASFI may fill. Many of these organisations are represented on ASFI's Advisory Committee, a mechanism, amongst others, for institutionalising strong collaboration between implementation partners.

**ASFI projects:** ASFI will identify priority projects that are critical to implementation of the Roadmap that it will drive. The governance and delivery structure of ASFI projects will differ depending on their scale and complexity, and ASFI's role in them. Project Steering Groups, Working Groups and Advisory Groups may be established for some projects. Projects are expected to operate for at least 12 months.

**Collaboration clusters:** Groups of people from across the finance sector, brought together to make progress on discrete issues that can accelerate Roadmap implementation. The cluster would be time-bound in nature and projects may spin off from the cluster to be implemented by ASFI or other organisations. ASFI will facilitate, convene and drive the work of these clusters. Collaboration clusters are an evolution of the Roadmap recommendations to establish Forums to bring different parts of the Australian Financial System together to make progress on particular issues or areas of work in line with the Roadmap.

# Our Structure





## How we work with others

**Partnerships and collaboration are critical for successful implementation of the Roadmap. The nature of the systemic change we are trying to achieve, and the type of organisation that ASFI is, means that working in partnership is critical to our success. We work through formal and informal partnerships with a range of organisations.**

**Different types of partners we work with include:**

**ASFI project partners** – organisations or individuals working closely with ASFI, under some kind of contractual arrangement, to deliver ASFI priority projects.

**Network of ASFI Roadmap implementation partners** – organisations who are working to deliver Roadmap recommendations. ASFI works closely with these organisations to ensure strong coordination across the financial system, and these organisations support ASFI to identify gaps in Roadmap implementation that ASFI may fill. As part of ASFI's annual Progress Tracker, these organisations share information with ASFI on their progress and contribution to Roadmap implementation. During 2024 ASFI will work with implementation partners to develop an MOU that institutionalises the collaboration between these organisations.

**Funding partners** – organisations who contribute core or project funding to ASFI and may also play a role in the ASFI Advisory Committee or Project governance.

**ASFI members** – financial institutions and financial services organisations who are most committed to ASFI's vision and mission and do this by contributing annual membership fees, and their skills and expertise to ASFI's projects and work. They may also provide additional financial or non-financial support to ASFI's work.

**Advisory Committee members** – individuals from organisations whose work intersects with ASFI's and whose mission is broadly aligned to ASFI's. They provide advice, draw connections and identify opportunities for the organisation and others to partner with ASFI in different ways.

**ASFI working group, advisory group or collaboration cluster members** – individuals who contribute to specific ASFI projects or workstreams. Usually formed on the basis of an EOI process or nominations from organisations with relevant expertise, knowledge and ability to contribute.

**Informal partners** – organisations who ASFI works with on a one-off basis for mutual benefit.

**While recognising the value of partnerships, ASFI does not have the resources to partner with every organisation. We will prioritise partnerships based on the following principles:**

- **Alignment of values and unique value add:** The proposed activity and partner are aligned with Roadmap and ASFI objectives and there is an alignment in values between ASFI and the partner. Organisation is reputable and partnership adds unique value to both organisations.
- **Leveraging the partnership and collective benefit:** Partnering with the organisation provides ASFI with access to valuable knowledge and expertise, stakeholders and relationships, funding or credibility that can be leveraged for broader ASFI objectives and more can be achieved for both ASFI and the other organisation than without it.
- **Conflicts of interest:** ASFI does not create any significant real or perceived conflicts of interest as a result of the partnership, and where these may exist they are able to be managed transparently and effectively.
- **Reducing complexity for ASFI members:** Partnering will enhance coordination between ASFI and other organisations, simplifying the sustainable finance landscape for ASFI members and the system more broadly.
- **Resourcing:** ASFI has sufficient resources to play its proposed role in the partnership and ensure the partnership is a success.

ASFI won't work with organisations who


- Expect undue influence over content or delivery of our work as a condition of partnership.
- Are not aligned with our vision and mission.
- May not uphold the high professional and ethical standards of ASFI as outlined in our Board Charter and Constitution.

As well as partners, who we work closely with, there are many other stakeholders with an interest in ASFI's work. ASFI may draw on the skills and expertise of this broader network for some of its projects and the ASFI network can stay up to date on our work and opportunities to participate through our regular newsletter and on LinkedIn. ASFI runs a range of events for our network including the annual Australian Sustainable Finance Summit and public webinars and events on sustainable finance topics.



# Key Priorities for 2024

Following consultation with ASFI members, Board and partner discussions and analysis on how ASFI should focus its resources to achieve its mission, ASFI will focus on the following priority areas in 2024. These areas represent a continuation of work from 2023, and this continuation will enable us to deliver on the objectives of these programs of work.

				
Enabling Sustainable Finance	Finance Sector Leadership	Natural Capital	First Nations and Finance	Sustainable Finance Solutions
<ul style="list-style-type: none"> <li>Developing Australia's Sustainable Finance Taxonomy</li> <li>Supporting implementation of Australia's Sustainable Finance Strategy</li> <li>Engagement in government policy processes where relevant to the Roadmap, including by amplifying and coordinating other peak bodies and industry organisations</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Finance Capability</li> <li>ASFI Summit</li> <li>Progress Tracker</li> </ul>	<ul style="list-style-type: none"> <li>Valuing Natural Capital</li> <li>Environmental policy engagement</li> </ul>	<ul style="list-style-type: none"> <li>Improving disclosures of First Nations impacts and outcomes by corporates and financial institutions</li> <li>Elevating First Nations perspectives into sustainable finance</li> <li>Policy and regulator engagement to enable success</li> </ul>	<ul style="list-style-type: none"> <li>Working across the public and private sectors to design blended finance solutions and public private partnerships to achieve sustainability outcomes</li> <li>Facilitating collaborations to design financing solutions for specific sustainability challenges</li> </ul>
Connecting, convening and coordinating on sustainable finance issues				
Elevating First Nations voices				
Providing a whole of finance sector perspective				
Supporting cross-sectoral collaboration between industry, government, regulators, universities and others				
Working in partnership				

# Enabling Sustainable Finance

A supportive policy and regulatory environment is an essential foundation for the growth and credibility of sustainable finance. Tools and frameworks that are applicable industry-wide to guide capital to opportunities that will achieve sustainable outcomes, as well as supportive policy and regulation were identified in the Roadmap as critical enablers for sustainable finance in Australia. This pillar of ASFI's work includes the continuation and evolution of a number of 2022 and 2023 priorities, centred around convening strong industry and expert engagement with the Australian Government on the development and implementation of their Sustainable Finance Strategy. Key areas of this work include:

## Sustainable Finance Strategy

As the Strategy is finalised in early 2024 and government decisions on implementation are made, there will be an ongoing need for ASFI continue its work to encourage and back in stronger ambition as the strategy is finalised and moves to implementation and ensure strong finance sector engagement in the strategy.

*Key objectives:* ASFI enables strong finance sector engagement in implementation of a comprehensive, whole of government, Australian Sustainable Finance Strategy that supports the vision and ambition of the Roadmap.

*Delivery model:* ASFI Policy Team, with input from ASFI members and in partnership with other industry and policy organisations. Working closely with Treasury and other Australian Government Departments.

## Australian Sustainable Finance Taxonomy Development

As the work with Treasury to develop technical screening criteria for climate mitigation continues during 2024, ASFI will continue working in partnership to ensure a comprehensive and credible Australian Sustainable Finance Taxonomy is in place as soon as possible.

*Key objectives:* Building on work done to date, drive and finalise development of technical screening criteria for initial sectors and objectives during 2024 while leading work to expand the coverage and implementation of the taxonomy over time.

*Delivery model:* ASFI Taxonomy team in partnership Climate Bonds Initiative (CBI) with funding and in partnership with Treasury and the Council of Financial Regulators (CFR). Working with the Taxonomy Technical Expert Group (TTEG) and involving a broader group of industry and subject matter experts who will continue to provide input to the work.

## Engagement in government policy processes relevant to the Roadmap

The Australian Government continues with policy reforms in a range of areas relevant to the Roadmap including climate, environment, First Nations rights and outcomes, social and affordable housing, social impact investing, international trade and development finance. There is a role for private capital and the finance sector in achieving Government's policy ambition in many of these sectors, including through the use of blended finance mechanisms which are being considered and designed by Government in some of these areas.

*Key objectives:* ASFI engagement ensures Australian Government policy recognises and supports the important role of private capital and the finance sector in achieving a range of sustainability objectives and utilises the opportunity for greater domestic and international policy ambition provided by Australia's COP31 bid.

*Delivery model:* ASFI policy team with input from ASFI members, collaborating and coordinating with other industry organisations and peak bodies where valuable.

# Finance Sector Leadership

The Roadmap highlights the critical role of leadership from the finance sector to unlock progress towards Australia's climate, environment and social inclusion ambitions. This pillar of work supports and encourages stronger leadership from financial institutions and seeks to overcome some of the systemic challenges, such as capability, that prevent the finance sector making more progress towards Roadmap implementation.

## Sustainable Finance Capability

The capability gap on climate and sustainability within the finance sector, and specifically on sustainable finance, presents a significant challenge to system wide change. By working in partnership, ASFI will coordinate, accelerate and contribute to this capability uplift in the sector by driving development of a sustainable finance capability framework for the sector, by developing an accreditation process for sustainable finance courses and a sustainable finance professionals network, developing course content with partners to fill gaps in professional learning opportunities that are available, continuing with ASFI member working groups and establishing mentoring and other initiatives to support capability uplift and connect and convene work in this area.

*Key objectives:* Address the identified capability gap in sustainable finance in Australia through the execution of a range of system wide initiatives identified during the development and scoping of the capability program during 2023.

*Delivery model:* ASFI team in partnership with universities, training providers, financial institutions, government and other organisations.

## Australian Sustainable Finance Summit

Following the growing success of ASFI's 2023 Summit, the 2024 Summit will be the premiere event in the sustainable finance calendar that brings the whole finance together with government, regulators and universities to discuss the latest developments and increase ambition around sustainable finance.

*Key objectives:* Connect different parts of the finance sector to spark collaboration, engage and connect ASFI's network with latest developments in sustainable finance, showcase progress against the Roadmap, increase ambition on sustainable finance across the financial system.

*Delivery model:* ASFI staff with sponsors and speakers.

## Progress Tracker

An annual report on the state of progress of Roadmap implementation and the state of sustainable finance in Australia, released at the Australian Sustainable Finance Summit.

*Key objectives:* Continue to build on the methodology used in 2023 to improve the quality and coverage of the Progress Tracker in 2024 providing a valuable resource as the flagship report on the sustainable finance market in Australia and its development.

*Delivery model:* ASFI team with input from ASFI partners and network.

# Natural Capital

There is growing recognition of the dependence and impacts of economic activity on our natural environment, including on biodiversity and natural ecosystems. The Roadmap recognises the importance of natural capital to a resilient and sustainable economy and a number of recommendations focus on supporting the finance sector to recognise, value and incorporate natural capital into capital allocation decisions and risks analysis.

## Valuing Natural Capital Project

In partnership with Farming for the Future, this project is working with financial institutions, agribusiness and others across the agricultural sector to demonstrate how some of the challenges of integrating natural capital into decision making of businesses and financial institutions can be overcome.

*Key objectives:* Make it easy for financial institutions to integrate natural capital considerations into decision making on agricultural sector products, risk assessments, disclosures and reporting by tackling issues such as data, metrics and complexity to demonstrate what is possible.

*Delivery model:* ASFI team in partnership with Farming for the Future and interested ASFI members, industry and government organisations.

## Environmental policy engagement

Environmental policy reform at the national level will be essential to enable achievement of the Roadmap's ambition on nature. This includes enshrining global biodiversity targets in domestic legislation and ensuring policies such as nature related financial disclosures and reporting, nature criteria in the Australian Taxonomy, credible and robust nature repair markets and considering the role of blended finance to catalyse private capital for nature are developed and implemented to deliver on the ambition of these targets.

*Key objectives:* ASFI engagement enables financial institutions to have a stronger voice in environmental policy and ensures Australian Government environmental policy recognises and supports the important role of private capital and the finance sector in achieving Australia's environmental objectives.

*Delivery model:* ASFI policy team with input from ASFI members, collaborating and coordinating with other industry organisations and peak bodies where valuable.

## First Nations and Finance

The Roadmap includes a number of recommendations to support meaningful engagement between financial system participants and Indigenous Peoples, support self-determination, particularly by implementing free, prior and informed consent and improving financial outcomes for Indigenous Australians. The focus of ASFI's work in this area is on systems level changes in the financial system and with an institutional rather than retail finance focus. During 2024, ASFI will continue to grow this area of work by focusing on improving disclosures of First Nations impacts and outcomes by corporates and financial institutions, elevating First Nations perspectives into sustainable finance, and through policy and regulator engagement to enable success.

*Key objectives:* Continue to build and deliver this work program in partnership with the First Nations reference group and First Nations organisations taking an adaptable and agile approach that is anchored by strong partnerships with values aligned organisations.

*Delivery model:* ASFI team (led by First Nations Program Lead) in partnership with the First Nations reference group and in close collaboration with others across the financial system including First Nations organisations and representatives, government, regulators, industry organisations and universities.



## Sustainable Finance Solutions

**Building sustainable finance markets requires a supportive policy and regulatory environment, however the growth and credibility of markets and the deployment of capital towards solutions can be accelerated through the development of new structures, products and market infrastructure, as highlighted in the Roadmap. This area of work seeks to rapidly accelerate capital flow towards sustainability solutions, achieving sustainability outcomes and demonstrating the commercial value of these approaches.**

### **Designing blended finance solutions and building capability on blended finance and public private partnerships**

By bringing the unique capabilities and expertise of the ASFI team, together with ASFI members, ASFI will support the design and effective implementation of blended finance solutions to accelerate the flow of capital towards sustainability outcomes in Australia and the region.

*Key objectives:* Blended finance solutions are designed and implemented to be catalytic and additional in the market and enable private capital to flow relatively rapidly towards sustainability solutions in Australia and the region, accelerating Roadmap implementation.

*Delivery model:* ASFI team, drawing in relevant member expertise and potentially in partnership with other organisations.

### **Catalysing financing solutions to accelerate climate action and broader sustainability outcomes**

The Roadmap identified the need for new financial products and solutions to catalyse investment in new technologies, and scale up deployment of existing technologies and climate solutions. Where requested ASFI will convene and connect financial institutions, universities, government and other subject matter experts around different climate solutions to co-create financing solutions that will unlock significant progress.

*Key objectives:* Convene and facilitate co-creation processes to develop financing and investment solutions that will accelerate climate action in particular areas. These solutions are then implemented by ASFI or our members and partners, collectively or individually.

*Delivery model:* ASFI team in partnership with other organisations depending on the topic, working closely with interested ASFI members and other financial institutions.



## Working with ASFI in 2024 - by partner type

		ASFI Members	Finance participants (non members)	Government	Academia, Industry organisations	Other individuals and organisations with relevant expertise
Enabling sustainable finance	Taxonomy phase 2 (development): stakeholder engagement and consultation opportunities	✓	✓	✓	✓	✓
	Supporting implementation of Australia's Sustainable Finance Strategy	✓	✓	✓	✓	✓
	Government engagement: early view of key messages for submissions to support member submissions and policy advocacy; opportunity to provide input to ASFI submissions; access government briefings on key policy developments; monthly ASFI member policy updates and 'Ask and ASFI expert' sessions to support policy engagement	✓				
Finance Sector Leadership	Involvement in ASFI's member-only Leadership Working Group	✓				
	Australian Sustainable Finance Summit: first opportunity to sponsor; complimentary and discounted attendance	✓				
	Australian Sustainable Finance Summit: opportunity to sponsor and/or attend the event	✓	✓	✓	✓	✓
	Enhancing capability on sustainable finance: discount on any capability learning program ASFI delivers	✓				
	Enhancing capability on sustainable finance: provide input and industry insights to ASFI's work on capability	✓	✓	✓	✓	✓
	Enhancing capability on sustainable finance: opportunity to attend any capability development program ASFI delivers	✓	✓	✓	✓	✓
	Connecting Australian financial institutions with global research and best practice: Priority participation in events	✓				
	Connecting Australian financial institutions with global research and best practice: opportunity to participate		✓	✓	✓	✓
Natural Capital	Opportunity to participate in ASFI's Natural Capital Advisory Group	✓		✓	✓	✓
	Environmental policy engagement: early view of key messages for submissions to support member submissions and policy advocacy; opportunity to provide input to ASFI submissions; access government briefings on key policy developments	✓				
First Nations and Finance	Opportunity to join our First Nations Reference Group	✓		✓	✓	✓
	Opportunity to participate in different parts of the work once developed and being delivered	✓	✓	✓	✓	✓
Sustainable Finance Solutions	Supporting development of sustainable finance and investment solutions: contribute expertise and insights to design of blended finance solutions and participation in design consultations and workshops	✓	✓	✓	✓	✓



## Our business model

ASFI is funded through membership fees and raises additional funding for special projects. We are a registered charity under the ACNC and will raise additional core and project funding from partners who are aligned with our values and mission from across the finance sector, government and philanthropy.

ASFI plays a unique role in driving the growth and credibility of sustainable finance in Australia by:

- Operating across the whole financial system, to address systemic challenges across climate, environment and social aspects of sustainable finance.
- Having close, productive working relationships with regulators and government to support or drive development of policy and regulation in this area and act as a bridge between the finance sector and government.
- Being highly collaborative, recognising and amplifying the work of other organisations where it contributes to Roadmap implementation. Partnerships are a strong focus and we partner with industry organisations, government, our members, international peers and think tanks and research institutions.
- Having a membership base that comprises the most progressive organisations across the financial sector who are driving the growth and credibility of sustainable finance in Australia.

# Measuring our performance

Our vision for success for 2024 is outlined below.

## The organisation

- Well-governed, high performing organisation that has a clearly articulated purpose, strategy and work program that it is delivering to achieve progress against the Roadmap.
- ASFI is recognised as a partner of choice on sustainable finance.
  - For the finance sector, for government and regulators, for other industry organisations, for international organisations looking to the Australian market and as a source of credible, high quality advice, information and learning.
- ASFI is financially sustainable with sufficient resources to deliver priority projects and capitalise on emerging opportunities.
  - Greater funding security from greater diversity of funding sources and multi-year or ongoing revenue where possible.
- ASFI is an organisation where people aspire to work, and current staff want to stay.
- Mutually beneficial partnerships between ASFI, our members and other partners.

## The financial system

- The implementation of Australia's Sustainable Finance Strategy delivers on government's leadership ambition to accelerate the growth and credibility of sustainable finance in Australia.
  - ASFI continues to lead the development of the Australian Taxonomy, demonstrating the value of partnership between government and the finance sector to develop sustainable finance policy and regulation that is credible, usable and widely supported. There is broad support for the Australian taxonomy and government and regulators have a clearer idea of how it should integrate into the regulatory system.
  - ASFI continues to play a strong role to support the development and implementation of a whole of government, Australian Sustainable Finance Strategy.
  - Sustainable finance is considered broader than climate, with other environmental and social issues such as natural capital and First Nations rights and outcomes being considered an integral part of sustainable finance.
  - Financial system participants are better connected with each other, understand value of different players (financial services, government, regulators, civil society, academia) and are better equipped to implement their sustainable finance commitments and the systemic changes outlined in the Roadmap.
  - ASFI members and others continue to increase their capability and action on emerging sustainability issues such as natural capital, first nations rights and outcomes and the social aspects of the climate transition. Through better understanding of best practice, tools and frameworks they are increasing the sophistication with which they engage on complex issues such as transition and tradeoffs between issues and outcomes.
- ASFI members continue to evolve and develop their approach to leadership on sustainable finance and sustainability from the finance sector, through ASFI convened events, working groups and other support.
  - With partners, ASFI is instrumental in capability uplift across the sector which is unlocking additional progress on implementation of Australia's Sustainable Finance Strategy.
  - The Australian sustainable finance market, ASFI members and government are better connected to international developments and Australian practice develops in line with global best practice with Australia taking a leadership role internationally where that suits our national interest.
  - ASFI Summit and Annual Progress tracker report have become beacons for the industry as a flagship report and event to galvanise leadership and action across the Australian financial system.



## Annual process for determining ASFI's key work priorities

ASFI will determine its key work plan priorities on an annual basis and publish these in the first two months of each calendar year. These annual priorities will be informed by evidence in the Annual Roadmap Implementation Report (Progress Tracker), which is released in the final quarter of each calendar year, member and other stakeholder consultations, including Advisory Committee input. The ASFI Board will provide final approval of ASFI's annual priorities and this will form the basis of the annual review and revision of this strategy and business plan.

Key principles that will drive this annual prioritisation process are:

**ASFI's unique role:** ASFI is uniquely placed to drive progress on an issue because of our role in the market, value proposition, expertise and the way that we work.

**Opportunity to work with others to accelerate progress:** ASFI could bring unique perspectives, relationships, expertise or value to accelerate progress on a particular issue while working with others.

**Maximum impact against our mission for the resources required:** ASFI's resources are limited so in determining our top priorities we will need to make an assessment of the costs vs contribution to ASFI's mission.

To inform ASFI's strategic approach from 2025 – 2027, and recognising that the context has changed significantly since the Roadmap was published in 2020, in the second half of 2024, ASFI will embark on a '**Roadmap implementation refocus**' process. This process will not seek to amend the Roadmap, but will use broad stakeholder consultation and input to generate strong industry support around a few key priorities from the Roadmap that need to be implemented in the 3 years to the end of 2027 to achieve the vision and ambition of the Roadmap. These priorities will feed into ASFI's and other industry organisation's pre-election engagement with Government and other political parties, with the bureaucracy and the process will help to create strong alignment amongst ASFI members and beyond on what needs to happen to drive the growth and credibility of sustainable finance in Australia.

