



Isle of Man Sustainable Finance Roadmap

November 2024



Foreword



Michael Crowe

**Chief Executive Officer
Finance Isle of Man**

We are proud to present the Isle of Man's Sustainable Finance Roadmap, the first output of a strategic initiative launched earlier this year by Finance Isle of Man, an executive agency of the Department for Enterprise. This roadmap is a pivotal part of our sustainable finance initiative, designed to bolster the Island's position as a leading International Finance Centre by directing capital and finance flows toward sustainability and nature-based solutions.

This initiative has the support of the Economic Strategy Board and aligns seamlessly with our Island's long-term economic strategy, leveraging the Isle of Man's unique standing as the world's only whole-nation UNESCO Biosphere. In recent years, sustainable finance has moved from the periphery of financial services to the centre of global financial priorities, becoming indispensable in the swift transition to a sustainable economy. Sustainable finance will play a transformative role in reshaping financial markets, ensuring they support long-term environmental, nature and social goals.

Today, with financial services comprising approximately 48% of the Island's economy, the Sustainable Finance Roadmap is both timely and full of promise for the Isle of Man's future. Developed over 5 months, this roadmap presents 10 targeted actions aimed at establishing the Isle of Man as a premier sustainable finance centre. Supported by extensive research and engagement with stakeholders, it is an early demonstration of how effective public-private collaboration can foster a robust policy and regulatory environment to support this vision.

With a strong emphasis on talent development, this roadmap positions the Isle of Man as a living laboratory—a place where the mobilisation of capital and finance for net-zero, nature-positive, and socially-just economic transitions can be modelled and advanced, both locally and globally.

Achieving these ambitions will ensure that the Isle of Man becomes a best-in-class environment where sustainable finance can thrive, benefitting our community and economy alike.

Our progress will be transparently marked through an annual Sustainable Finance Day, celebrating achievements and continuing to elevate the Island's role in this rapidly growing sector.

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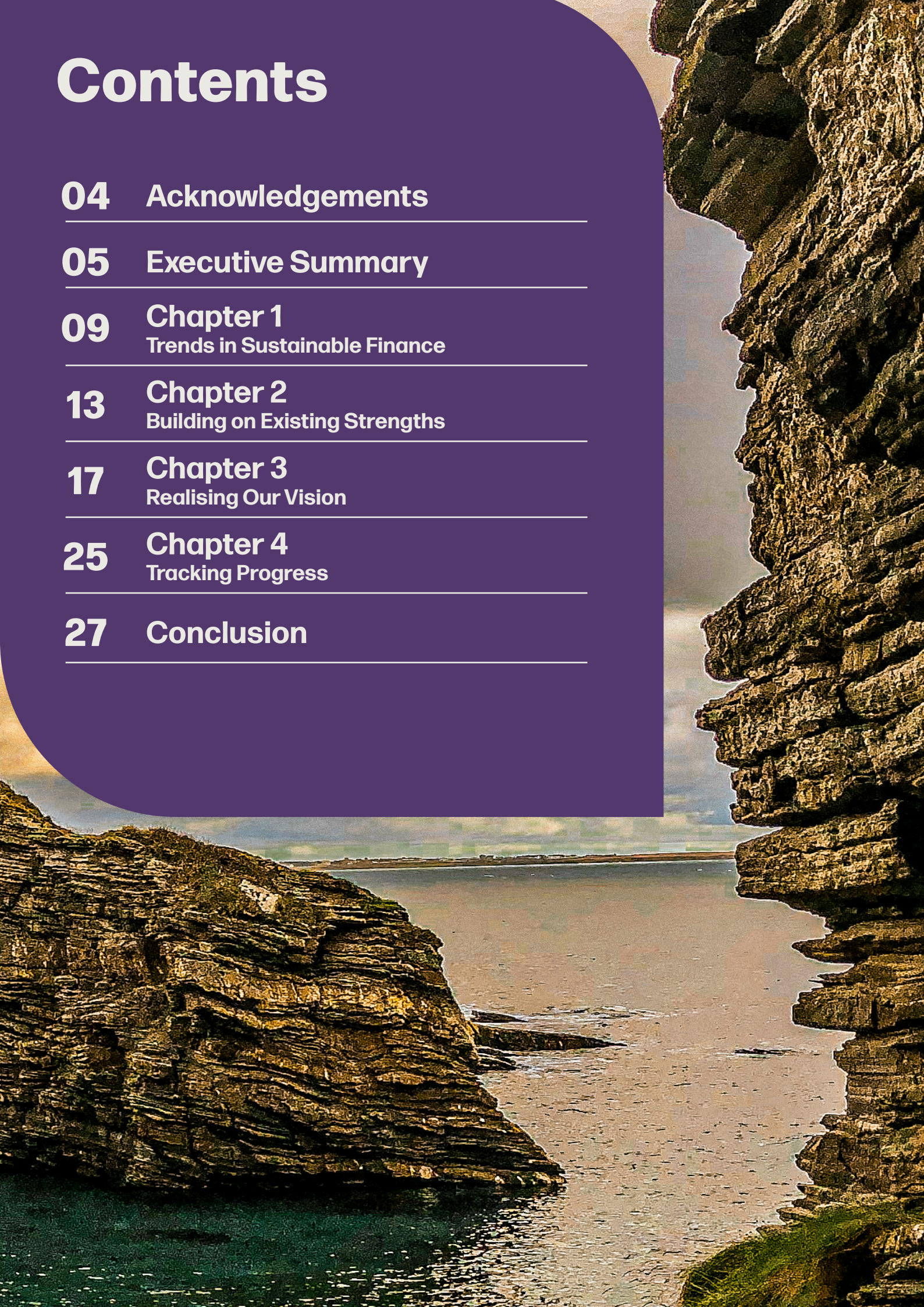
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About the Isle of Man's Sustainable Finance Initiative

Under the aegis of the Department for Enterprise, Finance Isle of Man launched an initiative to develop a Sustainable Finance proposition underpinned by a Roadmap for the Island in April 2024. The initiative, supported by the Economic Strategy Board, aligns with the Isle of Man Government's long-term Economic Strategy.

Chaired by Mr. Greg Easton, Resilience Asset Management the initiative is overseen by a Steering Group whose membership currently comprises:

- **Paul Blake**, Finance Isle of Man
- **Bettina Roth**, Isle of Man Financial Services Authority
- **Steve Hull**, Climate Change Transformation Team (IOM Government)
- **Stephen Nolan**, UNDP Financial Centres for Sustainability
- **Hannah Simons**, Lloyds Banking Group
- **David Corlett**, Cabinet Office (IOM Government)
- **Nigel Simpson**, Zurich International
- **Robert Cattle**, Equiom (Isle of Man)
- **Steven Quayle**, Cains Isle of Man
- **Graham Hatcher**, Manx Utilities Authority
- **Mike Batey**, Consultant to Finance Isle of Man

As the Roadmap moves to implementation a number of individual focus groups will be formed across the public and private sector, for which readers are encouraged to register an interest.

The development of the Roadmap was supported by the Irish based International Sustainable Finance Centre of Excellence (ISFCOE).

Feedback on this report or expressions of interest should be sent to:

Paul Blake: Paul.Blake@gov.im



Executive Summary

The global rise of sustainable finance has transformed it from a niche segment to a central pillar of modern financial markets. This evolution reflects a shift from viewing sustainability as a secondary consideration to recognising it as a critical component of long-term value for investors and society alike. The growing prevalence of sustainable investment products (including bonds, funds, and financial instruments) underscores this transformation, with sustainable bonds alone reaching \$5.1 trillion in issuance by mid-2024. Governments and regulators have introduced 516 national policies to advance net-zero and nature-positive goals, reflecting a global consensus on the importance of sustainable finance as a driver of economic transformation.

Trends in Sustainable Finance

This shift in sustainable finance has catalysed changes across several sectors, with banking, insurance, and emerging markets such as nature finance leading the way. Banks, for instance, are evolving from passive capital providers to active sustainability proponents. Driven by regulatory pressures and investor demand, they are integrating Environmental, Social, and Governance (ESG) criteria into their lending practices, asset management, and advisory services. This change is evident in the rising popularity of green loans and sustainability-linked loans (SLLs), which it is estimated will reach \$500 billion plus globally in 2024. Banks have also joined initiatives like the Net-Zero Banking Alliance, committing to net-zero emissions by 2050 and reinforcing their role as drivers of sustainable economic development.

The insurance industry is also adapting to climate-related risks by incorporating ESG factors into underwriting and investment decisions. New products, such as parametric insurance, offer automatic payouts for predefined climate events, while climate risk insurance products are expanding coverage against natural disasters. The Swiss Re Institute projects a 50% growth in the global climate risk insurance market by 2030, driven by the need for climate-resilient solutions. The development of these insurance products enables communities and businesses to adapt to climate risks while incentivising sustainable practices through premium discounts.

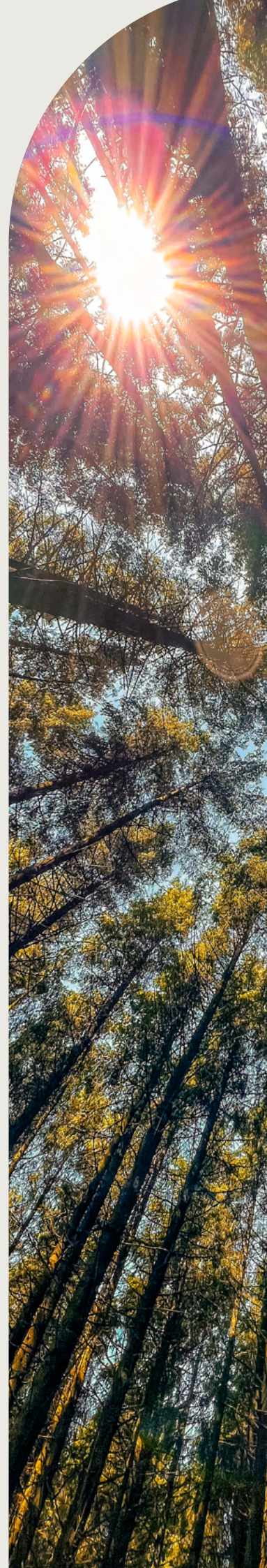
Green loans & sustainability-linked loans are estimated to reach \$500Bn+ globally in 2024

The global climate risk insurance market is projected to grow by 50% by 2030

Emerging Opportunities in Nature and Social Finance

Nature finance represents an exciting, rapidly growing facet of sustainable finance, focusing on protecting and restoring biodiversity. Financial instruments such as blue bonds and carbon markets, along with the concept of natural capital (resources like air, soil, and water), play a significant role in preserving ecosystems. These innovations seek not only to combat climate change but also to unlock trillions in investment potential, underscoring the importance of safeguarding natural resources. Social finance, meanwhile, emphasises investments with positive social impacts, from reducing inequality to promoting affordable housing. The recent launch of the Task Force on Inequality and Social-related Financial Disclosures (TISFD) exemplifies the shift towards socially responsible investment, offering transparency and accountability frameworks to address critical societal issues.

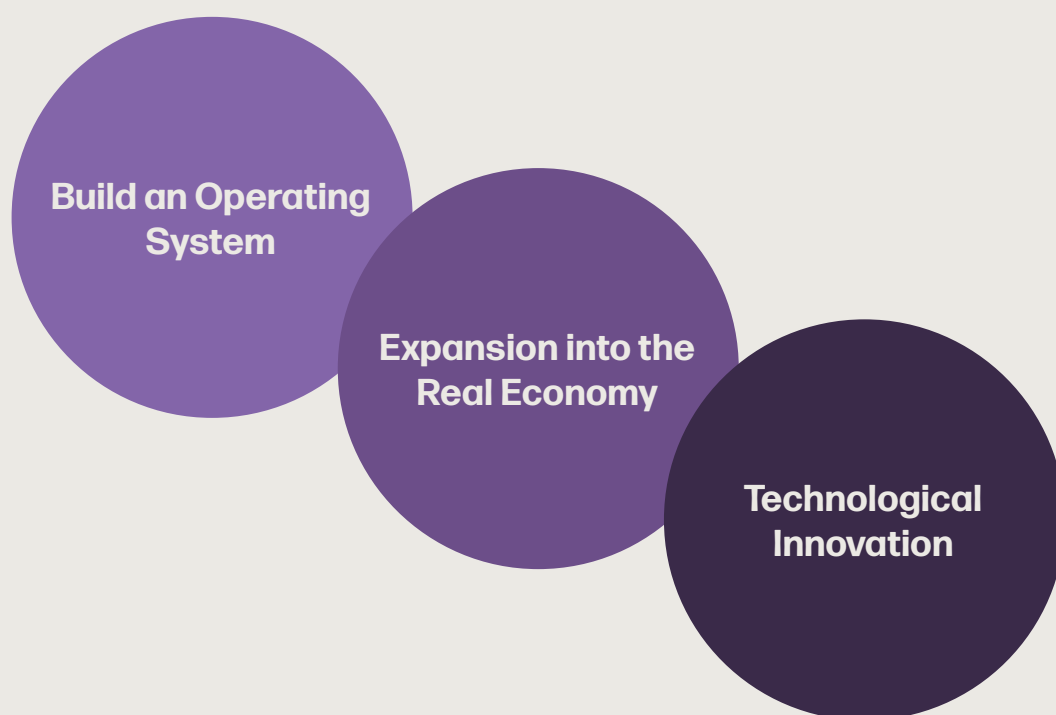
The interconnected agendas of transition finance, climate resilience, nature preservation, and social finance reflect a comprehensive approach to sustainable development, where environmental, social, and economic goals converge. Together, these sectors form a holistic finance model that not only combats climate change but also promotes biodiversity, supports social equality, and fosters resilience, demonstrating how interconnected financial agendas can drive impactful, long-term change.



Key Developments Shaping the Future of Sustainable Finance

The future of sustainable finance will depend on three significant developments. The first is building a “Sustainable Finance Operating System” that standardises definitions, taxonomies, and regulatory safeguards. Although progress has been made, many financial systems still prioritise short-term gains over resilience, highlighting the need for reforms and international cooperation. The second development is the expansion of sustainable finance’s role beyond financial markets into the real economy. Policies such as Nationally Determined Contributions (NDCs) and National Biodiversity Strategies and Action Plans (NBSAPs) illustrate how sustainability is driving the growth of new ventures. Finally, technological innovations—from renewable energy and electric vehicles to blockchain and artificial intelligence—are advancing sustainable finance by making it more efficient, transparent, and secure. These trends emphasise the need for financial centres to adopt sustainability as a core focus, positioning them for long-term growth in an increasingly green global economy.

The Three Key Developments



The Rise of Sustainable Finance Centres

Sustainable finance has become a key competitive factor for financial centres worldwide. Leading hubs like Luxembourg, Singapore, and London are establishing themselves as Sustainable Finance Centres (SFCs), focusing on developing green financial products, services, and best practices. Initiatives like the UNDP-convened Financial Centres for Sustainability (FC4S) facilitate knowledge-sharing and collective action, with Europe expected to lead in ESG assets due to strong regulatory momentum. Luxembourg’s Green Exchange, Singapore’s green bond programs, and London’s green investment incentives are examples of how SFCs capitalise on sustainable finance to attract investors and gain a competitive edge.

Building on Existing Strengths: Opportunities for the Isle of Man

The Isle of Man is uniquely positioned to lead in sustainable finance, leveraging its status as the only whole-nation UNESCO Biosphere reserve. The Island's extensive marine habitats and seabed support opportunities for innovative financial instruments such as blue bonds, which aim to fund marine biodiversity and conservation projects. Through collaborations with organisations like the Department of Environment, Food and Agriculture (DEFA) and the Manx Wildlife Trust, the Isle of Man can attract investment to protect marine ecosystems, enhancing its appeal as a centre for sustainable finance.

A flexible regulatory framework supports the Isle of Man's prospects for sustainable finance growth. Its track record in innovation and history of cooperation and collaboration with international standards make it an attractive jurisdiction. With recent legislation, including the Climate Change Act 2021 and the Climate Change Plan (2022-2027), the Isle of Man demonstrates a strong commitment to sustainability. Its proactive stance on policy and regulatory development, aligned with the UN Sustainable Development Goals, solidifies its reputation as a sustainability-driven jurisdiction.

The Isle of Man's Sustainable Finance Agenda

The Isle of Man's sustainable finance Roadmap is built on four key pillars: Enabling Environment, Developing Capacity, Mobilising Capital, and Promotion & Communication. These pillars and associated 10 actions are critical for positioning the Island as a global leader. The Isle of Man Sustainable Finance Initiative (IOMSFI) will coordinate the roadmap, focusing on policy and regulatory improvements, talent development, innovative product creation, and enhanced visibility. Initiatives include capacity-building programs targeting 30% of those employed in the financial sector by end 2026 and exploring a framework for sustainable investment product labelling. The Isle of Man also aims to address greenwashing and support international climate targets through active participation in networks like the UNDP Sustainable Insurance Forum, of which the Island's FSA is already an active member.

The Four Pillars



Tracking Progress and Leading by Example

The IOMSFI will track and report progress, using internationally recognised frameworks and sharing annual updates during events like Sustainable Finance Day. This transparent approach builds confidence in the Island's sustainable finance commitments and provides accountability, ensuring progress toward net-zero, nature-positive, and inclusive economic transitions.

With the global shift toward sustainability intensifying, the Island's roadmap aligns with international trends, positioning it to capture new economic opportunities. By leveraging its unique UNESCO Biosphere status, regulatory foundation, and strong public-private partnerships, the Isle of Man aims to become a leader in sustainable finance by 2026. This roadmap not only underscores the Island's commitment to sustainability but also sets a standard for how finance can be harnessed to drive positive change and protect the planet for future generations.



Trends In Sustainable Finance

Chapter 1

Sustainable finance has transformed dramatically from a niche interest to a mainstream pillar of global markets, evolving from a passing trend to a crucial element in achieving long-term value for investors and society alike. Just five years ago, the financial sector regarded sustainable finance with scepticism; today, it is reshaping market operations and investment strategies. In 2023, the total value of sustainable investment products—including bonds, and other financial instruments—surpassed \$7 trillion, underscoring the sector’s explosive growth. A significant contributor to this surge has been sustainable bonds, which, according to the Climate Bonds Initiative, reached a total issuance of \$5.1 trillion by 30th June 2024, with \$554 billion issued in the first half of the year alone, reflecting a 7% increase compared to the same period in 2023. Total issuance for 2024 is projected to approach \$1 trillion.

In response to this shift, governments and regulators have introduced a wave of policies aimed at leveraging financial markets to meet net-zero and nature-positive goals. Since 2014, there have been 516 national sustainable finance measures enacted, with 60% introduced in the last five years. This urgency reflects a growing recognition of finance as a vital lever for economic transformation.

The conversation around sustainable finance is evolving from risk mitigation—protecting investments from climate and biodiversity risks—to one of opportunity. According to the UNDP, a nature-positive economy could unlock up to \$10.1 trillion in annual business value by 2030, while creating 395 million jobs worldwide. These gains are expected to come from transforming key economic sectors responsible for nearly 80% of nature loss, including food, infrastructure, energy, and extractives.

In 2024, the financial community views sustainable finance not as optional but as an imperative, poised to create a profound impact on financial and capital markets. As sustainability becomes embedded in global financial systems, the focus is shifting from compliance initiatives to long-term, structural change.

The Growth of Sustainable Finance in Banking

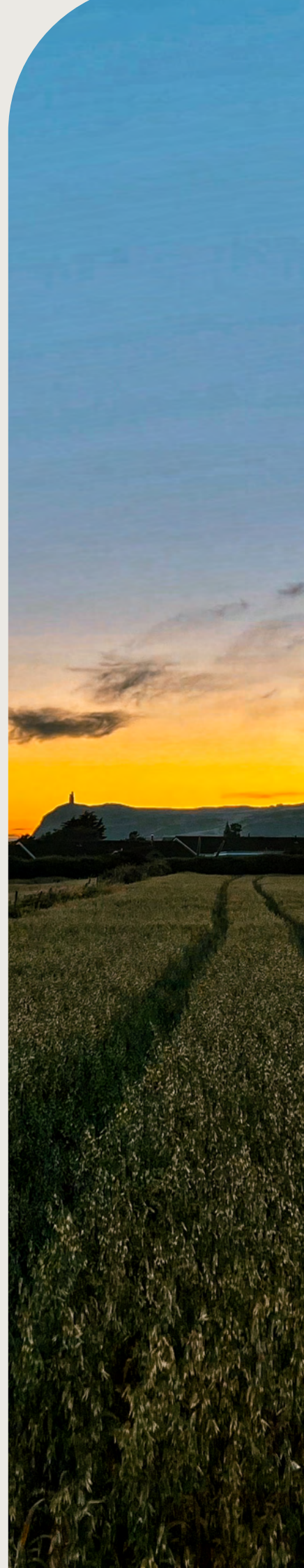
Banks are at the forefront of this transition, evolving from mere capital providers to active drivers of sustainability. This shift involves integrating ESG criteria into lending practices, asset management, and advisory services, spurred by regulatory pressures and market demands for greater transparency. A notable trend is the rapid increase in green loans and sustainability-linked loans (SLLs), which tie interest rates to borrowers' achievement of specific sustainability targets. According to the Institute of International Finance (IIF), in 2024 the global market for SLLs will reach \$500 billion plus, with European and Asian banks leading the charge. Additionally, sustainable banking frameworks are emerging, exemplified by initiatives like the Net-Zero Banking Alliance, which commits over 100 member banks to achieve net-zero carbon emissions from their portfolios by 2050. Banks are also expanding their offerings of ESG-driven investment products, such as ESG funds and green mortgages, to meet growing investor demand, thereby underscoring their vital role in fostering a greener, more resilient global economy.

The Growth of Sustainable Insurance

Simultaneously, the insurance industry is rapidly transforming to address the increasing risks associated with climate change. Insurers are integrating ESG factors into their underwriting and investment processes, enabling them to manage environmental and social risks while supporting sustainability initiatives. Innovative products like parametric insurance—offering automatic payouts for predefined climate events—are gaining traction, providing timely financial support to affected communities. Additionally, the development of climate risk insurance products is on the rise, with coverage expanding to protect against floods, wildfires, and renewable energy projects. According to the Swiss Re Institute, the global climate risk insurance market is projected to grow by over 50% by 2030, driven by demand for climate-resilient solutions. Insurers are also adopting impact underwriting, which factors in positive environmental outcomes to create new revenue streams while incentivising businesses to adopt sustainable practices through premium discounts. As climate risks escalate, sustainable insurance will be essential in helping companies and communities adapt, offering protection while promoting sustainability across various sectors.

The Rise of Nature Finance

An exciting emerging facet of sustainable finance is nature finance, which focuses on directing both private and public capital toward preserving and restoring biodiversity and ecosystems. At its core is the concept of “natural capital,” encompassing essential resources like soil, air, and water that underpin human life and economic activity. The degradation of these natural assets poses significant risks, prompting financial institutions and governments to integrate biodiversity considerations into their strategies. Notable innovations include nature-based bonds—like blue bonds—designed to fund projects that protect ecosystems while providing investor returns. Additionally, carbon markets are increasingly pivotal, trading credits from reforestation and carbon sequestration efforts. This burgeoning sector not only aims to combat climate change and biodiversity loss but also unlocks trillions in investment potential, emphasising the critical importance of safeguarding our planet's ecosystems.



The Next Wave – Social Finance

Social finance is a transformative approach to investing that prioritises generating positive social impact alongside financial returns. The recently launched Task Force on Inequality and Social-related Financial Disclosures (TISFD) supports this mission by promoting transparency and accountability in addressing social challenges like inequality, affordable housing, healthcare, and financial inclusion. By encouraging investors to go beyond traditional profit metrics and consider tangible social benefits, social finance aligns capital with values. With frameworks like those from TISFD, in the coming years social finance will emerge as a powerful tool to foster a more inclusive and equitable global economy.

The interconnected agendas of transition finance, climate resilience, nature preservation, and social finance embody a comprehensive approach to sustainable development, uniting environmental, social, and economic goals. Together, these sectors create a holistic financial model that not only addresses climate change but also fosters biodiversity, advances social equity, and builds resilience, illustrating how aligned financial agendas can drive meaningful, long-term impact.

Key Developments Shaping the Future of Sustainable Finance

Building a “Sustainable Finance Operating System”

To fully integrate sustainability into financial markets, a robust framework—or “operating system”—is essential. This includes establishing clear definitions, taxonomies, and standards, along with advanced data analytics, transparency measures, and regulatory safeguards. Although significant progress has been made, challenges remain, as many financial systems are still hampered by short-term incentives and corporate cultures prioritising immediate returns over long-term resilience. Reforms, international cooperation, and evolving regulatory frameworks are helping to address these barriers, laying the foundation for a new era of sustainable finance.

From Finance to the Real Economy

The role of sustainable finance is expanding beyond traditional financial markets to reshape the real economy. Sustainability-linked markets—where environmental goods and services are actively traded—are growing rapidly. Nationally Determined Contributions (NDCs) and National Biodiversity Strategies and Action Plans (NBSAPs) are two prime examples of how sustainability efforts are transitioning from policy objectives to real economic drivers. This shift fuels the growth of start-ups and new ventures in sustainability-linked sectors across both developed and emerging markets. For jurisdictions like the Isle of Man, this opens new opportunities to integrate sustainability into its economy and position itself as a leader in this field.

Driving Sustainable Transformation: Technological Innovation

New technologies are playing a crucial role in accelerating the transition to sustainable economies. Innovations in renewable energy, electric vehicles, and energy-efficient infrastructure are creating substantial investment opportunities in the real economy. Simultaneously, fintech, blockchain, artificial intelligence, and quantum computing are transforming the financial sector, making it more efficient, transparent, and secure. This intersection between technology and finance is enabling the large-scale deployment of sustainable finance solutions, helping to meet both environmental and social targets. These developments underscore the need for a new generation of financial centres dedicated to advancing sustainable finance and creating the necessary ecosystem for growth.

The Rise of Sustainable Finance Centres

In the past few years, sustainable finance has become a key factor in determining the competitiveness of financial centres worldwide. Many jurisdictions are establishing themselves as Sustainable Finance Centres (SFCs), serving as hubs for developing green financial products, services, and practices. This trend is particularly evident in leading financial centres like Luxembourg, Singapore, and London, where sustainable finance is rapidly becoming a core focus. Networks such as the UNDP-convened Financial Centres for Sustainability (FC4S) are critical, fostering collaboration between financial hubs to pool resources, exchange knowledge, and drive collective action toward sustainability.

The rise of SFCs is driven by a confluence of market trends. First, there is increasing demand for finance to address ESG concerns. Second, investors are actively seeking opportunities that align with global sustainability goals, prompting financial centres to develop ESG frameworks and products. Europe is expected to lead in ESG assets, driving regulatory momentum through initiatives such as the EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR).

Regional Examples and Global Leadership

Luxembourg has positioned itself as a leader in sustainable finance through initiatives like the Luxembourg Green Exchange, the first dedicated platform for green bonds. Singapore has made significant strides by launching various green bond programs and promoting green fintech innovation. Similarly, London is leveraging its status as a global financial hub to attract green investments and develop its green bond market. While some financial centres see sustainable finance as a way to stay competitive in a shifting global economy, others are seizing the opportunity to reshape their reputation and capture new market share.

Regardless of motivation, the message is clear: financial centres that do not integrate sustainability into their offerings risk being left behind.



The Luxembourg Green Exchange (LGX) At A Glance

Source: UNFCCC.int

- LGX was created in 2016 as the world's first platform fully dedicated to green bonds, and has since expanded to include social and sustainability bonds as well as SRI funds.
- As the world's leading platform for sustainable securities, LGX has an international footprint with 135 issuers from 32 countries, issuing securities in a total of 32 currencies.
- As of 31 August 2020, LGX displays 796 green, social and sustainable securities totalling USD 356 billion.



Building on Existing Strengths

The Growth of Sustainable Finance and Opportunities for the Isle of Man

Chapter 2

As the world shifts towards sustainability-driven economies, the financial sector is playing a pivotal role in addressing global social and environmental challenges. The Isle of Man, with its status as the only whole-nation UNESCO Biosphere reserve, is uniquely positioned to lead this charge. Recognised for its balance between people and nature, vibrant community, and resilient economy, the Island is poised to become a hub for sustainable finance, offering tremendous opportunities for both local and international investors.

Harnessing the Biosphere for Blue Bonds and Marine Conservation

As the first entire nation designated as a UNESCO Biosphere, the Isle of Man is in a strong position to capitalise on its natural environment. The Island oversees approximately 4,000 square kilometres of marine habitats and seabed—87% of its total jurisdiction. This extensive marine space creates fertile ground for the introduction of innovative financial instruments such as blue bonds, which are designed to support marine biodiversity and conservation efforts. The Island is also committed to designating 30% of its land and ocean area as protected by 2030, further demonstrating the Island's dedication to preserving its unique ecosystems and rich marine habitats.

By embracing blue bonds, the Isle of Man could catalyse marine biodiversity enhancements not only within its own jurisdiction but also across the British Isles and neighbouring nations. Collaborating with organisations like the Department of Environment, Food and Agriculture (DEFA), Manx Wildlife Trust, and others, the Island can spearhead initiatives that attract capital to projects aimed at protecting marine ecosystems. The ease of monitoring marine conservation projects within this relatively small and self-contained jurisdiction further enhances the Isle of Man's appeal as a centre for sustainable finance, especially in marine conservation.



The Island oversees approximately 4,000 square kilometres of marine habitats and seabed—87% of its total jurisdiction.

Renewable Energy: A Growing Opportunity

The Isle of Man's strategic location in the Irish Sea offers significant potential for investment in renewable energy, particularly offshore wind farms. As global demand for clean energy grows, the Isle of Man is perfectly positioned to attract the capital required for these projects. The Irish Future Framework for offshore wind, launched earlier this year, highlights the immense investment required across the British Isles. Between 2025 and 2040, billions of pounds will be needed to support offshore wind developments in England, Wales, Ireland, and Scotland—offering a substantial opportunity for the Island.

Future projects in the Irish Sea will soon reach key decision points as existing assets approach the end of their 25-35 year operational lifetimes. The Isle of Man's financial sector can play a central role in facilitating the capital raising and debt financing required for these renewals, positioning the Island as a leader in sustainable energy finance.



A Flexible Regulatory Framework for Innovation

As an independent jurisdiction, the Isle of Man has long demonstrated its ability to legislate flexibly to support the development of emerging sectors, including telecoms, e-gaming and financial services. This history of innovation, combined with its cooperative positioning in respect of international taxation, disclosure and regulatory standards, makes it an attractive location for sustainable finance. The Isle of Man has also aligned itself with the UN Sustainable Development Goals, further reinforcing its commitment to promoting sustainable investment.

The passing of the Climate Change Act 2021, along with the implementation of a detailed Climate Change Plan (2022-2027), signals the Isle of Man's serious commitment to tackling climate change. Recent publications, such as the Island Plan and Economic Strategy, illustrate the Isle of Man's dedication to sustainable growth, with Tynwald (the Island's parliament) taking decisive steps to address the climate emergency.

The Island's existing momentum in regulatory and policy development provides an excellent foundation for positioning itself as a global leader in sustainable finance. It is well-placed to collaborate with members of the British Irish Council, the British Islands family, and Northern European nations to support the transition to a net-zero future.

Key Initiatives Driving Sustainable Finance

The Isle of Man has already made significant strides through various statutory commitments and initiatives. Some of the most impactful include:

Climate Change Act 2021 and Climate Change Plan 2022-27 (CCP)

These provide a legal framework for delivering climate change mitigation, with specific finance and business targets that align with the Island's broader sustainability goals.

Green Living Grant Scheme

Offering financial assistance for households to reduce carbon emissions and energy bills, this scheme is expected to significantly lower emissions for around 2,000 properties, reducing CO2 by nearly 170,000 tonnes over 30 years.

Business Energy Saving Scheme (BESS)

A successful program offering 100% interest-free loans to local businesses to reduce energy costs and emissions, with more than £230,000 in support allocated to date.

International Development Funding

A £2.5m annual budget has been earmarked for international development funding including £1.2m per year for International Development Partnerships with two themes currently supported, being climate change and displaced persons, demonstrating the Island's commitment to addressing global challenges.

Planned Future Initiatives

The Isle of Man is looking ahead with a range of planned initiatives that will continue to drive sustainable finance:

Nature Market Scheme

A high-integrity scheme to attract private sector investment into local nature restoration projects is in development. This initiative will sequester carbon, increase biodiversity, and generate carbon and nature units for sale, creating revenue streams for landowners and helping the Island meet its net-zero targets by 2050.

Low Carbon Heating Strategy

Set to replace the Green Living Grant, this strategy will offer financial support to retrofit up to 9,000 households, further contributing to the Island's emissions reduction goals.

The Isle of Man's Sustainable Finance Agenda

The financial services sector is crucial in mobilising funds to meet global sustainability objectives, and the Isle of Man is well-placed to take a leading role. The Island's commitment to global targets like the Paris Agreement, its active engagement with stakeholders through consultations and conferences, and its issuance of £400 million in sustainable bonds are all positive signals of its readiness to grow as a sustainable finance hub.

However, to fully capitalise on its potential, the Isle of Man should focus on a few key areas:

- **Institutional Foundations**

Strengthening international connectivity underpinned by a comprehensive sustainable finance roadmap with broad stakeholder support.

- **Regulatory Environment**

Introducing anti-greenwashing measures and robust governance frameworks to ensure investor trust and market integrity.

- **Capacity Building**

Investing in industry-wide upskilling and awareness to attract ESG-focused capital and drive growth in key sectors.

- **Market Transparency**

Improving data collection on sustainable finance activities to enhance visibility and credibility, particularly in areas like life insurance and wealth management.

Leading by Example

As the global financial sector increasingly aligns with sustainability goals, the Isle of Man is well-positioned to leverage its unique advantages and strengths to become a leader in sustainable finance. With its status as the world's only whole-nation UNESCO Biosphere Reserve and its strong regulatory framework, the Isle of Man has the potential to drive positive environmental impact while capturing significant economic opportunities. The Isle of Man has the opportunity to set a global example as a leading Nature Finance Hub, mobilising capital for sustainability and biodiversity initiatives, thus positioning the Island to be a frontrunner in the race to a more sustainable future—demonstrating the power of finance to protect the planet for generations to come.



Realising Our Vision

Chapter 3

The Isle of Man is committed to becoming a leading sustainable finance centre, guided by a structured approach across four key pillars: Enabling Environment, Developing Capacity, Mobilising Capital, and Promotion & Communication. To achieve this vision, 10 Actions provide a roadmap that builds upon the Island's existing strengths, including its Climate Change Act and Plan, government-adopted sustainable finance products, a robust financial services sector, and its unique designation as the world's only a whole-nation UNESCO Biosphere.

While these Actions capitalise on established foundations, they also address current limitations within the Isle of Man's sustainable finance offering. By enhancing and aligning these elements, the Isle of Man will be better positioned to emerge as an internationally recognised leader in sustainable finance.

Innovation, both digital and product-oriented, is a central theme cutting across these efforts. As the enabling environment strengthens and the local talent pool expands, this focus on innovation will only increase in importance.

In alignment with global best practices, Action 1 establishes a dedicated Isle of Man Sustainable Finance Initiative (IOMSFI), which will oversee the ongoing implementation of this roadmap.

Developed through comprehensive research and stakeholder engagement, these Actions will be advanced through sustained public-private collaboration well into 2025 and beyond. Progress will be showcased annually through a dedicated Sustainable Finance Day, highlighting milestones achieved along the way.

Our Pillars



Pillar 1

Enabling Environment

Build upon the Isle of Man's existing foundational policy and regulatory environment by reviewing and updating legislation and regulatory guidance where necessary to accelerate the growth of sustainable finance.



Pillar 2

Developing Capacity

Build the knowledge and capability required to meet current workforce needs for sustainable finance skillsets and develop best-in-class insights, tools, and mechanisms for leadership.



Pillar 3

Mobilising Capital

Accelerate the mobilisation of capital and finance in support of the net-zero, nature positive and just economic transition in the Isle of Man and internationally through the development of a suite of innovative financial products and services.



Pillar 4

Promotion & Communication

Raise awareness of the Isle of Man's sustainable finance priorities, commitments and capabilities.

10 Point Action Plan For Sustainable Finance

1



Establishment of the Isle of Man Sustainable Finance Initiative (IOMSFI)

As a coordinating entity and under the aegis of Finance Isle of Man, the IOMSFI will be a central point of contact and information for all sustainable finance actors in the Isle of Man. Overseeing delivery of the Island's Sustainable Finance Roadmap, it will work to raise awareness, promote and assist the Island's financial sector and accelerate its transition towards increased sustainability.

Deadline: 2025

2



Assist in embedding climate and nature-related financial risks into financial services firms' governance and risk management systems

3



Reinforce the existing strong and proactive regulatory conduct supervisory approach by highlighting greenwashing and other sustainable finance-related misconduct

4



Explore the feasibility of developing a sustainable investment product label framework

5



Improving transparency on climate and sustainability

6



Review policy, legal, regulatory and reporting frameworks to develop a strategy which will enable sustainability goals to be achieved across the spectrum of Isle of Man financial services

7



Establishment of a 2-year sustainable finance capacity building programme

8



Position the Isle of Man as a leading Nature Finance Hub

9



Establish the Isle of Man as a living lab for financial services sustainable finance products and service innovation

10



Deliver a coordinated public-private campaign to promote the Isle of Man's efforts in advancing sustainable finance, including the hosting of an annual Sustainable Finance Day event

Pillar 1

Enabling Environment - 'Policies & Regulations that Drive Change'

Fully integrating climate and biodiversity into finance operations requires a broad set of preconditions. These include agreed definitions, taxonomies, norms and standards, data, analytical tools, transparency and disclosure methods, as well as a robust policy and regulatory framework.

While progress has been made on these issues, significant work is still required to ensure the continued development of an enabling Isle of Man best practice policy, regulatory and assurance framework, one that creates a foundation for integrating sustainability into all financial activities. This will support a continued focus on compliance activities and increased emphasis on opportunity. These are recognised as system-level changes that can be leveraged to further accelerate sustainable finance growth opportunities creating a sustainable and competitive offering for international markets.

Pillar 1 Action Points

2

Assist in embedding climate and nature-related financial risks into financial services firms' governance and risk management systems

Description of Action Measure

In 2025, onboarding a dedicated regulatory resource in sustainable finance.

In 2025, development of high-level sector-specific guidance to assist firms with considering the impact of climate and nature-related financial risks on their strategy and risk profile.

Across 2025 and into 2026, ongoing identification and implementation of any necessary regulation and guidance note changes.

Lead

Isle of Man Financial Services Authority

Stakeholders

Isle of Man Sustainable Finance Initiative & relevant Trade Bodies

Deadline

2025/26

3

Reinforce the existing strong and proactive regulatory conduct supervisory approach by highlighting greenwashing and other sustainable finance-related misconduct

Description of Action Measure

In 2025, a refinement of existing requirements will be undertaken that will allow for regulatory requirements to reduce harm from greenwashing to be implemented.

Lead

Isle of Man Financial Services Authority

Stakeholders

Isle of Man Sustainable Finance Initiative & relevant Trade Bodies

Deadline

H1 2026

4 Explore the feasibility of developing a sustainable investment product label framework

Description of Action Measure

In 2026, review of a labelling and disclosure requirements framework for investment products marketed as 'sustainable', including managed funds within the insurance and pension industries, will be undertaken.

Lead

Isle of Man Financial Services Authority

Stakeholders

Isle of Man Sustainable Finance Initiative & relevant Trade Bodies

Deadline

2026/27

5 Improving transparency on climate and sustainability

Description of Action Measure

In 2025/26, considering international best practice, the development of a sustainability disclosure regime will be explored, that would support firms' strategies and targets for transition to a net-zero and nature positive position.

In 2025, a review of existing international taxonomies will be undertaken to understand how best their usage may support Isle of Man sustainable finance activities, provide a base to be able to measure and address greenwashing and help facilitate the Island's transition to net-zero.

In 2025, relevant data and metrics on sustainable finance will begin to be captured and published.

Lead

Isle of Man Financial Services Authority and Relevant Government Departments & Agencies

Stakeholders

Isle of Man Sustainable Finance Initiative & relevant Trade Bodies

Deadline

2025/26

6 A review of the policy, legal and regulatory framework will be undertaken leading to a strategy which will enable sustainability goals to be achieved across the spectrum of Isle of Man financial services

Description of Action Measure

In 2025/26, ensuring sustainability goals can be achieved across the spectrum of Isle of Man financial services, a full review of the policy, legal, reporting and regulatory framework will be undertaken.

Lead

Isle of Man Financial Services Authority and Relevant Government Departments & Agencies

Stakeholders

Isle of Man Sustainable Finance Initiative & Trade Bodies

Deadline

2026/27

Pillar 2

Developing Capacity - ‘World Class Talent Pool’

Building the knowledge and capability required to meet current workforce needs for sustainable finance skillsets and develop best-in-class insights, tools, and mechanisms for leadership are urgently required to advance the sustainable finance agenda in the Isle of Man.

With increasing demand for training, development, and peer learning there is a need to further identify sustainable finance skills gaps and respond with world-class virtual and in-person upskilling opportunities for the Isle of Man’s policy, regulatory and financial services sector professionals, as well as related supporting roles such as IT and compliance.

Pillar 2 Action Points

| 7 Establishment of a 2-year sustainable finance capacity building programme | | |
|--|---|--------------------------------|
| Description of Action Measure <p>In 2025, underpinned by an analysis assessing existing Island skill sets and gaps in knowledge, a dedicated capacity building programme supporting targeted training to advance sustainable finance skills at the policy, regulatory and market level will be established.</p> <p>The planned programme will support capacity building efforts across key financial services sectors, including Insurance (Life, General and Captives), Banking, Funds and Wealth Management, and Trust and Corporate Service Providers.</p> <p>Ensuring best practice in reporting and disclosure activities, capacity building efforts will prioritise a focus on compliance and risk management; and the development of new product / services aligned with the net-zero transition and nature positive agendas.</p> <p>Activities will support policy makers, regulators, boards, c-suite, and general practitioners as they seek to advance their sustainable finance knowledge and capabilities.</p> <p>By end 2026, the programme aims to have upskilled 30% of the Island’s financial services sector.</p> | | |
| Lead <p>Isle of Man Sustainable Finance Initiative</p> | Stakeholders <p>Relevant Government Departments & Agencies, Financial Services Authority, Trade Bodies, and the ISFCOE</p> | Deadline <p>2025/26</p> |



Pillar 3

Mobilising Capital - 'Driving Sustainable Finance Solutions'

As a supportive policy and regulatory environment is rolled out and enhanced by a growing sustainable finance talent pool, the Isle of Man is primed to address a key challenge hindering the continued growth of the sustainable finance agenda, namely the development of new products and services that seek to accelerate the mobilisation of capital and finance in support of the interconnected goals of net-zero, nature positive and a just economic transition.

Recognising this linkage, the Isle of Man is well-positioned to bring together these agendas as a testbed for new product and service innovation with a focus on the Insurance Sector, Funds and Wealth Management, Pensions, Banking and Trust and Corporate Service Providers.

Pillar 3 Action Points

8

Position the Isle of Man as a leading Nature Finance Hub

Description of Action Measure

In 2025, place priority on exploring the development of the Isle of Man as a leading international Nature Finance Hub, including identification of incentives, enabling policy and regulatory actions, accelerated development of a nature finance talent pool. These combined can support, for instance, the establishment of a dedicated Biosphere Fund, an Isle of Man Nature Market, and a reputation for cutting-edge innovation in this rapidly emerging area.

In 2025, explore with UNESCO the development of a dedicated financing instrument that supports the ongoing financing of the Isle of Man and the global network of 700+ UNESCO Biosphere projects.

Lead

Isle of Man Sustainable Finance Initiative

Stakeholders

Relevant Government Departments & Agencies, Financial Services Authority, market actors , UNESCO

Deadline

H1 2025

9

Establish the Isle of Man as a living lab for financial services sustainable finance product and service innovation

Description of Action Measure

In 2025, and in the context of the interlinkage between the net-zero, nature and social finance agendas, explore how best to attract financial services innovation, design, and development activities to the Isle of Man, for instance in carbon / biodiversity credits, sustainable funds, and sustainable insurance.

Lead

Isle of Man Sustainable Finance Initiative

Stakeholders

Relevant Government Departments & Agencies, market actors

Deadline

H1 2025

Pillar 4

Promotion & Communication - ‘Elevating the Isle of Man’s Sustainable Finance Vision and Commitments’

Raising awareness of the Isle of Man’s sustainable finance priorities, commitments and capabilities is crucial for positioning the Island as a leader in sustainable finance. Effectively communicating and promoting the core of the Island’s offerings is mission-critical for attracting stakeholders, whether they are considering relocating to the Isle of Man or sourcing solutions from it.

These efforts will position the Isle of Man as a rising world-class sustainable finance hub, showcasing growing industry expertise, innovative product and service development, strong industry commitments, global reach, and robust collaboration between public and private sector stakeholders.

Pillar 4 Action Points

| | | |
|---|--|----------|
| 10 Deliver a coordinated public-private campaign to promote the Isle of Man’s efforts in advancing sustainable finance, including the hosting of an annual Sustainable Finance Day event, while identifying international sustainable finance initiatives the Isle of Man should participate in | | |
| Description of Action Measure | | |
| From 2024 on, host an annual Sustainable Finance Day flagship event ensuring the Isle of Man ecosystem has access to the latest insights and information for advancing the sustainable finance agenda. | | |
| In 2025, the design, launch and ongoing delivery of a coordinated public-private promotional campaign will be prioritised and delivered on an annual basis. | | |
| In 2025, become a full member of the UNDP Financial Centres for Sustainability (FC4S) Network. | | |
| From 2025 on, participate in other relevant events, for example London Climate Week and the annual UNFCCC Conference of the Parties (COP) series. | | |
| Lead | Stakeholders | Deadline |
| Isle of Man Sustainable Finance Initiative | Relevant Government Departments & Agencies, Financial Services Authority, Trade Bodies | 2025/26 |





Tracking Progress

Chapter 4

To foster a vibrant sustainable finance landscape, a comprehensive financial sector strategy and robust public-private partnerships are essential. This collaborative approach will attract private investment, create an enabling environment, enhance skills, manage systemic risks associated with climate, nature, and social challenges, and redirect capital towards sustainable economic activities.

With the ambition to become a premier hub for sustainable finance, it is crucial for the Isle of Man to meticulously track and measure progress on its sustainability roadmap from 2025 to 2026.

The Isle of Man Sustainable Finance Initiative (IOMSFI) plays a pivotal role in this endeavour, focusing on three key elements:



Monitor

Continuously assess the Isle of Man's performance against its leadership ambitions, identifying real-time issues and opportunities.



Measure

Leverage internationally recognised frameworks, such as the UNDP FC4S assessment program, to evaluate the alignment of the Isle of Man's financial centre with the Paris Agreement and the UN Sustainable Development Goals (SDGs).



Report

Publicly share successes and challenges, providing progress updates during the Sustainable Finance Day events in 2025 and 2026.

As the roadmap evolves alongside global efforts, the robustness of its measurement techniques and methodologies will enhance the ability to track the Isle of Man's commitments to net-zero targets, nature-positive initiatives, and a just economic transition.

This roadmap is not just a plan; it is a dynamic framework guiding the Isle of Man's journey towards becoming a leading centre for sustainable finance.



Conclusion

In conclusion, the Isle of Man's sustainable finance roadmap offers a well-structured, ambitious plan that places the Island at the forefront of the global movement towards a greener, more inclusive economy. The roadmap is not merely a list of objectives but a comprehensive framework that strategically leverages the Island's unique strengths—its whole-nation UNESCO Biosphere status, strong regulatory foundation, and established financial sector—to create a distinct value proposition in the sustainable finance arena. By embracing this roadmap, the Isle of Man signals its commitment to addressing the pressing challenges of climate change, biodiversity loss, and social inequality while positioning itself as a global hub for sustainable finance innovation.

Comprising of 10 actions, the roadmap's structured approach is built on four key pillars: Enabling Environment, Developing Capacity, Mobilising Capital, and Promotion & Communication. Each pillar is essential in establishing a sustainable finance ecosystem capable of addressing contemporary environmental and social challenges while fostering economic growth. By setting clear objectives under each pillar, the Isle of Man not only creates a pathway for immediate progress but also lays the groundwork for sustainable, long-term success.

The Isle of Man Sustainable Finance Initiative (IOMSFI) will play a central role in monitoring, measuring, and reporting progress on the roadmap. By setting measurable targets, using internationally recognised assessment frameworks, and transparently sharing achievements and challenges, the IOMSFI ensures accountability and continuous improvement. This transparency is vital for building investor confidence and demonstrating that the Island's commitment to sustainable finance is not a fleeting trend, but a lasting transformation embedded within its financial ecosystem.

As the global shift towards sustainability intensifies, the Isle of Man's roadmap represents a timely and strategic response, allowing it to capture new economic opportunities while supporting the global transition to a low-carbon, nature-positive economy. With clear objectives, a supportive regulatory environment, and a strong focus on capacity building and innovation, the Isle of Man is well-equipped to become a leading sustainable finance centre.

By the end of 2026, the Isle of Man aspires to be an exemplar of how a small jurisdiction can leverage its unique assets to drive meaningful change, setting a global standard for sustainable finance and showcasing the transformative power of finance to protect and regenerate the planet for generations to come.



**Find out more about the Isle of Man's
approach to Sustainable Finance**

www.financeisleofman.com/sustainable-finance



