












Center for Finance

ENVIRONMENTAL AND ESG POLICY

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1 PURPOSE

The Center for Finance is committed to integrating environmental, social, and governance (ESG) principles into all aspects of its operations, research activities, and stakeholder engagement.

The purpose of this Environmental and ESG Policy is to establish a structured framework for identifying, managing, and reducing the organization's environmental impact, while contributing to sustainable development, climate resilience, and responsible financial practices.

This policy aims to:

- Align the organization's activities with international environmental standards, including ISO 14001 Environmental Management System principles and United Nations Sustainable Development Goals (SDGs);
- Promote environmentally responsible research, particularly in the fields of sustainable finance, climate change, and green economic transition;
- Ensure efficient use of natural resources and reduction of waste and emissions associated with office operations and project implementation;
- Support the integration of environmental considerations into financial decision-making and policy analysis;
- Strengthen institutional accountability, transparency, and continuous improvement in environmental performance.

Through this policy, the Center for Finance seeks to act not only as a responsible organization, but also as a knowledge leader and catalyst for sustainable and green transformation in the financial sector.

The organization is committed to ensuring that its activities do not cause significant environmental or social harm ('Do No Harm' principle).

This policy contributes to climate mitigation, biodiversity protection, and sustainable resource management.

2 SCOPE

This Environmental and ESG Policy applies to all activities, operations, and stakeholders associated with the Center for Finance.

The scope of this policy includes:

- **Organizational operations:** All administrative and office-based activities, including resource consumption, procurement, and internal processes;
- **Research and analytical work:** All studies, publications, and data-driven activities, with particular emphasis on integrating environmental and climate-related considerations;
- **Projects and programs:** All national and international projects, including those funded by multilateral organizations and other donors;
- **Events and outreach activities:** Conferences, workshops, trainings, and public engagements, including digital and in-person formats;
- **Partnerships and collaborations:** Engagements with academic institutions, public sector entities, private sector partners, and civil society organizations;
- **Suppliers and service providers:** External vendors and consultants engaged by the organization, where environmentally responsible practices are encouraged and, where possible, required.

This policy applies to all employees, consultants, associates, and any individuals or entities acting on behalf of the Center for Finance.

The organization also seeks to extend the principles of this policy across its sphere of influence by promoting environmental responsibility among partners, stakeholders, and beneficiaries of its work.

3 ESG PRINCIPLES & COMMITMENTS

The Center for Finance adopts a comprehensive Environmental, Social, and Governance (ESG) approach to guide its operations, research, and stakeholder engagement. The organization is committed to embedding ESG principles into decision-making processes and institutional practices.

3.1 Environmental Principles and Commitments

The organization is committed to minimizing its environmental footprint and contributing to climate resilience and sustainable resource use. Key commitments include:

- Integrating environmental and climate considerations into research, policy analysis, and project design;
- Promoting sustainable finance and green investment practices;

- Reducing resource consumption, including energy, water, and materials, through efficient and digitalized operations;
- Minimizing waste generation and encouraging reuse and recycling practices;
- Supporting climate change mitigation and adaptation efforts through research and partnerships;
- Aligning with relevant environmental regulations and ISO 14001 Environmental Management System principles.

3.2 Social Principles and Commitments

The Center for Finance recognizes its responsibility to contribute positively to society and ensure inclusive and ethical practices. The organization commits to:

- Promoting inclusivity, equal opportunities, and non-discrimination in all activities;
- Supporting capacity building, education, and knowledge sharing in sustainable finance and environmental topics;
- Engaging stakeholders in a transparent and participatory manner;
- Ensuring safe, respectful, and healthy working conditions for employees and collaborators;
- Contributing to broader societal goals, including the United Nations Sustainable Development Goals (SDGs).

3.3 Governance Principles and Commitments

Strong governance is essential for ensuring accountability, transparency, and long-term sustainability. The organization commits to:

- Maintaining high standards of integrity, ethics, and professional conduct;
- Ensuring transparency in decision-making processes and use of funds;
- Implementing robust internal controls and risk management practices;
- Preventing conflicts of interest and ensuring accountability at all levels;
- Monitoring, evaluating, and continuously improving ESG performance;
- Aligning governance practices with international standards and donor requirements.

Through these ESG principles and commitments, the Center for Finance aims to act as a responsible institution and a driver of sustainable transformation within the financial and policy ecosystem.

4 ENVIRONMENTAL MANAGEMENT & IMPLEMENTATION FRAMEWORK

The Center for Finance establishes an Environmental Management and Implementation Framework aligned with ISO 14001 principles, ensuring a systematic approach to managing environmental impacts and continuously improving environmental performance.

This framework follows the Plan–Do–Check–Act (PDCA) cycle and integrates environmental considerations into all organizational processes.

4.1 Planning

The organization identifies and assesses environmental aspects and impacts associated with its operations and projects. This includes:

- Identifying key environmental risks and opportunities;
- Defining environmental objectives and targets;
- Ensuring alignment with ESG priorities, donor requirements, and international standards;
- Integrating environmental considerations into project design and research methodologies.

4.2 Implementation (Do)

The Center for Finance implements measures to achieve its environmental objectives through:

- Adoption of sustainable operational practices (e.g. digitalization, energy efficiency, waste reduction);
- Integration of environmental criteria into procurement and partner selection;
- Allocation of roles and responsibilities for environmental management;
- Capacity building and awareness-raising among staff and collaborators;
- Application of environmental safeguards in project implementation, particularly for donor-funded initiatives.

4.3 Monitoring and Evaluation (Check)

The organization regularly monitors and evaluates its environmental performance by:

- Tracking key indicators such as resource consumption, waste generation, and emissions where relevant;
- Assessing compliance with internal policies and external requirements;
- Conducting periodic internal reviews of environmental practices;

- Documenting and reporting environmental performance as part of project and organizational reporting.

4.4 Continuous Improvement (Act)

The Center for Finance is committed to continuous improvement by:

- Reviewing environmental objectives and updating them as necessary;
- Identifying corrective and preventive actions where gaps are identified;
- Incorporating lessons learned into future projects and operations;
- Strengthening environmental performance over time in line with evolving standards and stakeholder expectations.

4.5 Documentation and Integration

Environmental management is integrated into the organization's overall governance and operational systems. Relevant procedures, guidelines, and records are maintained to ensure transparency, traceability, and accountability.

This framework supports the organization's role as a responsible actor in advancing sustainable finance and environmental stewardship.

5 ENVIRONMENTAL OBJECTIVES & TARGETS

The Center for Finance establishes realistic and measurable environmental objectives to progressively reduce its environmental impact and improve sustainability performance, in line with ESG principles, ISO 14001 requirements, and donor expectations.

Objectives are designed to be achievable within the context of a research-based organization and are subject to periodic review and adjustment.

5.1 Resource Efficiency

- Progressively reduce paper consumption through increased digitalization of processes;
- Improve energy efficiency in office operations where measurable and applicable;
- Promote responsible water use and continuous reduction where feasible.

5.2 Waste Reduction

- Introduce and maintain waste separation practices where infrastructure allows;
- Reduce non-recyclable waste over time through improved procurement and reuse practices;
- Minimize the use of single-use materials in office activities and events.

5.3 Sustainable Events and Travel

- Increase the use of online and hybrid formats for meetings and events where appropriate;
- Promote environmentally responsible travel practices and reduce unnecessary travel;
- Apply green event principles to organizational activities.

5.4 Sustainable Procurement

- Gradually integrate environmental criteria into procurement decisions;
- Prefer suppliers demonstrating environmentally responsible practices where possible;
- Promote the use of eco-friendly and durable products.

5.5 Research and Impact

- Integrate environmental and climate considerations into research and analytical work where relevant;
- Strengthen focus on sustainable finance, climate change, and green transition topics;
- Contribute to policy dialogue and knowledge dissemination related to environmental sustainability.

5.6 Awareness and Capacity Building

- Promote awareness of environmental sustainability and ESG practices among staff and collaborators;
- Encourage participation in relevant training and initiatives;
- Support knowledge sharing through events, publications, and partnerships.

5.7 Monitoring and Continuous Improvement

- Establish and track appropriate indicators of environmental performance;
- Review progress periodically and adjust objectives as needed;
- Continuously improve practices based on lessons learned and evolving standards.

6 GREEN OFFICE GUIDELINES

The Center for Finance adopts Green Office Guidelines to ensure environmentally responsible day-to-day operations. These guidelines translate the organization's environmental commitments into practical actions applicable to all employees, collaborators, and office activities.

6.1 Energy Efficiency

- Turn off lights, computers, and office equipment when not in use;
- Use energy-efficient devices and enable power-saving settings;
- Maximize the use of natural light where possible;
- Avoid unnecessary heating or cooling and maintain moderate indoor temperatures.

6.2 Paper and Digitalization

- Adopt a “paperless office” approach as the default practice;
- Print only when strictly necessary and use double-sided printing;
- Use digital tools for communication, document sharing, and archiving;
- Avoid printing draft documents.

6.3 Waste Management

- Separate waste into appropriate categories (e.g. paper, plastic, electronic waste) where facilities exist;
- Reduce waste generation by avoiding unnecessary packaging and disposable items;
- Reuse materials and office supplies whenever possible;
- Ensure proper disposal of electronic and hazardous waste through authorized providers.

6.4 Water Use

- Use water responsibly and avoid unnecessary consumption;
- Report leaks or inefficiencies promptly;
- Encourage mindful use of water in shared spaces.

6.5 Sustainable Procurement

- Prioritize environmentally friendly, recyclable, and energy-efficient products;

- Purchase durable goods instead of disposable alternatives;
- Prefer local suppliers to reduce transport-related emissions;
- Avoid single-use plastics and non-recyclable materials.

6.6 Sustainable Travel

- Prioritize virtual meetings over business travel whenever possible;
- Use public transport, shared transport, or low-emission options where feasible;
- Combine multiple activities within a single trip to reduce travel frequency;
- Consider environmental impact when planning travel.

6.7 Green Events

- Organize digital or hybrid events whenever possible;
- Minimize printed materials and use digital alternatives;
- Avoid single-use items (e.g. plastic bottles, disposable cups);
- Select venues and service providers with environmentally responsible practices;
- Encourage participants to follow sustainable practices.

6.8 Staff Awareness and Engagement

- Encourage all staff to actively contribute to environmentally responsible behavior;
- Share practical tips and updates related to sustainability;
- Promote a culture of environmental responsibility within the organization.

6.9 Responsibility and Compliance

All employees and collaborators are expected to follow these guidelines as part of their daily work. Management supports implementation by providing necessary tools, resources, and guidance.

These Green Office Guidelines are regularly reviewed and updated to reflect best practices and evolving environmental standards.

7 COMPLIANCE, MONITORING & REPORTING

The Center for Finance is committed to ensuring full compliance with applicable environmental regulations, donor requirements, and internal ESG standards. The organization establishes a structured approach to monitoring, evaluating, and reporting its environmental performance.

7.1 Compliance

The organization commits to:

- Complying with all relevant national environmental laws and regulations in Montenegro;
- Aligning operations with applicable European Union environmental directives and international standards where relevant;
- Meeting environmental and social safeguard requirements of donors;
- Integrating environmental considerations into internal policies, procedures, and project implementation;
- Ensuring that partners and contractors adhere to applicable environmental standards where feasible.

7.2 Monitoring

The Center for Finance monitors its environmental performance through:

- Tracking key environmental indicators (e.g. energy use, paper consumption, waste generation, travel-related impacts);
- Applying monitoring mechanisms within projects, particularly those with environmental objectives;
- Conducting periodic internal assessments of compliance with this policy and related procedures;
- Identifying environmental risks and opportunities as part of project and organizational reviews.

7.3 Reporting

The organization ensures transparent and accurate reporting by:

- Integrating environmental performance into internal and external reporting processes;
- Providing environmental information as part of donor reporting requirements;

- Documenting progress against environmental objectives and targets;
- Communicating relevant environmental information to stakeholders where appropriate.

7.4 Internal Review and Audit

Periodic internal reviews are conducted to evaluate the effectiveness of environmental management practices;

Where applicable, environmental considerations may be included in broader organizational audits;

Findings from reviews are used to improve performance and strengthen compliance.

7.5 Corrective and Preventive Actions

Identified gaps or non-compliance issues are addressed through corrective actions;

Preventive measures are implemented to reduce the likelihood of recurrence;

Lessons learned are incorporated into future planning and project design.

Through this system, the Center for Finance ensures accountability, transparency, and continuous improvement in its environmental and ESG performance.

8 ROLES & RESPONSIBILITIES

The Center for Finance defines clear roles and responsibilities to ensure effective implementation of this Environmental and ESG Policy across all levels of the organization.

8.1 Management

Senior management is responsible for:

- Providing strategic direction and leadership on environmental and ESG matters;
- Approving environmental objectives, targets, and policies;
- Ensuring allocation of adequate resources for implementation;
- Overseeing compliance with donor requirements;
- Promoting a culture of sustainability within the organization.

8.2 ESG / Environmental Focal Point

The organization may designate an ESG or Environmental Focal Point responsible for:

- Coordinating the implementation of this policy;
- Monitoring environmental performance and tracking key indicators;
- Supporting integration of environmental considerations into projects and research;
- Advising staff on sustainable practices and compliance requirements;
- Preparing inputs for environmental reporting and donor requirements.

8.3 Project Managers

Project managers are responsible for:

- Integrating environmental and ESG considerations into project design and implementation;
- Ensuring compliance with environmental safeguards and donor requirements;
- Monitoring project-level environmental impacts and reporting accordingly;
- Engaging partners and stakeholders in line with this policy.

8.4 Employees and Collaborators

All employees, consultants, and collaborators are responsible for:

- Applying the Green Office Guidelines in their daily work;
- Supporting the organization's environmental objectives and commitments;
- Identifying and reporting potential environmental risks or improvement opportunities;
- Participating in relevant training and awareness activities.

8.5 Partners and Service Providers

External partners, contractors, and suppliers are expected to:

- Adhere to applicable environmental standards and practices;
- Align with the principles of this policy where relevant;
- Support the organization's efforts to reduce environmental impact.

8.6 Accountability and Oversight

- Environmental responsibilities are integrated into organizational processes and decision-making;

- Performance is periodically reviewed as part of internal monitoring and reporting systems;
- Management ensures that responsibilities are clearly communicated and effectively implemented.

Through clearly defined roles and responsibilities, the Center for Finance ensures accountability, coordination, and effective implementation of its environmental and ESG commitments.

9 APPROVAL & REVIEW

This Environmental and ESG Policy is formally approved by the management of the Center for Finance and enters into force on the date of adoption.

9.1 Approval

The policy is approved by senior management and reflects the organization's strategic commitment to environmental sustainability and ESG principles.

The approved policy is communicated to all employees, collaborators, and relevant stakeholders.

The policy is made publicly available where appropriate, including through the organization's official communication channels.

9.2 Review

This policy is subject to periodic review at least once every two years, or more frequently if required by changes in organizational activities, regulatory requirements, or donor expectations.

Reviews take into account monitoring results, audit findings, stakeholder feedback, and evolving international standards.

Updates and revisions are approved by management to ensure continued relevance and effectiveness.

9.3 Continuous Improvement

The Center for Finance is committed to continuously improving its environmental and ESG performance.

Lessons learned from project implementation are integrated into policy updates.

The organization adapts its approach in line with best practices, including ISO 14001 Environmental Management System principles and ESG standards.

9.4 Version Control

The policy is maintained as a controlled document with a clear version history.

All updates are documented, including the date of revision and a summary of changes.

The most recent version is made accessible to all relevant stakeholders.

Through a structured approval and review process, the Center for Finance ensures that this policy remains effective, up-to-date, and aligned with international standards and sustainability objectives.