

Under the High Patronage of
Mr Emmanuel MACRON
President of the French Republic
and
Under the Patronage of
the French Minister for the Economy and Finance

3 DAYS TO SCALE UP!

26-28 NOV 2018 - PALAIS BRONGNIART, PARIS

UNEP FINANCE INITIATIVE
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GLOBAL ROUNDTABLE

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“Financing Sustainable Development Goals and the Paris Climate Agenda: Innovation and Impact”

UNEP FI’s Global Roundtable

26th November, 2018

PROMOTING LEADERSHIP TO SCALE UP SUSTAINABLE FINANCE GLOBALLY

More than 500 delegates at the first day of UN Environment Finance Initiative (UNEP FI)’s Global Roundtable 2018 saw the launches of four major initiatives that will help mobilize the financing of the Sustainable Development Goals (SDGs) and the Paris Climate Agenda.

The first day of the event—part of three days aimed at scaling up action from banks, insurers and investors on sustainable finance—saw the AXA Group announce the extension of its pioneering climate policies to its new AXA XL division, and heed the call from UNEP FI’s Principles for Sustainable Insurance (PSI) for its peers in the global insurance industry to form a coalition to commit to decarbonisation and climate resilience in both their insurance and investment activities, and to raise their climate ambition.

Opening remarks of these 3 days for sustainable finance were given by Eric Usher, Head of UNEP FI and Augustin de Romanet, Chair of Paris EUROPLACE and CEO of ADP, who said: *“Sustainable Finance and the fight against Climate change are at the heart of the Paris Financial Center strategy, especially since COP21 in 2015. The priority today, at the European as well as at the global level, is to accelerate our action, to leverage the banks and investors commitments and make them concrete.”*

Shaping the future of banking: UNEP FI’s Principles for Responsible Banking

In a bid to define the banking industry’s role and responsibilities in shaping a sustainable future, UNEP FI and 28 banks from around the world have together developed the Principles for Responsible Banking. The new framework launched today for a 6-month global public consultation. The 28 banks represent over USD 17 trillion in combined assets and 9 of their CEOs attended the launch.

By committing to the new framework, banks will be aligning their business with the objectives of the SDGs and the Paris Climate Agreement. The principles provide the first global framework that guides the integration of sustainability across all business areas of a bank, from strategic to portfolio to transaction level.

“The global banking industry is stepping up to the sustainability challenge. I’m optimistic we’ll see a realignment of business practice - one that embraces the fact that green and socially responsible business is the best business.” Said Satya Tripathi, UN Assistant Secretary-General, UN Environment.

AXA Group calls for industry to scale up climate ambition through collective action

The AXA Group, the French global insurer and founding signatory to the Principles for Sustainable Insurance (PSI), announced that its newly acquired division, XL Group—now known as AXA XL—will no longer underwrite the construction and operations of coal plants, coal mines, oil sands extraction and pipelines, as well as arctic drilling. With its acquisition of XL Group last March, AXA is now the world’s largest commercial lines insurer, with a strong presence in North America. This commitment will represent over €100 million of premiums and it will be effective January 2020.

Furthermore, AXA XL will implement AXA’s various investment exclusions they have pioneered, including coal, oil sands, tobacco, and controversial weapons. This represents an extra divestment of €660 million.

AXA hopes that its decision to restrict insurance coverage will create further momentum in the insurance industry. AXA supports the call from UNEP FI’s Principles for Sustainable Insurance for the global insurance industry to collaborate under the PSI and form a coalition of insurers who would commit to actions on decarbonisation and climate resilience in both their insurance and investment activities, and raise their climate ambition in line with the goals of the Paris Agreement.

Thomas Buberl, Group CEO, AXA said, *“To tackle climate change, we must use every lever possible. This means implementing an ambitious strategy everywhere we can. This is why I am very proud to onboard AXA XL into adopting our sustainability strategy. Above all, our conviction has always been that the fight against climate change requires collective action, therefore AXA is happy to support the future UN PSI Climate Ambition Coalition.”*

Rethinking Impact to Finance the SDGs: UNEP FI's Positive Impact Finance Initiative

UNEP FI's Positive Impact Initiative has launched a new report entitled "Rethinking Impact to Finance the SDGs", bridge position paper on bringing the gap in financing for the Sustainable Development Goals. The report was launched at a session introduced by Frédéric Oudéa, CEO of Société Générale, a member of the initiative. The paper identifies a US\$2.5 trillion financing gap in emerging markets and developing economies, and calls for the business and finance sector to embrace business models that focus on impact.

Accompanying the report's release are several tools for impact analysis and management: The Positive Impact Radar translates the SDGs into meaningful terms for business and finance. Positive Impact Model Frameworks provide guidance to apply holistic impact analysis across different financing products and asset classes.

Frédéric Oudéa, CEO of Société Générale, said:

"We are fully committed to contributing to positive transformations of our economies and societies and have put CSR objectives at the heart of our strategy. The energy transition and sustainable development are two major collective challenges that we can and want to contribute to concretely."

"The Positive Impact Finance Initiative founded by Société Générale and its peers under the leadership of UNEP FI call for a new financing paradigm: a holistic and inclusive approach of impacts built on transparency and cooperation and acknowledging that positive impacts are at the core of long-term value creation."

New tool to help financial institutions assess economic risks of environmental degradation

The world's first comprehensive tool linking environmental change with its consequences for the economy was presented for the first time today. The new web-based tool, called ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), will help global banks, investors and insurance firms assess exposure to the risks that environmental degradation, such as the pollution of oceans or destruction of forests, cause for economic activity. ENCORE's comprehensive database covers 167 economic sectors and 21 'ecosystem services', i.e. the benefits that nature provides to enable or facilitate business production. Global financial institutions such as FirstRand, VicSuper and YES Bank are supporting the launch of the tool.

Fresh impetus in the French market's approach to responsible investment: Presenting the France Roadmap

The latest in a series of market analyses from the Fiduciary Duty in the 21st Century programme was published today at a session introduced by Bruno Le Maire, Minister of Economy and Finance, France and featuring Brune Poirson, Secretary of State, Ministry for the Ecological and Inclusive Transition. The roadmap sets out recommendations for the French market to build upon its leadership position and achieve further progress in mainstreaming responsible investment.

Acknowledging recent achievements, such as the final adoption of the Action Plan for Business Growth and Transformation (PACTE), the roadmap recommends that the French market would benefit from fresh impetus in its approach to responsible investment. The Roadmap aims to strengthen French leadership in the transition towards a more sustainable finance system, one that aligns with the Paris Agreement and contributes to the achievement of the UN Sustainable Development Goals.

Bruno Le Maire, Minister for the Economy and Finance of the French Republic, said: *"Awareness on climate emergency has progressed. The challenge now is to ensure that no one is left behind. It is not acceptable that the energy transition is borne by the weakest, the most modest. We must support them in this transition. This is the meaning of the measures announced by the government."*

"We must go even further. The financial sector must play the game. We need finance to make a successful energy transition."

"I call on banks, insurers and asset managers to make commitments to stop financing mines and coal-fired power plants. These commitments must be controlled and transparent. If these commitments are not met, they will be made binding."

Brune Poirson, Secretary of State, Ministry for the Ecological and Inclusive Transition of the French Republic, said: *"When talking about finance, we're talking about household savings. It is very tangible. That's why citizens are asking for more transparency on how their money is used. People are ready to encourage renewable energies and in the same time, they can't understand that their savings are used to finance new gasoline pipelines. They want more than financial returns, they want positive impacts. This is why we need to mainstream sustainable finance. »*

UNEP FI and Finance for Tomorrow are partnering and co-organizing their two flagship events, which together become the major global Rendez-vous in 2018 dedicated to mobilizing the financial sector to showcase solutions, explore successful policies and make new commitments to scale up green and sustainable finance. The Climate Finance Day and the Global Roundtable brought together high-level representatives of the financial industry, regulatory authorities, corporates and civil society.

The United Nations Environment Programme Finance Initiative (UNEP FI) Global Roundtable, held biannually, has become the key global agenda-setting event on sustainable finance, bringing together hundreds of leaders from all parts of the financial system as well as from civil society, academia, government and the United Nations. At this two day gathering of global sustainable economy leaders, participants identify ways for the finance community to become catalysts for sustainable, climate resilient development.

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