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CLIMATE
FINANCE DAY

PRESS RELEASE

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Climate Finance Day 2020: new commitments for a sustainable recovery

Paris, October 29, 2020 - Placed under the High Patronage of Mr Emmanuel Macron, President of the French Republic and under the Patronage of the French Minister for the Economy, Finance and Recovery, the Climate Finance Day, organized by Finance for Tomorrow, once again brought together speakers from all backgrounds to discuss solutions for a more sustainable recovery. This 6th edition also confirms the catalyst role of the Climate Finance Day, with more than 15 events organized as part of the Paris for Tomorrow week and numerous announcements around 3 key themes: transparency and alignment, divestment from fossil fuels and innovation.

While the health crisis deeply and durably affects economies across the world, how to reboot the European economy on a sustainable model and be more resilient in the face of global warming? To answer this question, the Climate Finance Day brought together around fifty speakers (public, private, political actors, etc.) to discuss the role of the financial sector in supporting the transition and transformation of businesses. In the current health context, the Climate Finance Day was held in a hybrid format, essentially digital, and welcomed around 200 participants during the day while respecting barrier gestures at the Palais Brongniart, joined by nearly 800 participants online, from about 50 countries.

This year again, the Climate Finance Day was the occasion for new announcements and new commitments to meet the challenge of climate issues:

1/Transparency and alignment

To enable the alignment of portfolios with carbon neutrality objectives by 2050, monitoring the commitments made and access to this data represents a major challenge. To respond to this, the launch of the **Sustainable Finance Observatory** is the first of its kind and a **word premiere**. It demonstrates the desire for transparency and exemplarity of the Paris financial center in terms of green and sustainable finance. Launched today by Finance for Tomorrow and the main professional associations of the financial center, it lists the individual commitments of nearly 355 voluntary actors as well as data aggregated by sector. More information [here](#).

To support its clients and strengthen the dialogue on their social commitment, Crédit Agricole is launching two devices to measure the dynamics of climate transition for SMEs, mid-cap companies and large companies. A climate transition score for 100% of listed companies, clients of Crédit Agricole from the end of 2020 and an ESG analysis of 100% of SMEs and mid-market clients of Crédit Agricole.

The SFIL, a public development bank, is strengthening its commitments in favor of a responsible ecological transition by offering, from 2021, with its partner La Banque Postale, an envelope of €1

billion in green loans to local authorities and €1 billion social loans to public hospitals each year. This amount adds to the €40 billion over 2020-2024 announced as part of the Caisse des Dépôts group's recovery plan.

2/Divestment from fossil fuels

Already a pioneer in the exclusion of coal, the Paris financial center actors are taking a new step in the exclusion of the most polluting energies. **The French government, in the first place, will no longer grant an export guarantee for extra-heavy oil and unconventional hydrocarbon projects from January 1, 2021**, and no more funding for oil exploitation projects by 2025 and gas at most in 2035.

The Caisse des Dépôts group (including Bpifrance and SFIL) is strengthening the supervision of its fossil fuel financing by applying increased selectivity to the oil and gas sector and to coal. It will not invest or fund companies whose exposure to shale oil and gas, bituminous sands and arctic resources account for more than 10% of turnover. It also undertakes to strengthen its shareholder dialogue with companies in these sectors on the basis of demanding criteria. More information [here](#).

Société Générale is taking a new step in its climate strategy to align its activities with the Paris Agreement. Among the strong announcements, Société Générale announces a target of 10% reduction by 2025 of its global exposure to the oil and gas extraction sector. In addition, in the coming months, Société Générale will set specific objectives for aligning each of its financing portfolios, sector by sector, starting with the most carbon-intensive sectors.

More information [here](#).

3/Innovation

Since 2018, Finance for Tomorrow has rewarded innovative solutions that help transform financial sector practices, thanks to the support of the Ecological Transition Agency (ADEME) and the EIT Climate-KIC. It is with this objective in mind that the **3rd edition of the Challenge Fintech for Tomorrow** rewarded three winners who provide concrete answers to accelerate the financing of the ecological transition.

EcoTree, winner of this edition, greentech specializing in the ecological and economic development of forests and biodiversity in France. **Villyz**, the Jury's favorite, a platform allowing local authorities to combine bank and citizen financing in order to carry out projects with social, environmental and local impact. **Greenomy**, winner of the international category, "Regtech" solution aimed at helping actors to comply with the new taxonomy of the European Union for sustainable financing.

Success for the 2nd edition of Paris for Tomorrow Week

Placed under the High Patronage of the Paris City Hall, the "Paris for Tomorrow Week" brought together 15 events dedicated to the challenges of financing climate objectives and Sustainable Development Goals (SDGs). ADEME opened the week with the Finance ClimAct program, which aims to develop methods and tools to integrate them into the decision-making processes of various stakeholders in the financial sector. Finance for Tomorrow also co-organised two events on Just Transition with the Principles for Responsible Investment (PRI), and on biodiversity with the 3rd edition of "Investing in Nature" with Mirova.

Bruno Le Maire, Minister of the Economy, Finance and Recovery, declared: *"The greening of finance is more than ever an essential lever for achieving carbon neutrality objectives and containing the rise in temperatures according to the trajectory established by the Paris Agreement. All the efforts of public and private actors must converge in this direction. The commitment of the parties to exit from the financing of coal is an essential step. It must now be implemented with the greatest ambition and the greatest transparency, according to common and shared criteria. I hope that similar commitments can*

be made on unconventional hydrocarbons and I am delighted that several players have already embarked on this path."

Commenting on this edition, **Thierry Déau, President of Finance for Tomorrow** said: *"I am convinced that finance is a provider of solutions to meet the huge challenge of rebooting our economies that have been shaken by the health crisis. The announcements made by the financial companies gathered here today demonstrate everyone's commitment to a more sustainable and inclusive economy. With sustainable finance, Europe is developing the means for a greater financial sovereignty. Climate Finance Day is, as every year, a high point in accelerating this collective movement."*

Augustin de Romanet, President of Paris EUROPLACE added: *"There are significant challenges ahead. The crisis we are going through is unprecedented and we need innovative responses. Developing financial sector actions that contribute to a more sustainable world and to job creation is one of the main challenges facing the Paris financial center."*

François Villeroy de Galhau, Governor of the Banque de France added: *"A short-term view could argue there is a trade-off between supporting a quick recovery, and fighting climate change. I believe the contrary: reconstruction is an opportunity to accelerate the transition to greener growth. The Banque de France and ACPR are as committed as ever and delivered on what we announced last year -- in spite of the Covid-19 crisis we walked our talk"*.

Anne Hidalgo, who concluded this day of discussion, recalled: *"Our shared goal is to make Paris the world center of green finance. There is not, on the one hand, a health, economic and social crisis and, on the other, an ecological crisis. The times we are going through require us to redouble our efforts to develop the financial tools necessary to build a new economic model that is fairer, more inclusive and sustainable."*

PRESS CONTACTS

Pauline Lemenicier
p.lemenicier@financefortomorrow.com
+33 (0)1 70 98 06 46

Alexandre Daudin
alexandre.daudin@shan.fr
+33 (0)6 34 92 46 15

Finance for Tomorrow is the Paris EUROPLACE branch launched in June 2017 to make green and sustainable finance a driving force behind the development of the Paris financial center and position it as a reference on these issues. The initiative brings together more than 80 members who have signed a common charter aimed at redirecting financial flows towards a low-carbon and inclusive economy, in line with the Paris Agreement and the Sustainable Development Goals (SDGs) of the UN.
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