

SUSTAINABLE FINANCE: IT'S TIME FOR A REAL IMPACT!

OCTOBER 26TH, 2021 - PALAIS BRONGNIART, PARIS

Press release

Climate Finance Day 2021: accelerating a fair and sustainable transformation of the real economy through impact finance

Paris, 27 October 2021 - Under the High Patronage of Emmanuel Macron, President of the French Republic and the Patronage of the Minister of the Economy, Finance and the Recovery, the Climate Finance Day, an event organised by Paris Europlace's branch Finance for Tomorrow, brought together speakers from all backgrounds to discuss the required actions to foster the deployment of sustainable finance and democratise impact finance.

The Climate Finance Day is a multi-stakeholder event aiming at strengthening the Paris financial centre in its commitment towards sustainable finance. The 2021 edition was dedicated to impact finance and took place on 26 October, gathering 60 speakers, including 10 international ones, and more than 350 participants at the Palais Brongniart, and another 1,500 online visitors. As a "catalyst for commitments taken by financial players", the event was, once again, the occasion for new official announcements in order to ensure a fair and sustainable transformation of the economy.

Bruno Le Maire, French Minister of the Economy, Finance and the Recovery, declared that « the Paris financial centre must live up to the Paris Agreement, and I will share my personal belief with you : we are not there yet. We must do better, and do it faster. I call upon the Paris financial centre to commit to a trajectory of reducing the carbon intensity of investments, in line with the Paris Agreement. This trajectory must be concrete and transparent, endowed with a binding timetable. I have asked the Chairman of Amundi, Yves Perrier, to lead a mission, exploring how the French financial centre could better comply with the Paris Agreement. This is essential."

Thierry Déau, President of Finance for Tomorrow, as well as Chairman and CEO of Meridiam, declared: "With COP26 being only days away and as sustainable finance has become a top priority for the international financial sector, we want to develop impact finance to ensure that we have a concrete effect in the real world. This change of mentality lies at the core of our actions and we think of it as necessary to reach the Sustainable Development Goals and to limit global warming in line with the Paris Agreement objectives. »

Augustin de Romanet, Chairman of Paris EUROPLACE and Chairman of ADP Group, highlighted that « acting in the field of sustainable finance is a strategic priority for the Paris financial centre » and that « the first results obtained are of the utmost importance, especially when it comes to banks, insurance firms and assets managers strongly decreasing their investments in coal-reliant industries.». He eventually stressed « the current need to speed up the process in order to achieve carbon neutrality by 2050, involving the entire ecosystem of the financial centre, meaning industrial companies, investors, banks and financial intermediaries. »

Pauline Becquey, Managing Director of Finance for Tomorrow, commented: « We understand the expectations of the activists who raised their concerns at the Climate Finance Day, but we regret that the methods used did not lead to a dialog but rather disrupted some of the interventions. Since the event aims at bringing together the whole ecosystem to transform financial practices, we have always opened its doors to NGOs. That is indeed the whole purpose of Climate Finance Day: not only to evaluate the actions already taken, but above all to remind people of the very long road ahead and to foster new commitments in order to accelerate the mobilisation of the sector! »

1 – New commitments on fossil fuels disinvestment and financing for the energy transition

On the occasion of Climate Finance Day, financial players announced new commitments on fossil fuel divestment to align their portfolios with the objectives of the Paris Agreement on climate.

- **La Banque Postale** reiterated its commitment towards a total withdrawal from fossil fuels (oil & gas) by 2030, which was announced on 14 October. [See the Press Release](#).
- **BPCE** announced two main priorities: to continue the decarbonation of portfolios, thanks mainly to the climate impact tool « *Green Weighting Factor* », and to continue supporting businesses, with €21 billion dedicated to financing the better energy efficiency of buildings, as well as renewable energy sources and green mobility.
- **Caisse des Dépôts**, in accordance with [the commitments made at the Climate Finance Day in October 2020](#), will push further its policy of excluding non-European and European listed companies from the oil and gas sector that don't have a credible climate risk strategy from its equity and bond portfolios. This will be done on the basis of the objective criteria which are listed in Appendix 1. It will maintain a minority stake in a limited number of companies in this sector, with which it has an effective shareholder discussion and which have undertaken a reorientation of their activities. In addition, in order to improve the speed at which national climate objectives are reached and to adopt the key principles of "impact finance", **the Banque des Territoires and Bpifrance** did commit to increase the cumulative share of their financing in favour of the ecological transition to 40% in 2024 (this share was of 26% in 2020). All of the CDC Group's announcements can be found in appendix 1.
- The **Crédit Agricole Group** takes part in the collective commitments made by the major financial institutions while supporting the Net Zero Alliances in all business lines: banking, asset management (Amundi) and insurance (CA Assurances); and by joining the **coalition of the six largest French banks** against global warming, with, as of January 2022, a definitive ceasing of all financing for projects related to the extraction of oil and gas from shale and tar sands. Moreover, the Group completes these collective commitments with personal ones regarding the protection of the Arctic zone, where direct financing of oil and gas projects will be excluded, and the significant reduction of financing for the oil production by 20% by 2025. The Crédit Agricole Group is also stepping up its efforts to finance renewable energy by increasing its investments and exposure to non-carbon energy.
- **Insurers**, through the **FFA**, have announced encouraging its members to define their dialogue policies with fossil fuel companies, including timetables for halting financing for companies that do not abandon new unconventional fossil fuel production projects.". ([press release](#))

The announcements of some partners, most especially AXA, will be postponed by a few days due to the intervention of activists who disrupted the agenda of the event in the morning. These announcements will still benefit from the highlight of the Paris for Tomorrow Week.

Other financial players announced commitments regarding the fossil fuel sector, on the sidelines of Climate Finance Day (see Annex 2).

2 – Accelerating the transformation of the financial sector to enhance the impact of sustainable finance

In 2021, the community of committed financial actors is expanding, **17 new members have joined Finance For Tomorrow**, which now brings together **86 member organisations** representing the diversity of the Paris financial centre. Their action in favour of sustainable finance must take the concrete form of a fair and sustainable transformation of the real economy. To this end, **the players insisted on the necessity of developing impact finance**. A few days before Climate Finance Day, the Impact group, coordinated by Finance For Tomorrow, presented the first results of its work to promote a common ambition for the Paris financial centre: it consisted in a common definition, an evaluation grid of the potential contribution of funds to sustainable transformation and a series of recommendations to develop impact financing. [All of these documents are available online.](#)

Accelerating the evolution of financial practices and the financing of the ecological transition also requires innovation. To support this dynamic, Finance for Tomorrow has been organising the "Fintech for Tomorrow" Challenge for the past four years. This year's winners are **Neuroprofiler**, an e-learning platform relying on behavioural finance and gamification to assess the ESG preferences of investors, and **Qarnot Computing**, which decentralises data centres to generate energy savings.

3 – The international reach of the Paris financial centre mobilisation, a few days before COP26

The Climate Finance Day reinforces the position of the Paris financial centre as a key player in the field of sustainable finance, and that on an international scale.

The mobilisation of the financial centre on the just transition issue, rendered concrete by the **launch of the investors coalition called "Investors for a Just Transition" last June**, builds one of the strong axis of the work led by Finance For Tomorrow. With COP26 taking place soon, Nick Robbins, co-founder of the UK's « Financing the Just Transition Alliance », **called on European financial coalitions for a just transition to work hand in hand.**

As biodiversity issues become more and more prominent, the intervention of Elizabeth Maruma Mrema, Executive Secretary of the United Nations Convention on Biological Diversity (UN CBD), was perceived as a call to action and mobilisation for the financial sector, in the context of the approaching COP15 that must define the frameworks and objectives to structure solutions for the next decade. For several months, Finance For Tomorrow members have worked together to contribute to the launch of the TNFD, making so that the association is now a member of the observing group. Several players have then announced their ambitions in terms of biodiversity:

- **Axa** has recently increased its commitments to preserve biodiversity by implementing a plan against the degradation of forest ecosystems and by investing €1.5 billion to support a more sustainable management of forest grounds. [See the press release.](#)
- **AFD** reiterated the objective announced at the beginning of 2021 : to invest 1 billion euros in projects related to the protection of biodiversity by 2025, and to ensure that 30% of climate financing will have co-benefits on biodiversity by 2025 ([see here](#)).

Each year, the Climate Finance Day works as a catalyst and lets new commitments from the financial sector emerge. To monitor, analyse and make them easily understandable, Finance for Tomorrow has created a [Sustainable Finance Observatory](#) with the direct support of the European Union, as part of the Finance ClimAct project. One year after its launch, **the Observatory already lists over 1,300 commitments from 380 players acting voluntarily**. An announcement will be made on 28 October about the international monitoring of private-sector commitments, as a part of the One Planet Summit.

About

Finance for Tomorrow is a branch of Paris EUROPLACE launched in June 2017 and dedicated to making green and sustainable finance a driving force for the development of the Paris financial centre, positioning it as a leading player on these issues. The 86 members and observers of Finance for Tomorrow are engaged to a common charter, with a clear intent of contributing to the reorientation of financial flows towards a low-carbon and inclusive economy, in accordance with the Paris Agreement and the UN Sustainable Development Goals (SDGs). Finance for Tomorrow is chaired by Thierry Déau, Chairman, and CEO/founder of Meridiam.

Media enquiries :

Juliette Rama-Testu : jrama-testu@fargo.agency

Fanny Vidal : fvidal@fargo.agency

Amélie Verone : averone@fargo.agency

[Pauline Lemenicier : p.lemenicier@financefortomorrow.com](mailto:p.lemenicier@financefortomorrow.com)

Caisse des Dépôts excludes from its assets portfolios companies from the Oil and Gas sector with non-credible climate strategy

- **In line with its climate policy adopted a year ago** , in October 2020 (cf [press release 29/10/2020](#)), Caisse des Dépôts, announces that it will accelerate its exclusions from its assets portfolio of non EU and EU listed companies from the oil and gas sector as of 2022, on the basis of a set of objective criteria (1,5°C alignment strategy, carbon footprint target, carbon compensation share, share of CAPEX in the renewable energy sector and capacity installed, current and future energy mix, existence of new exploration and exploitation projects, employees training, powerplants closing, integration of climate issues in the governance and top management remuneration, lobbying on climate issues, Caisse des Dépôts' shareholder's capacity of influence). Caisse des Dépôts maintains a minor participation in a very limited number of companies from the sector on which it has an effective engagement capacity as a shareholder and which have initiated a reorientation of their activities towards a low carbon model. It will reinforce its engagement action with these companies towards a 1,5°C scenario alignment and its consequences on the development of new exploration and exploitation projects ([see our full climate policy](#)).

- **Group Caisse des Dépôts as a whole (CDC, Bpifrance, LBP et sa filiale CNP, LBP-AM, SFIL) also finalises its exit from the thermal coal sector and commits to:**
 - Reaching **zero exposure of its investment portfolio** to coal by 2030 in the OCDE and 2040 in the rest of world. As of 2022, most of Group CDC financial entities will already implement this commitment;
 - Applying thermal coal **exclusion thresholds to all other forms of financings** (lendings, guarantees, export credits and refinancing... for further information, [see our full climate policy](#));
 - Excluding from its financings **mining developers and infrastructure dedicated to thermal coal**, on addition to the exclusion already applied of **thermal coal power plants developers**.

- In order to contribute to the implementation of national climate objectives, **Banque des Territoires and Bpifrance** commit to dedicate **40% of their common financings to ecological transition projects by 2024 (this share was of 26 % in 2020)** and to **adopt the three key principles of "impact finance" as defined by Finance for Tomorrow's working group** on impact finance : intentionality, additionality and impact measurement. Banque des Territoires and Bpifrance have already implemented **22% of their 40 bn euros « climate plan »** for the 2020-2024 period as of 30 June 2021, **which has created concrete non-financial measurable impacts**¹.

¹The « climate plan » impacts already measured are, for example : covering with renewable energy the needs of 818 000 households ; reducing by 26 Gwh per year the energy used by public buildings with the support of Banque des Territoires ; enabling more than 680 companies to realise a thorough environmental diagnosis of their activities with the support of Bpifrance.

Annexe 2- Summary of the commitments made by financial actors on the sidelines of Climate Finance Day

- **The six largest French banks** announced through the **FBF** on 18 October 2021 that they would no longer finance, as of 2022, companies and projects whose share of unconventional hydrocarbons in exploration and production (shale oil, shale gas and oil sands) would be greater than 30% of their activity.
- **MAIF** announced on 21 October 2021 the immediate ceasing of financing new oil and gas production projects, along with a total exit from unconventional oil and gas by 2030 and a total exit from conventional oil by 2040.
- **Ircantec** reinforced its climate commitments on 22 October 2021 by announcing that the portfolio stock exclusion policy will most especially target companies that do not adopt plans to exit coal by 2030, that continue to exploit unconventional oil and gas deposits or that develop new fossil fuel production capacity.