



Finance Sector Snapshot

Sustainable finance includes a **strong green finance component** that aims to support economic growth

Examples of Sector Sustainability Legislation

- **EU is supporting the transition to a low-carbon, more resource efficient economy to build a financial system that supports sustainable growth**
- **New package of measures** implementing several key action plans on sustainable finance. New Acts to be implemented by 2019-2022 (European Commission, May 2018)
 - **A proposal** for a regulation on the establishment of a framework to facilitate sustainable investment – **gradually create a unified classification system ('taxonomy')** on what can be considered an environmentally sustainable economic activity and help channel investments into sustainable activities
 - **A proposal** for a regulation on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341
 - **A proposal** for a regulation amending the benchmark regulation. The Commission has proposed amending the Benchmarks Regulation (2016/1011) to create a new category of low-carbon and positive carbon impact benchmarks
- **The UN Principles of Responsible Investment & Banking (UNEP FI)**

Key Trends 2019

- In market after market, **responsible practices** and **sustainability factors** are being embedded into finance
- With **green bonds** picking up pace, both government and business entities have started to explore opportunities
- Three sustainable finance trends:
 - From Green Bonds to Sustainability Bonds
 - Transition of Companies Business Models
 - Taxonomies will lead the way



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European financial sector is at the forefront of the transition to a **low-carbon economy**, as well as **mitigating risks** through **responsible banking and investments**

Good Practice: BNP Paribas

- Strategy to become **leading bank in sustainable finance**
- **Attaching great importance to social responsibility, ethics, diversity and inclusiveness, promoting human rights and respecting local legislation and cultures (13 Indicators of CSR in their operations)**
- Prize for **“World’s Best Bank for Sustainable Finance 2018”**
- **Environmental Finance named BNP Paribas winner in four categories** in its 2019 Awards
- **€135 billion devoted to energy transition** and to reaching the **Sustainable Development Goals**
- **Financing towards renewable energy to 15 billion euros by 2020**
- **Manager Compensation tied to ESG indicators**

Good Practice: Generali

Integrating sustainability into core business, in line with the Generali Charter of Sustainability

- **€4.5 billion in sustainable investments**, consistent with the UN Sustainable Development Goals
- A **Climate Change Strategy**, announced in February 2018, that includes the disposal of investments in coal-related sectors, the development of sustainable investments and the engagement of stakeholders to promote the ‘just transition’ towards more sustainable practices
- Generali has been awarded the **Business International Finance Awards 2018** in the categories Financial Reporting, Integrated Reporting and Non Financial Information