



Press Release
Paris, March 8, 2018

THE SUSTAINABLE FUTURE BEGINS IN PARIS

FINANCE FOR TOMORROW WELCOMES THE ADOPTION OF THE EUROPEAN COMMISSION'S ACTION PLAN ON SUSTAINABLE FINANCE

This Thursday, March 8, 2018, the European Commission released the adoption of its action plan on **financing sustainable growth**. It aims to promote sustainable finance as a reference framework for the regulation and functioning of European financial markets. This roll-out is one of the priorities for a Capital Markets Union (CMU) and one of the key elements in the implementation of the Paris Agreement and the EU Sustainable Development Agenda. Finance for Tomorrow welcomes the adoption of this concrete and ambitious action plan, which is largely in line with the framework developed in France.

The action plan has three major objectives: reorienting capital flows towards a more sustainable economy, mainstreaming sustainability in risk management, and fostering transparency and long-termism.

This roadmap is based on the work of a year of the European High-Level Expert Group (HLEG) on sustainable finance. This group was created by the Commission in December 2016, is chaired by Christian Thimann, Senior Advisor to the AXA President and Director of the AXA Research Funds, and is composed of professionals from the financial sector in various European countries. Five members of Finance for Tomorrow are part of this group of experts, testifying the Paris financial center's involvement in sustainable finance issues. **The HLEG issued its final recommendations on January 31, 2018, constituting one of the most ambitious projects in the world to align the financial system with the 2°C trajectory of the Paris Agreement.** This project is now well reflected in the priorities of the Commission's action plan.

The objectives of the action plan are supported by concrete actions:

1. Establishing an EU **sustainability taxonomy**.
2. Creating **standards and labels** for green financial products.
3. Fostering investment in **sustainable infrastructure projects**.
4. Incorporating sustainability in providing **financial advice**.
5. Developing **sustainability benchmarks**.
6. Integrating sustainability in **ratings and market research**.
7. Clarifying **institutional investors' and asset managers' duties**.
8. Incorporating sustainability in **prudential requirements**.
9. Strengthening **sustainability disclosure** and improving accounting rule-making.
10. Fostering more sustainable **corporate governance** and attenuating short-termism in capital markets.

The adoption of the European Commission's Action Plan is a major step towards the transition to a low-carbon economy and a sustainable financial system. **It also validates, in its approach and its content, the action of Finance for Tomorrow, which works to make green and sustainable finance a key element of the attractiveness of the Paris financial center,** while strengthening the European and international collaboration on these topics.

The Paris financial center plays a leading role in the promotion and development of green and sustainable finance:

- As of today, France is the only country that requires financial actors to disclose their exposure to climate risk (**art.173 TECV law**).
- During the Climate Finance Day 2017, six French institutional investors, representing €600bn of assets under management, signed the **Charter of Public Investors for Climate** to settle the integration of ESG criteria into their investment processes.
- France uses a taxonomy of green activities (climate and environment), adapted from the Climate Bond Initiative, allowing **TEEC and SRI labels** to effectively promote sustainable financial products.
- During the Climate Finance Day 2017, Bruno Le Maire, Minister of Economy and Finance, announced measures for the development of **green savings products**.
- France is a major player in the **green bonds market**, in terms of amounts issued and of professional expertise in structuring and advising.
- France has an advance in forecasting and planning green investments through the **National Low Carbon Strategy** (SNBC).



Philippe Zaouati, CEO of Mirova and Chair of Finance for Tomorrow, declares: « *The Commission should be praised for taking action so rapidly based on the HLEG on sustainable finance's report. This opportunity to foster sustainable finance and growth should not be missed. The Commission has taken up the challenges of sustainable finance and it should be praised and supported in its approach, by the Parliament, by member states, by the financial industry and by all stakeholders, to make the most of this proposed action plan.* »

[Download the HLEG final report](#)

[Access the documents about the EU Commission Action Plan](#)

[Download Finance for Tomorrow's analysis: "Green and Sustainable Finance: French and European strategies" \(FR\)](#)



Chaired by Gérard Mestrallet, Paris EUROPLACE is the organization in charge of developing and promoting the Paris financial marketplace and the French financial industry internationally. It brings together all financial industry stakeholders; its 400+ members include issuers, investors, banks and financial intermediaries, insurance companies; attorneys and accountants, consulting firms, etc.

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Finance for Tomorrow is the initiative launched in June 2017 by Paris EUROPLACE and led by the actors of the Paris Financial Center to promote sustainable finance in France and internationally. Chaired by Philippe Zaouati, Finance for Tomorrow now gathers around 50 members with the objective to contribute to a shift of financial flows towards a low carbon and inclusive economy, in line with the Paris Agreement and the UN Sustainable Development Goals.

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