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## Paris One Planet Summit: Declaration of the European Banking Federation

### **Banks committed to interests of future generations**

Brussels, 11 December 2017

*Considerable progress has been made since the adoption of the Paris Agreement in 2015. The signature of the agreement secured the will to fight against climate change and to uphold sustainability in general. It constituted an important milestone which put these subjects firmly on the agendas not only of policymakers, international organisations and regulators but also of the private sector, including financial institutions.*

*Banks, in a predominantly bank-financed economy such as in Europe, play an essential role in financing the transformation to a sustainable economy and the transition towards a sustainable financial system. Fully aware of their responsibilities, banks are committed to using their extensive knowledge in lending, investment and smart advisory services to achieve sustainability goals for the benefit of society in cooperation with all actors along the financing chain.*

*As the main source of financing for households and SMEs, and as the main providers of funding to non-financial corporations and green infrastructure, banks are intensifying their efforts to integrate environmental and climate change-related considerations and risk mitigation into their risk management, strategies and decision-making with the aim of identifying further opportunities for green investments and finance. This requires an integrated approach to sustainability, with clear accountability and responsibility at the highest management level. It is a process that has already begun. Methodologies for capturing and reducing the risk stemming from climate change are under development.*

*Being able to describe and measure these risks in a uniform taxonomy will bring clearer understanding and will support their mitigation. The European Banking Federation supports initiatives leading to convergence and harmonisation of definitions to provide a common basis for measurement, reporting and certification, paving the way for the development of new products that could be offered on a comparable basis. The EBF also welcomes the recommendations of the FSB Task Force on Climate-related Financial Disclosures (TCFD) as a step in the right direction and supports this initiative given its relevance and expected impact.*

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Furthermore, banks are exploring the use of digital technology as a tool to support green finance in lending and investment. The potential of financial technology for sustainable development as well as raising awareness is increasing. Banks are keen to accelerate efforts to improve retail investors' education and understanding of sustainable projects' positive consequences so that green finance can become a part of mainstream banking business.

While banks have already undertaken steps to reduce their direct impact on the environment, their main contribution lies in providing support and financial solutions for environmentally-sound projects and companies. Given the significant needs, financing sustainable development activities should be based on diverse funding streams, both private and public. European banks are committed to working together with the public sector and other private sector actors to accelerate sustainable development and its financing.

In this context, the European Banking Federation fully supports the work of the European Commission's High-Level Expert Group (HLEG) on Sustainable Finance, and looks forward to the group's final recommendations that are expected in January 2018. European policymakers should seize this opportunity and build on the recommendations of the HLEG to put in place a robust, consistent and stable legal, regulatory and supervisory framework that includes specific incentives to support and enable all actors to foster green and sustainable finance in the long term.



Wim Mijs, Chief Executive Officer  
signed on behalf of the members of the European Banking Federation



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### About the EBF:

The European Banking Federation is the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 3,500 banks – large and small, wholesale and retail, local and international – employing approximately two million people. EBF members represent banks that make available loans to the European economy of more than €20 trillion and that securely handle more than 400 million payment transactions per day. Launched in 1960, the EBF is committed to creating a single market for financial services in the European Union and to supporting policies that foster economic growth.