

## EBF PRESS RELEASE – FOR IMMEDIATE RELEASE

### Sustainable Finance: Banks urge clarity in EU Action Plan

- Recommendations HLEG bring finance sector closer to climate action
- Banks keen to play concrete role in decarbonization of EU economy
- Financial literacy recognized as key factor for public empowerment

BRUSSELS, 31 January 2018 – Noting the final recommendations of the EU High-Level Expert Group on Sustainable Finance published today, the European Banking Federation called on the European Commission to move swiftly and prepare a clear EU Action Plan that will enable the banking sector to actively promote sustainable development and contribute to the fight against climate change without harming financial stability.

The EBF sees the recommendations of the expert group as a defining moment that brings closer an international regulatory ecosystem in which banks will be able to play a concrete role in financing the global energy transition, the decarbonisation of the economy and in achieving the objectives of the Paris Agreement on climate change and the Sustainable Development Goals of the United Nations.

#### **Says Wim Mijs, Chief Executive of the European Banking Federation:**

*"This is an important moment, also for the banking sector. To properly serve society banks need to be able to act constructively when addressing climate change and the decarbonization of industry. Banks can only do so when there are clear definitions and clear rules that also maintain financial stability. These recommendations are the starting point."*

The EBF is particularly pleased to see the group's recommendations for establishing a common taxonomy on sustainability in the EU, which was one aspect addressed in the EBF response<sup>1</sup> to the expert group's interim recommendations. The call for an upgraded disclosure framework for reporting non-financial material information and the development of official sustainability standards also echo the views held by banks.

On the group's recommendation on using incentives and disincentives for investments affecting carbon emissions, EBF notes that the group has not specifically recommended the introduction of a Green Supporting Factor but instead asked the Commission to investigate if the risk-differential of such a factor can be justified. The introduction of a green supporting factor or a brown punishing factor should not contribute to unbalancing risks in the financial system. It is extraordinarily difficult to create proper definitions that are not at odds with the need for accuracy and purity in risk weights in banking.

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<sup>1</sup> <https://www.ebf.eu/towards-a-green-finance-framework/>

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The banking sector was represented in the European Commission's expert group through two EBF members: Mieczysław Groszek of the Polish Bank Association and Esko Kivisaari of Finance Finland.

### **Financial literacy**

The EBF, as an organisation actively involved in promoting financial education, is particularly pleased to see that the expert group recognizes the importance of financial literacy for empowering and connecting citizens with sustainable finance issues. For many years the EBF has been encouraging EU stakeholders to become more involved in the promotion of financial literacy. EBF, together with its members, in 2014 initiated the [European Money Week](#), during which hundreds of thousands of young people across Europe are reached with specific financial education events. In 2016 EBF, together with other EU-based associations, co-founded the European Platform for Financial Education and the federation is an associate member of INFE, the OECD International Network on Financial Education.

### **Partnerships**

The EBF in recent years developed various partnerships in sustainable and green finance. In the UNEP Inquiry programme EBF works together with Bloomberg Philanthropies, the IIF, the Paulson Institute and SIFMA. EBF is a member of the Global Green Finance Council, or GGFC, and is a supporting institution of the Finance Initiative of the United Nations Environment Programme, known as UNEP-FI.

Going forward the sustainable finance discussions in the European Banking Federation will be coordinated in the Sustainable Finance Working Group, which reports to the Financing Growth Steering Group. Antoni Ballabriga, Global Head of Responsible Business for BBVA and the European bank sector representative in UNEP-FI, was recently appointed as Chair of the EBF working group. Sylvie Prea, Global Head of CSR at the Société Générale group, will serve as the group's Vice-Chair.

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### **About the EBF:**

The EBF serves as 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. 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, a thriving European economy and a flourishing society. Banks are keen to deliver on their role in society as partners in prosperity. For the European Banking Federation this is about contributing to a stable and inclusive financial ecosystem, with secure financing available for citizens, businesses and innovators everywhere, supported by excellence in regulation.