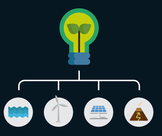
SUSTAINABLE INVESTMENT INSIGHTS: **BANKING EDITION**

The United Nations Conference on Trade and Development (UNCTAD) says achieving the Sustainable Development Goals (SDGs) will take between US$5 to $7 trillion per year, with an investment gap in developing countries of about $2.5 trillion. Banks are connected to every part of the economy through their investing and lending activities. That means they can play a crucial role in financing the transition to a low-carbon economy.

Sustainable banking integrates **environmental, social and governance (ESG) criteria into traditional banking**, and sets ESG benefits as a key objective.

Studies by the IFC have revealed that that there are several benefits banks have obtained from incorporating sustainability into their strategy and business practices, ranging from **improved reputation to improved investor confidence**. LINK



By incorporating sustainability principles, banks can **be influential in supporting and promoting environmentally and/or socially responsible projects and enterprises**. LINK

Research by Global Alliance for Banking on Values (a network of sustainable banks) has shown that **sustainable banks have higher and more stable profits, as well as stronger growth than other banks**. LINK

A growing number of banks have pledged funding and support towards climate friendly investments and sustainable development including:

WELLS FARGO — $200 billion

Wells Fargo will provide $200 billion in financing through 2030 to businesses and projects that support the transition to a low-carbon economy. LINK

BBVA — $100 billion

BBVA to mobilize €100 billion by 2025 to fight climate change and drive sustainable development. LINK

SOCIETE GENERALE — $100 billion

Societe Generale commits €100 billion to the financing of the energy transition between 2016 and 2020. LINK

HSBC — $100 billion

HSBC to help combat climate change with a $100 billion boost for sustainable financing. LINK

JPMORGAN CHASE & CO. — $200 billion

JPMorgan Chase to facilitate $200 billion of finance for clean energy projects by 2025. LINK

ING — $100 million

ING launched Sustainable Investments, committing €100 million of capital for investments to support sustainable 'scale-ups' with a proven concept and a positive environmental impact. LINK

Sustainable Banking Frameworks and Initiatives:

IFC — EQUATOR PRINCIPLES — 90+

More than 90 banks and financial institutions have voluntarily adopted the **Equator Principles** LINK, launched in 2003, which are based on **IFC's Performance Standards**. LINK The Equator Principles (EPs) is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects.

global alliance for banking on values

The **Global Alliance for Banking on Values (GABV)** is a network of banking leaders from around the world committed to advancing positive change in the banking sector. LINK

Nigerian Sustainable Banking Principles

In 2012, the Central Bank of Nigeria launched the **Nigerian Sustainable Banking Principles**. The principles require Nigerian "banks and development finance institutions to develop a management approach that balances the environmental and social risks identified with the opportunities to be exploited through their business activities." LINK

Launched by the IFC in 2012, the **Sustainable Banking Network (SBN)** is a community of financial sector regulatory agencies and banking associations from emerging markets committed to advancing sustainable finance in line with international good practice. LINK

UNEP FINANCE INITIATIVE

Sustainable Banking Principles:

Twenty-six of UN Environment Finance Initiative's banking members are leading an initiative for banks worldwide to reaffirm their purpose and align their business practices with these objectives. LINK Convened by the UNEP FI secretariat, the banks are developing global Banking Principles that will:

access — Banco Pichincha — Banorte — Barclays — BBVA — BNP Paribas — Bradesco — IIB A Bank to Trust — FirstRand — Garanti — Golomt Bank — YES BANK — Grupo Financiero — ICBC — ING — KCB — Leumi — Nordea — Piraeus Bank — Santander — Standard Bank — Societe Generale — Triodos Bank

- direct banks' efforts to align with society's goals as expressed in the SDGs, the Paris Agreement, as well as national and regional frameworks
- set the global benchmark for sustainable banking
- drive ambition by requiring signatory banks to set goals for and report on their contribution to national and international social, environmental and economic targets
- ensure accountability and transparency on banks' impacts
- challenge the banking industry to play a leading role in creating a more sustainable future

PRI Principles for Responsible Investment

PSI Principles for Sustainable Insurance

Similar to the role the **Principles for Responsible Investment (PRI)** play for asset managers and the **Principles for Sustainable Insurance (PSI)** for insurance underwriters, these standards will address the longstanding need for an umbrella framework to cover all aspects of sustainable banking. LINK

Sustainable Investment Forum North America

Register Now

26 September 2018 | New York

Want to meet UNEP FI, banks and investors active in the sustainable investment space?

Climate Action and UNEP-FI are pleased to announce that the Sustainable Investment Forum North America is back for its third edition on the 26th September 2018 during Climate Week NYC.

The Forum, held in partnership with UNEP-FI, will welcome over 300 attendees representing asset owners and managers, banks, development institutions, NGOs and policy makers. A dynamic mix of panel discussions, insight presentations, case studies and enhanced networking opportunities will build knowledge and foster collaboration on how best to accelerate sustainable investment.

For more information visit:

Northamerica.sustainableinvestmentforum.org

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