



JOINT STATEMENT IN SUPPORT OF A SUSTAINABLE FINANCIAL SYSTEM FOR AUSTRALIA AND NEW ZEALAND

Developing sustainable finance roadmaps to support a resilient and sustainable economy and help achieve national, regional and global goals on sustainable development

As an outcome of the 2018 United Nations Environment Programme Finance Initiative (UNEP FI) Conference in Sydney on financing a resilient and sustainable economy, organisations representing participants in the banking, insurance and investment industries; comprising approximately 300 financial institutions in this region; and responsible for over \$10 trillion in assets have come together to support the development of Sustainable Finance Roadmaps for Australia and New Zealand.

Sustainable Finance Roadmaps provide pathways and policy signals and set frameworks to enable the finance sector to contribute more systematically to the transition to a more resilient and sustainable economy, consistent with global goals through UN policy frameworks such as the UN Sustainable Development Goals (SDGs), the Paris Agreement on Climate Change, and the Sendai Framework for Disaster Risk Reduction.

An opportunity Australia and New Zealand cannot afford to miss

The 21st century economy needs to be aligned with sustainable development—a prosperous economy that prioritises human well-being, social equity, and environmental protection. The finance sector has an important role to play.

There is a recognised need for trillions of dollars of financing to deliver the SDGs, to increase the resilience of our communities and to deliver on the goals of the Paris Agreement on Climate Change.

Momentum in sustainable banking, insurance and investment (collectively “sustainable finance”) is building worldwide.

Drivers in Australia and New Zealand include the adverse impacts of climate change and natural disasters on households, businesses, cities and government; and rising civil society demand for the finance sector to play a more active and responsible role in promoting economic, social and environmental sustainability.

A sustainable financial system in Australia and New Zealand can:

- Improve financial system resilience and stability in managing shocks and strains such as climate change impacts, and facilitate the transition to a low-carbon, resource efficient and socially inclusive economy
- Underpin improved risk management and financial performance through explicit consideration of environmental, social and governance risks and opportunities in lending, insurance and investment analysis and decision-making
- Increase alignment with consumer expectations that their savings, premiums and investments are being invested responsibly
- Enhance the resilience and competitiveness of the finance sectors of Australia and New Zealand in global financial markets.

Sustainable finance is becoming the norm internationally

A growing number of diverse economic regions and countries around the world are aligning policy signals and setting frameworks to enable the financial system to deliver a resilient and sustainable economy, and to help achieve global goals on sustainable development.

Recent examples include:

- European Commission: Action Plan for Financing Sustainable Growth, following on from the final report of the EU’s High-Level Expert Group on Sustainable Finance
- UK: Green Finance Taskforce
- Canada: Expert Panel on Sustainable Finance
- China: Green Credit Guidelines
- Norway: Roadmap for Green Competitiveness in the Financial Sector
- Indonesia: Sustainable Finance Roadmap

These stand alongside many other national, regional and global initiatives to develop a financial system that supports economic, social and environmental sustainability.

It is now time for Australia and New Zealand to develop their own Sustainable Finance Roadmaps.



A commitment to act from the Australian and New Zealand finance sectors and key global finance initiatives

The signatories to this Joint Statement agree to convene leading banking, insurance and investment initiatives and key stakeholders, such as government, regulators, consumers and civil society, to start a process to develop Sustainable Finance Roadmaps for Australia and New Zealand, to help achieve national, regional and global goals on sustainable development.

The Roadmaps aim to:

- Define the long-term objectives of the Australian and New Zealand finance sectors in the context of sustainable development challenges and opportunities
- Set out opportunities to direct and incentivise lending, insurance and investment to support a resilient and sustainable economy
- Draw from leading global thinking on how to better align the finance sector with the goals of a resilient and sustainable economy
- Establish approaches and methods to assess and disclose sustainability risks, opportunities and impacts arising from or affecting the finance sector

We invite other organisations to join us in support of this commitment to develop Sustainable Finance Roadmaps and to participate in the process.

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