



**UNEP FI Conference, 22th June 2006:
*What is the Environmental Responsibility
of Banks?***

**Environmental regulations with relevance for
financial institutions:
the Greek and European legal framework**

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SD Sustainable Development

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Environmental accidents – disasters



- 1950: Chemical plant wastewater release into sea, Japan
- 1967: Torey Canyon tanker shipwreck, UK
- 1979: Love canal, buried toxic waste
- 1980: Chemical plant explosion, Bhopal-India
- 1986: Sandoz factory, Rhine pollution
- 1986: Chernobyl nuclear plant
- 1989: Exxon Valdez tanker shipwreck
- 1993: Braer Setland tanker shipwreck
- 1995: Shell – Brent Spar tank rig
- 1996: Sea Empress shipwreck
- 2000: Erika shipwreck
- 2002: Prestige shipwreck (*financed by Greek bank*)



Global environmental problems



- Ozone layer depletion – ozone hole phenomenon
- Global warming – greenhouse effect
- Acid rain
- Biodiversity – species extinction
- Tropical deforestation
- Pole-ice melting
- Desertification
- Ground pollution
- Eutrophication
- Natural resources depletion
- Waste management
- Radiation
- Energy sources depletion
- Genetic Modified Food – GMOs
- Drinking water scarcity

think globally

act locally



Global environmental conventions



- 1991 Czechoslovakia, UNECE
 - Ministers of Environment
 - Environment for Europe
- 1993 Switzerland
 - 7 elementary environmental goals
- 1995 Bulgaria
 - Dobris assessment: 9 focus areas
- 1998 Denmark
 - 2nd paneuropean report
 - Protocol on transboundary air pollution
- 2003 Ukraine
 - Europe's environment: 3rd assessment
 - Environmental effects:
 - Human
 - Biodiversity
- **2007 Serbia**



European environmental legislation



Principles

- Sustainable development
- Precautionary principle: damage must be rectified at source
- Preventive action: prevention than restoration
- Principle of integration with other policies, e.g. transport
- Integrated approach (direct and **indirect** impacts)
- Information to the public
- Participation of stakeholders via public consultation
- Polluter pays
- Producer responsibility
- Principle of utilization (scientific & technical data)
- Best Available Techniques (BAT), BATNEEC



European environmental legislation

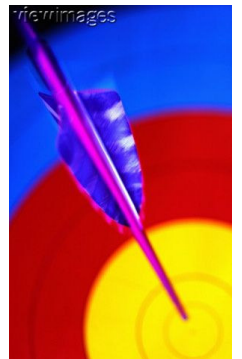


Framework

- 6th Environmental Action Programme 2002-2012
- Specific targets for EU Member countries
- Aim on Financial institutions:

- 3rd goal - Working with the market:

“We aim to work with the market in order to protect the environment. The financial sector can also encourage green activities through its lending and investment policies and can encourage greener financial reporting. To do this we will work with the financial sector to develop criteria for green investment.”



European environmental legislation



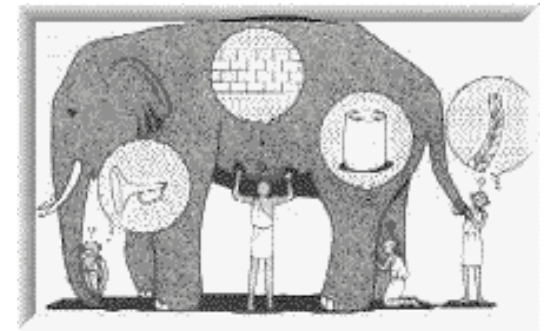
A. Mandatory instruments

- more than 500 legislative documents
- categories by environmental subject:
 - waste management (air, liquid, solid)
 - chemicals & products
 - natural resources conservation (water, energy)
 - nature & biodiversity (flora, fauna)
 - climate change (including emission trading scheme)
 - environmental accidents & disasters
 - environmental health & quality of life
 - environmental liability & crime
 - environmental taxes



B. Voluntary agreements

- policy schemes and financial instruments
- tools:
 - activity certification: EMAS
 - product / service labelling: ECO-LABEL
 - integrated product / service policy: IPP
 - green procurement / purchasing
 - subsidized programmes: LIFE

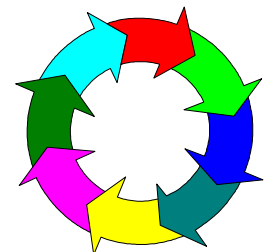


Greek environmental legislation relevant to financial institutions



Transposition of EU legislation

- General provisions:
 - environmental licensing
 - environmental inspections
- Specific environmental legislation:
 - waste management
 - natural resources conservation (water, energy)
- Other relevant legislation (incorporated)
 - safety (fire protection)
 - land use / urban planning

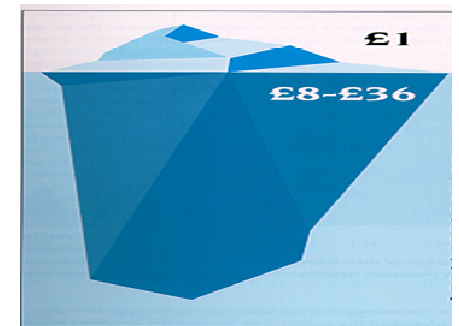


Environmental legislation and financial institutions



Risk...

- management of direct impacts (waste, energy, etc)
- management of indirect impacts (environmental liability, environmental due diligence, etc)



... and opportunity

- sustainable / green financing
- environmental performance and corporate social responsibility
- positive assessment by Socially Responsible Investment equity market indices (e.g. FTSE4Good, DJSI)



Indian wisdom

Only after the last tree is cut,

Only after the last river is poisoned,

Only after the last fish is killed,

Only then...

you will realize that you cannot eat gold



Thank you very much for your attention!

Questions & answers

For further information:

Read background document:

“Environmental legislation for financial institutions”

Visit environmental portal: [**www.env.gr**](http://www.env.gr)

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