

PRESS RELEASE

For its second year, the Sustainable Finance Observatory is being exported internationally with the launch of the One Planet Data Hub!

Paris, October 28, 2021

One year after its launch, the [Sustainable Finance Observatory](#) has been enriched by integrating a monitoring of the commitments of financial players in terms of sustainable finance and the updating of indicators to monitor the transformation of financial practices and flows. This Observatory, co-piloted by the professional federations, Finance For Tomorrow and Paris Europlace, was announced in the framework of the [Declaration of July 2, 2019](#) and launched on the occasion of Climate Finance Day 2020. It reports on the achievements and actions of the Paris Financial Center's stakeholders in green and sustainable finance for the insurance sector, banks, private equity, asset management companies and specialized financing institutions.

UPDATE OF THE KEY FIGURES IN SUSTAINABLE FINANCE

The "Transformation of financial practices and flows" section of the Observatory, **which publishes data aggregated by financial activity, presents the key sustainable finance figures for the Paris marketplace for the years 2021, 2020 and 2019.** This data records allows to see the evolution of actors, practices, and financial flows over these first two years, and will be enhanced over the years. The data collection was carried out with the support of professional federations and associations. Visual improvements have also been made to the publication of the data, to improve the reading of the charts and to bring an educational dimension to the indicators.

Some key figures from the Observatory :

Investments and financing contributing to the transition

- Insurance (FFA):
 - o **€114 billion in green investments** at the end of 2020, i.e., 5.4% of total assets managed by French insurers, including €43 billion invested in Green Bonds
 - o **€73.6 billion in assets of Units-linked products labeled responsible, green and/or social** at the end of 2020, i.e., 17% of assets of Units-linked products.
- Banks (FBF):
 - o **€200bn in green loans and credits in 2020**, including **€44bn in loans to finance renewable energy infrastructures**
- Private equity (France Invest):
 - o In 2020 **€1.2bn were invested in Cleantechs** including €314m in renewable energy
- Asset Management (AFG):
 - o **SRI label: €603bn of assets under management** in 786 funds managed by 147 asset management companies (as of 10/24/2021)
 - o **€1,587 billion of Assets are Responsible Investment** (considered as article 8 and 9 according to the SFDR regulation)
- Specialized financing institutions (ASF):
 - o **Hybrid or electric vehicle financing** for individuals reaches nearly **€1.5 billion** in 2020.

Coal exposure

- Insurance: **€16bn of coal exposure** at the end of 2020, i.e., 0.8% of assets under management
- Asset management: **€13 billion of assets** exposed to coal in 2020, i.e. 0.36% of assets under management.
- Banks: **€2.1 billion of assets exposed to coal**, i.e. 0.16% of the banks' corporate loan portfolio

MONITORING AND ANALYSIS OF INDIVIDUAL COMMITMENTS

In 2021, the Observatory lists more than 1,300 public commitments, mobilizing 370 voluntary actors.

In 2021, several new features have been integrated to the individual commitment component:

- **A commitment guide** has been developed in coordination with the supervisors to specify the expectations of the exercise, the rules for publishing commitments, and the **minimum criteria expected to ensure that the information is properly structured and complete**. All commitments are now analyzed to verify their compliance with these criteria.

Details on the minimum criteria: A well-structured commitment, and therefore considered compliant, must address an environmental, social or governance (ESG) issue, clearly specify the financial assets involved and the scope of its action, have a calendar and a clear objective. If a commitment does not meet these minimum criteria, it is identified as "non-Compliant".

- The individual commitments section has been enriched with the **monitoring of commitments**. Actors who have communicated a source of public monitoring on their commitments are identified on the website.
- Finally, an analytical view of the commitments is now available thanks to the reading grids. They make them easier to read individual commitments **by analyzing their content and scope**.

These commitments are updated on an ongoing basis, and financial players who are not currently involved are **invited to sign up and join this initiative**.

SCIENTIFIC AND EXPERT COMMITTEE OF THE OBSERVATORY

The Observatory's Scientific and Expert Committee, an independent body that **ensures the scientific rigor of the project**, issued two sets of recommendations this year. The first was **on coal and the Observatory's indicators** in February and the second in September on **non-conventional fossil fuels and alignment strategies**. The first set of recommendations led to exchanges with industry federations and to changes in the Observatory, including the detail of the coal policy value chain and in the perspective of the data on the Observatory's website. The second set of recommendations will be analyzed for the next exercise.

A PILOT PROJECT FOR THE ONE PLANET SUMMIT

The One Planet Summit announced today the launch of the **One Planet Data Hub**, which aims to encourage transparency in all economic and financial sectors and will serve as a global summary to give clarity to the **monitoring and real impact of commitments**. The French Observatory will contribute to this. Supported by the Financial Centers for Sustainability (FC4S), the Observatory has already reached its second year of operation and has met the **dissemination objective set by the European Union** in the framework of the LIFE grant. The Observatory will also be promoted during the COP 26.

Thierry Déau, President of Finance For Tomorrow and Chairman and CEO of Meridiam declared: « *Finance for Tomorrow is proud of the work and publications of the Sustainable Finance Observatory and its Scientific and Expert Committee. With the monitoring and analyzing of commitments, it is in one year, two steps forward towards the objectives set in the Declaration of the Paris Financial Centre and the transparency of the transformation of the financial sector!* »

Bruno Le Maire French Minister of the Economy, Finance and the Recovery declared : « *The Observatory launched by the Paris financial center is a significant step forward in defining a financial center strategy for sustainable finance. It is at the origin of an essential exercise in transparency of financial data on climate change. This pioneering initiative should serve as an example for the One Planet Data Hub whose launch are announced today!* »

A propos :



Launched in June 2017 as a branch of Paris EUROPLACE, Finance for Tomorrow is an initiative whose aim is to make green and sustainable finance a driving force in developing the Paris Financial Centre and positioning Paris as the leading financial centre on these issues. Members of Finance for Tomorrow are signatories of a shared charter with the goal of redirecting financial flows of capital toward a low-carbon and inclusive economy, in line with the Paris Agreement and the United Nations' Sustainable Development Goals (SDGs). The initiative brings together more than 80 members and international observers representing the entire financial ecosystem (banks, investors, insurers, companies, professional bodies, extra-financial rating agencies, consultancies, think tanks, NGOs...), as well as municipalities (the City Paris and the Paris Region) and public authorities (the Ministries for the Economy & Finance and of the Ecological & Inclusive Transition, as well as the French Central Bank).



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The European Commission is not responsible for any use that may be made of the information it contains.

Eight key players in sustainable finance in France gathering under the coordination of the French Environment and Energy Management Agency (ADEME), on a financial engineering programme with a budget of 18 million euros, and 10 million euros in funding from the European Commission (LIFE programme, which supports actions promoting the implementation of European policies). This project, Finance ClimAct, aims to develop new methods and tools and to integrate them into the decision-making and steering processes of the various stakeholders in the financial sector. This strategy is directly in line with the Paris Agreement, which aims to « make financial flows compatible with a trajectory towards low GHG emissions and climate-resilient development ».

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