

## MEDIA RELEASE

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### **Financial sector leaders join forces to steer Australian economy through ‘critical decade’: Australian Sustainable Finance Initiative launches**

The leaders and senior executives of Australia’s major banks, superannuation funds, insurance companies, financial sector peak bodies, civil society and academia are coming together to set out a roadmap for realigning the finance sector to support greater social, environmental and economic outcomes for the country.

The Australian Sustainable Finance Initiative has today been unveiled – an unprecedented collaboration to help shape an Australian economy that prioritises human wellbeing, social equity and environmental protection, while underpinning financial system stability, in what it says is a ‘critical decade’ ahead.

Modelled on international best practice already seen in groups including the European Union’s High-Level Expert Group on Sustainable Finance and the UK’s Green Finance Taskforce, the Australian Sustainable Finance Initiative will be guided by a Steering Committee charged with developing a set of recommendations to enable the finance sector to contribute more systematically to the transition to a more resilient and sustainable economy.

IG Group Executive Jacki Johnson, co-Chair of the Initiative, said: “The roadmap we create will include pathways, policy signals and frameworks that will better enable the financial services sector to contribute to delivering on international commitments, such as the Paris Agreement on Climate Change and the UN Sustainable Development Goals, while underpinning economic stability and prosperity for Australia.”

An Australian Sustainable Finance Roadmap will be delivered by the Steering Committee in 2020 with recommendations that will assist the financial services sector to:

1. Mobilise capital to deliver on national and global sustainable development and climate goals;
2. Enhance the sustainability, resilience and stability of the financial system by embedding sustainability, climate and human rights considerations into financial markets and products;
3. Ensure better informed financial decision making by enhancing disclosures and transparency on environmental, social and governance risks and opportunities; and
4. Deliver a financial system that meets community expectations around sustainability.

An Expression of Interest process in late 2018 called on experts active in sustainable finance to nominate to be part of the Steering Committee. The following members and observers were appointed:

#### Members

- Anna Skarbek, CEO - ClimateWorks
- Christina Tonkin, Managing Director Loans and Specialised Finance - Institutional - ANZ
- Damien Walsh, Managing Director - Bank Australia
- David Atkin, CEO - Cbus
- Didier Van Not, General Manager Corporate and Institutional Banking - Westpac Banking Corporation
- Emma Herd, CEO - Investor Group on Climate Change

- Eric Williamson, Executive General Manager, Corporate Finance - National Australia Bank
- Jacki Johnson (Co-Chair), Group Executive People, Performance and Reputation - IAG
- John Hewson, Chairman - Business Council for Sustainable Development Australia
- Mark Joiner, Chairperson – QBE Australia Pacific
- Mark Senkevics, Managing Director Head Australia and New Zealand - Swiss Re
- Matthew McAdam, Director Asia Pacific - Principles for Responsible Investment
- Michael Thorpe, Managing Director Institutional Banking and Markets - Commonwealth Bank of Australia
- Phil Vernon, Managing Director - Australian Ethical Investment
- Richard Brandweiner, CEO - Pandal Group
- Robynne Quiggin, Professor - University of Technology Sydney, Business School
- Sarah Barker, Special Counsel - Minter Ellison
- Simon O'Connor (Co-Chair), CEO - Responsible Investment Association Australasia

#### Observers

- Geoff Summerhayes, Executive Board Member of APRA, Executive Committee Member of the International Association of Insurance Supervisors and Chair of the Sustainable Insurance Forum.
- Eric Usher, Head of the UN Environment Program Finance Initiative, Economy Division, UN Environment

Simon O'Connor, Initiative Co-Chair and CEO of the Responsible Investment Association Australasia (RIAA), says "Issues such as climate change and human rights have become material to business and the financial services community. Climate change was recently described by the Deputy Governor of the Reserve Bank of Australia as a 'systemic risk' to the stability of our economy, and APRA emphasised last week that climate risks are 'material, foreseeable and actionable now'".

"The financial services sector is both exposed to those risks, as well as having an essential role in funding and underwriting a future Australia, providing the capital necessary to deliver on sustainable development and climate-related commitments. Through a greater alignment between the financial services sector and these sustainability goals, the sector can both deliver for Australians while building a better, more stable and sustainable financial system."

"This unique and high-level collaboration will set out a roadmap for achieving this goal and shows the willingness of the financial services sector to step up and play an active role in building a more sustainable and resilient economy for all Australians," said Mr O'Connor.

Jacki Johnson says "a sustainable and resilient economy is a necessity, not an option, and is the foundation for ensuring Australia's prosperity throughout the 21st century."

"As we approach 2020, we are rapidly entering a critical decade for managing climate change and other risks," said Ms Johnson.

"Australia has made a number of commitments to international targets. Achieving these goals extends beyond social or environmental objectives – it's an economic and financial necessity. Our economy simply cannot prosper in an environment of ever-increasing severe weather events and the subsequent broader impacts these will have."

"Delivering on these goals requires not just government policy and commitment, but business and finance leadership. Achieving these goals presents a sizeable economic and social opportunity."

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