



MINISTÈRE DE L'ÉCONOMIE
ET DES FINANCES

Conférence annuelle « PRI in Person » dédiée à la finance durable

**Discours de Bruno Le Maire,
ministre de l'Économie et des Finances**

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Contact presse :

Cabinet de Bruno Le Maire

01 53 18 41 13



It is my honour and pleasure to welcome you in Paris today for this year's "PRI in person" event. It is a great honor for Paris to host the largest responsible investment conference in the world.

1/ As President Emmanuel Macron recently said regarding the fires devastating the Amazonian rainforest: "our house is burning, literally".

For too long, the *International Panel on Climate Change* (IPCC) has been warning us about the consequences of human activity on the environment. According to the IPCC latest report, the rise of sea levels in the southern hemisphere alone will cause more than 280 million refugees. This is one among many examples showing to what extent climate change, inequality and conflicts will become more and more intricate.

This issue calls for bold public policy responses and it should drive the action of all decision makers. We may well be the last generation with an opportunity to act.

The world economy is at a crossroads. While climate risk becomes obvious, and populism is gaining traction in many jurisdictions, **the involvement of all stakeholders is crucial** to shift to an economy more responsible from an environmental and social perspective.

There is indeed a growing awareness that we need to radically transform our economic system. I see a glimmer of hope in various signals showing that many decision makers now perceive the need for a dramatic change.

A few weeks ago, the *Business Roundtable*, which gathers CEOs of some of the biggest US companies, acknowledged that companies should put social responsibility above profit in a first-of-its-kind common statement.

In France we went further. We decided earlier this year to enshrine in our legislation the social and environmental responsibility in the management of all companies.

2/ The financial sector plays a central role to bring our economic model to a more sustainable pathway.

The financial sector is channelling capital and fostering investment decisions. Without a strong signal from investors, insurers, bankers, no significant change in our economic system will be possible.

Responsible investing is crucially needed to reduce the support of economic activities that seriously harm the environment – such as coal mining; and redirect capital flows towards more sustainable activities.

And it is in the interest of financial firms to engage in the transition, as climate risk or stranded assets may suddenly disrupt their business models.

Responsible investing is also necessary to promote socially inclusive businesses, which favour worker's participation and social cohesiveness.



3/ That's why beyond fine word and wishful thinking, we need concrete policy tools to encourage the development of a responsible finance

We have built such a tool box in France.

- **First, with clear common targets.** For instance, on climate, **the National Low-Carbon Strategy** sets an objective to curb CO2 emissions by 75% by 2050. Last July, French financial institutions committed to set up individual strategies to completely shift away from coal – starting in 2020.
- **Second, effective ESG disclosure of large public and private companies**, into force since 2001. Without proper information from companies, investors won't be able to allocate investment on ESG criteria.
- **Third, we have an ambitious climate risk management and disclosure framework for institutional investors and asset managers**, since 2015. Following PRI recommendation, this framework will be enhanced this year through the Energy Transition Bill currently in Parliament.
- **Fourth, we need responsible financial products.** For wholesale financial markets, **we launched sovereign green bonds in 2017**. The outstanding amount of the French green sovereign bond now reaches 19 billion euros. It is key to build green asset classes and portfolios.
We also created responsible retail savings products. We actually have three main labels for retail savings: one on ESG investment, on green investment and socially inclusive investment. These labels allow any citizen to invest in dedicated responsible saving products. It is key to enhance the involvement of the general public. It will push companies to be more committed.
- **Last but not least, we need effective supervision to make sure behaviours are changing.** French supervision authorities are now in charge of monitoring the implementation of these tools among financial players.

4/ Now, we need to move faster and build such a toolbox at European and global level.

I believe the European Union has a special duty to build a fairer capitalism coherent with its founding values. Europe should push for the highest possible standard for sustainable and socially inclusive finance.

At the European level, France fully supports **the European Commission's Action plan on sustainable finance**.

- France will push for the **Green New Deal** to be implemented as soon as possible.
- We are working intensively **on the Taxonomy proposal** which aims to classify sustainable economic activities.



- **We should go further.** This is why we are working on the creation of an **EU green bond standard**; to “greenwashing” concerns.
- We will also push for a **European social and environmental reporting framework for large companies**. Indeed a substantial improvement in the quality and the comparability of non-financial data at the international level is essential.

These initiatives will put the EU at the forefront of the development of sustainable finance. **Yet we need a global mobilisation.**

Sustainable growth was at the heart of the **G7 summit’s** discussions in Biarritz at the end of August.

During the G7, various business coalitions decided to take very concrete steps; such as the « **Business for inclusive Growth** » initiative spearheaded by Emmanuel Faber – CEO of Danone –gathering 34 companies with 3.5 million employees worldwide; or the “**Fashion pacts**” signed by 30 fashion companies to reduce the carbon footprint of their industry. We also launched a coalition to fight against HFC gas which are highly detrimental to global climate.

But more than ever, the UN is the legitimate forum to call for action.

At the request of the UN Secretary General, the French President Emmanuel Macron will report on the implementation of the Climate finance Action Plan, together with Qatar and Jamaica, during the *Climate Action Summit* on September 23rd in New York.

We should see this UN Climate Action summit at a **landmark to collectively enhance our level of ambition.**

To conclude, let me say this: the difficulties we are facing are a tremendous challenge. The stakes are high. What we need is an urgent transition. Hence the need for coordinated, collective action.

I would like to thank the PRI teams, and all PRI signatories for their commitment to the Principles of Responsible Investment. It is a great initiative which clearly leads the financial system into the right direction. I’m looking forward to seeing many more PRI signatories after this Paris meeting.

You can be sure France will always be supportive to encourage the development of sustainable finance.

You can count on us to be a leading force in Europe and at the global level in the coming years.

Thank you.