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From transparency to transformation: Investing for a sustainable future
IPCC report: Humanity still has the means to act on the climate

As the 2023 Intergovernmental Panel on Climate Change's climate crisis report reminds us, if the goal of keeping global warming to 1.5°C seems increasingly complicated to achieve, writing it off is not an option.
Greatest risk in portfolios

700x

Higher emissions within portfolios than direct emissions for global financial institutions

$1 trillion

Potential financial impact of climate risks
Financial risks outweigh real economy

- Real economy companies: €105 BN
- Financial services: €209 BN
  - €121 BN
  - €48 BN
  - €378 BN

Categories: Investors, Banks, Insurers, Real economy companies
The opportunities

76% Financial institutions see opportunities in offering sustainable finance products and services

$2.9 trillion Potential financial impact of realising opportunities
Relied on for ESG innovation

Amundi to launch Europe’s first CAC 40 climate ETF

Euronext launches science-based emissions target index

Goldman Sachs launches sustainability indices

Iberdrola signs a loan of 2,500 million conditional on reducing its water footprint

Amundi fund subsidiary launches climate fund
Positioning for the future
The first step: Disclosure and data
Harvard Business Review

The Most Powerful Green NGO You’ve Never Heard Of
“We need the investor community to invest more and to invest differently, with sustainability at the heart of their calculations. This is what the CDP community is doing.”

European Commission President Ursula von der Leyen
A more holistic investment outlook

- Governance
- Scenario analysis
- Financial planning
- Value chain engagement & low carbon initiatives
- Policy engagement
- Risks & opportunities
- Targets
- Scope 1, 2 & 3 accounting with verification
Our responsibility: Engage for impact
Foundation of the ESG system
Nearly 20,000 companies & local governments
Disclosure in CEE: On the rise

45%
More CEE organisations disclosed to CDP in 2022

52%
CEE market capitalisation represented
Be a force for change

% of financial institutions engaging with clients / investees on climate-related topics, by type of institution

- Asset managers: 58% (Client engagement), 88% (Investees engagement)
- Banks: 82% (Client engagement), 33% (Investees engagement)
- Insurers: 64% (Client engagement), 70% (Investees engagement)
One step ahead
From transparency to transformation
SBTi net zero standard

- Rapid, deep emissions cuts
- Near and long-term targets
- 90-95% emission cuts
- Go beyond the value chain

Source: SBTi
What I mean by a good plan

- Time bound and quantitative
- Internally coherent
- Complete
- Accountability
- Flexible and responsive
- Forward looking
A multi-trillion dollar risk

Up to €1.8 trillion in outstanding corporate debt is financing companies without clear transition progress

Total outstanding debt financing (€Tn), by category

- Total outstanding debt: €4.8Tn
  - Advanced
  - Developing (only Scope 1-2)
  - Limited

- Potentially at-risk financing
  - €0.9Tn
  - €0.9Tn
  - €0.9Tn
  - ~€0.9 - 1.8Tn (~20-40%)
  - ~€2.7 - 3.6Tn (~55-75%)

The range represents companies that do not meet the developing criteria for Scope 3

Note: where needed we used the average EUR exchange rate to convert debt figures; Source: Oliver Wyman analysis; CDP data; CDP Temperature ratings dataset; Bloomberg; European Central Bank; Euro foreign exchange reference rates
We must all be on the same path

Nordic companies are twice as likely to be transitioning onto a 1.5°C path
% of companies, by country
Disclosure, insight, action