

## Accelerating Sustainable Finance: Joint Industry Statement

Demonstrating our collective willingness to work together to enable the finance sector to make a larger contribution to the climate, environment and social objectives of Australia, the organisations listed below issue this Joint Statement on Accelerating Sustainable Finance:

As leading Australian financial services firms, we recognise our critical role in shaping Australia's future. Our activities – which include finance and investment, insurance, investor stewardship, client relationships and advice, stakeholder engagement, and policy engagement – can provide significant support for the transition to a net zero, climate resilient Australian economy, the regeneration of Australia's natural capital, and a more prosperous and fair society.

We recognise the important role of strong partnerships between government, the private sector, and other stakeholders in achieving these goals. Private finance and investment alongside government funding is essential to accelerate progress, as is a supportive policy and regulatory environment.

We welcome the Treasurer's announcements today of the Australian Government's plans to drive sustainable finance in Australia:

- The Treasurer's commitment to an Australian Government Sustainable Finance Agenda is an important development that provides an opportunity to ensure that Government policy, regulation and activities are aligned to support the growth and credibility of sustainable finance and investment. We support a whole of government Sustainable Finance Agenda that promotes clear, coherent policy and regulation across climate, environment, and social issues. This would signal to the world Australia is committed to sustainability, and help maintain access to cost-effective capital, including to support the net zero transition.
- The initiation of a consultation process on the Government's proposed mandatory climate-related disclosure regime is a welcome first step to the introduction of comprehensive sustainability reporting, in line with international trends and standards. Mandatory disclosure will help investors and customers make better decisions, regulators combat greenwashing, and businesses identify and manage sustainability-related risks and opportunities. The disclosure rules should promote accurate, transparent, consistent reporting of information with quality and comprehensiveness improving over time.

- We also welcome the Government’s commitment to play a leadership role in the development of an Australian Sustainable Finance Taxonomy. The taxonomy project should leverage the respective strengths of government and industry to develop a taxonomy that is science-based, useable, and internationally inter-operable. Building on the work that ASFI has led in 2022, it should proceed rapidly to capitalise on momentum and allow Australia to catch up with international developments in this area.
- Finally, we welcome the Government’s ambition to play a greater leadership role on sustainable finance internationally and look forward to opportunities for the Australian finance sector to support this effort.

Building on the important steps taken by the Treasurer today, we are committed to working with stakeholders across the sector towards a financial system that delivers increasingly better outcomes for the prosperity and wellbeing of all Australians. We will continue work to integrate sustainability across our organisations, develop clear and credible transition plans towards net zero emissions, support investment in climate, nature based and social solutions (including supporting measures to reduce or mitigate the physical risks of climate change), and promote effective stewardship and engagement with stakeholders as they transition their activities to achieve climate, environmental and social goals.

These efforts are consistent with our respective obligations to members, clients, consumers, customers, and shareholders. Properly identifying and managing sustainability risks is a core part of good management and practice and will help ensure Australian financial institutions can capitalise on the opportunities presented by the economic transformation already underway in Australia and across the globe.

