



Federal Ministry
of Finance

Sustainable Finance

Finance to support the transition towards a more sustainable future



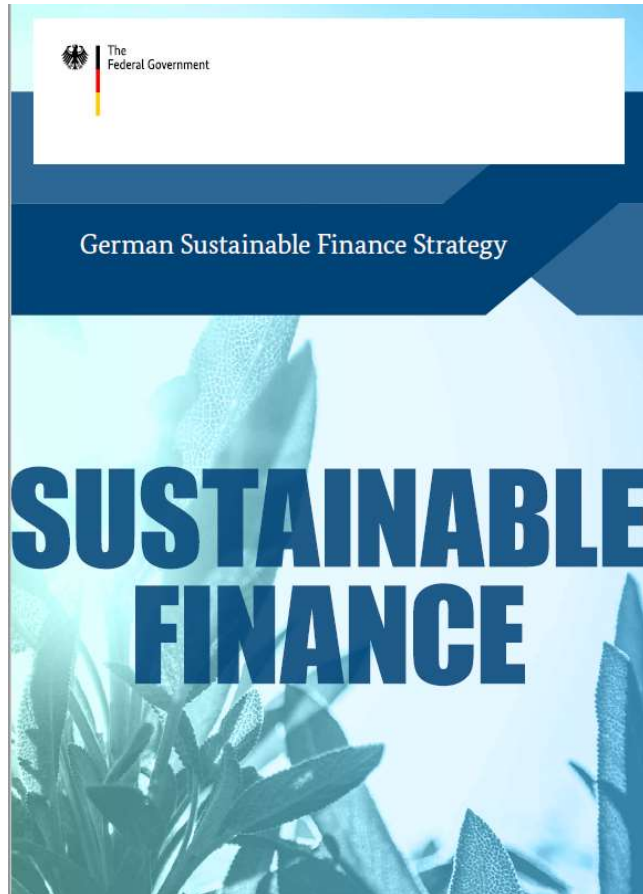
Risks and Opportunities

1. Risk management
 - Stranded Assets
 - Some business models will not survive.
2. “Shifting the Trillions”
 - transition of the global economy will require massive investments.
 - The International Energy Agency (IEA) report that estimates the required investment in the energy sector alone at 5 Trn. \$ per year until 2030

The role for financial institutions is to support the transition from past to future oriented business models. This will imply risks – but also many opportunities.



German Sustainable Finance Strategy



Goal: Make Germany a leading country in the field of Sustainable Finance

26 Measures tackling major challenges

Examples:

- Accept and enhance role model function of the federal government (e.g. Green Bonds)
- Increase transparency
- Strengthen supervision and risk management processes in real and financial economy



European Agenda and global challenges

Significant progress in EU

2018: Action Plan on Financing Sustainable Growth
Taxonomy

- Define what is sustainable

New Disclosure obligations

- Increase transparency on sustainability issues

Market Standards

- Define standards for sustainable financial products

Next: Renewed Sustainable Finance Strategy



European Agenda and global challenges

International coordination will be key to overcome sustainable challenges.

- Data availability
- Global Taxonomy
- Market Standards

We support work of international bodies:

- FSB
- G7 Sustainable Finance Working Group
- Coalition of Finance Ministers for Climate Action
- Network of Central Banks and Supervisors for Greening the Financial System

