



The Institutional Investors Group on Climate Change (IIGCC)

– a case study for ecological responsibility*

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INTRODUCTION

- For many years financial and banking sector has been isolated from the influence of social changes and was not obliged to deal with issues of ethics. As the social impact on all spheres of the economy is growing, the pressure on the financial and banking sector grows as well
- The particularity of the financial sector is reflected in the fact that it integrates all industries and in that sense it is possible to make financial sector a „catalyst“ that would serve to **improve social and environmental impact of financial institution** in order to achieve equilibrium between profit, people and environmental protection
- The aim of this presentation is to show most important corporate social responsibility initiatives and programs that deal with social and environmental issues in financial industry with special emphasis on IIGCC.
- This selection is made based on global reach and impact that these initiative have.

UNEP FINANCE INITIATIVE

- United Nations Environment Program Finance Initiative – UNEP FI
- Members of this program are private and public financial institutions that are located around the world and recognize sustainability as part of collective responsibility, support approaches that anticipate and prevent potential negative influence on the environment and society
- Members are 200 different financial institutions from 40 countries – banking, investment and insurance



PRI

- Principles for Responsible Investment - (PRI)
- Sec Gen of UN formed a working group consisting of various investment companies, governmental and non-governmental organizations and various experts who formed the principles of responsible investment and disclosed them in 2006
- Currently, more than 1,500 organizations signed an application form to this initiative in more than 50 countries with total assets of over 60.000 billion dollars



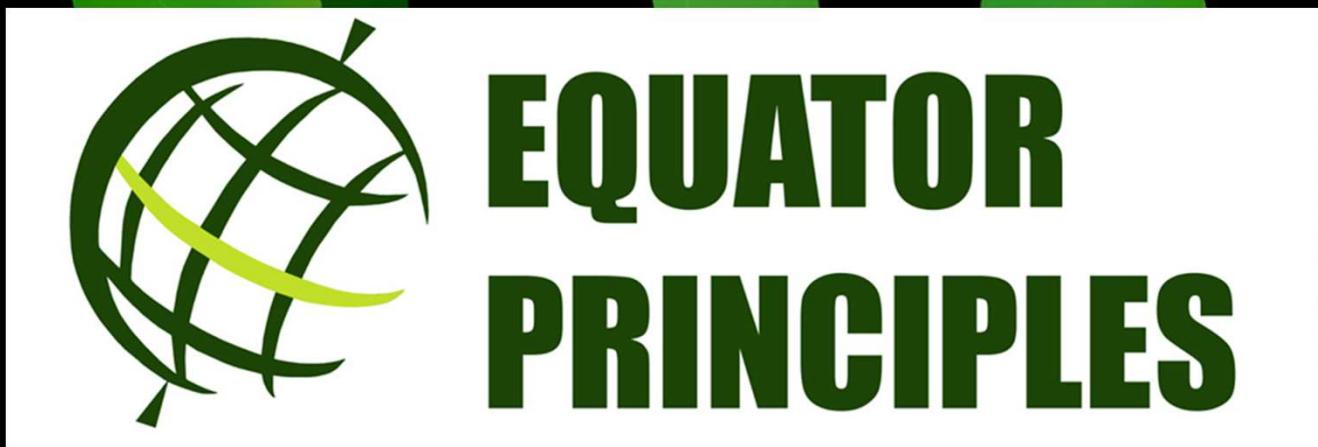
IFC

- International Finance Corporation (IFC)
- IFC is an international financial institution based in Washington, DC., established in 1956 as a member of the World Bank.
- Over 40% of total IFC placements are directed to the financial sector. IFC provides not only financial support, but also develops methods and techniques for financial institutions to create demand for products and services that emphasize sustainability.
- IFC's total equity amounts to 23.28 billion dollars



EQUATOR PRINCIPLES

- The equator principles constitute an international voluntary code developed by banks to encourage consideration of environmental and social issues in project financing
- It is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects
- This framework is global business specific self-regulation that came into force in 2003 so far it has grown to 85 institutions that come from 35 countries



INSTITUTIONAL INVESTORS GROUP ON CLIMATE CHANGE

- The Institutional Investors Group on Climate Change (IIGCC)
- non-governmental organization which was formed by the group of Institutional Investors in order to collaborate on climate change. Their mission is to provide member institutions with a collaborative platform to encourage public policies, investment practices, and corporate behavior that address long-term risks and opportunities associated with climate change.
- **IIGCC has two strategic objectives:**
 1. Changing market signals by encouraging the adoption of strong and credible public policy solutions that ensure an orderly and efficient move to a low carbon economy, as well as measures for adaptation.
 2. Informing investment practices to preserve and enhance long-term investment values



INSTITUTIONAL INVESTORS GROUP ON CLIMATE CHANGE

- The contribution of IIGCC to the fight against climate change is guidelines created exclusively for institutional investors and are related to the fight against climate change.
 - The first set of instructions was issued in 2010
 - revision of the instructions was made and issued in May 2016.
 - Future research should be based not only on information gathering but on quantifiable impact data related to the guidelines.
- One of the most important facts about the analysis of IIGCC is that the organizations represents over 18€ trillion in assets and consists out of 140 members in Europe.

INSTITUTIONAL INVESTORS GROUP ON CLIMATE CHANGE

PROMOTION AND WIDE IMPACT

- Promoting the investor voice on the climate agenda
 - part of the Paris Agreement, forming of Asia IGCC, 300 quotes in newspapers etc.
- Policy influence
 - G20 heads of state, European Parliament, EU Commission, UK government, German government etc.
- Showcasing investor action
 - United Nations Framework Convention on Climate Change – co host at COP22 etc.
- Driving engagement and effective climate disclosure
 - Help drive Global Investor Coalition on Climate Change, framework for collaborative engagement, creation of sub groups etc.
- Publications
 - Numerous publications

Other initiatives and programs which relate to corporate social responsibility in financial sector

- The Financial Inclusion Support Framework (FISF)
- Financial Access Survey (FAS)
- Global Partnership for Financial Inclusion (GPFI)
- The Consultative Group to Assist the Poor (CGAP)
- Alliance for Financial Inclusion (AFI)
- London Principles
- Global Alliance - for Banking on Values
- European Federation of Ethical and Alternative Banks (FEBEA)
- The International Association of Investors in the Social Economy (INAISE)
- National Community Investment Fund (NCIF)

CONCLUSION

FUTURE RESEARCH

- Further analysis of different organizations which main goal is development of different social and environmental management systems
- Comparative analysis of larger number of social and environmental management systems in financial institutions
- Financial analysis of products and services in financial sector which are part of social and environmental management system
- Analysis of social and environmental management system impact on different indicators in financial sector
- Creation of comprehensive guidelines and/or SEMS for financial sector and/or different parts of financial sector

THANK YOU FOR YOUR ATTENTION!