



Stock exchanges can promote stable, sustainable global economy – Ban



2 November 2009 – Secretary-General Ban Ki-moon today urged leaders of stock exchanges and financial institutions to better manage and integrate environmental, social and governance issues into their business practices.

In a video **message** to a gathering at United Nations Headquarters of more than 60 top executives from around the world, Mr. Ban said that these so-called “ESG” issues are critical in creating a world economy that is more stable, inclusive and sustainable.

“Stock exchanges and other financial bodies and institutions have a key role to play,” he told the group, which is meeting to explore ways in which stock exchanges can promote sustainable business practices and long-term approaches to investment.

He welcomed the steps already undertaken by participants to incorporate ESG considerations into new stock indexes, listing rules and regulatory frameworks, and said he hoped the meeting will inspire even further efforts.

The Secretary-General also highlighted the “unprecedented” partnerships forged between the UN and the business and financial communities in recent years.

Among them is the UN Global Compact, the world’s largest corporate sustainability and responsibility initiative, which currently involves over 5,000 companies across 130 countries.

Another is the UN-backed Principles for Responsible Investment – a set of voluntary actions for incorporating ESG issues into mainstream investment decision-making and ownership practices that today includes more than 600 institutional investors with assets of over \$18 trillion.

A report released in July by the UN Environment Programme (**UNEP**) and a powerful group of asset managers controlling some \$2 trillion in assets argued that if investment consultants and others do not incorporate ESG considerations into their services, they face “a very real risk that they will be sued for negligence.”

It also stressed the central role that the world’s largest institutional investors – including pensions funds, insurance companies, sovereign wealth funds and mutual funds – have in easing the transition to a low-carbon and resource-efficient green economy.

Today’s meeting is co-hosted by the Global Compact, the UN Conference on Trade and Development (**UNCTAD**) and the UN-backed Principles for Responsible Investment.

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