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Financing the Green Transition

Key findings from the desk research on the European regulatory framework to identify the role of finance sector in the green economy & a glimpse into good practices and insights from the Virtual Agora

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Deliverable 3.1



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T2.3 & D2.3: objectives, indications from project proposal and state of the art (M11 update)

In accordance with the project proposal, the desk research, carried out by Adapt and Fondazione ADAPT, focused on the analysis of the principles and declarations on sustainable finance of the various institutions in the international financial arena, the European regulatory framework (notably the Green Deal, Just Transition and the EC Sustainable Finance Action Plan) and the various national legislations with the aim of identifying the role attributed to the European financial sector to foster the green transition and highlighting the gap in terms of adherence of the sector to the role it is called to play.



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Presentation structure & main contents

Overview of the main results of the qualitative research phase (literature review)

- a) Introduction: the role of finance in the green and just transition: a focus on definitions and main available open-access resources
- b) The European framework on green finance: insights from the Taxonomy regulation and the Right of information
- c) What's new? The Directive on Corporate sustainability due diligence
- d) Good practices from the finance sector in the twin transitions - some insights from the Virtual Agorà



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The role of finance in the green and just transition

«Financial systems and their actors have a key role to play in a just transition. They complement conducive policy measures, and in turn these policy measures facilitate the efforts of financial systems and their actors towards a just transition» (ILO, 2022).



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What is green finance?



All forms of investment or lending that take into account environmental effects and improve environmental sustainability, thus creating a bridge between global environmental priorities and the financial system.



...and why talking about green finance

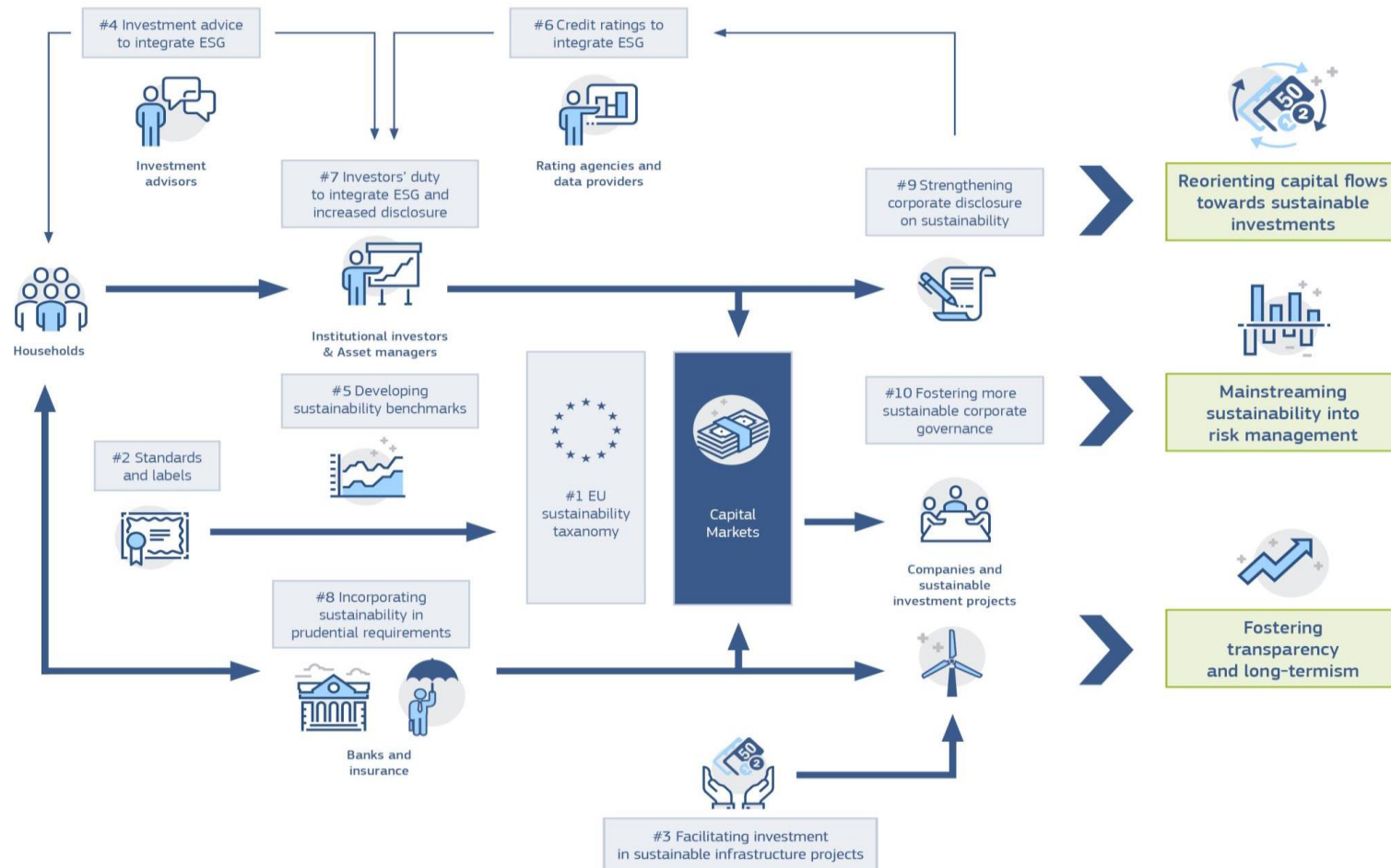


Green finance enables companies, savers and investors to contribute to the fight against pollution and climate change, while ensuring long-term profitability.



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How can
transitio



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The European framework on the role of finance in the green and just transition



2018

- EU Commission, Action Plan: Financing Sustainable Growth

2020

- EU European Parliament and of the Council, Taxonomy Regulation

2022

- EU Commission, Delegated Act

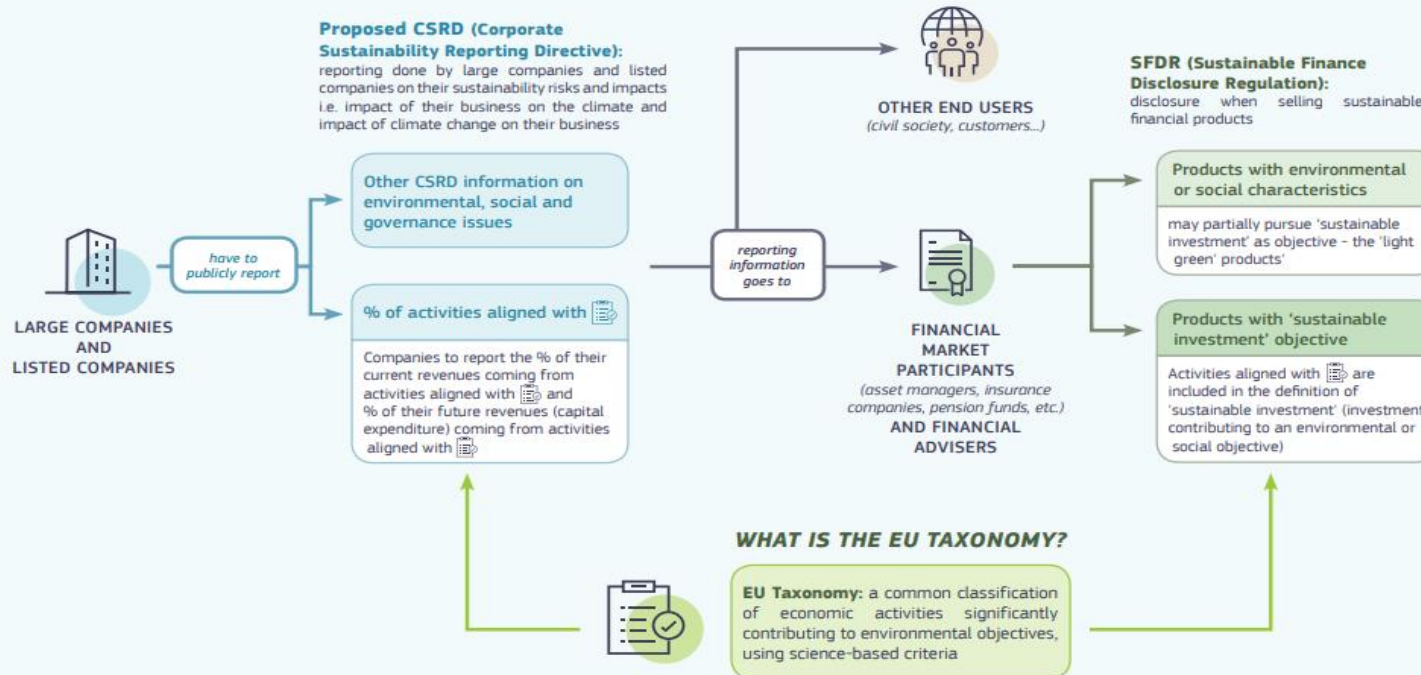
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EU Taxonomy Regulation and the sustainable finance framework









HOW DOES THE EU TAXONOMY FIT WITHIN THE SUSTAINABLE FINANCE FRAMEWORK?

Two examples when the taxonomy will be used:
in disclosures of financial products and reporting by large companies and listed companies



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EU Taxonomy Environmental Objectives

-  Climate change mitigation
-  Climate change adaptation
-  Protection and restoration of biodiversity and ecosystems
-  Sustainable use and protection of water and marine resources
-  Transition to a circular economy
-  Pollution prevention and control



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Green finance and the right of information



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The Corporate Sustainability Reporting Directive

The directive modernises and strengthens the rules concerning **social and environmental information companies have to report.**

The new rules will ensure that investors and other stakeholders have access to the information they need to assess investment risks arising from climate change and other sustainability issues. They will also create a culture of transparency about companies' impact on people and the environment.



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The Corporate Sustainability Reporting Directive Targets



Vastness of information

Information to be disclosed should contain forward-looking and retrospective information, while extending the scope with reference to the whole value chain.



Link with the European Taxonomy



In addition to disclosing information on policies and initiatives, the CSRD requires organizations to set targets, select a baseline and report progress towards these targets.



The ESRS includes the requirement to report in line with information the EU Taxonomy.



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A glimpse into good practices and insights from the Virtual Agora

BNP Paribas agreement on fundamental rights and global social framework

Crédit Agricole SA Group, Global Framework Agreement

Generali, Joint Declaration on Promoting Inclusion and Diversity at Work

Generali, Joint Statement on the New Sustainable Way of Working in a Next Normal Scenario

Unicredit, Joint Statement on Remote Working



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EU Finance Sector Social Dialogue Joint Declarations on Telework and Digitalization 2015-2021

- EU Insurance Social Dialogue, Joint Declaration on Telework, 2015
- EU Insurance Social Dialogue, Joint Declaration on Digitalization, 2016
- EU Bank Social Dialogue, Joint Declaration on Telework, 2017
- EU Bank Social Dialogue, Joint Declaration on Digitalization, 2018
- EU Social Partners Framework Agreement on Digitalisation, 2020



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The ecological transition of the finance sector and the role of the social partners – National good practices

Documents and position papers

Denmark

- The Workers' Climate Panel - 8 recommendations for the green transition
- Code of Conduct on Good Outplacement in the Financial Sector

France

- La banque, acteur d'un monde durable et responsable – Fédération bancaire française

Slovakia

- Agreements of: VUB (Intesa Group); SLSP (Erste Group); Unicredit Bank

Sweden

- Finansförbundets position i Hållbar finans/Position paper FSU Sweden



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The ecological transition of the finance sector and the role of the social partners

Collective Bargaining Practices (company level)

Italy

- Generali collective agreement

France

- Generali collective agreement / Generali Accord sur l'organisation, la durée du temps de travail et sur le télétravail / Generali Accord relatif à la Gestion Prévisionnelle des Emplois et des Compétences et à la promotion des parcours professionnels
- Allianz collective agreement
- La Banque Postale collective agreement
- BNP Paribas collective agreement



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Thanks for your attention!

