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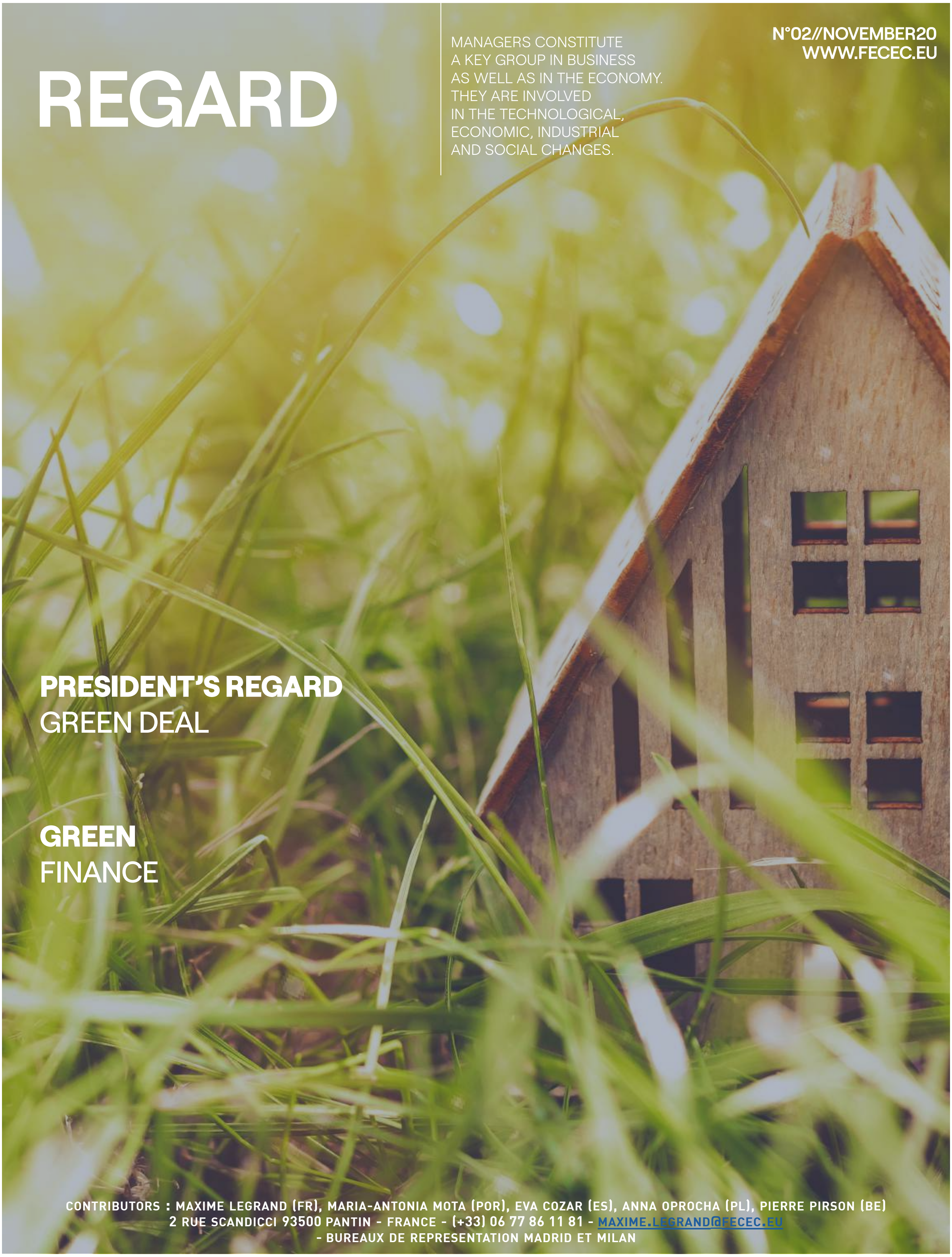

PRESIDENT'S REGARD
GREEN DEAL

GREEN
FINANCE

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EUROPEAN FEDERATION
OF MANAGERS AND EXECUTIVES IN THE BANKING SECTOR

LE GREEN DEAL
A KEY ELEMENT

Maxime LEGRAND
President of FECEC

DEAR READERS,

The crisis has raised questions and awareness. It has also reawakened for many of us the need for nature, the desire to pay more attention to our environment. This is an opportunity for us to take a look at Europe's ambition in this area.

One might have feared that the current health and economic emergencies would call into question the strong commitments made by the European Commission in 2019. I am referring to the European Green Deal. Ursula Von der Leyen's speech on the State of the Union this 16th September has just shown that this is not the case, on the contrary.

The European Green Deal adopted by the Commission on 11 December 2019 is one of the six ambitions of the European Commission until 2024. It is composed of 8 pillars such as the climate law, the financing of a sustainable transition, the Commission's contribution to COP26 in Glasgow, the sustainability of food systems, the decarbonising of energy, sustainable production and consumption, the protection of our environment and sustainable and smart mobility.

The deal to transform the EU into a fair and prosperous society with a modern, resource-efficient and competitive economy, with no net greenhouse gas emissions in 2050 and where economic growth is decoupled from resource use.

As a proof of the importance of this program on the European agenda, it is the Executive Vice-President of the European Commission, Mr Frans Timmermans, who is in charge of it.

Above all, action is urgent. A number of experts predict that we still have 10 to 15 years to act. This seems eventually easy to understand. The stock of CO_2 in our planet's atmosphere, the main component of greenhouse gases, is estimated at 2250 billion tons. Globally, about 40 billion tons of it are emitted every year. It is predicted that «the game» will be over at 3,000 billion tons. Make your calculations! Once this level is reached, no model can predict reliably what will actually happen.

An urgency

There is a sense of urgency even though Europe has been acting for some time. Just look at the legislation produced over the last decades to protect the environment, forests, water and fish resources, to inform consumers, for example with the energy labelling of household appliances. There is a sense of urgency and the whole of Europe is acting accordingly.

For example, on 5 October 2016, the EU ratified the Paris agreement, which entered into force on 4 November 2016. The agreement includes a long-term goal to keep the global temperature increase well below 2°C above pre-industrial levels and to pursue efforts to keep it below 1.5°C.

On 28 November 2018, the Commission presented its Communication «A Clean Planet for All - A Strategic European Long-Term Vision for a prosperous, modern, competitive and climate-neutral economy», which includes a vision for the 2050 climate-neutrality target. The European Council has made the construction of a climate-neutral, green, fair and social Europe one of the four main priorities of its strategic agenda for 2019-2024.

In March 2020, the Commission presented its 'Climate law' text, a proposal for a regulation that establishes the irreversibility of the carbon neutral decision by 2050.
On September 16, the President of the EC even raised the 2030 target to at least 55% reduction in GHGs.
And finally the European Parliament voted on October 8, 2020, amending the Climate Law to set 60% (and not 55%) the reduction in GHGs for 2030.

And then there are the Facts. Between 1990 and 2016, Europe has reduced its GHG emissions by 20%. The problem is that, at the same time, the world as a whole increased its own by 60%.

Strong ambitions
Europe has strong ambitions and wants to be the world leader in this field. We can be proud of this. To assert its ambition, it also wants to make the Paris agreement an essential clause when concluding free trade agreements. The Commission is expected to present a proposal to implement this. Moreover, Europe is doing so, by integrating all the stakeholders, including the ordinary citizen (see doc «A Climate Pact for all Europeans»). It does this and it communicates (cf doc « What if we do not act ?»).
Above all, Europe is showing that it is possible to take care of our planet, while not completely abandoning our societal model. While our GHGs decreased by 23%, GDP increased by about 60%.

« THIS IS NEXTGENERATIONEU. THIS IS SHAPING THE WORLD WE WANT TO LIVE IN ».

Ursula Von der Leyen
State of the union
16 septembre 2020

The European Commission also has the courage to tackle the thorny issue of mobility, via the issue of rail or the reflections on air and maritime taxation. What's more, it is doing so while thinking about Employment, to ensure that the energy transition is at the same time a fair and just transition, the circular economy and technological innovation that should create new jobs.

In her State of Union address on September 16th, Ursula Von der Leyen even thinks about housing. I quote her: « This is why we will set up a new European Bauhaus – a co-creation space where architects, artists, students, engineers, designers work together to make that happen. This is NextGenerationEU. This is shaping the world we want to live in ».

When we consider how frustrating the issue of housing can be for many Europeans, how expensive to buy or rent, expensive to heat and maintain a dwelling can be, this initiative is to be welcomed.

In the domain of agriculture and food production, with the «farm to fork» strategy, we are thinking about how to feed citizens, contributing to the establishment of a circular economy from production to consumption while reducing the use of chemical pesticides and the associated risks by 50% by 2030.

Europe is also taking action by providing the skills needed for this transition. One example is the CEC European managers (CEC) project funded by the European Union to pilot a training programme to integrate sustainable leadership skills.

Europe is therefore taking action despite its structural weaknesses. I am referring to the sharing of competences with the Member States. Environmental issues are very intertwined. So what can actually be done when the protection and improvement of human health is a Supporting Competence, mainly falling within the competence of the Member States, when energy, agriculture or the environment are shared competences, or when the conservation of the biological resources of the sea, the conclusion of international agreements and the Common Trade Policy are exclusive competences, therefore belonging to the European Union alone?

Europe acts and releases funds, a lot of money even, since the amount of one Trillion is put forward.

And this is almost where the weakness is revealed. Communication is excellent, almost too good.
Without going back to the issue of amounts in question (the European Commission estimates the financing needs for the ecological transition at 260 billion per year, while some recognised specialists* estimate 400 billion), it is the way these figures are twisted that poses a problem. We give the impression that this is «fresh money», when it comes to the multiannual financial framework, we give the impression of infinite possibilities even though these funds, for the most part, are only reallocations, guarantees granted or result from «dual use».
Thus a Euro spent on agricultural transition, in the same way as it has been spent already for years via the com-

mon agricultural policy (CAP), will now also appear in the Green Deal. One Euro spent for NextGenerationEU and to counter the crisis, will be considered as part of this green Deal as well. Also included in these amounts are sums of money that will in fact only be guarantees. We are mixing what will be European and what will be spent by the Member States through Next Generation EU. Finally, we are enjoying the multiplier effects of investEU.

*(Patrice Geoffron) Director of the Centre for Geopolitics of Energy and Raw Materials (CGEMP) of the University of Paris Dauphine speak of 2000 billion/year, of which 400 billion for Europe) of 400 billion.

We kill several birds with one stone. It's clever to arrive at 100 Billion of investments per year, then at the figure speaking of one Trillion, it makes us touch with our finger, the real need of 260 billion/year, as a way of saying; the European Commission has done its share of the work. We are giving the impulse, but making sure that the entire project will be financed. But if one single tile is missing from your house, the whole building and your investment could be put at risk. It's a pity when you know that it will be difficult to get a second chance, and I'm only talking about the budget here.

Above all, these figures need to be put into perspective with the daily lives of many European citizens. For them, the ecological transition means fuel taxes, an extra expenditure of 50 euros a month, a precarious balance that is tipping around and the end of the month getting longer and longer. How will this same citizen react to the thousand billion of euros being released right now, for a distant future? If the two phenomena have no causal link, they do indeed materialize two realities at the opposite end of the spectrum, which could well serve to feed an already more than flourishing populism. A less flamboyant, simpler and more sincere discourse would perhaps have been more educational.

Last but not least, as is often the case, enforcement will remain mainly the domain of Member States, who may continue to have national reflexes when it comes to defending their champions, their jobs, and perhaps even giving priority to their people in times of severe crisis.

This green pact is well thought out, Mrs Von der Leyen has defended it excellently, but it is a victim of Europe's weaknesses, such as the slowness in accomplishing the banking union. To finance this transition, we will need European banks that are world champions. European savers will need to feel reassured when they want to invest in these green products. They will need safe, clear and transparent information. There is no need to recall here some recent scandals.
Loans and grants will be put in place, via Next Generation EU, without having the resources to repay this debt, nor a precise repayment plan. For us bankers, this is rather unorthodox.

1TRILLION €
of expected investments

Above all, nothing is yet guaranteed and the difficulties ahead of us are still numerous, as we can see with the debate about establishing a Carbon Border Adjustment (CAB) mechanism. Europe wishes to respect the rules of the game of international trade, it goes to its credit. It is a gamble that others will also respect them, even if the ecological transition game were to translate into an economic advantage for Europe.

This is a criticism that could be extended to this Green Deal and at Europe as a whole. When we know that global warming will lead to natural disasters, droughts, wars over scarce resources, and displacement of people, we cannot continue to think and operate within old paradigms. This green Deal could certainly be thought of in an even more global way (taxation, defense), in the light of the turbulences predicted for the coming years, such as that highlighted by the Deutsche Bank report entitled, "The era of disorder - the new era of economics, politics and our way of life." And its conclusion + " In the years ahead, simply extrapolating past trends could be the biggest mistake one could make".

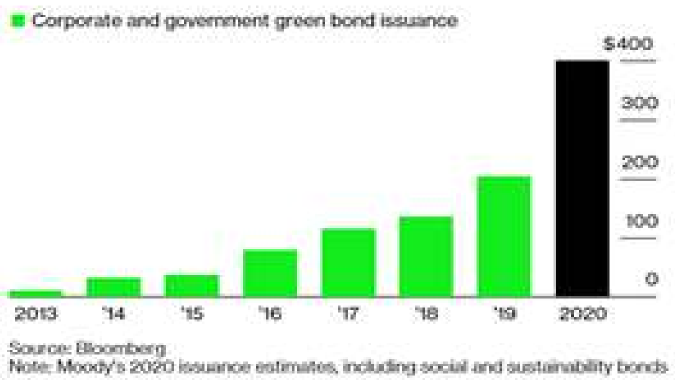
GREEN FINANCE

Pierre Pirson
Deputy Secretary-General
for European Relations

GREEN
FINANCE

«Green finance (or sustainable finance) refers to all financial activities pursuing an environmental objective, in particular energy transition, as well as the related financial regulations. Green finance is particularly developing since the adoption of the Paris Climate Agreement, which sets the objective of making financial flows compatible with climate change mitigation and adaptation. The carbon market and carbon finance more broadly are considered to be part of green finance mechanisms. » Source Wikipedia : https://fr.wikipedia.org/wiki/Finance_verte

While the subject is trendy, its importance in the financial and prudential management of companies has only increased in recent years. The amount of sustainable investments has grown steadily, with the value of assets that integrate ESG (Environmental, Social and Governance) criteria being over USD 17 trillion worldwide (source OECD). The issuance of green bonds, although still only a minority part of the market, is booming.
FECEC is active in this evolution, notably through its participation in the NGO Finance Watch.
In the rest of this article, we make a snapshot of our action through Finance Watch and the situation of green finance, voluntarily from different angles in order to improve its illustration, in some countries where we are present.



FECEC AND FINANCE WATCH

FECEC is a founding member of Finance Watch, a Brussels-based NGO with national networks whose French network «Change Finance» develops advocacy and expert analysis around a common goal: reforming the financial system to better serve society. Green finance is mainly approached through the theme of carbon impact and virtuous economic transition in order to limit the ecological impact of our industries in the broadest sense.
In its latest report «Breaking the climate-finance doom loop: How banking prudential regulation can tackle the link between climate change and financial instability», Finance Watch calls on regulators to act without delay to stop the vicious circle between climate change and financial instability, in which fossil fuel financing makes climate change possible and how climate change threatens financial stability. The report describes the legal environment that should lead to an increase, under existing banking prudential regulations (CRR), in the risk weighting of banks' exposure to existing and future fossil fuel reserves. It makes the following observation:

- Climate change is happening, it is directly linked to man-made greenhouse gas (GHG) emissions, and humanity can only continue to emit GHGs at the current rate for a period of 10 to 15 years before it is too late to keep global warming well below the 2°C target of the Paris Climate Accord of 2015.
- Once the global temperature exceeds 2°C above pre-industrial levels, we will enter uncharted territory, with enormous and unpredictable negative consequences for human societies and the global economy in the decades to come.
- Finance is primarily concerned because, by its very nature, it is a factor in climate change by allocating capital to the exploration, production and exploitation of fossil fuels.
- Given the impact that climate change will have on the economy, it is now widely recognised by central bankers that climate change poses a major risk to financial stability and could threaten the entire financial system.

Finance Watch uses this and its in-depth study of the impact of the financial sector on global warming to formulate its recommendations to regulators:

- Calibrate the risk weighting for banks' exposures to existing fossil fuel reserves to 150% to bring it in line with Article 128 of the Capital Requirements Regulation (CRR) ;
- Calibrate the risk weighting for banks' exposures to new fossil fuel reserves to 1250%, so as to finance them from capital alone and thus reflect both their micro-prudential and macro-prudential risks;
- Ensure that these changes in risk weights are reflected in banks' internal models for the calculation of their capital requirements;
- Activate Article 459 of CRR in order to act immediately and apply these new risk weights until the prudential requirements for fossil fuels have been amended in CRR ;

- Amend the risk weighting for banks' exposures to existing fossil fuels in Article 128 of CRR and for exposures to new fossil fuel reserves in Article 501 of CRR;
- Push for the adoption of similar prudential requirements worldwide by working with the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB).

Such measures, based on a risk-based approach, would multiply the effectiveness of the transparency, risk modelling and scenario analysis initiatives currently led by supervisors.

Source : https://www.finance-watch.org/publication/breaking-the-climate-finance-doom-loop/

EUROPE

The commitment on carbon neutrality for the European Union by 2050 sets an ambition to reduce the EU's CO_2 emissions by 50% to 55% of their 1990 level by 2030. This commitment shows that the European Union wants to be exemplary and lead all its partners by using its economic and commercial power.

The green deal must mobilise private finance alongside public resources. The Disclosure, Benchmark and Taxonomy regulations will make it possible to better characterise sustainable investments and avoid greenwashing. There is no sustainable economy without sustainable finance.

By adopting its latest regulations, the European Commission is laying the foundations for a European framework that establishes ESG criteria as a cornerstone of the financial system and will thus contribute to transforming the European economy into a greener and more resilient circular system. The two texts adopted in 2019 by the European Commission on fund disclosure and benchmarks set new ambitions for sustainable finance. The integration of ESG criteria is reinforced in the transparency obligations applicable to investment funds and index administrators, and by the creation of two new types of specific low carbon indices.

Harmonising reporting

On 5 December 2019, the three European authorities - the Parliament, the Commission and the Council - reached a provisional political agreement on the European taxonomy on sustainable finance. The taxonomy aims to identify which economic activities can be considered environmentally sustainable and under what circumstances. It enables performance thresholds to be set for economic activities compatible with a zero-carbon economy in 2050. It will help guide future investments towards solutions that meet the objectives of the Paris Agreement and other environmental commitments in Europe.

Bond issuers and, more generally, companies with more than 500 employees will have to communicate on the green or transition part of their activities and investments, with reference to the European Commission's taxonomy. This obligation will overturn current reporting methods and existing national systems. Today, it is up to the company to define its reporting choices in accordance with the models developed by the agencies specialising in ESG ratings and giving the most positive view possible of their activity. Tomorrow, they will probably have to explain how much of their turnover is related to taxonomy. Eventually, it will be easier to quantify how much of a company's business is exposed to climate risks and other vulnerabilities.

The DISCLOSURE Regulation

The Disclosure text is intended to provide a framework at several levels for the transparency of funds with regard to their integration of ESG criteria. Stakeholders will be required to communicate the consideration of ESG risks in their approach to risk management and the impact on the value of their investments. Sustainability risks are defined as «an environmental, social or governance event or situation that, if it occurs, could have a significant adverse impact, actual or potential, on the value of the investment» (financial risk). The text requires actors of a certain size to communicate on the consideration of the main negative impacts of their investments on these sustainability factors. The main adverse sustainability impacts are defined as the medium or long-term risk of an investment in an activity having a negative impact from an environmental, social or good governance point of view (non-financial risk). Product level obligations are imposed to describe the ESG characteristics and the contribution to a 'sustainable investment' objective. Consumer information and prevention of greenwashing are at the heart of these measures.

Recipients of the DISCLOSURE regulation

1. Financial market participants («AMF»), including insurance companies, occupational pension institutions, investment firms and credit institutions that provide investment advice and individual portfolio management services, management companies of UCITS and AIFMs, managers of eligible venture capital, managers of social entrepreneurship funds.

2. Financial advisers, which include insurance intermediaries, insurance undertakings, credit institutions, investment firms, FIA managers and UCITS management companies providing investment advice.

The Benchmark Regulation

The Benchmark Regulation creates two new European low carbon indices, the EU Climate Transition Benchmark and the EU Paris-aligned Benchmark. It also introduces transparency requirements for index administrators to take ESG criteria into account in the construction of their methodologies. The text thus aims to strengthen and standardise the information provided to investors on the carbon footprint and ESG performance of companies and investment portfolios, and to provide managers with a new tool to facilitate the consideration of non-financial criteria in their investment strategies.

Taxonomy

The TEG (Technical Expert Group) worked on the development of the EU taxonomy for climate change mitigation and adaptation. In December 2018, the TEG published a first set of proposed activities that contribute significantly to climate change mitigation activities. The call for comments closed on 9 January 2019. On 18 June 2019, the TEG published a report on the EU Taxonomy, which takes into account the comments received on the first round of proposed activities and contributions from additional experts. On 5 December 2019, the co-legislators reached an agreement on the taxonomy of green economic activities. The agreement is subject to approval by the European Parliament and the Council.

SPAIN

In the case of Spain, we must mention the on-going parliamentary processing of the Spanish Law on Climate Change and Energy Transition, which includes a mobilization of more than 200,000 million euros in investments and which dedicates an article to the banking sector and the publication of a annual report on the development of the financial impact of risks related to climate change, including transition risks and the measures adopted in this regard.

The Bank of Spain estimates that up to 25% of the corporate debt held by Spanish banks is in sectors potentially vulnerable to these transition risks. It is, therefore, essential for the financial sector to incorporate climate risks into its overall risk management associated with its activities (credit, reputational or market).

The Bank of Spain is working to gain a better understanding of the impact of the climate emergency and whether they should include in the mandates environmental sustainability to avoid scenarios that affect economic growth.

On the other hand, the energy transition also represents an opportunity for the Spanish banking sector, capital requirements of activities that contribute to mitigation and adaptation to climate change are very high and will hardly be covered with public resources, so banks, as intermediaries between savings and investment are in a favourable position to channel capital flows towards green projects.

After the health crisis of COVID-19, it seems that the Green Deal has become the frame of reference to address the recovery process by taking advantage of the job creation potential of the energy transition and to face the economic and climate crises at once.

POLAND

ESG reporting is a relatively new requirement for listed companies in Poland. The obligation to report on ESG criteria was introduced in Poland by an amendment to the Accounting Act 2 , which transposed the provisions of the ESG Directive. 2014/95 / EU.

The legislator has applied the options of the directive in its less restrictive variants. Companies have had the possibility to decide where the ESG report should be placed within the structure of the annual report and without mandatory external verification of the reports. New rules have been in force since the annual reports published by companies for 2017 will be published in 2018.

The change in regulations has obliged us to prepare and publish ESG reports most of the companies listed on the Warsaw Stock Exchange.

The exceptionally liberal form of the amendment has resulted in a wide variety of rules according to which Polish companies prepare its reports. In most cases the standard of choice is the SIN (Non-Financial Reporting Standard) developed under the aegis of the Reporting Standards Foundation by the group experts and supported by the majority of Polish local public institutions on a capital market). The percentage of companies that do not adhere to any standard is decreasing but remains at a level relatively high.

Source : ZIELONE_FINANSE_w_POLSCE de Ludwik Kotecki

FRANCE

In France, according to some NGOs, the commitment to green finance is uneven among actors. Share action and Influence MAP highlight the work done by BNP Paribas and the BPCE group.

We can see these uneven commitments through the websites of these same actors. Also what is surprising is that the French Banking Federation which brings together employers, is only very little active in this area. A first communication has just been published recently. So this remains the domain of each company in a rather isolated way.remains the domain of each company in a rather isolated way. For the most virtuous previously mentioned, this has resulted in the creation of dedicated teams at the highest level of the decision-making process, with corporate commitment departments and recruited profiles who are experts in climatological risks or in the measurement and evaluation of these risks.

Rating band	Rank	Bank	Score in %
Best practice		-	-
Leaders	1	BNP Paribas	63.2
	2	Lloyds Banking Group	61.7
	3	ING	53.6
Building capacity	4	UBS	47
	4	HSBC	47
	6	Crédit Agricole	46.2
	7	Société Générale	43.8
	8	Standard Chartered	41.2
	9	Santander	40.6
	10	[illegible]	40.5
Business as usual	11	Barclays	39.5
	12	BBVA	36.8
	13	Deutsche Bank	36.3
	14	Nordea	33.3
	15	RBS	32.4
	16	UniCredit	32
	16	Commerzbank	32
	18	Credit Suisse	30.3
Laggards	19	Intesa Sanpaolo	27.8
	20	Danske Bank*	12.5

Ranking of the 20 largest European banks based on their response to climate change
Source : ShareAction

This also involves commitments

For example, one of BNP Paribas' strongest commitments was to declare that it would stop financing the industries that emit the most greenhouse gases:

1. BNP Paribas is extending to all OECD countries its target of ending the use of coal by its electricity generating customers by 2030.
2. The Group will continue its commitment to terminate, in the near future, relations with any customer developing new coal-based production capacity.
3. BNP Paribas will no longer accept any new customers whose share of coal-related revenues exceeds 25%.

It is therefore by taking strong positions that stand out from the competition that some French banks hope to change behaviour.

For example, the remuneration of key managers at BNP Paribas is partly indexed to the Group's CSR performance data, in relation to energy and climate issues.

For customers, the product offer, even if it remains limited, is there. We can see that these products, for only a few months now (covid effect?) and perhaps because they are stamped ISR (Socially Responsible Investment) do better than indexed funds, in terms of performance. So with better performance, these funds are starting to attract.

PORTUGAL

Many banks such as Santander, Caixa Geral de Depósitos - CGD and Banco Montepio are resolutely showing their intentions to get involved in the transition.

Santander shows that it is supporting its clients by helping them finance the transition to a more sustainable economy. Santander is innovating to offer new financial products and services incorporating ESG (Environmental, Social and Governance) criteria.

The Caixa Geral de Depósitos - CGD, together with representatives of all the banks in Portugal, is part of the Sustainable Finance working group, which aims to disseminate the European agenda for «sustainable finance» from an informative and constructive perspective regarding the need for a response, whenever requested by European entities. Furthermore, it is part of the «Taxonomy» sub-group. La Caixa is part of the working group on literacy and financial education of the Portuguese Banking Association (APB), which promotes greater culture and familiarity with the concepts of financial education and entrepreneurship among young people.

In 2019, CGD adhered to the Principles for Responsible Banking (PRB) of the United Nations Environment Programme for the Financial Sector (UNEP FI).
The PRBs define the role and duty of the financial sector in building a sustainable future, but also its alignment with the sustainable development goals set by the UN and the Paris Climate Accord of 2015.
GRPs enable new business opportunities resulting from the transition to an economy with less environmental impact and greater social equity. Key features of Responsible Banking principles :

- A comprehensive structure that addresses all of the bank's business lines ;
- An alignment with the Sustainable Development Objectives and the Paris Climate Agreement ;
- Target setting in the areas with the most significant positive and negative impact ;
- Transparency and accountability through public reporting ;
- Advice, expert guidance and learning to support implementation.

In September 2019, CGD became one of the signatories of the Principles for Responsible Banking. Betting on the need to reduce greenhouse gas emissions and move to a low carbon economy, CGD signed the 1.5°C Business Ambition, limiting the impacts of climate change.

In 2020, CGD revised its code of conduct, reinforcing the issues of social responsibility and sustainable development.

Banco Montepio offers a credit line for decarbonisation and the circular economy.
The credit line, which benefits from advantages (subsidy, interest rate subsidy, mutual guarantee coverage) helps industrial and tourism companies to invest in projects that improve their energy efficiency and accelerate the transition to a circular economy. Montepio Bank has accepted the government's invitation to join the GovTech programme, an initiative that aims to reward and support three innovative products or services with the potential to position themselves in response to the global challenges embodied in the 2030 agenda of the United Nations' sustainable development goals.

BELGIUM

Belgium is not to be left out. Febelfin, the Belgian federation of the financial sector did not hesitate in March 2020 to write that «Belgium is taking the lead in the field of sustainable investments». In brief:

- With almost 500 financial products with a sustainable label, Belgium is the EU country with the widest range of products.
- In total, more than **€**175 billion is managed in accordance with the Towards Sustainability quality standard (see below), of which **€**50 billion in the Belgian market.
- A number of financial institutions are committed to selling only sustainable labelled products in Belgium.

These statements are based on the definition of a Belgian sustainability label, Towards Sustainability.
According to the French sustainable finance portal Novethic, it is also the largest in terms of assets under management. Internationally, a total of more than 175 billion euros is managed in accordance with the requirements of the Towards Sustainability quality standard. More than EUR 50 billion comes from Belgian savers and investors. A study by Novethic places Towards Sustainability among the most rigorous European sustainable financial labels.

In this respect, it should be noted that the products authorised to bear the Towards Sustainability label are really not exclusive to Belgium. Around 25% of these are offered by mainly Belgian producers. The other products come from players in other EU countries. At product level, 60% of the approved products are specifically intended for the Belgian market. The remaining 40% have a more European or international character. In other words, there is a wide and sustainable choice for every type of investor.

The label emphasises the importance of clarity. Indeed, clarity for the individual investor remains one of the main drivers of the label. When a financial product bears the Towards Sustainability label, the investor can be certain that it meets a number of well-defined minimum sustainability criteria, according to Febelfin.

However, there are also sustainable investment products on the market that do not carry the label to avoid confusion among non-professional investors. A number of financial institutions undertake to include only products that have received the label in their Belgian sustainable offer. The first of these signatories can be found on www.towardssustainability.be.

Towards Sustainability will continue to evolve, taking into account future European regulations on the provision of information and the sustainability taxonomy. The Towards Sustainability quality standard is evaluated every two years. The current and first version was published in February 2019. The next revisions will be published in January 2021 and January 2023.
Source : Febelfin

The role of our financial sector in the climate transition is of course of the utmost importance. While all countries are making progress, green finance is still in its infancy and important work both in defining coherent and common rules and in their application in the different countries is particularly crucial. The distribution of sustainable financial products and the education of all stakeholders on the issues are probably not the last of the challenges.

The FECEC assumes its role in this field by influencing it positively, whether it be through its means linked to the European social dialogue, its active participation in Finance Watch or in raising the awareness of its members, this article being an example.