

# Defining 'green' for financing the transition to a low carbon economy

Considerations from the financial sector

FRDO Seminar

5 October 2018 - Brussels



# Considerations on the taxonomy

## 1. Positive and important initiative

- Harmonisation: clarity and uniformity
- Avoid greenwashing
- Basis for dedicated products: green bonds, green loans, sustainable funds, benchmarks,...

## 2. Sustainable investments vs sustainable finance

- Involvement of all stakeholders, also businesses and banks

## 3. Holistic approach

- Not only environmental objectives, but ESG

## 4. Science-based

## 5. Evolutive and feasible

# Considerations on the taxonomy

## 6. General application of one taxonomy

- Green bonds
- Carbon benchmarks
- MiFID

## 7. Sustainable activity vs sustainable company

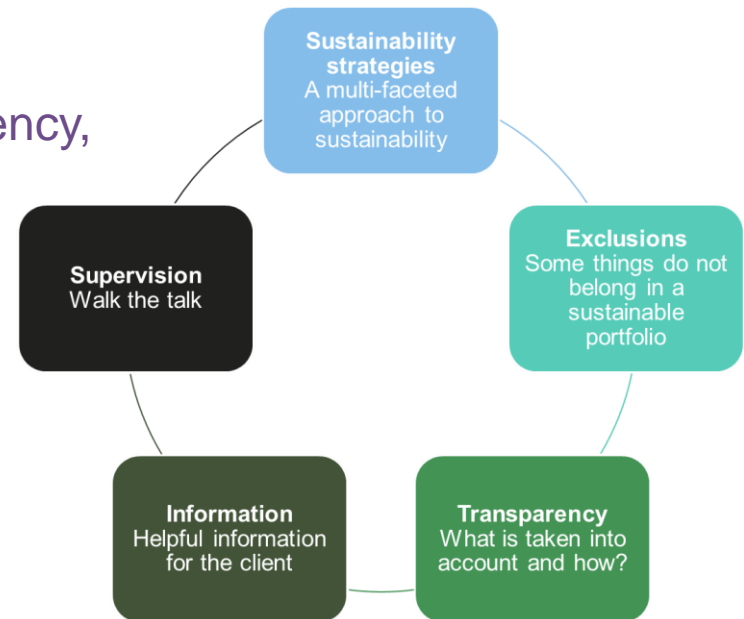
- Project finance vs corporate finance

## 8. Disclosure by investee companies

## 9. 'Substantially contribute' vs 'Significantly harm' vs 'Minimum safeguards'

# Febelfin project on a label and quality standard for sustainable financial products

- Focus on retail ‘sustainable’ investment products
- Benchmark: societal needs and expectations of investors
- Broad stakeholder consultation
- 5 Principles: Strategy, Exclusion, Transparency, Information, Supervision



## Relation to EU taxonomy

- Label in line with EU framework
- Minimum safeguards, on ESG level
- Supplemented with sustainability strategies and focus
  - e.g. environmental theme, social theme, impact ~ EU taxonomy



**Tom Van den Berghe**

Sustainable Finance

[tom.van.den.berghe@febelfin.be](mailto:tom.van.den.berghe@febelfin.be)

Febelfin vzw/asbl

Belgian Financial Sector Federation

[www.febelfin.be](http://www.febelfin.be)