

The transition plans: beyond sustainable finance?

This meeting is under Chatham House Rule

Final agenda

Date: November 30th, 2022

Time: 10:00 - 12:00

Location: Hybrid; ERCST, Rue Archimède 61, 1000 Bruxelles

The ERCST workstream on sustainable finance aims at providing input from the real economy to the ongoing discussion on the design and implementation of the policy framework in this field. In doing that, we follow the principle of safeguarding the balance between market-driven and regulatory solutions and we analyze relevant policies from the perspective of their fitness to finance the green transition of the real economy.

The Paris Agreement mentions long-term goals of pursuing efforts to limit the increase in global average temperature to 1.5°C as well as making all financial flows consistent with a pathway towards low-emissions and climate-resilient development. This has been followed by pledges of the private sector, especially financial institutions, to meet the Paris targets of net-zero emissions by 2050.

However, the idea of presenting a transition plan – i.e. ensuring that the business model and strategy of the undertaking are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement – will soon turn into a concrete legal obligation. It is mandated by the Corporate Sustainability Reporting Directive and contemplated in other pieces of European sustainable finance legislation: the Corporate Sustainability Due Diligence Directive and the EU Green Bonds Standard. But this kind of requirement expands beyond the sustainable finance realm. For example, the European Parliament wants to reduce the amount of ETS free allocations for companies not having a decarbonisation plan or failing to meet their milestones.

However, it remains unclear how to turn those very forward-looking and complex commitments into real change by individual companies throughout the various business models.

The event aims at identifying the objective, scope, and challenges in addressing the requirement of presenting transition plans in and beyond the EU corporate sustainability framework.

Guiding questions:

- How to translate the Paris Agreement commitments credibly and effectively to the individual company's actions?
- How to navigate between the EU regulatory requirements on transition and decarbonisation plans with international and private guidelines (UN, OECD, ISSB, SBT, TPI)?
- How to relate transition and decarbonisation plans with other EU policies implementing the climate-neutrality objective?
- How to connect transition planning with transition financing (e.g. with what financial tools, verification process)?

10:00 Welcome and introduction

- A. Marcu, Executive Director, ERCST

10:05 ERCST presentation

- B. Czyczerski, Senior Policy Manager, ERCST

10:20 Panel discussion

Moderator

- O. Imbault, Senior Fellow, ERCST

Panelists

- T. Dodd, DG FISMA
- M. Frassoni, European Alliance to Save Energy
- H. Gallagher, Eurosif
- F. Gonsolin, CEFIC
- R. Nouailhac, TotalEnergies
- R. Hemingway, Climate Bonds Initiative

11:00 Q&A and debate

12:00 Concluding remarks