



30 November 2021

Sustainable Finance: **How can the financial sector become a true engine of the European Green Deal?**

BRUNSWICK

Webinar Series

Navigating the European Green Deal: Business and the sustainability transition

30 November at 10:00 CET / 09:00 GMT

BRUNSWICK



Europe
Jacques Delors
Thinking Europe

On 30 November, Brunswick and Europe Jacques Delors held the fourth of their edition of their webinar series dedicated to the question how businesses can navigate the European Green Deal and engage with the green transition.

The series is designed to bring together senior leading experts from EU institutions, national governments, as well as the private and not-for-profit sectors to discuss the many aspects of today's global sustainability transition in front of and together with a pan-European audience.

For this fourth edition, **Laurence Tubiana**, CEO of the European Climate Foundation and **Simon Connell**, Global Head of Sustainability Strategy at Standard Chartered, dove into the topic of sustainable finance and analysed how the financial sector should and could contribute to the green transition. The session was launched by Brunswick's **Sir Jonathan Faull**, who set the scene highlighting the high expectations facing the financial sector after the COP26 Glasgow Alliance for Net Zero. He gave an overview of the current discussions regarding EU proposals on taxonomy and disclosure requirements, mentioning a recent [study](#) conducted by Brunswick on how opinion leaders view clean energy sources and fossil fuels.

Following the opening remarks, **Laurence Tubiana** and **Simon Connell** engaged in a discussion with Europe Jacques Delors'

moderators **Geneviève Pons** and **Pascal Lamy** on the role the financial sector has to play in the path towards climate neutrality. Both guests agreed that there is international momentum for the financial services sector to lead and contribute to the transition towards a climate neutral economy, for example through the Net-zero banking alliance. Speakers also agreed on the need for both private and public investment to go hand in hand. They highlighted the key role public institutions have in enabling a regulatory framework that is clear and transparent. Finally, they both agreed as well on the urgent need for a taxonomy system, but called for an understandable approach that allows for it to be efficient and practical.

Laurence Tubiana explained that, back from COP26, her impression is that the international finance system at large is not ready for the main challenge, which is "a massive push for investment, public and private". According to her, there is no clear, consistent plan for that, but it is highly needed, particularly in the EU side. **Simon Connell** considered the financial sector still has work to do, but it is moving in the right



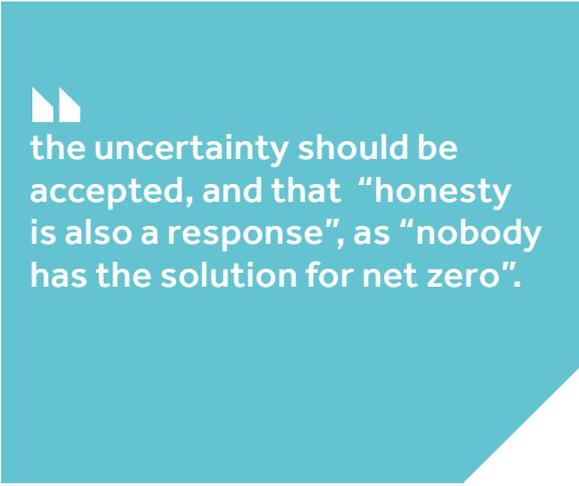
direction. He emphasized that the transition towards climate neutrality is an international matter, and therefore cannot be tackled through regional or national approaches. That is why he called to ensure that both public sector and companies build an interoperable architecture. Even though the financial sector contribution is improving, **Simon Connell** added that "not enough is being done by all actors", but the Glasgow alliance was a clear signal.

After this initial discussion, moderator **Pascal Lamy** asked the speakers to focus on the role the EU is playing in the ecological transition, as well as the EU's taxonomy proposals and what it should do to foster comparability.

Laurence Tubiana praised the EU's efforts in contributing to climate finance, stating that the EU has taken a leadership role which goes further than the approach taken in other regions of the world, such as the US, China, citing the EU's ambitious plan to fund and support the transition in Africa. She also covered the debate around taxonomy, describing it as a "big hot potato", stressing how crucial it is to have a guide and determine the indicators that serve to classify what is green and what is not. On the discussion regarding the treatment of nuclear and gas, she called for an acknowledgment that there are different approaches to the transition, which requires flexibility. She also reminded that it is necessary to harmonize the taxonomy with other EU measures, as "we cannot be inconsistent with our climate objectives".

Simon Connell agreed on the need to keep the transition flexible, highlighting the challenge posed by the lack of interoperability. "If we have different taxonomies, that is going to act as a barrier to capital", he said, adding that frictions around taxonomy are caused because the technical discussion is getting mixed with a political debate. Connell believes the biggest challenge is to get a taxonomy that is not overly complex but understandable, and most importantly, interoperable. The EU must, according to him, take a leading role, and it is crucial to think about the transition and focus on achieving net zero through the mobilization of capital.

The speakers then moved on to share their views on the dangers of greenwashing and



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the issue of green transparency. Simon Connell warned of the lack of definition around what greenwashing means, stating that for him it is defined by getting another outcome than expected, a "mis-selling" scenario. He argued this outcome can be both incidental or unintentional, and that is why it is key to promote capacity building training in financial institutions, and the establishment of governance frameworks, to ensure decisions are made by people who do have the required expertise and knowledge. Connell considers this to be at the intersection between private sector and regulators, as they can both collaborate in enhancing transparency, capacity building, training, education, and good governance.

Laurence Tubiana agreed with Connell's definition of greenwashing and deemed conscious greenwashing as a real danger, stating that it undermines credibility and constitutes a new climate denial as it delays action. She further commented that trust and common expectation are "the only things we have to move this economy in the right direction", adding that "transparency is everything". She noted that accountability systems are needed, not only for financial actors but also for businesses and local authorities, warning about the danger of making big announcements without clear plans to deliver on them.

Questions from the audience touched upon a wide range of issues, from the convergence of international standards to the need to educate on fossil fuels and emissions and how businesses can be incentivised to be more

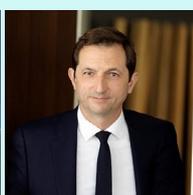
active to support the transition. Addressing this last issue, **Simon Connell** stressed that it was important to develop a plan to stick with, stressing that “there is always going to be an execution gap in any plan” and calling for the “need to watch and monitor that execution plan”. To this, **Laurence Tubiana** argued that the uncertainty should be accepted, and that “honesty is also a response”, as “nobody has the solution for net zero”.

Geneviève Pons then offered her concluding remarks, stating that all panellists agreed “there is a gap between the walk and the talk” and there is a need to accelerate towards the green transition, through a combination of both public and private finance, blending the strengths of both entities to work towards climate neutrality.

Overview



Frans Timmermans
Executive Vice President,
European Commission



Bertrand Camus
CEO,
Suez

Launch event
17 February 2021



Navigating the European Green Deal: Business and the sustainability transition



Pascal Canfin, MEP Chair,
Environment Committee,
European Parliament



Francesco Starace
CEO,
Enel

7 April 2021



Growing green: How can businesses recover sustainably under the European Green Deal?



Didier Reynders
European Commissioner
for Justice



Paul Lister
Director of Legal Services
& Company Secretary for
Associated British Foods

2 June 2021



Greening EU Trade: How can the EU successfully export the European Green Deal?



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Executive Vice President,
European Commission



Bertrand Camus
CEO,
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