

Financements ESG, comment répondre à une demande croissante ?



Modérateur | Hubert Corpechot

Directeur des investissements de marché, Unibel



Invité | Nicolas Dutreuil

Directeur général adjoint en charge des finances, Gecina



Invitée | Sandrine Enguehard

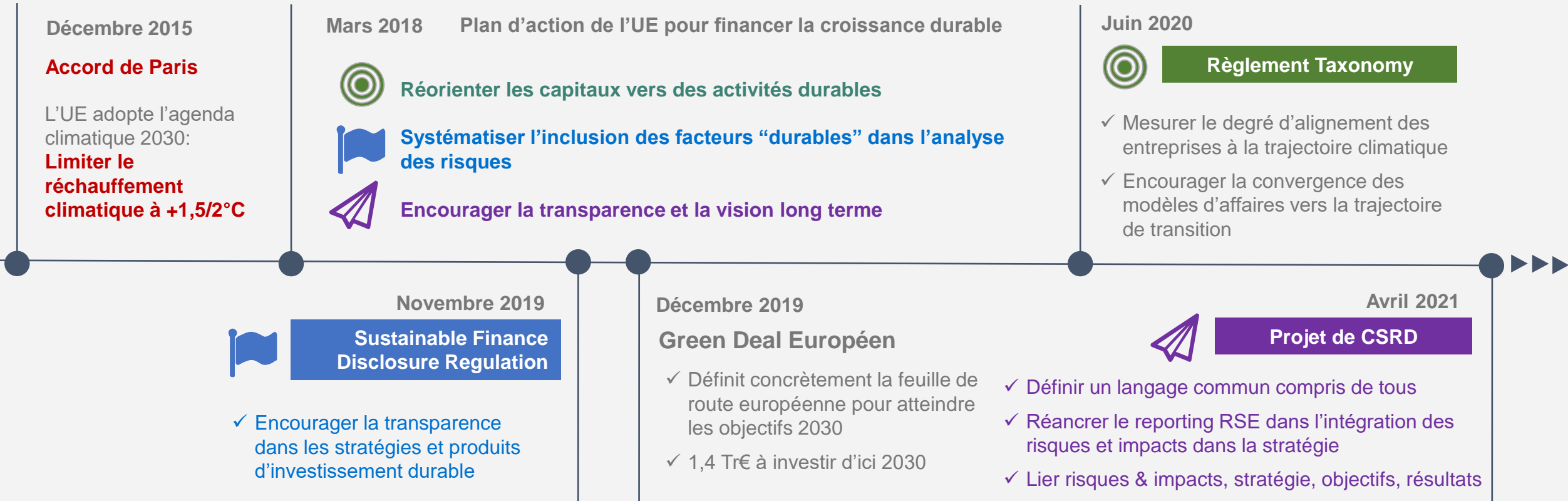
Head of cross-product impact structuring, Société Générale



Invitée | Maud Gaudry

Directrice ESG groupe, Mazars

Le reporting ESG: clé de voute des objectifs de transformation durable de l'Union Européenne



SFDR : Sustainable Finance Disclosure Regulation

NFRD : Non-Financial Reporting Directive

CSRD : Corporate Sustainability Reporting Directive

EFRAG : European Financial Reporting Advisory Group

Dedicated financing instruments

1 Green, Social, Sustainability Bonds

Bonds' proceeds aim at financing clearly earmarked projects generating environmental and/or social benefits
Structuring articulated on the **Green/Social Bond Principles (1) / EU Green Bond Standard (2)**: Use of Proceeds, Project Evaluation & Selection, Management of Proceeds, Reporting

SRI Investors' specific "green" expectations:

- ESG quality of the Issuers
- Transparency and ESG performance of the underlying assets



2 Green Loans

Aligned with the **Green Loan Principles (3)**:

- The proceeds are dedicated to the financing of green projects
- The green projects are selected and evaluated through predefined eligibility criteria
- Reporting covering proceeds allocation and impacts of the projects



3 Social Loans

Aligned with the **Social Loan Principles (4)**:

- The proceeds are dedicated to the financing of social projects
- Social projects will often fall within the indicative categories of eligibility which are non-exhaustive
- Reporting covering proceeds allocation and impacts of the projects



(1) <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>
 (2) https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/190618-sustainable-finance-teg-report-green-bond-standard_en.pdf
 (3) https://www.lma.eu.com/application/files/9115/4452/5458/741_LM_Green_Loan_Principles_Booklet_V8.pdf
 (4) https://www.lma.eu.com/application/files/1816/1829/9975/Social_Loan_Principles.pdf

Sustainability-linked instruments

3 Transition Bonds

Bonds targeting energy-intensive industries (e.g. materials, extractives, transportation) to facilitate their climate transitions.

Guidance was published on 9th December 2020 within the **Climate Transition Finance Handbook (4)** and can apply to both dedicated Use-of-Proceeds or Sustainability-Linked Instruments.



Main recommendations on practices, actions and disclosures:

1. **Long term targets aligned with the goals of the Paris Agreement**
2. **Climate transition trajectory should be a material factor to the future success of the business model**
3. **Climate transition strategy to be 'science-based' including targets and pathways**
4. **Transparency of underlying investment program:** including capital, operational and R&D expenditures considered to achieve the climate transition strategy.

4 Sustainability-Linked Bonds

Aligned with the **Sustainability-Linked Bonds principles (5)**:

- The proceeds can be used for General Corporate Purpose
- The Issuer commits to Sustainability Performance Targets (SPTs) reflecting its CSR strategy
- The Issuer monitors its performance through E&S KPIs all along the maturity of the bond
- Incentive mechanism to reach targets "beyond business as usual": coupon variation or compensation measures

SRI Investors' specific ESG expectations:

- ESG quality of the issuer (global CSR strategy)
- Transparency and ESG performance of the issuer on selected KPIs



5 Sustainability-Linked Loans

Aligned with the **Sustainability-Linked Loan Principles (6)**:

- The proceeds can be used for General Corporate Purpose
- The Borrower commits to ESG objectives (KPIs) reflecting its CSR strategy
- The Borrower monitors its performance through these KPIs all along the maturity of the loan
- Incentive mechanism

Main objectives for Borrower:

- Banks pool engagement along the Corporate's CSR strategy
- Communication on its CSR strategy and on the implementation of sustainable solutions



(5) <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Climate-Transition-Finance-Handbook-December-2020-091220.pdf>
 (6) <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-linked-bond-principles-slbp/>
 (7) <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/LMASustainabilityLinkedLoanPrinciples-270919.pdf>

ESG: environmental, social and governance
 CSR: corporate social responsibility
 E&S: environmental and social