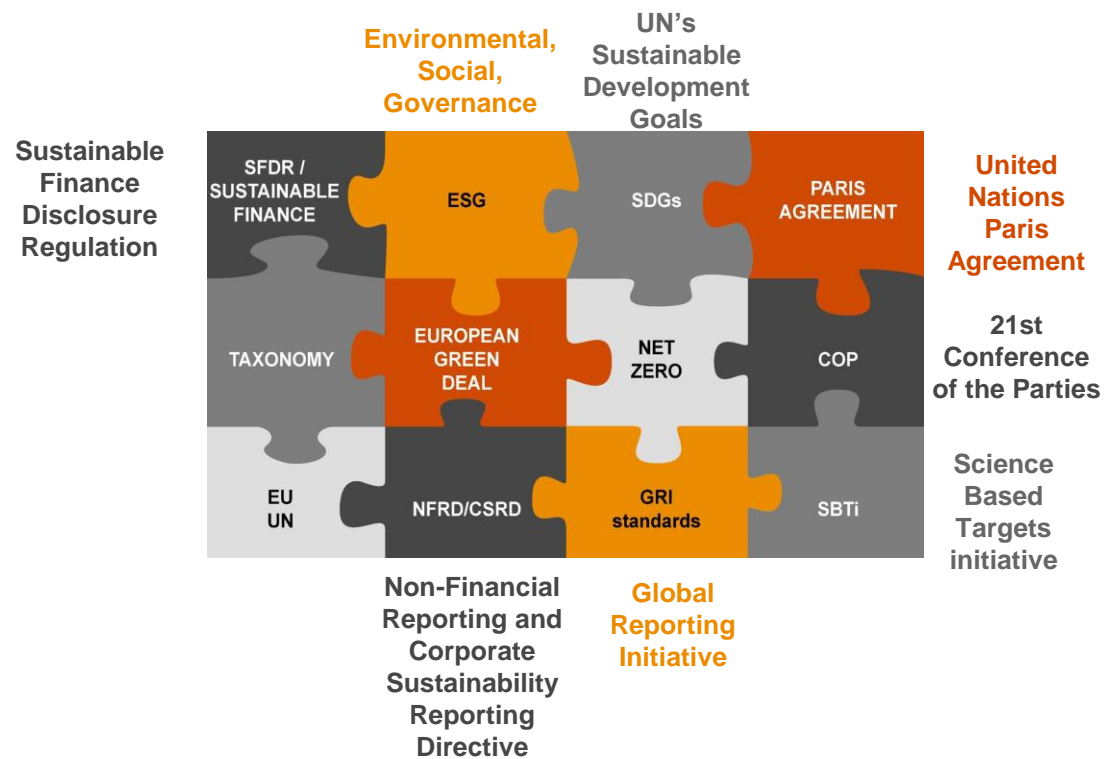


Sustainable finance

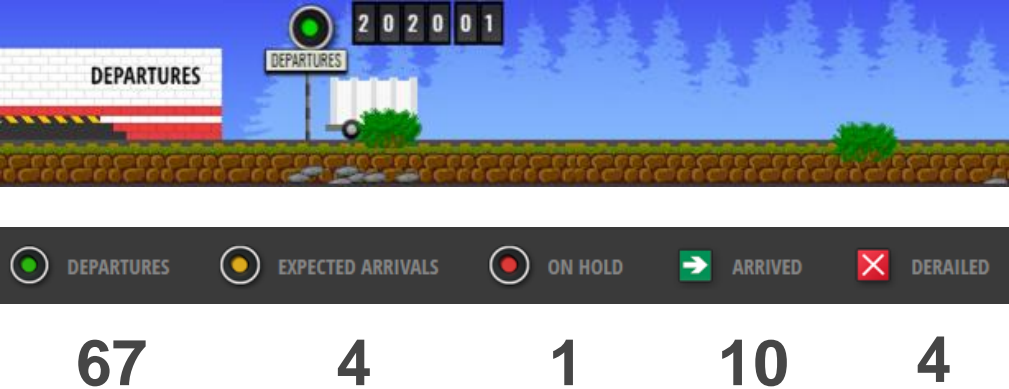
Taxonomy and behind

16 June 2021

Framework of sustainability



LEGISLATIVE TRAIN SCHEDULE THE EUROPEAN GREEN DEAL



Financing sustainable growth

Renewed sustainable finance strategy and implementation of the action plan on financing sustainable growth

March 2018

Action plan

Reorienting capital flows towards a more sustainable economy

- Establishing a clear and detailed EU taxonomy, a classification system for sustainable activities.
- Creating an EU Green Bond Standard and labels for green financial products
- Fostering investment in sustainable projects
- Incorporating sustainability in financial advice
- Developing sustainability benchmarks

Mainstreaming sustainability into risk management

- Better integrating sustainability in ratings and market research
- Clarifying asset managers' and institutional investors' duties regarding sustainability
- Introducing a 'green supporting factor' in the EU prudential rules for banks and insurance companies

Fostering transparency and long-termism

- Strengthening sustainability disclosure and accounting rule-making
- Fostering sustainable corporate governance and attenuating short-termism in capital markets

EU taxonomy* for sustainable activities

A classification system, establishing a list of environmentally sustainable economic activities

- establishing the actual list of environmentally sustainable activities by defining **technical screening criteria** for each environmental objective through delegated acts

Six environmental objectives

Climate change mitigation

Climate change adaptation

The sustainable use and protection of water and marine resources;

The transition to a circular economy

Pollution prevention and control

The protection and restoration of biodiversity and ecosystems

'do-no-significant-harm'

TEG

Platform on sustainable finance

First delegated act: climate change adaptation and mitigation objectives (formally adopted on 4 June 2021)

Further expected in 2022

TEG and Platform on sustainable finance

TEG

- ❑ Technical expert group on sustainable finance
- ❑ 5 members from civil society, academia, business and the finance sector
- ❑ Established in July 2018
- ❑ Final report and technical annex published on 9 March 2020

Tasks were to assist it in developing

- I. an EU classification system – the so-called [EU taxonomy](#) – to determine whether an economic activity is environmentally sustainable;
- II. an [EU Green Bond Standard](#);
- III. methodologies for [EU climate benchmarks](#)
- IV. guidance to improve corporate disclosure of climate-related information.

Platform on sustainable finance

- ❑ an advisory body subject to the Commission's horizontal rules for expert groups
- ❑ 57 members & 11 observers Appointed members from a range of sectors, including industry, academia & civil society

Four main tasks

- I. Advise the Commission on the technical screening criteria for the [EU taxonomy](#)
- II. Advise the Commission on the review of the [Taxonomy Regulation](#)
- III. Monitor and report on capital flows towards sustainable investments
- IV. Advise the Commission on sustainable finance policy more broadly

Corporate Sustainability Reporting Directive (CSRD)

WHY



- NFRD: not enough wide applicability
- level of information available is not sufficient enough
- lack a reliable overview of sustainability-related risks

WHO



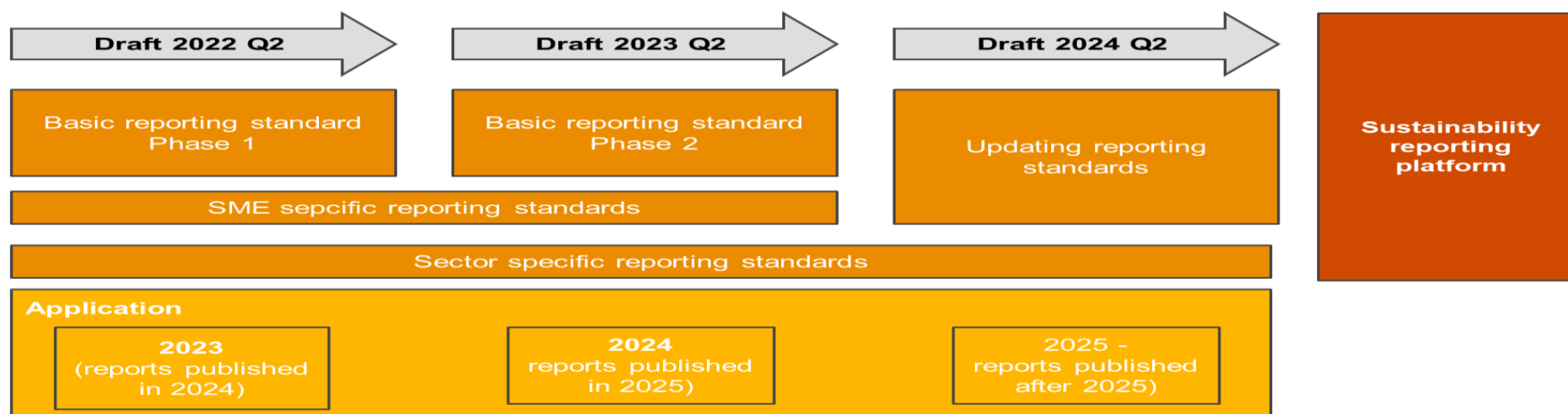
- all large companies, whether they are listed or not and without NFRD 500-employee threshold
- listed SMEs

WHAT



- past and forward looking information
- In line with Taxonomy: report on the extent to which their activities are sustainable
- Standards to be published (EFRAG)
- a general EU-wide audit assurance requirement

WHEN



Hungarian sources

BÉT ESG Guidelines



MNB Green Program

A Magyar Nemzeti Bank 5/2021. (IV.15.) számú ajánlása





Thank you for your attention!