



**Chapter  
Zero France**

Le Forum Climat des Administrateurs

**Amundi**  
ASSET MANAGEMENT

BANQUE DE FRANCE  
EUROSYSTEME

**Qivalio**  
Alternative & Sustainable

# Les nouvelles exigences des pourvoyeurs de capitaux

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Webinar, Jeudi 11 février 2021

# Les nouvelles exigences des pourvoyeurs de capitaux

Nos panelistes aujourd'hui



**Clément BOURGEY**

Responsable du Service de la  
Finance Durable  
Conseiller du Secrétaire du NGFS  
**Banque de France**



**Elodie LAUGEL**

Directrice des investissements  
responsable, Membre du comité  
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**Amundi**



**Elie HERIARD  
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CEO  
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Conseiller Climat - Groupe Caisse des  
Dépôts  
Directeur - Institut Palladio  
Président du CS - Qivalio  
Board member - Chapter Zero France

# Les nouvelles exigences des pourvoyeurs de capitaux

L'agenda pour aujourd'hui

- **La perspective crédit : Elie Heriard Dubreuil**
- **Les critères ESG, nouveau guide dans l'allocation du capital : Elodie Laugel**
- **L'action des banques centrales et superviseurs en matière de climat : Clément Bourgey**

**Eclairer et mobiliser les administrateurs dans la prise en compte des risques et des opportunités liés aux changements climatiques, en leur offrant une plateforme d'échanges et de réflexion sur ces enjeux**

Lancée en décembre 2020, en croissance (11/02/21: 60 membres)  
administrateurs & experts



Diffusion de formations et canalisation d'échanges constructifs (ateliers, séminaires, conférences, peer-to-peer, outils d'autoévaluation)



Organisation de prises de parole ciblées



Partage des dernières informations, customisés pour administrateurs (sélection de documents pertinents pour les conseils)

Appartenant au réseau global World Economic Forum Climate Governance Initiative

# Les nouvelles exigences des pourvoyeurs de capitaux

La perspective crédit



**Elie HÉRIARD DUBREUIL**

**CEO  
QIVALIO**

# 1

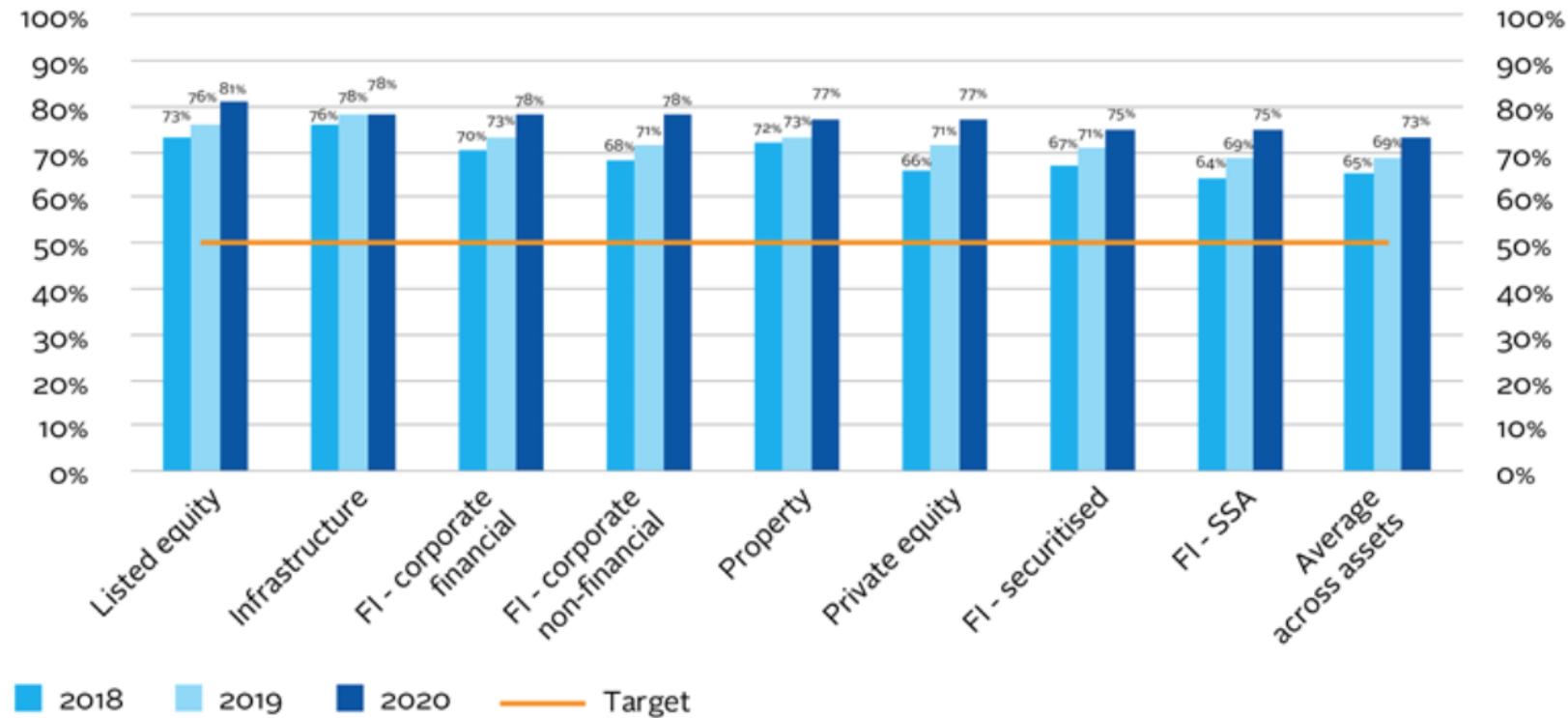
THE DEMAND SIDE:

INVESTORS' EVOLVING  
DEMAND FOR ESG IN FIXED  
INCOME

# INVESTORS PAY MORE AND MORE ATTENTION TO ESG FACTORS IN ALL ASSET CLASSES

7

Percentage of asset owners considering responsible investment and ESG in contracts and typical processes

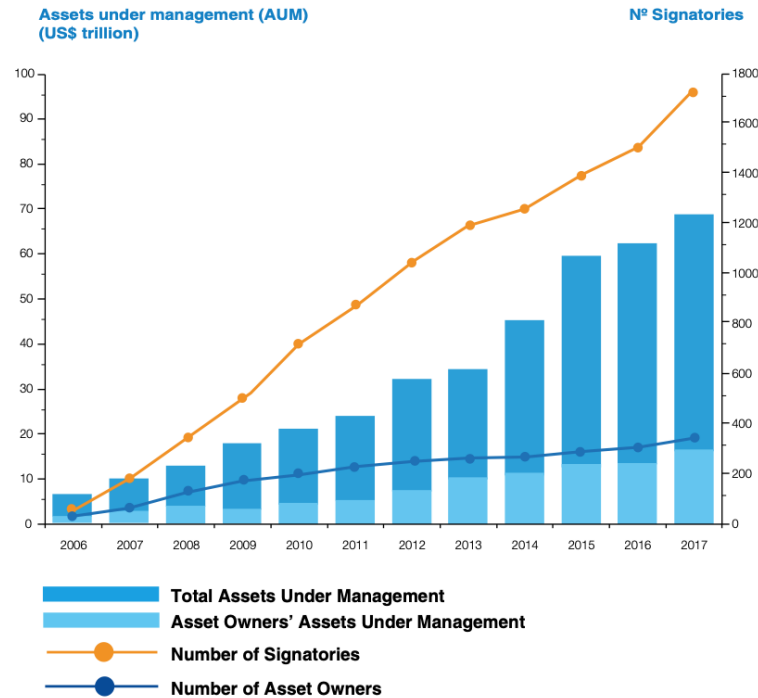


Source: PRI, ESG in Credit Risk and Ratings Initiative, 2018-2020

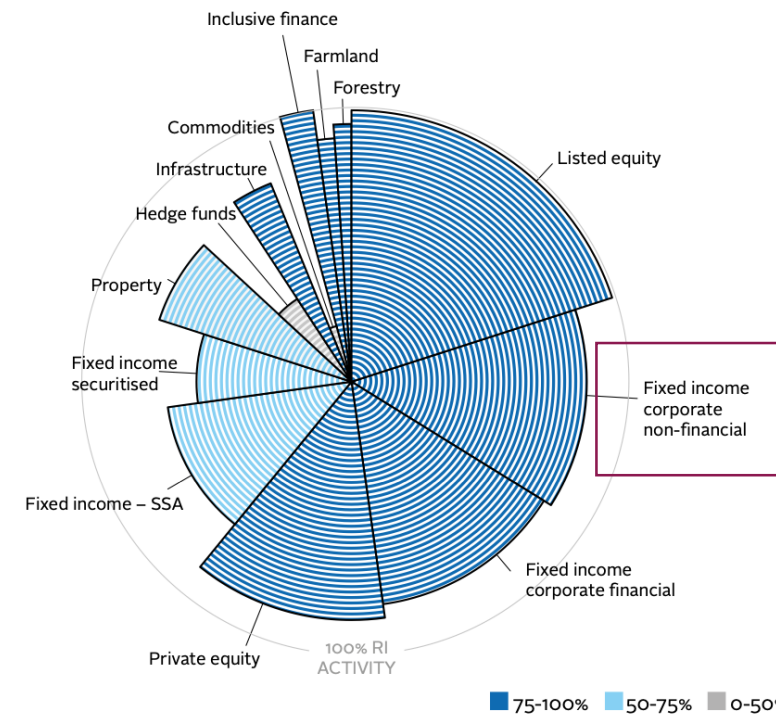
# FIXED INCOME IS CLOSING THE GAP QUICKLY WITH EQUITIES IN TERMS OF ESG MINDSPACE

8

**PRI signatories and asset under management.**  
Source: PRI



**Proportion of reporting PRI investment managers conducting some level of responsible investment by asset class (2016). Source: PRI**

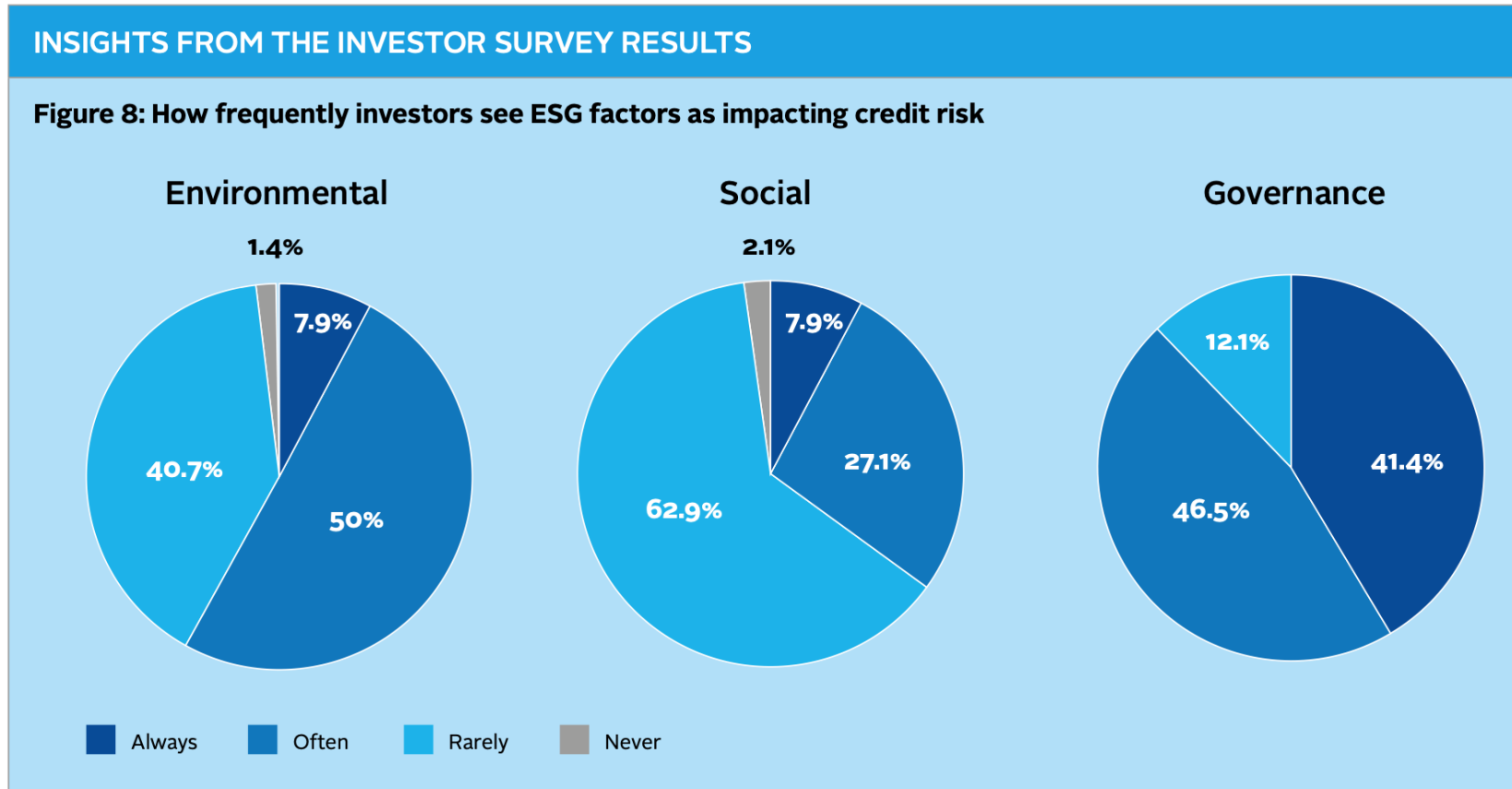


Source: PRI, ESG in Credit Risk and Ratings Initiative, 2018-2020

# LINKAGE BETWEEN « G » AND CREDIT RISK IS MORE OBVIOUS THAN WITH « E » AND « S »

9

« S » FACTOR GROWING IN IMPORTANCE IN THE EU AS MORE CONSIDERATION TO A « JUST TRANSITION » IS PAID BY STAKEHOLDERS



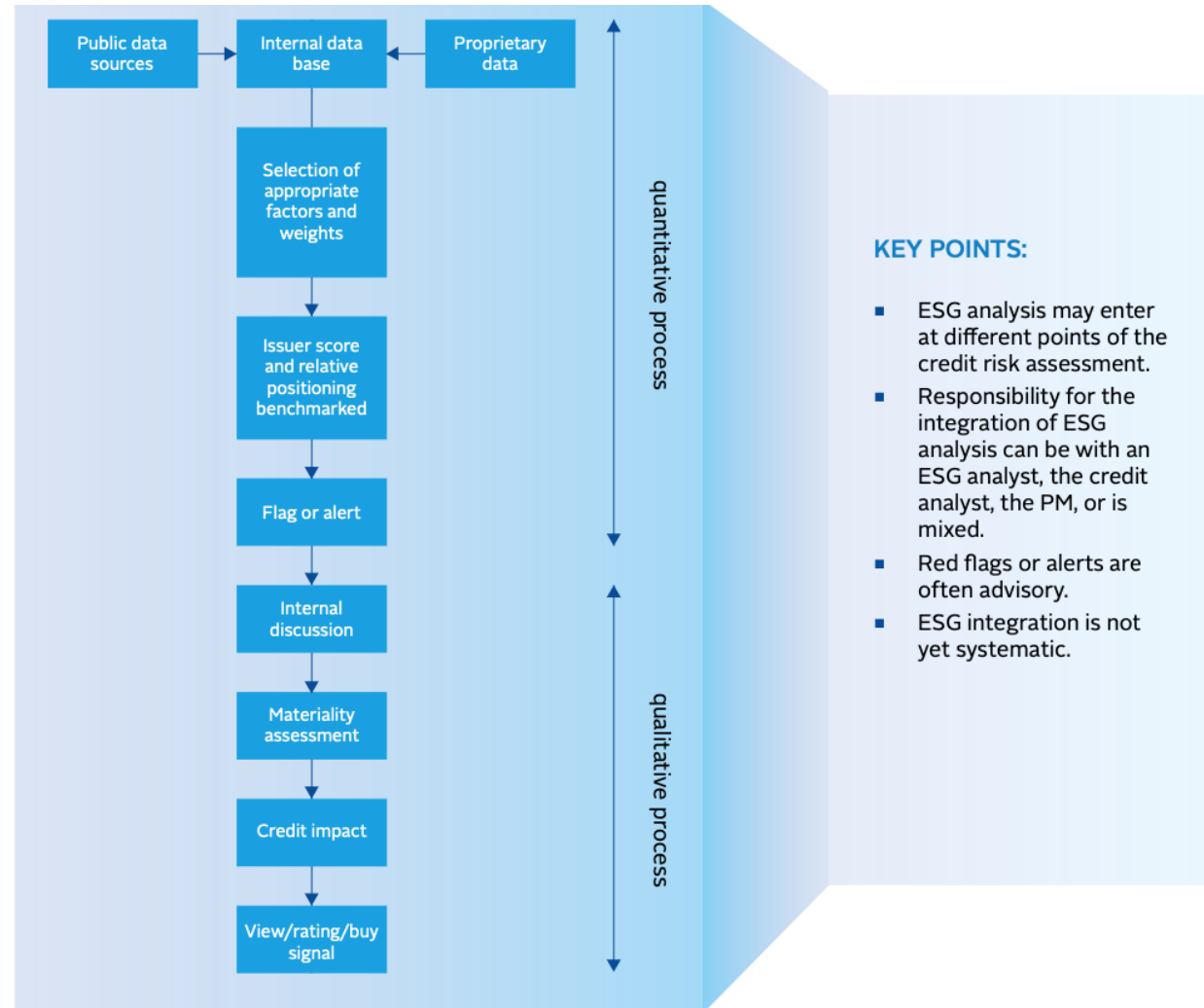
Source: PRI, ESG in Credit Risk and Ratings Initiative, 2018-2020

# 2

## THE SUPPLY SIDE: ESG INTEGRATION INTO CREDIT RATING

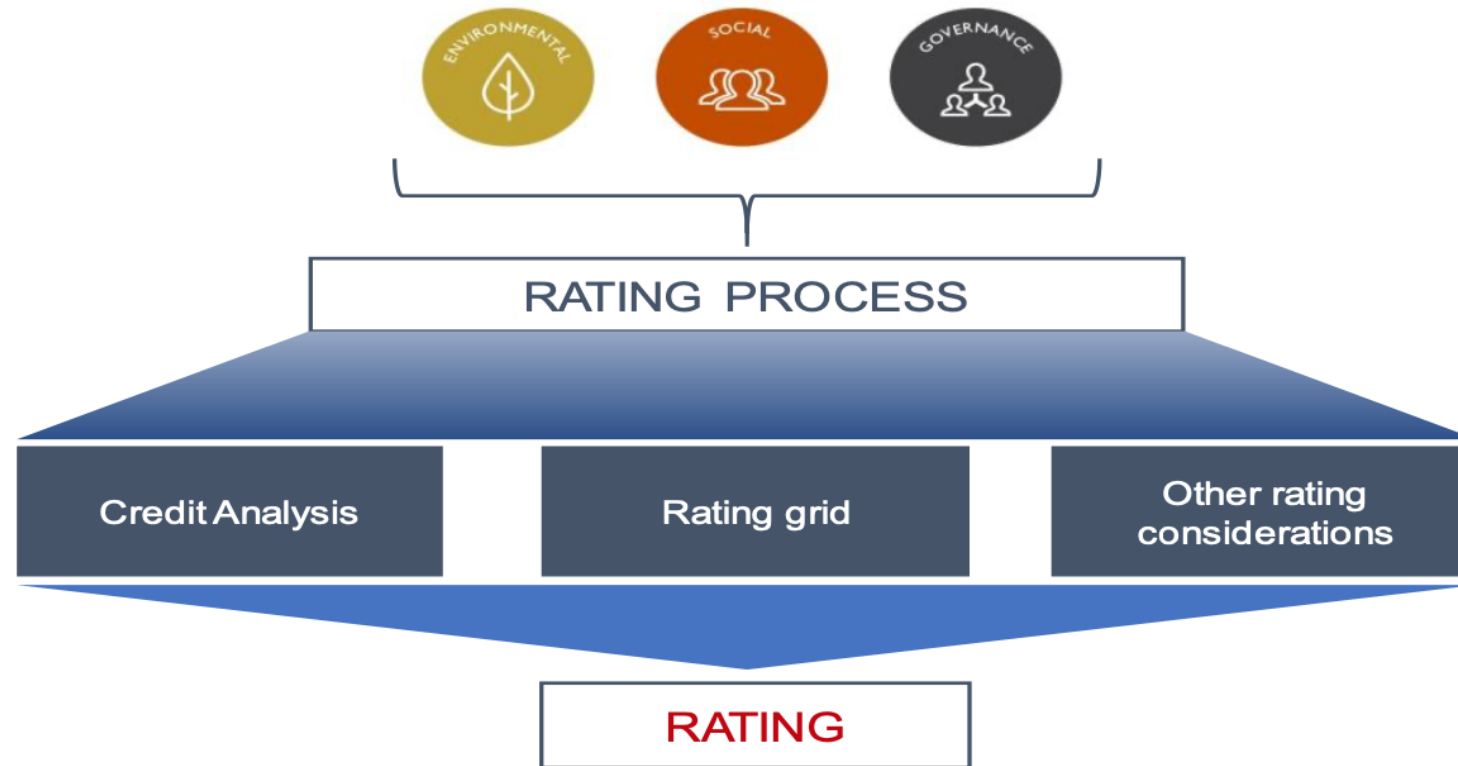
# ILLUSTRATIVE DIAGRAM OF ESG INTEGRATION IN CREDIT RISK ANALYSIS

11



# QIVALIO'S WAY TO INTEGRATE ESG INTO CREDIT RATING (1/2)

12



Source: Qivalio

# QIVALIO'S WAY TO INTEGRATE ESG INTO CREDIT RATING (2/2)

13

|             |                                                                                                                                                                                                                                                                                                      |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environment | Environmental risks are most likely to be taken into account through the industry section of the rating grid (i.e. for a company in the oil industry to reflect the expected long-term decrease of the oil consumption).                                                                             |
| Social      | Social risks are most likely to be taken into account through the financial forecast of the company (i.e. high social risks leading to higher cost of employees), and the industry section of the rating grid.                                                                                       |
| Governance  | Governance risks are harder to assess and their impacts is not necessarily captured in our rating grid. Assessment of the risks will be down to the analyst's judgement with a potential denotching in case of serious risks. In the event of denotching this will be detailed in the rating report. |

Source: Qivalio

For more details please read the methodology document at following link:

<https://www.spreadratings.com/wp-content/uploads/2020/07/QIVALIO-ESG-Considerations.pdf>

# 3

## THE ASCENT OF SUSTAINABILITY- LINKED DEBT

# A New And Fast Growing Market

**The sustainability-linked bond market YTD30 November totalled USD 9.4bn**, which was almost twice that of full year 2019.

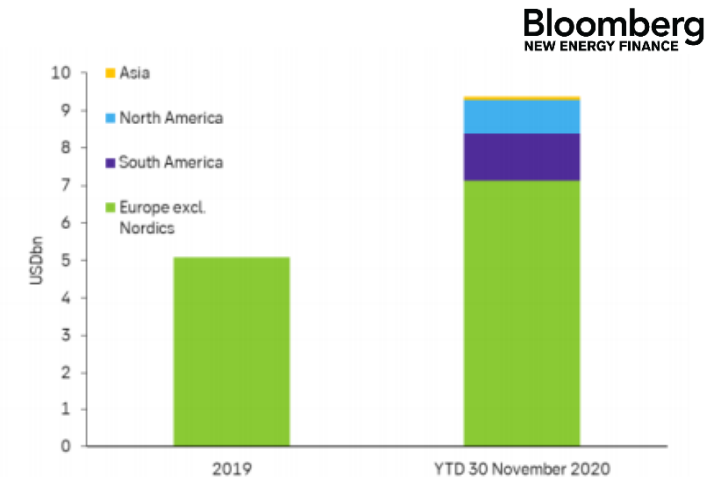
➤ **ICMA's sustainability-linked bond principles were issued in June.**

**All issuers in 2019 were European while the market for the current year consists of 16 European issuers**, of which Switzerland is the largest in terms of volume.

The sustainability-linked market is **almost completely dominated by corporates** with 17 of the 18 issuances in 2020 coming from this sector.



Novartis is actually the largest SLB of 2020 so far (8-year & EUR 1.85bn) and is linked to targets of **increasing the patients reached in low- and middle- income countries.**



Source: : Bloomberg New Energy Finance, as of 30 November 2020

# The First Sustainability-linked Bond



**The world's first Sustainability-linked bond was issued by Enel in September 2019.**

**The company set 2 targets:**

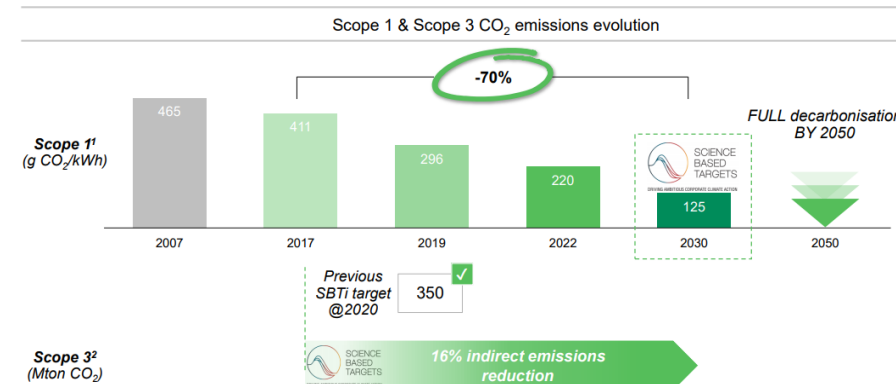
- increase its renewable energy installed capacity to 55% of total capacity by the end of 2021
- reduce its CO<sub>2</sub> specific emissions and reach decarbonisation by 2050

**This low-carbon strategy was defined in collaboration with the initiative of Science-based targets (iSBT).**



According to BNP Paribas, Science-based targets in sustainability-linked bonds are becoming **a key mechanism in bringing investors along the corporate transition journey** because they add credibility, transparency and accountability.

| KPIs and Targets | KPIs    | 13 CLIMATE ACTION<br>KPI #1:<br>Direct Greenhouse Gas Emissions Amount (Scope 1) | 7 RENEWABLE AND BLUE ENERGY<br>KPI #2:<br>Renewable Installed Capacity Percentage |
|------------------|---------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
|                  | Targets | 2030<br>125gCO <sub>2</sub> e/kWheq                                              | 2021<br>55%<br>2022<br>60%                                                        |



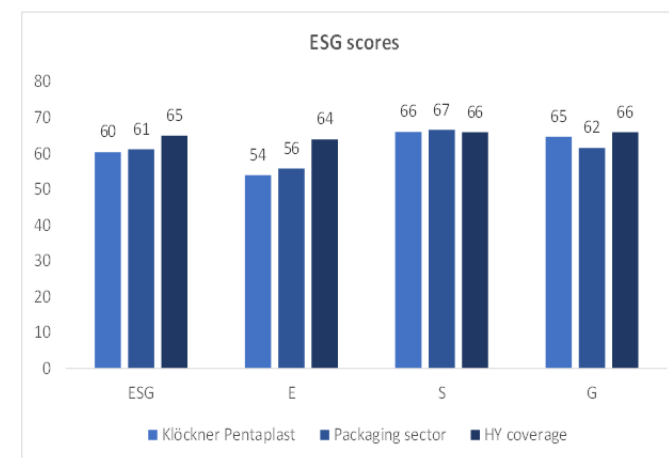
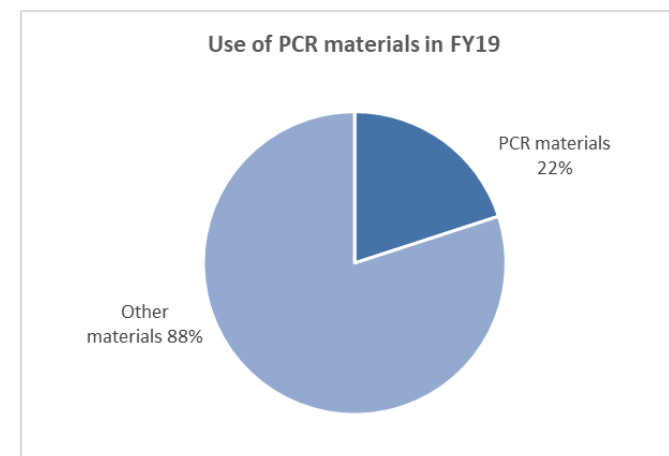
# KLÖCKNER PENTAPLAST TERM LOANS INCLUDE ESG-LINKED MARGIN RATCHETS

## New term loans have ESG-linked margin ratchets

- Term loans were priced at E+475bps, (@99.5) and at L+475bps (@99.5) for the euro and dollar tranche respectively.
- Both term loans have ESG-linked margin ratchets:
  - Share of recycled material (PCR) used as a percentage of total raw material consumption (30% by 2025 vs 22% in 2019).
  - Scope 1 & 2 of greenhouse gas emissions (-50% by 2025, from a 288,577 tons basis in 2019).
  - Share of women in management (30% by 2025 vs 25% in 2019).
- Each KPI will be tested annually by the sustainability arrangers, and has an independent ratchet of +/-2.5bps.

## ESG assessment results in an unsurprisingly low E score

- Klöckner Pentaplast's E score (54/100 vs 64/100 for Spread Research global average) reflects the company's exposure to anti-plastic regulations and consumers preferences for alternative types of packaging.
- Although substitution products seem limited for the Pharma, Health & Protection, and Proteins segments, the Durables, Fruits & Produce and Food to Go segments will suffer from increasing environmental considerations.
- Spread Research believes that up to 30% of sales could be adversely impacted, hence our cautious forecast for the affected business in terms of revenues.



Sources: Spread Research, Klöckner Pentaplast

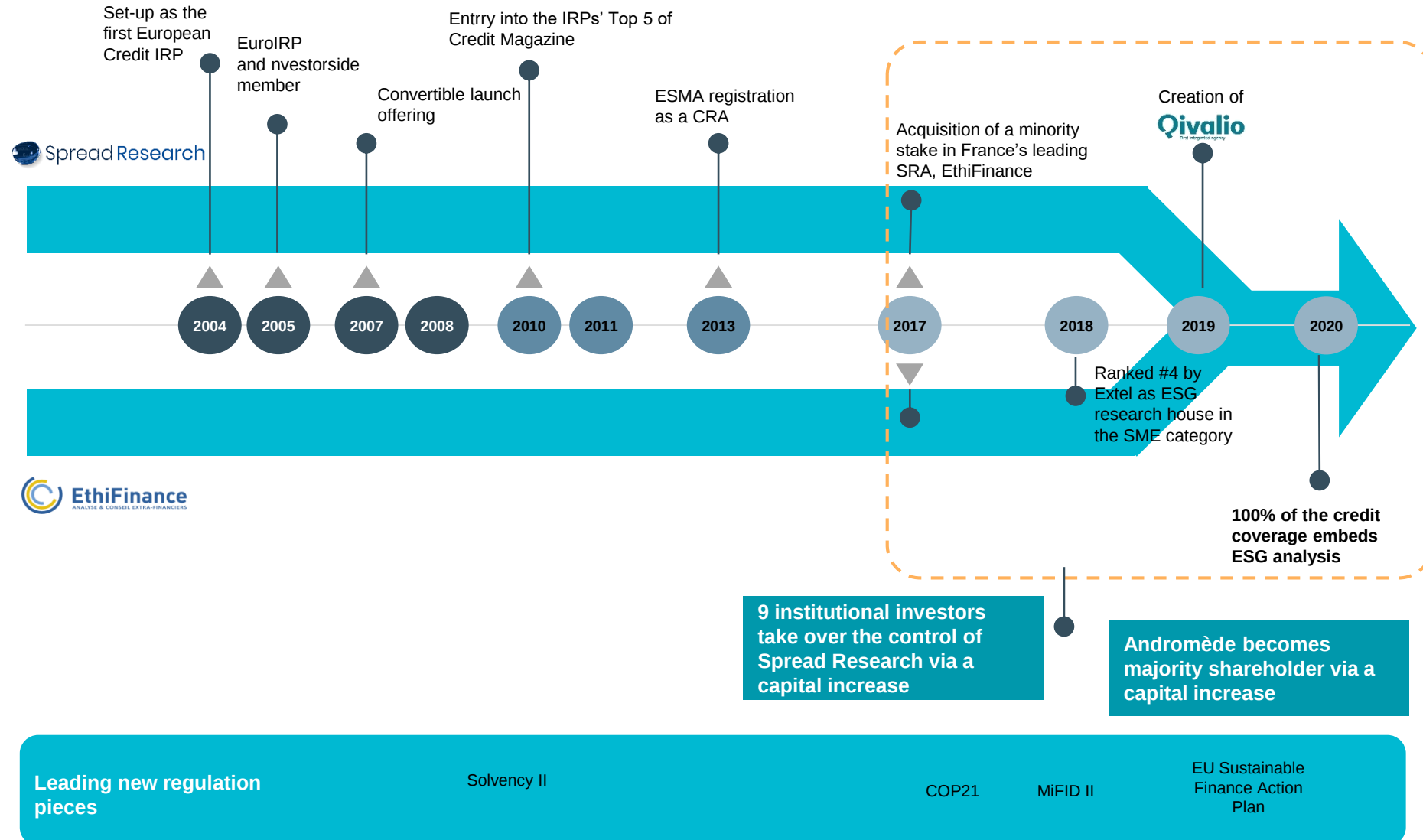
# 4

## APPENDIX

## QIVALIO'S CORPORATE OVERVIEW

# 17 YEARS OF EXPERTISE UNDER OUR BELT ON ESG AND CREDIT ANALYSIS, FOCUSED ON SMEs

19



# A GROWING EU FORCE IN THE NEW ESG-LED PARADIGM

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- Leading Independent Research Provider
- European Institutional investor base
- Expertise in SMEs and EHY
- More than 15y experience
- 40+ headcounts
- 20+ analysts
- Located in Lyon and Paris



## MANAGING BOARD

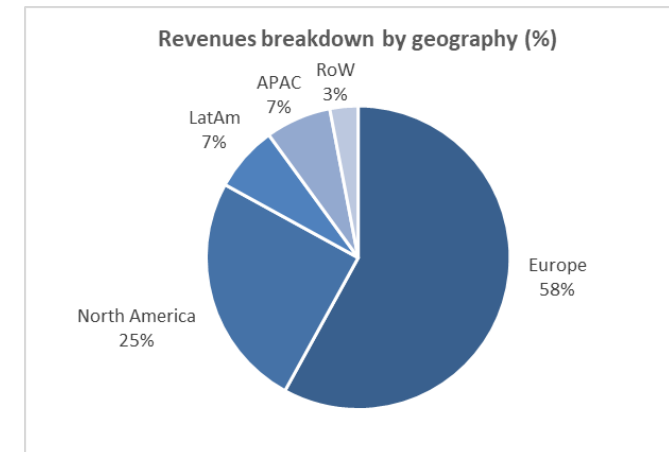
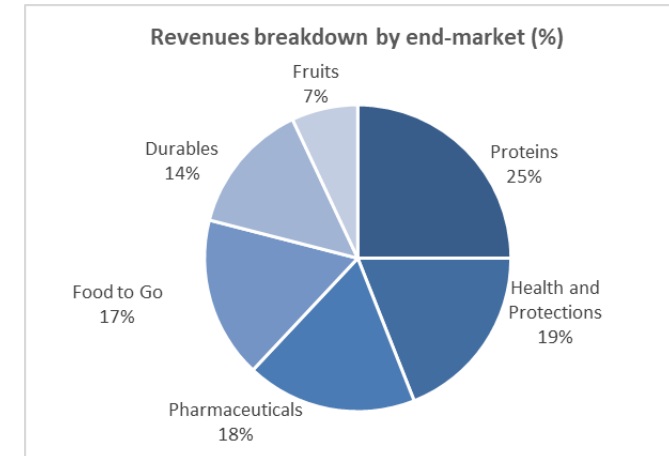
- Elie Hériard Dubreuil, CEO
- Emmanuel de La Ville
- Philippe Tastevin
- Nicolas Dehelly

## SUPERVISORY BOARD

- Pierre Ducret, Chairman
- Monique Barbut, INED
- Caroline Bois
- Blaise Ganguin
- Dominique Hériard Dubreuil
- Bertrand Jounin
- Jean-Florent Rérolle, INED
- Carole Sirou, INED
- Censors : M-A. Jacquet, J.Rérolle (founder)

## PLASTIC PACKAGER KLÖCKNER PENTAPLAST HAS ISSUED €1.9BN OF NEW DEBT

- Klöckner Pentaplast is a global leading producer of plastic protective solutions for:
  - Pharma (18% of sales): rigid films used to protect pills.
  - Health & Protection (19% of sales): protections for consumable health products such as gloves and masks.
  - Durables (14% of sales): plastic films used for credit cards and banners.
  - Proteins (25% of sales): packaging for meat, fish and vegetarian proteins.
  - Fruits & Produce (8% of sales): trays for fresh fruits.
  - Food to Go (17% of sales): trays for takeaway food products.
- The core business of the company consists of buying raw materials such as resin (which represents c. 48% of sales), applying chemical additives, and producing plastic packaging.
- 5,975 employees in 31 manufacturing facilities operating in Europe, the Americas and Asia-Pacific.
- LTM revenues and EBITDA as of September 30, 2020, were c. €1,810m and €306m respectively.
- Klöckner Pentaplast has just refinanced its entire capital structure by issuing €1.2bn equivalent term loans, which came along with a €700m dual tranche bond offering (€400m of secured notes and €300m of unsecured notes).



Sources: Spread Research, Klöckner Pentaplast

# Les nouvelles exigences des pourvoyeurs de capitaux

Les critères ESG, nouveau guide dans l'allocation du capital ?

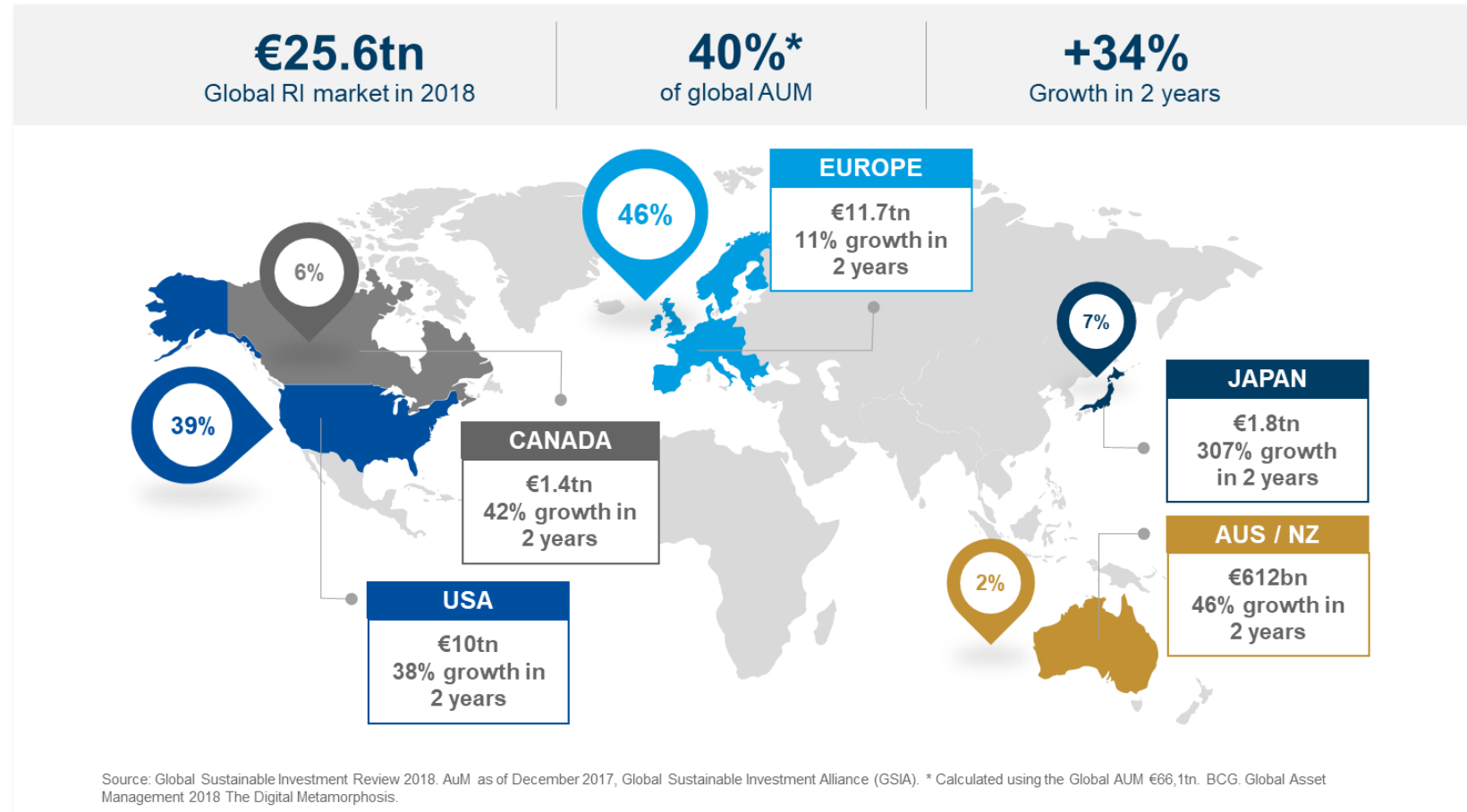


**Elodie LAUGEL**

Directrice des investissements  
responsable, Membre du comité  
exécutif  
**Amundi**

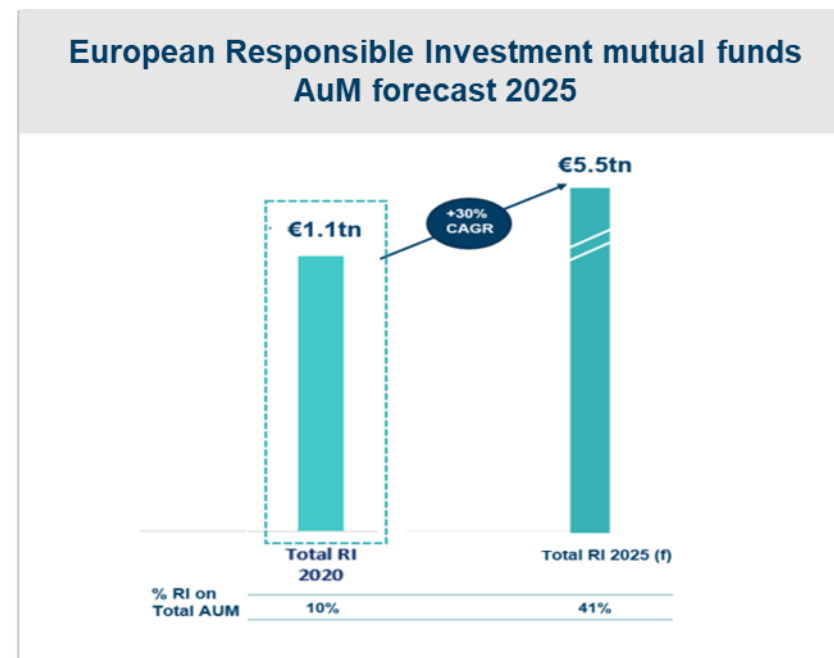
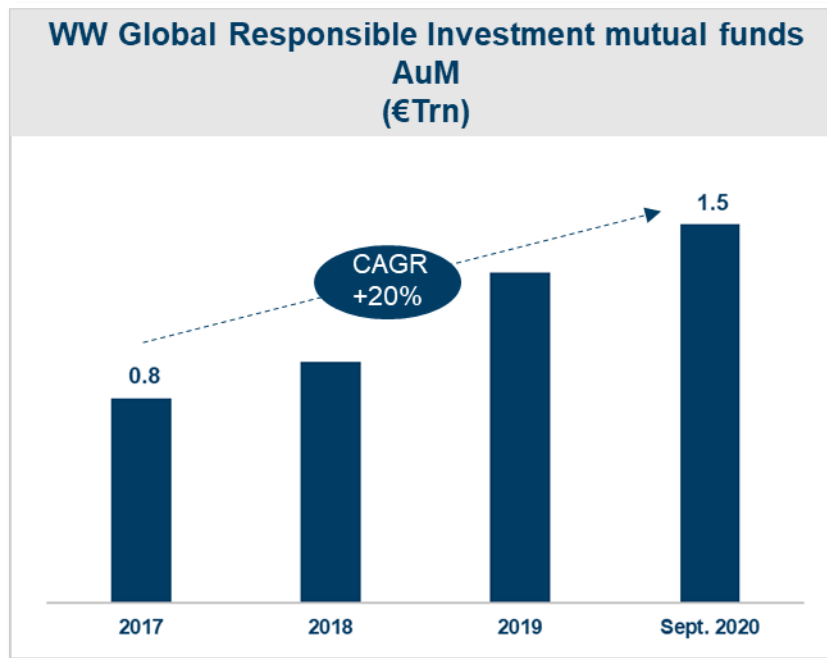
# LA PRISE EN COMPTE DES CRITERES ESG SE GENERALISE

- La prise en compte des critères ESG s'étend et s'accélère



# LA PRISE EN COMPTE DES CRITERES ESG SE GENERALISE

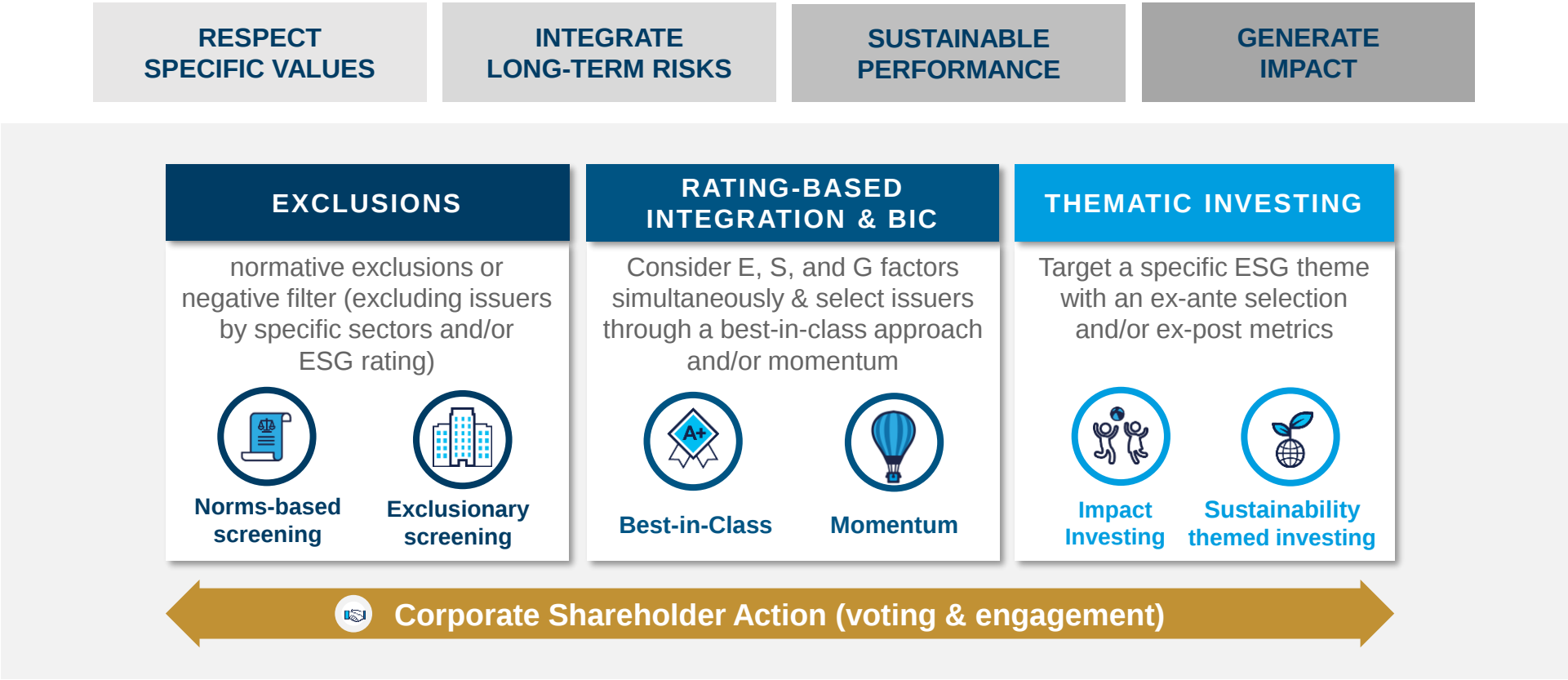
- La demande du côté des épargnants individuels connaît une forte croissance,



Source: GSIA 2018 Review, Preqin, pwc (ESG, the growth opportunity of the century, base case forecast), Broadridge FundFile, worldwide open-ended funds (mandates, dedicated funds & employee saving schemes excluded), September 2020. 1 : Real Assets 3YCAGR as at H1 2020, ETFs 3YCAGR as at Sept. 2020

\*Source: Broadridge, fonds ouverts monde (mandats, fonds dédiés & FCPE exclus), Juillet 2020. €Mrds.

# LES APPROCHES DIVERGENT

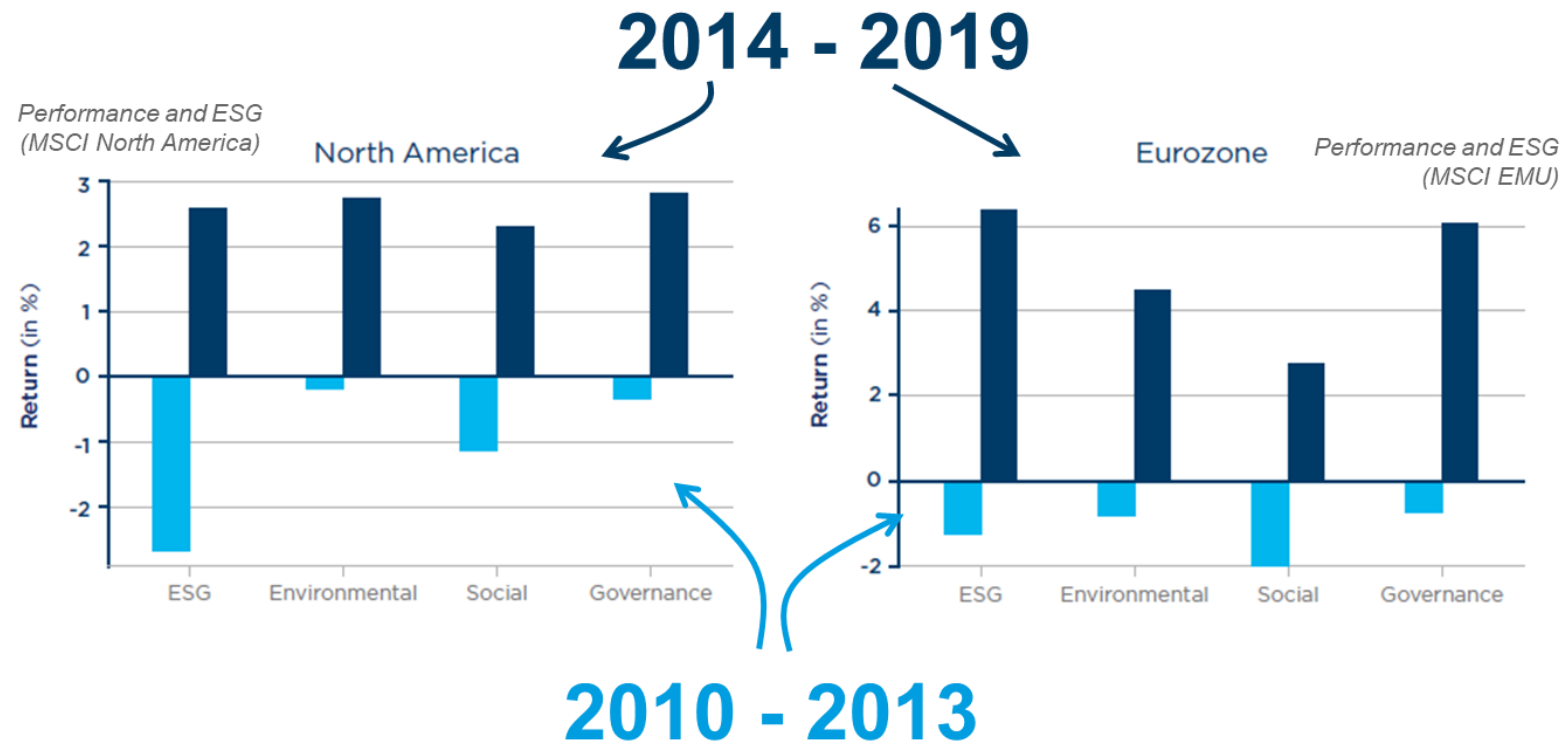


Sources: Amundi, Eurosif, and Global Sustainable Investment Alliance 2018 study.

# LES APPROCHES SE MULTIPLIENT

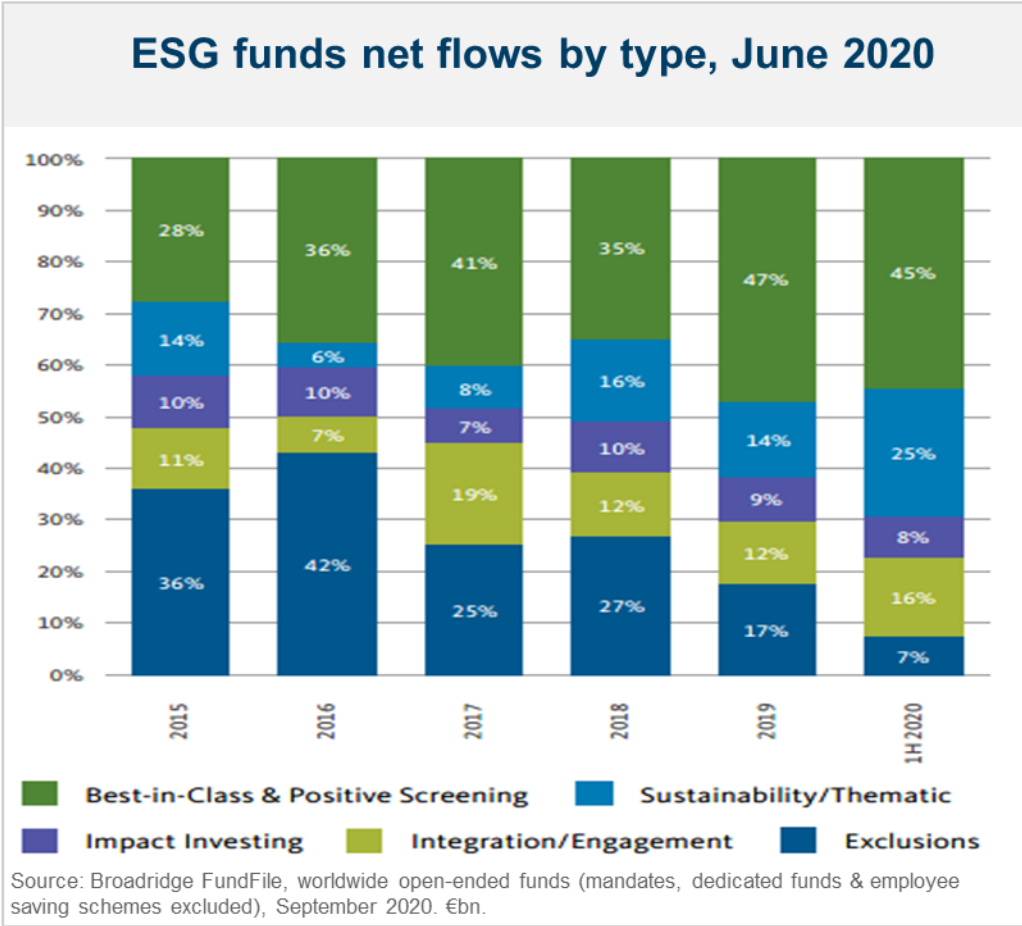
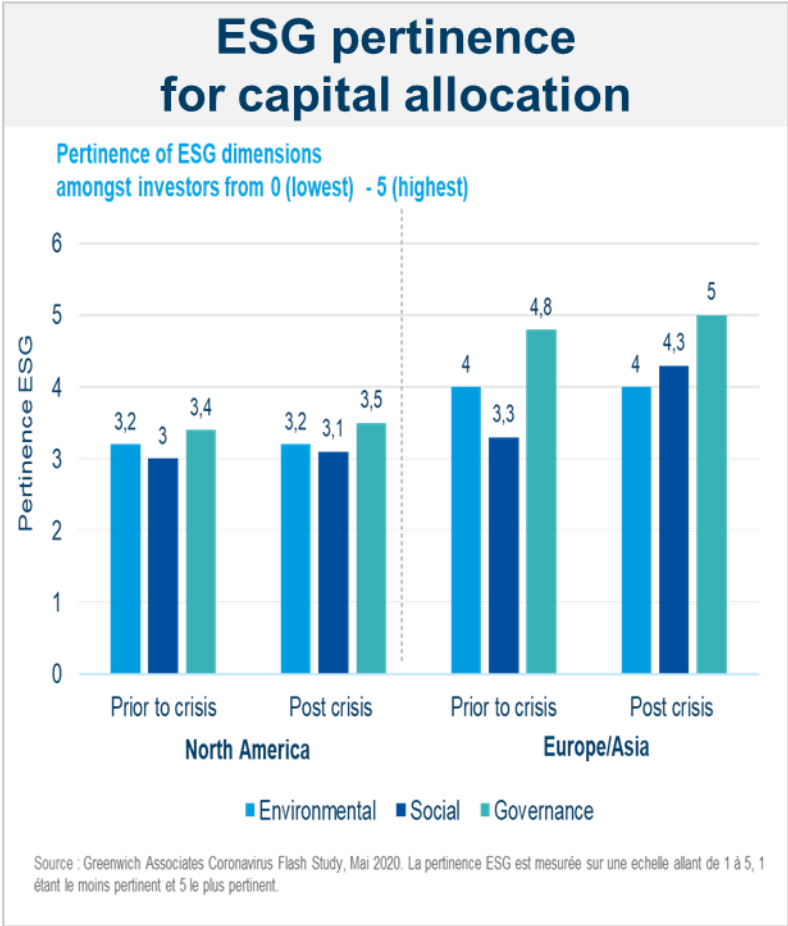
- L' « Intégration » à l'aune de la matérialité financière

Long/short strategy between best-in-class and worst-in-class stocks



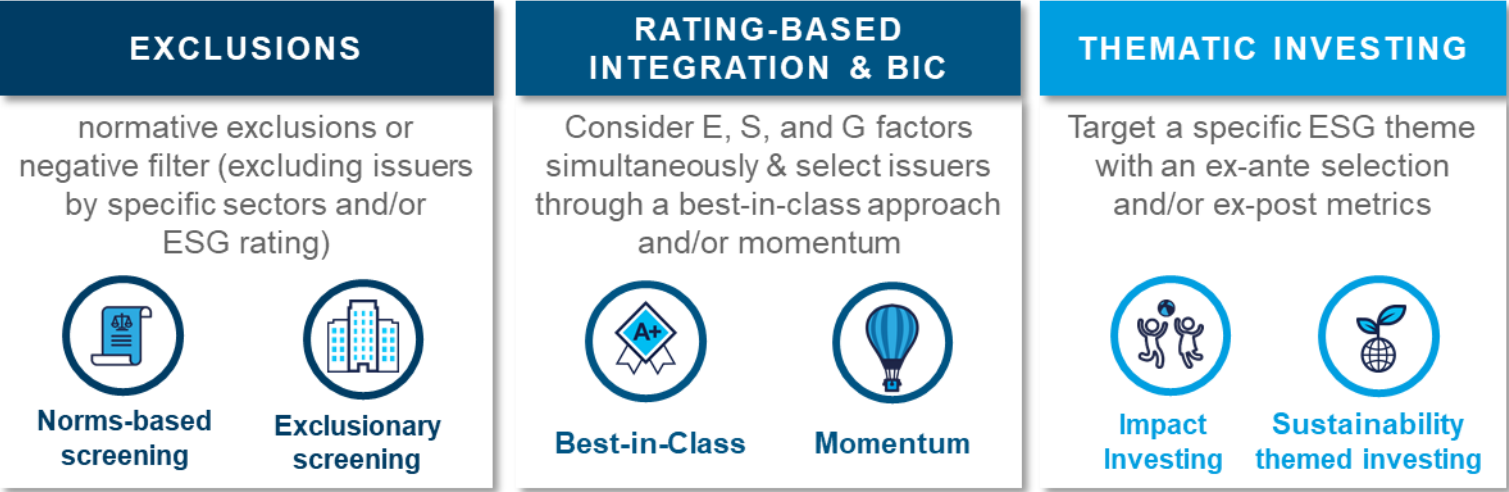
Source: Amundi Working Paper « ESG Investing & Equity Asset Pricing » – January 2020

# LES APPROCHES EVOLUENT



# LA MISE EN PRATIQUE

## L'ALLOCATION DU CAPITAL



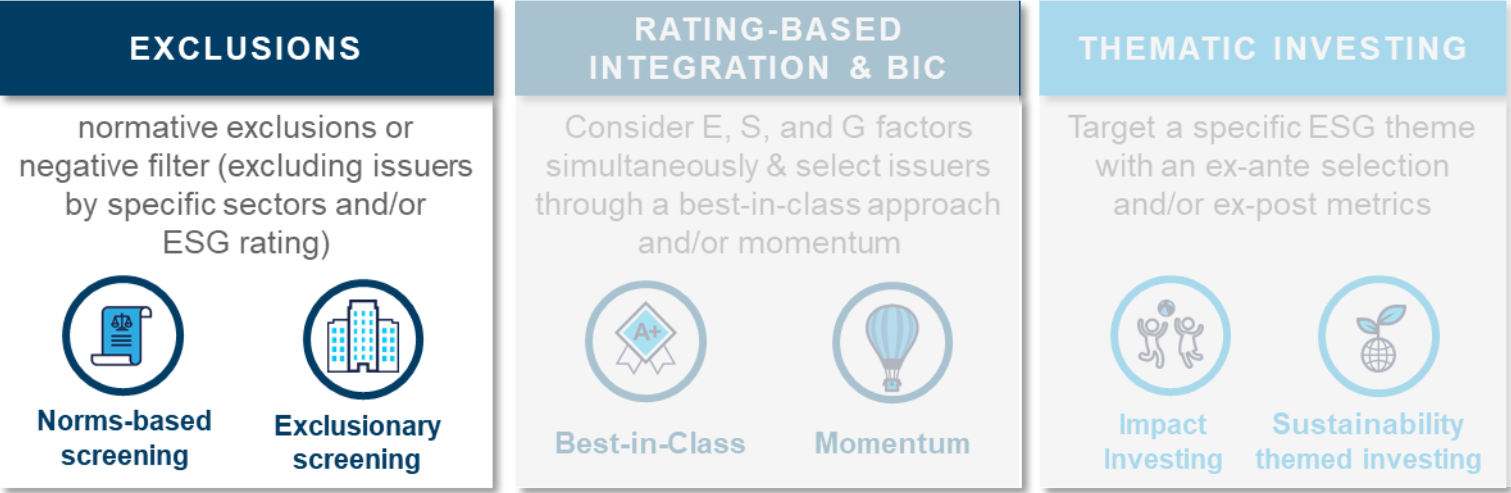
## L'ENGAGEMENT



Sources: Amundi, Eurosif, and Global Sustainable Investment Alliance 2018 study.

# LA MISE EN PRATIQUE

## L'ALLOCATION DU CAPITAL



## L'ENGAGEMENT



Sources: Amundi, Eurosif, and Global Sustainable Investment Alliance 2018 study.

# L'APPROCHE PAR EXCLUSION

## L'ALLOCATION DU CAPITAL

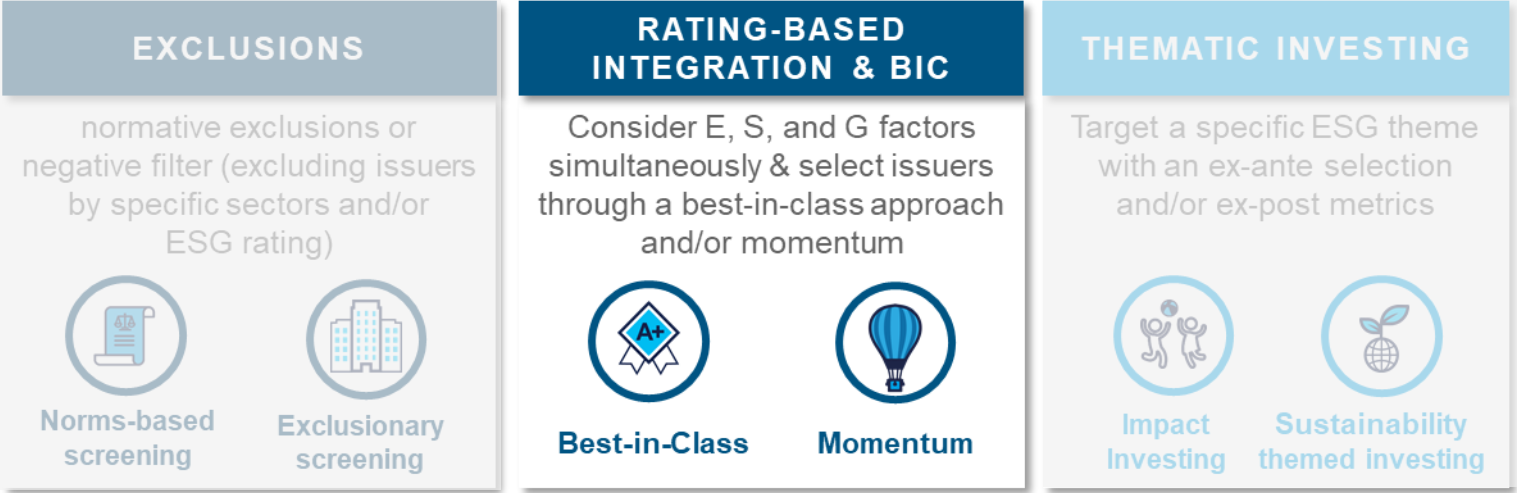
### EXEMPLE D'UNE POLITIQUE SECTORIELLE D'EXCLUSION

#### COAL

- Coal developers\*, or,
- Companies generating **>25%** of their revenue from thermal coal mining extraction, or,
- Companies with annual thermal **coal extraction of 100 MT** or more without intention to reduce, or,
- All companies with revenue in thermal coal mining extraction and thermal coal power generation **>50%** of their revenue without analysis,
- All coal power generation & coal mining extraction companies with a threshold **between 25% and 50%** with a deteriorated energy transition score.

# LA MISE EN PRATIQUE

## L'ALLOCATION DU CAPITAL



## L'ENGAGEMENT



Sources: Amundi, Eurosif, and Global Sustainable Investment Alliance 2018 study.

# L'APPROCHE BEST-IN-CLASS

- Evaluation des émetteurs au travers de critères E, S, G quantifiables et mesurables reflétant les enjeux du secteur, pour favoriser les meilleurs profils (sur / sous-pondérations des investissements)

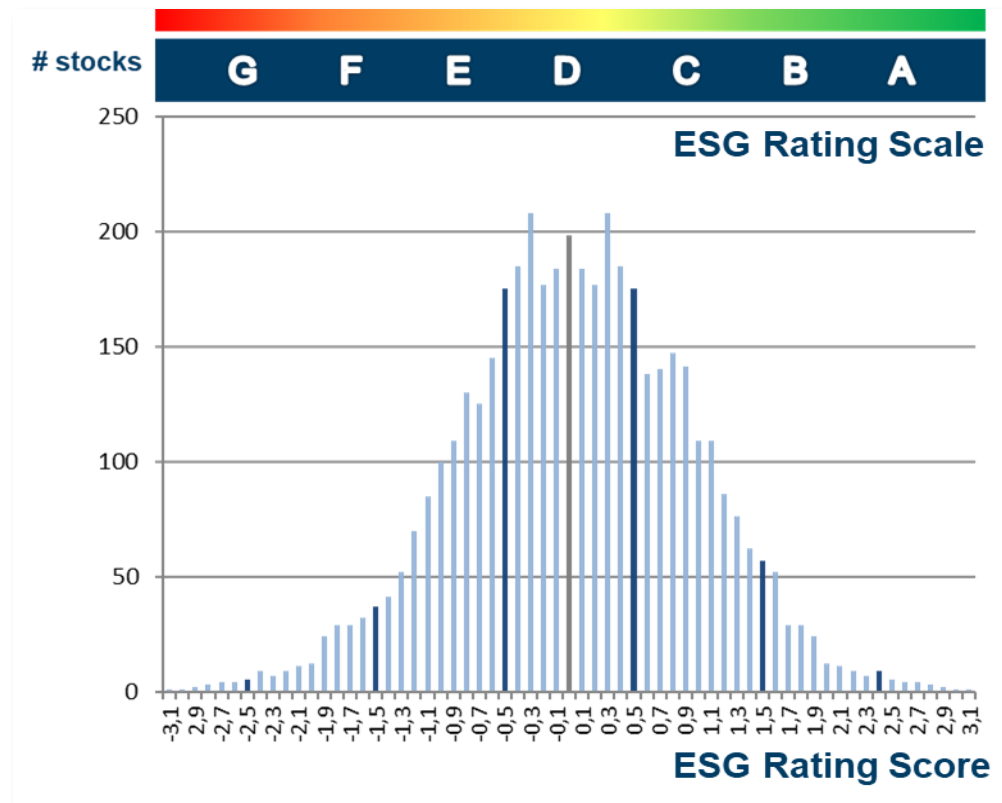
| E                            | S                               | G                    |
|------------------------------|---------------------------------|----------------------|
| GHG emissions & energy use   | Employment conditions           | Board independence   |
| Water                        | Community involvement           | Audit and control    |
| Green cars <sup>1</sup>      | Access to medicine <sup>3</sup> | Remuneration         |
| Green investing <sup>2</sup> | Digital divide <sup>4</sup>     | Shareholders' rights |

|                                            |
|--------------------------------------------|
| ■ 1. Automobiles                           |
| ■ 2. Bank / Financial Services / Insurance |
| ■ 3. Pharmacy                              |
| ■ 4 TMT                                    |

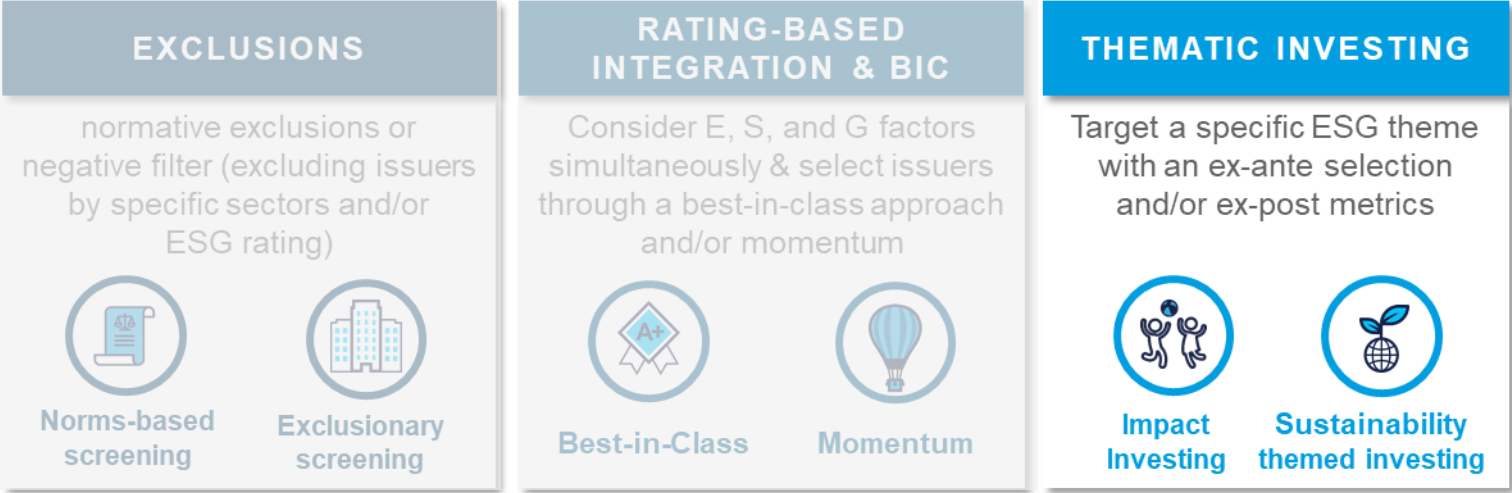
Examples of criteria weights by sector:

|            | E   | S   | G   |
|------------|-----|-----|-----|
| AUTOMOTIVE | 37% | 37% | 26% |
| BANKING    | 24% | 29% | 47% |
| MINING     | 41% | 36% | 23% |



# LA MISE EN PRATIQUE

## L'ALLOCATION DU CAPITAL



## L'ENGAGEMENT



Sources: Amundi, Eurosif, and Global Sustainable Investment Alliance 2018 study.

# L'APPROCHE THEMATIQUE & IMPACT

- Développement de solutions afin d'orienter le capital vers des besoins de financement spécifiques (Exemples...)

## **GREEN BONDS**

In Developed /  
Emerging markets

> *Financial / Corporates*

## **GREEN FIXED-INCOME**

In Developed  
markets

> *Beyond listed  
instruments*

## **CLIMATE BONDS**

In Developed / Asian  
markets

> *Towards trajectory  
& Fair transition*

## **FOSSIL FREE INDEX**

In Europe Equity  
markets

> *Financial / Corporates*

## **CLIMATE ACTIONS**

In Global Equity  
markets

> *Financial / Corporates*

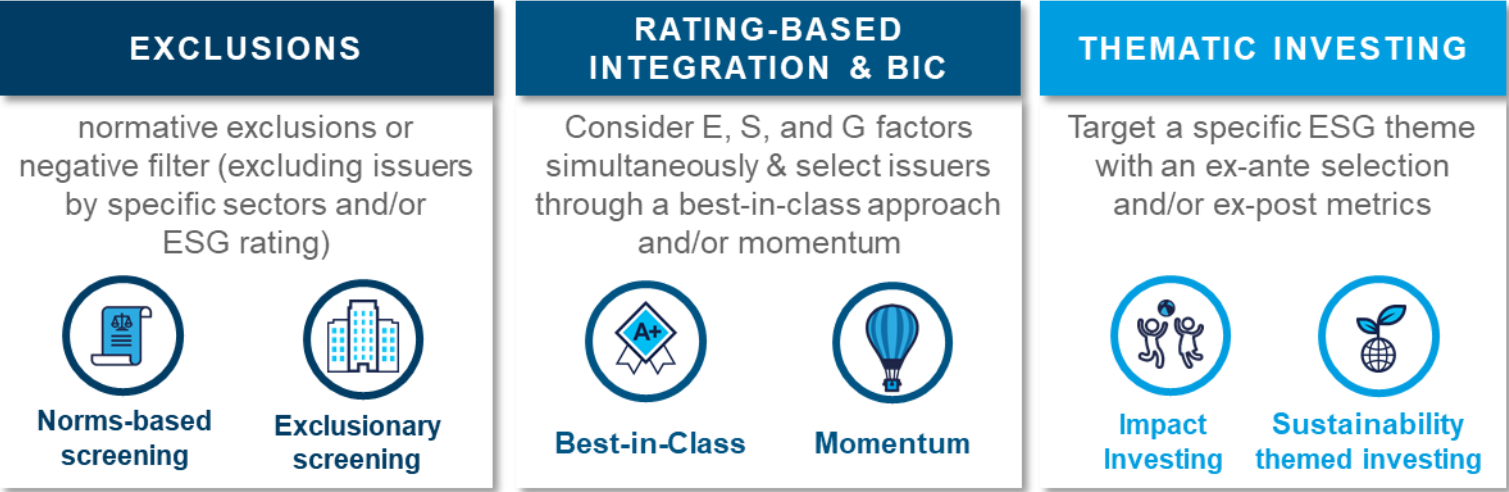
## **PARIS ALIGNED ETF**

In Europe Equity  
markets

> *Towards trajectory*

# LA MISE EN PRATIQUE

## L'ALLOCATION DU CAPITAL



Sources: Amundi, Eurosif, and Global Sustainable Investment Alliance 2018 study.

# Les nouvelles exigences des pourvoyeurs de capitaux

L'action des banques centrales et superviseurs en matière de climat



**Clément BOURGEY**

Responsable du Service de la  
Finance Durable  
Conseiller du Secrétaire du NGFS  
**Banque de France**



# POURQUOI LES BANQUES CENTRALES ET LES SUPERVISEURS AGISSENT EN MATIÈRE DE CLIMAT ?

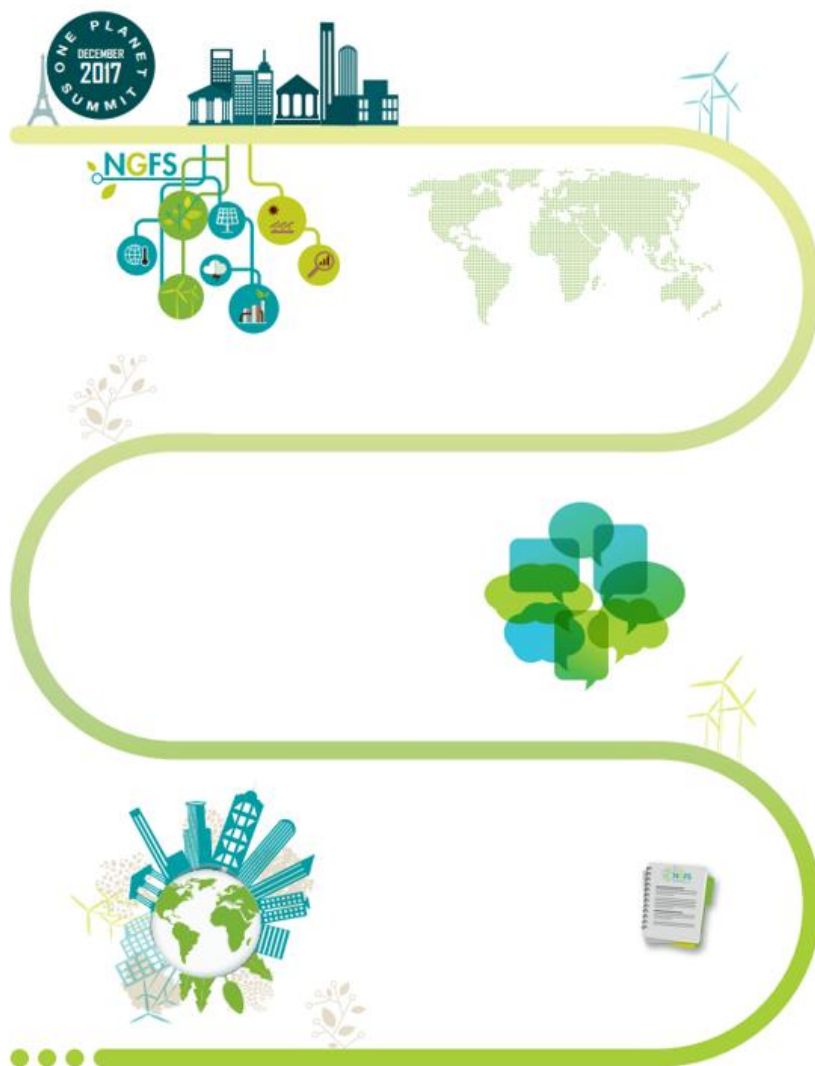
- Les décideurs politiques sont les principaux responsables des politiques publiques en matière de climat.
- « Le changement climatique est une source de risque financier » : risques physiques et risques de transition.
- Les banques centrales et superviseurs doivent agir dans le cadre de leur mandat pour s'assurer -en particulier- de la résilience du système financier face au changement climatique et de sa capacité à satisfaire les importants besoins de financement de la transition climatique.



- Stress-test climatique :
  - Exercice pilote lancé en juillet 2020, premier de cette nature mené dans le monde ;
  - Deux objectifs : 1/ Mieux évaluer l'exposition du système financier aux risques liés au changement climatique de manière prospective/dynamique et 2/ Aider le secteur financier à mieux prendre en compte ces risques, à améliorer les modèles et les méthodologies d'évaluation et à identifier les lacunes en matière de données.
- Investissement responsable :
  - Mise en place d'une stratégie d'investissement responsable dès 2018 ;
  - Publication d'un rapport d'investissement responsable depuis 2019 ;
  - Annonce récente sur le renforcement de la politique d'exclusion en matière énergies fossiles (dont sortie définitive du charbon en 2024).
- Activités de recherche :
  - Développement d'un agenda de recherche ambitieux dédié à la thématique 'climat' ;
  - Conférence de recherche annuelle en partenariat avec l'Institut Louis Bachelier, I4CE et Finance For Tomorrow (5<sup>ème</sup> édition en décembre 2020) ;
  - Mise en place d'un Prix Jeunes Chercheurs en Finance Verte par la Banque de France (3<sup>ème</sup> édition en décembre 2020).



# LA BANQUE DE FRANCE EST À L'ORIGINE DU NGFS



- Créé à Paris, en décembre 2017, One Planet Summit : **8 banques centrales et superviseurs ont mis en place le réseau NGFS.**
- Aujourd'hui : **83 membres** and **13 observateurs.** Couvrant les 5 continents.
- **Coalition des volontés.** En aucun cas une instance normative. Recommendations non contraignantes.
- **Les juridictions des membres du NGFS couvrent :**
  - La supervision de 100% des banques et 2/3 des assureurs d'importance systémique;
  - Environ 75% des émissions de gaz à effet de serre mondiales.
- La Banque de France assure le Secrétariat de ce réseau, qui est présidé par un member du Board de la BCE (Frank Elderson).

# Q&A

# Devenez membre de **Chapter Zero France**

[chapterzero-france.com](https://chapterzero-france.com) > Adhérez

## Rejoignez la communauté des administrateurs engagés dans la transition vers le net zéro carbone.

**Le réseau des Chapter Zero promeut les principes de la Climate Governance Initiative du World Economic Forum.**

### EUROPE

Belux (en cours)  
Europe Centrale et Orientale (en cours)  
**France**  
Germany (en cours)  
**Italie**

Pays-Bas (en cours)  
Pays nordiques (en cours)  
**Royaume-Uni**  
**Russie**  
**Suisse**

### ASIE

**Malaisie**  
Singapour (en cours)  
Hong Kong (en cours)

### AMERIQUES

Brésil (en cours)  
**Canada**  
Chili (en cours)  
Colombie (en cours)  
Mexique (en cours)

