

# Appendices

## 1.1 Semi-structured interview guide

### 1) Respondent Background

- Could you tell me briefly about your background before working in this company?
- What is your position at the company you work for?
- What are your job's responsibilities?

### 2) EU Taxonomy

#### 1) How does the EU Taxonomy impact your organization?

##### 1bis) What about your clients?

1 ter) Is your organization's framework for sustainability more demanding than the EU Taxonomy? To what extent does the EU Taxonomy complete your current framework?

2) One of the EU taxonomy's main goals is to prevent greenwashing by asking big companies in the EU to disclose their activities against scientific-based technical screening criteria. By doing so, stakeholders should have access to information and level of transparency necessary to understand a company's sustainability performance. According to you, would the EU Taxonomy be sufficient to fight against false environmental claims from opportunistic companies? Do you see any limits to these technical screening criteria? Are they ambitious enough to meet the Paris Agreement objectives?

3) Another major goal of the EU Taxonomy is to allow a re-allocation of financial flows toward more sustainable investments. However, there is no mandatory requirement for taxonomy alignment by a company or financial product. Therefore, to what extent does the EU Taxonomy incentivise a company to align on its criteria? Conversely, what would be the potential risks for projects being not taxonomy-aligned while being in eligible sectors?

3 bis) Likewise, it is the investors' responsibility to decide for their investment strategies what level of alignment on revenues and Capex/Opex they expect. In the same way, institutional investors (BlackRock, Vanguard, etc.) are critical to this transition as they managed financial assets worth trillions of dollars. What kind of perspective could motivate such investor to promote taxonomy-aligned financial products?

4) In addition, the data needed to disclose against the European Taxonomy will inevitably ask companies and financials markets for additional dedicated work and costs. Who will have to carry these costs?

4 bis) If they are completely passed to the end-investor, they could potentially make the sustainable investment unattractive compared to its peers. How to make sure that sustainable companies and financial institutions are rewarded for their efforts on sustainability?

5) In its current form, the European Taxonomy does not categorize activities deemed unsustainable. In the same way, a financial product such as an ETF could be 85% Taxonomy-aligned while the remaining 15% significantly harms the environment. Therefore, such instrument could potentially lead to new possibilities for greenwashing. Are there already any mechanisms to fight against this potentially harmful process?

5 bis) Does your organization consider some sectors/activities as explicitly unsustainable? In other words, does your company screen out exposure to companies involved in some industries? Which one?

6) The EU's double materiality\* is currently the most advanced framework for sustainability reporting, however its scope is limited to big companies and financial institutions having activities in the European Union. Consequently, to achieve the Paris Agreement goals, the EU Taxonomy criteria should be broadly extended. Does your organization plan to extend the EU Taxonomy's criteria to any company being assessed through your framework for sustainability indiscriminately of being or not in the current European Taxonomy's scope (other regions, smaller entities, etc.)?

6 bis) Another way broadening the EU Taxonomy's scope could consist in including/extending the technical screening criteria to global sustainability reporting.

According to you, to what extent global sustainability disclosure standards (i.e ISSB, GRI, TCFD) should be aligned on the ambitious EU's work?

\*Providing information on how sustainability issues affect the company (financial materiality), as well as on how the company impacts the environment and society.

## Tables

Table 1: GRI requirements (Source: GRI standards p.14)

### **Overview of in accordance requirements**

Requirement 1:	Apply the reporting principles
Requirement 2:	Report the disclosures in GRI 2: General Disclosures 2021
Requirement 3:	Determine material topics
Requirement 4:	Report the disclosures in GRI 3: Material Topics 2021
Requirement 5:	Report disclosures from the GRI Topic Standards for each material topic
Requirement 6:	Provide reasons for omission for disclosures and requirements that the organization cannot comply with
Requirement 7:	Publish a GRI content index
Requirement 8:	Provide a statement of use
Requirement 9:	Notify GRI

Table 2: Interviewees table

Interviewee	Name	Role	Organization	Itw date	Itw length
ITW A	Félix Boudreault	Managing Partner	Sustainable Market strategies + Nordis Capital	31-01-22	45 min
ITW B	Anonymous	Climate & Biodiversity	Provider of climate data solutions to financial sector	04-02-22	30 min
ITW C	Etienne de Callataÿ	Economic advisor & Chairman	Orcadia Asset Management	23-02-22	36 min
ITW D	Judy Kuszewski	Chief Executive & Chair	Sancroft + GRI	24-02-22	34 min
ITW E	Claudia Lavorenciuc	Financial engineering manager	CINEA	25-02-22	37 min
ITW F	Eszter Fuleky	Lead Expert Sustainability & Group Member	Van Lanschot Kempen + IWAF & EFRAG	02-03-22	42 min
ITW G	Ashley Tucker	Vice President Sustainable Finance	ING	09-03-22	43 min
ITW H	Thibaut Clisson	Climate Lead	BNP Paribas Asset Management	10-03-22	34 min

Table 3: Study specific characteristics

Example Quotes	Themes
<p>"Now we understand what is objectively green within our own company"</p> <p>"before the taxonomy every company claimed to be green without having to justify why."</p>	<p>A common definition for green</p> <ul style="list-style-type: none"> <li>• A common &amp; objective definition</li> <li>• A strict framework to avoid green washing</li> </ul>
<p>"You have to comply, it's not like saying GRI where you can comply or not, here you have to comply."</p> <p>"it's probably the whole debate between being voluntary and being mandatory" "</p>	<p>A Reporting Tool</p> <ul style="list-style-type: none"> <li>• A compliance exercise</li> <li>• Voluntary alignment</li> </ul>
<p>"they're very black and white, there's no graduation to it and there's no subtlety to it so in that regard I considered those criteria to be quite limited"</p> <p>"there are sectors of the economy which are excluded and which can, however, play a role in the transition and which unfortunately cannot qualify for articles 8 or 9"</p>	<p>Black or White</p> <ul style="list-style-type: none"> <li>• No graduation</li> <li>• Questionable exclusions</li> </ul>
<p>"number of other aspects that you need to take into account in the broader picture of sustainability and the EU taxonomy"</p> <p>"an expansion of the taxonomy to include more sectors and more industries and more sub industries is what is really needed in order to truly transition the whole economy"</p> <p>"at the moment it is limited to Europe, we will see if there is a contagion effect "</p> <p>"So, it's a part of the sustainability picture but it's not the whole picture "</p> <p>"The taxonomy can be a good compass for investors qualified by Article 8 and 9 "</p>	<p>Only a piece of the puzzle</p> <ul style="list-style-type: none"> <li>• About transition</li> <li>• Need to cover more sectors</li> <li>• Geographic limitations</li> <li>• Part of the whole picture of sustainability</li> <li>• SFDR Article 8 &amp; 9</li> </ul>
<p>"Media being very vocal about this and the starting to ask for accountability from these players"</p> <p>"I think that this is almost more powerful than anything else that can come from the regulator in the sense that people don't want to get bad press "</p>	<p>The Power of Media</p> <ul style="list-style-type: none"> <li>• Accountability</li> <li>• Threat of being accused of greenwashing</li> </ul>
<p>"They are going to be potentially attracting a lot of investor attention from banks or the public investors, or just actually shareholders and their other stakeholders "</p> <p>"I think that European taxonomy has a commercial side, a very powerful marketing side "</p> <p>"So, it's client demand, regulation and pricing "</p>	<p>EU Taxonomy's attractiveness</p> <ul style="list-style-type: none"> <li>• Proof of concept</li> <li>• Marketing</li> <li>• Drivers</li> </ul>
<p>"these are asset owners that are so big they have to own essentially some of everything that's out there in order to in order to have sufficient diversification in their portfolios"</p>	<p>Investors Diversification</p>
<p>"We think you can offset a lot of the cost of having to gear up for EU taxonomy as well as a rewiring your operations to be not just focused on financial aspects" "</p> <p>"I disagree with the argument that reporting is a huge cost center and an excessive burden [...] It is additional work but not excess work if we are serious about sustainability"</p> <p>"When you reinforce the rules when the regulation is more demanding it favours the big companies"</p>	<p>Costs-rewards disclosure trade-off</p> <ul style="list-style-type: none"> <li>• Cost-effective</li> <li>• Not a financial burden</li> <li>• Inequalities</li> </ul>
<p>"my personal opinion is that with the EU taxonomy, having a green EU taxonomy is so important that there I think we should focus our efforts on that."</p>	<p>No need for a brown Taxonomy</p>