

# Green Finance Alliance Annual Report 2022

Together towards 1.5 °C: From strategy to implementation





# **Green Finance Alliance**

Together towards 1.5 °C: From strategy to implementation

Vienna, 2022

## **Legal notice**

Media proprietor and publisher:

Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology,  
Radetzkystrasse 2, A-1030 Vienna

Authors: Mabel Reitbauer, Caroline Vogl-Lang (BMK); Pedram Payami, Christoph Frischer  
(Environment Agency Austria)

Photo credits: Cover: stock.adobe.com - robin kwestro/EyeEm

Design: message Marketing- & Communications GmbH  
Vienna, 2022.

Copyright and liability: Excerpts may only be printed when reference is made to the source.  
All other rights are expressly reserved without the written consent of the media proprietor.

Legal disclaimer: The Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) and the Environment Agency Austria tasked with coordination by the BMK will provide no financing services or associated advisory services and will complete no due diligence assessments under the Austrian Green Finance Alliance. Documents of the Green Finance Alliance shall not be construed as offers or recommendations for financial products or financial instruments. Despite being prepared with the greatest possible care, no guarantee is provided for the information in this publication, and any liability of the publisher and authors is expressly precluded. Any legal information provided is solely the non-binding opinion of the authors and has no influence whatsoever on the decisions of the independent courts.

Feedback: Please feel free to submit any comments or feedback on this publication to  
[greenfinance@umweltbundesamt.at](mailto:greenfinance@umweltbundesamt.at) and [greenfinance@bmk.gv.at](mailto:greenfinance@bmk.gv.at).

## Preface

The effects of the climate crisis clearly show what needs to be done: reduce our dependency on fossil fuels, use our resources wisely, and continue the just transition.

The Green Finance Alliance is one of the first government-led climate initiatives for financial companies, with criteria defined independently of financial companies and on a clear scientific basis. The short- and medium-term goals provide orientation, and the transparent criteria are guidelines on the way to the 1.5 °C climate target. The Green Finance Alliance helps its members to move quicker from strategy to implementation and offers support on questions such as: how and where are investments made, which activities are to be underwritten in the coming years, and how can climate risks be taken into account in the company.

Environmental and climate-relevant issues are becoming key decision-making factors in the financial sector. I am very pleased to see Austrian financial companies making this journey together with us as Green Finance Alliance members. As pioneers, they show how climate protection can be successfully integrated into their core business.

Climate finance was a central topic at the 27th World Climate Summit. Our role as the public-sector is to create a clear framework that facilitates sustainable finance activities and drives them into the mainstream. The goal is to channel more public financial flows and private capital into environmentally sustainable activities. The members of the Green Finance Alliance are leading pioneers in this endeavor.



Federal Minister  
Leonore Gewessler



## **Inhalt**

<b>Preface.....</b>	<b>3</b>
<b>Why do we need green finance?.....</b>	<b>6</b>
<b>The Green Finance Alliance: Together towards 1.5°C.....</b>	<b>9</b>
<b>Highlights: One year Green Finance Alliance.....</b>	<b>11</b>
<b>Pioneers in the spotlight.....</b>	<b>14</b>
<b>Governance structure.....</b>	<b>17</b>
<b>The criteria in brief.....</b>	<b>20</b>
<b>Outlook for 2023.....</b>	<b>22</b>
<b>Contacts.....</b>	<b>24</b>

# Why do we need green finance?

Greenhouse gas emissions are rising continuously and we are getting closer and closer to critical tipping points. The situation is serious, but not hopeless. Green finance provides us with an effective lever for climate protection.

The climate crisis is already affecting many areas of everyday life: Floods, droughts, and forest fires are occurring more frequently and are becoming more intense. The climate is changing in front of our eyes. The causes are man-made, meaning we can still do something about it. The Paris Agreement sets the framework: The goal is to limit the temperature increase to well below 2 °C, preferably to 1.5 °C, compared to pre-industrial levels by the end of the century. However, we must act immediately to have any realistic chance of reaching the 1.5 °C target. Based on the latest IPCC assessment report, global greenhouse gas emissions must peak between 2020 and no later than 2025 and then decrease rapidly in order to succeed at reaching the target. At present, we are still far from this goal. According to a recent UNFCCC study, we are in fact heading for a global temperature increase of at least 2.5 °C also under optimistic assumptions.

To ensure that we have the chance to limit the temperature increase to 1.5 °C, we must significantly speed up the needed transformation. The current IPCC report shows unequivocally that corresponding investments must be made immediately. — Keywan Riahi, Climate Expert, IIASA and IPCC Lead Author

The importance of limiting global temperature rise to 1.5 °C is also underscored by the risks that tipping points related to the increasing temperatures pose. Once exceeding those critical thresholds, drastic and in part irreversible consequences can result for our climate system. Every 0.1 °C rise in global temperatures increases the risk that we will reach these tipping points. At the current global warming of 1.1 °C, five tipping points are already possibly reached, including the dying of tropical coral reefs and the collapse of ice sheets, which will in turn raise sea levels. All facts and figures point to the urgency to act swiftly and not lose any more time.



## Green finance: driver of a sustainable economy

The financial sector is a key element in achieving the climate targets. The Paris Agreement includes the explicit goal of aligning financial flows with climate-friendly and resilient economic development. According to the European Commission's European Green Deal Investment Plan, 1 trillion euros must be mobilized in Europe in this decade alone to achieve climate neutrality. According to analyses of the Environment Agency Austria, around 145 billion euros will be needed between 2022 and 2030 in Austria in the energy, industry, buildings, and transport sectors. Investing in climate protection also means more green jobs and considerable growth potential in future industries. In this way, green finance can contribute to the sustainable transformation of the economy and to the creation of future-proof jobs.

Providing public funding will not be enough to close the investment gap in the energy transformation on the path to climate neutrality. The financial market plays an important role in mobilising private capital for these investments. — Jürgen Schneider, Head of Directorate General Climate Action and Energy, BMK

Pasterze Glacier at the base of the Großglockner clearly shows how far the climate crisis has progressed in Austria. (Photo: stock.adobe.com - Alberto)

## Managing risks – seizing opportunities

According to economists, the climate crisis is one of the most serious global risks for the economy and society and generates numerous secondary risks. The 2022 Global Risks Report of the World Economic Forum identified the top risks for the coming ten years. Half of these are environmental risks such as failures in climate action, extreme weather events, a loss of biodiversity, and human environmental damage. The integration of climate action as a key element into the core business is not only imperative due to the urgency outlined above, but also offers great opportunities for companies in the financial sector. Aligning portfolios with the 1.5 °C target opens up new business fields and can help to reduce the impacts of physical and transition risks on the core business, and thus helps to increase the resilience of the company's own business operations.

The consequences of the climate crisis pose numerous risks for society and the economy. The financial sector is already affected and must therefore learn to better understand, measure, manage, and reduce climate risks. A clear strategy with a realistic transformation path towards climate neutrality is crucial in this regard. It is time to start implementing it. — Andreas Breitenfellner, Senior Principal, OeNB (International Economics Section)

# The Green Finance Alliance: Together towards 1.5 °C

Making the Austrian financial market more sustainable, step-by-step:  
The Green Finance Alliance is the Federal Ministry for Climate Action's initiative for future-oriented financial companies.

In May 2022, the Federal Ministry for Climate Action (BMK) launched the Green Finance Alliance with the goal of successively aligning the Austrian financial market with the Paris climate targets. Banks, insurance companies, corporate provision funds, pension funds, and investment fund management companies can become members of the Green Finance Alliance. They voluntarily commit to make their core business climate-friendly and to expand their green products and activities. The Green Finance Alliance also helps to raise awareness for climate risks and to increase resilience. A science-based, transparent set of criteria forms the basis for this. Annual monitoring will evaluate whether the members meet the criteria. In this process the financial companies are supported by national and international experts. This approach makes the Green Finance Alliance one of the first government-led initiatives worldwide that calls for financial companies to commit to the Paris climate targets and thus to meeting specific criteria for their core business. This pioneering Austrian initiative represents a key step towards a climate-friendly future for the financial market.

The cooperation between the Federal Ministry of Finance and the Federal Ministry for Climate Action to mobilize private capital for climate protection is already showing its first tangible results. The Green Finance Alliance sets detailed requirements for how climate protection is to be integrated into the portfolios of financial companies. — Alfred Lejsek, Lead Group Financial Markets, Austrian Federal Ministry of Finance (BMF)

## Anchoring climate protection in the core business

The initiative focuses on the development of climate and engagement strategies and the consistent implementation of the measures that are defined within those strategies. For members of the Green Finance Alliance, this means phasing out coal and oil by 2030 as well as phasing out natural gas and nuclear power by 2035. The core business must be aligned to the 1.5 °C target by 2040 at the very latest so that climate neutrality can be achieved by 2050. On their way to this goal, financial companies gradually phase out

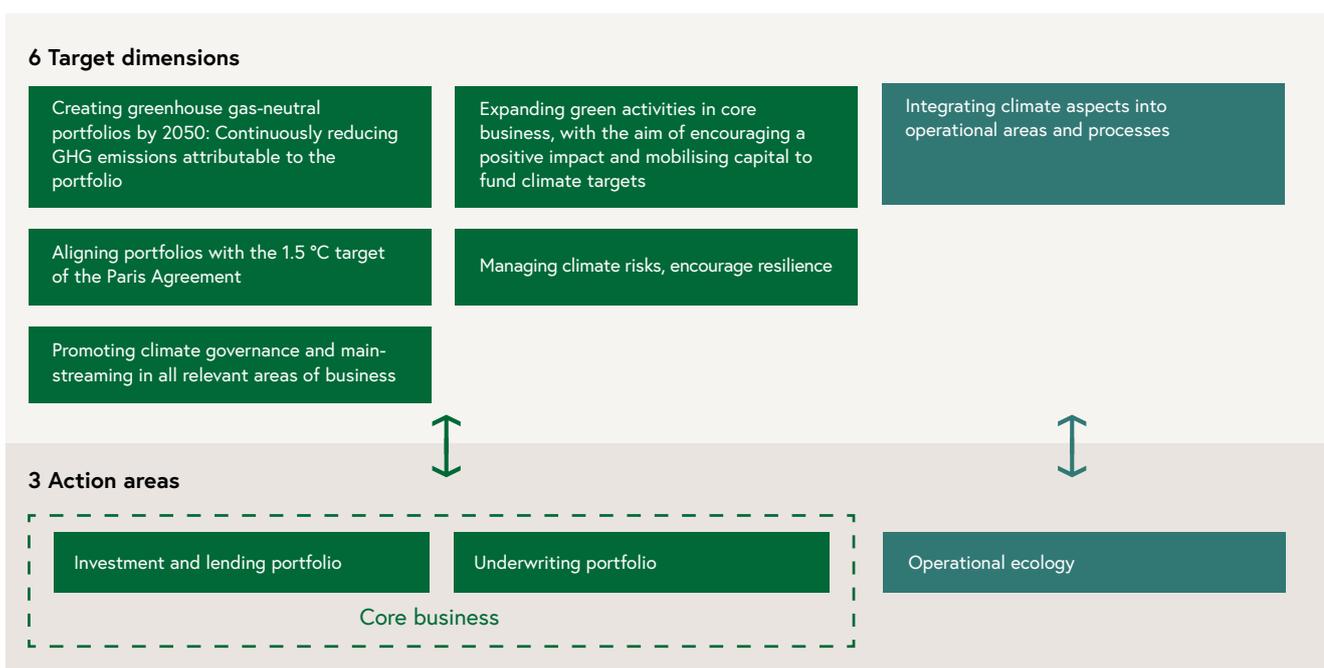
climate-harming activities and assist their customers in the sustainable transformation of their business activities. Progress is monitored annually, with a focus on climate performance disclosure of the core business.

The Green Finance Alliance criteria also include requirements for expanding green activities to support the energy and mobility transformation. Furthermore, climate-relevant aspects are also required in operational areas and processes. These include aspects such as the introduction of an environmental management system, a climate-friendly travel policy, and a sustainable procurement guideline. Membership in the Green Finance Alliance offers financial companies the opportunity to play a pioneering role. The comprehensive set of criteria provides the members orientation to move more quickly from strategy to implementation. They also receive support through regular exchange with experts from the Federal Ministry for Climate Action and the Environment Agency Austria. As part of the annual monitoring process, the members are given feedback that helps them with the further implementation of the criteria. In this way, they make a valuable contribution to the climate-friendly transformation of the financial market and to the sustainable re-orientation of capital flows.

## Goals of the Green Finance Alliance

The activities of the Green Finance Alliance are based on six target dimensions, five of which relate to the core business of the financial companies and one to operational ecology. The core business is divided into two action areas while operational ecology is a separate action area. This results in the following three action areas, with specific measures and criteria being assigned to each of them: investment and lending portfolio as well as underwriting portfolio (core business) and operational ecology.

From the core business to operational ecology: The Green Finance Alliance defines clear target dimensions and action areas.



# Highlights: One year Green Finance Alliance

With the combined financial capacity of nine renowned and ambitious financial companies in the Green Finance Alliance, we have gained important allies in the fight against the climate crisis.

The idea of the Green Finance Alliance was born out of the vision of making the financial market sustainable more quickly. The first concepts of a national climate protection initiative were already drafted in 2019. A cornerstone was the Focal Group Green Finance – a group of selected stakeholders from the financial sector and the real economy, advocacy groups, science, and public administration that served the Federal Ministry for Climate Action and the Federal Ministry of Finance as an advisory board for the development of an Austrian Green Finance Agenda. The idea for the initiative was developed together with green finance experts from the Environment Agency Austria. An important part of the preparations were in-depth exchanges with financial companies, NGOs and other stakeholders.

The climate and biodiversity crisis require a rapid rethinking in the financial sector. The climate-friendly and environmentally compatible transformation of the core business is crucial to the success of the institutions. The Green Finance Alliance is leading the way. — Lisa Simon, Team Leader for Climate Protection & Sustainable Financial Market, WWF Austria

After intensive preparations, a list of criteria was developed and a handbook drafted and released for public consultation. The first application phase for the Green Finance Alliance started in autumn 2021. Interested financial companies were able to learn about the initiative in webinars. In addition, all detail questions regarding the membership were clarified in bilateral meetings with experts from the financial companies and the Green Finance Alliance help desk.

The Green Finance Alliance is a best-practice example of how government-led initiatives can help the financial industry redirect investments and generate impact in the real economy. We are very pleased to contribute to the initiative by offering PACTA as a portfolio alignment method. — Catarina Braga, Lead of PACTA COP, RMI

Group photo Federal Minister Gewessler and the CEOs of the Green Finance Alliance members



The Green Finance Alliance launched on May 9, 2022. The first members were presented at the launch event in the premises of the former Vienna Stock Exchange. Federal Minister Leonore Gewessler, the CEOs of the Green Finance Alliance members and representatives from the Austrian financial sector attended the event.

Pictured from left to right: Markus Zeilinger (fair-finance Vorsorgekasse AG), Rémi Vrignaud (Allianz Elementar Versicherungs-AG), Andreas Zakostelsky (VBV-Vorsorgekasse AG), Klaus Kumpfmüller (HYPO Oberösterreich), Leonore Gewessler (BMK), Andreas Brandstetter (UNIQA Insurance Group AG), Herta Stockbauer (BKS Bank), Robert Zadrazil (UniCredit Bank Austria), Gernot Heschl (VBV Pensionskasse AG), Hubert Pupeter (Raiffeisenbank Günskirchen eGen).

## Towards the climate target one step at a time

The climate crisis demands immediate action. Thus, the financial companies got straight to work after the launch event. The first criteria, in particular the introduction of a climate and engagement strategy, must be met by the end of 2022. A major advantage for members is the professional support provided by the BMK, the Environment Agency Austria, and the Advisory Council. In two webinars, a full-day workshop, and multiple bilateral discussions, details regarding criteria implementation and the monitoring process were presented. There were also interesting, in-depth presentations on the PACTA method (Paris Agreement Capital Transition Assessment) by Catarina Braga (RMI) and on the SBTi

standard (Science Based Targets initiative) by Nate Aden. An additional benefit for the members is that they can contact the help desk at any time to ask individual questions.

Green finance is undergoing dynamic changes at the regulatory and the business level. With the Green Finance Alliance, we also want to address the expected market-specific developments and ensure the highest possible degree of efficiency. Thus, the list of criteria is regularly evaluated and adapted.

## Achieving more together

The more financial companies that join us, the more we can achieve. This is why we have already started the second application phase in autumn 2022. Banks, insurance companies, pension funds, corporate provision funds, and investment fund management companies once again have the possibility to join this pioneering initiative and contribute actively to the climate-friendly transformation of the financial market. In this second application phase, potential candidates were able to learn about the initiative in two webinars and bilateral discussions with our experts. The existing members were also part of the second application phase, with the members' CEOs sharing their first experiences with the initiative in short videos.

The financial sector is experiencing an unprecedented momentum in the development of climate protection-related standards and methods. By bundling relevant developments, the Green Finance Alliance provides valuable know-how and PCAF appreciates to support these efforts. — Angélica Afanador, Executive Director, PCAF

# Pioneers in the spotlight

From large, international players to smaller and regionally focused financial companies: Our first nine members are forerunners. They are driving the Austrian financial market towards more ambitious climate protection.

## The members of the Green Finance Alliance

Four banks, two insurance companies, two corporate provision funds, and one pension fund: The pioneers of the Green Finance Alliance cover a broad spectrum of the Austrian financial market.



### Allianz Österreich

Allianz Österreich is one of the country's leading insurance companies and part of the Allianz Group, which is active in more than 70 countries around the world. It has around 2,200 employees across Austria.

Allianz has been using its capital as a lever for sustainable change for many years already. We are proud to now be part of a strong network for a climate-fit financial sector. — Rémi Vrignaud, CEO of Allianz Versicherung



### BKS Bank

BKS Bank is a universal bank headquartered in Klagenfurt. It has 1,100 employees and successfully provides banking and leasing services in Austria, Slovakia, Slovenia, and Croatia.

The Green Finance Alliance provides us with clear guidance on which climate protection goals are to be achieved. Implementing the planned measures is a considerable undertaking, but we receive valuable input and appreciate the respectful dialogue. — Herta Stockbauer, Chairwoman of the Management Board BKS Bank

## fair-finance Vorsorgekasse

fair-finance Vorsorgekasse was founded in Vienna in 2010 and aims to invest all capital contributions paid into the legally mandated employee provision fund system in Austria responsibly and with an eye to generating positive impacts.

The sustainability expertise of fair-finance Vorsorgekasse as a pioneer member of the Green Finance Alliance should be an important source of impetus and motivate more actors to take action. — Markus Zeilinger, Founder of fair-finance Vorsorgekasse



## HYPO Oberösterreich

Having been in business for over 130 years, HYPO Oberösterreich is one of the longest-standing banks in Austria. It is the main bank of the provincial government of Upper Austria and specializes in housing construction financing.

The Green Finance Alliance offers considerable benefits in relation to our ambitions to transform our bank in all areas rapidly and in a targeted manner. This is why we became a member from the very start, and this decision has proven its value time and time again. — Klaus Kumpfmüller, CEO of HYPO Oberösterreich



## Raiffeisenbank Gunskirchen

The independent bank Raiffeisenbank Gunskirchen is active with five branches within and outside of the region. The environmental centre that was founded in 2012 places its focus on environmental, social, and charitable financing and investments.

As a pioneer in environmental financing and as one of the first members of the Green Finance Alliance, we use the formative power of money to achieve the climate targets. In keeping with the motto 'Something that cannot be achieved alone can be achieved by many!' — Hubert Pupeter, CEO, Raiffeisenbank Gunskirchen eGen



## UniCredit Bank Austria

UniCredit Bank Austria is one of the leading major banks in Austria and a member of UniCredit. UniCredit provides comprehensive services to more than 15 million customers around the world.

We have supported the Green Finance Alliance from the very beginning. This initiative is so important because the financial sector plays a central role in the transformation to a lower-emission economy. — Robert Zadrazil, CEO of UniCredit Bank Austria





### UNIQA Group

UNIQA Group is one of the leading insurance groups in its core markets in Austria and Central and Eastern Europe. It has a local presence with around 40 offices in 18 countries, and has roughly 15.5 million customers.

The Green Finance Alliance is a strong partnership in the transformation of our business model in line with the Paris Agreement goal of achieving climate neutrality throughout Austria (2040) and throughout the entire group (2050). — Andreas Brandstetter, CEO of UNIQA



### VBV-Vorsorgekasse

VBV-Vorsorgekasse is the largest employee provision fund in Austria and serves every third employee and self-employed person with regard to the obligatory company provision fund contributions.

As a sustainability pioneer, we have combined good financial results with applied sustainability for 20 years already. Through the Green Finance Alliance, even more companies are recognising the potential of sustainability. — Andreas Zakostelsky, CEO of VBV-Vorsorgekasse



### VBV-Pensionskasse

VBV-Pensionskasse is the market leader among the Austrian pension funds based on the covered employees and pensioners as well as the invested capital.

With company pension funds, it is important to take a long-term and multi-generational perspective. Because of this, ensuring many different aspects of sustainability is of utmost importance. As the first pension fund, we support the goals of the Green Finance Alliance with absolute conviction. — Gernot Heschl, CEO of VBV-Pensionskasse

## The Green Finance Alliance - Facts & Figures



\* Source: Publications of the Green Finance Alliance members

\*\* Source: Own calculations based on publicly available sources (share measured by the total assets of banks, insurance companies, pension funds, and corporate provision funds)

# Governance structure

Austria is implementing a unique pioneering initiative with the Green Finance Alliance. Read more about how the Green Finance Alliance is organized.

The governance structure of the Green Finance Alliance consists of different organizational units with defined roles and areas of responsibility. The Convening Body is located in the Federal Ministry for Climate Action and is responsible for the strategic management of the Green Finance Alliance.

## Convening Body

The Convening Body appoints the Steering Committee and assigns decision-making authority to it. It also commissions the Coordinating Office to provide the technical and content-related support for the initiative. The Convening Body is responsible for the strategic management of all activities taking place within the framework of the Green Finance Alliance as well as for the contractual handling. Therefore, the Federal Ministry for Climate Action is the bilateral contractual partner of each individual Green Finance Alliance member. Within the Federal Ministry for Climate Action, Department VI/3 Green finance and sustainable economy is responsible for the initiative.

## Steering Committee

The Steering Committee is responsible for the assessment of the evaluation results of the annual monitoring, the admission of new Green Finance Alliance members, the exclusion of Green Finance Alliance members as well as the composition of the Advisory Council and the revisions of the criteria catalogue. The Convening Body appoints it with members of the Federal Ministry for Climate Action as well as third party experts, for example from the Federal Ministry of Finance or other Federal Ministries.

### Members of the steering committee

- Jürgen Schneider, Head of Section VI Climate and Energy (BMK)
- Stefan Sengelin, Head (interim.) of Department VI/3 Green finance and sustainable economy (BMK)
- Caroline Vogl-Lang, Department VI/3 Green finance and sustainable economy (BMK)
- Alfred Lejsek, Head of the Financial Markets Group (BMF)

## Coordinating Office

The Coordination Office is responsible for the operational implementation, coordination, and the support of the help desk. It is located in the Environment Agency Austria. The Coordinating Office is also responsible for conducting the annual monitoring and compiling the evaluation results.

Fostering climate protection in the financial sector: A dedicated team is at the cornerstone of every successful initiative.



## Advisory Council

The Advisory Council assists the Steering Committee and the Coordination Office in particular with the substantive and science-based development of the Green Finance Alliance and with questions about methods. It is composed of national and international experts in the field of green finance. It includes people from universities, non-university scientific institutions, international initiatives, and interest groups. As a purely advisory body, it has no decision-making powers.

### Members of the Advisory Council of the Green Finance Alliance

- Nate Aden, Finance Lead, Science Based Targets initiative (SBTi)
- Angélica Afanador, Executive Director, PCAF
- Catarina Braga, Lead of PACTA Coordinated Projects, RMI
- Andreas Breitenfellner, Lead Economist, Oesterreichische Nationalbank (OeNB)
- Irene Monasterolo, EDHEC Risk Climate Impact Institute, Professor of Climate Finance, EDHEC Business School
- Matthias Pastl, Senior Vice President Group Environment, voestalpine

- Keywan Riahi, Director of the Energy, Climate and Environment (ECE) Program, International Institute for Applied Systems Analysis (IIASA)
- Franz Rudorfer, Division Chairperson Bank and Insurance, Austrian Federal Economic Chamber (WKO)
- Silvia Ruprecht, Climate and Financial Market Project Manager, Swiss Federal Office for the Environment (BAFU)
- Nancy Saich, Senior Policy Advisor, European Investment Bank (EIB)
- Lisa Simon, Team Leader Climate Protection & Sustainable Financial Market, WWF
- Jakob Thomä, Executive Director, 2 Degrees Investing Initiative (2DII)
- Andreas Wollein, Head of Group Finance and Investor Relations, Verbund

### The governance structure of the Green Finance Alliance



# The criteria in brief

Within the Green Finance Alliance, we have defined numerous measures that are based on the six target dimensions. These are broken down into over 65 concrete criteria that our members are required to fulfil.

## Criteria for core business

The measures cover a variety of topics. The overarching goal is to anchor climate as a target dimension in the financial company. The measures include mandatory disclosures such as the climate and engagement strategy; phasing out coal, oil, and natural gas; and the use of methodological standards, for example for greenhouse gas accounting.

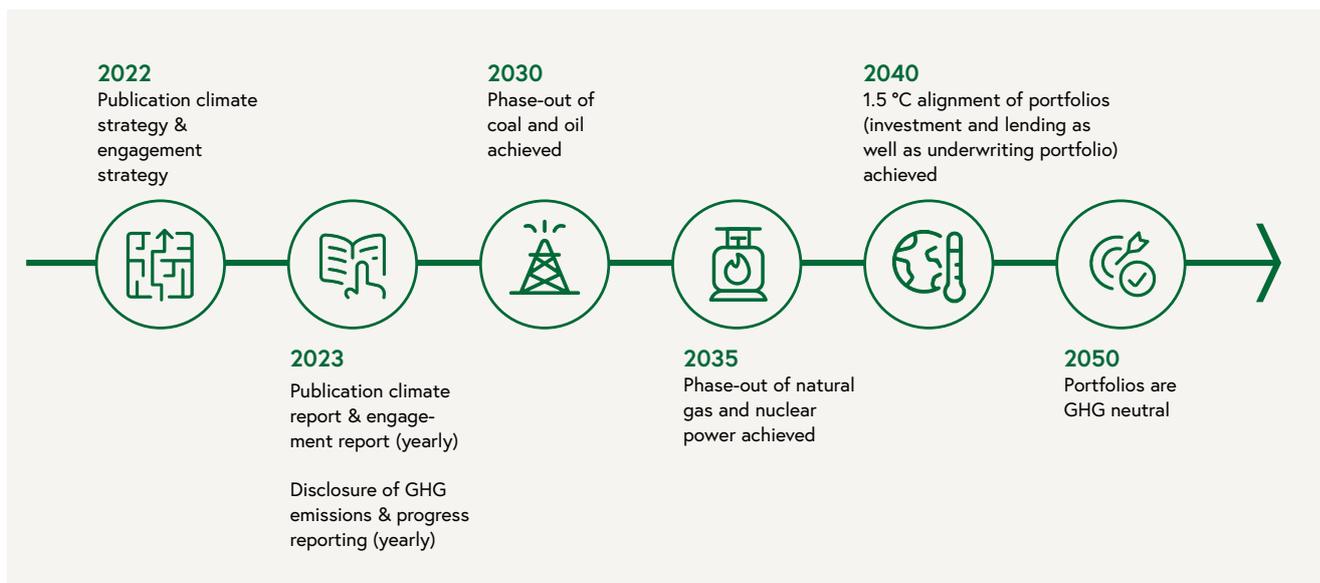
Each measure is backed with mandatory criteria and deadlines. The criteria set out the specific action that is needed and serve as the basis for assessing target attainment. The deadline indicates the latest date by which the criterion must be met.

### Practical example of coal

Green Finance Alliance members do not conduct new business activities with coal companies that are continuing to expand their coal business as of the end of 2022. If the company is willing to cease expansion or to decarbonise its business, this company can be supported in its transformation.

Due to the dynamic development of the field of green finance, the list of criteria is regularly reviewed to ensure that it is up to date. Changes can also be made as necessary. As a result, new criteria may be introduced, and existing criteria may be amended or removed from the list.

Austria's Green Finance Alliance is a leading example of forward-looking climate policy for private sector finance. From a SBTi perspective, we welcome Green Finance Alliance member institutions to join the 15 Austrian companies with approved Science-Based Targets as of 2022. — Nate Aden, Finance Lead, SBTi



## Criteria for operational ecology and other areas

The Green Finance Alliance focuses on climate-friendly measures in the core business of financial companies to highlight their pioneering role in this area. Nevertheless, certain climate-relevant criteria relating to operational ecology are important foundations to ensure the credibility of highly ambitious climate strategy efforts. Therefore, the initiative also includes criteria for the introduction of a company environmental management system, the publication of guidelines for procurement and travel, and the purchase of green electricity.

The remaining measures refer to the phase-out of nuclear power and introduction of standards for minimum social safeguards. Even though the criteria for phasing out nuclear power do not directly contribute to the climate target dimensions of the initiative, its inclusion is intended to prevent the phase-out of fossil fuels from leading to the expansion of nuclear power.

Milestones: Short- and medium-term goals as well as concrete criteria are needed for a successful transformation of the financial sector.

## Annual monitoring and progress report

The monitoring of the Green Finance Alliance members ensures that the commitments are followed by action. Green Finance Alliance members agree to complete a standardized questionnaire annually and submit it to the Coordination Office for evaluation. The questionnaire is used to determine whether the criteria have been met. The results of the evaluation as well as any suggestions for improvement are presented to the Steering Committee. Using this decision-making tool, the Steering Committee then assesses the degree to which the Green Finance Alliance members have met the criteria.

A key publication within the Green Finance Alliance is the progress report. It will be published for the first time in 2023. In this report, the climate performance of all Green Finance Alliance members will be aggregated and presented anonymously.

# Outlook for 2023

From strategy to action: Within the Green Finance Alliance we are committed to ensure that our members succeed in this. The first steps have already been taken, and will continue ambitiously next year – for our existing and new members.

Long-term thinking and short-term action – in the first year of the Green Finance Alliance we laid the foundation for our future path and showed that the initiative is not about empty promises. A next key milestone for the Green Finance Alliance is to get more financial companies on this ambitious path. After all, the more members the initiative has, the greater the positive impact for climate protection will be. In the second application phase, Austrian financial companies again have the opportunity to join our pioneers. They will be officially presented during the Green Finance Alliance annual event in May 2023. Shortly after that, they will begin implementing the first criteria.

The fact that the Green Finance Alliance already has nine members is a great start. I encourage Austria's financial companies to join us on this future-oriented path to Paris. — Franz Rudorfer, Division Chairperson Bank and Insurance, WKO

Our existing members also have plenty to look forward to in the coming year. They will learn more about the implementation of the next criteria and will gain important know-how for achieving their interim goals in workshops and webinars. Two to three webinars and two workshops are planned. One of the webinars will focus on the latest developments of the PCAF (Partnership for Carbon Accounting Financials) standard. Our experts from the Advisory Council will again share their expertise with our members during these events.

## Initial results and further development of the initiative

An important milestone for the Green Finance Alliance members is the first monitoring of criteria fulfilment, which will take place in early 2023. This review will assess over 20 criteria, due by the end of 2022. This includes the publication of a climate strategy and engagement strategy. These publications will form the basis for integrating climate as a target dimension in the corporate strategy and core business of our members.

The Coordinating Office evaluates the questionnaires and compiles the results derived from them as a decision-making basis for the Steering Committee. Based on the monitoring, decisions are taken as to whether members must implement improve-

ment orders. In this process, we see ourselves as an important sparring partner for our members. Therefore, improvement orders should be seen as guiding support for portfolio alignment. The individual evaluation results, provided by the Steering Committee, including any improvement order will be communicated to our members by no later than May. The aggregated and summarized results will be disclosed in our progress report by mid-2023.

Green Finance will continue to evolve rapidly, closing methodological gaps and improving existing approaches. We are monitoring these developments very closely and will incorporate them into our initiative, as and when appropriate. In this context, the list of criteria will also be reviewed in 2023 and adapted if needed. This also includes the possible expansion of the list of criteria to include relevant topics that are not yet covered. Examples include advisory business at banks and the carbon accounting of insurance-associated emissions. The Steering Committee decides on any adaptations on the basis of extensive analyses by the Environment Agency Austria (Coordinating Office). The Coordinating Office receives extensive support from the experts on the Advisory Council, who provide valuable inputs on the basis of their expertise. Two advisory council meetings and numerous bilateral discussions with advisory council members should ensure that this regular exchange takes place again in 2023.



On the climate path: The new members will be officially accepted into the Green Finance Alliance at the annual event.

# Contacts

## **Convening Body**

Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK)

Department VI/3 – Green Finance and Sustainable Economy

E-Mail: [greenfinance@bmk.gv.at](mailto:greenfinance@bmk.gv.at)

## **Contact persons**

Caroline Vogl-Lang

E-Mail: [caroline.vogl-lang@bmk.gv.at](mailto:caroline.vogl-lang@bmk.gv.at)

## **Coordinating Office and help desk**

Environment Agency Austria

Green Finance Team

E-Mail: [greenfinance@umweltbundesamt.at](mailto:greenfinance@umweltbundesamt.at)

## **Contact person**

Pedram Payami

E-Mail: [pedram.payami@umweltbundesamt.at](mailto:pedram.payami@umweltbundesamt.at)



