

Conference

The ESG paradigm and the climate imperative. Regulatory and policy challenges for the banking sector



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23-24 March 2023

Sala Europa - Villa Schifanoia, Via Boccaccio 121 - Florence

Organisers

- **Cristina Angelico** | Bank of Italy
- **Thorsten Beck** | EUI's Florence School of Banking and Finance
- **Emilia Bonaccorsi Di Patti** | Bank of Italy
- **Alberta Bombetti** | Bank of Italy
- **Alessio De Vincenzo** | Bank of Italy
- **Valeria Lionetti** | Bank of Italy
- **María del Carmen Sandoval Velasco** | EUI's Florence School of Banking and Finance
- **Pierre Schlosser** | EUI's Florence School of Banking and Finance
- **Elena Sedano Varo** | EUI's Florence School of Banking and Finance
- **Anatoli Segura Velez** | Bank of Italy

Introduction

The Intergovernmental Panel on Climate Change of the United Nations has recently warned that global temperature will continue to increase until at least mid-century. Policymakers must urgently act to mitigate climate change and reduce its damaging effects. As part of the European Green Deal and in line with its global climate action under the United Nations Framework Convention on Climate Change, the European Union (EU) has committed to becoming carbon neutral by 2050. One of the plan's cornerstones is the EU Strategy for financing the transition to a sustainable economy, an endeavour to redirect financial flows to support the transition.

National governments have the primary responsibility for achieving this objective: they can provide incentives to allocate capital to green investments, levy taxes on carbon emissions, regulate the amount of emissions and reach international agreements on shared targets for emissions. Regulators and supervisory authorities also have a role to play in ensuring that the banking sector is resilient and able to contribute to this evolving landscape. With global warming, physical risks will increasingly affect households and firms, with potential spillovers onto banks; a disorderly transition could negatively influence profitability and hamper financial stability. Banks should be able both to properly assess and manage climate-related risks and to redirect financial flows to support the transition toward a sustainable economy. Regulators, supervisory authorities and financial institutions have already taken several actions to achieve these aims.

However, the banking sector's road to sustainability is still paved with significant challenges. The conference gathers contributions from policy institutions, industry players and academia to discuss on these issues.

Programme

23 March

- 14.15 - 14.45 Welcome coffee
- 14.45 - 14.50 Welcome by EUI President **Renaud Dehousse**
- 14.50 - 15.00 Introduction by **Thorsten Beck** | EUI's Florence School of Banking and Finance and **Alessio De Vincenzo** | Bank of Italy
- 15.00 - 16.30 **Session 1. Evidence and Assessment of physical and transition risks for the banking sector**

Chair: **Thorsten Beck**

Speaker: **Bertille Delaveau** | Banque de France
Commentator: **Paul Fisher** | Cambridge University

Speaker: **Emilia Bonaccorsi Di Patti** | Bank of Italy
Commentator: **Irene Monasterolo** | EDHEC

16.30 - 17.00 *Coffee Break*

17.00 - 18.30 **Session 2. ESG risk management: supervisory approaches and industry perspectives**

Chair: **Giuseppe Siani** | Bank of Italy

Speakers:

- **Stefan Blochwitz** | Bundesbank
- **Gábor Gyura** | United Nations Environment Programme
- **Michala Marcussen** | SocGen
- **Gonzalo Gasós** | European Banking Federation

18.30 - 19.00 *Refreshments*

19.00 - 19.45 *Evening Keynote Speech: "Central banks, climate change and transition finance"*

Ben Caldecott | University of Oxford, introduced by **Sergio Nicoletti Altimari** | Bank of Italy

Followed by Q&A

19.45 - 21.00 *Standing dinner*

24 March

9.00 - 10.30 **Session 3. ESG disclosure and reporting requirements**

Chair: **Kenneth Amaeshi** | EUI

Speaker: **Costanza Consolandi** | University of Siena
Commentator: **Claudia Guagliano** | ESMA

Speaker: **Florian Berg** | Massachusetts Institute of Technology
Commentator: **Massimo Beccarello** | University of Milano Bicocca

- 10.30 - 11.00 *Coffee break*
- 11.00 - 11.45 *Keynote lecture on Green/Environmental financial accounting by **Lucrezia Reichlin** | London Business School*
- Chair: **Leigh Hancher** | EUI's Florence School of Regulation
- 11.45 - 13.15 **Session 4. The interplay between micro and macroprudential policies to address climate related risks**
- Chair: **Alessio de Vincenzo** | Bank of Italy
- Speakers*
- **Stephane Boivin** | European Banking Authority
 - **Pierre Monnin** | Council on Economic Policies
 - **Linda Zeilina** | International Sustainable Finance Centre
 - **Kern Alexander** | University of Zurich
- 13.15 - 14.30 *Light lunch*