



LIFE Project Number
LIFE18 IPC/FR/000010

After-LIFE report

31/03/2025

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1. Executive Summary

The [LIFE programme](#) is the EU's funding instrument for the environment and climate action. The Finance ClimAct project has been selected back in 2018 to support the implementation of the Sustainable Finance Action plan of the European Union at both European and French level.

After 5 years (2019-2024) of project involving nearly 30 ETPs, 9 consortium members and 18m€ of budget including 10m€ brought by the European Union, this "After-LIFE" report of the [Finance ClimAct project](#) recalls the context and objectives of the project, present its main achievements and draw the expectations for the future.

Between Covid crisis, Russo-Ukrainian war and paradigm shift in international cooperation perspectives following American election results in 2024, the context has been tremendously shaken. Both EU strategy and the project itself had to adapt continuously. Thus, despite some initial objectives not being reached, the Finance ClimAct teams are proud to present their achievements that set sound foundations for supporting the implementation of the EU renewed strategy. Among the assets that the project brought to EU one can quote:

- Well-organized, staffed and skilled financial supervisors regarding sustainable finance and climate topics;
- An operational Sectoral Transition Plans framework that can be replicated at different sectoral and geographical level;
- Implementing tools for building and assessing real-economy and financial company transition plans thanks to the ACT initiative;
- A Sustainable finance observatory capable of analysing voluntary and regulatory data to track the financial contribution to the Paris Agreement;
- The ability of French labels (Greenfin, SRI) to produce meaningful environmental results and the MyFairMoney digital platform to inform investors.

Both success and drawbacks experienced during the project allow us to highlight the following key points:

- Innovative programs (methodology developments, training, stress tests...) work where they are backed by strong public actors such as government, central bank, supervisors. Under a voluntary paradigm, alignment of interest is less guaranteed and the evolution of the situation can lead to sudden changes of priorities, ruining efforts made (see the INVEEST program that had to stop and PACTA program that had to be reshaped).
- In a liberal paradigm, it is up to the economic actor, and firstly the companies themselves, to actually perform the transition. This means there is a need for policy makers to be able to assess and monitor the alignment of companies, both at non-financial and financial level. Thus, it is necessary to use methodologies and tools analysing and comparing them (see ACT initiative), and to have them backed by public authorities and supervisors. This means a minimum relevant set of compulsory underlying information to disclose by companies in order to perform the analysis.
- As shown by various retail savers studies and reports, the gap between retail investor preferences, their actual understanding and what financial products can offer has not narrowed by much throughout the 5 years of the project. This tends to show that there is still a lot of work to be done to raise retails investors awareness on the topic or more pragmatically to adapt regulation to the level of understanding.

Leveraging on the achievements and lessons learnt of this project, the following general objectives or perspectives are identified.

- **Pursue dissemination efforts of existing tools and methodologies.** Objectives are notably:
 - o That the sectoral transition plan framework supports the building of operationalized sectoral roadmaps at EU level, feeding the competitiveness and decarbonisation strategy;
 - o That tools and methodologies are acknowledged and recognized by regulation and business: ACT assessment to serve as a referential for evaluating company's transition plan and PACTA to assess current financial institution's portfolio alignment, ACT step-by-step to help thousands of companies building the climate efficient and credible transition plan they need;
 - o That MyFairMoney platform emerge as a reference for guiding retail investors in the financial products that correspond to their values.
- **Ensure an efficient application of the law**
 - o Supervisors to apply their mandate on relevant regulations with expertise thanks to the capabilities gained (transition plan in CRR6-Solvency 2, MiFID/IDD regulations, CSRD, CS3D)
- **Demonstrate, develop and share our expertise.**
 - o Pursue regular analysis of financial institution and company practices and state of art through Climate Transparency Hub, Sustainable Finance Observatory and AMF work: CSRD and taxonomical reporting analysis, banks EBA pillar 3 analysis, 29 LEC reports analysis...;
 - o Members to contribute jointly or individually to the future building of regulations and international initiatives using the Finance ClimAct results:

It needs to be kept in mind that all detailed means and fundings have not necessarily be identified at this stage given the high uncertainty context. The main secured elements at this stage are the following:

- ADEME has secured 7 FTEs (2 on Sustainable Finance, 3 on ACT, 2 on the industry decarbonization). The ACT initiative is identified as one of ADEME's "flagship project", and deployment of the initiative through subsidies and public offer for ACT Assessment coverage are scheduled for the next years. A dedicated subsidiary, ADEME ACT Solutions, has been setup with 4 complementary FTEs to contribute the diffusion of ACT training;
- The Sustainable Finance Observatory and 2DII have merged in one autonomous single entity that will get various support for its missions, and notably a 3-year partnership with ADEME for up to 250k€ per year;
- Supervisors have reached a mature size regarding their capabilities and relevant resources have been secured. Banque de France has issued a public offer for pursuing a reshaped training program on market level to maintain and renew the expertise;
- The PACTE industry program will continue till end of 2026 thanks to CEE fundings that will reinforce capacity building for financial directors in companies using ACT and INVEEST trainings.

Beyond these elements, it is highlighted that this project has built bridges between members, and a better coordination of the French financial players. This network will remain in the future under both an informal way, common topics (e.g. 29 LEC CTH between ADEME, ACPR and AMF) and bilateral partnerships (e.g. ADEME/SFO), allowing us to adapt to any new evolutions of context the future reserve us and regular forums for exchange like the climate and sustainable finance committee of AMF and ACPR and the Commission Policy and Working Groups of the IFD.

The main identified point of uncertainties are the following:

- - What political space is there for the implementation of normative tools, methodologies and sectoral roadmaps leading to significant change? Concern for competitiveness at EU level should help drive innovation and initiative. However, control and incentives are essential if the EU's decarbonization objectives are to be achieved, so it requires considerable vigilance to combine competitiveness and decarbonization. What set of datapoints/perimeter of requirements will remain in CSRD/CS3D/Taxonomy perimeter after the Omnibus simplification

process? Will there be enough to keep an efficient run of our tools and methodologies or will adaptations be needed?

- With the prudential transition plan, the banks and insurers will mainly focus on climate risk rather than climate impacts. it's important to understand that risk-based management can penalize the transition by limiting financing to emissive sectors that need to be decarbonized, or adaptation financing to activities exposed to climate risks. Consequently, it is important that the prudential transition plan serve the CSRD / CS3D plan, the climate ambition and political mandate of supervisors will be key in this respect.

2. Overview of the LIFE Finance ClimAct project

2.1. Context and objectives

To participate in the transition to a low carbon and climate-resilient economy, the financial system needs to put climate considerations at the heart of its operations, both in terms of impact and risks.

The European Union has developed back in 2018 an [action plan for the sustainable Finance](#) supporting the European Green Deal set to fulfill Paris Agreement. This action plan comprised many ambitious regulatory and incentive measures covering all the various aspects of the necessity to channel investment toward the financing of the transition: identification of low-carbon economic activity, standardized sustainable information at company level and product level, ESG-preference of retail investors, label, ESG risk considerations...

All these ambitious initiatives brought numerous questions: which criteria for a retail sustainable finance label, how to design a stress-test methodology for risk consideration and what tools can be designed to assess climate risks, what are the implementation challenges for taxonomy, what is the concrete feedback from retail investors regarding their ESG-preference, how to identify an asset low-carbon/in transition?

The Finance ClimAct LIFE project has been issued in 2019 for 5 years, to develop the necessary tools, methods and new knowledge, with three main targets:

1. Industries and corporate: encouraging investments in energy efficiency and the low-carbon economy.
2. Financial Institutions and their supervisors: facilitating the integration of climate change aspects into the steering and supervision of the financial sector.
3. Households: facilitating investments decisions based on environmental objectives.

The project was supported by a consortium of 9 key actors of the sustainable finance in France:

- Public bodies: The French Ministry of Ecology and ADEME, the French Ecological Agency
- The two financial supervisors: ACPR (bank and insurance) and AMF (Listed companies and asset managers)
- Think tanks and federation representatives:
 - o I4CE
 - o 2ii (to be merged in 2025 within the Sustainable Finance Observatory)
 - o Institut de la Finance durable (ex – Finance 4 Tomorrow)
 - o RMI
 - o Greenflex

Nearly 30 FTEs worked on the project between 2019 and 2024 for a total 18m€ budget, among which 10m€ were brought by the European Union, contributing to the implementation of French and European policies for sustainable finance, in line with the European Green Deal and France's National Low Carbon Strategy.

It experienced several evolutions as the learning curve quickly grew, and as the global context significantly changed since 2019: Covid crisis leading to change in priorities, a [renewed sustainable finance strategy](#), the Russo-Ukrainian war with the increase of energy prices, and, at the very end of the project, the Omnibus project regulation reviewing significant pieces of the strategy (CSRD, CS3D, Taxonomy) with a perspective of simplification.

The project adapted as well to these changes and contributed through various feedback (consultation answers, bilateral informal or formal exchanges) to the evolution of national and European policies and strategies.

2.2. Main achievements and impact

The LIFE Finance ClimAct project, structured around 3 pillars and 34 actions, present numerous deliverables and achievements. The main ones are described on the [Finance ClimAct](#) website, while the current report elaborates further on some of the main achievements.

For real-economy companies

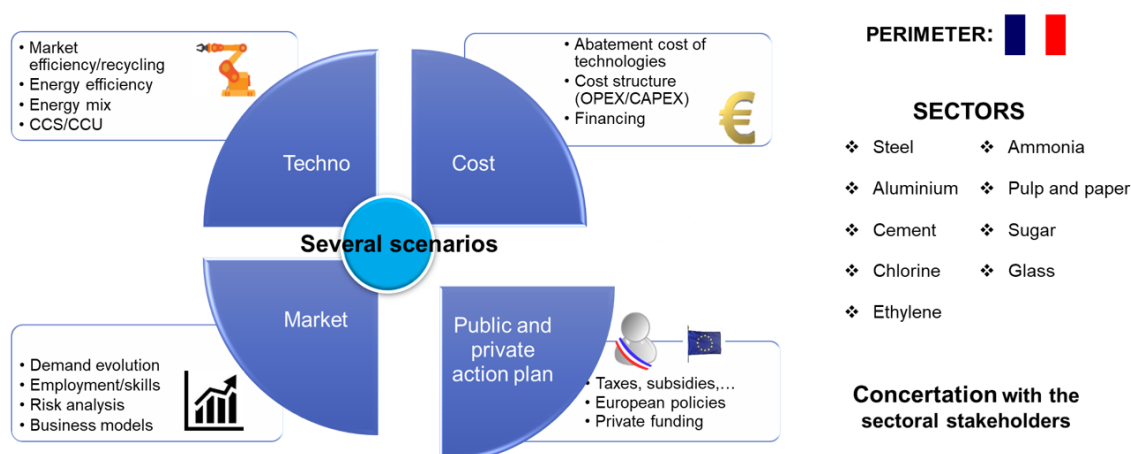
Key objectives were to:

- Design operational decarbonation pathways for the sectors in France;
- Train and engage industries to implement already-mature decarbonation levers;
- Allow more broadly all companies to design and improve sound transition plans.

Overall significant achievements have been made in these areas.

Sectoral Transition plans

ADEME has been developing a modelling suite and a set of 9 Sectoral Transition Plans (“STP”) on the most energy-consuming sectors in France: cement, aluminium, steel, 3 chemicals (ammonia, ethylene and chlore), glass, sugar and paper cardboard.



Technically and economically relevant and robust scenarios were issued through a concertation process involving numerous contributions from industry players. A generic STP-elaboration methodology has been issued to ease the replication of the work at different sectoral and geographical levels.

This work has been disseminated at various National, European and International levels, serving notably as an input for the issuance of the draft 3rd version of the French National Low-Carbon Strategy and the development of a specific European standard « *Industrial decarbonization – Requirements and guidelines for sectoral transition plans* » (published 2025 March)

The STPs have also made it possible to design new public policies, such as the calls for projects to decarbonize industry (for example “Décarb ind” or “AO GPID” France 2030 operated by ADEME).

Key deliverables:

Item	Link
Generic STP	Final report - French Final report - English
STP Cement	Summary report - French Summary report - English Final report - French

STP Aluminium	Summary report - French Summary report - English Final report - French
STP Steel	Summary report - French Summary report - English Final report - French
STP Ammonia	Summary report - French Summary report - English
STP Glass	Summary report - French Summary report - English
STP Sugar	Summary report - French Summary report - English
STP Ethylene and Chlore	Summary report - French
STP Paper Cardboard	Summary report - French

PACTE Industrie

Already-mature solutions exist as of today to cut emissions in industry process, notably through energy optimization. Scaling the implementation of the solution is a key aspect of decarbonation.

During the first part of the Finance ClimAct project, 364 persons were trained through the INVEEST program. During the last part of the project, a new training program, PACTE Industrie, has been setup by ADEME covering both technical and financial aspects from an industry perspective. At the end of 2024, 197 persons were trained through this new program.

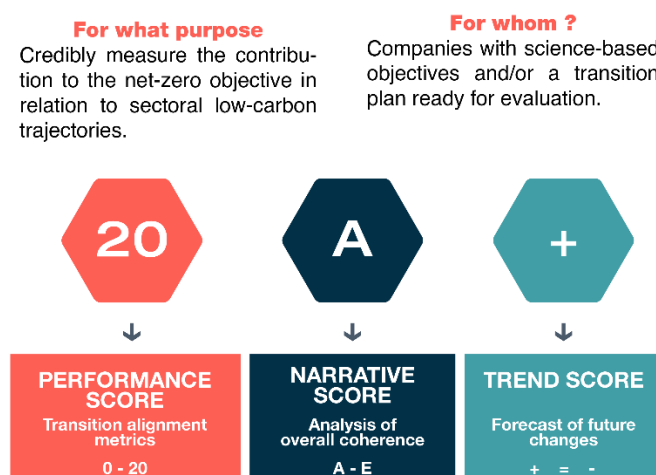
Key deliverables:

Link to the [PACTE Industrie training program](#) [in French].

The ACT initiative

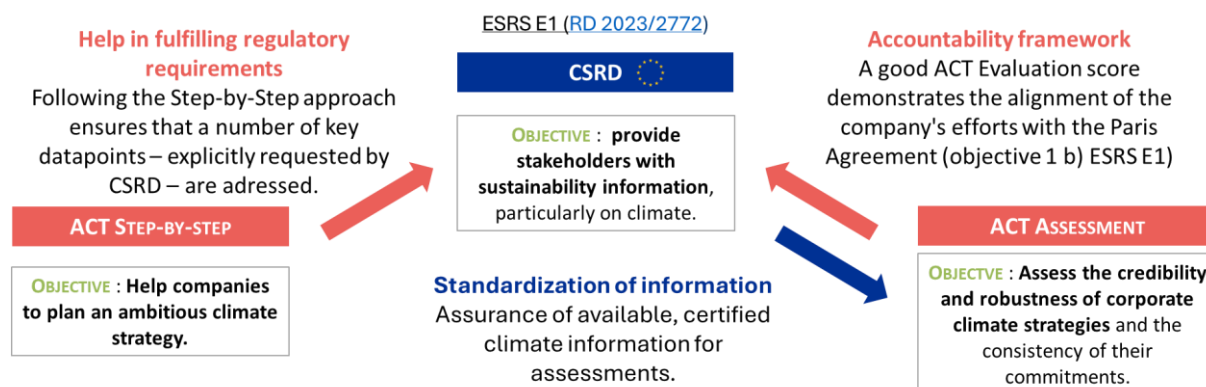
Created in 2015 following Paris Agreement, founded by ADEME and CDP and now host by WBA in partnership with ADEME, the ACT initiative ("Accelerate Climate Transition") aims at providing companies with tools to build and assess their transition plans. The ACT initiative is mainly structured around two pillars:

- ACT Step-by-step (ACT-S), that provides companies with a relevant methodology to follow in order to build a relevant climate transition plan;
- ACT Assessment (ACT-A), that assesses the strengths and weaknesses of existing transition plan of companies, as well as their past trajectory and future trends.



The LIFE Finance ClimAct project allowed ADEME to **develop and complement significantly** the initiative on various key aspects supporting companies in their transition's journey:

- Developing capabilities (ACT Assessment online tool, ACT Step-by-step methodology and toolbox)
- Developing new relevant methodologies on other key-environmental topic than the climate mitigation: ACT Adaptation and ACT Biodiversity
- Adapting both ACT-S and ACT-A to regulatory evolution with the upcoming entry into force of CSRD, with a key vision of an efficient articulation.



Key deliverables:

- The [ACT initiative](#)
- ACT [Step-by-Step](#)
- ACT [Adaptation](#)
- ACT [online tool](#) (under licence)
- ACT vs. CSRD work on:
 - o [ACT Step-by-step](#)
 - o [ACT Assessment](#)

For the financial sector

Key objectives were to:

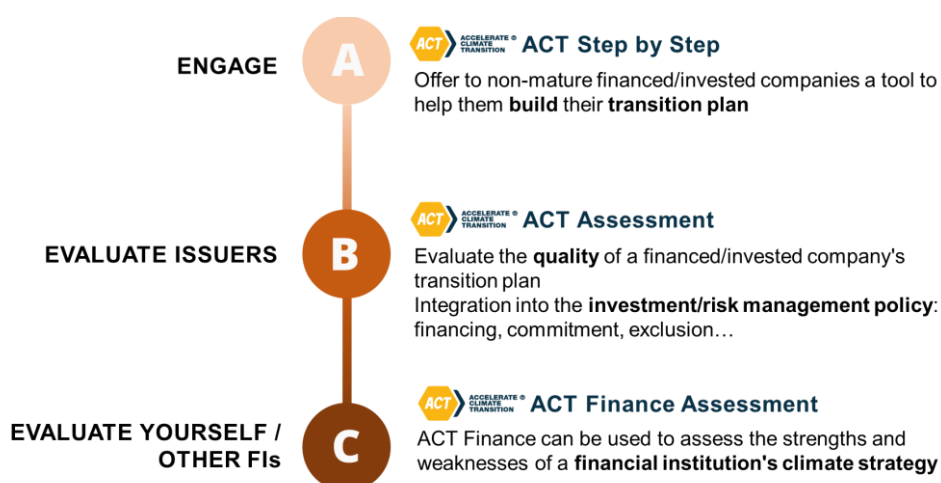
- Provide Financial institutions with operating tools allowing them to act on their portfolios and strategies both from impact and risk perspectives;
- Monitor Financial Institution practices based on their reporting to enhance practices;
- Build supervisor capabilities;
- Contribute to research in the sustainable finance field.

Overall significant achievements have been made in these areas.

The ACT initiative: financial institution's use case

Beyond its use for real-economy companies, the ACT initiative is key to support the climate strategy of various stakeholders, especially financial institutions. They can use different pieces of the ACT initiative in several ways in order to channel financial flows toward transition:

- Engage companies in portfolio that do not have yet a transition plan to build one through the issuance of a “ACT-Step-by-step” collective operation;
- Assess company's transition plan credibility through an ACT assessment, whether performed at FI's level, or through a public assessment.
- Be assessed themselves through the ACT Finance methodologies.



The LIFE Finance ClimAct project allowed ADEME to **develop and complement significantly** the initiative on these aspects, and notably:

- Developing ACT Finance methodologies
- Massifying the use of ACT Assessment through periodical Say on Climate exercise and a first rating exercise of 25+ French companies
- Developing simple and clear signals as outputs of either ACT-Step-by-step (recognition procedure) or ACT Assessment (ACT Assessment categorization framework)

Key deliverables:

- [ACT Categorization framework](#)
- [ACT Finance](#) (including both Banking and Investing methodologies, presentation webinar and road-test reports)
- [Say on Climate](#) exercises
- ACT Assessment France 2024 exercise ([French article](#) and [available ratings](#))

PACTA tool

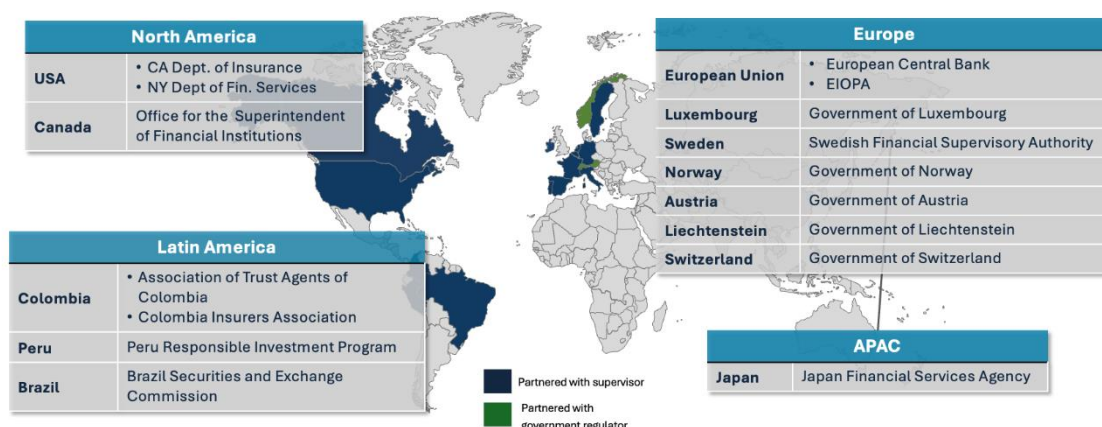
PACTA (“Paris Agreement Capital Transition Assessment”) is an open-source climate tool for financial institutions, governments and regulators that measures the alignment of financial portfolios and companies with climate goals. The analysis is based on a granular projection analysis performed at asset level. PACTA enables users to measure the alignment of financial portfolios with climate scenarios, identify sectoral technology gaps towards alignment, as well as to get insights into specific companies.

The tool was developed by 2DII. In 2022 2DII transferred the stewardship of PACTA to RMI in order to scale the impact of the tool in the financial sector and in the real economy.

During the LIFE Finance ClimAct project, the tool was further developed and specified for Banks as well as for Investors. It was used in several contexts, including:

- A confidential study on several French banks;
- A Coordinated Alignment test with Swiss financial institutions, assessing more than 2.000 financial portfolios.
- Supporting Financial institutions on their target setting process, using the PACTA results, and in line with the guidance provided by the Net Zero Asset Owner Alliance (NZAOA);
- A study performed with the ECB on the “[risk from misalignment of bank’s financing with the EU climate objectives](#)” (January 2024).
- The image below reflects the jurisdictions where the PACTA tool has been implemented working with Governments, Supervisors, or trading associations.

Financial supervisors and regulators using PACTA assess alignment of hundreds of financial institutions globally



Key deliverables:

- [PACTA for Investors](#) tool
 - o [How-to guide, on how to use PACTA](#) in light of the NZAOA Target Setting Protocol, October 2024
- [PACTA for banks](#)
- Tool for banks downloaded by 70 banks and on-line tool for investors receiving over 4,000 financial institutions portfolios uploads

CTH website

The “Climate transparency Hub” ([CTH](#)), operated by ADEME, was launched in 2021 with three initial objectives:

- A centralizing online platform for climate reporting exercises by various financial institutions (on a voluntary basis – with nearly 30 participants);
- A showcase of best practices to increase the quality of information;
- A tool to support competent authorities (AMF and ACPR) in their missions.

In 2021, France implemented the [Art. 29 LEC framework](#)¹, which acts as a continuation of the SFDR regulation, pushing notably for more explicit climate and biodiversity as well as risk framework disclosure requirements. This decree set the CTH since 2021 as **the reference mandatory platform** for all sustainability reports from all financial institutions, meaning roughly 700 asset managers, 150 credit institution and investment firms and 250 insurance firms expected to deposit their reports on the platform

ADEME has performed since 2019 annual analysis of the reporting, initially on a mostly qualitative basis (30 French investors) and progressively using more industrialized statistical analysis complemented by qualitative analysis on a sample, thanks to normalized reporting collected by the French supervisors ACPR and AMF. Analysis also expanded on some SFDR PAI reporting starting from 2023. OFD also brought its support in collecting the reports and performing the analysis since 2024.

Annual reports show through years an improving trend in the structuration of the reporting, but also still a low pace with regard to the deployment of strategies contributing to climate and biodiversity international and national objectives, as well as interesting insights on the difficulties faced in the implementation of taxonomical and fossil-fuel exposure reporting.

In addition, as biodiversity reporting was found to be particularly lagging, a guide has been issued by CGDD and ADEME to support financial institutions in their issuance of a biodiversity setup.

Key deliverables (by default in French only)

- [CTH website](#)
- [2021 analysis on 2020 reports](#)
- [2022 analysis on 2021 reports](#)
- [2023 analysis on 2022 reports](#)
- [2024 analysis on 2023 reports](#)
- Guide on "[Building a biodiversity approach](#)" for financial institutions (both in English and in French)

The Net Zero Donut

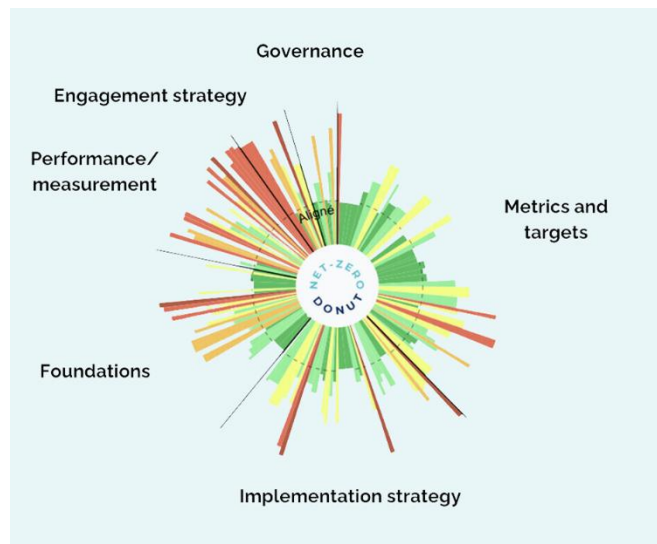
The Net-Zero Donut has been developed by the Sustainable Finance Observatory ([OFD](#), ex-part of Finance for Tomorrow).

The project stems from an observation shared by many players in the financial sector. The net-zero alliances publish recommendations, their signatory members publish their climate plans in response, and the Glasgow Financial Alliance, which oversees the alliances, publishes its version of a transition plan, the Net-Zero Transition Plan (NZTP). However, although linked, these three strata of players are not aligned in their publications. The Observatory has therefore worked to create a common framework for analysing the climate plans of financial players, including the recommendations of the alliances and the NZTP framework.

This resulted in three analysis grids, each containing over a hundred indicators, one for each of the following three alliances: the Net-Zero Asset Managers (NZAM) initiative, the Net-Zero Asset Owners (NZAOA) initiative and the Net-Zero Banking Alliance (NZBA).

These grids were then used to analyse the climate plans of the French and European signatories to the alliances, and the results are published on the Observatory's website in the form of a Net-Zero Donut, complemented by analysis reports.

¹ Please find the link to an [English version](#) of the decree.



The Net-Zero Donut is a visualisation of the data collected, making it possible to assess each component of a financial player's climate plan.

Key deliverables (in French)

- [Net Zero Donut visualization](#)
- [Net Zero Donut methodology](#) (2024)
- [2024 Net Zero Donut report](#)

Supervisor capabilities

New regulations mean new supervisory program. One of the main implementation challenges of the sustainable action plan was that financial supervisors had to quickly build knowledge and capabilities on the new topics they shall supervise.

This was done through:

- Building a strong dedicated governance at ACPR and AMF level through the setting of internal networks and expert organization, as well as the creation of sustainable finance and climate commissions (CCFD) at both ACPR and AMF level, allowing to gather external knowledge from various actors (financial institutions, think tanks, consultants, public authorities...).
- Building internal capacities and expertise:
 - o Regular training sessions organized and performed by ADEME and 2DII toward AMF and ACPR/Banque de France members on various climate topics, ranging from understanding the climate change, GHG inventory and International, European and National climate strategies to getting a panorama of the upcoming sustainable finance regulations and understanding retail ESG preferences;
 - o *Ad-hoc* training sessions, notably on the ACT methodology for AMF issuer supervision;
 - o Complementary educational sessions held internally by supervisors (Climate issues and Carbon Neutrality e-learning, *Fresque du Climat*).

Key deliverables

- 57 AMF agents and 72 Banque de France agents (including 33 ACPR) trained on ADEME/2DII program;
- [ACPR](#) and [AMF](#) CCFDs operational and actives.
- This building of capabilities allowed supervisors to produce pedagogical and supervisory resources among which:
 - o AMF user guide: [Reporting on climate transition plan in ESRS format](#)
 - o AMF annual taxonomical reporting studies: [2022](#) (eligibility), [2023](#) (non-financial companies eligibility and alignment), [2024](#) (financial companies eligibility and alignment)

- ACPR [analysis](#) on 29 LEC framework compliance from insurers

Climate risk management and stress-testing

Risk monitoring is an important piece of the EU Sustainable Finance strategy, Banks and Insurers being requested by CRD / Solvency 2 regulations to take into account ESG risks and especially climate risks through the issuance of a transition plans.

The Finance ClimAct project has played a crucial role in building the expertise and capacity of financial institutions and supervisors to effectively conduct climate stress test programs and dig more broadly various specific risk types: biodiversity loss, real-estate... This has been achieved through the collaborative production of methodological analyses, the development of guidelines, and the creation of relevant tools and metrics.

In addition, members of the project have actively disseminated their findings and recommendations. This included the publication of articles, reports, and guidelines that outline best practices, provide insights into the implementation of stress test programs, and offer strategies for integrating climate risk considerations into financial decision-making processes.

All this work supported notably the conduction of regular public stress test exercise performed at ACPR/ECB level.

- Regarding banking, the 2020 ACPR exercise was complemented by a 2022 [ECB stress-test exercise](#), ran on 10 French Banks representing 86.6% of the total balance sheet. The work carried out by the supervisors showed the current shortcomings in the management of climate risks in the EU. *"There is an urgent need for euro area banks to step up their efforts to measure and manage climate risks, addressing the current data gap and adopting the good practices already existing in the sector,"* said Andrea Enria, Chairman of the ECB's Prudential Supervision Council.
- On insurers, the 2020 exercise was [reconducted in 2023-2024](#), focused on 22 groups representing 90% of the total balance sheet, highlighting significant exposures of insurers but also progresses made by insurers compared to the first edition.

Key deliverables

Among many papers:

- I4CE, [Connecting the dots between climate risk management and transition finance](#);
- I4CE, [Climate stress tests: The integration of transition risk drivers at a sectoral level](#)
- I4CE-Banque de France, [Climate change and residential real estate: what are the risks for the banking sector?](#)
- [in French] [Adapting real estate to climate change: what roles for the financial sector?](#)
- [TRISK model](#) development from Theia Finance Labs (ex-2DII Germany)
- [in French] Rapport ADEME : [les risques climatiques et leur coût pour la France](#)
- ACPR, [French insurers facing the risks associated with biodiversity loss: challenges and lessons learned](#)

For households

One important piece of the EU sustainable finance action plan is to collect and respect sustainability preferences expressed by retail clients (MiFID/IDD regulations, supported by the standardized information brought on financial products by the SFDR). This requires that:

- Retail investors are educated to understand the basic underlying concepts of sustainable finance, more or less impactful strategies and the way information is brought to them (ie mainly through taxonomical information and SFDR formats)
- Financial institutions train their retail advisers to these concepts and are able to propose financial products fulfilling retail investor requests.

While significant efforts have been made in education of retail investors, results show still a discrepancy between concern, knowledge and actual investments on retail investor side. Furthermore, on-site checks show concerning low rates of compliance with requirements regarding regulation. This further emphasizes the need for setting the topic under scrutiny.

Education and awareness of the retail investor

Thanks to Finance ClimAct, several projects were conducted to raise awareness and educate retail investors to sustainable finance topics, through online platforms, events, campaigns... held by AMF, 2DII and ADEME, notably:

- The AMF issued several educational videos (here an example on [ESG preferences](#))
- The [Epargnons l'Avenir](#) campaign held by ADEME (in French) with videos and guide on 7 key questions
- The [MyFairMoney](#) platform, operated by 2DII, available in five languages including English, French, German, Czech and Greek that provides:
 - o A online course for beginners,
 - o A podcast on impact investing
 - o A documentary how savings can fight climate change
 - o An online questionnaire allowing the retail investor to define itself its sustainability goals/profile
 - o A database of sustainable retail funds with sustainable scores, label information...
 - o A database with financial products with high-impact potential
- A mass mobilization campaign, including a social media campaign and TV documentary, conducted by 2DII in French, English, and German and used MyFairMoney's educational content to highlight the impact of savings on the real economy. The campaign reached over 180,000 users across Europe.

Focus on MyFairMoney Platform

The MyFairMoney (MFM) platform was launched in its first version in 2020 in Germany. Since launch, the platform has received funding from various public sources to develop and integrate new elements and improve the usability while maintaining the non-profit and independent character of the platform (which implies that no financial advice is provided on MFM and therefore no direct link between the questionnaire and product databases is allowed). The platform reached a level of maturity which is supposed to address key barriers for EU retail investors to invest (more), namely the lack of expertise, limited time capacities and low level of trust for sustainable finance products. MFM includes interactive multimedia educational materials (a video course for beginners, a podcast and a documentary explaining how to maximize the impact of your savings) to reach a sufficient level of Sustainable Finance Literacy and provides further tools such an online sustainability questionnaire and databases for public market investment funds and high impact potential financial products.

In 2024, 2DII also significantly extended the activities on social media (e.g. through social media targeting, Google ad campaigns, influencer marketing and a documentary to reach the broader public) to grow an online community which can benefit from information provided on the platform and share the

content in their networks. Since launch of MyFairMoney, it is estimate based on a tracking tool that around 200.000 people across Europe reached the platform (with strongest uptake in Germany and France):

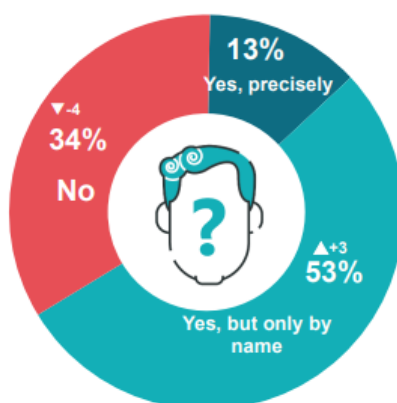


The platform reached a very positive organic growth trend since last year with over 8K unique users per month in the last quarter, which is higher compared to the highest monthly growth rate since launch - which was only achieved thanks to a 15K PR campaign in Germany.

Focus on surveys

The global state of mind of retail investors was also monitored thanks to quantitative and qualitative surveys performed by AMF and 2DII. Main outputs of these works were the following (source: [AMF biannual survey](#), July 2023):

- The proportion of retail investors stating that the impact of investment on environment is an important issue is about 75%.
- The proportion of retail investors that are aware about “responsible” and “sustainable” investments is however of 66%, including 53% only by name.
- 19% state they already currently own a sustainable financial product, 28% planning to invest in one in the next three years.



▲▼ Significant change since June 2021

“Were you aware of the existence of “responsible” or “sustainable” investments?” Source: [AMF biannual survey, 2023](#)

Furthermore, a dedicated qualitative study was performed to gather the feedback of retail investors put in front of regulatory standardized ESG information provided under SFDR format. The potential improvements identified were submitted to the European authorities within the framework of the consultation on the revision of the Sustainable Finance Disclosure Regulation (SFDR). The general key findings were the following:

- Responsible investment is a subject that is not very well known, although the investors surveyed expressed a positive image of responsible investments.
- At first sight, the documents shown were considered complete and providing essential information. However, ultimately, they felt that the documents, described as “full of jargon”, were not intended for them.
- The different concepts were hard to identify. The definitions proposed were considered useful, especially that regarding the Taxonomy, but too technical.

Monitoring of Financial Institutions

There is a need to carefully monitor the implementation of MiFID regulation so that the underlying objective of the Sustainable Finance Action plan can be achieved: channelling the retail investment toward sustainable products in respect of the will of the retailers.

One efficient way to do this monitoring is to perform “mystery visits” in financial institutions, with people claiming to be retail investors and checking how the process is done.

The Finance ClimAct project allowed to unlock resources to perform this important work both at AMF and 2DII level. Main outputs at the end of 2024 are:

- A total of 540 mystery shopping visits were held by 2DII, including 360 post MiFID II regulation.
- 2DII's latest mystery shopping visit campaign in France in 2024 with around 300 financial advice meetings revealed that (only) 47% of advisors across the largest French banking networks automatically assesses their client sustainability preferences. This is a general improvement compared to the period before the new MiFID II regulation became effective in January 2023. In 2021, 2DII recorded in 29% of financial advice meetings (n=60) in France that non-financial objectives were automatically assessed. Compared to 2DII's 2021 campaign, the (perceived) competence of French financial advisors on sustainable finance improved in our 2024 campaign, from 36% to 40%.
- However, the 2024 results show only a slight improvement compared to 2DII's 2023 campaign (n=60) where (only) 42% of French advisors automatically assesses their client sustainability preferences. This indicates that the compliance by French financial advisors with the new MiFID II regulation remains at a low level, despite the legal obligation. When it comes to impact-oriented clients, the results are even more concerning. In 54% of mystery shopping visits in 2024, financial advisors assured their clients that the products they recommended have a real-world impact, while preliminary analyses suggest that the vast majority of recommended products cannot provide sufficient evidence to substantiate this claim.
- These results indicate that French retail investors can be easily misadvised, which is further strengthened by the findings of 2DII's 2024 survey that only 5% of French retail investors have a high Sustainable Finance Literacy which would help to detect misadvice.
- AMF mystery shopping visits also showed that bank advisers do not yet assess sustainability preferences of their clients in full. Moreover the feedback from the mystery shoppers suggested that the subject of sustainable finance is poorly understood by a majority of bank advisers. The AMF had bilateral meetings with the banks visited to discuss these results and the possible improvements, for instance with the certification on sustainable finance launched in the framework of the Finance ClimAct project.

Key deliverables

- 2DII, [MyFairMoney](#)
- 2DII, EU meta report (to be published)
- 2DII, [Jumping the barriers to sustainable retail investment in France](#)
- 2DII, [Questionnaire for assessing client sustainability preferences and motivations](#)
- 2DII, [Guide sur les allégations d'impact environnemental des produits financiers](#)
- 2DII, [Sustainable Finance and Market Integrity: Promise Only What You Can Deliver](#)
- AMF, [The French and Responsible Investments - OpinionWay pour l'AMF - July 2023](#)
- AMF, [Readability and comprehension of non-financial information provided for responsible investments - July 2023](#)
- AMF, [Sustainable Finance mystery shopping detailed results](#), 2024

3. After-LIFE objective and tasks

3.1. Context

The project has effectively delivered to the EU strategy the tools needed to identify whether current portfolio of financial institutions are aligned or not and where to reallocate financial flows. However, the issue is that the economy itself is not transitioning enough, especially outside of EU, meaning that aligned financial flows are scarce, and that current global priorities are less orientated toward the need of transitioning. It is now up to the EU to determine to which extent and how it wants to make use of these tools, and project members will pursue their efforts to demonstrate the relevance of their productions in the next steps of the EU and national strategies. For example, we have good opportunities to rely on sectoral transition plans to feed the competitiveness and decarbonization roadmap on key sectors like chemical or steel. In the same way, the CSRD and the implementation and evaluation of transition plans with ACT provide an opportunity to make the connection between public policies and the needs expressed by companies to facilitate their transition. There is a clear opportunity to combine decarbonization and competitiveness, as highlighted by the Draghi report.

However, the after-LIFE perspectives of the project face some uncertainties due to changes in political context that must be mentioned:

- At French level

The overall political landscape is still uncertain, with the 2025 budget being adopted recently only and the FLCS 3 still not being adopted (expected to summer 2025 – with an unknown level of granularity at this stage). Depending on the final output, some pieces of the forthcoming works will need to be adapted.

- At EU level

The sustainable finance will be impacted by the recent announcement of the EU Commission of the issuance of an “Omnibus regulation” covering CS3D, CSRD and Taxonomy topics, with the objective to set simplifications. Many players, including Germany and France, brought larger proposals.

The consequence of the review of these texts, that are the pivot of the EU Sustainable Finance Action plan, **are significant** on all other pieces of the plan: SFDR leverages on taxonomy and CSRD information, and MiFID/DDA rely themselves on what can bring SFDR as information to perform the match with ESG preferences collected from retail investors.

- At international level

The Net Zero Alliances, that were significantly structuring the financial sector among methodology and commitments, are experiencing severe headwinds since late 2024/beginning 2025 notably due to big US players leaving:

- The [NZAM](#) for Asset Managers has even announced a suspension of its activities in January 2025.
- Several US banks [left NZBA](#) since S2 2024.

We saw, however, some further structuration of transition finance and financial sector initiatives such as:

- SBTi that is currently developing [a Financial Institution Net Zero standard](#). The experience built on ACT Finance thanks to the Finance ClimAct project allowed a member of ADEME to join the Expert Advisory Group of this initiative.
- [ATP-Col](#) and [CBI](#) work that provided standardized transition plan assessment frameworks and categories of companies depending on their climate alignment, which can enhance significantly the operationalization of the reallocation of financial flows from financial institutions.

Bearing all these contextual elements in mind, we share the outlook on our main projects, knowing that the context and opportunities are likely to modify this agenda.

3.2. For companies and financial institutions

The ACT initiative

The ACT initiative is one of the “flagship project” of ADEME. The aim is to develop the initiative at National, European and International levels, to make it a reference in transition planning of companies. Following developments are contemplated for the future:

- Methodology & IT
 - o Development and finalization of trainings for ACT Adaptation and ACT Finance
 - o Development and finalization of ACT Resources and ACT Biodiversity assessment methodologies, tackling other environmental aspects
 - o Development of an “ACT Core” methodology allowing to scale up the assessment on publicly available data of large companies, from 150 to 2.000 annually, providing useful insights to financial institutions while initial sectoral ACT-A methodologies remain more relevant for companies engaging in voluntary assessments.
 - o Expansion of the online tool to all methodologies (not covering ACT Step By Step and ACT Finance at the moment);
- Coverage
 - o 200+ companies to accompany in 2025 through ACT Step-by-Step with PACTE Industrie and PACTE Enterprise setups, financed by the Energy Saving Certificate ([EEC](#)) French program.
 - o Coverage of 2,000 worldwide companies ACT Assessment rating in 2025
 - o Coverage of nearly 50 French companies ACT Assessment rating in 2025
- Use
 - o Disseminate and massify ACT through various levers: Financial institutions, federation of companies, large companies engaging their value chains (e.g: Carrefour, Siemens), ...
 - o Partnership with Banque de France that develops a Climate Indicator based on ACT methodology.

Since June 2022, the Netherland NGO WBA has taken responsibilities for the international development of the ACT initiative. WBA is acting on the international development on the initiative, notably through delivering new ACT benchmarks and [updating existing ones](#).

ADEME keeps:

- French/European deployment, notably through the [French Volunteer program and PACTE Industrie..](#)
- Development of the IT assessment tool and the training program of consultants and companies.

The methodological development is shared between WBA and ADEME, with the following mains goals:

- Update and improve current existing methodologies
- Develop new fields (Biodiversity and Resources currently tackled)
- Improve scalability and optimisation of interoperability with disclosure standards, especially CSRD.

Other recognized partners that are currently involved in shared methodological development with ADEME:

- Paris Good Fashion, a sectoral association fostering the ecological transition of French fashion companies led the development of ACT Fashion assessment methodology, under the technical supervision of ADEME and WBA
- French Biodiversity Agency (OFB) is co-developing the ACT Biodiversity assessment methodology, capitalizing on its rich expertise and experience in engaging companies in biodiversity transition plans.

To secure resources, ADEME has created a subsidiary, ADEME ACT Solutions, that handle the activities of the initiative generating revenues: IT tool licences for consultancies and training for

companies and consultants. There are currently 4 FTEs in the subsidiary. Furthermore 3 FTEs have been secured within ADEME on the initiative.

In addition, there is an annual subvention from ADEME to WBA for benchmarks, international development and methodology refinement alongside ADEME (up to 1.5m€ per year).

Finally, within the “PACTE Entreprise” framework financed by energy efficiency certificates for the 2025-2028 period, a part is dedicated to financing voluntary ACT step-by-step and ACT Assessments. An overall 5m€ envelop is expected to be dedicated to ACT. The framework still needs to be officialised through an upcoming decree (*arrêté*), expected for S1 2025.

The Sectoral Transition Plans

The LIFE Finance ClimAct project allowed to build not only a sectoral vision at national level on several key sectors, but also a replicable methodology for designing sectoral transition plans (STP) at different sectoral and geographical level.

The publication of the [EU competitiveness compass](#) in January 2025 comprises several key sectoral actions, with the issuance of Clean Industrial Deal, an Industrial Decarbonisation Accelerator Act and tailor-made action plans for energy intensive sectors, such as steel, metals, and chemicals, all sectors covered by the Sectoral Transition Plans.

Efforts will therefore continue to leverage on the STPs and their underlying methodology in order to contribute to the deployment of this part of the EU competitiveness compass.

Finally, the concept of decarbonization trajectory, as it was imagined within the framework of the STP, is now also available at the scale of industrial zones thanks to the [ZIBaC](#) (Low Carbon Industrial Zone) Call for Projects operated by ADEME for 56m€. This Call for Projects aims to support the ZIBaCs in achieving their decarbonization trajectory to achieve the objective set by the SNBC for the industrial sector of -81% in 2050 compared to 2015 at the scale of the zone. The expertise of the STP makes it possible to provide concrete support to local stakeholders to guide them in developing their trajectory and drawing very strong inspiration from the method applied to the STP. The work on these ZIBaCs having started in 2024 for some and early 2025 for others, the trajectories will be published during 2026-2027.

The Sustainable Finance Observatory

Initially hosted within Finance 4 Tomorrow (now IFD – Institut de la Finance durable) – the Sustainable Finance Observatory has adapted itself to the evolution of the context at regulatory and organisational level, with a renewed governance at the end of the Finance ClimAct project.

This new organisation and strategy allow the Sustainable Finance Observatory to design a post-LIFE strategic vision adaptable to the evolution of the contexts and learning lessons from the past project.

Now, the Observatory has three levels of governance:

- **A Scientific and Expertise Committee.** It provides an external and independent opinion on the work of the Observatory, makes recommendations for achieving its objectives, and contributes to improving the quality and relevance of the data through the expertise of its members.
- **PARC Strategic Advisory Committee.** The Committee, chaired by Bertrand Badré, ensures that the Observatory's values and mission of general interest are respected.
- **The Members' Assembly.** The Assembly is made up of the Observatory's members, divided into 7 colleges, one for each type of stakeholder. It approves the Observatory's strategic guidelines and decisions, in particular new studies and associated funding. It meets twice a year and each of the 7 colleges has one vote.

These three committees ensure the strategic alignment, methodological rigour and scientific relevance of the Observatory's projects, thereby ensuring the transparency and public utility of its publications and data visualisations.

Strategic transfer with 2DII in 2025

To ignite a fresh strategic momentum within the French sustainable finance ecosystem, the Sustainable Finance Observatory project will transition under the stewardship of the 2° Investing Initiative (2DII) in 2025. With this transfer, 2DII will adopt the name "Sustainable Finance Observatory," reflecting its expanded focus beyond emissions alone. This pivotal integration seeks to elevate the collective impact of sustainable finance initiatives and enhance their influence on the global financial landscape.

The rebranded Sustainable Finance Observatory will center its efforts on three key pillars:

- **Transparency and Data,**
- **Research and Innovation**
- **Advocacy and Awareness.**

These pillars will shape its mission to drive impactful public policy, strengthen accountability among financial actors, and deliver actionable solutions for embedding sustainability at the core of financial practices.

The main after-LIFE projects of the Observatory for the coming years are the following:

- Continuing the Net Zero Donut annual analysis, adapting the methodology and perimeter to evolution of the context, and notably the one of the Net Zero Alliances.
- Continuing the partnership inaugurated with ADEME in 2024 on the CTH (see below)
- Analyse Pillar 3 ESG reports from banks. The Observatory is currently working on an analysis of the data relating to ESG criteria in the Pillar 3 reports of European banks. The inclusion of ESG indicators in the Pillar 3 regulatory framework stems from Capital Requirements Regulation 2 (CRR2), adopted by the European Union in 2019. This publication obligation, valid for the largest banks since the end of 2022, will be extended to all banks by 2025 via CRR3.

Those elements will be funded through a structuring 3-year support brought by ADEME (up to 250k€/year). Complementary elements might be funded through the prospect of various partnerships.

The PACTA tool

The PACTA Tool and approach have proven to be a game-changer for financial institutions. By pioneering the sector and technology analysis, PACTA offers a unique methodology that not only identifies gaps in technological developments but also provides valuable insights into the direction of financial flows, which technologies are being funded, and where the sector is headed. This innovative approach has already demonstrated its effectiveness in driving engagement and fostering collaboration across various stakeholders.

RMI is committed to advancing the development of the PACTA tool, with a special focus on partnering with governments and financial supervisors. The reason for this targeted focus is twofold: first, engaging with governments and supervisors offers the potential to reach a broad range of financial institutions at once and therefore increase impact potential; second, working alongside policymakers opens the door to influencing new policies that can accelerate the transition to a low-carbon economy.

RMI is also exploring the application of the PACTA methodology to key traded indices and funds, depending on available funding opportunities. Passive investors, who hold significant shares of companies in their portfolios, have tremendous potential to drive corporate climate action. By applying PACTA to prominent indices and funds, we aim to assess and compare their exposure to climate-relevant sectors, identify technological gaps, and highlight companies that may be falling behind in the transition. This transparency will empower passive investors to make more informed decisions, engage with the big players of the industry, and help steer the market toward supporting the low-carbon transition. Our goal is to make this critical data publicly available - potentially through the Sustainable Finance Observatory - so that all investors can access detailed information on these high-volume, traded products.

RMI continues to push the envelope with thought leadership initiatives designed to support not just financial institutions, governments, and supervisors, but society as a whole in advancing the transition. With a global footprint, RMI is dedicated to aiding not only developed countries, but also supporting regions that are currently lagging in the transition process, and where often access to capital is limited, to support their strategy development towards the transition to a low carbon economy.

The CTH

The future of the CTH will mainly be dictated by what the French government will do once it has issued its analysis report on the framework. At this stage, and with all due cautions due to the fact that we do not have the definitive elements, the following orientations are foreseen:

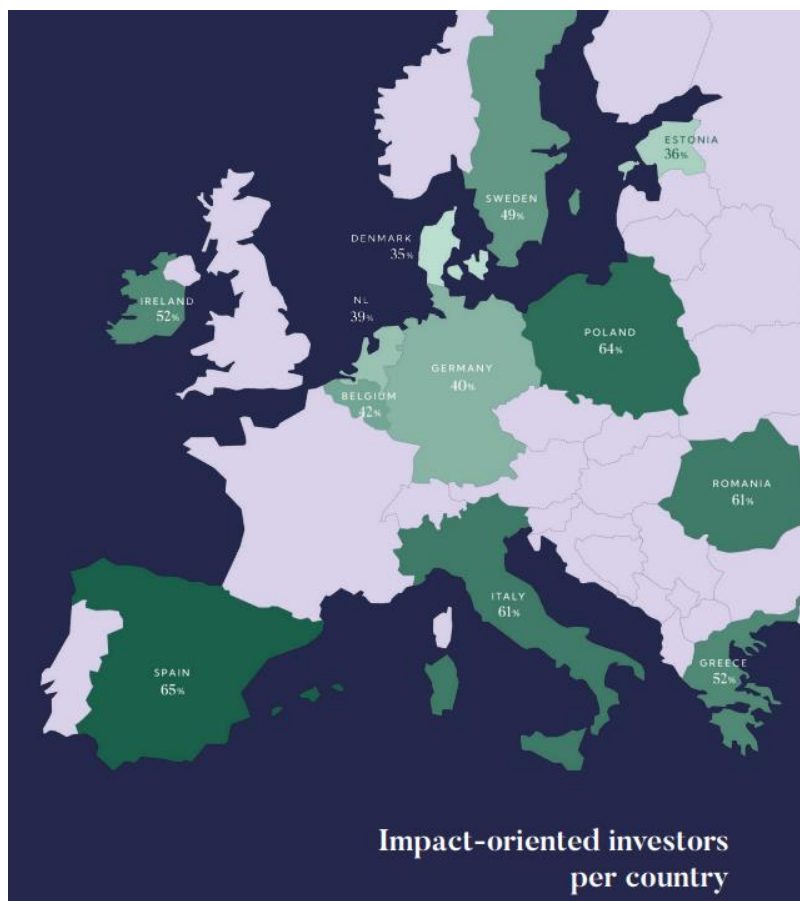
- Art. 29 LEC should continue to exist until the time where financial sectoral ESRS from CSRD will be live. Lessons learnt from Art. 29 LEC should be highly valuable in designing these ESRS.
- The framework might evolve to apply some simplifications and focus on high-value areas (climate strategy, biodiversity, engagement...).

ADEME will continue to follow the topic, in partnership with the OFD: a 3-year partnership has been settled on various topics including continuing to collect reports and performing yearly CTH analysis. This will cope with the end of the dedicated human resources at ADEME level due to the end of the LIFE program.

3.3. For households

MyFairMoney Platform

The Platform reached a very positive organic growth trend since 2024. While this provides an optimistic outlook for the future uptake of MyFairMoney in Europe and can serve as a validation of the value add for EU retail investors, the actual potential remains unexploited. It is estimated there is a potential in Europe of 40 million users. Hence, the potential to unlock especially impact-oriented capital flows from EU citizens remains unused. According to 2DII surveys in 14 EU countries, 50% of all EU saver want to have an impact and most are interested in switching to more impactful financial products. Yet, they invest only a small share of their financial portfolio in impact-generating financial products. Furthermore, most sustainable finance products they are currently invested in only have a very low potential to achieve real-world impact (e.g. public market funds with focus on price signalling strategies). MyFairMoney can address major barriers for this target groups by increasing their expertise on the topic, reducing information costs and providing credible information. Therefore, 2DII / the OFD plans to raise more funding to extend the scope of the platform and to reach its full potential.



2DII, 2023, A practitioner guide for asset managers & asset owners to assess clients' and beneficiaries' sustainability preferences

AMF surveys on the retail investment

The AMF will continue to conduct every two years its quantitative survey on the French and responsible investments to measure the knowledge, perception and interest of French people in these investments and their evolutions. The next edition is planned for mid-2025.

Regarding mystery shopping campaigns, the AMF will integrate sustainability preferences and investments in its recurring risk lovers and risk adverse campaigns, conducted every three years, to continue the improvement of marketing practices towards retail investors.

On education and awareness, the AMF will continue to explain sustainability investments in its educational content, on the retail investors section of its website, on social media (Facebook and Instagram) and on TV with the short TV programme Consomag with INC. Improving knowledge and competence of financial advisors is also key, so the AMF will continue to promote the certification on sustainable finance.

3.4. Supervisor capacities

Thanks notably to the contribution of the Finance ClimAct project, the organisation set at both ACPR and AMF level is now mature and will pursue its efforts in the coming years, structured notably by the regulatory evolutions and the roadmap of their respective Sustainable finance and climate commissions.

Potential further interactions between supervisors and other consortium members are identified. Notably training needs of AMF and ACPR have been covered throughout the Finance ClimAct project. Now that a relationship has been established, consortium members remain aware of each other needs and

available to mobilize their experts in case of complementary requests. This is made possible by regular meetings between authorities to share their respective progress on climate and biodiversity issues. Such meetings will continue after the Finance ClimAct project, demonstrating the importance of this project to enhance coordination amongst consortium members.

Coming year will see the issuance of first CSRD reporting (even if subject to simplifications in a near future). As part of the LIFE Finance ClimAct project, AMF has already trained nearly 12 peoples to the ACT methodology core principles so as to be able to assess and challenge climate reporting of listed companies. The internal training relating to the ESRS implementation will also be a lever for an efficient supervision of forthcoming non-financial statements. Further exchanges might occur to exchange views on concrete cases and expand the training program.

Furthermore, on ECB/ACPR side, there will be a need for assessing the prudential transition plans set by banks and insurers. The ACT Finance methodology is an interesting tool to enlighten the quality of such plans and could be subject of in-depth study by French and European insurer/banking supervisors.