

TranspArEEnS Project

Mainstreaming Transparent Assessment of Energy Efficiency in
Environmental Social Governance Ratings

Sustainable Finance Research Forum

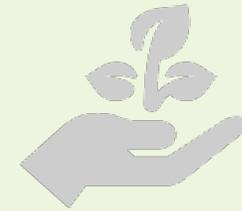
October 27th - 2022



*This project has received funding from the European Union's Horizon 2020
research and innovation programme under grant agreement N. 101033869*

CONTEXT

- ❑ Achieving the **EU2030 targets** requires **massive investments**
- ❑ **Access to finance** for Energy Efficiency (EE) investments is **difficult** and investors have **insufficient data** and difficulties in measuring the impact on their portfolios
- ❑ **Lack of transparent and standardized** firms' ESG **disclosure** (especially for SMEs and EE)
- ❑ Poor disclosure and standardization could also give **rise to greenwashing**



TranspArEEnS Objectives

TranspArEEnS aims to enhance **standardized disclosure** of EE and ESG information at firm level, to foster **access to long term financing** (e.g. via securitization) and better **risk assessment**, while taming the risk of greenwashing



TranspArEEnS complements the outputs of three previous related EU-funded projects: EeMAP, EeDaPP and EeMMIP

- ❑ **Ca' Foscari University of Venice** – Italy (lead partner)
- ❑ **CRIF Spa** – Italy
- ❑ **Covered Bond & Mortgage Council** – Belgium
- ❑ **MODEFINANCE Srl** – Italy
- ❑ **Leibniz Institute for Financial Research SAFE** - Germany

PARTNER



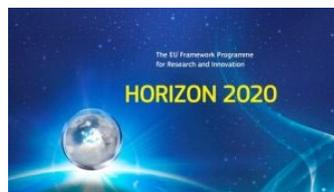
Ca' Foscari
University
of Venice
Department of Economics



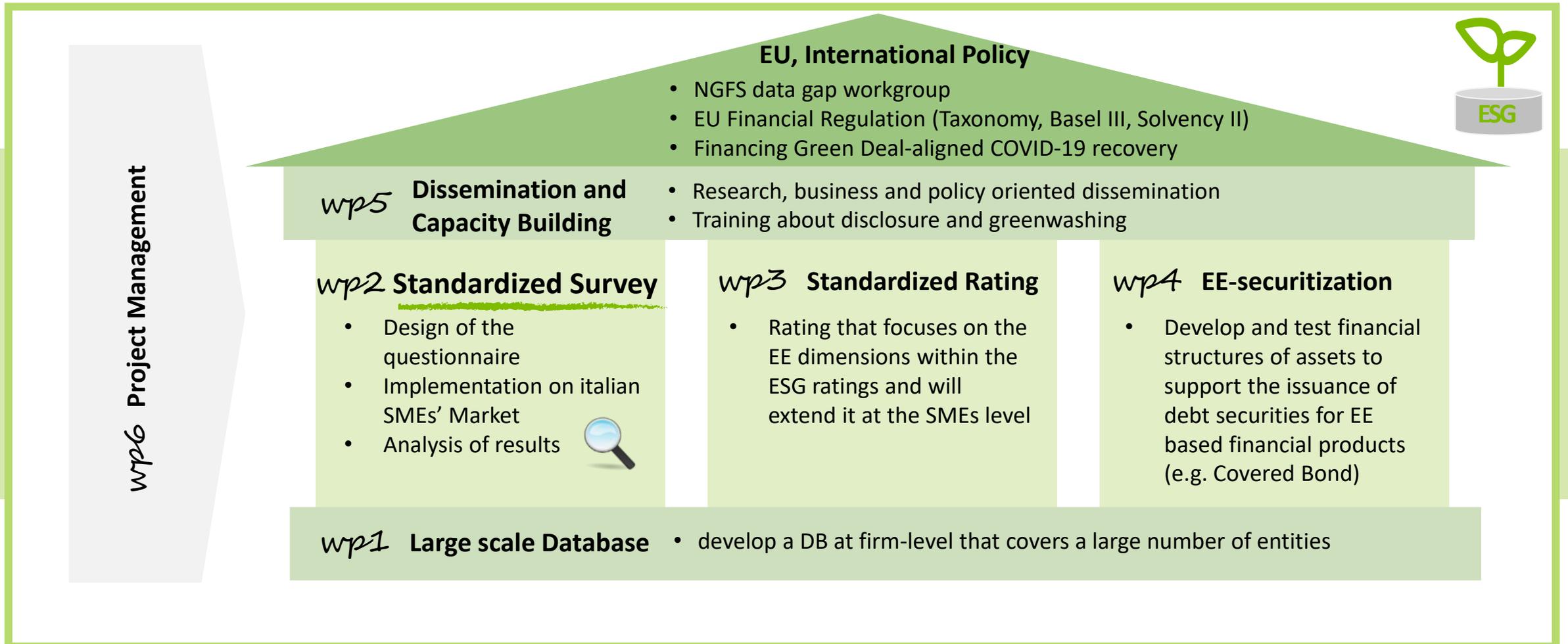
modefinance



EMF | ECBC
EUROPEAN MORTGAGE FEDERATION
EUROPEAN COVERED BOND COUNCIL



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement N. 101033869



- ✓ The **scope** of the activity related to the collection of information **is limited to the SME segment**, whose definition respects the *EU recommendation 2003/361*
- ✓ In order to obtain **evidence** that is **robust, interpretable and** more **coherent with the objectives of the TranspArEEnS** project, the perimeter is further restricted to small and medium-sized enterprises
- ✓ With the aim of collecting **information on the EE-ESG profiles of companies in as much detail as possible**, in addition to preparing a **generic questionnaire** to be administered to all the SMEs on the CRIF radar, further **specific questionnaires** will be prepared **for certain sectors**
- ✓ The **target economic sectors** on which to focus the ad-hoc questionnaires are **identified on the basis of specific drivers** (listed below)


SME definition ¹

Company category	Staff headcount	Turnover	Balance sheet total	Scope
Medium	< 250	≤ € 50 M	≤ € 43 M	IN 
Small	< 50	≤ € 10 M	≤ € 10 M	IN 
Micro	< 10	≤ € 2 M	≤ € 2 M	IN 

or

DRIVERS used for the choice of **economic sectors** to which the **ad-hoc questionnaires** should be administered


EXPERT JUDGEMENT

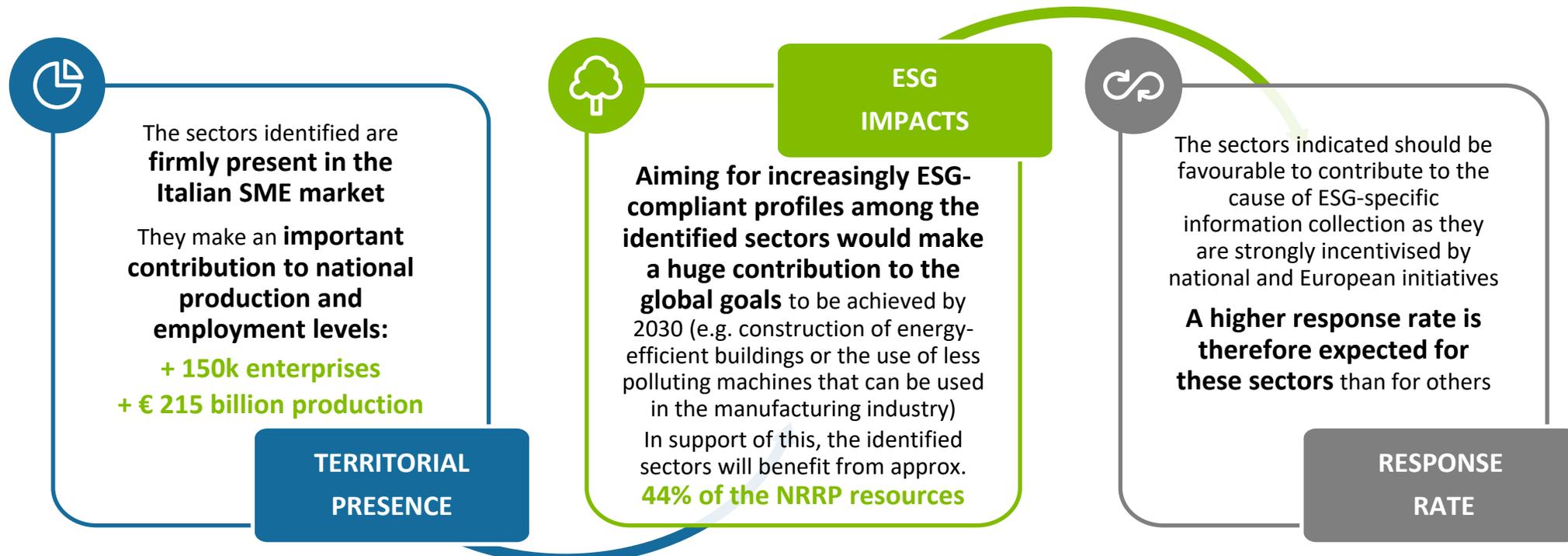
**NATIONAL RECOVERY AND
RESILIENCE PLAN (NRRP)**

MARKET ANALYSIS

TAXONOMY

¹ Given the DQ problems related to staffing information and leveraging on the possibility that EU recommendations give the financial industry to consider only turnover for the SME definition, it is proposed to use only Turnover values < € 50 M as a segmentation driver

Leveraging consortium's in-depth knowledge in relation to the Italian SME market and the respective expectations in terms of ESG impacts, it is considered that the most appropriate **target economic sectors for ad hoc questionnaires** are **Construction** and **Manufacturing activities¹** in a first step. The overall questionnaire and platform is already evolving to consider a complete range of sectors



¹ Production, manufacturing and processing of metals and non-metals



Topics

1

Interaction with
the stakeholders

Internal Stakeholders → including different areas of the **CRIF group**, such as the **Management Consulting and Crif Ratings**, as well as the **members of the consortium** for the **selection of the target sectors**

External Stakeholders → **confrontation** on the **preliminary version** of the **questionnaires** and **sharing** of the **suggested modifications** for the **consolidation** of the **final version** of the **questionnaires**.

2

Methods of
administration

A **CRIF proprietary platform** will be **used for the administration of the questionnaires** in order to guarantee efficiency and transparency, by exploiting **different channels (CRIF branch network; national trade associations; banks networks)**

In order to **facilitate** the communication with the SMEs, the questionnaire will be **administered in Italian**

STEPS

1. The company **registers** on the CRIF platform
2. The company **completes the suggested questionnaire** (general or sectoral, depending on its sectors of operation)
3. CRIF **verifies the questionnaire**

3

Criteria for the
construction of the
questionnaires

1. **Trade-off between difficulty** of the questionnaire, **number of questions** and **completeness** of the **information collected**
2. **Design of a structure** allowing for a **structured and homogeneous data collection**
3. **Information availability** and **compilation time**



Description

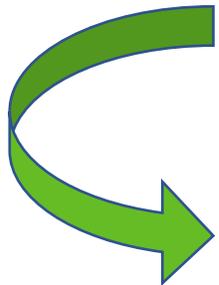
Two main objectives:

- i) to collect ideas, opinions and insights from selected stakeholders to define the structure and the content of the questionnaires;
- ii) to engage relevant stakeholders in order to spread and delivering the questionnaires to a wide number of targeted SMEs.



Two main stakeholders' categories:

- i) financial institutions
- ii) SMEs associations at national and regional level



Bilateral meetings with banks and trade associations (e.g. Banca IFIS, Cassa Depositi e Prestiti, Unicredit, Volksbank, Civibank, CentroMarca Banca Credito Cooperativo di Treviso e Venezia. Trade association such as Unioncamere del Veneto, Assogomme, Accountants and Auditors Association of Treviso - and at the European level – Connects, the platform of Chambers of Commerce

TranspArEEnS Advisory Council

Platform used for administration

2 Survey implementation on Italian SMEs

TransparEEnS project challenge



Collect EE-ESG information of Italian SMEs

A CRIF **global Digital Platform** capable of **collecting and managing EE-ESG information** to verify the sustainability criteria of clients, partners and suppliers

Database with **ESG** info from questionnaire and **financial info** from CRIF data assets

Details final questionnaire and platform

2 Survey implementation on Italian SMEs

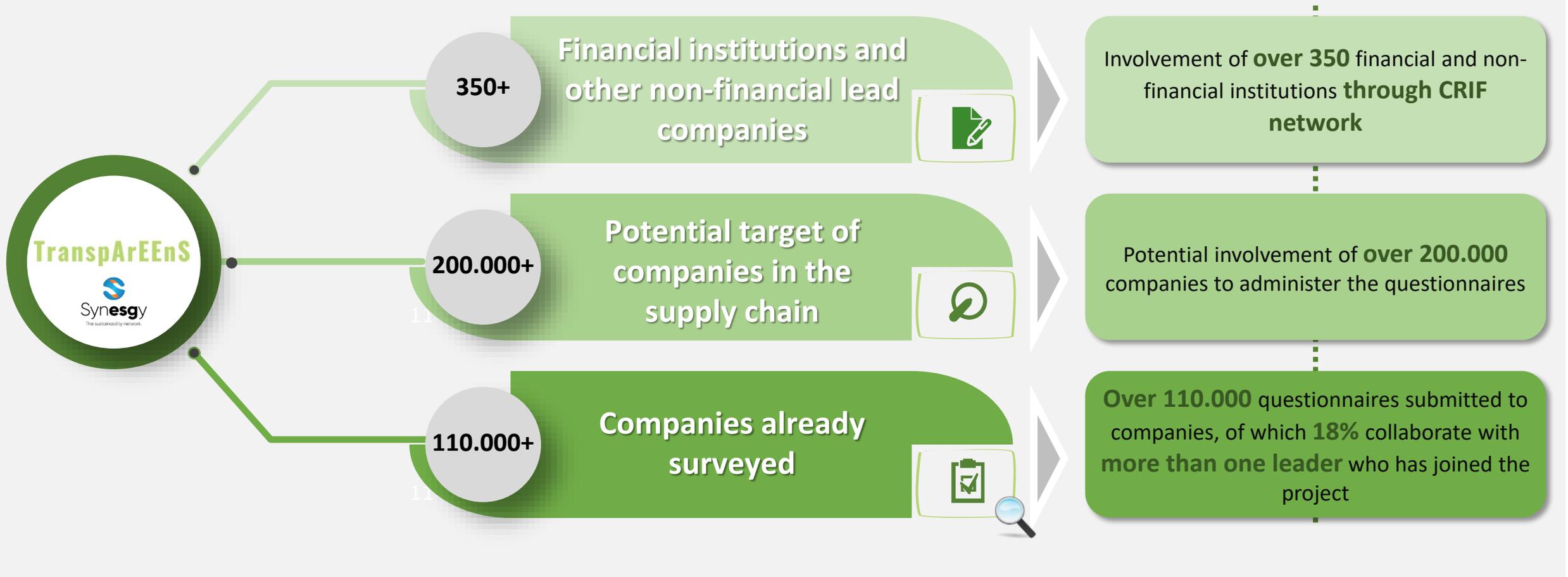
- ✓ ~ 150 questions, between general and sectoral questionnaire, for companies to answer
- ✓ ~ 70 of these are NOT mandatory
- ✓ + 50 questions are related to EE aspects (about 22%)
- ✓ other thematic areas are covered in order to have an overall assessment of the ESG profile of companies
- ✓ Each question is supported by a FAQ/Help section to help the user



Current state of works 1/2

 Focus Next Slide

2 Survey implementation on Italian SMEs



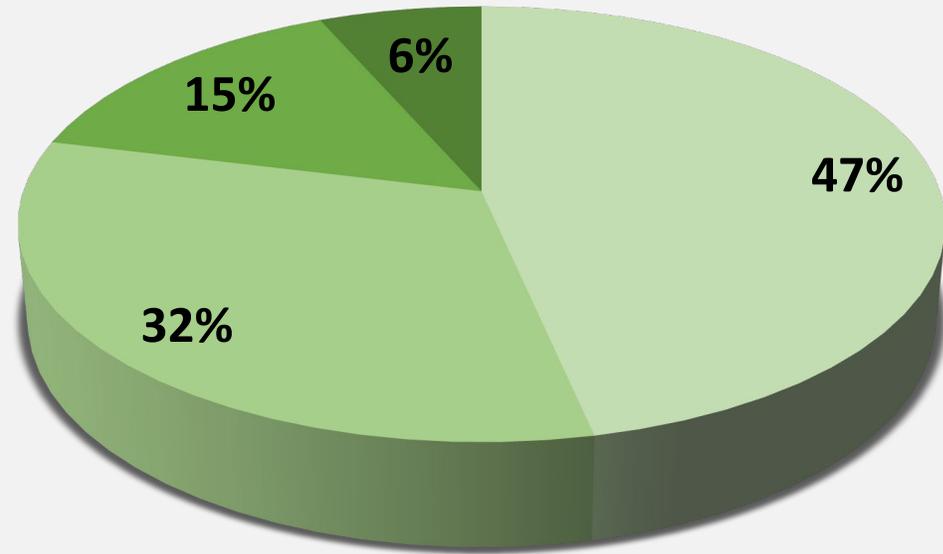
Current state of works 2/2

2 Survey implementation on Italian SMEs

Here below is a focus on the perimeter of companies (+110.000) to which the questionnaires were submitted, providing details on the dimensional characteristics of the same. The numbers on the compilation status of the questionnaires are also reported

Legend

Reference	Type of business	TranspArEEnS scope
	Micro enterprises	✓
	Small enterprises	✓
	Medium enterprises	✓
	Large enterprises	✗



The scope of the activity related to the collection of information through ESG questionnaires is limited to the Italian SME segment, whose definition complies with the EU recommendation 2003/361.



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement N. 101033869