

## **The 3fP-Tracker supports the Paris Agreement**

A fundamental reorientation of the financial system is essential to support the transformation of the economy in line with the objectives of limiting global warming (Art. 2.1.c Paris Agreement)

# The 3fP-Tracker features



Transparency on making financial market regulation Paris-compliant



Benchmarking against a state of target state



Discussion base for actors in the financial markets

# The 3fP-Tracker does NOT feature



Degree of application of financial market regulation



Pioneer actions by individual market players



Real economy regulation

# The three pillar structure of the 3fP-Tracker...



Transparency  
& Disclosure

Supervision,  
Risk  
Management  
& System  
Stability

Enabling  
Environment

# ... and the sub-dimensions

## TRANSPARENCY & DISCLOSURE

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- Common disclosure framework
- Investors fiduciary duties
- Consumer transparency

## SUPERVISION, RISK MANAGEMENT & SYSTEM STABILITY

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- Supervisory authority positioning
- Supervision of banks
- Supervision of insurance companies
- Supervision of pension funds
- Supervision asset management and investment funds
- Supervision rating agencies

## ENABLING ENVIRONMENT

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- Supporting green finance with public incentives
- 2-degree consistency of public sector acting
- Public capacity building and awareness raising on green finance
- Established and maintained common taxonomy
- Green public-private initiatives of financial centres

# 3fP-Tracker methodology



Qualitative description of status quo



Scoring against the benchmark of a state of high transparency

## Example: Disclosure on governance – target states

Scale	Description
10	Reporting on climate change related governance aspects is mandatory. The regulation obliges, especially reporting on (i) board's oversight of climate change related risks and opportunities; and (ii) management's role in assessing and managing climate change related risks and opportunities. Disclosure regulation is including all financial market actors.
7	Reporting on climate change related governance aspects is mandatory. The regulation specifies the required content unsatisfyingly / aspects above only partially covered. Disclosure regulation is including only some financial market actors.
4	Non-binding recommendations for reporting on climate change related governance aspects./ Governance aspects in disclosure regulation is not sufficiently addressed.
0	Neither non-binding recommendations nor obligations for reporting on climate change related governance aspects.

## *Example:* Disclosure on governance

Score 7/10

... Italian joint stock companies should include in the company's Management Report **a fair, balanced and exhaustive review of the company's condition**. Such a review should also contain non-financial indicators, including information (mostly of a qualitative nature) relating to the environment....

CONSOB whilst confirming in public venues that the NBGs are non-binding, it provided in its Regulation No. 20267 governing the communication of non-financial declarations that it will **verify compliance with the provisions of the Decree on Disclosure of Non-Financial Information consistently with the NBGs. ...**



**The 3fP-Tracker – a tool to invigorate discussions!**

*3fP*

[3fP-Tracker.com](https://3fP-Tracker.com)