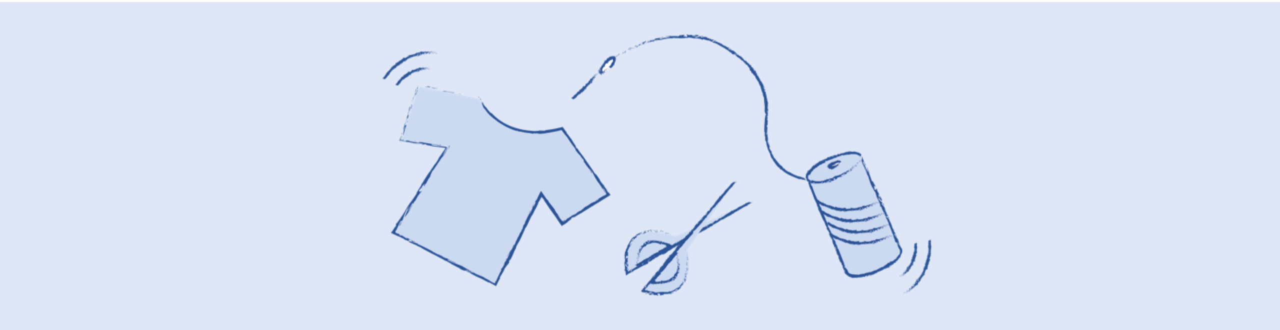
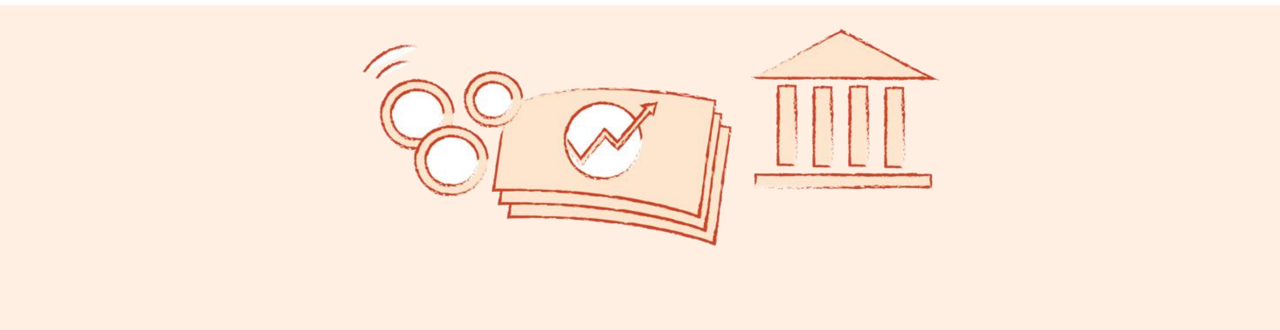
Systems Baseline for the Laudes Foundation's Theory of Change

Annexes to the Final Report, by Future Impacts, in cooperation with 4CF, 2021





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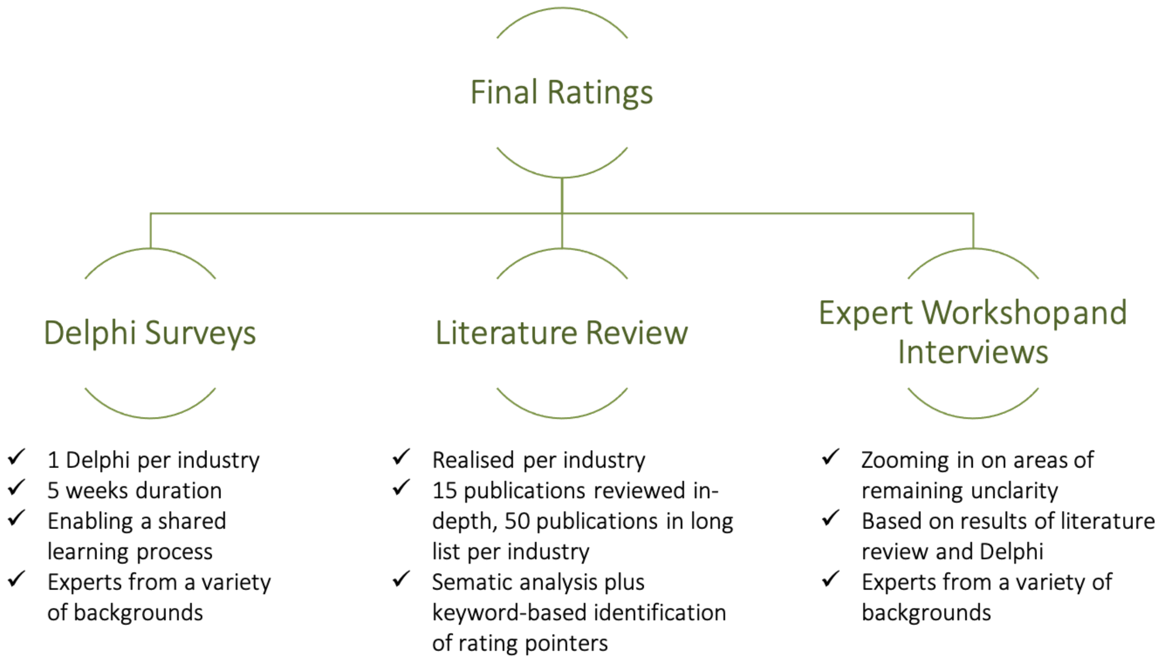
Annex

The Project Approach in Detail

The initial project steps consisted of the two central work streams of the project, the literature review and the three Delphi surveys. The results from these two work streams were then combined to check for areas of inconsistency. Areas of unclarity, such as inconsistent or inconclusive ratings between the literature review and the Delphi surveys, were highlighted and discussed with the experts within the expert workshop, supplemented by expert interviews, to come to a final rating.



The literature review was done in three steps:

1. Compilation of literature long list
   The first step developed a long list of relevant literature comprising approximately 50 sources per industry. The identification applied criteria for content focus, depth, publication date, type of publication, type of publishing organisation/author, regional scope, and publication language.

2. Compilation of literature short list
   The second step derived a selection of 15 publications per industry from the long list. This step applied criteria for depth of information, coverage of information on the various types of actors, explicitness of evaluation or rating of status quo, and a balanced distribution of different types of publishing organisations.

3. Review via analytical matrix
   The final step systematically analysed the selected publications. A two-way approach was used to derive ratings: a semantic analysis, i.e., identification of relevant pointers and conclusions via matrix, followed by a keyword-based analysis to identify additional relevant material, with a focus on eliminating information gaps.

The Delphi surveys were conducted in the following steps:[1]

1. Expert identification, selection and invitation
   Experts were identified and recruited through desk research and existing Laudes networks. A selection criteria – including place of employment, type of industry (academia, private industry, public services, NGOs), years of experience, gender and location (country/geographic region) – ensured a well-rounded mix of expertise.

2. Set up of the Delphi surveys
   The online platform for the Delphi surveys was set up, and questions formed according to the Laudes Rubrics. Feedback on the survey design (from Laudes and the creators of the rubrics) was collected and incorporated. Read-ahead material was compiled and sent to the experts.

3. Realizing the Delphi surveys
   The three Delphi surveys were conducted simultaneously, each covering one of the industries (fashion, finance and capital markets, and built environment). The results of each Delphi survey represent the insights and opinions of industry experts on the applicable rubrics against the status of climate change mitigation efforts and efforts to eliminate inequality. In the Real-Time-Delphi approach, experts were able to view each other's contributions, exchange views and thus contribute to a cooperative, reflective learning process around the rubric topics. The overall duration of the Delphi was five weeks (from 30 May to 7 June 2021), with seven to nine expert contributions per industry.

The expert workshop was carried out in these steps:

1. Preparation and input for the expert workshop
   Ahead of the workshop, the results from the literature review and the Delphi surveys were compared and areas of uncertainty highlighted. Rubrics for which the ratings were not totally aligned were marked as unclear[2] and were the focus for discussion in the expert workshop, with the aim of arriving at a group-based approximation of a combined rating.

2. Realizing the expert workshop
   The workshop focused on sharing key results and highlighting those that were unclear or uncertain, either within the Delphi surveys or literature review, or because the ratings resulting from both differ strongly. These areas of unclarity were discussed in industry groups, and consensus on a final rating was achieved.

3. Triangulation of all evidence via additional research and expert interviews, finalisation of ratings
   Following the workshop, the results were documented, and remaining evidence gaps identified. A deep dive into key sources of evidence, supplemented by targeted semi-

[1] Background on the Delphi methodology: An established expert-oriented method of foresight for decades, the classic Delphi is a survey that highlights areas of dissent and unanimity. Unlike in traditional survey approaches, the Delphi uses rounds to allow experts to reassess their opinions. In contrast to the "classic" Delphi methodology, the Real-Time-Delphi allows for immediate feedback among participants. Through web-based technology the Real-Time-Delphi thus functions as a "round-less" conversation within a group of experts, enabling interaction between the experts, shared learning and sensemaking.

[2] Results were categorized as unclear when either the rating results from the literature review and the Delphi differed for an individual rubric (e.g., a rating of '"partly conducive'" was allocated from the literature review, while a rating of "'harmful'" was derived from the Delphi), or when the mean deviation in either the literature review ratings or the Delphi ratings was above 1.0 (mean deviations for the literature review were produced from differentiated ratings per rubric, as derived from different literature sources, with each literature source being counted as one rating input).

structured expert interviews, served to finalise ratings and overall project conclusions. For example, anomalies between ratings for the D rubrics (2030 impacts) and the C rubrics (2025 outcomes), that reflected an optimism bias rather than being based on evidence regarding the status of the respective subsystems[3], were addressed in this way.

Final project steps:

1. Expert interviews to corroborate rating adjustments
   In this project step, targeted semi-structured interviews were conducted with industry experts who were unable to participate in the workshop to gain further input and corroborate the final ratings and conclusions.

2. Sensemaking workshop with Laudes Foundation
   Clear, actionable and communicable key messages were prepared for the sensemaking workshop. The aim was to present and reflect on these with the foundation to arrive at a final set of results that can be used to greatest effect by the foundation and its stakeholders. Interactive working sessions zoomed in on the implications for Laudes Foundation.

3. Lastly, all project results were brought together in the final report to serve as a reference point to monitor and evaluate systems change across the Laudes programmes (as well as serving other operational and strategic applications).

Limitations of the Approach

Developing a shared assessment of the status quo regarding practices related to tackling climate change and inequality and inclusion in three industries is a complex endeavour. The qualitative Laudes Foundation rubrics use descriptive statements to consider behaviours of different actors in policymaking and business as well as workers, producers and communities. The ratings presented in this document are therefore interpretive to some extent.

A systematic and transparent way of capturing and analysing evidence ensures a sound basis for the results. The assessments drew on evidence offered by experts with different perspectives and specific knowledge combined with information and evaluative statements from a carefully selected segment of the overall body of literature on the three industries. However, room for interpretation and debate will always remain a Theory of Change-based approach of this kind. The ratings should therefore be reassessed and rated regularly to continually integrate new perspectives and evidence as it emerges. The following section brings together details on the preliminary rating results and background material from the literature review. Please see the section on methodology for details on the approach.

[3] As highlighted by one expert, for instance, "We [experts] get to see what the stakeholders are really doing. I hope we will make progress in the matter of sustainability in the future." Another commented "I am more optimistic in the longer term, ultimately, we will reach higher levels of sustainability." While a third participant suggested that "There is a split between the likelihood of the success of making the substantive shifts and feeling encouraged by the optimistic early signals. But a real change requires a game changer. Do we have the right tools to trigger it yet?"

Fashion

Preliminary Results from the Literature Review (Ratings and Key Quotes)

The 15 short-listed studies were used to derive baseline ratings for each rubric applied to the fashion industry, with ratings ranging from 'thrivable' to 'harmful' (as attributed by the analysis team). However, the majority of cues for the assessments point to an assessment of these rubrics as either 'unconducive' (59.3% of all individual ratings) or 'partly conducive' (23.1% of all individual ratings). The mean deviation across the ratings, i.e., the highest range of ratings as drawn from the literature analysis for an individual rubric, ranged from 0.0 to 0.8, with standard deviation values below 1.0 considered to be low variance and thus showing reasonable agreement across the ratings from the literature in these rubrics.

Information that would have suggested a rubric assessment of 'harmful' included harmful policy incentives, such as prioritising shareholder value over environmental impacts: "In fact, in many countries, companies are actually required by law to ensure shareholder value is prioritised first, no matter the consequences for workers, communities and the environment." (Fashion Revolution 2020a, p. 26.) Also, barriers to implementing circular principles, and a lack of insight into how to remove them, are mentioned frequently. (e.g., UNEP 2020b, p. 55.) Regarding equality and inclusion, gender disparity within the fashion industry is also frequently cited: "Currently, less than one percent of spending of large businesses on suppliers is earned by women-owned businesses" (UNEP 2020b, p. 34); without any clear path forward for change: "The gender gap in business performance, due among others factors to access to finance, information and communications technology (ICT) use, skills, human capital, agency and the business environment (the latter involving elements such as time for child care, harassment and property holding), will continue to see women excluded from economic opportunities along the value chain unless these are addressed." (UNEP 2020b, p. 34.) Furthermore, the need to support developing nations is stressed, highlighting for example that "For developing countries, a lack of training and resources hampers enforcement of legislation. There is therefore a need for governments in developing countries to be endowed with the capacity to set and enforce legislation on chemicals, and to better balance social and environmental protection against developmental needs." (UNEP 2020b, p. 56; see also EMAF 2020a, e.g., p. 49.)

Conditions for ratings of 'unconducive' were the most numerous. Here, the publications highlight strong developments in recent years: "Over the past seven years, several governments and intergovernmental institutions have taken decisive and concrete actions to address human rights abuses and environmental damage occurring along global supply chains, including within the fashion and textiles industry." (Fashion Revolution 2020a, p. 16.) The same publication also stresses that "When it comes to environmental issues, and especially climate breakdown, there has been a raft of legislation and policies coming into play around the world." (Fashion Revolution 2020a, p. 17.) Others come to a similar assessment, especially stressing a push towards circularity regulation: "Regulators and policy-makers are also on board, amid a raft of upcoming initiatives to promote circular practices (such as in the EU) and prohibit the destruction of luxury goods, as can be seen in France. More generally, measures such as the EU's carbon border tax will promote circularity by making the economics of onshore recycling and other circular models more attractive." (McKinsey 2021, p. 65.) Nevertheless, "the transition towards a circular textile industry in Europe" is also described as being "still in its infancy due to a wide range of socio-economic, environmental and legal barriers which create path dependencies and inhibit the adoption of circular solutions on a broader scale." (GIZ 2019, p. 35.) Overall, despite the stress on these "rafts", there are explicit conclusions that "Things are beginning to change but not nearly fast enough." (Fashion Revolution 2020a, p. 37.)

Of note was the struggle to find material that informed the rubrics relating to workers organising and advocating for climate-positive practices and policies (C4a). While pointers for ratings were found for rubrics C4b relating to workers organising and advocating for equality and inclusion, ratings within this rubric were either ‘harmful’ or ‘unconducive’: “Just 1 in 5 companies could demonstrate the presence of trade unions and/or collective bargaining agreements in the majority of final stage facilities.” (BWAA 2019, p. 38.) Furthermore, “workers are still rarely included in the design of the solutions that are meant to fix the problems they face, and this needs to change.” (Fashion Revolution 2020a, p. 16.)

Lastly, many of the pointers for ratings across the D rubrics offered optimism that the fashion industry was serious in its intentions to improve sustainability and equality, as well as overall transparency, across supply chains: “More and more companies are beginning to acknowledge the strategic value of transparency and the support it can give to their due diligence processes as well as in rebuilding trust. This is why we are seeing brands and retailers disclosing their suppliers, not only at the first tier of manufacturing but also the facilities where their cloth is woven and the sources of their raw materials.” (Fashion Revolution 2020b, p. 47.) This was reflected in the ratings for the D rubrics, which lean more towards the ‘thrivable’ end of the rating scale.

Rubric	Description	Rating from literature review (and mean deviation)	Pointers for assessment of rubrics
C1a	Policymakers reform, implement, enforce and protect critical laws and policies that require climate-positive practices	Unconducive (0,5)	· CDP 2020, p. 4, 11, 16, 23, · EMAF 2018, p. 10, 11, 19, 20, 89, 94, 95, 96, 98, 99, 102, 127, 129, 144 · EMAF 2020a, p. 6, 7, 8, 46, 49 · Euratex 2020, p. 4, 8, 9, 10, 14, 18, 19, 20, 22, 27, 29, 32, 33, 36, 37 · Fashion Revolution 2020a, p. 16, 17, 26, 37 · GIZ 2019, p. 3, 10, 16, 17, 28, 29, 31, 32, 33, 35 · KPMG & TE 2019, p. 6 · McKinsey 2021, p. 65 · McKinsey & GFA 2020, p. 2, 21, 23 · UNEP 2020b, p. 7, 46, 51, 52, 55, 56, 58, 60, 65, 67, 69 · USCTP 2020, p. 7, 16

References (Selection)
- “Over the past seven years, several governments and intergovernmental institutions have taken decisive and concrete actions to address human rights abuses and environmental damage occurring along global supply chains, including within the fashion and textiles industry” (Fashion Revolution 2020a, p. 16) However, despite this, there is the explicit conclusion that: “Things are beginning to change but not nearly fast enough.” (Fashion Revolution 2020a, p. 37)
- “Regulators and policy-makers are also on board, amid a raft of upcoming initiatives to promote circular practices (such as in the EU) and prohibit the destruction of luxury goods, as can be seen in France. More generally, measures such as the EU’s carbon border tax will promote circularity by making the economics of onshore recycling and other circular models more attractive.” (McKinsey 2021, p. 65)
- “For developing countries, a lack of training and resources hampers enforcement of legislation. There is therefore a need for governments in developing countries to be endowed with the capacity to set and enforce legislation on chemicals, and to better balance social and environmental protection against developmental needs.” (UNEP 2020b, p. 56; see also EMAF 2020a, e.g., p. 49)

<table>
<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td>C1b</td><td>Policymakers reform, implement, enforce and protect critical laws and policies that require equity and inclusion.</td><td>Unconducive (0,5)</td><td>· BWAA 2019, p. 8
· Fashion Revolution 2020a, p. 12, 16, 17, 26, 29, 30
· Fashion Revolution 2020b, p. 39, 52, 55
· KPMG & TE 2018, p. 8
· McKinsey 2021, p. 49, 74
· UNEP 2020b, p. 7, 35, 53</td></tr>
<tr><td colspan="4">References (Selection)
- “Despite hundreds of international standards, laws and regulations, and auditing and certification systems that exist to protect human rights and ensure decent working conditions, exploitation remains rife within the global fashion industry.” (Fashion Revolution 2020a, p. 29)
- “Over the past five years there have been some promising efforts made to address low wages in the fashion supply chain. ACT (Action, Collaboration, Transformation) is one such initiative that is bringing together global brands, trade unions, manufacturers and governments to take responsibility for each of their roles in increasing workers’ pay and achieving living wages.” (Fashion Revolution 2020a, p. 30)
- “... more lawmakers around the globe look to move fashion companies away from voluntary initiatives toward taking legal responsibility for their supply chains.” (McKinsey 2021, p. 74)
- “Achieving systemic changes will require coordinated actions by all stakeholders and across regions. Priority needs include stronger governance and policies to drive change, collaboration and financing to enable industry-wide action, and changes in consumption habits.” (UNEP 2020b, p. 7)</td></tr>
<tr><td>C2a</td><td>Financial sector actors use their influence, policies, practices and valuation methodologies to ensure climate-positive practices.</td><td>Unconducive (0,5)</td><td>· CDP 2020, p. 4, 6, 11, 18, 19
· GIZ 2019, p. 19, 20, 28
· EMAF 2020a, p. 6, 15, 44, 47
· EMAF 2018, p. 11, 24, 96, 128f
· KPMG & TE 2018, p. 15, 29f
· McKinsey & GFA 2020, p. 2, 21, 24
· USCTP 2020, p. 21
· UNEP 2020b, p. 7, 52, 65, 70</td></tr>
<tr><td colspan="4">References (Selection)
- “Investors, regulators, customers and consumers alike are mounting pressure on apparel and textile companies to transparently measure, manage and reduce their impact on the water environment across their whole value chain.” (CDP 2020, p. 4)
- “Regulatory incentives such as the European regulation on waste recycling and reuse under the Waste Framework Directive may support investment. Equally, the promise of cost savings is not a guarantee of implementation feasibility. A requirement for significant upfront capital allocation may, for example, act as a disincentive. In these situations, value- sharing arrangements among value chain players can help re-align the incentives required to catalyse action.” (McKinsey & GFA 2020, p. 21)
- “Despite major technological developments and investments in the past 20 years, cost continues to be cited as the primary barrier to industry-wide sustainability.” (USCTP 2020, p. 21)</td></tr>
<tr><td>C2b</td><td>Financial sector actors use their influence, policies, practices and valuation methodologies to ensure equity and inclusion.</td><td>Harmful (0,6)</td><td>· KPMG & TE 2018, p. 29f, 37
· McKinsey 2021, p. 48
· UNEP 2020b, p. 7, 34, 65</td></tr>
<tr><td colspan="4">References (Selection)
- “Currently, less than one percent of spending of large businesses on suppliers is earned by women-owned businesses.” (UNEP 2020b, p. 34)
- “The gender gap in business performance, due among others factors to access to finance, information and communications technology (ICT) use, skills, human capital, agency and the business environment (the latter involving elements such as time for childcare, harassment and property holding), will continue to see women excluded from economic opportunities along the value chain unless these are addressed.” (UNEP 2020b, p. 34)
- “‘Historically, less than 1 percent of venture capital money has gone to Black individuals,’ said James, in an October 2020 interview with BoF [Business of Fashion].” (McKinsey 2021, p. 48, footnote 89)</td></tr>
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Rubric	Description	Rating from literature review (and mean deviation)	Pointers for assessment of rubrics
C3a	Businesses promote and implement bold, climate-positive policies, models and practices.	Unconducive (0,5)	· BWAA 2019, p. 9, 23, 24 · Biomimicry Institute 2020, p. 6, 7, 8, 10, 15, 16, 20 · CDP 2020, p. 4, 6, 8, 11, 13 · GIZ 2019, p. 9, 11, 12, 26, 27, 30, 35 · EMAF 2020a, p. 11f, 43, 44, 45, 46, 49 · EMAF 2018, p. 11, 12, 91, 93, 94, 95, 96, 101, 102, 128 · Fashion Revolution 2020a, p. 5, 6, 18, 24, 26, 36, 38, 39 · Fashion Revolution 2020b, p. 4, 5, 6, 28, 33, 44, 45, 57, 59 · KPMG & TE 2018, p. 5, 10, 11, 12, 15, 16, 21ff, 24f, 29f, 32ff, 35f, 37ff · McKinsey 2021, p. 20, 61, 62, 62f, 63, 64, 65, 66, 67, 68 · McKinsey & GFA 2020, p. 2, 10, 13, 14, 22, 44, 45 · Euratex 2020, p. 8, 13, 16, 20, 21, 22, 23, 24, 28, 32, 38 · USCTP 2010, p. 4, 5, 7, 8, 11, 14, 15, 19, 20, 24, 25, 26, 26f · UNEP 2020b, p. 6f, 7, 8,, 9, 13,, 19, 25, 27, 41, 49, 51, 52
References (Selection) - “Many companies feel that they now stand at a crossroads, choosing between short-term economic gains, or doubling down on their environmental commitments.” (Boston Consulting Group 2020 in CDP 2020, p. 6) - “Many of today’s products are not yet designed with durability/longevity or recycling in mind. They often consist of mixed fibres and multi-material compositions that are hard to disassemble with current technologies. Many designers still lack the tools to design for circular textile system.” (Euratex 2020, p. 13) - However, “New ways of doing business, such as clothing rental services, are gaining traction, and, along with the development of new recycling technologies, promise to increase service life and post-use options.” (UNEP 2020b, p. 7)			
C3b	Businesses promote and implement bold policies, models and practices that contribute to equity and inclusion.	Unconducive (0,5)	· BWAA 2019, p. 6,7, 8, 20, 21, 26 · Better Buying 2019, p. 21, 22 · CDP 2020, p. 11 · Fashion Revolution 2020a, p. 5, 6, 12, 15, 24, 26, 29, 31, · Fashion Revolution 2020b, p. 4, 5, 6, 28, 39, 40, 44, 52, 53, 55 · KPMG & TE 2018, p. 5, 8, 10, 16, 20, 26ff, 31, 37ff · McKinsey 2021, p. 47, 48, 65, 72, 73, 74, 75, 99 · USCTP 2020, p. 14 · UNEP 2020b, p. 8, 29, 30, 33, 40, 52

<table>
<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td colspan="4">References (Selection)
- “Persistent challenges in the sector remain. Occupational segregation, working hours, health and safety, low pay and the gender wage gap, failure to pay overtime, and underrepresentation of women in supervisory roles are among the challenges facing women. In addition, the introduction of new technologies and increased automation have shown biases to hire more men, resulting in these opportunities going to a larger proportion of male workers and supervisors.” (KPMG & TE 2019, p. 8)
- “Across the value chain, companies are seeking to operate in a responsible way by incorporating human and labor rights considerations into business practices. However, as more countries graduate into middle-income status, low-cost country sourcing becomes a short-term solution to a long-term challenge of value creation. Today’s suppliers, brands, and retailers comply with a myriad of business processes and controls to ensure equitable and safe working environments, including audits, codes of conduct, grievance mechanisms, and risk assessments related to human rights and labor standards.” (KPMG & TE 2019, p. 10)
- “Reputational risks to brands and retailers, especially of human rights abuses in their supply chain, are a strong driver of improved labour practices, yet many brands are unable to trace their supply chains beyond assembly. This has seen the development of a number of sustainability standards with traceability and transparency as a core aspect. New technologies, such as blockchain, present opportunities for supply chain traceability, potentially able to provide consumers with garment-specific sustainability information.” (UNEP 2020b, p. 52)</td></tr>
<tr><td>C4a</td><td>Workers, producers, and communities claim rights and build power to organise and advocate for climate-positive policies and practices.</td><td>Unconducive (0,6)</td><td>· BWAA 2019, p. 43, 44
· Fashion Revolution 2020a, p. 8, 23, 54
· Fashion Revolution 2020b, p. 28,</td></tr>
<tr><td colspan="4">References (Selection)
- “Clothing ‘swaps’ are also growing in number and popularity around the world. Informally swapping clothes with friends, family and neighbours has happened across generations for a very long time. However, we are now seeing clothing swaps become more formal and organised at a community-wide level, where strangers are coming together to give their clothes a second (third, fourth...) life with someone else.” (Fashion Revolution 2020a, p. 23)
- “Workers, trade unions, NGOs and journalists are already using publicly disclosed information from brands to address issues happening in factories around the world but information could be even more accessible for them to make use of. Platforms like Wikirate and Open Apparel Registry are helping make transparency information more practical to use, but there is definitely more that can be done.” (Fashion Revolution 2020a, p. 54)
- “Less than one-third of brands publish supplier policies on the following topics: biodiversity and conservation (32%), community engagement (17%), maternity rights and parental leave (29%), and textile waste and recycling (12%).” (Fashion Revolution 2020b, p. 28)
- [HanesBrands energy management policy] … “Since its launch, employee adoption has seen it flourish — reducing greenhouse gas emissions by 28 percent, water use by 30 percent, and saving more than $10 million annually….. Employees have refurbished schools and hospitals, created after-school programs, conducted tree plantings and beach clean-ups, initiated community water and energy projects, and received medical and surgery support as part of HanesBrands’ Green for Good program.” (BWAA 2019, p. 43,44)</td></tr>
<tr><td>C4b</td><td>Workers, producers, and communities claim rights and build power to organise and advocate for equity and inclusion.</td><td>Unconducive (0,0)</td><td>· BWAA 2019, p. 38
· Fashion Revolution 2020a, p. 12, 15, 16, 31, 33
· Fashion Revolution 2020b, p. 5, 39
· McKinsey 2021, p. 47f, 74
· UNEP 2020b, p. 35</td></tr>
<tr><td colspan="4">References (Selection)
- “Just 1 in 5 companies could demonstrate the presence of trade unions and/or collective bargaining agreements in the majority of final stage facilities. This still stands in sharp contrast to the 87% of companies whose policies uphold the right to freedom of association and collective bargaining. It appears that while auditors routinely ask workers if they feel they are free to express this right, companies are less robust in checking for the presence of avenues for workers to do so in practice.” (BWAA 2019, p. 38)
- “Workers are still rarely included in the design of the solutions that are meant to fix the problems they face, and this needs to change.” (Fashion Revolution 2020a, p. 16)
- “Journalists and workers’ rights organisations are using supplier lists to address and remedy poor working conditions in the supply chains of major brands.” (Fashion Revolution 2020b, p. 5)</td></tr>
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<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td>D1</td><td>Bold policy and regulatory frameworks have created the foundation for a new economy grounded in climate-positive practices, inclusion and equality.</td><td>Partly conducive (0,6)[4]</td><td>· BWAA 2019, p. 18
· Better Buying 2019, p. 21
· GIZ 2019, p. 17, 31, 32
· EMAF 2020a, p. 10, 11, 49
· EMAF 2018, p. 12, 23, 126
· Fashion Revolution 2020b, p. 39, 52, 62
· McKinsey 2021, 65, 49, 74
· McKinsey & GFA 2020, p. 4
· Euratex 2020, p. 9, 10, 19, 20, 26, 29, 30, 31, 35
· USCTP 2020, p. 7
· UNEP 2020b, p. 69, 70</td></tr>
<tr><td colspan="4">References (Selection)
- “The concept of the circular economy reflects the recognition that European systems of production and consumption need to be fundamentally transformed to achieve the EU’s 2050 vision of ‘living well within the limits of our planet’.” (GIZ 2019, p. 17)
- “Further hard regulations could include mandatory eco-design criteria that promote design approaches for non-toxic application scenarios as well as design for repairability, disassembly and recycling. Moreover, brands could be required to address environmental and social externalities into their profit and loss statements, which summarises the revenues, costs and expenses incurred during a specified period. In future, this could become part of the non-financial reporting obligations amongst European member states.” (GIZ 2019, p. 32)
- “Governments need to further regulate against toxic substances and harmful labour practices.” However, “The lack of capacity within governments to enforce legislation, and a lack of global coordination between governments, also need to be addressed if stronger governance is to be attained.” (UNEP 2020b, p. 69) Furthermore, “Governments and brands/retailers are unlikely to take action at scale unless there is considerable advocacy.” (UNEP 2020b, p. 70)</td></tr>
<tr><td>D2</td><td>An accountable financial sector enables, conditions and rewards climate-positive practices, inclusion and equality.</td><td>Partly conducive (0,6)[5]</td><td>· Better Buying 2019, p. 21
· EMAF 2018, p. 126
· McKinsey & GFA 2020, p. 4, 22, 24
· UNEP 2020b, p. 31, 34, 47, 70</td></tr>
<tr><td colspan="4">References (Selection)
- “The scale of change required implies a need for bold commitments. Stakeholders throughout the value chain should be willing to make bold commitments, followed by equally bold actions, transparency, collaboration and joint investment.” (McKinsey & GFA 2020, p. 4)
- “Additionally, investors can allocate capital towards innovative players looking to develop solutions towards key decarbonisation challenges such as closed loop recycling (CLR), towards sustainable material development and also demand prediction models that can reduce overproduction.” (McKinsey & GFA 2020, p. 24)
- “Thus, while the fashion industry in particular has been identified as having high potential to increase economic opportunities for women, improving women’s financial inclusion in the sector is essential if such potential is to be achieved - for example, through provision of access to markets and suppliers, providing funding to entrepreneurs and SMEs, provision of market information, and education and training on business and financial matters.” (UNEP 2020b, p. 34)</td></tr>
<tr><td>D3</td><td>Responsible businesses and industries are climate-positive and ensure inclusion and equality for workers, producers and communities.</td><td>Partly conducive (0,8)[6]</td><td>· Better Buying 2019, p. 21
· Biomimicry Institute 2020, p. 8, 10, 11, 13, 14,
· CDP 2020, p. 6
· GIZ 2019, p. 23, 31</td></tr>
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[4] Discussions at the expert workshop provided the evidence base to adjust an anomaly in the initial rating of this rubric. Many of the contributions referred to future areas of advancement that could not be backed by evidence on the status quo from the literature, i.e., they were built on assumptions of potential developments that could, given certain conditions and changes, happen in the future. On this basis the rating as presented here was adjusted downwards to align with the project logic and rubrics logic, focussing on baselining the status quo as such (see the section on methodology and project steps in detail for more information on this).

[5] See footnote 4

[6] See footnote 4

Rubric	Description	Rating from literature review (and mean deviation)	Pointers for assessment of rubrics
			· EMAF 2020a, p. 46 · EMAF 2018, p. 12, 22, 100, 101, 145 · Fashion Revolution 2020b, p. 47, 59, 62 · KPMG & TE 2018, p. 3, 6, 15, 17, 18, 20ff, 37ff, 49f · McKinsey 2021, p. 9, 13, 14, 15, 17, 49, 74 · KPMG & GFA 2020, p. 4, 8, 11, 14, 25 · Euratex 2020, p. 28 · USCTP 2020, p. 18, 20, 29 · UNEP 2020b, p. 33
References (Selection) - "Investors, regulators, purchasers, consumers and civil society...are calling for apparel and textile companies to be transparent on environmental and social issues and take action aligned with business resilience and water security for all. Those companies which act quickly, and are transparent with their actions, will become the leaders of a renewed fashion industry." (CDP 2020, p. 6) - "Current consensus expects that companies are actively going out and looking at how they are causing, contributing or directly linked to human rights violations and environmental degradation in their supply chains – and then fixing these problems (...) It would mean that glossy sustainability reports and damage control after painful media exposés become less of a priority, and instead attention shifts towards more radical transparency, acknowledgement of problems and an attitude (backed with the necessary resources) focussed on making things right again." (Ben Vandeperstrate (Human rights expert) in Fashion Revolution 2020b, p. 47) - "More and more companies are beginning to acknowledge the strategic value of transparency and the support it can give to their due diligence processes as well as in rebuilding trust. This is why we are seeing brands and retailers disclosing their suppliers, not only at the first tier of manufacturing but also the facilities where their cloth is woven and the sources of their raw materials. Given this trend, we will soon see a shift where it is no longer a debate about why brands need to become transparent. The focus will turn onto brands who are not disclosing their suppliers and we will all ask: what do they have to hide?" (Fashion Revolution 2020b, p. 47)			
D4	Active, organised workers, producers and communities exercise power to secure climate-positive practices, inclusion and equality.	Unconducive (0,5)	· Better Buying 2019, p. 21 · Fashion Revolution 2020b, p. 39, 60 · KPMG & TE 2018 · McKinsey 2021, p. 74
References (Selection) - "For retailers and brands, supply chains of the future will need to be designed to meet volatile market demands and provide continuity of supply despite the policy noise. These supply chains will also need to contribute positively to the environment and people making our products." (Better Buying 2019, p. 21) - "Many suppliers are demanding a relationship based on mutual respect, fairer treatment, a reasonable share of value and better adherence to contracts. Suppliers in all industry segments are speaking up, from mass-market suppliers in Bangladesh to Indian artisans working for the international luxury houses. Some are threatening embargoes when brands do not pay their bills, applying rating systems and leveraging tools such as HSBC's Serai to conduct financial health checks on brands." (McKinsey 2021, p. 74)			

Finance and Capital Markets

Preliminary Results from the Literature Review (Ratings and Key Quotes)

Baseline ratings for the various rubrics for finance and capital markets were allocated based on the 15 short-listed studies[7]. They ranged from 'harmful' to 'partly conducive' with the majority of pointers indicating either 'unconducive' (67.1% of all individual ratings) or 'partly conducive' (21.2% of all individual ratings), with 11.8% of assessments allocated as 'harmful'. Of note, no ratings of 'conducive & supportive' or 'thrivable' were applied to rubrics for finance and capital markets. The mean deviation across the ratings, i.e., the extent to which individual ratings of each rubric from different sources deviate from the mean, ranged from 0.0 to 0.7. This suggests[8] that the ratings per rubric derived from the literature review were fairly consistent.

The difficulty of embedding transparency in finance and capital markets is one of the main reasons driving ratings towards the lower end of the scale. "There is a huge need for investment in sustainable projects but given the lack of generally accepted definitions of 'green' and 'sustainable' and insufficient transparency about their use, it is unclear how the strong market growth observed in the recent past will continue to develop." (Deutsche Bundesbank 2019, p.1.)

Higher ratings of 'partly conducive' for some rubrics are testimony to steps taken by financial markets towards integrating sustainability considerations in capital allocation. "Climate change has moved from a fringe topic to a board level priority for the leading financial institutions in Europe. There have been significant investments to build new capabilities and major new statements have been made in the last 12-18 months. Yet the work required to fully embed this ambition within the plumbing of the financial system is only just beginning." (CDP 2021, p.21.)

Published in 2020, the EU taxonomy and action plan on the financing of sustainable growth are expected to bring about change. So far, however, without clear definitions and a lack of transparency, the legislative and political framework is not conducive to climate-positive or broader sustainability-led practices. Also, "there are concerns that the binary nature of the taxonomy could prevent gradations in financing conditions, since the taxonomy itself does not reflect that economic activities can achieve various degrees of sustainability." (Deutsche Bundesbank 2019 p.14.)

Much attention in studies related to the sustainability performance of financial markets focuses on how existing mechanisms allocate available capital through financial markets. Overall, so far, capital flows are not consistently directed towards Environmental, Social, and Governance (ESG) objectives. "Current levels of investment are not sufficient to support a climate-resilient, sustainable economic system that mitigates climate change and stops depletion of natural capital (air, water, land and biodiversity). More private capital flows need to be oriented towards sustainable investments to close the wide yearly gap of additional investments needed to meet the EU's 2030 targets under the Paris Agreement (estimated at EUR 180bn)." (EUTEGSF 2019, p. 16.) Strong growth in specific investment areas, such as the circular economy, masks a more fragmented picture regarding the effectiveness at scale of financial products and tools that can drive a fundamental transition towards an unequivocal focus on strengthening ESG performance throughout the investment landscape.

[7] One study classified as an 'Interim Report' (EUHLEGSF 2017) was supplemented by the findings of the 'Final Report' (EUHLEGSF 2018), ratings from both reports were incorporated into the findings.
[8] Standard deviation values below 1.0 are low variance.

Many studies consider the current treatment of climate-related risks and legal disclosure requirements as critical to achieving a wholesale transition towards more sustainable practices in financial markets and the economy at large. “[T]he credit agencies that determine the ratings of bonds have not so far adequately accounted for… climate risks in their assessments. Since the ECB uses the ratings of credit agencies to evaluate the credit quality of bonds, it clearly underestimates the risks of bonds issued by carbon-intensive sectors.” (NEF 2021 p.20.) “Overall, despite the growing acknowledgment that climate-related risks in particular deserve attention from a prudential risk management perspective, the actual incorporation in the risk management framework, the development of proper risk management functions to handle these risks and the elaboration of robust risk identification and assessment tools are still at preliminary stages.” (EBA 2020, p. 39.)

On the business side, several studies identify a willingness to adapt to sustainability imperatives, but conflicting priorities and objectives and, again, a lack of effective ways of integrating ESG concerns in business models and reporting practices. “Despite steps forward, 2020 has also highlighted the need for fact-checking of an increasing stream of disclosures, PR statements and high-level commitments from both companies and industry associations to check for alignment between statement and practice.” (CA100+ 2020, p. 78.) This creates a mismatch between financial markets’ activities and the business world. “Banks representing 95% of all lending to European corporates have such an ambition [to be Paris-agreement-aligned], even as the necessary metrics, data, and processes are still being built. This contrasts with just 8% of European corporates having set targets in line with a well-below 2°C rise. This has created a gap of more than €4 trillion between the lending that banks plan to align with Paris and the current available demand for such financing.” (CDP 2021, p. 5.)

The short-listed studies identify innovation in the way sustainability data is gathered and analysed, including a stronger focus on “forward-looking data” (GISD 2020 p. 14), as key. “Alternative data sources and technology advances offer new ways to evaluate sustainability performance and make this information widely available.... making it easier for investors to evaluate corporate sustainability performance without reliance on corporate disclosure.... However, many of the available data innovations are prototypes, and end-users are still discovering the breadth of applications that such approaches provide.” (GISD 2020, p. 15.) Ratings at the lower end of the scale, however, are also partly owed to the fact that several studies identified a risk of equality and inclusion objectives being difficult to incorporate into artificial intelligence-enabled data analysis tools. “To avoid new forms of financial exclusion, regulators should work to ensure an ethical and responsible use of AI and mitigate for potential biases and discrimination.” (UNIATFFD 2020, p. 26.)

Few studies had much to say about the social aspects of ESG objectives. “[D]espite the EU’s extensive studies on financial exclusion (see e.g., EU, 2008a, 2010a, 2012a) it still views, as will be argued in this paper, access to financial services mainly a matter for the market.” (Re-invest 2018 p. 13.) Where studies did consider this dimension, they identified ongoing pressure on businesses to prioritise a focus on financial returns over ESG objectives. As one study finds, corporate debt is growing and increasing pressure on businesses to be profitable above all else. “Analysis of 455 companies in the S&P 500 (excluding banks and cash rich tech giants like Apple, Amazon, Google and Microsoft) showed on average, businesses nearly tripled their net debt over the last 10 years, adding approximately $2.5 trillion in leverage to their balance sheets.” (PRE 2021, p. 28.)

And yet, “Achieving the SDGs and a net-zero future requires reallocation of public and private resources across countries, economic sectors and social segments. Without attention to the most vulnerable groups, however, the transition will result in increased social and economic stress. It is thus essential for policymakers to establish a conceptual framework for fairness and to use public financial resources in the most efficient and catalytic way possible to implement that just transition framework." (GISD 2020, p. 27.)

<table>
<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td>C1a</td><td>Policymakers reform, implement, enforce and protect critical laws and policies that require climate-positive practices</td><td>Unconducive (0,7)</td><td>· CDP 2021, p. 6
· Deutsche Bundesbank 2019, p. 1, 2, 7, 9, 11, 14, 15,
· EMAF 2020b, p. 25
· EUHLEGSF 2018, p. 9, 10
· NEF 20201, p. 3, 4, 6, 13,
· GISD 2020, p. 5, 11, 15, 26
· NGFS 2020, p. 4, 11
· OECD 2020, p. 17, 120, 137
· UNIATFFD 2020, p. xviii, xix, 12, 26, 74, 141</td></tr>
<tr><td colspan="4">References (Selection)
- "[T]he terms on which [central banks] accept bonds or loans posted by banks sends a powerful signal to private financial markets.... They reinforce the carbon lock-in. It further contradicts the ECB's own principles of strong risk standards needed for the sound implementation of monetary policy. (NEF 2021, p.3)
- "[W]hat has been missing is an overarching strategy for delivering innovative solutions that respond to the scale of the task. For a long time, discussions between climate and energy transition experts and experts in financial regulation have taken place in 'silos'." (EUHLEGSF 2017, p. 9)
- "All of this points to the urgent need for a long-term policy framework for sustainable finance. The transformation of the EU economy towards a sustainable model will take years. Financiers need a stable regulatory environment that is aligned with long-term sustainability goals and that allows them to allocate Europe's savings with confidence." (EUHLEGSF 2018, p. 10)</td></tr>
<tr><td>C1b</td><td>Policymakers reform, implement, enforce and protect critical laws and policies that require equity and inclusion.</td><td>Unconducive (0,5)</td><td>· Deutsche Bundesbank 2019, p. 9, 14
· EUHLEGSF 2018, p. 85
· GISD 2020, p. 5, 15, 26, 27
· PRE 2021, p. 7
· Re-invest 2018, p. 12, 13
· UNIATFFD 2020, p. vxiii, 11, 26, 40, 61, 91</td></tr>
<tr><td colspan="4">References (Selection)
- "[The EU's Sustainable Finance] action plan sees the Commission... focussing almost exclusively on the ecological dimension of sustainability.... the European Commission argues that the proposed legal framework could be broadened going forward to include aspects beyond climate change and incorporate additional sustainability goals." (Deutsche Bundesbank, p.14)
- "If climate action is highest on today's political agenda, the investment gaps for other sustainable development priorities – such as biodiversity, resource efficiency and the social economy – are equally significant." (EUHLEGSF 2018, p. 9)
- "To be successful, the transition towards a sustainable, net-zero world will need to be inclusive, equitable and just. Achieving the SDGs and a net-zero future requires reallocation of public and private resources across countries, economic sectors and social segments. Without attention to the most vulnerable groups, however, the transition will result in increased social and economic stress. It is thus essential for policymakers to establish a conceptual framework for fairness and to use public financial resources in the most efficient and catalytic way possible to implement that just transition framework." (GISD 2020, p. 27)</td></tr>
<tr><td>C2a</td><td>Financial sector actors use their influence, policies, practices and valuation methodologies to ensure climate-positive practices.</td><td>Unconducive (0,6)</td><td>· CA100+ 2020, p. 12
· CDP 2021, p. 5, 6, 21
· Deutsche Bundesbank 2019, p. 5, 6, 8, 10
· EMAF 2020b, p. 11, 14, 31, 32, 33
· EUHLEGSF 2018, p. 20
· EUTEGSF 2019, p. 9, 16, 17</td></tr>
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<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td></td><td></td><td></td><td>· GISD 2020, p. 5, 6, 7, 9, 14, 18, 21, 32
· NGFS 2020, p. 3, 4, 5, 10, 11, 12, 15, 16
· OECD 2020, p. 100
· PRE 2021, p. 50
· RAN, BT, IEN, OC, RF & SC 2021, p. 7, 10, 11
· UNIATFFD 2020, p. 8, 24, 60, 61, 73, 95, 180</td></tr>
<tr><td colspan="4">References (Selection)
- “The transition to a sustainable financial system has started, but urgent and transformational action is now required. The financial sector represents over €100 trillion of assets, or more than six times the EU’s annual GDP.... Positive steps have been taken, but they are clearly insufficient. For example, there is an annual funding gap of close to €180 billion just to deliver Europe’s decarbonisation efforts, let alone other priorities for sustainable development.” (EUHLEGSF 2017, p. 8)
- “[A] growing body of evidence and regulatory change demonstrates that investor duties put an onus on investors to take account of sustainability when making investment decisions or engaging with investees in their portfolios. But misconceptions remain and market practices do not yet reflect this growing understanding and imperative. Today, for example, just 5% of EU pension funds have considered the investment challenges posed by climate risks to their portfolios.” (EUHLEGSF 2018, p. 20)
- “Current market practices, from ratings to disclosures and individual metrics, present a fragmented and inconsistent view of ESG risks and performance.” (p. 16) “However, the lack of standardised reporting practices and low transparency in ESG rating methodologies limit comparability and the integration of sustainability factors into the investment decision process.” (OECD 2020, p. 16)
- “Major banks and other financial institutions across the world are rapidly adopting new coal exclusion policies. But the data in this report show that bank policies on the whole are still far too weak to squeeze lending and underwriting out of the coal industry.” (RAN, BT, IEN, OC, RF & SC 2021, p. 10)</td></tr>
<tr><td>C2b</td><td>Financial sector actors use their influence, policies, practices and valuation methodologies to ensure equity and inclusion.</td><td>Unconducive (0,7)</td><td>· Deutsche Bundesbank 2019, p. 6
· EUHLEGSF 2018, p. 24
· GISD 2020, p. 9, 14, 18, 21, 32
· OECD 2020, p. 130
· PRE 2021, p. 5, 8, 57
· RAN, BT, IEN, OC, RF & SC 2021, p. 110, 119
· UNIATFFD 2020, p. xviii, 15, 17, 23, 25, 60, 61, 68, 176</td></tr>
<tr><td colspan="4">References (Selection)
- “This type of investment [impact investing] is made, for example, in companies that have committed to creating jobs for minorities, or in microfinance projects in developing countries. Often, this entails concentration on a relatively small number of projects and investments and consequently low diversification.” (Deutsche Bundesbank 2019 p.6)
- “Because digital technologies provide goods and services at dramatically reduced cost, they have facilitated the inclusion of marginalized and excluded people. Financial inclusion is the most prominent example and signature success story, with fintech playing a key role in the rapid growth of access to financial services globally. Yet, the impact of digital technologies on equity is ambiguous. Access to digital technologies remains very uneven.... Digital technologies may also exacerbate inequality and discrimination, as algorithms inherit biases from their human authors.... For example, fintech lenders, informed by algorithmic decision-making, have been found to charge interest rate premiums to minority communities.” (UNIATFFD 2020, p. 17)
- “ESG and corporate governance teams may be engaging their counterparts at companies and asset managers about treating workers and communities fairly, but at the same time, investment analysts and consultants urge their counterparts – executives and investment teams of asset managers – to increase returns, often through leverage.” (PRE 2021, p. 5)</td></tr>
<tr><td>C3a</td><td>Businesses promote and implement bold, climate-positive policies, models and practices.</td><td>Unconducive (0,6)</td><td>· CA100+ 2020, p. 11, 26, 27, 28, 71, 73f, 78
· CDP 2021, p. 5, 6, 38
· Deutsche Bundesbank 2019, p. 3, 4
· EBA 2020, p. 6f, 14, 39, 40</td></tr>
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<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td></td><td></td><td></td><td>· EMAF 2020b, p. 12, 25
· EUHLEGSF 2018, p. 12
· EUTEGSF 2019, p. 17
· GISD 2020, p. 5, 7, 14, 18, 21
· NEF 20201, p. 3, 20
· NGFS 2020, p. 4, 17
· OECD 2020, p. 42, 137, 146
· RAN, BT, IEN, OC, RF & SC 2021, p. 37, 109
· UNIATFFD 2020, p. 74</td></tr>
<tr><td colspan="4">References (Selection)
- “We continue to see increased corporate support for climate policy ambition (evident in 75% of Climate Action 100+ focus companies covered by InfluenceMap’s analysis). However, we also continue to see the industry associations representing these companies engage in problematic lobbying on climate.... Positive trends driven by investor engagement are beginning to challenge this picture.” (CA100+ 2020, p. 78)
- “Overall, carbon-intensive companies issue 59% of the corporate bonds that the ECB accepts as collateral, while their overall contribution to EU employment and Gross Value Added (GVA) is less than 24% and 29%, respectively.” (NEF 2021 p.3)
- “A major problem for corporates is the assessment of Scope 3 emissions – those that occur beyond corporate boundaries in their respective value chains. These are far harder to trace than Scope 1 emissions (direct emissions, largely from fossil fuel combustion) and Scope 2 (indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed). Yet, Scope 3 forms the vast majority of the emissions impact for European corporates as a whole. (CDP 2021, p. 6)
- “Financial market myopia makes it harder for companies to take the strategic steps necessary to invest in real assets that are amortised over many years and to develop the technologies and business models that will drive the transition to sustainable development.” (EUHLEGSF 2018, p. 12)
- “As corporations and investors around the world work to drive the sustainability agenda into market paradigms and to adopt behaviours that embrace multi-stakeholder capitalism, we will have to adjust market incentive structures, products and guidance to help them act with our longer-term interest in mind.” (GISD 2020, p. 7)</td></tr>
<tr><td>C3b</td><td>Businesses promote and implement bold policies, models and practices that contribute to equity and inclusion.</td><td>Unconducive (0,4)</td><td>· EBA 2020, p. 6f, 14, 39, 40
· EUHLEGSF 2018, p. 24
· GISD 2020, p. 14, 18, 21
· OECD 2020, p. 106
· PRE 2021, p. 11, 28
· UNIATFFD 2020, p. xviii</td></tr>
<tr><td colspan="4">References (Selection)
- “[A]s companies and investors transition from crisis response to recovery and the development of a post-pandemic ‘new normal,’ there is a window in which to disrupt the status quo. Now is the time to change the governance paradigm and embed long- term thinking and sustainability commitments into core corporate practices and investment behaviour.” (GISD 2020, p. 21)
- “A well-documented negative impact of consolidated capital flows to larger fund managers is that smaller, emerging, and innovative fund managers can be starved of capital. This is of particular concern regarding Black, Indigenous, and People of Color (BIPOC), as well as women.” (PRE 2021, p. 11)
- Corporate debt is growing and increases pressure on businesses to be profitable above all else: “analysis of 455 companies in the S&P 500 (excluding banks and cash rich tech giants like Apple, Amazon, Google and Microsoft) showed on average, businesses nearly tripled their net debt over the last 10 years, adding approximately $2.5 trillion in leverage to their balance sheets. “For every dollar of revenue growth over the past decade, the companies added almost a dollar of debt...” (PRE 2021, p. 28)</td></tr>
<tr><td>C4a</td><td>Workers, producers, and communities claim rights and build power to organise and advocate for climate-positive policies and practices.</td><td>No rating</td><td>...</td></tr>
<tr><td colspan="4">References (Selection)
- no references from literature review.</td></tr>
<tr><td>C4b</td><td>Workers, producers, and communities claim rights and build power to organise and advocate for equity and inclusion.</td><td>Unconducive (0,0)</td><td>· PRE 2021, p. 55
· UNIATFFD 2020, p. 27, 91</td></tr>
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<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td colspan="4">References (Selection)
- “Workers and communities often take real risks and create significant value, but too often with little reward – leaving the system weak, fragile, and lacking resilience.” (PRE 2021, p. 55)</td></tr>
<tr><td>D1</td><td>Bold policy and regulatory frameworks have created the foundation for a new economy grounded in climate-positive practices, inclusion and equality.</td><td>Unconducive (0,6)</td><td>· Deutsche Bundesbank 2019, p. 1
· EMAF 2020b, p. 12
· EUHLEGSF 2018, p. 11
· GISD 2020, p. 6, 8, 15, 20, 26
· NEF 20201, p. 4
· OECD 2020, p. 46, 123, 146
· Re-invest 2018, p. 21
· UNIATFFD 2020, p. xviii, xix, 15, 37, 60</td></tr>
<tr><td colspan="4">References (Selection)
- “Governments are accelerating this shift [towards circular economy], with the circular economy being a key pillar of the European Green Deal and circular economy roadmaps and legislation in place in countries including China, Chile, and France.” (EMAF 2020b, p. 12)
- “The first theme is the need for Europe to achieve a fully coordinated approach to sustainable development, one that synchronises changes in the financial system with action in the real economy.... Equally, performance standards constitute a key driver of improvements in both production processes and products (including buildings). Action in the financial system cannot substitute for these fundamental measures that may include changes in taxation and subsidies. Rather, financial system action can ensure that capital markets respond to these and other signals (such as technological change, physical disruption and social expectations), thereby anticipating change in the real economy and allocating capital faster and more efficiently.” (EUHLEGSF 2018, p. 11)
- “Prioritize labour. Current social protection systems may no longer be viable in a gig economy where employment relations become more precarious. Development pathways can become more challenging, as new technologies may create fewer jobs. In order to counter these trends, countries should pursue labour-enhancing development pathways by incentivizing investment in industries that feature op-opportunities for decent work.” (UNIATFFD 2020, p. xviii)</td></tr>
<tr><td>D2</td><td>An accountable financial sector enables, conditions and rewards climate-positive practices, inclusion and equality.</td><td>Unconducive (0,6)</td><td>· CDP 2021, p. 29
· Deutsche Bundesbank 2019, p. 2, 7, 8, 9, 10, 11, 17
· EMAF 2020b
· EUHLEGSF 2018, p. 5, 11, 12
· EUTEGSF 2019a
· GISD 2020, p. 7, 8, 15
· NGFS 2020, p. 14
· OECD 2020, p. 16, 97
· PRE 2021, p. 55
· RAN, BT, IEN, OC, RF & SC 2021, p. 11
· UNIATFFD 2020, p. 59, 141</td></tr>
<tr><td colspan="4">References (Selection)
- “Developments and progress in ESG practices to date are promising, and they have the potential to be valuable, mainstream tools to manage risk, to align incentives and prices with long-term value, and to lessen the impact of future shocks like climate impacts or future pandemics.” (OECD 2020, p. 16)
- “[E]ven investors with a primary focus on generating value are increasingly considering ESG criteria. In Germany, for example, the volume of sustainable investment grew by over 70% between 2014 and 2018, in keeping with the global trend. But despite this strong market growth, it is clear that sustainable investment still plays a fairly small role overall. The share of sustainable investment in the German market as a whole is estimated at less than 3%.” (Deutsche Bundesbank 2019, p. 7)
- “The mismatch in time horizons is deeply embedded in today’s financial system.... This has real consequences in terms of the misallocation of capital away from long-term value creation.” (EUHLEGSF 2018, p. 12)
- “It [the energy transformation] most certainly will not be possible if the world’s banks do not put their financial muscle to the wheel and push with, rather than against, all those who aspire to a stable climate and a more just, sustainable world.” (RAN, BT, IEN, OC,RF & SC 2021 p. 11)</td></tr>
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<table>
<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td>D3</td><td>Responsible businesses and industries are climate-positive and ensure inclusion and equality for workers, producers and communities.</td><td>Unconducive (0,6)</td><td>· CA100+ 2020, p. 11, 11f, 25
· CDP 2021, p. 38
· EMAF 2020b
· GISD 2020, p. 7, 16
· OECD 2020, p. 44
· RAN, BT, IEN, OC, RF & SC 2021, p. 37</td></tr>
<tr><td colspan="4">References (Selection)
- “At a sector-level, indicators assessing companies in the oil and gas, utilities and transportation (autos) sectors show gaps in companies’ planned capital allocation and technology mix. For example, despite nearly half (54%) of oil and gas focus companies having a net-zero by 2050 target in some form, Carbon Tracker analysis shows that 194 of the new oil and gas projects sanctioned this year are misaligned with the <1.75°C climate scenario.” (CA100+ 2020, p. 25)
- “Yet there are also important warnings. Despite the increasing corporate ambitions for a transition to low-carbon industry, the pace needs to step up – significantly. CDP’s latest temperature ratings dataset, which was built on the data disclosed to CDP in 2020, shows that there is still a stark ambition gap.” (CDP 2021, p. 38)
- “Make sustainability reporting mandatory for financial and non-financial institutions, including TCFD disclosures. These disclosure requirements should be globally harmonized and extend beyond climate metrics to include material SDG-related information and forward-looking data.” (GISD 2020, p. 16)</td></tr>
<tr><td>D4</td><td>Active, organised workers, producers and communities exercise power to secure climate-positive practices, inclusion and equality.</td><td>Unconducive (mean deviation not applicable)</td><td>· UNIATFFD 2020, p. v</td></tr>
<tr><td colspan="4">References (Selection)
- No direct quote as reference, overall deduction made from the source UNIATFFD 2020.</td></tr>
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Built Environment

Preliminary Results from the Literature Review (Ratings and Key Quotes)

The 15 short-listed studies were reviewed to assign baseline ratings for the built environment industry. Ratings ranged from ‘harmful’ to ‘conducive’, but at 69.9%, the brunt of ratings were ‘unconducive’, with 16.4% rated ‘harmful’ and 13.7% ‘partly conducive’. The mean deviation for the various ratings was calculated at between 0.4 and 0.7, suggesting that the ratings per rubric derived from the literature review were fairly consistent.

To begin with, the industry’s current performance is seen as poor. “Based on the large proportion of global emissions and resource usage attributable to the built environment, a massive shift from traditional approaches to the building industry is required to meaningfully address the already-worrisome environmental metrics.” (ARUP 2018, p. 12.)

Considering the scale and pace of change, the studies reviewed saw the structure and culture of the built environment industry as an obstacle to a step change towards more sustainable practices. “In a sector that typically solves challenges in a conservative way (culture), where incentives for approaches beyond compliance (regulations) are limited, and that depends on the adoption of suppliers who have limited awareness of circular alternatives, the market will not reach a scale in which circular becomes more favourable than the linear convention today.” (WBCSD 2018, p. 24.)

Legislation and regulation are viewed as particularly important, yet, the verdict tends to be that this so far has very limited effectiveness, with certification tending to be the means of choice rather than legislation. “Due to the lack of holistic and ambitious legislations in almost all countries,... certification systems can fill the gap and work as a market transformation tool where it accelerates the movement of the market and all its stakeholders to a more ambitious building practice. (UNEP 2020a, p. 37f.) While used extensively, the diversity of tools and approaches hinders a concerted effort. “2020 has seen continued growth in the number of green/sustainable building certification standards... and more buildings than ever are being certified. Globally, major certifications such as LEED, BREEAM, Passivehouse, DGNB, and EDGE continue to be widely used. However, there are many regional and national level standards that are being applied.” (UNEP 2020a, p. 37f.)

A particular issue the studies identify as leading to the frequent ‘unconducive’ ratings is that too much emphasis is still placed on energy efficiency standards rather than embodied carbon, which hinders a shift towards greater circularity in the use of materials. “Most existing policy measures that address embodied carbon emissions in the built environment do so indirectly from the supply side.... Barriers to wider inclusion of embodied carbon in demand-side policy include lack of awareness and demand but also aspects of the political framework such as policy cycles and changing political priorities.” (WorldGBC 2019, p. 36.)

Legislation is widely seen as necessary to drive the shift towards circularity, but this is so far falling short. “Legislation needs to drive market mechanisms aiming at incentives that create benefits for circular solutions over linear solutions.... Examples of barriers that prevent a level playing field for circular solutions are subsidies for extracting virgin resources or inconsistencies in policies between neighboring jurisdictions.” (WBCSD 2018, p. 22/23.)

While limited reference to finance and capital markets was evident in the studies, a key message was that “Banks and financial institutions need to adapt their business model and their products to support the circular economy." (WBCSD 2018, p. 22). While one study ventured that "it is now more widely accepted that maximizing returns goes hand-in-hand with minimizing environmental impact,... enticing developers to green their buildings while sparking interest from commercial tenants and homebuyers." (UNEP 2020a, p. 43.) The general picture of "energy efficiency investment growth… not keeping pace with the construction of buildings globally, leading to little change in final energy use in global buildings stock."

The outlook for change at scale reflected in the short-listed studies is not optimistic; one study suggests that "analysis [of current Member State strategies], representing over 50% of the EU population... points to a clear misalignment between LTRS [long-term renovation strategies] and EU 2050 Climate Objectives.... This means that the substantial increase in renovation activity that is required – a deep renovation rate of 3% annually by 2030, is unlikely to be achieved." (BPIE 2021b, p. 4.) A key message from the studies, that policy and legislation need to "support the reconfiguration of whole systems, phase out existing technologies and alleviate negative consequences" (EEA 2019a, p. 9) certainly does not seem to be heeded so far.

Regarding the equality and social inclusion rubrics, again relatively little attention is paid to these aspects in the short-listed studies. Where it is, overarching frameworks and principles are cited, for urban development in particular, but very with limited change on the ground. "The concept of universal design means creating spaces that meet the needs of all people – young and old, able and disabled." (IHRB 2019, p. 49.) Legislation relating to labour conditions is the exception to this rule, where some change is occurring. "Local and national governments are introducing legislation to clamp down on trafficking and forced labour in construction and other industries – and to require that companies disclose the steps that they are taking to address modern slavery risks." (IHRB 2019, p. 55.)

Rubric	Description	Rating from literature review (and mean deviation)	Pointers for assessment of rubrics
C1a	Policymakers reform, implement, enforce and protect critical laws and policies that require climate-positive practices	Unconducive (0,6)	· Arcadis 2019, p. 21, 34, 35, 36 · ARUP 2018, p. 12, 13 · BPIE 2021c, p. 4, 5, 6, 9, 48, 49 · EEA 2019a, p. 7, 8, 10, 11 · Eurostat 2020, p. 208f · Ramboll 2021b, p. 12, 19, 20, 31 · RESTORE 2019, p. 64, 65, 69, 80 · UNEP 2020a, p. 7, 25, 31, 33, 37f, 38, 41 · WBCSD 2018, p. 22, 23 · WorldGBC 2019, p. 8, 27, 32, 36
References (Selection) - "Given the importance of buildings as a contributor to global and national GHG emissions, there is an urgent need for countries to adopt more explicit actions and pathways to decarbonize their building stock in line with the Paris Agreement." (UNEP 2020a, p. 31) - [T]he majority of Member States' LTRS [Long-Term Renovation Strategies] submitted since 2020 are not compliant with the EPBD objectives towards achieving a highly energy efficient and decarbonised building stock by mid-century. Beyond this, the objectives of the LTRS (described in EPBD Article 2a) are now misaligned with the EU's strengthened 2030 Climate Target and 2050 climate-neutrality objective. (BPIE 2021b, p. 4) - "Legislation needs to drive market mechanisms aiming at incentives that create benefits for circular solutions over linear solutions.... Examples of barriers that prevent a level playing field for circular solutions are subsidies for extracting virgin resources or inconsistencies in policies between neighboring jurisdictions." (WBCSD 2018, p. 22/23)			

<table>
<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td colspan="4">- “[G]reater ambition is needed to drive change. For example, voluntary policies must become mandatory and must be enforced.” (WorldGBC 2019, p. 32)</td></tr>
<tr><td>C1b</td><td>Policymakers reform, implement, enforce and protect critical laws and policies that require equity and inclusion.</td><td>Unconducive (0,4)</td><td>· Eurostat 2020, p. 205, 206
· IBRD 2020, p. 8, 29
· IHRB 2019, p. 32, 33
· Ramboll 2021a, p. 10, 15f, 21
· Ramboll 2021b, p. 39
· UN 2020, p. 16, 46
· WHO 2019, p. 25</td></tr>
<tr><td colspan="4">References (Selection)
- United Cities and Local Governments (UCLG) [a space for analysis and reflection on local social inclusion policies, with over 60 global case studies] has created a ‘Public Space Policy Framework’ that sets out key principles for designing and maintaining effective public spaces in a way that upholds the right to the city, gender equality, safety, identity and culture, economic opportunity and other aspects.” (IHRB 2019, p. 41f)
- “More targeted and equity-sensitive implementation of environmental interventions and planning policies is needed to ensure that resources are allocated according to need, targeting areas and population groups that suffer most from environmental risks.” (WHO 2019, p. 25)
- “The EU framework of core sustainability indicators for buildings (LEVEL(s)) includes occupant satisfaction within the main parameters, and Post-Occupancy Evaluation as a key performance assessment mechanism for achieving healthy and comfortable buildings. Likewise, leading sustainability certification schemes in the construction industry such as WELL, LEED and BREAM, include POE as a criterion and follow-up mechanism.” (Ramboll 2021b, p. 39)</td></tr>
<tr><td>C2a</td><td>Financial sector actors use their influence, policies, practices and valuation methodologies to ensure climate-positive practices.</td><td>Unconducive (0,4)</td><td>· Arcadis 2019, p. 18, 34, 36
· BPIE 2021c, p. 19, 41
· EEA 2019a, p. 58, 83, 101
· IHRB 2019, p. 35, 52
· Ramboll 2021b, p. 5
· UNEP 2020a, p. 7, 40, 42, 43, 43, 44
· WBCSD 2018, p. 18, 20, 22, 23
· WorldGBC 2019, p. 8, 26, 36, 52</td></tr>
<tr><td colspan="4">References (Selection)
- “[T]he debate on the threat of climate change has been going on for at least 20 years, but only now are starting to see wide scale adoption and exploration of the topic in e.g., lenders criteria.” (Arcadis 2019, p. 36)
- “A growing number of investors are taking a longer term and responsible approach, sending a signal to the real estate, construction and engineering firms that they invest in of the importance of respecting human rights.” (IHRB 2019, p. 35)
- “[F]or every $1 spent on energy efficiency, $37 is spent on conventional construction approaches. Yet, there are positive signs across the investment sector that building decarbonization and energy efficiency are taking hold in investment strategies.” (UNEP 2020a, p. 7)
- “The business case for reducing embodied carbon is often poorly understood, making the resourcing needed to conduct LCA and implement reduction measures difficult to justify. Financial incentives and products such as green loans, grants and subsidies are almost exclusively targeted at reducing operational carbon through energy efficiency improvements and renewables.” (WorldGBC 2019, p. 36)</td></tr>
<tr><td>C2b</td><td>Financial sector actors use their influence, policies, practices and valuation methodologies to ensure equity and inclusion.</td><td>Unconducive (0,6)</td><td>· Eurostat 2020, p. 205
· IHRB 2019, p. 62
· Ramboll 2021a, p. 10, 15f, 21</td></tr>
<tr><td colspan="4">References (Selection)
- “Between 2014 and 2020 more than EUR 115 billion from Cohesion policy funds, with the lion’s share from the European Regional Development Fund, will have been invested in cities to create better opportunities for sustainable urban mobility, energy efficiency, urban renewal, research and innovation capacity, and economic and social regeneration of deprived communities.” (Eurostat 2020, p. 205)</td></tr>
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<table>
<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td colspan="4">- “In multiple ways, there are risks that technological innovation and a ‘smart city’ approach to urban development can deepen existing inequality.” (IHRB 2019. p. 62)
- [Obstacles to change in the finance domain include:] “In some cases economic incentives for renovictions. Lack of awareness of social inequities arising from the decarbonisation of the built environment.... Lacking economic incentives to ensure social equity in healthy built environments.” (Ramboll 2021a, p. 15f & 21)</td></tr>
<tr><td>C3a</td><td>Businesses promote and implement bold, climate-positive policies, models and practices.</td><td>Unconducive (0,0)</td><td>· Arcadis 2019, p. 18
· ARUP 2018, p. 13
· Ramboll 2021b, p. 5, 18
· RESTORE 2019, p. 58, 68, 80
· WBCSD 2018, p. 16, 17, 19, 20,21, 23
· WorldGBC 2019, p. 26, 28, 30, 31, 34</td></tr>
<tr><td colspan="4">References (Selection)
- “[W]hile Traditional technologies are currently widely used, Advanced technologies are implemented at a very low percentage... Regarding Emerging Technologies very few or almost no applications are observed.... These results indicate that there is hesitation in the application of Emerging/Innovative technologies, due to a number of reasons that include the lack of training, the lack of necessary information and the higher cost. (RESTORE 2019, p. 80)
- “[E]lements of the circular built environment are already emerging. Nevertheless, there are barriers that must be addressed to make these elements mainstream. We identify five cross-cutting barriers that apply to the changing roles of stakeholders, the five business models and the characteristics of the circular built environment.” (WBCSD 2018, p. 23)
- Further support is needed to enable business to fully transition to net zero embodied carbon in construction. But leaders in the field have demonstrated that by taking action and collaborating across the sector they can help drive change beyond their own organisations.” (WorldGBC 2019, p. 34)</td></tr>
<tr><td>C3b</td><td>Businesses promote and implement bold policies, models and practices that contribute to equity and inclusion.</td><td>Unconducive (0,7)</td><td>· Eurostat 2020, p. 209
· IBRD 2020, p. 29
· IHRB 2019, p. 53, 54
· Ramboll 2021a, p. 10, 15f, 21
· RESTORE 2019, p. 97, 98</td></tr>
<tr><td colspan="4">References (Selection)
- Many urban planning and design fields continue to be dominated by men, and as such, continue to reflect a one-sided perspective on the urban realm.... According to the US Bureau of Labor Statistics, women make up only 20% of engineering graduates, and nearly 40% of these either quit or never enter the profession (Sibley, 2016).” (IBRD 2020, p. 29)
- “[C]oncerted business action is still limited to a relatively small group of companies. Far more need to be proactive in addressing this issue [working conditions and risk of modern slavery] through all tiers of their recruitment supply chain and with their subcontractors.” (IHRB 2019, p. 55)
- “[Obstacles to change in business include:] Cultural blind spots to social equity. Failure to demand alignment with internationally recognised social equity standards from recipients of finance.... Low incentives for ensuring social equity in construction, renovation and technical innovation. Lack of awareness of social equity issues following from decarbonising the built environment.... Lacking economic incentives to ensure social equity in healthy built environments.” (Ramboll 2021a, p. 10, 15 & 21)</td></tr>
<tr><td>C4a</td><td>Workers, producers, and communities claim rights and build power to organise and advocate for climate-positive policies and practices.</td><td>Unconducive (0,5)</td><td>· EEA 2019a, p. 68
· Ramboll 2021a, p. 18, 25
· WBCSD 2018, p. 16
· WorldGBC 2019, p. 35</td></tr>
<tr><td colspan="4">References (Selection)
- “Low demand contributes to low investment in skills and capacity building across the value chain.... Building capacity at the pace we need to reach our goals will require new approaches to knowledge transfer. Our whole sector must become far more open and transparent, sharing solutions and best practice collaboratively through networks such as WorldGBC’s Green Building Councils.” (WorldGBC 2019, p. 35)
- “Architects will need to familiarize themselves with new material solutions and options to use secondary materials and reusable products. They need to understand the lifecycle costs involved when their role also includes developing a business case. The availability of existing materials needs to be considered at the start of the design. They need to participate in sharing platforms and be aware of resource recovery.” (WBCSD 2018, p. 16)</td></tr>
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<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td>C4b</td><td>Workers, producers, and communities claim rights and build power to organise and advocate for equity and inclusion.</td><td>Unconducive (0,7)</td><td>· IHRB 2019, p. 13, 55, 62
· Ramboll 2021a, p. 9, 15f, 20, 21</td></tr>
<tr><td colspan="4">References (Selection)
- “While good construction jobs provide important opportunities for women in their own right, increasing numbers of women within the industry is also critical to shift the culture on construction sites and reduce sexual harassment, which continues to be pervasive.” (IHRB 2019, p. 55)
- [Obstacles to change in community and end users include:] Lack of inclusion of the most marginalised groups in decision making. Lack of measures addressing the most marginalised groups as beneficiaries.” (Ramboll 2021a, p. 9 & 15f)</td></tr>
<tr><td>D1</td><td>Bold policy and regulatory frameworks have created the foundation for a new economy grounded in climate-positive practices, inclusion and equality.</td><td>Unconducive (0,7)</td><td>· Arcadis 2019, p. 19, 34
· BPIE 2021c, p. 5, 9
· EEA 2019a, p. 7, 13
· Ramboll 2021a, p. 3
· Ramboll 2021b
· RESTORE 2019, p. 69, 127
· UNEP 2020a, p. 62, 64
· WBCSD 2018, p. 24
· WorldGBC 2019, p. 35, 36</td></tr>
<tr><td colspan="4">References (Selection)
- “[P]olicies and measures in force at the present time are unlikely to significantly accelerate the rate and depth of renovation in line with the need to achieve a highly energy efficient and fully decarbonised building stock by 2050.” (BPIE 2021b, p. 49)
- “[T]he speed of innovation exceeds the speed of policy and regulation development. As a consequence, policies and regulations can become a barrier for innovation.... the transition towards sustainability and climate resilience requests policies to be the driving force of the societal changes, because the short or medium term mechanisms of growth and competition will not be able to evolve in time.” (Arcadis 2019, p. 35)
- On the positive side, experts also highlight, that the decarbonisation process may actually entail an opportunity to advance social equity in the built environment in Europe, if issues of social equity are identified and addressed alongside decarbonisation. The aim should be to create socially equitable European societies where all citizens, on equal footing influence, shape and have access to a decarbonized built environment.” (Ramboll 2021a, p. 3)</td></tr>
<tr><td>D2</td><td>An accountable financial sector enables, conditions and rewards climate-positive practices, inclusion and equality.</td><td>Unconducive (0,6)</td><td>· Arcadis 2019, p. 36
· EEA 2019a, p. 103
· IHRB 2019, p. 39
· RESTORE 2019, p. 127
· UNEP 2020a, p. 62, 64
· WBCSD 2018, p. 24
· WorldGBC 2019, p. 35, 36</td></tr>
<tr><td colspan="4">References (Selection)
- “Enablers such as the financial sector, are expected to take at least a decade before their experience with, e.g., circular economy and climate change mitigation has become mainstream.” (Arcadis 2019, p. 36)
- “In the United States, the financial crisis resulted in 13 million foreclosures over the course of five years with more than nine million households evicted. Hungary experienced almost a million foreclosures between 2009-12 as a result of over-financialised housing markets. And in many countries in the global South, financialization results in evictions and displacement as informal settlements in many locations are replaced by luxury residential and high-end commercial real estate.” (IHRB 2019, p. 39)
- “The building sector is a project driven sector with a relative short time focus. R&D requires a long-term investment and time span. This conflicting dynamic can explain slower maturity speed of new developments in this sector.” (Arcadis 2019 p.37)</td></tr>
<tr><td>D3</td><td>Responsible businesses and industries are climate-positive and ensure inclusion and equality for workers, producers and communities.</td><td>Unconducive (0,5)</td><td>· Arcadis 2019, p. 37
· IBRD 2020, p. 14
· IHRB 2019, p. 44
· Ramboll 2021a, p. 9
· RESTORE 2019, p.
· UNEP 2020a, p. 62, 64
· WBCSD 2018, p. 24
· WorldGBC 2019, p. 35, 36</td></tr>
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<tr><th>Rubric</th><th>Description</th><th>Rating from literature review (and mean deviation)</th><th>Pointers for assessment of rubrics</th></tr>
<tr><td colspan="4">References (Selection)
- “Comparing the progress of decarbonisation [of buildings and construction] on a timeline since the Paris Agreement (2015) (see Figure 20) in relation to the objective, it becomes clear that the speed of change needs to increase drastically, in particular as the index trajectory moved in the wrong direction in the recent years (2018 and 2019) and nearly 2 index points were lost.” (UNEP 2020a, p. 64)
- “In a sector that typically solves challenges in a conservative way (culture), where incentives for approaches beyond compliance (regulations) are limited, and that depends on the adoption of suppliers who have limited awareness of circular alternatives, the market will not reach a scale in which circular becomes more favorable than the linear convention today.” (WBCSD 2018, p. 24)….. [K]ey challenges in addressing gender-related inequities in the urban built environment remain unsolved, with a clear gap between policy and practice.... Even the most well-intentioned projects can, as a result of these challenges, end up treating the symptom rather than the cause – accommodating or even reinforcing existing gender inequities rather than challenging them.” (Moser, 1993; Larsson and Friberg, 1999) (IBRD 2020, p. 14)
- “Given the complex business relationships and generally acknowledged lack of transparency across the real estate and construction industries, the risks of corruption are high.” (IHRB 2019, p. 44)
- “In general, regenerative sustainability is poorly implemented in Europe. Materials, technologies and tools, capable of improving the wellbeing of the society, are not commonly implemented mainly because of the lack of knowledge, training and higher costs.” (RESTORE 2019, p. 79)</td></tr>
<tr><td>D4</td><td>Active, organised workers, producers and communities exercise power to secure climate-positive practices, inclusion and equality.</td><td>Harmful (0,0)</td><td>· IHRB 2019, p. 11
· Ramboll 2021a, p. 10
· RESTORE 2019, p. 127
· WBCSD 2018, p. 24</td></tr>
<tr><td colspan="4">References (Selection)
- “The construction industry alone, which is undergoing a global boom, accounts for around 7% of the world’s total workforce. Yet unlike many other sectors – such as agriculture, garments, and energy – the built environment sector has received relatively little attention for its social impacts, in particular from the perspective of responsibilities to respect human rights.” (IHRB 2019, p. 11)
- “[Obstacles to change for community and end users include:] Failure to use existing participation and platforms.” (Ramboll 2021a, p. 10)</td></tr>
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Overview of Literature Identified and Reviewed per Industry

The following tables present the short-lists of literature reviewed to derive ratings for the individual rubrics. Information on the criteria for selecting the literature are in the section on “Project Steps so Far”. The lists are sorted alphabetically by short title and include a note on regional coverage.

Fashion Industry

Nr	Short title	Author/publishing institution	Title	Regional coverage
1	Better Buying 2019	Better Buying	Index Report, 2019: Purchasing Practices Performance in Apparel, Footwear, and Household Textile Supply Chains	Global
2	Biomimicry Institute 2020	Biomimicry Institute	The Nature of Fashion (LF)	Global
3	BWAA 2019	Baptist World Aid Australia	The 2019 Ethical Fashion Report: The Truth behind the Barcode	Asia
4	CDP 2020	CDP - Disclosure Insight Action	Interwoven risks, untapped opportunities	Global
5	GIZ 2019	Deutsche Gesellschaft für internationale Zusammenarbeit	Circular Economy in the Textile Sector	Europe
6	EMAF 2020a	Ellen MacArthur Foundation	The circular economy: a transformative Covid-19 recovery strategy: How policymakers can pave the way to a low carbon, prosperous future	Global
7	EMAF 2018	Ellen MacArthur Foundation	The Circular Economy Opportunity for Urban and Industrial Innovation in China	Asia
8	Euratex 2020	The European Apparels and Textiles confederation	Circular textiles: Prospering in the circular economy	Europe
9	Fashion Revolution 2020a	Fashion Revolution	Why we still need a fashion revolution	Global
10	Fashion Revolution 2020b	Fashion Revolution	Fashion Transparency Index	Global
11	KPMG & TE 2018	KPMG & Textile Exchange	Threading the needle: Weaving the Sustainable Development Goals into the textile, retail, and apparel industry	Global

Nr	Short title	Author/publishing institution	Title	Regional coverage
12	McKinsey 2021	McKinsey	The State of Fashion 2021	Global
13	McKinsey & GFA 2020	McKinsey & Company and The Global Fashion Agenda	Fashion on Climate: How the Fashion Industry Can Urgently Act to Reduce its Greenhouse Gas Emissions	Global
14	USCTP 2020	U.S. Cotton Trust Protocol	Is Sustainability in Fashion? Industry leaders share their views	Global
15	UNEP 2020b	United Nations Environment Programme	Sustainability and Circularity in the Textile Value Chain: Global Stocktaking	Global

Finance and Capital Markets

Nr	Short title	Author/publishing institution	Title	Regional coverage
1	CA100+ 2020	Climate Action 100+	2020 Progress Report	Global
2	CDP 2021	CDP - Disclosure Insight Action	Running Hot: Accelerating Europe's Path to Paris	Europe
3	Deutsche Bundesbank 2019	Deutsche Bundesbank	The sustainable finance market: a stocktake	Europe
4	EBA 2020	European Banking Authority	Sustainable Finance: Market Practices	Europe
5	EMAF 2020b	Ellen MacArthur Foundation	Financing the circular economy: capturing the opportunity (LF)	Global
6	EUHLEGSF 2018	European Union High-Level Expert Group on Sustainable Finance	Financing a sustainable European Economy	Europe
7	EUTEGSF 2019	European Union Technical Expert Group on Sustainable Finance	Report on EU Green Bond Standard (LF)	Europe
8	GISD 2020	Global Investors for Sustainable Development Alliance	Renewed, Recharged, and Reinforced: Urgent actions to harmonize and scale sustainable finance	Global
9	NEF 2021	The New Economics Foundation	Greening the Eurosystem Collateral Framework: How to	Europe

Nr	Short title	Author/publishing institution	Title	Regional coverage
			decarbonise the ECB's monetary policy (LF)	
10	NGFS 2020	Network for Greening the Financial System	Status report on financial institutions' practices with respect to risk differential between green, non-green and brown financial assets and a potential risk differential (LF)	Europe
11	OECD 2020	OECD	Sustainable and Resilient finance OECD: Business and Finance Outlook 2020	Global
12	PRE 2021	PRE: The distribution Initiative	ESG 2.0: Measuring & Managing Investor Risks Beyond the Enterprise-level (LF)	Global
13	RAN,BT, IEN,OC,RF & SC 2021	Rainforest Action Network, Banktrack, Indigenous Environmental Network, Oil Change, Reclaim Finance & Sierra Club	Banking on Climate Chaos: Fossil Fuel Finance Report 2021	Global
14	Re-invest 2018	Re-Invest	Towards inclusive service delivery through social investment in the EU: The case of financial services	Europe
15	UNIATFFD 2020	United Nations Inter-Agency Task Force on Financing for Development	Financing for Sustainable Development Report 2020	Global

Built Environment

Nr	Short title	Author/publishing institution	Title	Regional coverage
1	Arcadis 2019	Arcadis	The Future of the European Built Environment	Europe
2	ARUP 2018	ARUP	A Sustainable Transition to Industrialized Housing Construction	Global
3	BPIE 2021c	Buildings Performance Institute Europe	The road to climate neutrality: Are national long-term renovation strategies fit for 2050?	Europe
4	EEA 2019a	European Environment Agency	Sustainability Transitions: Policy and Practice	Europe

Nr	Short title	Author/publishing institution	Title	Regional coverage
5	Eurostat 2020	Eurostat	Sustainable Development in the European Union	Europe
6	IBRD 2020	International Bank for Reconstruction and Development & World Bank Group	Handbook for Gender-Inclusive Urban Planning and Design	Global
7	IHRB 2019	Institute for Human Rights and Business	Dignity by design (LF)	Global
8	Ramboll 2021a	Ramboll Management Consulting	Social Equity in the Decarbonisation of the European Built Environment	Europe
9	Ramboll 2021b	Ramboll	Sustainable Buildings Market Study	Europe
10	RESTORE 2019	RESTORE	Regenerative Construction and Operation (LF)	Europe
11	UN 2020	United Nations SDGs	The Sustainable Development Goals Report 2020	Global
12	UNEP 2020a	United Nations Environment Programme & Global Alliance for Buildings and Construction	2020 Global status report for buildings and construction (LF)	Global
13	WBCSD 2018	World Business Council for Sustainable Development	Scaling the Circular Built Environment: pathways for business and government	Global
14	WHO 2019	World Health Organisation	Environmental Health Inequalities Resource Package	Europe
15	WorldGBC 2019	World Green Building Council	Bringing embodied carbon upfront (LF)	Global

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Raw Delphi Results (Ratings and Key Insights)

Introduction to the Delphi Results

The real-time Delphi study used in the Laudes Rubrics assessment was designed and implemented using the 4CF HalnyX Delphi Platform. The three Delphi surveys were conducted simultaneously, one for each industry (fashion, finance, and built environment). Each survey canvassed separate sets of industry experts. We reached out to several dozen experts identified through:

- Outputs of design workshop attended by members of the Laudes Foundation leadership team, identifying possible experts within and beyond their network
- Laudes Foundation network itself
- Social network queries (LinkedIn Sales Navigator)
- Bibliometric review (Google Scholar)

During the Delphi study, experts provided their assessments of individual rubrics against the status of climate change mitigation efforts and efforts to eliminate social inequality, assessing the present situation in comparison to the desired futures. Overall response rates for the Delphi surveys:

- Seven experts participated in the fashion Delphi survey
- Nine experts participated in the built environment Delphi survey (plus an additional expert who partially completed the survey)
- Eight experts participated in the finance Delphi survey

The Delphi survey was structured after the original Laudes Foundation Evaluations Rubrics and almost all questions in the survey followed an identical pattern, with each one linked to a specific rubric in Laudes Foundation's 2021 Evaluation Rubrics, or a subcategory thereof (in the case of rubrics C1, C2, C3 and C4, which are subdivided between a) climate-positive policies, models and practices, and b) equity and inclusion). The sole exception was a question about areas of opportunity/threats that was repeated for each industry and contained fields for open-ended responses (comments).

We departed in one respect from the original rubrics regarding the modes of assessment experts used. As advised by Jane Davidson and Thomaz Chianca from Real Evaluation, co-authors of the Laudes Foundation's Evaluation Rubrics, rubrics assessment would typically focus on purely qualitative language and refrain from numerical inputs to the forming of consensus around a point on qualitative scale. Due to the Delphi algorithms and for clarity we translated the purely qualitative scale into a slider using numbers to make it easier for participants to provide feedback.

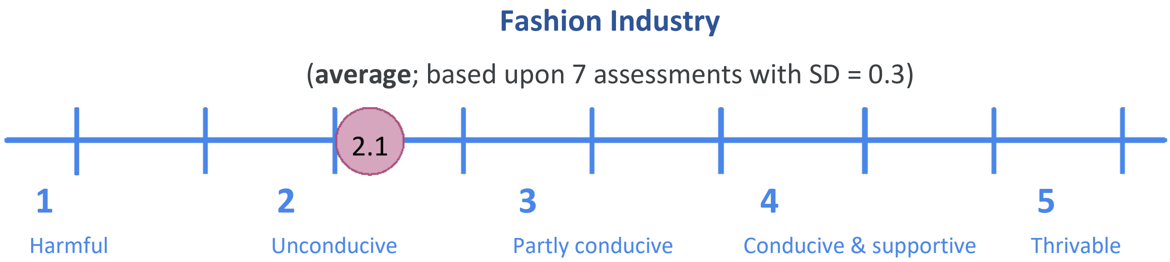
Twelve Delphi hypotheses were drafted based on the C and D rubrics lists. Rubrics with environmental and social ramifications were split into two separate hypotheses. An additional hypothesis was drafted in relation to the guiding question:

- What is the current state of the system on the various outcomes and impacts represented in Laudes Foundation's Theory of Change?
- What are the opportunities to advance progress towards the outcomes that you have been rating?
- What are the threats that inhibit progress towards the outcomes that you have been rating?

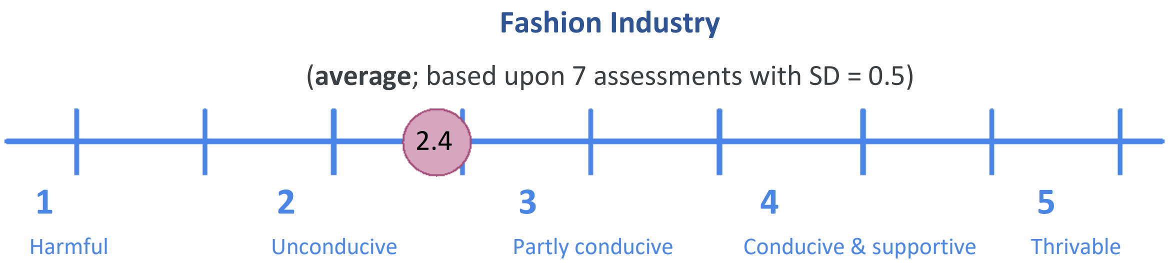
Fashion Industry

Experts were asked to rate the following statements from 1 = harmful to 5 = thrivable.

C1a. Policymakers reform, implement, enforce and protect critical laws and policies that require climate-positive practices



C1b. Policymakers reform, implement, enforce and protect critical laws and policies that require equity and inclusion



Worth noting

Fashion industry experts assessed both rubrics as 'unconducive' (2.1.). For equity and inclusion, the rating was slightly higher (2.4) but still 'unconducive'. Opinions within the group exhibited a high degree of convergence, with standard deviations of 0.3 for environmental and 0.5 for social sustainability.

Fashion: C1a – Comments

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Current regulations utterly lack the scale of ambition that is required to protect natural systems, fail to reform or eliminate unjust linear destruction supply chains and do not meaningfully foster and accelerate new circular alternatives.	0	0	*Enforcement in many places is still weak, but with the right social & political pressures, things can quickly improve as legal structure is already in place.*	2	-2
Enforcement of laws that are already on the books are inconsistent from country to country.	3	0	*Globally progress is heading in the right direction.*	2	-2
Fashion industries are largely unregulated globally, particularly for environmental impacts, and those protections in place are not well enforced.	4	0	*More progress should be made by now… still too slow and timid.*	3	-1
In the case of the EU and the UK, there is a total lack of a joined up approach. On the one hand, there is commitment to the Paris Agreement, in places such as in Wales in UK, there is a set of robust	4	0	*The work of UNFCCC is important, it is creating traction, but it is focused on industry, which is not, as yet, translating into policy commitment at national government level.*	0	0

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
legislative measures, the overall support for economic growth at any cost, overrides the positive legislative actions. There is evidence of policy in the EU such as zero textiles to landfill, relating to climate justice and government / industry alliance such as the Fashion Pact, but underlying principles of an extractive, colonial-based economy continues to be supported.					
Indeed, important steps have been taken to reduce harmful environmental practices. However, as long as the economic conditions of conducting a textile manufacturing business do not improve we cannot expect that producers are able to pay for the costs associated with environmental protection.	5	0			
More could be done faster.	5	0			
Policies in EU are emerging with more stress and accountability on climate change and social justice, however bulk of manufacturing happens in Asia and organized sector is much smaller compared to organized sector in these countries. So these will have limited impact. Fast fashion in EU and Americas and growing population is adding to stress, where there are limited policy initiatives.	4	-1			
Public policy should support a vibrant and stable planet and natural systems however most public policies are currently undermine planetary health, subsidize destructive linear production systems and do little to meaningfully accelerate and foster our transition to a circular economy. Even in countries that are pledging to 30% conservation by 2030 and climate targets, industrial actors' interests will often trump conservation of key areas.	0	0			
There are policy related deterrents to adapt clean energy solutions and innovations are driven by	4	0			

Fashion: C1b – Comments

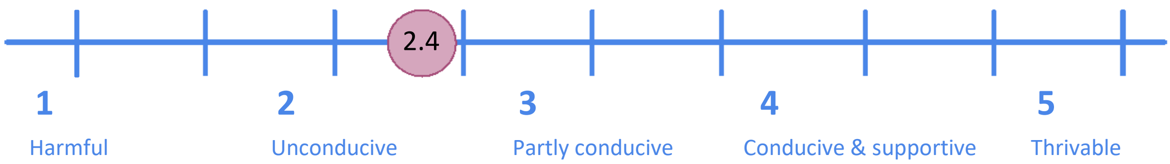
It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Implementation consistency is important.	3	0	*Political leaders are very much sensitive to workers' rights, human rights, weaker sections of society and the constitution and laws of most of the countries are protecting these rights. Implementation of these laws and policies may have gaps that needs to improve.*	3	-1
In the case of governments in the UK and EU and other governments, including in the US (again at last) there are active endeavours, including legislation relating to equity and inclusion. There is an increasing connection between governments and businesses in seeking to create conditions of equity and inclusion. in the fashion industry, the	3	-1	*The labor laws have become more effective in all countries, thanks to ILO [International Labor Organization] initiatives. Textile sector has come to highlight due to incidents like Rana Plaza and Uighurs issue, but at the same time, the issue of human rights has been under lens of all NGOs and regulators. I would say that things are changing in a positive*	1	-3

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
span is vast, from exemplars of good practice, often in small businesses, to hypocritical practices. There is a much more joined up approach to supporting equity in society, business, education and culture, however the intersectional elements of climate justice are not being addressed.			*way in last 3-5 years and policy makers are politically more sensitive to human rights related issues compared to climate change.*		
Lack of leadership and will from many national governments.	2	0			
More comprehensive reviews and discussion are helpful.	2	0			
Too much short term thinking among our political and policy leadership.	3	0			
Public policy should ensure conditions that support vibrant equity and inclusion but currently are closer to harmful. Most countries with significant populations of indigenous peoples fail to recognize and respect their rights and title. Extractive industries will generally have unfettered access to communities traditional lands and if they do recognize title, it will often be conditional on communities allowing continued logging/mining/grazing/... Laws that penalize/inhibit women being able to fully participate in the work force and opportunities for access to training and education are present in both the Global South and North. Homophobia and transphobia are still widespread and enabled by legislation in most countries.	0	0			

C2a. Financial sector actors use their influence, policies, practices and valuation methodologies to ensure climate-positive practices

Fashion Industry

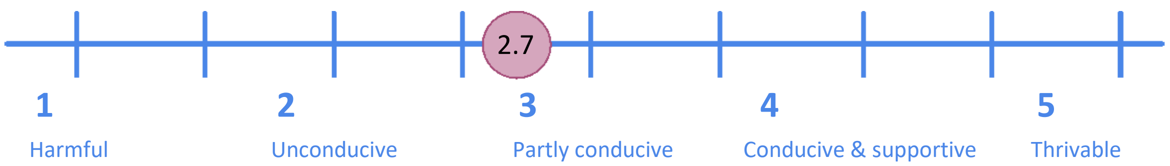
(**average**; based upon 7 assessments with SD = 0.5)



C2b. Financial sector actors use their influence, policies, practices and valuation methodologies to ensure equity and inclusion

Fashion Industry

(**average**; based upon 7 assessments with SD = 0.5)



Worth noting

Fashion group experts rated these rubrics as 'unconducive' (2.4). In case of equity and inclusion, the rating was higher – almost 'partly conducive' (2.7). The level of convergence of opinions within the group was the same (and fairly high) in both instances (0.5).

Fashion: C2a – Comments

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
It seems that ESG investing has been giving attention to environmental sustainability, but whether that is enough to forego on profits when it comes down to it is not clear.	4	0	*It seems that the financial industry considers environmental sustainability an important measure for investment decisions, at least increasingly so. Not sure, I can add much more insight to this topic.*	2	-1
Much more could be done.	2	0	*Need to have a platform to share success stories and reward progress.*	2	-1
Progress is not made fast enough here. More bold positions need to be taken.	3	0	*Optimistic that the business case for sustainability will be stronger and stronger.*	1	-1
The financial sector is still driven by Quarterly results and investors are rewarding only those who can show Q to Q growth. ESG reporting is not yet transparent enough and is not having any impact on investors, though a large number of ESG funds have emerged but the companies that they invest in are not the ones that are leading in sustainability. Policy makers do not create policies that facilitate investment in ESG but they are focusing on improving GDP only.	4	0	*Corporates are now driving the sustainability agenda as they brands are super sensitive to their reputation on sustainability and ESG performance. Consumers are beginning to reward the brands that are high on ESG. This is at least in the consumer facing industry like fashion, consumer goods, hospitality, etc.*	2	-1
Whilst there are some exemplary investors making clear statements about investment, e.g., Black Rock etc, there is little evidence of the financial sector applying its influence/ ethical code into policies and practices that support a wider than GDP metric on valuation. There is very little evidence of the financial sector actively selecting to support organisations with social and environmental purpose, i.e., they are still complicit, directly or indirectly in climate change. investors themselves are starting to divest and implement practices in their own businesses that are socially and environmentally supportive, but this is usually no more than response to risk, rather than through a proactive approach to business for the future. e.g., see list of banks complicit in climate emergency.	4	0	*There is a clear upward trend in financial institutions benchmarking and reporting ESG factors within their main rating frameworks for investors. No doubt they are hampered in their efforts by the lack of consistent, robust and transparent information available for them to base their ratings on.*	3	0
Too many short term incentives to turn a blind eye for the sake of quick profit.	4	0			
Although there is a surge in ESG investments and a shift away from investing in coal, the majority of money that most financial institutions have available to them still underwrites and finances destructive industries - be it industrial forestry, fossil fuel processing, plastics and chemicals, mining, unsustainable	0	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
agriculture, etc. Best of sector investments are common place even for progressive financial institutions and continue to provide climate and people damaging companies with $$ and a cloak of respectability.					

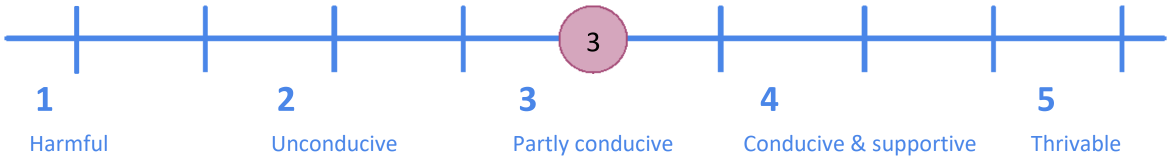
Fashion: C2b - Comments

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
More progressive ideas and solutions should be explored.	4	0	*There are some attempts, however visibility especially in T2, T3 suppliers is an issue.*	1	-2
The pressure and visibility of social inequalities relating to and beyond the fashion system are creating expectations of companies and financial institutions to actively seek ways to create greater equity. Anti-racism, gender equality and social mobility are all recognised as vital elements of good practice. criteria regarding investment and working practices, job descriptions, appraisal etc are increasingly including equity and inclusion. there are some high profile examples relating to fashion - suggesting that investors are at least in agreement with them (e.g., Gucci etc) The benefits to business of a more inclusive workforce is increasingly seen as 'good for business' labour laws such as Modern Slavery Act in UK and work of NGOs means that there is more pressure on investors to evidence equity in their practices and criteria.	4	-1	*There has been more demand for the inclusion and equality at board level as well as senior executive level and rest of the organization by investors as well as regulators. However, this is yet to translate into reality in most of the cases. We are moving in right direction though.*	2	-3
Unlike climate risk data, social inequities and risks don't have as many hard metrics associated with them, making it harder for financial institutions to agree and define the measures investors should consider - when compared to environmental impacts.	2	-1			
It does not seem to me that except for social issues that cause significant reputational risk (such as child labour), the financial industry is terribly concerned with other social dimensions of production such as freedom of association.	3	0			
Although financial institutions screen for key social issues like forced labour and child labour, they still extensively finance companies that consistently perform poorly across a variety of social issues and indices. The recent EU shift to require new funds to id whether they're ESG (and if not, why not) and if so, what their metrics are seems like an interesting and important development to bring greater rigour to both social and environmental performance of financial institutions.	0	0			

C3a. Businesses promote and implement bold, climate-positive policies, models and practices

Fashion Industry

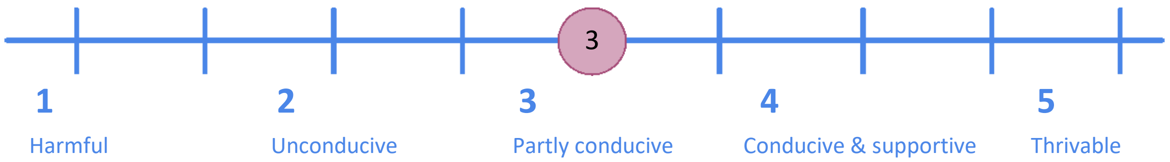
(**average**; based upon 7 assessments with SD = 0.5)



C3b. Businesses promote and implement bold policies, models and practices that contribute to equity and inclusion

Fashion Industry

(**average**; based upon 7 assessments with SD = 0.5)



Worth noting

The experts rated these rubrics 'partly conducive' (3) in both cases –environmental and social sustainability. Moreover, the level of convergence of opinions within the group was the same (and fairly high) in both instances (0.5).

Fashion: C3a – Comments

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
A lot more work could be done.	2	-1	*The progressive companies are coming forward to making climate change pledges and demonstrating leadership. Paris Agreement also is helping push this agenda. WBSCD, SAC and other organization are making this as membership requirement. This is still in nascent stage but moving in a very positive way, much more to be done here in Asia but it's catching up.*	4	0
Again here strides have been made, but businesses are not able to markedly improve environmental practices as long as purchasing practices remain economically unsustainable in so many cases.	4	0	*Businesses are coming out of shell and making bold statement on climate change. In last two years, the big oil and gas sector players have got transformed. The market reputation and public perception is key driver, ESG investing is also influencing these shifts.*	2	-1
Creative thinking and bold leadership are missing.	3	0	*Businesses see more and more reputational risks for not doing enough.*	1	-2
This is more and more the case, but much more needs to be done urgently.	3	0	*More and more positive movements in the right direction.*	0	-3
There is an increasing number of brands and producers that are making bold environmental commitments. This is a positive and very welcome trend. It is significantly stronger in Europe than Asia and/or North America, and there	0	0	*A proactive approach to acting on fashion's role in the climate emergency is being taken by an increasing number of fashion businesses. What is often overlooked is the pioneers in micro and small*	3	-1

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
is a wide gap between leading brands and laggards. Environmental initiatives still tend to be pre-competitive. To accelerate the transition to circular economy production we still need brands to be more proactive, more willing to pay more in the initial years, and to develop supply agreements with individual suppliers who are first (second) to market. Even with progressive brands, this is a struggle at present.			*businesses - there are very clear examples (from research there is a clear evidence base) of micro and small businesses who are basing the criteria for success on ensuring that they create regenerative and restorative practices, or at least they are resourceful with what already exists. larger companies from across the board, mass market to luxury, are implementing practices that relate to environmental concerns. at present, a lot of these are limited to efficiency measures which often increase impact rather than reduce it and to changing parts rather than the whole - see most circular economy initiatives that do not create lower overall impact as they are based on growth models that are incompatible with planetary boundaries. However there are a few outliers, such as Kering.*		
This seems to be an area with good practices in pockets of the industry, but a lack of sustainable purchasing practices do not allow for factories to invest in better practices.	4	0			

Fashion: C3b – Comments

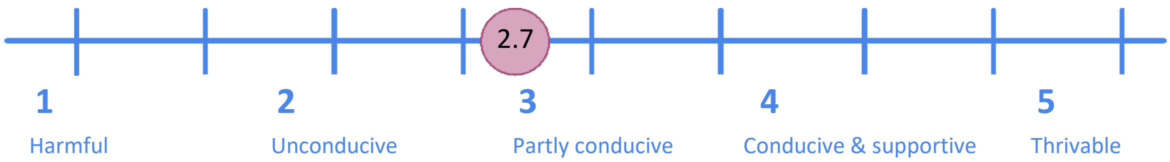
It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
			The organized sector has made lot of progress in this area. There is a huge number of small and medium enterprises in textile sector and this needs to percolate down to these unorganized sectors.	3	-1
			As outlined above, there is evidence that many small businesses in fashion implement strong social sustainability practices, through their organisational practices and with whom they work and who they serve as customers. The work of SMEs is not highlighted, but rather the practices of big business are foregrounded due to formal policies. these policies do not always translate into as good practice as informal, trust based work. These comments refer to EU and UK practices, with Portugal often referred to by companies we work with as being good practice in terms of fair labour, fair treatment, positive work cultures etc. the fashion media is putting increasing pressure on companies to evidence social equity, diversity and inclusion in their practices.	3	0
			Globally things are heading in the right direction, but progress is too slow. More should be done to accelerate progress.	1	-1
			It is true that much has been done with the help of MSIs, NGOs, standards and the like. However, the economic crisis	4	0

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
			ensuing from the pandemic has shown how livelihoods of workers hang in the balance when a buyer chooses for self-preservation. It took an activist campaign Pay Up to compel several global brands to pay their bills and keep their suppliers from going bankrupt and avoid the devastating consequences that would have had for workers and their families. Also, equity is not a reality as long as freedom of association is not respected in major origins for textile production and brands decide to concentrate their sourcing in those origins. Finally, it is clear from the challenges that the ACT platform has faced, that a Living Wage is out of reach for many, many textile workers despite the conferences and meeting about this topic that have been held for the last 15 years.		

C4a. Workers, producers, and communities claim rights and build power to organise and advocate for climate-positive policies and practices

Fashion Industry

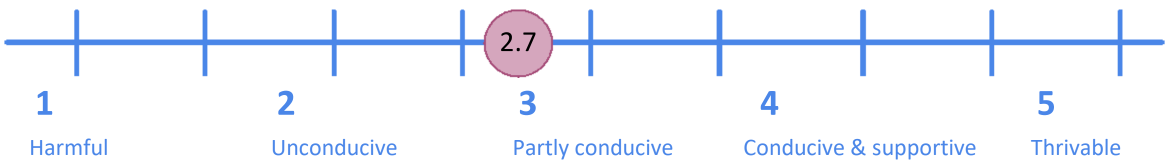
(**average**; based upon 7 assessments with SD = 0.5)



C4b. Workers, producers, and communities claim rights and build power to organise and advocate for equity and inclusion

Fashion Industry

(**average**; based upon 7 assessments with SD = 0.9)



Worth noting

For both rubrics, the experts assessed the status as just below ‘partly conducive’ (2.7). For environmental sustainability convergence of opinions was relatively higher (standard deviation of 0.5) than for social sustainability (standard deviation of 0.9). Overall, within rubric C, fashion experts assessed environmental and social sustainability of policymakers and financial sector lower than that of businesses, workers and communities. There were no significant discrepancies in ratings of issues concerning environmental and social sustainability.

Fashion: C4a - Comments

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
There is growing awareness among general public on climate change though it is yet to result in demand for more sustainable products from community and producers. Have not seen climate change in any of the workers' rights agenda either in EU or Asia yet.	4	0	*This is a vast span, so difficult to make one judgement, Workers, producers, and communities is a broad term. workers in some places have the opportunity to claim rights, but may not have the opportunity to advocate for climate-positive actions. As we all know, there is still a long way to go before workers have representation, although Industrial Labour Behind the Label and other NGOs are doing vital work and pressure groups such as Fashion Revolution are very visible advocates for workers' rights. Producers covers a massive span in terms of size and location - overall, producers in locations where climate change is already affecting their work are pushing for change from government and from buyers, however, they are not in the limelight, so the picture of action is very mixed. The term communities is unclear, customers, producer communities, action groups such as XR? There continues to be a huge narrative- action gap.*	3	-1
The climate agenda is not yet driven by workers and communities. Definitely they need to play a larger role. This also includes individual commitments to climate change in their own personal behaviour like large cars, large houses, and shift to vegetarian food etc.	3	0			
In many origins for textile production workers are not able to organise, whether it is to advocate for better environmental practices or any other objective.	3	0			
Many workers, producers, and manufacturing communities have little to no voice in climate policies yet. Also many are still struggling with food security, stable wages, safe work environments and other basic issues closer to home.	3	0			
It needs to be led by and supported with government policies.	2	0			
Climate activism is on the rise and communities and workers are increasingly a part of this movement. Organizing is still challenging in many workplaces, and climate likely comes as a lesser priority than safe working conditions, living wages, etc but are increasingly recognized as critical for justice and equity.	0	0			

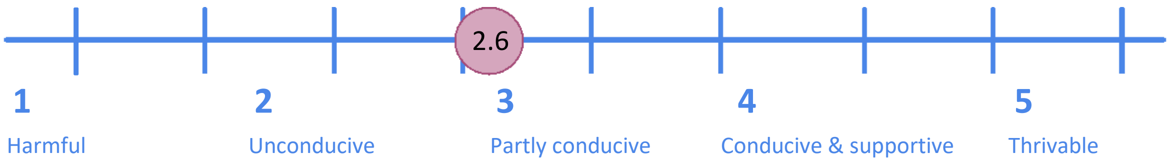
Fashion: C4b - Comments

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
This is a very wide question. from a UK perspective, as has been seen in the UK govt Environmental Audit Committee report and follow up report, the conditions of workers is still totally unacceptable, with human rights violations, modern slavery violations and whilst government has called businesses to account (in the UK) there is still no legislation to stop this and, as many NGOs make clear, there is a very long way to go before workers have the agency that they need.	3	-1	*More efforts should be made to get everyone to the same side of the table. Traditional win lose confrontations between buyers and sellers, workers and management takes too much time & effort.*	1	-1
Except in some initiatives with a rather limited scope, freedom of association is often not respected across the global textile industry. As I have understood, in Bangladesh there is no collective bargaining in the sector, in India very limited, in China there is no freedom of association, in Turkey trade union discrimination is rampant and also in Ethiopia trade unions are very weak.	3	0	*Moving in the right direction.*	0	-2
Room for al lot more work to be done, many efforts are just beginning.	2	-1	*Workers and community are very much aware about their rights today and are able to exercise them globally barring a few countries. They are able to express their rights without fear in most of the large and organized enterprises. They have good support from local NGOs. Producers are also cognizant of these.*	1	-3
Frontline defenders continue to be killed by state-sanctioned actors and it feels like the rise of authoritarian regimes could jeopardize gains that have been made in workers' ability to advocate for equity and inclusion in recent years.	0	0			

D1. Bold policy and regulatory frameworks have created the foundation for a new economy grounded in climate-positive practices, inclusion and equality[9]

Fashion Industry

(**average**; based upon 7 assessments with SD = 0.5)

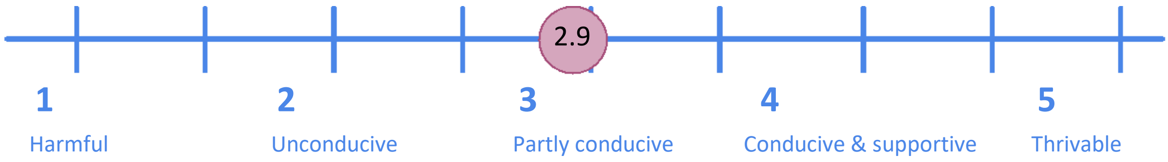


[9] See footnote 4

D2. An accountable financial sector enables, conditions and rewards climate-positive practices, inclusion and equality[10]

Fashion Industry

(**average**; based upon 7 assessments with SD = 0.6)



Worth noting

The fashion experts rated rubric D1 as between ‘unconducive’ and ‘partly conducive’ (2.6). Divergence of opinions within the group was low, with standard deviation of 0.5. Rubric D2 was assessed as ‘partly conducive’ (2.9). There was only a slight divergence of opinions within the group, with a standard deviation of 0.6.

Fashion: D1 – Comments

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Evidence to support this rubric differs vastly around the world.	2	-1	*In general things are moving in the right direction in the EU, China, and most developed economies. Hopefully the US will soon announce some bold commitments as well.*	2	0
It seems we are still far removed from this ideal, due to the absence of sustainable purchasing practices, workers' rights not protected in practice and often also not protected in law, and finally the issue that workers cannot meet essential needs from themselves and their families at a level of decency.	2	-1	*Much more needs to be done, more resources should be allocated to this.*	2	0
Lots of effort and things look like they are heading in the right direction, but conspicuously absent so far is the USA in the global conversation.	3	0	*There could be more efforts for greater visibility, understanding, and awareness of the many issues. Progress is being made.*	0	-3
Policy and regulatory frameworks set out a means to reduce the harm caused by current business practice, cultural behaviour, industrial impacts - from EU zero textiles to landfill, ban for incineration, Wales, New Zealand both have policies relating to new thinking of prosperity, as has Bhutan, however the rest of the world has not acknowledged the need to create the foundation for a new economy grounded in climate-positive practices, inclusion and equality. most work is an add on, reducing the problem based on extractive, colonised economic thinking - this has to change for real change to take place.	3	-1			
While there is a totally different status on each of Climate change, Equality and inclusion and they are not at the same level now, but if we put all in	3	0			

[10] See footnote 4

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
same basket, I think there is a lot more that needs to be done.					
Current policy and practice led me to rank this as a 2, as although a few jurisdictions are starting to prioritize this (EU, China), policy frameworks are still being developed and the majority of major sourcing, producer and consumer markets still lack robust policy frameworks to accelerate Next Gen Solutions and circular economy production. Integration of justice into climate and circular economy is something most governments are just wrapping their heads around. The exciting thing is that it is on the agenda!! So I hope that within 12 -18 months I'd rank this at a 3 - 4.	0	0			

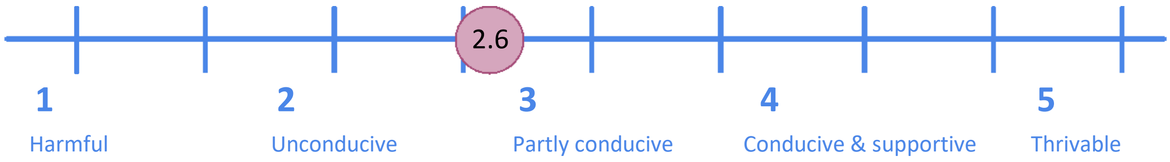
Fashion: D2 – Comments

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Not even across the global marketplace. However this looks to be more normative soon.	3	0	*More and more financial incentives to move in the right direction.*	1	-1
Rewards for climate positive and social equality are the 'good to have' rather than the licence to do business which they need to be. a more expansive understanding of prosperity, based on social, environmental, cultural and economic factors is yet to be widely recognised.	3	0	*More long term views of profits necessary*	3	0
This is in the vision of most of the financial sector but not demonstrated in practically, the whole world seems to be running behind sharp growth and rewards those companies who are growing fast, irrespective of if the money is generated by loss of jobs to millions (like large retailers driving small businesses out of money) or if they are environmentally sustainable.	4	0	*Responsible investors and institutions have an assessment process.*	2	-1
We are far removed from this ideal situation, despite the fact the problems discussed today are not much different from those a decade ago. The financial sector should use its leverage more deliberately.	3	-1	*Things are moving in the right direction. However unless we do more we may run the risk of being too little too late.*	2	0
The financial services sector is changing quickly, viewing climate-impacting entities as a significant risk and moving to support climate positive practices and equality. Although we're seeing exciting shifts around financing of coal and fossil fuels that same scrutiny is yet to translate across to the fashion industry and fashion supply chains as of yet.	0	0			

D3. Responsible businesses and industries are climate-positive and ensure inclusion and equality for workers, producers and communities[11]

Fashion Industry

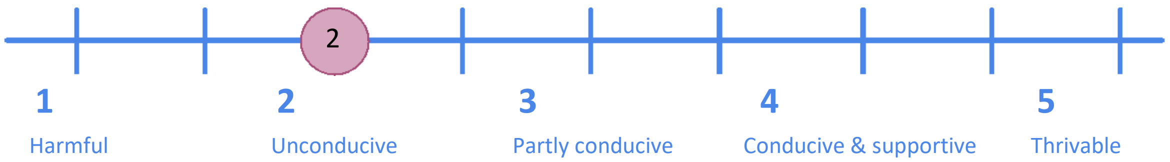
(**average**; based upon 7 assessments with SD = 0.7)



D4. Active, organised workers, producers and communities exercise power to secure climate-positive practices, inclusion and equality

Fashion Industry

(**average**; based upon 7 assessments with SD = 0)



Worth noting

The experts rated rubric D3 between 'unconducive' and 'partly conducive' (2.6), with a slight divergence of opinion within the group (standard deviation of 0.7). They assessed rubric D4 as 'unconducive' (2). In that case, experts were unanimous (standard deviation equal to 0).

Within rubric D, the highest rating was attributed to "an accountable financial sector that enables, conditions and rewards climate-positive practices, inclusion and equality", while the lowest was attributed to workers', producers' and communities' activity, organisation and use of power to secure climate-positive practices, inclusion and equality. However, all the ratings in rubric D were 'unconducive'.

Fashion: D3 – Comments

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Again, as long as buyers and brands do not economically enable suppliers to improve their social and environmental practices, then it will be unlikely that the latter will have the means to pay workers a Living Wage and make the necessary investment to reduce negative environmental impact. Fast fashion is still among us. And then there are the violations of workers' rights to organise and bargain, that remain all too common in the industry.	3	0	*Responsible businesses are making focused effort to improve their sustainability performance, including all ESG parameters. They transparently share the progress periodically.*	0	-3
Lack of visibility means we sometimes don't know what we don't know...	2	-1			
Only the top few large publicly traded businesses in the fashion sector are	5	0			

[11] See footnote 4

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
exhibiting the described level of responsible and accountable practise. - typically only brands in high public awareness. Of those exhibiting responsible practise, many report that they remain a long way from their social and environmental goals.					
Responsible businesses have declared their intent to be climate positive but only a handful are climate positive as of now.	5	0			
The descriptor for partly conducive sums up where we are with this - from study of small and micro businesses in the UK, there is evidence of a proactive stance in this area by a strong number of small businesses, but it is far from common practice. likewise with larger business, there is some evidence of UK, EU and US businesses (design and retail) taking some proactive moves, but not necessarily translated into creating a more balanced power dynamic across their supply chains, with margin, speed, and other demands being unevenly negotiated due to power imbalance across the supply chain.	4	0			
If I could have ranked this at 2.5 I would. I know there are a number of companies that are aspiring to be climate positive but none currently are - nor carbon neutral for that matter. Few companies are using SBT or setting the ambitious scale of reduction targets and corresponding action plans that will actually see them make climate positive impacts. Brands and producers are starting to grapple with their Scope 3 emissions which is great. They also need to be aggressively investing in Next Gen Solutions (both the development and trialling of the tech, as well as buffering initial lack of economy of scale production) and invest and advocate on top of that to conserve high carbon landscapes be it forest conservation or regenerative soils, etc.	0	0			

Fashion: D4 Comments

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Despite the efforts of many businesses and NGOs the lack of government policy and/or enforcement in many regions results in only marginal progress in this area. Hard indicators such as minimum/living wage gaps and access to education show this to be true.	4	0	*More thoughtful leadership necessary to make the connections for the various stakeholders*	1	-1
For as long as the unionization rate in the textile industry remains very low and buyers source from countries that crack down on freedom of association (Bangladesh, China) it is not likely that	3	-1			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
the industry will be able to meet this rubric. Also the recent issues with the forced labour of Uighur people have made clear that the industry has a long way to go.					
More local issues tend to dominate discussions.	2	-1			
Need more policy leadership from many national governments.	2	0			
This has not been observed so far, that workers and communities are seeking climate positive practices, however they are very much aware of and seek equality and inclusion.	5	0			
Whilst there are some very important NGOs with rigorous research practices, clear messages and active engagement with public, governments and businesses, the impact of progress is still very patchy. We are still in awareness raising mode more than we are in implementation mode. there is a need to move into a new phase, otherwise the inequalities and destruction remains and all lives continue to be impoverished.	4	0			
This is really patchy in terms of application globally. Recent developments with forced labour in XJ demonstrate the challenges of labour and communities - and even brands - in asserting rights and climate-friendly practices in authoritarian regimes.	0	0			

Fashion: Threats and Opportunities – Comments

A threat that inhibits progress towards the outcomes is…	Upvote	Downvote	An opportunity to advance the outcomes is…	Upvote	Downvote
(ref D3) The growing gap in progression between well-resourced large businesses and their smaller counterparts. SMEs, making up a significant portion of the fashion sector value/volume contribution, are citing their lack of knowledge and ability to progress on social and environmental agendas.	0	0	*(ref D2) Formal collaboration between progressive/voluntary industry fora (SAC, SBTi, SLCP) and financial institutions create the metrics and access to data for sound monitoring and accountability of business.*	0	0
Business and policy makers would not positive to make change and progress.	0	0	*(ref D4) All industries target setting and progression movements (e.g., UNFCC, Fashion pact, SAC, GFA), to require proportionate consultation and representation at all relevant tiers of the value chain, rather than being dominated by brands and retailers.*	0	0
Currently lots of focus on profitability after a year of pandemic, so not a lot of available resources.	0	0	*A coalition of UN policy makers to turn guidance (such as OEDC due diligence for example) into policy measures for consistent national adoption.*	0	0
Political inertia, short-termism in government and industry, social polarisation, myth of efficiency as means to solve issues, lack of will to reduce power imbalance.	0	0	*Bold action by industry, to dare to change the model of exploitation and business based on consumption, through a range of devices including profit sharing, investment in supply chains, commitment to what they can stop doing and start doing.*	0	0
The fact that attention to purchasing practices particularly price setting is for	0	0	*By creating a more joined up approach within government departments, so*	0	0

A threat that inhibits progress towards the outcomes is…	Upvote	Downvote	An opportunity to advance the outcomes is…	Upvote	Downvote
many companies not a routine part of HRDD and not recognized as an essential aspect of avoiding adverse impacts on human rights.			*that the interconnectedness between social, environmental, economic, education, skills, health, tax etc are connected together to recognise what sustainable prosperity involves.*		
The fact that there are no common criteria for sustainable purchasing practices in the context of HRDD, so that the risk continues to be real that HRDD will be used to existing social compliance strategies for the sake of public relations. Business models will need to change for the industry to become sustainable.	0	0	*Greater global visibility.*	0	0
The lack of cohesion and accepted responsibility between players at different steps in the fashion value chain/cycle - many businesses are expecting others to take up responsibility for critical systems change, for example brands don't see themselves responsible for products at end of life therefore are unwilling to invest in the necessary infrastructure to address waste.	0	0	*Greater transparency by companies to their efforts, goals, and progress.*	0	0
			HRDD legislation by the European Union.	0	0
			Legislation that takes away the licence to do harm that the fashion sector currently has in countries around the world.	0	0
			More small tests to study possible solutions.	0	0
			Opportunities are to promote HRDD practices across the industry and work with civil society organisations and trade unions to assess and address human rights issues. Opportunities are also, even for buyers, to push for European legislation on business and human rights, which will be a signal that cannot be ignored by governments in countries of origin.	0	0
			Policy developments in the EU to incentivize and enable Next Gen Solution/circular economy production are exciting - great to leverage that in other jurisdictions. Brands are more proactive in setting ambitious 2025 and 2030 targets and more willing to leverage their purchasing and political influence. Mobilizing investment so that it "turns off the tap" to destructive linear extractive supply chains and turns on the tap to circular economy. Leveraging fashion's cultural influence to shift the social license enjoyed by destructive practices/businesses/supply chains.	0	0
			The labor, women and climate rights should work together and compliment their movements.	0	0
			Use of technology to improve visibility up and down supply chain, reduce waste, and improve communications.	0	0
			There is a huge opportunity of making progress and it requires three conditions to be created which sound	0	0

A threat that inhibits progress towards the outcomes is…	Upvote	Downvote	An opportunity to advance the outcomes is…	Upvote	Downvote
			simple but are challenging to create. First and foremost, we need to teach what is a Climate Positive Behavior to general public, so far governments and corporates have been teaching consumerism in order to increase sales/GDP. This needs to change, right from nursery education to adult education. This needs to change first. Secondly, a policy framework that encourage collaborative efforts (public-private partnerships) in the area of climate change and Equality/inclusion. Third but not the least, a financial system that is not running after quarter-to-quarter profit without consideration to sustainability. We need to find ways to measure sustainability and quantify it in terms of future profits, present values of which can be added to P&L and Balance sheet (value created or value destroyed).		
			Using the narrative of fashion to change cultures of consumption, so that it is no longer socially acceptable to buy from polluters and exploiters.	0	0

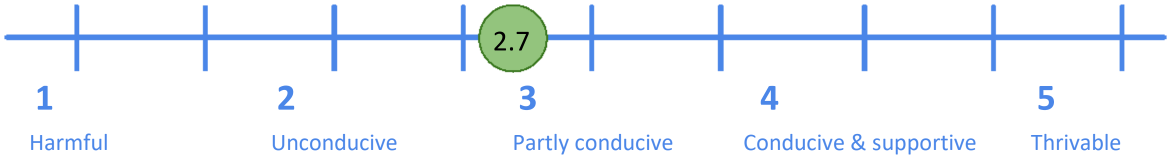
Finance and Capital Markets

Experts were asked to rate the following statements from 1 = harmful to 5 = thrivable.

C1a. Policymakers reform, implement, enforce and protect critical laws and policies that require climate-positive practices

Finance and Capital Markets

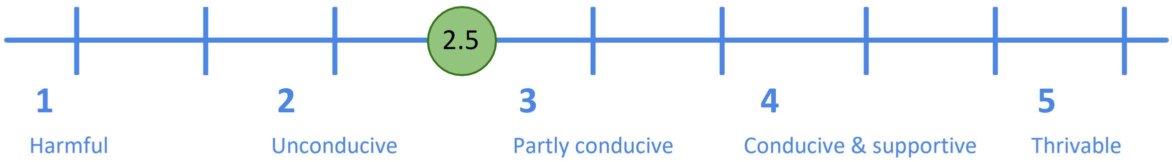
(**average**; based upon 8 assessments with SD = 0.7)



C1b. Policymakers reform, implement, enforce and protect critical laws and policies that require equity and inclusion

Finance and Capital Markets

(average; based upon 8 assessments with SD = 0.9)



Worth noting

The finance and capital markets experts rate policymakers' actions related to rubric C1 between 'unconducive' and 'partly conducive'. Actions related to climate-positive practices were assessed higher (2.7) than those concerning equity and inclusion (2.5). In both cases there was a fair degree of consensus, with standard deviation equal to 0.7 for climate-positivity and 0.9 for social inclusion.

Finance and Capital Markets: Comments – C1a

It should be closer to harmful because...	Upvote	Downvote	It should be closer to thrivable because...	Upvote	Downvote
Although more regulatory measures are in place, they often the lack 'bite' or have a very long term implementation path with many exceptions.	5	0	*European policy making on climate is ahead of most and is deeply integrated with industry and finance policy. While not fully applied in all countries equally, it is pretty impressive on a global scale.*	2	-2
Many of the policies are not yet robust and highly depend on actions taken by member states.	5	0	*Some policymakers in Europe are well advanced, but there are many countries where the development is quite slow.*	3	-3
Policies arising from EU institutions have been strong to date. But there are signs that the Renewed Sustainable Finance Policy may not be as strong, and not all Member States have bought into the scale and pace of reforms that are needed as shown by the last minute crisis over the taxonomy delegated act, and the failure to fully translate sustainable finance tools across to EU recovery measures.	3	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
The 1st Action Plan Financing Sustainable Growth (March 2018) was ambitious, but the effects were delivered not in due time. The legislative calendar has caused difficulties for corporates and financial institutions to comply with new regulations. For example: (1) SFDR comes before the CSRD so for at least one year financial institutions will not have good quality data to report on; (2) Taxonomy is diluted, as agriculture TSC are missing and decisions on gas and nuclear energy were postponed.	2	0			
The EU's updated binding Paris target = reduce emissions by 55% by 2030 from 1990 levels and make climate driver of COVID economic recovery. Puts EU in global leadership position but not yet compatible with Paris which would require a goal of 65% emissions reduction and funding for climate action abroad. EU reductions currently insufficient – won't get to 2° much less 1.5° by 2050 (see Climate Action Tracker). Right now EU expected to reach 37% reduction by 2030 so significant catch-up necessary, and most important actions need to be taken now, before 2025 for any chance of success, as reductions will get harder as low hanging fruit is harvested first.	0	0			

Finance and Capital Markets: Comments – C1b

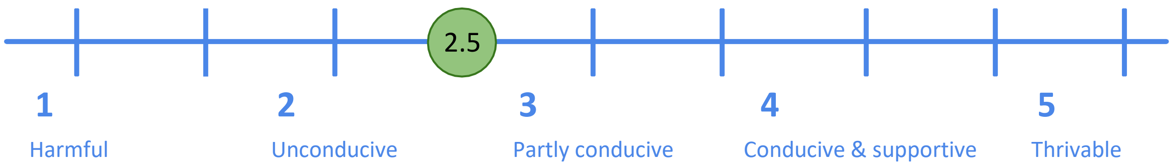
It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Europe has so far made very limited progress on addressing social equity and inclusion within financial system policy and regulation. The social aspect of the taxonomy has barely started. There is no mainstream policy file developing an approach to equitable financial inclusion across Europe in the context of increased climate vulnerability - by contrast the new US administration put plans in place to address that issue almost from day 1. There is also no broad policy around financing for a whole-economy just transition.	3	0	*In Europe inclusion is quite well in the priority agendas of policymakers.*	2	-4
Not my expertise, but the EU's Racial Equality and Employment Equality Directives do not seem to be working: EC March 2021 report states that there is "a general sentiment that little progress has been made in the fight against discrimination since 2014". E.g., EU scored only 67.4 out of 100 in 2019 for gender equality; at current pace, gender equality in the EU will only be reached by 2080, so lots of work to do! EU DEI must focus on generating equal opportunity and lasting wealth for underrepresented	0	0	*In Europe, there is at least a basic protection workers. Granted, these are basic rights and do not address many of the aspects to become fully thrivable.*	3	-2

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
communities. Gender, Racial, LGBTIQ strategies seems promising, but only have baby teeth and need full adult set.					
The most fundamental EU system for assessing sustainability is focused on environmental issues only. Currently no social / employee / human rights Taxonomy exists and there will be none for quite some time in the coming years. Plans for a directive on due diligence in supply chains have been postponed by the Commission. There is a recent report from the Parliament about the urgency of taking up this topic, but as far as I know a strong pushback from several member states restrains the Commission to put forward a legislative proposal in this topic.	2	0			

C2a. Financial sector actors use their influence, policies, practices and valuation methodologies to ensure climate-positive practices

Finance and Capital Markets

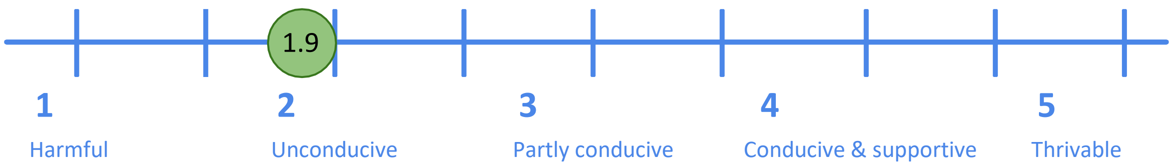
(**average**; based upon 8 assessments with SD = 0.7)



C2b. Financial sector actors use their influence, policies, practices and valuation methodologies to ensure equity and inclusion

Finance and Capital Markets

(**average**; based upon 8 assessments with SD = 0.6)



Worth noting

The finance and capital markets experts rated the status of rubric C2a as between 'unconducive' and 'partly conducive' (2.5). Concerning equity and inclusion, they assessed the status as significantly lower, receiving a grade of 1.9, just below 'unconducive'. There was no major discrepancy within the group of experts, with standard deviation of 0.7 for the climate-positive practices and 0.6 for equity and inclusion.

Finance and Capital Markets: Comments – C2a

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
After so many years of talking about climate change being No. 1 threat in the history of human civilization the financial industry is still (in 2021!) pouring more money into fossil-fuel investments than into renewables, circular economy or other climate change mitigation businesses. The science is clear about what we should do, civil society has generally agreed upon (see results of 2019 EP elections), even the regulator shows a generally clear direction (with Taxonomy Regulation, SFDR, plans for CSRD etc.) - but the financial industry is sticking to business as usual, each day becoming the main brake of the coming change.	2	0	*Climate is becoming a hygiene factor for financing. As valuation is per definition forward looking, 'linear risks', 'stranded assets' and the success of new resource efficient business models is also driving this. Clearly, this has been more the case with new fast growing companies than in the legacy industries.*	4	-1
Although many financial actors have begun to offer climate safe(r) investments and loans, their actions are woefully inadequate to support the Paris Agreement targets. Since the Paris Agreement in 2015, the world's 60 largest banks have invested more and more every year in fossil fuels, for a total of $3.8 trillion from 2016-2020. This is appalling. Last week the EIA released a report detailing the pathway to net zero GHG emissions by 2050: no new investments in fossil fuel exploration, no new oil and gas fields, no new coal plants or mines. Meanwhile, central banks are still "assessing climate risk" instead of acting on urgent, undeniable risk, Vanguard and Blackrock quietly continue to vote against shareholder resolutions to "green" energy systems while publicly setting net zero targets, and most recently the industry-led Net Zero Banking Alliance vowed to rapidly decarbonize lending and investment portfolios... based on best practices, of which there are none.	3	0	*European finance is leading the globe in climate metrics with EU Sustainable Finance Taxonomy, European banks modelling climate investments globally and standards such as CBI coming out of European centres.*	0	-4
Export credit agencies (ECAs) – and the governments that oversee them – could be in violation of their international legal obligations if they do not take action to reduce their financing of fossil fuel-related activities imminently. That is the main conclusion of a new legal opinion: http://priceofoil.org/2021/05/04/press-release -eca-legal-opinion/ I have personally lobbied a major bank - KBC - to create the first fossil fuel free pension fund in Belgium and after many years they finally did just that, but these are isolated cases touching a tiny part of the financial sector as a whole and at this stage they are largely symbolic fig leaves to try to hide the massive investments in the fossil economy still made -hence the rating "harmful".	7	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Financial sector is getting closer to tipping point regarding climate actions. At the moment they are setting targets and principles but the actions are not tangible. Climate-positive actions are next wave after aiming for climate neutrality or no harm done level.	3	-3			
Not even close! Financial actors, including regulators, continue to finance activities grossly misaligned with science-based climate targets, have created a huge carbon bubble, fail to view climate-related risks as materially different from other financial risks—they are more harmful, significantly more likely to materialize, and characterized by uncertainty. Continued reliance on analysis and scenarios by themselves are inadequate in the face of uncertain, unknowable threats. The only solution is to proactively, with unprecedented speed and scope, steer toward a near-zero emissions economy. This is a deeply systemic challenge and cannot be undertaken by the financial system alone.	0	0			
Private sector lobbyists are very active around European financial legislation/regulation but the representatives of incumbent interests are generally louder and better organised. The financial sector sends mixed messages on files that concern them being regulated themselves, rather than the companies they invest in.	3	0			

Finance and Capital Markets: Comments – C2b

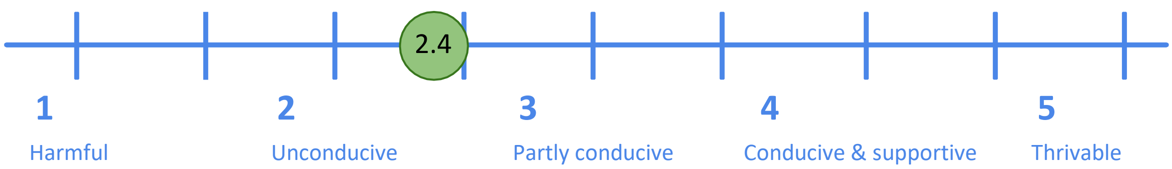
It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Beyond awareness raising, strategies for hiring, and DEI trainings, I'm stumped - I'm not aware of any significant efforts to integrate DEI into the financial sector, either internally or externally in the EU.	0	0	*Many financial actors start tracking and measuring inclusion/equity, largely driven by requirements from their customers (LP's). Increase transparency will result in increased accountability.*	3	-3
Financial sector has not real incentives to do this. Naturally the "No Go" is actively to make inclusion difficult but to promote it is still not happening in large scale.	3	0	*European policy making on climate is ahead of most and is deeply integrated with industry and finance policy. While not fully applied in all countries equally, it is pretty impressive on a global scale.*	2	-2
I agree with the point below that equity and inclusion are not 'bonus points' and that they should be treated as fundamental rights. The question, I guess is, how the current model could be turned to a fairer model? Is that possible and how the market mechanism could be turned to "producing" equity and inclusion?	6	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
I've not noticed a strong attention to these questions from Financiers except in terms or risk aversion	4	-1			
It seems that equity and inclusion are not well present in the financial sector's agenda in practice. However, they are not actively driving the opposite agenda either.	6	-1			
The profit maximalisation paradigm is still so dominant that it is not even a task for the finance industry to help achieve equity and inclusion in society, rather to the contrary: it pushes towards exclusion of the non-privileged in order to maximize profits. Whatever openings we see on equity and inclusion are now 'gifts' from so-called 'enlightened' CEOs that help with the PR of the bank and their personal image and ego. But this is based on the wrong assumption that equity and inclusion are 'bonus points' - while in fact they should be treated as fundamental rights. Current free market capitalism doesn't allow for a situation where finance industry helps to bring equity and inclusion in society, the system is doomed to lead to greater inequity and exclusion, as we have seen over the past decades.	4	-3			
There is virtually no evidence of the financial industry having any interest in assessing impacts of investee companies or clients on human rights, people and society at large. In the "social" field the financial industry is even more delayed than in the "climate" field. Many years will pass until the industry assesses its indirect impact on ensuring equity and inclusion and even more until it takes active part in solving at least some of the problems.	2	0			

C3a. Businesses promote and implement bold, climate-positive policies, models and practices

Finance and Capital Markets

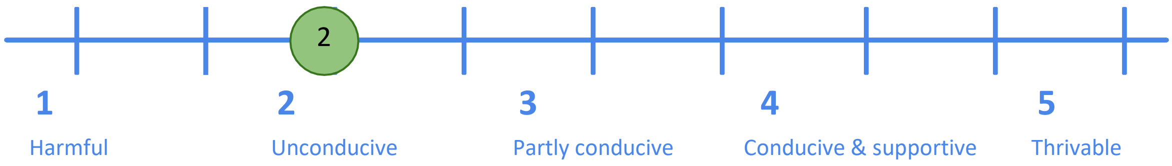
(**average**; based upon 8 assessments with SD = 0.9)



C3b. Businesses promote and implement bold policies, models and practices that contribute to equity and inclusion

Finance and Capital Markets

(**average**; based upon 8 assessments with SD = 0.5)



Worth noting

The experts assessed both rubrics as 'unconducive'. They rated climate-related issues higher (2.4) than those related to equity and inclusion (2). Divergence of opinions within the groups was higher for climate-related issues (standard deviation of 0.9) than for social sustainability (standard deviation of 0.5).

Finance and Capital Markets: Comments – C3a

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Many businesses have stepped up, most with pressure from/partnerships with NGOs (e.g., SBTI). However, most rely on "best practices" which are unambitious at best, and are holding private sector back at worst. Real tension here, however, with profit-driven purpose and shareholder expectations, see e.g., ousting of Danone CEO Faber. Fundamental policy change, new business models (see Purpose.economy.org) and new ambition levels (see futurefitbusiness.org) are required. This will be extremely hard without significant policy change and enforcement, as well as dramatic increases in public spending. According to MIT study, only 1/3 of businesses have potential to become truly sustainable.	0	0	*Businesses are getting more and more incentives for bold climate actions, this includes regulation, carbon tax, employer branding to attract and retain employees and B2B and B2C branding. As a result it will be more and more part of a sound business model.*	4	-1
Social elements are much less 'sexy' than climate-related topics and are also perceived to bring less of an upside in valuation	4	-1	*There are companies that base their business in climate actions but many of the industries in large have not realized the opportunity or are either stuck with existing business areas and models or are against the change all together.*	4	-2
Some business are trying. But there is now evidence of common or collective action. Sustainability claims are used for business edge by industry leaders and are generally not applied across the sector.	4	0	*While practice varies widely across European businesses, there are now many European major firms which really lead the way on this globally*	1	-2
There are frontrunning companies that are advancing fast but the majority of the companies are just starting to understand their effects and trying to understand how to change or are just ignorant of the topic	2	0			
The financial industry has only begun to identify climate-related risks. Financial institutions have virtually no data on	2	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
their impact on climate. They can't have it as the don't receive comparable good quality data from companies. For example: few companies account for Scope 3 GHG emissions (which are usually the largest part of GHG emissions of a corporation). For the past decade financial institutions have not been able (or willing) to stimulate their investees and corporate clients to provide climate-related data. This will only begin to happen after the CSRD is in place. Meanwhile financial institutions are still financing emissions-heavy industries and voting against any climate-mitigation oriented motions at AGMs.					

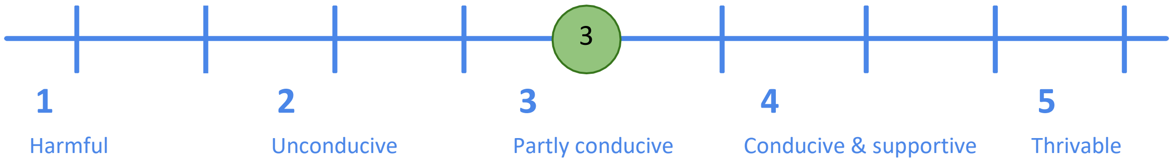
Finance and Capital Markets: Comments – C3b

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
I see a lot of promotion but limited measurable action	4	0	*Increasingly measurement frameworks are in place to measure progress in these areas. With this increased transparency, it is much easier for investors and policymakers to steer for meaningful change.*	2	-3
It's been in the agenda for some time but not as a strong topic. It's perhaps the most advanced that state these as priorities and in majority of the companies it is perhaps not understood in full potential.	2	0	*Many businesses need to include policies that contribute to equity and inclusion in order to attract and retain the right work force.*	3	-2
No widespread movement here, no significant and intentional actions or outcomes – mostly a "check mark" for business – although some are partnering with NGOs like B Corp, Purpose, Future-Fit, The Democracy Collaborative and are making pledges, hosting trainings coming out of the COVID/Black Lives Matter crises. Unconscious bias makes this quite difficult. Policymakers must take the lead here to enact policies with strong carrots and sticks.	0	0			
Social issues, employee wellbeing, impacts on people and human rights are even less of an issue for financial institutions than climate change. Financial institutions have no data on their indirect impact through their investees and corporate clients in this field. Therefore, as no data exists, no risks are being measured and no actions (i.e., no meaningful, impactful actions) are taken.	2	0			
Worker, producer and community groups are not really part of the decisions at the moment. There are weak signals that this could start to become active agenda point in the future. SDGs could provide business opportunities as well.	6	0			

C4a. Workers, producers, and communities claim rights and build power to organise and advocate for climate-positive policies and practices

Finance and Capital Markets

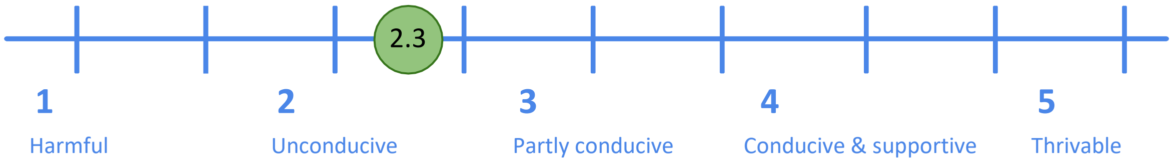
(**average**; based upon 8 assessments with SD = 0.5)



C4b. Workers, producers, and communities claim rights and build power to organise and advocate for equity and inclusion

Finance and Capital Markets

(**average**; based upon 8 assessments with SD = 0.4)



Worth noting

The finance and capital markets experts rated the status of rubric C4a as 'partly conducive' (3) and for C4b as 'rather unconducive' (2.3). Opinions of the experts did not diverge significantly, with standard deviations of 0.5 (for environmental sustainability) and 0.4 (for social sustainability).

Within rubric C, actions and abilities related to social sustainability (equity and inclusion) received lower assessments than those concerning environmental sustainability (climate-positive practices) in all the cases. From the perspective of finance and capital markets, more action and policies are needed to increase equity and inclusion. Yet, although climate-related issues have received higher ratings, there is still a need for improvement.

Finance and Capital Markets: Comments – C4a

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Workers, producers and communities can be very different stakeholder groups with other interests. It is unclear at this point, if these groups will productively work together.	5	0	*In Europe there is growing pressure from grass-root level to mobilize around climate agenda and put pressure on policy makers.*	5	-1
			Increasingly communities driven by social media can have a significant impact on both policymaking, consumer behaviour and decision making by corporations	5	0
			Many newer, bolder NGOs are stepping up here, after many years of foot-dragging among policymakers, financial actors and big, middling NGOs: e.g., Positive Money, OCI, Extinction Rebellion, Fridays for Future, SBTI, Climate Safe Lending, 2DII, 350, The	0	0

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
			Democracy Collaborative, Sunrise, etc. Many are just now realizing that we can't fix climate with orthodox economic theories, assumptions, memes, but require new, more democratically owned institutions, evolved political economy, and massive public spending. There is a tension here with producers and workers, who fear losing jobs and industries and don't have or don't see a bridge between traditional fossil fuel and other unsustainable sectors and the Green Deal of the future.		

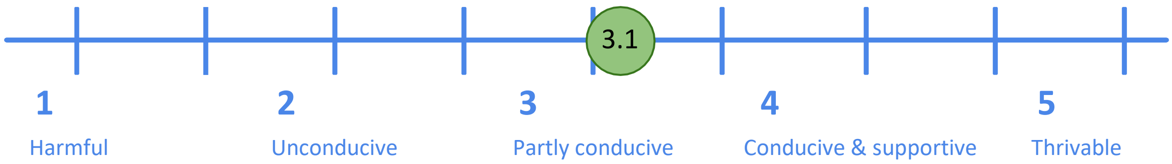
Finance and Capital Markets: Comments – C4b

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Equity and inclusion has not been that vocally represented in community level as climate agenda. Perhaps baseline in Europe is in a good level meaning that actions needed are not that urgent.	2	-4	*From the rise of the global movement for environmental justice (also in Europe) to black lives matter and decolonisation movements (also in Europe) and from the peer-to-peer global communities to the rise of community supported agriculture (CSA) locally: studies indicate that the number of initiatives in the 'commons economy' is rising fast and the niches get bigger. While I agree that the question is difficult to answer because workers, producers and communities are just not a "group" and unions are in decline... communities are coming up as 'entity' and they are, in my view, often successful in advancing equity and inclusion. Serious gaps remain, yes, but for example: the 1000s flocking to CSA farms and sourcing their food more locally than before are now better protected from global supply chain disruptions. My rating "3" is based on what I see in communities. For workers it would be a 2.*	3	-1
Significant tensions among these actors due to precariousness of jobs, wealth and security, as well as cultural racism and sexism. Power held among groups is minimal due to neoliberal extraction from labor and envt = corporate consolidation of wealth and power. Advocates are making inroads and combo of climate, deepening inequality and COVID has laid bare theoretical and structural issues about who gets what and why, debunking the belief that "you get what you deserve." Efforts have moved from a primary concern for gender diversity to include a greater focus on age, race, disability, etc.	0	0	*Worker's power seems to be in decline together with the decline of unions - while community power seems to be on the rise, with the rise of initiatives in the "commons economy", such as the rise of movements like community supported agriculture and community owned renewable energy. The pandemic created both more insecurity (for workers, supply chains, our health) and a revival of values such as food security, having a healthy nature etc.*	5	-1
Workers, producers and communities are very different groups with different interests. As such they may not be aligned or even have different positions that may weaken their position.	5	0			

D1. Bold policy and regulatory frameworks have created the foundation for a new economy grounded in climate-positive practices, inclusion and equality[12]

Finance and Capital Markets

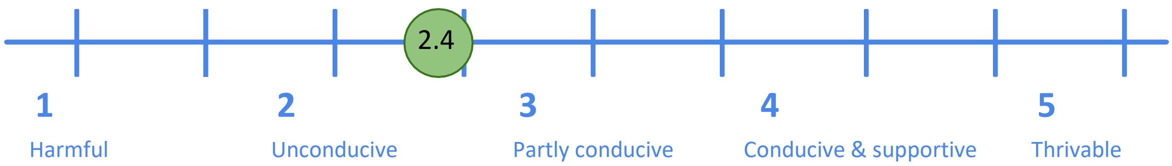
(**average**; based upon 8 assessments with SD = 0.8)



D2. An accountable financial sector enables, conditions and rewards climate-positive practices, inclusion and equality

Finance and Capital Markets

(**average**; based upon 8 assessments with SD = 0.7)



Worth noting

Finance group experts rated the status of rubric D1 as ‘partly conducive’ (3.1). There was only a slight divergence of opinions within the group, with a standard deviation of 0.8.

The experts rated the status of rubric D2 as ‘unconducive’ (2.4). Divergence of opinions within the group was low, with a standard deviation of 0.7.

Finance and Capital Markets: Comments – D1

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
I really don’t know how to answer this. Surely there will be scattered positive examples, like Scotland and Iceland, and the EU will likely be better than most, but I expect the opposite to be true as well – some really bad examples. The issues are wicked and systemic, people are motivated primarily to avoid loss (change), and wealth and power are currently more consolidated than they have ever been, making transformative change difficult, but not impossible. I’m inclined to believe that we’ll be much further ahead on climate than we will be on DEI. I suspect that to arrive where Laudes would like to be by 2030 we will need additional, interconnected crises.	0	0	*Green Deal in Europe is a right step for that direction. Globally Europe is seen as the frontrunner in both climate and social (inclusion, equity) aspects but more actions are needed to achieve Paris targets or making sure that wealth distribution is more equal.*	5	-1
			I strongly believe that the Taxonomy system is going to be a game changer,	2	0

[12] See footnote 4

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
			a real green swan that is going to transform European economy. But only if it is not diluted in future lobbying efforts and if the environmental pillar of the system is soon accompanied by the social one. The CSRD will also be an important part of the solution, because it will make companies accountable (as ESG data is going to be audited), leaving financial institutions with no excuse not to take action.		
			Many new regulatory frameworks are still in development and will take time before businesses will adopt.	4	0
			Policy frameworks in Europe are very good and integrate action with community, business and finance well. While there is room for further refinement, this continent is leading the planet.	3	-1

Finance and Capital Markets: Comments – D2

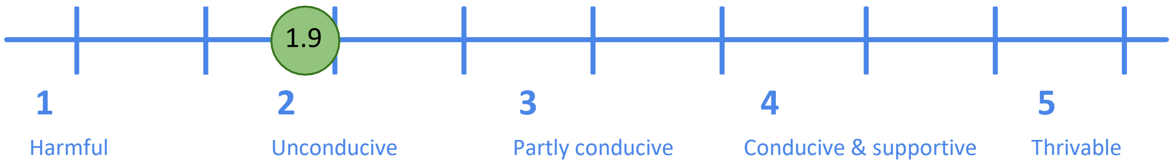
It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
As many externalities are not priced in, there are still big incentives for the financial sector not to be aggressive and only take steps to be 'a bit better' than the competition.	6	0	*I expect financial institutions will make significant changes to their portfolios prior to 2030, given the opportunities presented by climate safe lending and investing. I suspect their progress will be much slower on DEI; I expect they will try mightily to contain their climate actions within our orthodox market system, which will continue to squelch the building of wealth and power among the 99%. Increasing opportunity and long-term wealth are important aspects to DEI, not just ensuring that people have jobs. "Carbon default swaps", developed to developing country "green" financing arrangements, and technological prowess may end up preserving the wealth and power (and lives) of the few. (Sorry to be so cynical). In any event, I think the financial sector will play a significant role in helping to keep us at 2 degrees Celsius, as long as there continues to be pressure from civil society, investors and policymakers.*	2	-2
Europe has set out an excellent high-level framework for action but it is still too early to say that financial sector transformation has been achieved. Also Europe is not that great at pushing these reforms at international level, which will be necessary for their ultimate success.	3	0	*The finance sector in Europe May not be moving fast enough - but it is moving fast than any other continent. The Green Deal, EU Sustainable Finance Taxonomy etc are hardwiring climate considerations in business and finance. Next steps are tighter targets, metrics and measurement systems.*	3	-3
Financial sector's goals are not that ambitious at the moment. If they would only work with companies targeting climate positivity they would not have enough market at the moment. Decarbonization is the agenda but in practical terms not really applied in practice in larger scale. For	5	-1			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
example, climate neutrality targets are in distant future if mentioned at all.					
I'm not sure that the coming legislative agenda will be enough for financial institutions to fully embrace the importance of climate crisis and social/human crisis. The policy of central banks and abundance of free money on the market is not helping this process - and it seems that the policy of central banks is not going to change any time soon.	1	-1			

D3. Responsible businesses and industries are climate-positive and ensure inclusion and equality for workers, producers and communities

Finance and Capital Markets

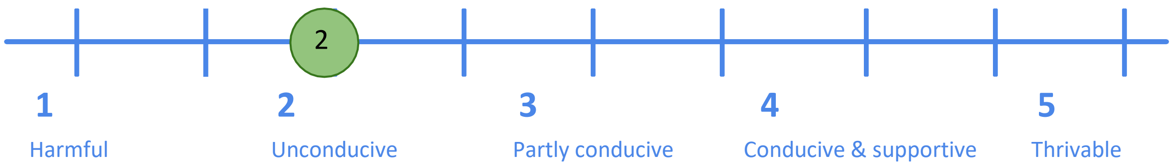
(**average**; based upon 8 assessments with SD = 0.3)



D4. Active, organised workers, producers and communities exercise power to secure climate-positive practices, inclusion and equality

Finance and Capital Markets

(**average**; based upon 8 assessments with SD = 0.7)



Worth noting

The experts rated the status of rubric D3 as 'unconducive', though just barely (1.9). The experts were almost unanimous, as the standard deviation was equal to 0.3.

For rubric D4, the experts rated the status as 'unconducive' (2). There was a slight divergence of opinions within the group, with standard deviation of 0.7.

Within rubric D, the highest rating was attributed to the bold policy and regulatory frameworks that have created the foundation for a new economy grounded in climate-positive practices, inclusion and equality. The lowest rating was accorded to responsibility of businesses and industries in terms of climate-positivity and ensuring inclusion and equality for workers, producers and communities. Ratings varied from 'harmful' to 'partly conducive'.

Finance and Capital Markets: Comments – D3

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Although many companies have announced '2050 net zero targets' they are still far from climate positive. Also many of the companies have 2050 without tangible savings in the short and medium term and rely to a large extent on carbon offsetting to reach their 2050 goals.	5	0	*There are increasing amount of individual companies that are contributing to climate positive society and have inclusion aspects in their agenda but majority of industries and businesses are not actively thinking of their own carbon footprint.*	4	-2
It is becoming standard for many companies to set targets and start measuring results. However many of the reported claims are questionable, action on the ground is often different to the stories and there is no common basis for comparison across companies and industries. This area requires considerable work.	4	0	*Some policymakers in Europe are well advanced, but there are many countries where the development is quite slow.*	3	-3
There are pockets of excellence but system-level change is still quite some way away.	3	0			
Non-financial industries don't have enough incentives from the regulator or from financial institutions to change. As they lack those incentives, they will not change fast enough to provide meaningful sustainable growth over the coming decade.	2	0			
Really depends on the leadership/governance, size, business model and product/service of the company, and the actions of policymakers. There will always be courageous leaders... but we need a political economy that both supports and protects them. There will be both winners and losers in business before we get to the 2030 impact rubric that we all want, and the pain for the losers – and figuring out how to transition/compensate them – is going to make it take longer. Change across business, policy and finance will require (a) a shift in what the public believes is moral and fair, (b) that people believe in their ability to be historical change makers, (c) a solid transition plan that doesn't leave anyone behind, and (d) a re-evaluation of our relationship with nature. We don't have a political economy that will support such a tipping point yet, and I doubt we will be there by 2030.	0	0			

Finance and Capital markets: Comments – D4

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Especially workers are side-lined in many social and environmental decision-making as their (collective) bargaining power has been lowered as a result of rapid technology developments. Especially in many lower income countries, the community resources (e.g., air pollution) are in bad shape.	5	0	*Civil society is active in climate matters but the influence so far has been modest as the agenda setting is in EU/government level mostly where the most efficient mechanism of influence is by voting in election at the moment.*	3	-3

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Interests of different groups (workers, customers, local communities, movements within civil society) will be very divergent. As a result, no clear agenda can be exercised by those group in common.	2	0	*In my opinion, this is where the action must happen, and I believe it will. Things are bad for people and they're going to get worse, which is driving movement building for change and the delegitimization of neoliberalism. My hope – and I see signs of this – is that workers, producers and communities, to a greater or lesser extent depending upon group and issue, seek a new political-economic system beyond traditional capitalism and traditional socialism. New shared forms of ownership – public and private – have the potential to distribute opportunity, wealth and power more evenly, and I expect understanding of this will continue to grow and to inspire forward momentum. We are already seeing strong communities begin to build their own wealth and translate that that into power.*	0	0
Workers are struggling to have power and influence across the board right now, not only about climate. This relates to the wider economic context including the pandemic-related recession and the long-term geopolitical trends.	3	0			

Finance and Capital Markets: Threats and Opportunities - Comments

A threat that inhibits progress towards the outcomes is…	Upvote	Downvote	An opportunity to advance the outcomes is…	Upvote	Downvote
... growing nationalism limiting scope for international cooperation.	1	0	*... the fact that the policy responses to the pandemic have called into question many previous convictions in economic policymaking and have thus opened a window to their review and reform.*	1	0
... growing polarization and partisanship reducing our ability to learn from diverse views and opinions and to jointly seek solutions.	1	0	*... the growing momentum towards a change in narrative on economic policymaking and the need to strengthen its alignment with the broader objective of sustainable prosperity.*	1	0
Debts. Few people talk about sovereign debt these days, but it also took a few years after the bank crisis of 2008 before the crisis came to the states who bought them out. It could be that debts are used, again, as the stick behind austerity politics and then we will see even more inequality and inequity. In the last 5000 years, debt restructures have been a standard practice for societies to literally start with a clean sheet again. On average every 50 years. The last one we had worth this name was in 1953 - to deal with WWII debts. A major debt clearance within the EU (where most debt is towards each other) is already long overdue... but the debate around this is not even on the radar = the risk that this becomes the wrecking ball for all of us keeps growing and as the ball is lifted up ever higher, the damage will be huge if we don't dismantle it	1	0	*... the increasing recognition of the urgency of mitigating environmental threats and inequality and that economic frameworks are at the core of doing so.*	1	0

A threat that inhibits progress towards the outcomes is…	Upvote	Downvote	An opportunity to advance the outcomes is…	Upvote	Downvote
Europe's multiple looming crises (Eurozone stability, migration, rule of law) are a serious threat to it carrying through the high-ambition agenda set out under the Green Deal	1	0	*A strong regulatory agenda advanced on a timely manner by the regulator. It has a chance to create clear incentives for non-financial companies and for the financial industry.*	1	0
Making profits is much easier with current ways of working	1	0	*Build policies and regulation to support the transition*	1	0
People's fear of loss and change – of wealth, status, power, normalcy, etc. – and their inability to imagine something better.	0	0	*Building strong (local) communities were people will more naturally take care of each other*	1	0
Populism and the rise of authoritarian with societies in which vast amounts of people believe the lies and propaganda on issues such as climate change	1	0	*Citizens are seeing the climate effects in their daily life and demand better policies and solutions from public and private sector.*	1	0
Too many standards and certification schemes. We need more alignments and interoperability.	1	0	*Clearer definition and enforcement of the EU Sustainable Finance Taxonomy could be a game changer. This new regulation requires all banks to track climate and sustainability impacts of products in the same way that health and safety compliance are tracked. The metrics are complex and a little vague now but with some pressure could be tightened and will effect enormous transformation.*	1	0
True cost of products including environment effects could be so high that hinders faster change.	1	0	*Climate court cases in The Netherlands, Belgium, Germany etc. that oblige governments to enact the necessary regulation to advance towards climate neutrality and inclusion. When courts come out with judgements saying that the obligation to protect is not fulfilled, politicians have an opportunity to regulate finance in such a way that investments in the fossil fuel industry are not just 'kindly discouraged', but made illegal.*	1	0
			Create radical transparency for all stakeholders	1	0
			Creating new asset classes around bundled climate and biodiversity products - landscape investment vehicles, peatland securitisation, forest restoration corridors, wilderness area investments.	1	0
			Double down on the work you're doing to make finance serve the highest purposes of society – transparency, accountability, democracy, opportunity, equity, sustainability.	0	0
			Fantastic new models of finance, business and policy exist – showcase them, support them, challenge them, scale them. Don't settle for best practices, keep pushing.	0	0
			Help advance new models of democratic ownership that are creating the communities and institutions you seek. For example, in the most recent UK election cities with strong "community wealth building" programs without exception and overwhelming won Labor seats, while Labor got demolished everywhere else. Economic strategies	0	0

A threat that inhibits progress towards the outcomes is…	Upvote	Downvote	An opportunity to advance the outcomes is…	Upvote	Downvote
			that work for people make successful political strategies.		
			Integrating and making more credible reporting systems for carbon, certified production and equity.	1	0
			Leveraging entrepreneurship, technology and pricing in externalities will create a playing field that will create compelling new solutions.	0	-1
			Providing consumers with new attractive and cleaner offerings (think Tesla) that are also more sustainable	1	0
			Support and help evolve new memes and messages about the purpose of the economy, what its ends should be, and what roles civil society, workers and institutions like banks, businesses and govt should play. Don't be afraid to talk about morality; this is okay post-COVID, it isn't just about GDP and profit anymore.	0	0
			The Conference on the Future of Europe is not exactly the writing of a constitution for Europe, but it could be an opportunity to challenge deeper system errors in the working of Europe and the finance sector in Europe. It could be that it is here that Europeans decide that the outdated Stability and Growth Pact that is not compatible with the climate neutrality goal is updated.	1	0
			The high ambition on finance reform of the Biden administration is an opportunity for Europe to gain support for its own ambitious reforms, but it must be willing to compromise and find common language in order to do this	1	0
			The Italian and German presidencies of the G20 are an important opportunity to project European leadership and bring forward international financial reforms which will make it easier for Europe to succeed with its vision of system change at home.	1	0
			The pandemic has put states back at the helm of economic policymaking. Not by conviction but out of necessity. The risk is that power if given back to the market without using the opportunity for structural change that governments now have, but the opportunity is now here to reshape whole sectors - such as mobility or energy -through direct state intervention and to do so in a climate positive way.	1	0
			Very strong regulatory and policy approach in addition to the market pull	1	0

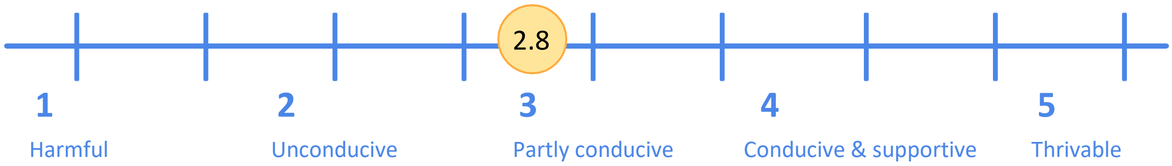
Built Environment Industry

Experts were asked to rate the following statements from 1 = harmful to 5 = thrivable.

C1a. Policymakers reform, implement, enforce and protect critical laws and policies that require climate-positive practices

Built Environment

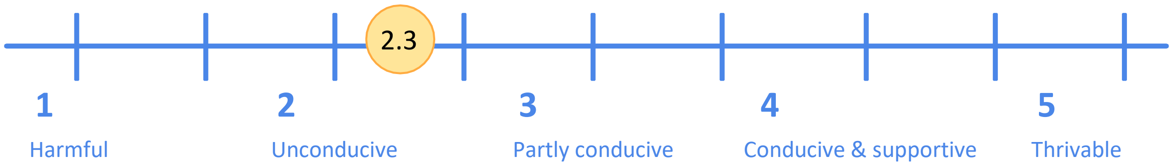
(**average**; based upon 10 assessments with SD =1)



C1b. Policymakers reform, implement, enforce and protect critical laws and policies that require equity and inclusion

Built Environment

(**average**; based upon 10 assessments with SD = 0.9)



Worth noting

The built environment experts rated policymakers' actions to reform, implement, enforce and protect critical laws and policies that require equity and inclusion as close to 'partly conducive' (2.8). Opinions within the group were slightly divergent, with a standard deviation equal to 1. In case of equity and inclusion, policymakers were assessed lower, as 'unconducive' (2.3). The level of divergence within the group was similar (0.9).

Built Environment: Comments – C1a

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Across the broad swathe of policies there is almost no buy in amongst mainstream politicians for real net zero policies for existing buildings. The renovation wave lacks any meaningful regulation -all we have strategies and even these are not ambitious enough!	4	0	*Laws are not enforced stringently. Also some laws seem to apply to only personal issues such as saving water or not burning fossil fuels in a domestic situation. Big issues such as nuclear power plants are not adequately assesses for long term safety. But medium sized, achievable projects which could be built within a shorter time and be more locally based are not being considered because there is not a huge corporate profit margin, such as there is with remote wind farms or nuclear plants. And corporations are influencing the lawmakers. For example how long will very expensive Polish coal mines be subsidized just so they can pretend*	5	0

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
			to provide economic electricity thru old fashioned power stations. Renewable energy sources can today provide power for much lower costs if we build some realistic, medium sized projects. We are making some progress. But for now, real solutions in a medium scale are not even being considered.		
Almost no resource is dedicated to enforcement of the policies we do have also sanctions are almost never implemented	3	-1	*Many time policymakers are limited to addressing the urgencies and emergencies of their corresponding territories and nor have the time nor resources to dedicate it to creating an inspiring an innovative vision forward. Similarly no matter how ambitious the policies there is a lack of capacity of enforcement and monitoring which creates the impression of slack almost voluntary implementation. Dedicating the necessary resources to monitor the progress of each policy is a necessary step that does not have a direct economic benefit but has the potential of creating positive impact on many other fronts.*	4	0
Progress is being made especially in Europe and by European investors, not so much from the regulatory side. So far, regulation has been mostly focused on energy efficiency, which is relevant for decarbonisation but far from covering the whole story. the private sector is anxiously looking for guidance and collaboration with the private sector as the business case for decarbonisation needs to be approached in partnership as some investments are just very hard to make for the private sector. Also, often existing regulation has unintended consequences: there is a lot of innovation going on, but a lot of that faces serious issues being implemented at scale, due to national and local regulation issues. For example, in Belgium the energy generated by a building cannot be shared with the tenants, in the UK there are issues with using timber for high-rise buildings due to local regulation and insurance issues. We need to overcome these issues to really start making the difference.	2	0	*Policymakers are often encountered with the urgency of deadlines to meet certain goals thus that creates them further pressure to fulfil their goals. Nevertheless there is a great gap in terms of North-South and East-West in how these policies are pushed and understood at the same time. This distinction sometimes is on a regional level producing disparities on national level as well. In this sense there are regions that are forerunners of best practices and others that are lagging behind in a distance. The effort should be to quick transfer and standardize procedures (at least as best practices are concerned) on a pan European level to shift the change towards a more thrivable trend.*	2	-2
Whole-life carbon assessment in the built environment remain vastly unregulated although there is a huge evidence of the momentum the topic has and the prominence that it's quickly gaining. Level(s), and the activities of the WGBC are paving the way for a future regulated environment but we are not there yet and given how long the evidence based has been around for the progress can only be considered minor. Further, carbon dioxide equivalent emissions are all but one	4	0	*This is starting to happen. However the enforcement of the laws and policies is proceeding too slowly. Many countries are not yet implementing real solutions. But what is required is now much more obvious than it was a few years ago and even the climate -change sceptics are starting the accept the inevitable changes. So the situation can be regarded as only slightly below neutral.*	3	-1

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
category of environmental harm and most of the major shift we are seeing in practice that's likely to become common approach leaves out many other environmental impact categories. There also seems to be an interest in developing a quick fix, rather than engaging with the scale of the problem. Data is scarce, EPDs are growing but still insignificant in number compared to building products and yet very little resources are being directed to developing the transparent data base and structure needed.					
Would put 2.5 if that was an option! There is significant policy momentum on climate in the built environment for sure (and ahead of other regions), albeit facing resistance from some corners of industry - e.g., renovation wave, COVID recovery funds, EU Taxonomy, update of Energy Performance of Buildings Directive, Circular Construction strategy. However there is a need to a) expand concepts of reducing emissions from buildings - e.g. looking at vacancy rates due to rising prices / movement to cities and opportunities to reduce these - i.e. maximizing the use of existing buildings, as well as building new where needed b) mitigate risks of renovation costs exacerbating the housing crisis (which in turn can deepen inequality and increase push-back against fast climate action) c) more effectively incentivize green building investment in under-invested geographical areas d) reduce regulatory barriers to innovation in materials.	2	0	*While enforcement is not yet comprehensive, goals and strategies are in place which is more than can be said for most other regions in the world. And several countries in Europe have conducive regulation that is being enforced, including building energy codes for all buildings, widespread ratings, and incentives for efficient new buildings, as well financial mechanisms through national development banks for renewable energy integration and building upgrades. Yes some countries lack those, but on average the situation is partially conducive.*	3	-2
Yes this is finally happening, albeit very slowly. I believe the pandemic has given us a wakeup call to start thinking in a new and responsible way. Our lowered resistance to viruses is not going to disappear if we don't improve the quality of the air, water and soil. Fossil fuels are a killer. Also the departure of Donald Trump (a major spreader of fake news about there being no climate change and no threat to humanity) has allowed new reforms and new laws to be implemented based on scientific facts. Countries both inside and outside of Europe are now leap-frogging each other in implementing improvements. Effective enforcement is still a long way away that is why I am only giving this a 2 rating so far.	4	0			

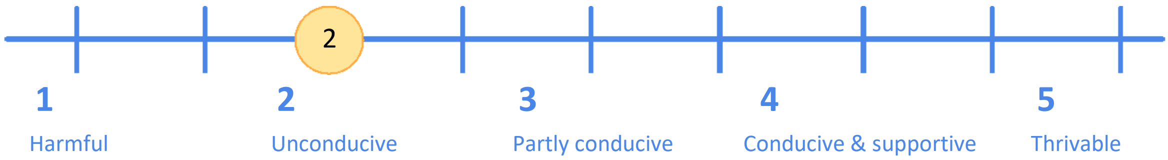
Built Environment: Comments – C1b

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Equity and inclusion in the built environment are far from ideal. Europe leads somewhat the way (together with North America perhaps) in raising and addressing this issue but I feel we are only just starting. The majority of high-level decision making power is in the hand of white males, and that's also true for many senior appointments in companies that can influence policy and practice. A systemic approach to improving equity and inclusion seems to be missing, with the voices and rights of young generations not consistently and constantly listened to and accounted for.	5	0	*Policymakers are acting at a level slower than is required. There is still a lot of opposition in some countries to real and effective transition, because the big players want more time to set up their own positions of control. Policymakers are not independent enough to move forward strongly because they are restricted by political agendas*	4	0
Huge divergence here between different levels of policymaking. At EU level, it seems that the "green and digital" emphasis of COVID recovery is (very generally) overshadowing the need for an equitable recovery. At national level, some governments are strengthening nationalist policies that prioritise some members of the population and actively discriminate against others - while others (or even the same ones) are taking more of a geographical levelling approach realizing some areas/regions are being 'left behind'/need investment. And finally -the role of city-level / municipal governments is critical here, as they are closest to people's daily lives and needs, and can also - provided they have the adequate resources - take effective action on equity and inclusion (e.g., housing, employment initiatives) that can counter-balance national moves in the opposite direction.	3	0			
Many cities and national governments operate in a very isolated way - to tackle social equity and inclusion issues, an integrated approach is needed focusing on employment, affordable housing, education and many other elements, that often sit in different departments with some getting the revenue and other having to make the investments. Also business case calculations need to incorporate many different areas and often are made (if any) based on a very narrow approach.	2	-1			
Planning policies and development permits are fundamentally flawed, fostering inequality by pushing up land and property prices even where there are well intentioned efforts to create sustainable neighbourhoods.	5	0			

C2a. Financial sector actors use their influence, policies, practices and valuation methodologies to ensure climate-positive practices

Built Environment

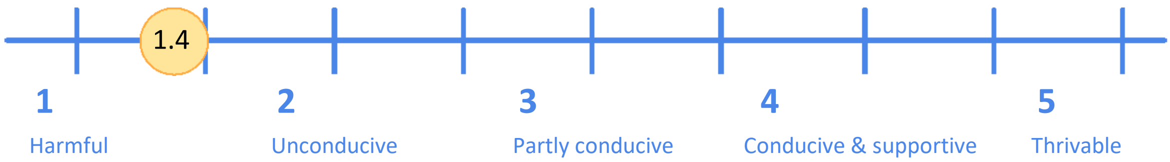
(**average**; based upon 9 assessments with SD = 0.8)



C2b. Financial sector actors use their influence, policies, practices and valuation methodologies to ensure equity and inclusion

Built Environment

(**average**; based upon 9 assessments with SD = 0.5)



Worth noting

Built environment experts rated the status of financial sector actors' use of their influence, policies, practices and valuation methodologies to ensure climate-positive practices as 'unconducive' (2). Their actions towards equity and inclusion were rated significantly lower, as 'harmful' (1.4). In that case, divergence of opinions within the group was lower (standard deviation of 0.5) than in the case of environmental sustainability (standard deviation of 0.8).

Built Environment: Comments – C2a

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
In the last 6-12 months, we've started to see major change in a small part of the market, dominated by global institutional investors and major (tech) tenants. Many managers and investors have made decarbonisation pledges and are working on implementation. Key issue is the huge patchwork (or non-existence) of regulation and lack of a common definition of decarbonisation - does it include operational and embodied carbon? - there is a big gap with the rest of the industry that is lagging far behind and mostly focused on building certifications (as a holy grail) while the connection with zero carbon is only very limited in most cases. The intention is definitely there among several players, the heavy lifting on the execution still needs to happen, but that is not only down to the private sector.	1	-1	*I give this a low 1 rating. The influencers are still pushing big projects with big profit potential. These mean usually large centralised power plants which take years to build (usually in remote locations) and are very wasteful because of huge distribution costs. These can make up 15 to 50% (as in Australia) of the total supply cost of electricity to the consumer. We should be focusing more on local clean energy production within the cities themselves, where the users already live and work. New buildings incorporating multiple clean technologies within their walls and roofs can now be nearly self-sufficient. They would not only remove the need for expanding expensive and inefficient distribution networks as cities grow, but would also be more secure as outages could only occur within a single building which could then be briefly supplied from the existing grid.*	4	0

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
			No big, regional outages like often happen in the US. Such solutions are now cheaper than fossil fuels + are ready to build.		
The business as usual scenario where the strategies and investments do not consider or reflect the real environmental impact will lead us nowhere. The business as usual trend can stay alive and morphing as long as the financial sector can continue capitalizing and making profit of potential negative impacts of climate change. Proposing post-patch solutions for climate change, instead of attacking the roots of the problem and what has caused it to begin with. That's a hard exercise of self -reflection for the financial sector.	3	-1	*Some key actors are achieving success and there are progressive actors maximising their agency. Of course still too much investment in fossil fuels but the divestment movement is really growing*	3	-1
While some financial actors are frontrunners, the majority of the industry engages in business as usual. Considering stock market, hedge funds, investment funds generally (with the exception of some pensions funds), real estate is seen as wealth generator and seeing it as a climate actor is marginal perspective at best. It is odd how the financial sector is being seen as more progressive than countries thanks to a few frontrunners, when the main stream is dominated by laggards.	5	0	*This is an area where I see major shifts happening very quickly. Not sure where it all originates from (hard to think it's the Paris Agreement, for its already six years old and this change is much more recent...) but there is an evident increased interest in ESG topics and reporting wholly linked to financial sustainability and pleasing investors. Even VC funds are beginning to look in mass at funding climate-positive start-ups rather than (only) financially profitable ones. The era of climate tech is surely among us.*	1	-3
While there are growing "net zero" commitments among financial actors, we currently lack accountability mechanisms to hold financial and other actors to these commitments, definitions can be unclear, and decarbonizing portfolio is still viewed in relatively narrow terms - there's also a contradiction between permanent growth and addressing the climate crisis at the scale needed.	1	0			
While there has been a flurry of attention by mainstream investors on net zero, and there are a few ethically focused real estate developers emerging, the substantive awareness among the investment community of what "ESG" really looks like when it comes to the built environment is minimal. The focus is on emissions reduction read narrowly, and with a very strong emphasis on green building certification, which actually risks channelling large amounts of finance to wealthy (relatively) urban centres and overlooking the far wider problem. Private equity is dominant in real estate investments - a model that has traditionally taken a short term profit-maximization approach that is not conducive to long-term sustainability or communities in which everyone has the opportunity to thrive. There are opportunities to harness	2	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
public finance sources and mechanisms, particularly post-COVID, in broader-based decarbonization efforts and stimulate greater alignment between these and private sources.					

Built Environment: Comments – C2b

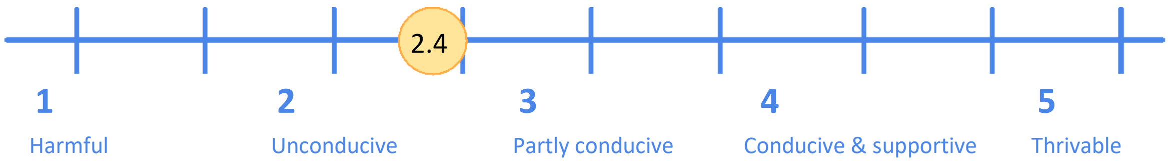
It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Echoing a comment made below - climate and social equity should not be seen as mutually exclusive (therefore some of the answers to this Delphi inherently overlap of course and that's ok -i.e., climate-positive and socially equitable need to be taken hand-in-hand, and many of the business model and financial practices issues are applicable to both). Definitely growing interest from investors in built environment with social equity but a) capital allocation priorities/practices currently don't, writ-large, enable greater social equity and b) while welcome, the attention on generating "social value" risks skipping over value that local communities already see/have in their surroundings, and harm or at least not respect that as they attempt to generate new "social value" (hence the need for a 'do no harm' approach first, then 'maximise good' - and the 'good' has to be closely connected to what local people themselves define as important).	2	0	*There is too much time spent on endless analysis. This also means that only big projects get assessed because big corps use their expert lobbyists. We are not considering or building new smaller, local solutions which are ready and can be completed much sooner. Cities create most pollution and Co2. Big corps and governments are spending huge amounts on conferences and not nearly enough on pilot projects. Self-sufficient city buildings incorporating 3 to 4 clean technologies are already possible. We may not need remote nuclear power plants which are very expensive (for many reasons including extensive distribution networks) and the big corps push for them. City buildings themselves can catch wind, sun and rain to produce local power for almost zero cost once the integrated systems are originally paid for. Inclusion and equity for such local solutions are needed.*	2	-2
More and more players start to think about social value, also driven by institutional investors who are pushed by their constituencies. However, action is still fairly limited, as the majority seems to think that social impact sacrifices financial return and nobody wants that. There is no evidence how social impact supports financial returns (over the longer term) and the right metrics to measure financial and social return (over a longer term) are missing. Again, this is not financial sector only - close collaboration with public sector is needed and both need to contribute.	1	-1			
There's almost no awareness of issues relating to modern slavery despite it being a major issue for the sector	2	-1			
Very limited uptake of social investing / action on equity - those that have taken action are often making token gestures with small pilots, not mass transition	5	0			
Within the context of this Delphi (Europe, built environment) I don't	4	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
think financial actors are pushing strongly for this. To be consistent with my score for the previous point I feel the climate emergency has taken precedence over equity and inclusion issues. In my view the two are not mutually exclusive so there's no real reason as to why these can't be tackled together though I understand there might be lower financial benefit for doing so or less political ethos/support.					

C3a. Businesses promote and implement bold, climate-positive policies, models and practices

Built Environment

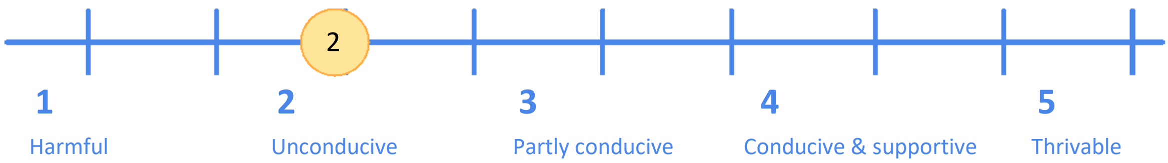
(**average**; based upon 9 assessments with SD =1)



C3b. Businesses promote and implement bold policies, models and practices that contribute to equity and inclusion

Built Environment

(**average**; based upon 9 assessments with SD = 0.5)



Worth noting

Experts rated businesses' promotion and implementation of bold, climate-positive policies, models and practices as rather 'unconducive' (2.4). However, opinions diverged slightly within the group (standard deviation equal to 1). In case of businesses' social sustainability, the rating was lower, but remained 'unconducive' (2). Here, convergence of opinions within the group was higher (standard deviation of 0.5).

Built Environment: Comments – C3a

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
While there are industry innovators out there e.g., on the materials side developing low-carbon alternative approaches and putting them into practice, the built environment industries as a whole have structural challenges that slow change, including on climate: tight budgets and timeframes, multiple layers of subcontractors, "silos" between different actors, and a lack of diversity.	2	0	*I feel there's too much in this statement to allow a coherent response. I would give a 2 to parts of it and a 4 to others. It could also be closer to harmful rather than thrivable depending on interpretation. For instance, bold climate-positive policies (intended as intents) are frequently seen. There's companies every day joining the challenge and hoping to*	3	-1

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
And there is still a "starchitect" focus on major architectural players and big projects which distracts from the ground-up wider changes needed. (Also: interesting that some of the big architectural firms like Foster and Hadid pulled out of the "Architects Declare" initiative on climate). Cultural shifts in industry - e.g., so that young, diverse (by gender, race, socio-economic background) engineers don't decide to leave and move across to other fields - will be important in terms of stimulating the kinds of innovation that are needed.			*get visibility for their climate commitment (this being a 4). However, models and practices that have been successfully implemented and yielded measurable and tangible benefits are much harder to find.*		
			There are 'a few influential' businesses and industry associations driving change but clearly this metric is still below where we need it to be.	4	0
			There are a few responsible businesses that see the benefits of going green. But overall the willingness to change is still far less than is required for effective global change. At the current slow rate of transition, there is little hope of achieving carbon neutral societies before the tipping point of no return is reached.	4	0
			There are too many delaying tactics to prevent actual building of real solutions. Defending old fossil fuel systems especially in Poland is a disaster. We all endlessly analyse new projects and focus on just the big corporate solutions. Even the Hydrogen debate is a smoke screen because this will take many years to implement while other clean energy solutions are ready now. But most of them are not being built even as pilot projects. We need to be more bold and proactive. Too many administrators and lobbyists who favour the conservative big corps. Also let's de-centralize our thinking. Big, centralized power plants are a defence risk and also require huge lead time in addition to very expensive distribution costs. This cost does not seem to be considered. New city buildings can now be self-sufficient by incorporating multiple clean technologies in the original design. When the building is finished it all works and only within a likely 2 to 3 years from the decision to act.	4	0

Built Environment: Comments – C3b

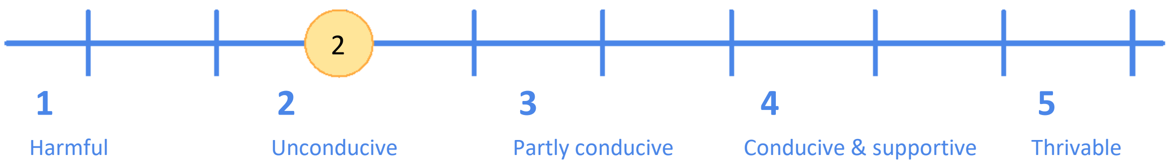
It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
continued lack of diversity in the industry - and conditions not conducive to the increase in / leadership of women and people of colour - means that it will be hard for the industry as a whole to embed equity and inclusion more effectively (outcomes - including of	2	0	*Businesses are moving too slowly. It takes time to set up new infrastructures and it is easier to continue in the old systems which needs no extra effort. It is only when the penalties become more expensive and the business leaders also start to*	3	-1

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
building processes - are to a large extent determined by those who are actively involved in decision-making). Also the top-down financing of the built environment - with investors seeking high short-term returns, and the rest of the industry actors squeezed on budget and time - means a gravitation towards investment in high-end housing, retail which deepens inequality. COVID-19 and the direct link between where people live and their physical and mental wellbeing has hopefully sparked something of a wake-up call in the industry - combined with the need to be re-thinking real-estate as office use declines etc.			*believe more broadly that it is considerably cheaper to produce electricity from renewable energy sources that businesses will implement bolder policies, models and practices which will contribute to equity and inclusion. Businesses are starting to think constructively but it is still early times.*		
Still far too little representation in the sector of women and minority groups	3	-1	*Paradoxically, I see this much more as an advanced aspect since the equity and inclusion issue is so undeniable (and 2020 has reminded has all too sorely of how desperately needed it is to fix this) that a company would struggle to survive public outcry if it didn't address issues around equity and inclusion. This won't change the nearly-all-white-males boards any time soon but it'll help support more equitable and inclusive appointments. This should help creating companies that are more diverse and inclusive and more mindful of diversity, equity and inclusion.*	2	-2
while the topic is being discussed more, the implementation and incorporation in business strategies and execution are still in very early stages, as there is so much different in interpretation about the scope: employees, suppliers, society. It needs more transparency on implications of social inequality and input on metrics to measure. Also strong country by country differences	2	0	*This is still overwhelmed by big corps many of which do not care for inclusion and equity. They are not sincere about bold models or practices because it is more profitable to stay the same and just make profits with little new outlay for transforming. "Don't fix it if it's not broken" philosophies still prevail because they don't believe that things are really close to the point of no return in terms of climate change and pollution. But the tipping point is far closer than they admit. Then self-perpetuating climate warming will feed on itself for well beyond 2050 once we pass +3 degrees.*	3	-1

C4a. Workers, producers, and communities claim rights and build power to organise and advocate for climate-positive policies and practices

Built Environment

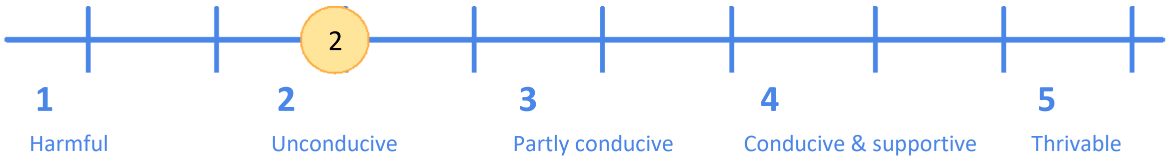
(**average**; based upon 9 assessments with SD = 0.5)



C4b. Workers, producers, and communities claim rights and build power to organise and advocate for equity and inclusion

Built Environment

(**average**; based upon 9 assessments with SD = 0.7)



Worth noting

The built environment experts rated rubric C4a and C4b as ‘unconducive’ (2). Divergence of opinions was only slightly higher for social sustainability (0.7) than environmental sustainability (0.5).

Within rubric C, most of the built environment experts’ ratings were ‘unconducive’. Apart from the workers, producers and communities, the other actors performed better in case of environmental sustainability that social sustainability.

Built Environment: Comments – C4a

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
I am not yet convinced by the arguments here - I think that huge swathes of the population (including the many millions employed in the sector across Europe) are really oblivious to the impact of the built environment on climate. Even those engaged in populist environmental movements are focussed on plastics and fossil fuels (no judgement here - just reflecting that buildings has an awful long way to get on the radar and hence I consider this harmful).	3	0	This demand from the workers and communities is starting to increase. However it is not yet an effective force to cause real concern and enough action from the policy makers and enforcers. Elections are still slanted towards the voices of the old-fashioned conservatives who promote fear of transition by saying that this will lead to loss of jobs and more expensive electricity. The opposite is of course true. But it is less complicated to lobby using out-of-date arguments than to implement genuine change for the better. The latter requires more innovation and effort and rich corporate bosses are not too willing to strain themselves until it is absolutely necessary. When younger and better educated people take over the positions of power then the transition might accelerate in the right direction.	4	0
More and more groups are standing up to call for action, but no effective action is taken on a larger scale due to incompetence, existing political structures (short term vs long term), lobby activities and silo operations, leading to these groups being properly listened to and having any meaningful impact	1	0	Workers and communities have inadequate influence over the big producers who control the market thru very effective lobbying and biased promotion.	3	0
Still seeing strong corporate lobbying blocks at the EU and national government levels, i.e., an imbalance of power here. Great examples across the region, however, of local communities, city-wide advocacy networks, and groups of built environment professionals	2	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
advocating for more progressive change on climate - needs supporting and scaling. And some examples of unions working together with community groups for shared climate goals that benefit everyone, e.g., in Scotland, Germany, Italy - this is fundamental to building broad-based support for climate action in the built environment and beyond.					
The construction sector and value chain employ huge numbers of people but very very few in my view are even aware of the impact the sector has on climate. The mainstream majority of micro enterprises and sole trader are nowhere on the sustainability journey.	4	0			
We have seen some great pioneering examples here but a lot of inactivity too. The LETI initiative in the UK, for instance, is a remarkable exercise of democratised horizontal peer-leadership. A bunch of worries professionals got together and grew beyond imagination. Two policy-shaping documents have been produced, awards have been won, and there is no one in the sustainability space in the UK who can ignore the LETI guidance these days and the role LETI plays with its voice at the big political table. This is beautiful but we need much more of these examples.	4	0			

Built Environment: Comments – C4b

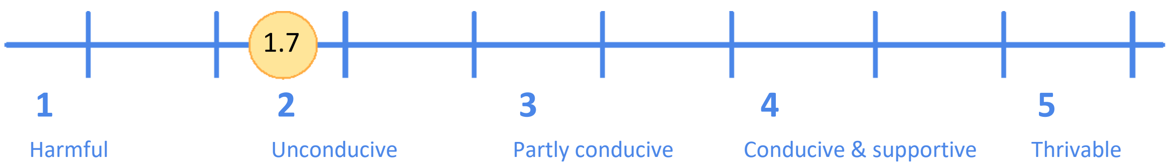
It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Lots of areas of creative organizing going on but across the region the balance of power is definitely with financial interests and dominant industries/business rather than workers and communities. The recent strong lobbying to dilute human rights due diligence requirements in supply chains is one example, continued or growing nationalism / racism against immigrant communities is another, and continued weakening of the labour movement in many countries is another. Also some ostensibly 'participatory' platforms are still structured in a way that does not enable input, let alone agency, from everyone. Strategic coalition-building across climate, housing, immigrant rights and workers' rights groups is important to help shift this power-imbalance.	2	0	*I feel much like C3B on this. There have been incredible example of bottom up initiatives to address equity and inclusion issues in organisations at all levels. Apart from the construction workforce which remains male-dominated and will lag behind in bringing itself up to date on the latest issues emerging from this discourse I feel that the built environment sector in Europe is producing a critical mass with a growing voice.*	2	-1
The workers and communities are getting more influential but it is still early times. Most are no selective enough in analysing the hype and lobbying by the large corporations which want the change to happen as slowly as possible so they can set up their own new pyramids of power.	3	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Real innovation does not happen at the level of large corporations because those have too many bosses and overheads. They cannot move forward until there are very large profit margins via big centralised projects which take a long time to set up and implement. We don't need big nuclear power plants especially as they are a strategic risk and also there is still no totally cost effective way to dispose of long-term waste. However the profits can be so large that big corporations are happy to gloss over those issues in order to achieve their greedy and net-inefficient goals. Medium and smaller sized companies can implement more inventive solutions but the big corps reduce their chances thru banks & politicians.					
There is almost no organisation of workers and communities in relation to the built environment regardless of whether we talk about construction sites in Europe or workers in the supply chain in other countries. And where such organisation does happen, the awareness of the climate and equity nexus is very low.	4	0			
This is definitely in a poorer position than climate action - few groups are standing up to call for action, but not enough to be structurally listened to and no effective action is taken on a larger scale due to incompetence, existing political structures (short term vs long term), lobby activities and silo operations, leading to these groups being properly listened to and having any meaningful impact	1	0			
This is proceeding very slowly. The workers and communities have insufficient money or power to be really effective against the lobbyists of the big corporations which slant the arguments against transition in their own favour. This is done thru control of the banks and politicians which both rely on their financial backing.	3	0			

D1. Bold policy and regulatory frameworks have created the foundation for a new economy grounded in climate-positive practices, inclusion and equality

Built Environment

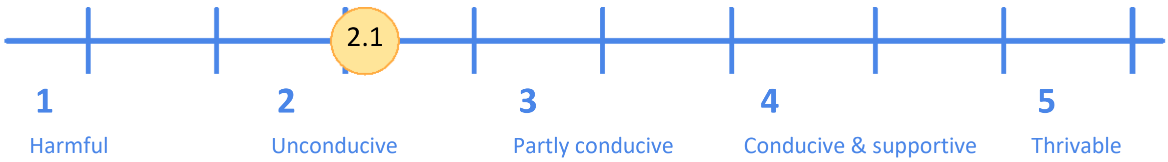
(**average**; based upon 9 assessments with SD = 0.7)



D2. An accountable financial sector enables, conditions and rewards climate-positive practices, inclusion and equality

Built Environment

(**average**; based upon 9 assessments with SD = 0.6)



Worth noting

The built environment experts rated rubric D1 as rather 'harmful' (1.7). Opinions diverged only slightly within the group, with a standard deviation of 0.7.

The experts rated the status of rubric D2 as 'unconducive' (2.1). Convergence of opinions within the group was rather high, with a standard deviation of 2.1.

Built Environment: Comments – D1

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
A new economic model is what would truly bring about change. Unfortunately, we are stuck in endless repetition of GDP growth and neoclassical economics. Yes there are some divergent voices including ecological economics, the stern report, etc. but they are seen as divergent, not mainstream. The most prestigious economics programmes still teach conventional approaches and climate change remains an elective at best.	3	0	*The framework for change is being created. However it is too focused on supporting mainly research and conferences about ideologies which keep a lot of analysts and administrators in a job. There are not enough solutions being implemented or built. Real progress is delayed. Also by the experts who sell us long-term dreams like hydrogen power which delay earlier transition into wind, solar and closed-circuit water power generation locally in the cities.*	3	0
Business needing to navigate a just transition are receiving only limited and not very effective support.	4	0			
I don't see that major change needed for a new economy grounded in climate-positive practice. Europe is surely doing a lot and trying to lead the way but there's so much left to do that there's no time for enthusiasm and pats on the back with a higher score. Europe is hugely responsible for indirect emissions (not included in a production based accounting approach) due to 30 years of off-shoring to China and other manufacturing hubs in the world. Re-shoring is happening and there's at least ~1500 companies which have come back in recent years. Yet that number is negligible in the grand scheme of things. A lot of goods and products that support Europe's built environment are manufactured elsewhere on carbon-intensive grids, in countries with lower labour standards, workers' rights, environmental policies etc. The built environment sector in Europe must do	3	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
much more and own the responsibility for what it consumes. That would be a bold policy.					
There is more talk about new economy than actual action - key is a long term vision and bold action to drive progress, but in many cases this is limited to short term measures and policy action (if any), many of which have unintended consequences stopping or severely delaying innovation. At the same time the private sector is not enabled or encouraged to take a more pro-active approach. At best it is policed if not taking minimum action (too little to make a difference anyway). The private sector remains too much focused on short term financial return, supported by financial theory. And while research is happening into incorporating social and climate actions, it is not being put in practice yet. While the EU comes up many high level policies, often the implementation on a country by country basis creates a patchwork, making it very hard for the built environment sector to make progress at scale and apply one solution across different countries.	1	0			
This is wishful thinking. The framework is still rather weak and it is only this year that the fundamental principles are actually getting a real hearing. So far it has been a lot of poli-talk about how things should be but the creation of real frameworks had not really got underway.	3	0			
We need a model that can incorporate real True Cost Economics that reflect the real environmental and social impact of each action. A model where each actor can understand the weight and repercussions of his/her actions and act accordingly (paying accordingly).	2	0			
Yes all 5 bullets in the "harmful" description for this rubric still apply here, unfortunately. The clear tension between a permanent "growth" imperative/priority, and climate and equity goals is a key part of the problem here.	1	-1			

Built Environment: Comments – D2

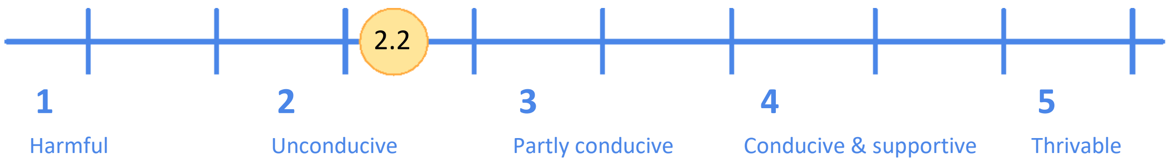
It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
If we exclude pure impact investment, by and large the main rationale underpinning financial transactions remains profitability. So the environmental (and social) and economic pillars are not in balance. The economy pillar remains "higher" and "chunkier" in the sense that it's the one always and constantly essential. A financial reform (revolution) is needed	3	0	*So far the financial sector has been almost exclusively focused on energy efficiency as the business case can be made relatively more easy. As the financial sector is still only held accountable for short term financial return, with social and environmental impact as well as longer term financial returns ignored, partly because metrics lack, but also because regulations and*	1	0

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
to ensure that only activities that keep the 'sustainability stool' in equilibrium are funded. At the moment we are not even nearly there yet, we just saw some shift towards funding stuff that's financially profitable AS WELL AS environmentally beneficial but the opposite wouldn't be funded, demonstrating that economy wins over the environment and we haven't yet learned to put a price (cost...) to environmental externalities which destroy our planet and the lives of those who live on it.			*client pressure lack. Much more work is needed, fast.*		
We're still debating whether gas should be in the 'green taxonomy'!	2	-1	*This is too far from thrivable and should be closer. Financial sector is not accountable for solutions. or lack off. They reward bureaucrats for setting up systems for discussion and analysis. Climate-positive practices are often not only not rewarded but in fact sometimes penalized as was the case in Oklahoma where you were allowed to install solar panels but you still had to pay for the same electricity as you used before you installed those panels. So the panels had no chance to achieve a realistic payback period.*	3	0
While growing numbers of investors are committing to decarbonizing their portfolios and pushing industry to do the same (in the US, the public teachers' pension fund Calpers advocacy with Exxon is a strong example, though not from built environment), translation of these commitments into actual emissions reduction is questionable (risk of "greenwashing"). And with the proportion of private finance - i.e., investment through the private rather than public markets like traditional private equity, growth private equity, and venture capital - growing, there are risks of decreased rather than increased transparency and accountability.	2	0			

D3. Responsible businesses and industries are climate-positive and ensure inclusion and equality for workers, producers and communities

Built Environment

(**average**; based upon 9 assessments with SD = 0.6)



D4. Active, organised workers, producers and communities exercise power to secure climate-positive practices, inclusion and equality[13]

Built Environment

(**average**; based upon 9 assessments with SD = 0.6)

Worth noting

The experts rated the status of rubric D3 as ‘unconducive’ (2.2). Convergence of opinions was high, with a standard deviation of 0.6.

The rating for rubric D4 was almost ‘partly conducive’ (2.9). Convergence of opinions was also high, with a standard deviation of 0.6.

Within rubric D, the highest rating were attributed to workers’, producers’ and communities’ activity, organisation and use of power. The lowest rating was attributed to the issue of bold policy and regulatory frameworks that have created the foundation for a new economy grounded in climate-positive practices, inclusion and equality. Ratings in rubric D ranged from ‘harmful’ to ‘unconducive’.

Built Environment: Comments – D3

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
As mentioned elsewhere, there are business model and cultural barriers in the built environment sectors that exacerbate irresponsible practices: thin margins for many firms, the fact that the majority of the industry in Europe is small firms (93% employing under 10 people), high levels of subcontracting, etc. Currently worker exploitation particularly of migrant construction workers on site and through supply chains is high, with limited opportunity to speak out / obtain remedy for abuses, and management / leadership / board roles in the industry lack diversity, which in turn slows change in advancing wider equitable practices.	2	0	*There are not many responsible businesses and industries. yet. Profit is still the main driver even if the process or product is harmful to communities and workers.*	3	0
If any, there are only very few 'responsible businesses' and more importantly, there is no common definition or certification - what is climate neutral? This is a major issue across all of this, the lack of a common definition what this means. Zero carbon is not defined - does it include just operational or also embodied carbon and if so, for existing and new buildings? With a common definition and framework lacking, companies make up their own definitions, which creates almost more issues, as it is not	1	0			

[13] See footnote 4

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
clear how statements can be interpreted. similar examples can be thought of for social equity and inclusion. In real estate, many companies have also 'trusted' on building certifications for a long time, not necessarily leading to the right incentives and goals, and at the same time, the certification sector has become a commercial industry in itself, not necessarily focused on helping the industry become climate positive/neutral.					
This is optimistically worded. But what are responsible businesses? Most large businesses are responsible to their shareholders to maximise profits. While smaller businesses just want to survive. Responsible businesses should be those responsible to the community and humanity as a whole. But such are relatively few, because they need to take a longer view in both financial aspects and the image benefits over time. There are few businesses which take that approach and governments should give more incentives for taking that approach. But governments need to first free themselves of the power of the banks and the big, slow-moving corporations for that to happen. How can we achieve that?	3	0			
This is true as far the "responsible businesses and industries" of the statement remains. These responsible businesses and industries might well be though just less than 0.5-1% of all business and industries so again there isn't much to be positive and enthusiastic about. Sadly the vast majority of businesses and industries operating within the built environment in Europe remain lethargic and reluctant to change. There's a lot of rumour caused by innovative start-ups that have very promising potential (in 10 years' time maybe). Construction for the most carries on unimpeded and largely unaffected by the scale of change required. Construction workers drink Costa Coffee in disposable cups while checking their phones the vast majority of the time on site, and construction sites regularly and unfailingly ran over time and budget.	3	0			
We have a situation where a handful of businesses are considered leaders because they set science based targets which would be adequate only if every other player in every other sector did the same. If we were to have any chance of hitting Paris goals, we'd need these leaders to be going way way further. Similarly on equity, the leaders are those that pay fair wages but generally do little more than that.	4	0			

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
while many businesses are making progress, they are certainly not there yet - most progress been made on energy efficiency, however embodied carbon is only just starting to be considered - no real impact yet. On equity /inclusion side, less has been done than on climate side and if so, most focus on workers, some producers and hardly community - that's only by some. More work needed.	0	0			

Built Environment: Comments – D4

It should be closer to harmful because…	Upvote	Downvote	It should be closer to thrivable because…	Upvote	Downvote
Not to be cynical but this statement made me think of people who think they can "save the world while updating your LinkedIn feed". I see so many sustainability professionals posting on LinkedIn tens of times a day. Mostly that's re-sharing of news or other people's post, sometimes even of sustainability jobs. A lot of people have started "12/52/365 no bullshit ways to save the world" post-series (number depending on how frequently they post). These posts are vastly secondary data, again re-shared. I see a lack of action, and it's particularly worrying that this is the case for senior sustainability professional. If the director of a green building council, or a senior national sustainability director for a major company spend a lot of their days posting on LinkedIn, aren't they missing a huge opportunity for action? It's good to act as megaphones for someone else's words but it's even better to be the pair of hands that make those words a reality.	*2*	*0*	*Many positive examples are taking place, however, this is not enough to enable a systems changes which is needed. It is good that positive examples are shared, so people learn from each other and may use some of it in their work / daily lives. More action is needed for real change.*	*2*	*0*
			There are equal numbers of positives and negatives. In this instance we are probably nearly at the halfway point. Climate positive practices are being secured and they will be implemented over the coming decades.	*2*	*-1*
			This is where there is a lot of action underway, from youth climate groups, to housing activists, to anti-racism groups, to urban coalitions - albeit not yet at the scale to counter the power imbalances covered in previous sections. While at times given resource limitations and the pressures of a specific issue being challenged, cross movement-building between groups is limited, within cities activists build coalitions relating to specific developments, "just transition" projects in specific cities are involving multiple interest groups working together, and at the Europe-level, the recent pushes for mandatory corporate due diligence have brought together environmental, human rights and labor rights groups behind a shared goal.	*1*	*-1*

Built Environment: Threats and Opportunities – Comments

A threat that inhibits progress towards the outcomes is…	Upvote	Downvote	An opportunity to advance the outcomes is…	Upvote	Downvote
A narrow focus by most mainstream investors on green building certifications as their 'metric' for investing in a low-carbon built environment.	2	0	*Concerted and coordinate action at national levels in Europe with significant committed budget and a transparent, democratic, and horizontal way to enable further research and action. Academics have been bidding for funding to produce a zero-carbon roadmap for the built environment three, four years ago without success (and these were strong applications from leading scholars but have been assessed by old-fashioned, white-males structural engineers). Not structural engineers jump at the whole life carbon issues and (at least in the UK) produce a worryingly simplistic guidance authored by people with lack of credibility on whole life carbon. If we don't disrupt the system by which it's only the Cambridge / Oxford / Imperial / ETH who are considered to be worthy of sitting at the big table, we won't change much. We'll drown in LinkedIn feeds in an overheated world. But if EU governments democratise access to funding (e.g., double blind peer-review to take out biases) we'll see progress.*	1	0
Being in the midst of foundational economy geography shift, which is threatening to transform existing asset values - the uncertainty is paralysing investment.	0	-1	*Develop long term financial return measures*	0	0
continued short term political cycle focus	0	0	*Electricity produced from renewables such as sun, wind and water (especially when those technologies are integrated to supplement each other) is already 30 to 40% cheaper than that produced by fossil fuels. As traditional forms of production become even more expensive over the next 5 to 10 years, the price benefits will become impossible to ignore. Hopefully the transition to renewables will not come too late before we reach the tipping point of no return for global warming and lethal pollution which weakens our human resistance to viruses.*	1	0
Lack of political willingness and continued divisions between left and right.	1	0	*Harnessing the recovery from COVID-19 together with momentum towards COP26 (for this year, and future climate-critical moments beyond), to support, elevate and scale just transition work that is underway in specific cities and regions, bringing diverse actors/sectors together.*	1	0
Lack of trust and constructive collaboration between public and private sector - not one party / sector can solve the issues on their own - collaboration will be key and for that to be successful there needs to be trust	0	0	*Hold financial institutions accountable for social and environmental impact and measure returns over a longer time frame*	0	0
People wanting to hold on to their privileges but that's always been the case so in a way it's part of human history fighting and overcoming this.	1	0	*Lack of diversity and resistance to change among the built environment professions.*	1	0

A threat that inhibits progress towards the outcomes is…	Upvote	Downvote	An opportunity to advance the outcomes is…	Upvote	Downvote
Especially in the old fashioned Europe where our built environment constantly reminds us of our historical and psychological heritage it'll be harder to move quickly towards equity and inclusion while embracing diversity. Europe is still very much hanging on to its monarchic history where we look for the one voice with the one solution (mass-timber in buildings, right now for instance). If we truly want to embrace diversity and are serious about this theory of change exercise, moving away from this quest for a silver bullet is the first thing to make.					
Scaled action on building retrofits (which is important for the climate goals), without parallel and connected action on homelessness and housing in Europe - therefore there's a need to a) bring together green building advocates, housing advocates, city leaders and investors to identify and scale up the policies and strategies that rapidly decarbonize the built environment while respecting the right to adequate housing.	2	0	*Made possible by driving the pricing of system externalities with the supporting accounting norms and sinking funds linked to real-estate assets.*	1	0
The accumulation and concentration of power in big business conglomerates that can surpass legal or ethical questions posed by specific territories or European policy per se. The exploitation of the real estate market by these same conglomerates in unprecedented levels is also directly correlated with the increasing and unprecedented inequality found in contemporary cities all over Europe.	0	-1	*More common European regulation is needed, now existing, top level EU regulation is translated at a national level, leading to many unintended consequences hampering the implementation of new innovations, which limits the business case and slows down the process. E.g., timber is used massively in Amsterdam while in the UK, it is very hard due to fire safety and insurance issues. In Belgium it is impossible to distribute the energy generated by a (residential) building to the tenants.*	0	0
Very low awareness that modern slavery is an issue in the sector and especially in the supply chain	1	0	*Protect the niches of innovation that have been emerging in the building sector (energetic communities, housing cooperatives, circular economy in construction industry, new materials and so on) and help them scale up and become common practices by accompanying them with respective policies*	1	0
			The growing awareness of the urgency of the climate crisis and the need for social equity among young Europeans, including networks of young professionals in architecture and engineering	2	0
			The next generation are more environmentally aware and are also more open to radical change because many consider that they have nothing to lose from a departure from BAU	1	0
			The price of electricity produced from renewables such as sun, wind and water (especially when they are integrated to supplement each other) is already 30 to 40% lower than that produced by fossil	1	0

A threat that inhibits progress towards the outcomes is…	Upvote	Downvote	An opportunity to advance the outcomes is…	Upvote	Downvote
			fuels. As this price advantage increases even further over the next 5 to 10 years, it will be impossible to resist the transition to clean energy even for the die-hards. Hopefully this will not be too late before we reach the tipping point of no return in terms of global warming and really lethal pollution levels which are already weakening human resistance to viruses and other illnesses.		
			There is an opportunity and urgency to promote and articulate quadruple helix collaboration schemes that can harmonize diverse interests and visions and have the capacity to catalyse processes. In this sense, it would permit to create common shared agendas on different strategic areas and with different horizons (e.g., 2025-2030 as planned in this exercise) and a constant monitoring (top-down) or peer-to-peer to make sure the agenda is advancing and all critical objectives are met. We need to reintroduce and apply a systemic approach to territorial processes that bring change and produce innovation, and the concept of a shared agenda can help articulate this effort. And in this case I am not making reference here to typical PPP schemes that have popped up internationally and do not contemplate any real collective action to advance or produce real change. (in the majority of the cases) There have been.	1	0
			There is strong momentum on the investors front to tackle emissions from portfolios. This provides a unique opportunity to build the necessary measurement and decision-making tools and grow the uptake of low-carbon commitments and, more importantly, action.	1	0

Delphi Participants

Expertise	Organisation	Country
Fashion industry expert	Centre for Sustainable Fashion	United Kingdom
Fashion industry expert	Canopy	Canada
Fashion industry expert	The Hong Kong Research Institute of Textiles & Apparel	Hong Kong / USA
Fashion industry expert	Birla Cellulose	India
Fashion industry expert	Flourish CSR	United Kingdom
Fashion industry expert	Fairtrade International	Germany
Fashion industry expert	Bangladesh Center for Workers Solidarity	Bangladesh
Finance & capital markets expert	Landscape Finance Lab	Austria
Finance & capital markets expert	Principles for Responsible Investment (PRI)	United Kingdom
Finance & capital markets expert	E3G	United Kingdom
Finance & capital markets expert	Council on Economic Policies (CEP)	Switzerland
Finance & capital markets expert	European Environmental Bureau (EEB)	Belgium
Finance & capital markets expert	The Finnish Innovation Fund Sitra	Finland
Finance & capital markets expert	Democracy Collaborative	USA
Finance & capital markets expert	Circle Economy	Netherlands
Finance & capital markets expert	Association of Stock Exchange Issuers (SEG)	Poland
Finance & capital markets expert	Guidehouse	Netherlands
Built environment expert	Urban Land Institute Europe	Netherlands
Built environment expert	Institute for Human Rights and Business	USA
Built environment expert	World Green Building Council	United Kingdom
Built environment expert	Dark Matters Lab	United Kingdom
Built environment expert	Housing Europe	Belgium
Built environment expert	University of Cambridge	United Kingdom
Built environment expert	Elemental Flow Towers Ltd	Australia / Poland
Built environment expert	Universitat Autònoma de Barcelona	Spain
Built environment expert	United Nations Environment Programme	Netherlands
Built environment expert	World Business Council for Sustainable Development	Canada

Expert Workshop Documentation

Laudes Systems Baseline Expert Workshop, June 23, 1500 – 1800 CEST

Workshop Aims and Agenda

Aims:

- Reflect together, in and with a group of experts, on the project results so far
- Working sessions to work further on results (i.e., arrive at a refined rating; focus especially on those areas with uncertainty)

Agenda:

Time	Topic
15:00	Welcome & Intro (Project overview, Laudes Rubrics, Results so far) Incl. tour de table & first discussion
15:45	Working Session 1 (Industry Groups)
16.30	Break
16:45	Working Session 2 (Industry Groups)
17:20	Sharing Results Final Reflection & Next Steps
18:00	Workshop End

Overview of First Plenary Discussion

- Question: To what degree do you feel like people tend to go towards the middle of the scale? -> a bias of being too cautious, not open to the extremes
  - Answer: It is always a possible outcome, especially when experts have an opportunity to see each other's answers, but here in the rubrics it is different, because experts don't assess probability but outcomes/reality, so that kind of bias may have less impact in this study.
  - Answer: It is limited as far as possible here by the approach, given the diversity in experts and literature, it enables us to get rid of the bias for the most part.

- Question: Is it possible to give examples of which countries are performing the best in terms of reducing pollution and carbon footprint?
  - Answer: In this study we are also specifically looking at 'opportunities to advance outcomes' and 'threats inhibiting progress' evident in each of the three industries. This provides key knowledge on areas that can be highlighted or championed, and areas where significant attention should be directed. Although this may not be detailed by country specifically, it will provide a basis for further work.

Icebreaker question: To kick off the discussions, please enter here any initial thoughts you have on 'opportunities to advance outcomes' in your industry regarding climate-positive practices or equity and inclusion.

- Built environment side (on social plus environmental opportunities):
  - a) the ways that COVID has elevated inequities in built environment (by income, race, gender etc);
  - and b) the growing recognition of leadership (reputation factor) on environmental/socially responsible building projects, illustrated by the latest Sterling and Pritzker architectural prizes for example – built environment.
- Many companies have done a lot for advancing environmental matters but less for social responsibility – finance and capital markets
- So much opportunity lies in the unlocking of value chain visibility for our sector – many technologies are emerging for blockchain supported tracking of data, but there is no framework or standard for the data sharing that will be needed between systems. This will be critical for risks to be addressed as well as unlocking circular economy opportunity – fashion
- "Generation Greta" largely supports the "divest movement" = an opportunity for investors to reduce climate-negative practices and gain brand value when doing so. However, not being climate-negative does not equal being climate positive yet - finance and capital markets

Results from the Group Working Sessions

Fashion Industry

Output from the Working Sessions

Finalising Ratings

Session task & aim: *To discuss areas of unclarity, to arrive at a "final" rating based on the shared reflection of the group. For these rubrics: C2b, C3a, C3b, C4a, C4b*

Rating Scale: *Harmful / Unconducive / Partly Conducive / Conducive & Supportive / Thrivable. For full information on the rubrics including rating criteria and scale, please refer to: 2025 Outcomes Rubrics*

<table>
<tr><th>Rubric & description</th><th colspan="2">Results so far</th><th colspan="3">Working session outcome</th><th>Comments</th></tr>
<tr><td colspan="7">Priority Task (unclear rating result so far)</td></tr>
<tr><td rowspan="2">C2b: Financial sector actors use their influence, policies, practices and valuation methodologies to ensure equity and inclusion</td><td>Delphi</td><td>Partly conducive</td><td colspan="3">Step 1: Individual Ratings</td><td rowspan="2">- It is fairly clear that at the current time - financial actors are not sufficiently organised to put pressure on the short-term trajectory of the fashion industry; or in penalising / incentivising fashion industry to change through financial market instruments; pricing (e.g., of debt, share-valuation, bond issues etc).
- The current process on financing as well as investment decisions by the financial sector evaluate in a small way the equity and inclusion aspects but it is not comprehensive enough.
- Despite signs of action in financial markets, it is not consistent & doubt has been cast on their efficacy in influencing positive change.
- There are some early shifts starting within financial circles - and more mainstream capital, but that is primarily focused on fossil fuel/renewables and fashion largely slips through the financial screens on environmental issues.
- Recent scrutiny by UBS, etc is hopefully a sign of this starting to change.</td></tr>
<tr><td>Literature</td><td>Harmful</td><td>Harmful

X
X</td><td>Unconducive

X
X
X</td><td>Partly Conducive</td></tr>
<tr><td colspan="7">C2b Group Result: Unconducive</td></tr>
</table>

Additional tasks (somewhat unclear rating results so far)					
C3a: Businesses promote and implement bold, climate-positive policies, models and practices.	Delphi	Partly conducive	**Step 2: Individual Ratings**		- Big gap between public listed companies and private, visible divergence in progress however the PLCs carry more market share & are more actively responding albeit not aggressively enough. - Still a lot of 'yada-yada' from fashion companies on this, commitment speak and not enough movement towards adopting new business models (that would in the short term imperil profit) - so one cannot say bold implementation has yet reached partly conducive or at the scale and speed needed. - There's a big gap between the leaders in the sector who are now leaning in increasingly meaningful ways and the rest of the sector. There's also a big gap between prioritisation and integration of climate driven practices/policies between European companies, North America, and other parts of the world.
	Literature	Un-conducive	**Unconducive** X X X	**Partly Conducive** X X	
C3a Group Result: Unconducive					
C3b: Businesses promote and implement bold policies, models and practices that contribute to equity and inclusion.	Delphi	Partly conducive	**Unconducive** X	**Partly Conducive** X X X X	- The fashion industry is labour intensive and currently there is very high sensitivity to human rights, equality, and inclusion in the organised sector. Unorganised sector is definitely as big and needs lots of improvement. Also organised sector is still adapting bold policies. - Policies are ahead of practices and impact, but this is an established area of business accepting responsibility. Challenge in delivery lies in the lack of regulatory support/policing at national level. - Producers are looking at buyers to commit economically to better employment practices and until such time are reluctant to negotiate better terms at a local level.
	Literature	Un-conducive			
C3b Group Result: Partly Conducive					
C4a: Workers,	Delphi	Partly conducive	**Unconducive**	**Partly Conducive**	- In the absence of decent working

producers, and communities claim rights and build power to organise and advocate for climate-positive policies and practices.	Literature	Un-conducive	X X X X X		conditions, it is hard to envision that this issue is the focus of worker and their communities. - The workers and communities still focus more on the financials and human rights related issues. Producers are beginning to adapt and advocate climate change policies. - Low priority for oppressed or underprivileged workers, they will first organise around labour rights & wellbeing.
C4a Group Result: Unconducive					
C4b: Workers, producers, and communities claim rights and build power to organise and advocate for equity and inclusion.	Delphi	Partly conducive	**Unconducive** X X X	**Partly Conducive** X X	- In several origins for manufacturing legislation works against the ability of workers and their organisations to organise themselves. - Workers and communities today are very much aware of and demanding the equality and inclusion. This is also a very sensitive political issue. - Trade union movements are still absent, nascent / weak in many producer countries; restrictions on freedom of association and exclusion of workers from decisions that affect their rights are more the norm than exception. - Significant variation by country/region, closely ties to education levels and culture e.g., women's rights. We can see progress in some areas but lack of international consistency, further hampered by lack of transparency e.g., China.
	Literature	Un-conducive			
C4b Group Result: Unconducive					

Threats and Opportunities

Session task & aim: *To enable a group discussion on opportunities to advance outcomes and threats that inhibit progress within the industry i.e., tap into the group's expertise in identifying areas to champion, and areas to highlight the need for improvement.*

Threats inhibiting progress		Opportunities to advance outcomes	
Findings to date (summary)	Comments & Additions	Findings to date (summary)	Comments & Additions
Climate: - Growing gap between well-resourced large businesses and their smaller counterparts - Lack of cohesion/accepted responsibility between steps in fashion value chain/cycle - Recycling technology not advanced enough to be used at scale, or to deliver truly circular outcomes **Equity / Workers:** - Strong focus on profitability after pandemic - Short-termism, social polarisation and 'efficiency as solution' = lack of will to reduce power imbalance - Structural racism deeply enshrined in practices	- Not yet enough legislation in place to force / compel change across the industry to decarbonise (e.g., change the current business model which is still predominantly linear). - Lots of voluntary measures and commitments - but that will not push the industry fast enough on either climate or workers / equity - in fact under covid-19 situation for workers in many producer countries got worse. - Lack of rights in law and in practice inhibit workers' ability to organise and collectively bargain. Collective bargaining should be a strategic objective to afford workers the chance to strengthen their entitlements beyond social dialogue experiments. - Lack of in-house expertise/pulled in multiple directions and a wariness of partnering deeply with those who could supplement expertise. - Bridging the gap of the first to market circular/Next Gen products and economy of scale production - willingness for	**Climate:** - Increase in companies tracing inputs & raw materials - Extending the life of clothes and changing laundry practices could bring greatest reduction in climate impacts - Bus. opportunities from tackling water pollution, underestimated and to be seized - Blockchain as key contender to solve the traceability problem **Equity / Workers:** - (Small) steps being taken in the area of living wage - Disclosure on audit results drives positive change for workers	- Frameworks/constructs for sharing data across the sector for advancing both social & environmental agendas. - This points to the role of a sector convener / NGO and particularly supports the list of climate-related findings on the left. - Increased awareness in next generation on importance of environment. - Work with governments to strengthen legislation and labour inspection in the area of freedom of association. Make clear to producer associations that rights violations in this domain will affect sourcing commitment. - Lower cost of renewable energy compared to fossil fuel is increasing the shift. - Increasing preference for nature based renewable materials and organic materials compared in fashion industry consumers. - HRDD legislation in markets should include KPIs on price setting and other sustainable purchasing practices. - Businesses are realizing the cost of not making the transformation on climate change. - Circular fashion is opening up new

Threats inhibiting progress		Opportunities to advance outcomes	
Findings to date (summary)	Comments & Additions	Findings to date (summary)	Comments & Additions
	producers to move to scale production with minimal mark ups and brands reluctance of sharing costs of new fibres. - Lack of technologies that can replace fossil fuel and fossil fuel-based products soon enough. - Increasing protectionism post-pandemic is leading to in efficient systems. - Gap between European brands (+some North American and SEA brands) and rest of brands.		opportunities in used garment space and segregation and recycling which is manual process and creates opportunities for low-income group. - Demonstration of economic opportunity - businesses & governments/investors will act at greater pace if they can evaluate the economic opportunity and how to access it locally. So much is currently based on theory, we need published case studies supporting e.g., circular fashion models and ROI. - Garmenting and textile industry is large employer especially and dominated by women employees. - Increasingly ambitious leadership by top brands on "decarbonization" pathways and recognition of Scope 3 level impacts. - Leveraging fast moving jurisdictions on adoption and integration of UNDRIP into other sourcing jurisdictions.

Notes from the Group Discussions

On rubric C2b:

- Rating of harmful: It all depends on definitions. For me, the difference between unconducive and harmful is about the level of traction within the financial sector. Financial sector starts galvanizing around SGs - we started seeing recent shifts, but the financial sector still doesn't apply these principles when working with the fashion sector.
- Rating of unconducive: What I've seen in the last 3 years is when we have investors conference, the first few slides are about sustainability and then move to the financial side. What I see is that there is a move towards the financial sector supporting sustainability. But equity and inclusion are not so much on the radar, it's rather about the environment.
- Comment: There is activity on sustainability on the investors and business sides, but it's not necessarily effective.

On rubric C3a:

- Rating of partly conducive: The last 2-3 years have been quite remarkable in that area, especially climate change. Customers are asking for more environmentally friendly products, so businesses are also launching more sustainable products - it's driven by demand.
- Rating of unconducive: Fashion for Good is the most important innovation right now. But most fashion groups don't have R&D departments, they are concerned with costs and not sustainability. There are some interesting movements, but not acting at a fast enough rate, so I'd rate it as unconducive.

On rubrics C3b, C4a -> *consensus, no additional discussion*

On rubric C4b:

- Rating of partly conducive: I was a plant manager in Egypt, Indonesia, and India and what I found in my experience is that in all these 3 developing countries, the communities have their rights (pay, fair treatment), the companies are very sensitive to these topics.
- Rating of unconducive: For me, and I am actively and directly involved in workers' rights, when I read this indicator, I take the point of view of these communities on the frontlines of the sourcing of raw materials, and there is still a long way to go in terms of empowerment/decisiveness. My vote reflected more specifically the perspective of frontline communities.
- Comment: I think there's a difference between different places/origins, the rate of organization of workers is still low. I don't think there's a structural change yet.
- Comment: There's a strong willingness of commitment towards equity and inclusivity, but they don't have the power to act.

On the C and D inconsistency:

Facilitator: For three of the D rubrics the ratings were higher than for rubric C. What this would mean is that you have faith that even though the present situation is not really getting us there in the short run, it could be partly conducive in the longer run - is that true?

- When you get overall lower ratings from literature and higher from the experts, it might be because the experts are directly involved in sustainability, they see things that aren't yet published. There might be confirmation bias.

- I agree with the facilitator’s hypothesis. We [experts] get to see what the stakeholders are really doing. I hope we will make progress in the matter of sustainability in the future.
- I think there is regulation and legislation in the market, which could contribute to better practices. I am speaking from the point of view of Europe.
- I am convinced we are going in a better direction. I also think that we see what happens “behind the scenes” before being reported, so that’s the difference between assessments from literature and experts.
- In terms of businesses, we see the shift towards sustainability, it’s not very much seen publicly, the businesses were a bit behind, now they want to adapt before sustainable legislation comes.
- I am more optimistic in the longer term, ultimately, we will reach higher levels of sustainability.
- There needs to be a game changer, rather than a few disconnected shifts.
- There is a split between the likelihood of the success of making the substantive shifts and feeling encouraged by the optimistic early signals. But a real change requires a game changer. Do we have the right tools to trigger it yet?

Reporting Back

Main Results / Insights

Aim: *To summarise insights as clearly and concisely as possible, in order to share them with the other groups (in a max. 3 min. statement)*

Key insights from the discussion
1. \`Primary contention is around will we make the substantive shifts that we need to within the next decade - and the current fragility of early progress and promising early change with the short timeline, sober current conditions and scale of change that is needed.
2. Several indicators where we left a gap in perceptions of current status as indicated in C4b - Unresolved gap between group members in terms of real empowerment/access to power of workers and particularly Indigenous and traditional communities in frontline sourcing regions and lack of integration of UNDRIP in most jurisdictions.
3. Fashion has skipped under the radar in numerous regulatory or change enforcing mechanisms - to date much of the finance community's engagement on climate has been focused on fossil fuels reform and energy's impacts, same with regulations. Some larger conventional actors now starting to prioritise fashion as a primary impact sector in need of reform to advance climate and multiple SDGs.

Finance and Capital Markets

Output from the Working Sessions

Finalising Ratings

Session task & aim: *To discuss areas of unclarity, to arrive at a "final" rating based on the shared reflection of the group. For these rubrics: C1a, C1b, C2a, C4a, D1*

Rating Scale: *Harmful / Unconducive / Partly Conducive / Conducive & Supportive / Thrivable. For full information on the rubrics including rating criteria and scale, please refer to: [2025 Outcomes Rubrics]() and [2030 Impact Rubrics]()*

Rubric & description	Results so far		Working session outcome			Comments
Priority Task (unclear rating result so far)						
C4a: Workers, producers, and communities claim rights and build power to organise and advocate for climate-positive policies and practices	Delphi	Partly conducive	**Step 1: Individual Ratings**			- For me, main issue here is that workers and communities are in one group. For workers, exemplified by "unions", the situation seems to go downwards. Meanwhile, for communities, I am slightly more positive: Repair Café's, community supported agriculture, fab labs etc are all on the rise. Hence: if it was workers, I say 'unconducive' but if it is communities, I say 'partly conducive'. Hard to summarise that in one rating. - Communities are active at the moment in climate policies. Workers to certain extent in some countries yes but not in larger context. Small producers not so much. - I wonder if this might be an opportunity to look at the problem as a "systems" problem, which is why we view the three players as potentially having different interests, i.e., they do have different interests at the moment because of the incentives that our financial and economic systems have created - shareholders vs human wellbeing overall (our three groups). They are essentially pitted against each other, and
	Literature	No rating	**Unconducive** X X X	**Partly Conducive** X X X X	**Conducive & Supportive**	

Rubric & description	Results so far		Working session outcome			Comments
						sometimes against their own best interests. If our financial system was purposefully aligned with human and ecological wellbeing (instead of growth and profit and fin/econ risk to the larger system) these three groups may not experience the tension we are struggling with this. - If we list the actors, the one that may have the biggest leverage at this point are the consumers. Are these grouped with communities? - Response: Yes. - Thanks - if this is the case combined with the power of (social) media I would vote for partly conducive.
C4a Group Result: Partly Conducive						

Additional tasks (somewhat unclear rating results so far)					
C1a: Policymakers reform, implement, enforce and protect critical laws and policies that require climate-positive practices	Delphi	Partly conducive	**Step 2: Individual Ratings**		
	Literature	Un-conducive	**Unconducive** X X X X	**Partly Conducive** X	
C1a Group Result: Unconducive					
C1b: Policymakers reform, implement, enforce and protect critical laws and policies that require equity and inclusion.	Delphi	Partly conducive	**Unconducive** X X X X X	**Partly Conducive**	- I would side with the literature here. My sense is that equity and inclusion is certainly part of the narratives of politicians, however I have seen little evidence of "reform, implement, enforce & protect critical laws" - I second the above comment.
	Literature	Un-conducive			
C1b Group Result: Unconducive					

C2a: Financial sector actors use their influence, policies, practices and valuation methodologies to ensure climate-positive practices.	Delphi	Partly conducive	**Unconducive**	**Partly Conducive** X X X X	- I suspect the literature has not caught up with reality. The history has not yet been written on the radical change now underway. The progressive end of the finance industry is rapidly retooling to include climate in metrics, incentives, and investments. This is being taken up globally driven by key jurisdictions such as EU and China (CBI, EU Sust Finance Taxonomy). The metrics are reasonable, but their application and monitoring are still incomplete. Leverage points include through the external scrutiny, systems streamlining and demonstration projects. There remains a lot of questionable carbon projects that need to be brought into a more credible system - Really on the fence here … yes, lots of really good stuff is happening but much of it is still on the side lines. The overall system is deeply embedded in neoclassical theory and can't even imagine something different. If the financial system could come to understand climate-related risks as materially diff from other financial risks—more harmful, significantly more likely to materialize, characterized by uncertainty--and act accordingly I could check partly conducive and sleep at night. Maybe we aren't too far off from that, it is being discussed.
	Literature	Un-conducive			
C2a Group Result: Partly Conducive					
D1: Bold policy and regulatory frameworks have created the foundation for a new economy grounded in climate-positive practices, inclusion and equality.	Delphi	Partly conducive	**Unconducive** X X X	**Partly Conducive** X X	- Here I would stick to 'partly conducive' when I think of the Green Deal and in particular the 8th Environmental Action Plan. Of course, not bold enough, not enough teeth, but these frameworks are different from what we have seen in EU before. But I can live with unconducive too, we do have a long way to go! The word **bold** is key.
	Literature	Un-conducive			
D1 Group Result: Unconducive					

Threats and Opportunities

Session task & aim: *To enable a group discussion on opportunities to advance outcomes and threats that inhibit progress within the industry i.e., tap into the group's expertise in identifying areas to champion, and areas to highlight the need for improvement.*

Threats inhibiting progress		**Opportunities to advance outcomes**	
Findings to date (summary)	Comments & Additions	Findings to date (summary)	Comments & Additions
Climate: - Diversity of metrics and poor data quality and availability hinder effective analysis - The EU's multiple looming crises - Making profits is much easier with current ways of working - Too many standards and certification schemes - 'True' cost of products hindering change **Equity / Workers:** - Potential for debt triggering more austerity leading to more inequality - Evidence suggesting that digital assessment tools exacerbate social inequalities and biases - Low interest rates exacerbate short-termism	- The rise of political populism and fact-free politics in the EU that erodes even the perceived need to work on things like 'climate'.	**Climate:** - Citizens seeing climate change effects in their daily lives - Climate court cases - Enforcement of EU Sustainable Finance Taxonomy could be a game changer - Creating new asset classes around bundled climate and biodiversity products - Biden administration ambition for finance reform - Green bonds offering opportunity to provide sector-wide market signals and incentives **Equity / Workers:** - Policy responses to pandemic challenging economic policy convictions – window to challenge status quo	- I think the point below on the policy responses to the pandemic also applies to climate and, in fact, the broader sustainability agenda. - I'm optimistic about the growing interest among individuals within the finance industry, especially bankers, to work together in innovative ways to solve climate, see Services 1 — Climate Safe Lending Network Many of these people are figuring out how to move their institutions as well as the industry as a whole.

Notes from the Group Discussions

General:

- Sustainable finance has some merits for certain applications but the way it is applied, and is meant to be applied, does not serve moving closer to sustainability.
- Differing opinions about the necessity and usefulness of taxonomy and metrics: Metrics and reporting activities, the first and foremost step, but taxonomies are not a cure for all problems -> uncertainty is part of the challenge we face, and thus asking for perfect metrics and complete agreement among all players on which metrics to use and how to use them is not the route to go. The metrics exist but are not given the attention they deserve.
- EU Green Deal as paper tiger but right pathway.

On threats inhibiting progress:

- Massive impact of investors and green funds is merely greenwashing and green branding and thus distorting the overall picture.
- Certain countries, also in Europe, no longer perceive the climate to be a problem and thus will not legislate the financial sector accordingly.
- Thinking about short-term low interest rates not as threat but as opportunity as they let you discount the future less. However, lots of players have taken on lots of debt which - particularly if interest rates rise - then create an even stronger dynamic towards generating profits not in line with sustainability goals.

On opportunities to advance outcomes:

- Standard guidelines like the EU taxonomy not only for carbon emissions but for circular economy standards.
- Design of distributive, inclusive and finance-positive instruments by an alliance of the willing.
- Cryptocurrency as means to disrupt the global financial system: Metrics would become less relevant, regulations would need to be modified accordingly, decentralization as opportunity; (Though, the technology could also exacerbate current issues and pose a threat).

Reporting Back

Main Results / Insights

***Aim:** To summarise insights as clearly and concisely as possible, in order to share them with the other groups (in a max. 3 min. statement)*

Key insights from the discussion
1. Divergent opinions about the EU taxonomy - suitably simple to bring about convergence or 'dead end' in terms of stimulating broader change.
2. Voices from communities, workers, producers - those at the receiving end of decisions and choices in the financial system not really cutting through to any extent yet.
3. Key role of metrics - essential in driving choices and decision-making, but also possible cop-out, if excuse to not do anything.

Built Environment

Output from the Working Sessions

Finalising Ratings

Session task & aim: *To discuss areas of unclarity, to arrive at a "final" rating based on the shared reflection of the group. For these rubrics: C1a, C2b, D4*

Rating Scale: *Harmful / Unconducive / Partly Conducive / Conducive & Supportive / Thrivable. For full information on the rubrics including rating criteria and scale, please refer to: 2025 Outcomes Rubrics and 2030 Impact Rubrics*

Rubric & description	Results so far		Working session outcome			Comments
Priority Task (unclear rating result so far)						
D4: Active, organised workers, producers and communities exercise power to secure climate-positive practices, inclusion and equality.	Delphi	Partly conducive	**Step 1: Individual Ratings**			- There is still a huge power imbalance: however, when you look at "right to the city", climate activism, youth activism, workers' rights, right to housing movements etc, communities are organising to increase their power (just big disconnect with levers of financial power, interconnection between certain industry bodies and govt etc). Major business model barriers though (thin margins, cost pressures, fragmentation etc) - Coming out of the crisis the war for talent is the most powerful 'group' while not acting as a group - individuals gain power by 'voting through action' - over time they will get more powerful, sourcing their goods locally, wanting their pension savings to be invested more sustainably and choose the more sustainable, inclusive employers to work for - Initiatives are taken but not enough to move the needle, very scattered also across countries - I see very limited evidence of organised workers/communities in this space - there are energy communities but not much evidence of organising related to the BE - Given the construction sector is 99.9% micro and SMEs, the
	Literature	Harmful	**Harmful** X	**Unconducive** X X	**Partly Conducive** X X X X	

Rubric & description	Results so far		Working session outcome			Comments
						potential to organise is highly reduced so networks that do exist tend to only capture very small % of the market in terms of workforce. There is a huge tail of ill-informed labour that have very little access to information / capacity building - Workers / communities are excluded from participating in the policy making process and thus it's difficult to ensure getting their interests and views represented. A lot of potential in young professionals calling for social/environmental responsibility in their industries
D4 Group Result: Partly conducive[14]						

Additional ratings unclear rating results so far)					
C1a: Policymakers reform, implement, enforce and protect critical laws and policies that require climate-positive practices	Delphi	Partly conducive	**Step 2: Individual Ratings**		- Regulation is far behind and often hampering the implementation of new innovations due to 'old' regulation having many 'unintended' consequences holding back or complicating the scale up - Also, many differences between countries, holding back implementation and scale up of new innovations - Some strong action at national level, e.g., recent German commitments, phasing out of coal in Spain (with worker protections) but not nearly enough on mandating emissions reductions from the built sector (and needs to be aligned with vacant property legislation to maximise use of existing buildings). Some momentum at EU level e.g., EU taxonomy (at least it includes construction and real estate) - but facing industry pushback. Procurement at city and national level (e.g., UK's 'social value act' for public procurement) is an opportunity but needs to be massively scaled up
	Literature	Un-conducive	**Unconducive** X X X X	**Partly Conducive** X X X	

[14] See footnote 4

					- There is very low policing of existing policies and lots of loopholes - just as an example, planning law which means we are still building to old, already superseded energy codes
C1a Group Result: Unconducive					
C2b: Financial sector actors use their influence, policies, practices and valuation methodologies to ensure equity and inclusion.	Delphi	Harmful	**Harmful** X X X	**Unconducive** X X X X	- Awareness is increasing and also more initiatives taken - lot more education is needed how to strategize social impact, incorporate in business strategies and measure impact both socially and financially - Potential shift in sight thanks to impact investing but still a very minor share of the pie - When we think specifically of private real estate financial actors, focus is still very much on maximising short term return (and lack of transparency/accountability given depth of private equity role), which is harmful in terms of reducing inequality. But pockets of shifting practices underway - growing awareness of 'social value' (needs accompanying also with 'do no harm' / social safeguards approach). Some awareness e.g., at UNPRI on need for greater gender / racial diversity in finance industry which will start slowly making a difference. So just about convinced myself to move from 'harmful' to 'unconducive'. [if question was on climate would still definitely say harmful] - I don't see ratings agencies or banks/investors taking social equity in the construction sector seriously
	Literature	Un-conducive			
C2b Group Result: Unconducive					

Threats and Opportunities

***Session task & aim:** To enable a group discussion on opportunities to advance outcomes and threats that inhibit progress within the industry i.e., tap into the group's expertise in identifying areas to champion, and areas to highlight the need for improvement.*

Threats inhibiting progress		Opportunities to advance outcomes	
Findings to date (summary)	Comments & Additions	Findings to date (summary)	Comments & Additions
Climate: - Narrow mainstream investor focus on green building certifications as main 'metric' - Lack of trust and constructive collaboration between the public and private sector - Complex value chains/ fragmentation holding sector back - Lack of diversity and resistance to change in professions - Knowledge gap re: maintenance of green buildings **Equity / Workers:** - Building retrofits without parallel action on homelessness - Concentration of power in big business conglomerates able to evade regulation and exploit the real estate market - Very low awareness of modern slavery as an issue	- Regulation is still not supporting speeding up progress and often an impediment. - Fragmentation of the industry in terms of ownership and different roles across the value chain (with some e.g., developers having a short term perspective). - Creation of social impact requires a very local approach, often working in partnership with local social organisations. They often speak different language than global financial institutions, who approach real estate from financial / investment perspective only. - Lack of common definitions on what is included in decarbonisation. - Lack of impact measurement tools especially in financial return measurement both related to. - Climate adaptation and social elements - long term perspective hard to measure. - Real estate valuations only look backward. - This is starting to have an effect. - Disagree with the framing on certifications. I would say the problem	**Climate:** - Protecting and scaling niches of innovation - Strong momentum for investors to tackle emissions from portfolios - Circularity and circular principles beginning to gain traction **Equity / Workers:** - EU achievements in improving quality of life in cities and for communities - Rising attention and work to increase safety for women and girls in urban areas - Social equity emerging as an issue in relation to the built environment	- Niches of innovation are being appreciated. - But this needs to be greatly upscaled. - Institutional investors pushing on climate action - also becoming more and more involved early on in planning and development process bringing the long-term perspective. - EU Taxonomy is a bit of a wakeup call for companies - lots of opportunity to leverage this but also risks of adverse consequences as it's such a new tool. - Inclusion of "minimum safeguards" in EU taxonomy (referring to UN Guiding Principles on business and human rights, and OECD guidelines) - embeds this concept, now the work is implementation. - Awareness / willingness to tackle Scope 3 / embodied carbon has shifted very significantly in the last 3-5 years. - Momentum and awareness on the role of the industry in creating social impact is increasing rapidly. - Issue of 'getting the numbers right and getting the right numbers'. LCA/carbon accounting can easily be tailored to fit the aim of an investment. Need to be careful on reporting methodology, transparency, and how we measure emissions linked to portfolios.

Threats inhibiting progress		Opportunities to advance outcomes	
Findings to date (summary)	Comments & Additions	Findings to date (summary)	Comments & Additions
	is not a narrow focus on these but rather that they only reach around 10% of the market. As a tool they have driven a more holistic approach to green buildings and enabled green investment, not held it back. - Lack of feedback loops in design / delivery is slowing our ability to learn and improve. - Stop/start government programmes create feast/famine conditions for supply chain which undermines investment. - Consumption and production habits / growth as in economic growth is culturally & institutionally ingrained in our society. - High cost of land in central urban locations (may shift a little post-COVID?) - Risk not factored into costs. - What modelled future are working into - 3.5 degrees?		- Rethink growth outside of economic terms. - On circularity: opportunity develop in ways that reduce climate/environmental impacts while also reducing risks of harm to workers through long supply chains (plus ideally create local jobs). - The creation of shared regional / local agendas on specific issues (co2 emissions, inclusion etc) to provide a collaborative frame to advance forward with a certain time horizon. - Important not to forget children in the vulnerable communities being considered. Girls and women face more immediate and physical threats, but children face long-term harm and can potentially miss out on key developmental milestones due to the way our urban areas are (and are evolving). - Misinformation exists about centralised power plants. Creating energy locally within buildings is much safer, cheaper and costs little to maintain. We have to think more outside the square as designers and engineers. We have resistance to new technologies at many levels of society and industry. Also new workers unions are needed. Ones who work with new technologies. There are millions of jobs available in those areas.

Notes from the Group Discussions

In summary, three points were central in the built environments breakout group discussion:

1) **Access to Power:** Disconnection and imbalance of access to power. Not only in regard to workers within the sector but also more generally; Thereby making planning projects more inclusive to incorporate more diverse views and goals.
2) **Long-Term-View**: The experts discerned a lack of long-term-view and thereby goals and fitting measurements within the built environment sector, as well as in the finance for built environment (starting off and incorporating a discussion about the need to renew the real estate market). Ultimately, the discussion circulated around quantitative vs./and qualitative approaches, the need for morals in finance and renewed measurements (incorporating a long-term-view, altered quantitative assessments and qualitative approaches).
3) **Interdisciplinarity/Exchange:** The experts also noted the lack of the different actors (within the built environment as well as inter-sectoral) working together and not communicating with each other.

Apart from the above, topics addressed were:

- Are there country best practices in CO_2 reduction?
- Rethink growth altogether
- With which basic assumptions about the future are strategic assessments made? (e.g., a 1.5°C-future is set as a given, etc.)
- Problems with data collection and analysis – LCAs might currently rely on "wrong" data; A need to switch to ask what people want and need?
- Measurement tools are not tweaked to the issue (long-term issue of climate change); also the issue of an absence of a common language and common tools
- Evaluations do not incorporate risks
- Real estate must learn from other industries on how to measure CO_2 footprint and how it is doing harm or can do good
- Real estate not a market, but monopoly; economics of real estate need to change and/or be changed
- Built Environment industry needs collective action

Reporting Back

Main Results / Insights

Aim: *To summarise insights as clearly and concisely as possible, in order to share them with the other groups (in a max. 3 min. statement)*

Key insights from the discussion
1. Uncertainty around the strength of / role of cities - plenty of community-led examples of progress, but national and EU legislation-level critical
2. Reflection on workers / unions as partially playing a role of blocking progress (example unions in coal sectors) - need to build on existing / broaden initiatives of joining forces between workers' organisation and sustainability movement (socio-ecological transformation)
3. On Opportunities & Threats: Care needed in reporting methodology = Issue of 'getting the numbers right and getting the right numbers'; limits of measurement also because of mismatch with fundamentally new economic paradigm needed / Main issue economy of how the sector works - need to get tactical & technical

Overview of Final Plenary Discussion

- Built Environment: We need to think about the role of real estate and its role in global economics. Measuring things might make us miss the elephant in the room. Sector currently preserving fundamentals of mortgage structures and debtors but should focus on civic and community wealth.
- Finance and Capital Markets: What is viable for the finance sector is not necessarily good for social benefit. I encourage everyone to think about how to develop your industry not for the power/wellbeing of that sector, but to think about the community/society. Lot of institutions are stuck on focusing on preserving the current state of matters.
- Built Environment: Thinking of real estate as an economic system itself (2/3 of the world's assets are in real estate), therefore, the implications of that economic process for climate and for workers (and inequality) is fundamental.
- Built Environment: ⅔ of the world's population lives in the cities and it's going to grow, because people think that cities will offer them more opportunities. But cities often lay on the coastal lines and will be endangered by rising sea levels, so there will be a huge migration from these areas. But cities are still a more environmentally friendly way to build our future (because of condensation of population in the area). Cities, climate change, and rising sea levels: effects for cities already noticeable but no steps seem to be taken ahead. We need to act quickly. I urge you to find ways in your own countries to try to counteract that.

Workshop Participants

Expertise	Organisation	Country
Fashion Industry expert	Canopy	Canada
Fashion Industry expert	Birla Cellulose	India
Fashion Industry expert	Flourish CSR	United Kingdom
Fashion Industry expert	Fairtrade International	Germany
Fashion Industry expert	Bangladesh Center for Workers Solidarity	Bangladesh
Finance & Capital Markets expert	Landscape Finance Lab	Austria
Finance & Capital Markets expert	Council on Economic Policies (CEP)	Switzerland
Finance & Capital Markets expert	European Environmental Bureau (EEB)	Belgium
Finance & Capital Markets expert	The Finnish Innovation Fund Sitra	Finland
Finance & Capital Markets expert	Democracy Collaborative	USA
Finance & Capital Markets expert	Circle Economy	Netherlands
Finance & Capital Markets expert	Association of Stock Exchange Issuers (SEG)	Poland
Built Environment expert	Urban Land Institute Europe	Netherlands
Built Environment expert	Institute for Human Rights and Business	USA
Built Environment expert	World Green Building Council	United Kingdom
Built Environment expert	Dark Matters Lab	United Kingdom
Built Environment expert	University of Cambridge	United Kingdom
Built Environment expert	Elemental Flow Towers Ltd	Australia
Built Environment expert	Universitat Autònoma de Barcelona	Spain

Laudes Foundation:

- João Martinho, Senior Evaluation Manager
- Lee Alexander Risby, Director of Effective Philanthropy

Future Impacts and 4CF:

- Cornelia Daheim, Future Impacts, main facilitator
- Joanna Jaworska, 4CF, facilitation support and documentation
- Clara Joester-Morisse, Future Impacts, facilitation support and documentation
- Kacper Nosarzewski, 4CF, facilitator
- Jess Prendergast, Future Impacts, facilitator
- Eva Trier, Future Impacts, facilitator
- Johannes Wirz, Future Impacts, facilitation support and documentation