

The French Sustainable Finance Institute publishes an overview of the energy transition strategies of financial players in the Paris financial centre

This report is part of the work carried out over the last two years by the Institut de la Finance Durable (Sustainable Finance Institute – IFD) on the climate-energy transition and its financing. It is based on the voluntary presentation by 15 financial players in the Paris financial centre (banking groups, insurance companies and asset management companies) of their energy transition strategy, tools and associated actions. The Institut de la Finance Durable has identified 10 best practices for the efficient use of climate scenarios that can help accelerate the energy transition process and facilitate action by other financial centres internationally.

A working group of stakeholders from the financial center to share knowledge and facilitate the energy transition

More than a year ago, the IFD launched a working group to share the financial community's knowledge of climate scenarios compatible with 1.5°C and tailored to the needs of financial players. This work led to the initial publication in June 2024 of the report, [‘Fossil energies: analysis of trajectories compatible with a 1.5°C scenario’](#), which presents the main findings of the climate scenarios aligned with the Paris Agreement.

Three key principles emerge from this overview: scientific rigour; consistency in the choice of scenarios, particularly where there is a need to supplement them with sectoral elements; and regular updating to reflect technological and economic developments.

This work provides a repository of tools and practices on which individual companies can draw to support their energy transition strategy.

Best practices from the financial center for integrating energy-climate scenarios into stakeholders' strategies, and ways of integrating the transition process

The reference climate scenarios recognised by the scientific community are essential tools for implementing an energy transition strategy. The climate scenarios aligned with a 1.5°C trajectory are all based on three main pillars: massive development of low-carbon energies, electrification of uses and significant gains in energy efficiency.

The overview highlights a number of best practices implemented by players in the Paris financial center. In particular, the vast majority of players of the financial center rely on scenarios aligned with the recognised Paris Agreement trajectory, such as those of the International Energy Agency (IEA) or the IPCC, to build their climate strategy, with a significant preponderance (80% of choices) for the IEA's 'Net Zero Emission' scenario.

In line with the scientific consensus, the players are using scenarios aligned with a 1.5°C trajectory, with zero or limited overshoot, limited use of negative-emission technologies, which are still immature, and realistic use of the decarbonisation levers currently available. On this basis, the players of the financial center are developing costed, budgeted strategies that include medium- and long-term milestones.

Some scenarios, notably those of the IEA, now track the deployment of financing and investment for decarbonised energies in relation to those deployed for fossil fuels. This opens up a more dynamic vision of the transition and its financing, and offers new prospects for players to strengthen their ability to steer their energy transition strategy.

A collective effort to meet the climate challenge

This overview, which is a milestone for the Paris financial centre, highlights the need for a dynamic vision of the transition and the need for coordination between financial institutions, political decision-makers and businesses to achieve the targets for limiting global warming set out in the Paris Agreement, which celebrates its 10th anniversary this year.

[Read the full report](#)

About IFD:

Created in October 2022, the Institut de la Finance Durable, a branch of Paris EUROPLACE, aims to coordinate, federate and accelerate the Paris financial centre's action to achieve the ecological transition and transform the economy towards a low-carbon and inclusive model, aligned with the objectives of the Paris Agreement and the Sustainable Development Goals. It brings together all the private, public and institutional players in the Paris financial centre and represents the financial centre's positions at European and international level.

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