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# THE SCORE CHAIR PAPERS

N°002

## Sustainability reporting supporting the ecological transition in Occitanie

SUSTAINABILITY, ACCOUNTING & REPORTING  
CHAIR



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# ABOUT THE SCORE CHAIR

The Sustainability, Accounting & Reporting Chair ("SCORE"), now a member of the University of Montpellier Foundation, aims to produce and disseminate knowledge in the fields of accounting, auditing, and control. In particular, the research focuses on the challenges posed by ongoing ecological and societal transitions. The priority areas of the Chair are:

- Sustainability reporting (also known as "CSR" reporting), including climate reporting and environmental accounting,
- The verification of sustainability reports,

- Data analytics and the integration of artificial intelligence (AI) into reporting practices,
- Related to the above topics: the future of professions in the accounting field.

The Chair produces articles, books, and scientific communications on the themes of accounting professions and sustainability. Several doctoral theses on these topics are currently supervised by the SCORE Chair (for more information, please visit the website <https://chairescore.edu.umontpellier.fr/en/>).



## About the authors...

**Wanny TAKOUR BELLAIRE** studies the voluntary sustainability reporting of SMEs, specifically focusing on the actors who exert a notable influence on this reporting. These actors are involved in networks aimed at promoting sustainability reporting among SMEs that are not required to produce such reports. His study focuses on this business ecosystem, with its research areas covering both environmental accounting and concepts related to sustainability.

**Carine EL HELOU** focuses on the criteria for allocating local funding for the ecological transition. Her study is centered on the Occitanie region and the support provided by the Region. This relatively recent area of interest presents limitations in terms of methods for measuring the sustainability level of businesses.

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# INTRODUCTION

Currently, an increasing number of stakeholders are mobilized to support the ecological transition at a local scale. While many standards, certifications, and regulations exist, local actors are organizing themselves to best integrate sustainability challenges into their business models, as well as the territorial and sectoral

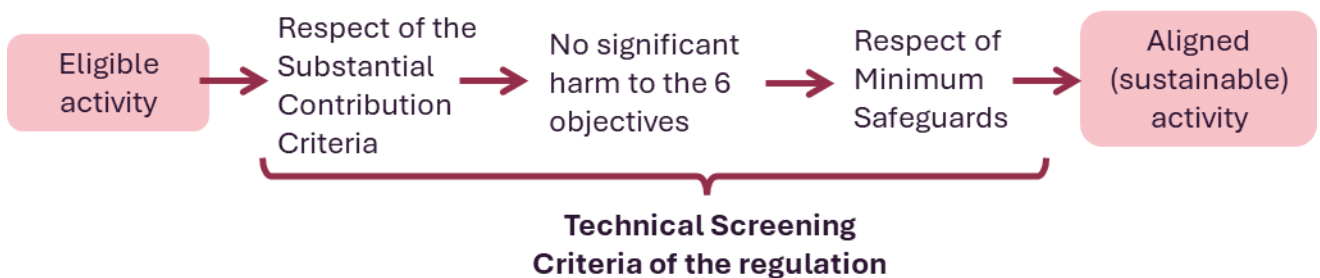
specificities. The objective of this second edition of the SCORE Chair Papers is to examine the ecosystem of ecological transition in the Occitanie region, using the European Taxonomy of "green" activities as an analytical framework for the sustainability of the territory.

## Global framework of ecological transition and European Taxonomy

The European Union has implemented an extensive program aimed at achieving carbon neutrality in Europe by 2050, the European Green Deal. This has led to a set of regulations aimed at harmonizing the content of organizations' sustainability reports, in order to provide reliable and comparable information to all stakeholders concerned with non-financial information. The goal is to direct investments toward a more sustainable economy and to involve the smallest businesses in this dynamic,

especially those included in the value chains of large corporations subject to these obligations.

Among these regulations, the European Taxonomy aims to clearly define which activities are considered sustainable, based on specific criteria. We will use it as an analytical framework in the following sections of this paper. We provide a brief review of the terminology of the Taxonomy:



An activity is considered "eligible" if it is listed by the EU as being of high importance for sustainability. After analyzing the compliance with technical criteria within each organization, this activity can be classified as "taxonomy-aligned," meaning it is considered genuinely sustainable. Companies subject to the taxonomy regulation are required to disclose the

percentage of their "green" Key Performance Indicators, i.e., those that are sustainable according to the Taxonomy. For more details on the European Taxonomy, please refer to [SCORE Chair Paper N°1](#).

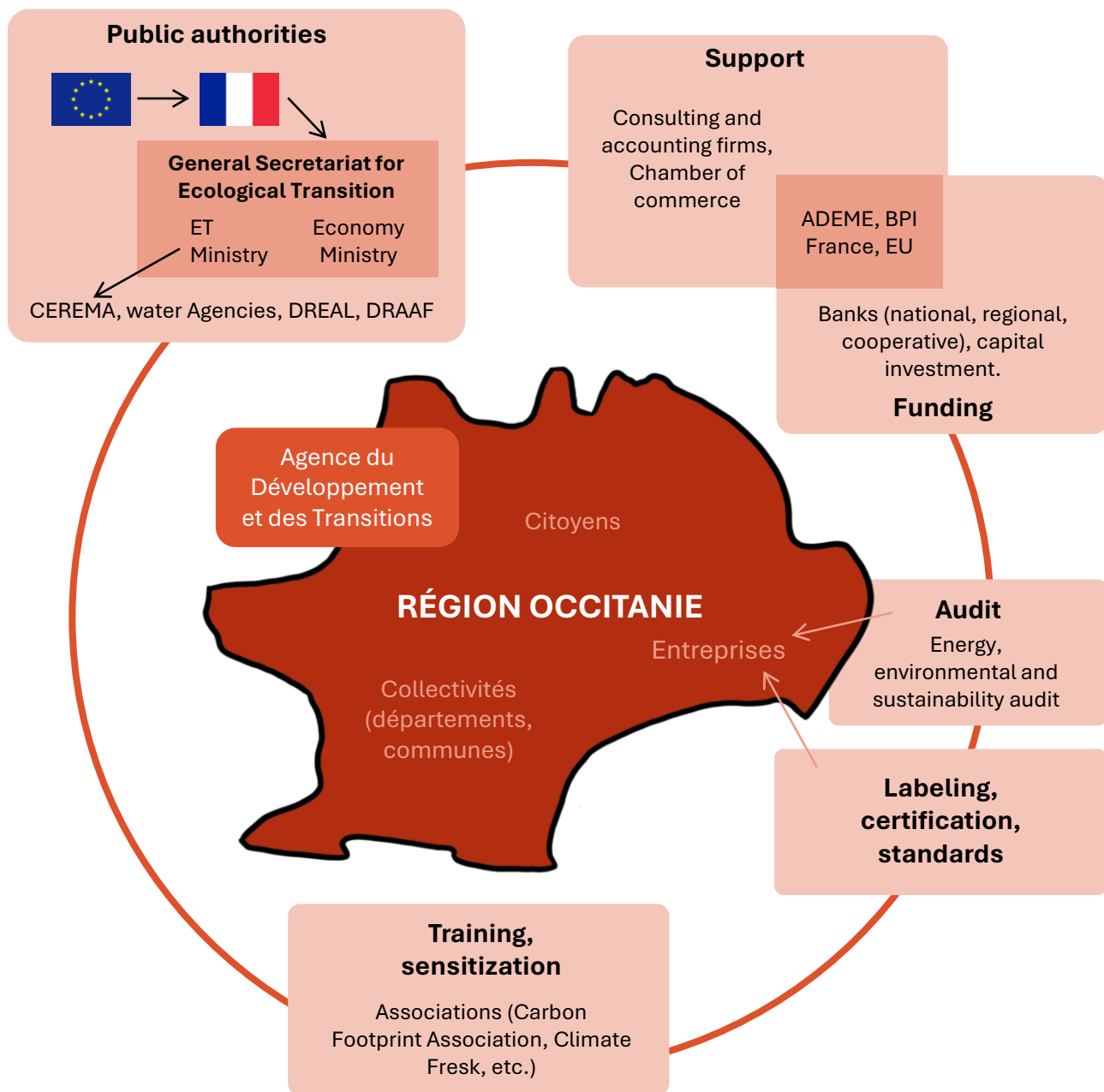
In this paper, we focus on the local ecosystem aimed at aligning financial flows with the aforementioned Taxonomy.



# I – TYPES AND ROLES OF TRANSITION STAKEHOLDERS

The ecosystem of ecological transition in Occitanie is composed of public and private actors, both national and local.

We present the main ones in this report. An overview is provided in the diagram below :



## Acronyms

CEREMA : Center for Studies and Expertise on Risks, Environment, Mobility, and Planning.

DREAL : Regional Department for Environment, Planning, and Housing.

DRAAF : Regional Department of Food, Agriculture, and Forestry.

## Public authorities

The Region has to comply with national sustainability policies, which are themselves framed by major European regulations. The national body responsible for ensuring the coherence and monitoring of ecological public policies is the General Secretariat for Ecological Transition, which includes the Ministries of Ecological Transition and the Economy. The Cerema, an agency under the supervision of the Ministry of Ecological Transition, ensures the local implementation of public policies.

The Regions are responsible for education, economic development, culture, regional transport, and land-use planning. They often take on the responsibility for the Green and Blue Infrastructure (ecological continuities across the territory) and

Some actors are positioned as supporters to businesses, associations, local authorities, and citizen initiatives in favor of the ecological transition.

Employer unions, such as MEDEF, have a territorial network and multisectoral expertise, including on transition issues. They are an important partner when it comes to sustainable entrepreneurship.

The regional Chambers of Commerce and Industry (CCI) and Chambers of Trades and Crafts (CMA) act as intermediaries for businesses, including on matters of ecological transition.

biodiversity management. They have territorial planning tools that allow them to organize the transition. For example, the SRADDET (Regional Scheme for Sustainable Development, Land Use Planning, and Territorial Equality) has a prescriptive role over more localized urban planning documents. In Occitanie, it sets quantified land-use sobriety objectives for various time horizons in all the SCoTs (Territorial Coherence Schemes) and PLUs (Local Urban Planning Plans) in the region (Diaz, 2021).

More localized issues are managed by the departments and intercommunalities: waste management, departmental roads, public transport, soft mobility, etc.

## The role of support

ADEME notably supports research and innovation activities. Its territorial presence, with a directorate in each region, enables it to intervene effectively at the local level.

Created in November 2023 in the Montpellier area, the Agency for Development and Transitions brings together local actors in sustainable development: research, education, businesses, etc. Its goal is to support economic actors in their growth for a sustainable and concerted development of the territory.

The Agency supports organizations in reducing their negative impacts while creating positive effects on ecological systems, both within and outside the value chain. It implements awareness-raising actions, personalized and thematic support, as well as the development of innovative ecological projects.

In addition to public actors, the private sector is increasingly offering opportunities for supporting the ecological transition. Consulting firms, both specialized and generalist, as well as some accountants,

are becoming more involved in the topic. Their expertise in sustainable development, the nature of their work, and their existing relationships with businesses make them key partners in the strategic management of the transition, particularly for SMEs. The National Council of Chartered Accountants (CNOEC) is also developing a tool to facilitate sustainability reporting for small businesses (TPE-PME), provided through accountants, who serve as trusted third parties for businesses. Finally, banks can connect ecological transition actors, thus contributing to their support.



### **The Role of Accountants in the Ecological Transition, with Sonia Braun**

Accountants are the primary advisors for small and medium-sized businesses (TPE-PME). They support them in strategic thinking and business development. Sustainability is a strategic issue, and a significant challenge lies in adapting traditional accounting and management systems to CSR (Corporate Social Responsibility) indicators. Indeed, reporting standards are often poorly suited to the specificities of smaller organizations; therefore, work must be done on developing tools to assist in the voluntary sustainability reporting of SMEs. A national sustainability commission and a regional working group, co-led by Sonia Braun, are working together to cooperate with stakeholders to deploy appropriate tools. The tasks of an accountant can range from supporting the preparation of voluntary or mandatory reports to certifying the sustainability report, provided they are also accredited by Cofrac as an OTI (Inspection and Testing Organization).

Some actors play a dual role as both supporters and funders. This is the case, for example, of the Region, which provides public grants to encourage various local actors to undertake a transition process. It primarily uses the lever of public funding to raise awareness and support transition actors, rather than adopting a punitive approach.

The BPI (Public Investment Bank) offers multiple funding and support solutions for innovative businesses, particularly in the field of ecological transition, with an ambitious climate strategy. It provides tools tailored to SMEs, enabling them to begin their transition process, such as the Diag Eco-Flux for energy diagnostics, or the Diag Décarbon'Action, which helps businesses take the first step toward a Carbon Footprint assessment.

## Labeling, certification and audit

Labeling and certification are voluntary processes that allow businesses to showcase their commitment to ecological transition to their stakeholders; audit, complementary to these practices—and often mandatory to obtain the label—verifies the reliability of the information provided.

The reference certification body is AFNOR. It has developed a number of standards related to ecological transition and sustainability, including the ISO 26000 standard (CSR-SSO). Several labels are based on its model.

At different scales (European, national, regional), budgets are allocated for ecological transition, which are distributed through project calls and public funding. In the case of the Region, [50 grants and calls for projects](#) for the environment and climate have been listed on its website. About half of the funding comes from regionally managed European programs (source: [laregion.fr](#)).

On the audit side, independent third-party organizations (OTIs) and statutory auditors are responsible for verifying the content of companies' reports to certify their compliance with current regulations, including the sustainability aspect. Starting in 2025, the market for verifying sustainability reports will be open to accountants, lawyers, and engineers. The entry of these local actors into the sustainability reporting market marks the development of a new support model, particularly aimed at SMEs (Option Finance, 2023).

## Funding the transition

By examining the environmental objectives addressed by these funds, according to the European Taxonomy, we find that, on the one hand, the majority of the grants contribute to at least one of the environmental objectives outlined by the EU, and on the other hand, the most recurring themes are climate change and biodiversity.

Symbol	Environmental objective	Number of regional grants	Number of regionalised european grants	Total
CCM	Climate change mitigation	8	8	16
BIO	Biodiversity and ecosystems protection and restoration	8	5	13
CCA	Climate change adaptation	1	4	5
CE	Transition to a circular economy	2	2	4
WR	Sustainable use of water resources	2	2	4
PP	Pollution prevention and control	0	0	0
N/A	Not classified	6	2	8



On the other hand, since April 2023, the Occitanie Region has become the first region to make the payment of all its grants conditional on the completion of the Impact Score, a self-assessment tool for ESG

(Environmental, Social, and Governance) scoring aimed at businesses. Through this tool, we have access to an estimate of the average sustainability level across different sectors in the region.



### **The Green Deal of the Occitanie Region, with Philippe Bauchet**

The concept of transition is at the heart of the Region's political agenda, which has committed to a Green Deal to address global ecological and social transition challenges. Its three pillars are climate change, life, and sobriety.

The Region's goals in terms of transition aim at the decarbonization of activities, the protection of living organisms, the development of a circular economy, and the preservation of water resources.

The Region is working to develop desirable narratives for the transition and what the world of tomorrow could look like, for example, by supporting cooperative citizen initiatives, associations, and even individual projects through participatory budgets, to find solutions that arise from the ground up.

Banks also play a central role in financing the ecological transition. Being subject to transparency obligations regarding sustainability, they increasingly require their clients to meet sustainability criteria in order to obtain favorable financing (subsidized loans), as confirmed by interviews with banks in the region. Some even require a compliance verification certified by auditors, as part of the reliability process. Thus, businesses in the region are noticing an increase in the expectations of private investors regarding the transition. However, further efforts are needed from funders to properly direct funds towards truly sustainable activities.



# II – STRENGTHS AND CHALLENGES OF THE TERRITORY

## Sustainability of the Occitan economy

In the table below, we show the eligibility of economic activities in the Occitan territory to the Taxonomy, reflecting the potential contribution of these activities to the ecological transition. To simplify, and given

the low materiality of certain activities in the region, we have focused on the 10 most represented activities. (Data source: INSEE).

Activity	Sector importance, in number of companies (Occitanie)	Sector importance, in number of companies (France)
Real estate activities	24%	22%
Crop and animal production, hunting and support services	8%	5%
Retail, except automobiles and motorcycles	7%	8%
Specialised construction work	6%	6%
Activities for human health	5%	4%
Activities of associations	4%	4%
Activities of headquarters, management advice	4%	5%
Other personal services	4%	3%
Teaching	3%	3%
Restauration industry	3%	3%

The activities highlighted in green are eligible according to the Taxonomy; they represent 54% of the activities in the Occitan territory, which is very close to the national average of 55%. Just over half of the establishments in the region are therefore engaged in activities with potential for the ecological transition. In the following sections, we focus on the main value- and employment-creating activities in the region.

### Energy production

Occitanie is the second-largest region in France in terms of renewable energy production, with 2,195 MW of photovoltaic

energy, in particular (CCI). **45% of the energy consumed** is produced from renewable sources, compared to only 26% on average nationally. The high solar energy potential in the region explains this performance.

In addition to renewable energies, firewood is a sector promoted by ADEME in Occitanie. Although this sector is not directly cited as sustainable according to the Taxonomy, sustainable management of forest resources is an aligned activity; moreover, ADEME funding can ensure proper forest management. Current production is 1,288 kW, nearly 2,000 times less than solar (Matuszewski, 2021).

## The aerospace and aeronautics sector

This is by far the most important sector in the region. The aerospace industry accounts for more than 40% of the value added to the territory (Merino Ayanegui,

2022) and is experiencing strong economic growth (ActuToulouse, 2024). This is linked to the presence of the multinational Airbus in Toulouse. We analyzed the Taxonomy KPIs of the Airbus group for 2022 and 2023 in order to gain an overview of the sector's sustainability:

Year	% eligible turnover	of which aligned	% eligible CAPEX	of which aligned
2022	0%	0%	2%	0%
2023	91%	0%	76%	0%

## Agriculture and viticulture

Occitanie is a highly agricultural region, and it ranks first in terms of the number of organic farms. In terms of area, this represents 600,000 hectares, or 20% of the national organic land (laregion.fr). Viticulture in Occitanie also holds a strong position, with 37% of France's organic vineyard areas (Interbio Occitanie).

Agricultural and agro-food activities are not yet covered by the European Taxonomy, but they are subject to numerous measures, funding, and calls for projects at the European level, such as the FEADER program (European Agricultural Fund for Rural Development), which encourages agroecological practices.

## Construction and real estate

With 10% of the region's jobs, the construction sector is significant in Occitanie (CCI). Its sustainability, according to the Taxonomy, is mainly based on the energy efficiency of buildings. According to the criteria provided in the regulatory texts, buildings rated A and B in terms of energy performance (DPE) are considered sustainable.



**Maison Le Breton, a *Société à mission*, with Morgane Le Breton**

Maison Le Breton is an SME in the viticulture sector. Ecological transition is seen as a continuous improvement process, with objectives and commitments related to CSR, despite the absence of regulatory obligations.

The management indicators in this sector need to be closely linked to the ground to be useful and relevant. In fact, management often proceeds in an uncertain manner, especially in the context of ever-evolving climatic and regulatory conditions.

Stakeholders are central to Maison Le Breton's CSR strategy. The company has created a stakeholder committee that brings together all actors directly or indirectly linked to its activities. It is with this committee that material issues, strategy, and action plans are developed, and priority topics are defined.

The Occitanie region has the highest percentage of A and B-rated housing, representing 29.3% of the total, while the



### **The challenges of the transition in the medical sector, with Dennis Leal and William Ruggiero**

Bastide Le Confort Médical is a publicly traded group specializing in the medical field, and therefore subject to sustainability reporting requirements. However, these obligations present a number of challenges for the group. Firstly, some reporting standards do not allow for contextual information, which could help explain or mitigate a less favorable result. As a result, ambitious decarbonization policies sometimes take on a punitive aspect, with insufficient support from public authorities. Additionally, the environmental aspects are always emphasized, while the main challenges of the medical sector are primarily social. When there is a conflict of interest between carbon footprint and the quality of service provided to patients, Bastide's priority will be the well-being of the patient, which could be detrimental to the group in the eyes of investors and regulators..

### **Natural areas**

Beyond the economic activities of the territory itself, it is worth exploring the potential of the region's natural spaces. Half of the territory is covered by ZNIEFFs (Natural Zones of Ecological, Faunistic, and Floristic Interest), which indicate significant ecological potential or the presence of

national average is around 5% (sources: SDES, ADEME).

The end-of-life management of construction and demolition waste is a significant issue, as it accounts for 69% of total waste nationwide, with 90% of it being recyclable. In 2018, illegal dumping still affected 40% of the sector's waste. In response, the region has implemented measures to encourage the recycling of construction waste, thus promoting the circular economy and local economic development (Dupont-Camara).

### **The medical sector**

The region is home to several competitiveness clusters in the medical sector, and research in this field is highly dynamic in the area.

Although not one of the most polluting sectors, the medical industry is not prioritized by the European Union in terms of the transition, and thus is not heavily covered by the Taxonomy.

However, it is subject to other environmental obligations (ARS Auvergne-Rhône-Alpes), including the requirement to conduct a carbon assessment in order to qualify for public subsidies, starting in June 2024.

species and habitats of interest within the area. These areas do not have regulatory value per se, but they highlight the considerable ecological potential in Occitanie that deserves greater protection. Indeed, according to the ARB (Regional Biodiversity Agency), only 2.4% of the region's surface is protected by a regulatory status.

# CONCLUSION

This document emphasizes the importance of sustainability reporting in the context of the local ecological transition. Indeed, it provides a measure of companies' performance in this regard. A clear regulatory framework encourages organizational transparency and allows local authorities to assess the state of the ecological transition in their territories. This transparency obligation holds companies accountable for their societal responsibility and encourages them to improve their environmental performance, which is a key driver of the ecological transition. The sustainability report, as an informational tool, fosters dialogue among the various stakeholders of the transition.

The financing of the transition in Occitanie revolves around key public and private actors. The Region, through grants and zero-interest loans, supports green projects in sectors such as energy, agriculture, and waste management. With a budget amounting to several million euros, it incentivizes businesses to adopt more sustainable practices. Banks, for their part, are increasingly offering advantageous financing solutions for projects meeting sustainability criteria.

The economy of the territory is centered on aerospace, agriculture, and real estate construction. The energy sector, healthcare, and tourism are also well

developed. Among the region's strengths are its high use of renewable energy, the energy efficiency of buildings surpassing the national average, and strong institutional support from the Region. Agriculture and viticulture, emblematic sectors for the region with significant sustainable development stakes, are at the heart of these issues. Transition management in these areas remains challenging due to the lack of standardized indicators, but European funds have been allocated to support the transition.

On the other hand, the region's key economic activity, aerospace, is still struggling to kick-start its transition. An analysis of Airbus's sustainability report, the region's largest employer, reveals a lack of investments that align with the European Taxonomy, which casts doubt on the company's sustainable development prospects in the coming years.

In conclusion, the Occitanie region shows a strong commitment to the ecological transition, with a collaborative approach and dedicated financing. However, it must continue its efforts to engage all stakeholders and sectors in the transition. The involvement of the private sector, along with recent regulatory changes, provides a positive signal for sustainable development in the region.



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