

Paris, 23 December 2020

The ACPR and AMF publish their first annual report on climate-related commitments of French financial institutions

In July 2019, the two authorities announced the implementation of an annual framework for monitoring and assessing the commitments made by banks, insurers, and asset management companies to address climate challenges. After publishing an excerpt on coal policies at the end of October 2020, they are now presenting their conclusions on all climate-related commitments.

The report presents the methodology used in monitoring and assessing climate commitments undertaken by major French financial participants. These commitments cover several categories such as internal policies for reducing or offsetting direct greenhouse gas emissions, green financing commitments, exclusion and divestment policies, shareholder engagement and client support, alignment policies for complying with the objectives of the Paris Agreement and, lastly, efforts to ensure transparency with regard to the consideration of climate issues, particularly within the framework defined by the Taskforce on Climate-related Financial Disclosures (TCFD). The report also includes the analysis on coal policies published in October.

At the end of this first assessment, the authorities noted the growing mobilisation of the French marketplace to support the fight against climate change and, in particular, for the decarbonisation of portfolios. In all, more than 300 individual or collective commitments were identified. However, these figures do not necessarily reflect the level of ambition of each group or institution, or the level of requirements imposed by these commitments, which vary significantly. The approaches and methodologies used by institutions are also disparate, thus limiting the possibilities for comparisons and for assessing exposure and investments on an aggregated basis.

Based on these observations, the authorities have identified avenues for improvement and issued a series of recommendations for market participants. These recommendations are aimed at:

- facilitating the traceability of commitments by ensuring that the necessary information is provided on a regular basis, in particular for the most pivotal commitments;
- defining quantified objectives, deadlines and progress monitoring, where this has not been done;
- increasing transparency on the methodologies and indicators used to support greater consistency and therefore comparability;
- associating institutions' governance in the follow-up of commitments and involving control mechanisms;
- taking the risks related to biodiversity loss into account in their commitments.

□ About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected and that investors are provided with adequate information. The AMF also supervises the orderly operations of markets.

Visit our website <https://www.amf-france.org>

□ About the ACPR

The Autorité de Contrôle Prudentiel et de Résolution is the administrative authority operationally attached to the Banque de France that supervises the banking and insurance sectors and ensures financial stability. The ACPR is also responsible for protecting the customers of the supervised institutions and ensuring the fight against money laundering and the financing of terrorism. It also has resolution powers. The ACPR's operational departments come under its General Secretariat. Visit our website at <https://acpr.banque-france.fr/>