Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

36th SESSION
30 October – 1 November 2019
Room XIX, Palais des Nations, Geneva

Wednesday, 30 October 2019
Afternoon Session

Agenda Item 3.
Practical implementation, including measurement, of core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals: Review of case studies

Presented by

Julie Ansidei
Head, Strategy and Sustainable Finance Unit
Autorité des marchés financiers, France

This material has been reproduced in the language and form as it was provided. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
SUSTAINABLE DEVELOPMENT GOALS

❯ PERSPECTIVE FROM THE REGULATOR

UNCTAD – ISAR 36th session
30 October 2019, Geneva

Julie Ansidei - Head of Strategy and Sustainable Finance
Historical background

Key French initiatives on CSR

- **2001**: Law on New Economic Regulation
- **2010**: Law on National Commitment for the Environment (« Grenelle II Law »)
- **2015**: The Energy Transition for Green Growth Law (« TECV’ Law »)
  - The Food Waste Law
- **2017**: The Corporate Duty of Vigilance Law
  - Anti-corruption Law
- **2018**: Entry into force in France of the EU Directive on the disclosure of non-financial information
Evolution of reporting for French issuers

A new materiality-based approach

<table>
<thead>
<tr>
<th>Before 2018</th>
<th>From a completeness-based approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting based on a list of 42 items</td>
<td>Comply or explain on the absence of reporting on one of the items</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Since 2018</th>
<th>....to a materiality-based approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selectivity and relevancy</td>
<td>Comply or explain on the absence of policy for a material risk</td>
</tr>
</tbody>
</table>
Sustainable finance and the role of the regulator

Strong expectations towards the regulator and a growing involvement

The AMF publishes its first report on corporate social and environmental responsibility (followed by two others in 2013 and 2016)

The AMF affirms its commitments to sustainable finance

The AMF publishes its 3rd report on Responsible Investment

The AMF defines sustainable finance as a key building block of its new five-year strategy, #Supervision 2022

**AMF’s roadmap for sustainable finance**
- Support and encourage the development of sustainable finance, whilst ensuring that the conditions for confidence are preserved

The AMF establishes a new Climate and Sustainable Finance Commission

Two new reports on CSR and RI to be published by year-end

Implementation of the EU Action Plan for sustainable finance

Five areas for actions

1. Supporting market participants and raising awareness to foster good practices
2. Encouraging innovation and new solutions for sustainable finance
3. Supervision to ensure in particular the relevance of the information given
4. Collaboration with other regulators and participating in EU and international work
5. Educating savers
AMF’s work in the area of non financial information

Individual reviews of the information provided by French listed issuers

NB : Common enforcement priorities set by ESMA include review of the information on non-financial matters provided to investors

Recommendations and good practices

Three main areas of attention:

- the link between CSR and the strategy of the firm;
- an information that is complete, comprehensible and consistent;
- a balanced presentation of the subjects.

New AMF CSR report to be published in November 2019 >> The analysis shows that an increasing number of firms are now also publishing information on their contribution to the SDGs
SDGs: opportunities and challenges

SDGs have clear advantages for issuers...

- They allow a presentation of, not only risks, but also opportunities
- They offer a forward-looking approach to non-financial reporting

...but come with many challenges:

- How can issuers explain their effective contribution to the SDGs? Is there enough standardization in reporting? What should be the impact indicators used?
- How to coordinate expectations and evolution of practices regarding SDGs reporting between issuers, investors and extra-financial rating agencies?

And raises new questions for regulators