

PRESS RELEASE – SUSTAINABLE FINANCE POLICY ROADMAP: FRANCE

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The Principles for Responsible Investment (PRI), in partnership with Finance for Tomorrow and the Forum pour l'Investissement Responsable (FIR), [has published a roadmap](#) to further promote the development of sustainable finance policy in France.

This paper builds on an [earlier policy roadmap](#) written in 2018, as part of the [Fiduciary Duty in the 21st Century programme](#). It assesses the evolution of the French sustainable finance policy framework since 2018 and proposes updated recommendations for policymakers and financial market participants. It is based on interviews with investors, policymakers, and other stakeholders active in France. The recommendations are built around five key themes.

- Clarify and extend investors' fiduciary responsibility
- Encourage assessment of the sustainability outcomes of investment activities
- Facilitate and promote stewardship on sustainability issues
- Increase transparency for savers and beneficiaries
- Reinforce France's leadership in alignment with the Paris Agreement

The roadmap was written in French and can be [downloaded on the website](#). Commenting on the paper, its authors said the following:

“The increasing number of crises in recent years (energy, health, social, economic), and the climate and environmental emergency highlighted by the latest IPCC report, require French policymakers to maintain and accelerate their level of ambition in European and international discussions in the sustainable finance space”.

Margarita Pirovska, Director of Policy, PRI

“While French and European regulations have helped provide a framework to promote real environmental and social impacts, there is still a lot to be done to mobilise the necessary sustainable investments in the face of environmental crises and leverage companies to transform their business models. This roadmap offers a valuable diagnosis of French progress in this area and presents measures that could usefully be adopted quickly to go further”.

Nathalie Lhayani, President, FIR

“Four years after the first version of this roadmap, sustainable finance is now at the top of the agenda of all stakeholders. Unfortunately, the sustainable development and climate objectives are still far from being achieved and the Paris financial centre must continue to mobilise to bring about the necessary changes at French, European and international level so that finance can play a real role in achieving a fair and sustainable transition of the economy”.

Thierry Déau, President, Finance for Tomorrow

PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

The Principles for Responsible Investment (PRI) The PRI works with its international network of signatories to put the six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories in integrating these issues into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole. The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system. For more information: www.unpri.org

FORUM POUR L'INVESTISSEMENT RESPONSABLE (FIR)

The Responsible Investment Forum (FIR) is a multi-stakeholder association founded in 2001 to promote and develop Socially Responsible Investment and its best practices. FIR brings together all professional investors, asset managers, rating agencies, consultants as well as civil society actors: trade unions, NGOs, lawyers, journalists, academics. FIR has a platform for dialogue and collaborative engagement with listed companies on sustainable development issues: investor briefs, annual campaigns of written questions to the CAC 40 general meetings and thematic campaigns (e.g. tax transparency, circular economy, social dialogue, etc.). The Forum is also the promoter of the "Semaine de la finance durable" (responsible finance week), which is held every year in the autumn. Since 2005, the FIR has awarded prizes for European academic research in "finance and sustainable development" and has done so in association with the PRI since 2011. The Forum is a founding member of Eurosif. For more information: www.frenchsif.org

FINANCE FOR TOMORROW

Finance for Tomorrow is the branch of Paris EUROPLACE launched in June 2017 to make green and sustainable finance a driving force for the development of the Paris financial centre and to position it as a leading financial centre on these issues. The nearly 80 members and observers of Finance for Tomorrow commit in a common charter to contribute to reorienting financial flows towards a low-carbon and inclusive economy, in line with the Paris Agreement and the UN Sustainable Development Goals (SDGs). Finance for Tomorrow is chaired by Thierry Déau, Chairman and CEO and founder of Meridiam. For more information: <https://financefortomorrow.com/>

CONTACT

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ANNEX

The recommendations listed below are based both on interviews with French responsible investors and on the legal analysis "[A Legal Framework for Impact](#)" conducted by Freshfields on behalf of the PRI, UNEP FI and The Generation Foundation in 2021.

The Freshfields analysis shows that investors are "generally permitted" or even required in certain circumstances to pursue sustainability objectives and make decisions on the basis of risk, return and impact. Yet, the current regulatory framework remains insufficient to allow for a significant shift in capital flows toward economic activities aligned with global sustainability goals. The roadmap's recommendations aim to further promote sustainable finance policy in France to help address this gap, particularly in the area of stewardship, a key lever for shifting the real economy and the financial system towards more sustainable models.

RECOMMENDATIONS

A. Clarify and extend investors' fiduciary responsibility

1. Promote at the EU level the development of a robust minimum standard for financial products promoting ESG characteristics and pursuing sustainability objectives (Articles 8 and 9 of SFDR) with precise quantitative and qualitative criteria.
2. Clarify investor duties to take into account sustainability impact in EU legislation, according to the [A Legal Framework for Impact EU report](#).

B. Encourage analysis and measurement of the impacts of investment activities

3. Promote approaches that consider both financial materiality and environmental and social performance, including in the development of the ISSB standards, and encourage collaboration between different regional bodies to ensure interoperability of corporate sustainability reporting standards.
4. Promote access to corporate sustainability data through the establishment of a European Single Access Point (ESAP) for financial and non-financial data made public by listed companies.
5. Pursue the development of methodologies and tools to better measure the impact of investment activities.

C. Facilitate and encourage stewardship on sustainability issues

6. Strengthen investor engagement and voting policies and their impact on corporate practices, through a review of the SRD II Directive.
7. Simplify the process for filing shareholder resolutions and voting in France.
8. Clarify rules surrounding the eligibility of sustainability-related shareholder resolutions and allow the national supervisor (AMF) to rule when contested by companies.
9. Develop a robust policy framework for annual climate transition plan (or "Say on Climate") votes, to facilitate the assessment of companies' transition plans and their degree of alignment with a scenario aimed at limiting global warming to 1.5°C.
10. Revise the governance of the AFEP/MEDEF code to formalise the involvement of investors and other stakeholders.
11. Further promote and develop investor collaborative engagements with companies and policymakers.

D. Increase transparency for savers and beneficiaries

12. Strengthen the requirements of the SRI label, consistent with European reforms, and develop a labelling system at European level drawing on the draft EU Ecolabel and on experiences with existing French labelling schemes.
13. Reinforce training of fund distributors and financial advisers, by mandating the AMF's sustainable finance certification within multi-year training plans.
14. Ensure that regulated savings products can finance more projects with positive environmental and social impacts.

E. Reinforce France's leadership in alignment with the Paris Agreement

15. Ensure the monitoring and assessment of climate and biodiversity alignment strategies of portfolios resulting from the Article 29 LEC reports.

16. Accelerate market efforts to make financial institutions climate policies more transparent and comparable, notably with regards to the financing of new fossil fuel projects, by applying the recommendations of the [AMF/ACPR](#) and [Scientific and Expert Committee of the Sustainable Finance Observatory](#) (Observatoire de la Finance Durable).
17. Promote at European level a robust framework for the financing of corporate transition plans aligned with 1.5-degree sectoral trajectories.
18. Promote ambitious real economy-wide reforms at EU level as part of the "Fit for 55" package and an implementation that ensures a just transition for affected workers and communities.
19. Define a plan and timetable to accompany the decarbonisation and biodiversity protection of the various sectors of the French economy, investment portfolios and the energy mix in line with a 1.5 degree trajectory and Europe's 2030 objectives.