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Speech by Robert Ophèle, AMF Chairman - Les Entretiens de l'AMF 2019 : « Sustainable Finance, a fashion trend or a springboard for tomorrow's economy » - Thursday 14 November – Pavillon Cambon

Check against delivery

Last year, our annual conference focused on digital finance. This year, sustainable finance. Although these two issues are radically reshaping the financial industry and its relationship with its environment, we must recognise that the challenges of sustainable finance are not at the same level as those of digital finance, since to a certain extent, the very future of our civilisation depends on sustainable finance.

Financing the transition of our economies to a more environmentally and people-friendly development model has become a challenge that we can no longer ignore. We therefore need to address this as a matter of urgency and mobilise all our energies.

These energies are first and foremost those of companies that must refocus their productive systems. Then there is the energy of investors who must be able to take these ESG criteria into account in their investment choices. Lastly, there is the energy of the entire financial intermediation ecosystem that must effectively support intermediation between issuers and end investors.

And yet, confusion still prevails in these areas.

As highlighted in the report that we have released this morning on the social, societal and environmental responsibility of listed companies, it is now a requirement for companies exceeding certain thresholds to publish a non-financial information statement (a DPEF). Many companies are having difficulty reporting on their ESG strategies and results within a sufficiently standardised framework and they must also deal with many questions and even contradictory analyses from consulting firms and rating agencies, NGOs and major institutional investors. There is clearly a need to standardise non-financial reporting and this standardisation should take place at least at the European level in order to ensure comparability between issuers. That is the thrust of the recent report by Patrick de Cambourg.

With regard to retail investors, the survey conducted last June by Audirep for the AMF (which can be found on our website), revealed that despite a certain amount of interest in principle (53% of respondents stated that they take sustainable development issues into account in their investment choices), there is a lack of precise knowledge of the investments in question. It also revealed that investors have very limited trust in the actual impact of the investments and in the relevance of the labels that are available, which they consider as not sufficiently transparent, unclear in their governance principle and increasingly numerous.

Lastly, the report we are now finalising on sustainable finance in collective management highlights the need for a policy on the authorisation of those funds whose investment policy is based on non-financial criteria. At a time when assets under "responsible" management are increasing very rapidly and their commercial pitch is becoming increasingly ambitious, or even aggressive, in this area, it is essential to be able to rely on a body of minimum standards, in order to avoid the distortion of the very notion of ESG, in short to avoid the kind of greenwashing that would be disastrous in every respect.

In a financial Europe based on the freedom to provide services, it is clear that labels and standards must be established at EU level and we know that it is working on it. However, there is an urgent need to act because national supervisors cannot accept the marketing in their countries of financial products that may well be profoundly different, despite sometimes identical references to ESG criteria and similar titles.

As you can see, supporting and promoting the development of sustainable finance is central to the actions of the Autorité des Marchés Financiers. I note that the Pacte Law has now added the monitoring of "the quality of information provided by management companies for the management of collective investments on their investment strategy and their management of risks related to the effects of climate change" to our fundamental missions.

I am pleased to point out that in carrying out these missions, we can rely on the entire financial community, as is shown by today's discussions and by the composition of our new Climate and Sustainable Finance Commission, set up in September under the chairmanship

of Thierry Philipponnat, which I believe is already contributing to the relevance of our action.

Over and above the involvement of national stakeholders, I have stressed the need for rapid European standardisation. At a time when the capital markets union is back on the agenda, this standardisation is a decisive test of the credibility of the project, and it is therefore quite naturally that we have asked a prominent Member of the European Parliament, a member of the Committee on Economic and Monetary Affairs for more than 10 years now, to open these debates; Thank you , Sven Giegold for having accepted our invitation. Sven, Sie haben das Wort.

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