



AUTORITÉ
DES MARCHÉS FINANCIERS

Print from the website of the AMF

16 December 2021

Climate reporting: the AMF accompanies companies in their preparation for tougher regulatory requirements

This report presents an overview of corporate financial and non-financial reporting on climate issues based on a sample of French listed companies. While there has been some progress since 2019, the forthcoming European regulatory deadlines and heightened expectations of their stakeholders mean that they need to accelerate their efforts.

The report analyses the quantitative climate-related indicators published by companies in their non-financial statements (NFS), the information disclosed by companies regarding their carbon neutrality commitments for those that have made them, and, where applicable, the accounting implications as well as the climate-related information presented in their financial statements.

The AMF studied the information required by the regulatory framework in force, as well as the other disclosures made by the companies. It observed that while companies have made efforts at this stage, there is still room for improvement with respect to the figures and information that are already monitored by investors under the Sustainable Finance Disclosures Directive (SFDR), or the ones that should be soon required under the forthcoming European Corporate Sustainability Reporting Directive (CSRD).

The report highlights the following key points based on a sample of companies from sectors highly impacted by climate change:

- with regard to greenhouse gas (GHG) emissions data, the extent of the organisational and operational perimeter (scopes) to be taken into account, as well as the information provided to justify it and the methodology used should be improved;
- companies should be prepared to set and disclose short- and medium-term GHG emission reduction targets for the three scopes, in absolute terms and in intensity, either as part of transition plans or in connection with corporate GHG emission reduction commitments or carbon neutrality strategies;
- where material, the AMF also encourages companies to increase their transparency on the physical risks they face from global warming, whether they result from changes in average temperatures or rainfall patterns or from an increase in the frequency and severity of extreme weather events;
- the AMF notes that company financial statements currently contain very little information on the impacts of climate change. Companies should continue to reflect on and work on incorporating the consequences of climate change into their financial statements and ensure that the information presented in the financial statements is consistent with the company's other communications media.

With regard to carbon neutrality, which was the subject of numerous announcements at COP 26, the AMF stresses that companies should refer to the emerging frameworks defining the necessary precautions to ensure the robustness and transparency of this approach. The report also analyses the use of carbon offsetting, which is expected to grow significantly in the coming years, particularly in connection with the increasing number of carbon neutrality commitments made by companies, both in terms of the nature of the projects and their contribution to the carbon neutrality strategy.

Given the current draft of the future CSRD, the AMF is urging companies of all sizes to prepare for the new requirements and to ensure that their overall communications are consistent regarding climate issues. Today, in the light of our findings in the sample studied, it is necessary to strengthen efforts to better understand the impacts of actions initiated in the financial statements and the links between financial and non-financial information for companies.

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>. URL = [https://www.amf-france.org/]

PRESS CONTACT

AMF Communications Directorate

+33 (0)1 53 45 60 28

Read more

Financial and non-financial overview of corporate carbon reporting

ON THE SAME TOPIC

Subscribe to our alerts and RSS feeds

NEWS

EUROPE & INTERNATIONAL

02 June 2022

The AMF reiterates its call for a European regulation of ESG data, ratings, and related services



NEWS

EUROPE & INTERNATIONAL

11 February 2022

The AMF invites providers, users and rated entities to respond to ESMA's Call for evidence on the ESG rating market in Europe



ARTICLE

AMF ACTIVITY

19 January 2022

Climate and Sustainable Finance Commission



Legal information:

Head of publications: The Executive Director of AMF Communication Directorate. Contact:
Communication Directorate – Autorité des marchés financiers 17 place de la Bourse – 75082 Paris
cedex 02