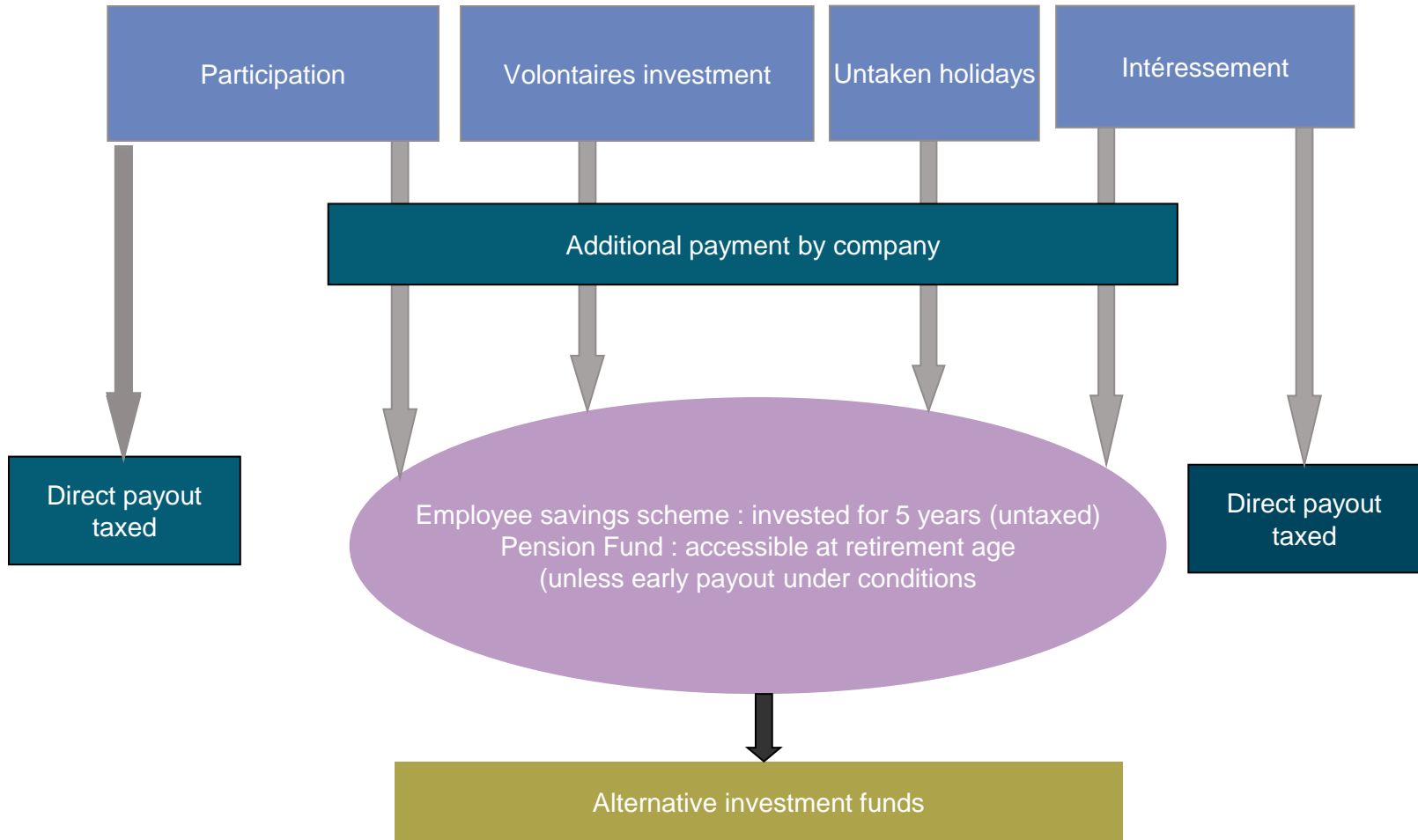




# What legislative framework for sustainability reporting? The French case

**Ute Meyenberg**  
**National Secretary CFDT France**  
**VP Eurocadres**

# Employee savings schemes



# The start of ISR in France Labels



Label  
**ISR**

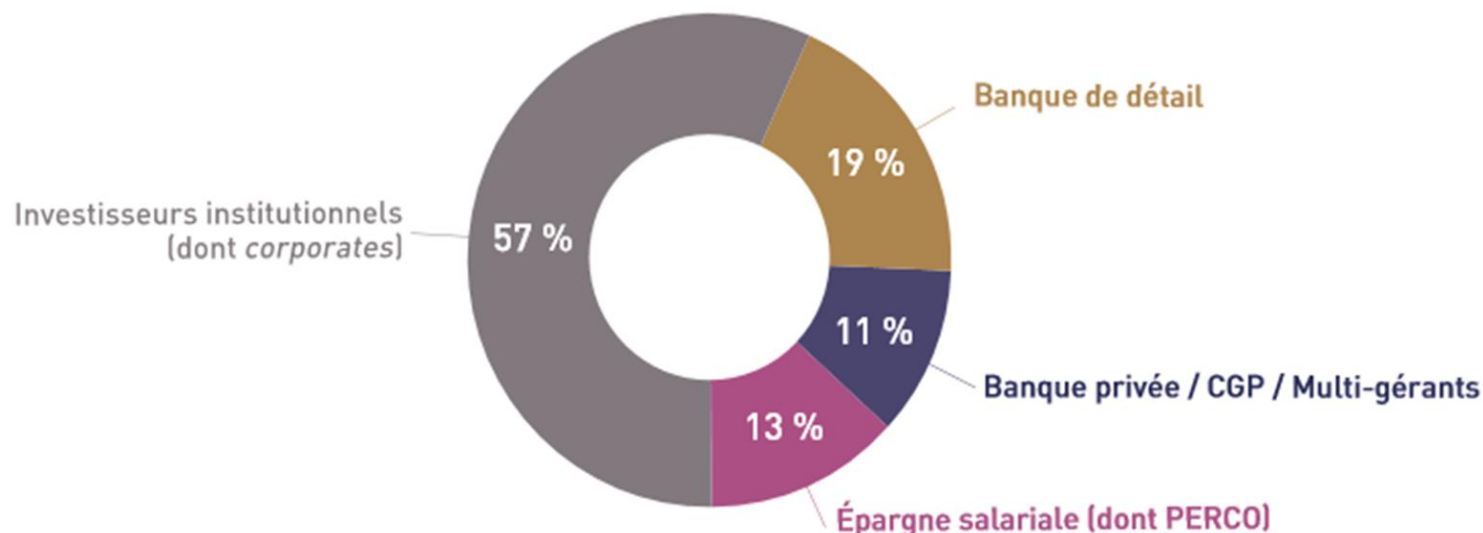


**GREENFIN LABEL**  
FRANCE FINANCE VERTE

# ISR Investors in France 2018

Le marché des investissements socialement responsables est dominé par les investisseurs institutionnels.

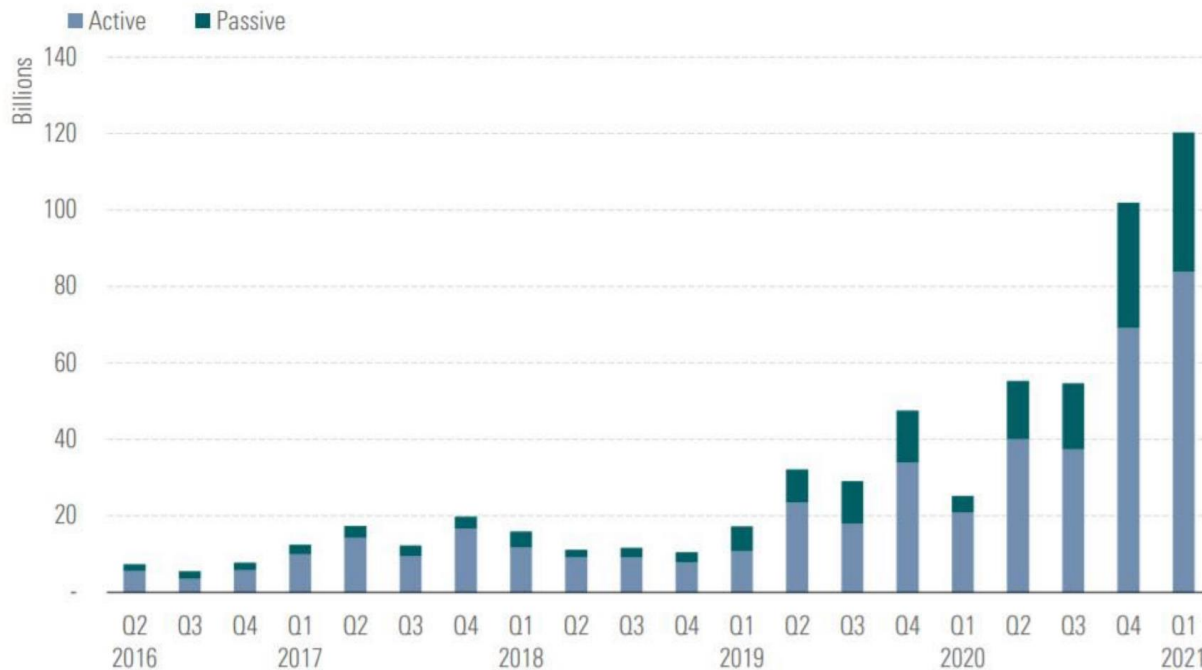
## Zoom sur la ventilation de l'encours des fonds d'investissement ISR par type de clientèle (Données à fin 2018 / 151 mds €)



La France a une particularité avec l'épargne salariale, les caisses paritaires de prévoyance et les organismes de retraite gérés par les syndicats qui investissent massivement en ISR.

# Sustainable finance 2022 – fund flows

Graph 1. European sustainable fund flows (EUR billion)



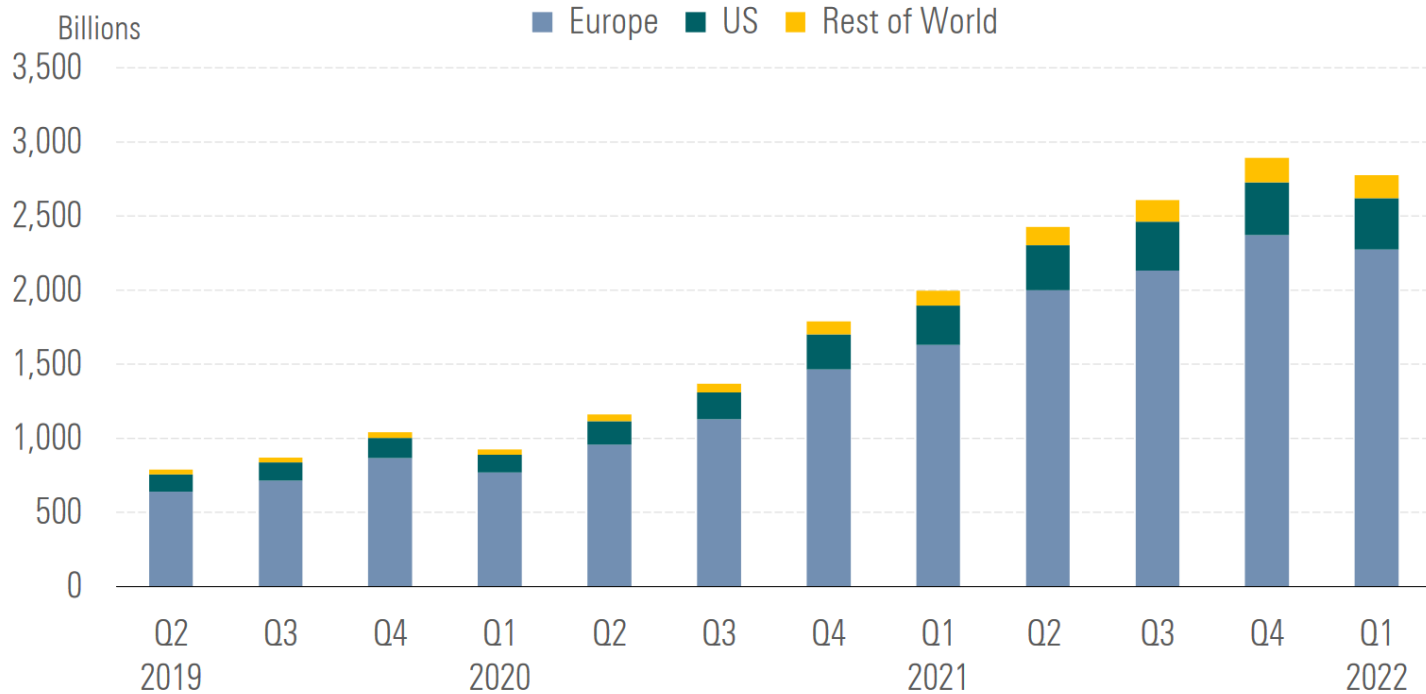
Source: Morningstar Direct, Manager Research. Data as at March 2021.

Cité dans A critical look at the ESG market, Agnes Sipiczki, CEPS Policy Insights N° 2022-15 April 2022

**Le marché a enregistré une accélération de la croissance depuis fin 2018**

# Market data

**Exhibit 3** Quarterly Global Sustainable Fund Assets (USD Billion)



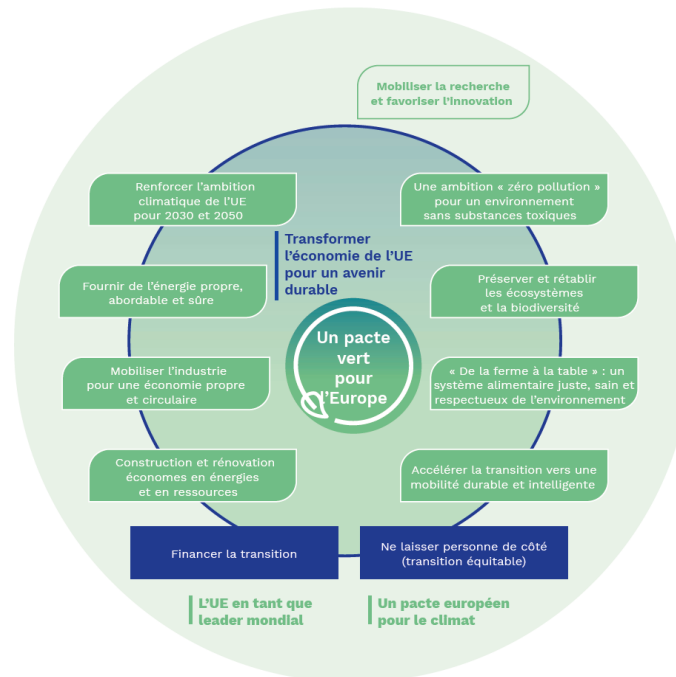
Source: Morningstar Direct, Manager Research. Data as of March 2022.

**L'Europe est le premier marché de fonds durables,  
représentant 82% des investissements totaux**

# Why this growth?

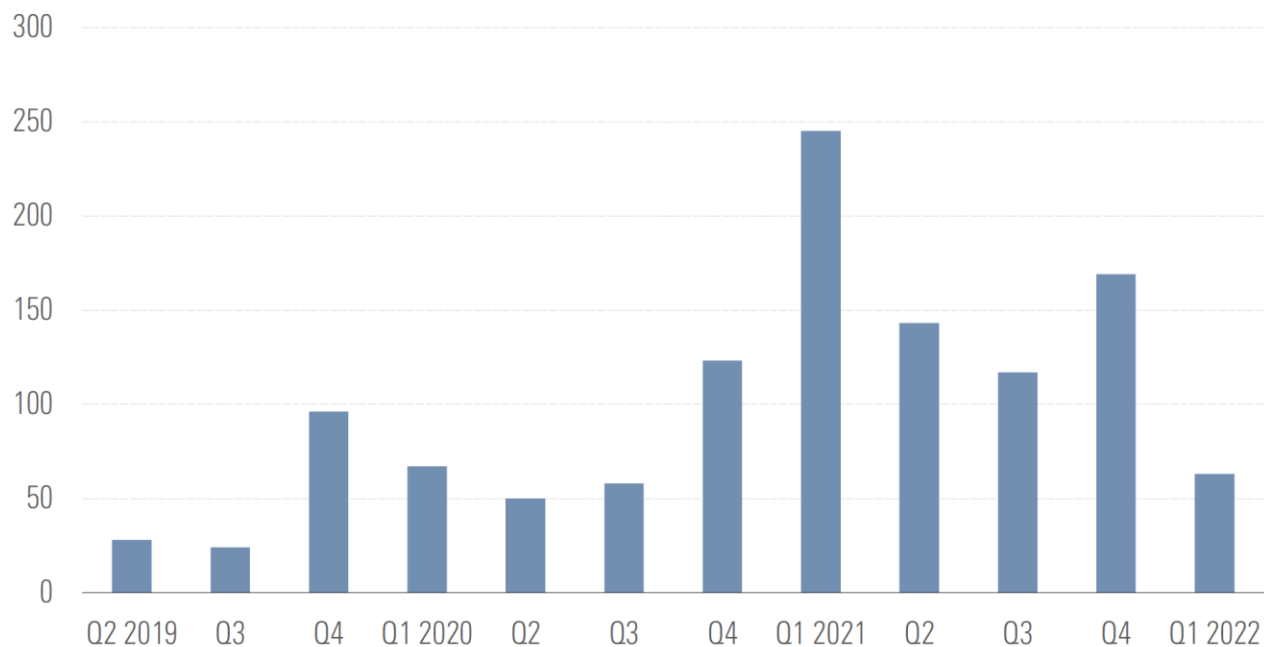


**Financial Stability Board  
Task Force on Climate Related  
Disclosures  
(FSB-TCFD)**



# Greenwashing or Repurposing?

**Exhibit 12** Estimated Number of Repurposed Funds by Quarter



Source: Morningstar Direct, Manager Research. Data as of March 2022.

**To create an ESG fund, it is possible to use an existing fund and add some ESG criteria and change the name ! It is called a « REPURPOSED FUND »**



# Regulatory reaction



**All these institutions create regulation which has to be taken into account by the financial industry**

# The framework for sustainable finance

## 2018: THE FOUNDATIONS OF THE EU SUSTAINABLE FINANCE FRAMEWORK

### 1. EU TAXONOMY



A common classification of economic activities substantially contributing to environmental objectives, using science-based criteria.

- Taxonomy Regulation: **adopted** on 18 June 2020

### 2. DISCLOSURES



Comprehensive disclosure regime for both non-financial and financial institutions to provide investors with the information necessary to make sustainable investment choices.

- Sustainable Finance Disclosure Regulation (SFDR) **applies** since March 2021
- Corporate Sustainability Reporting Directive (CSRD) **proposed** by the Commission in April 2021
- Sustainability preferences: **adopted** by the Commission in April 2021

### 3. TOOLS



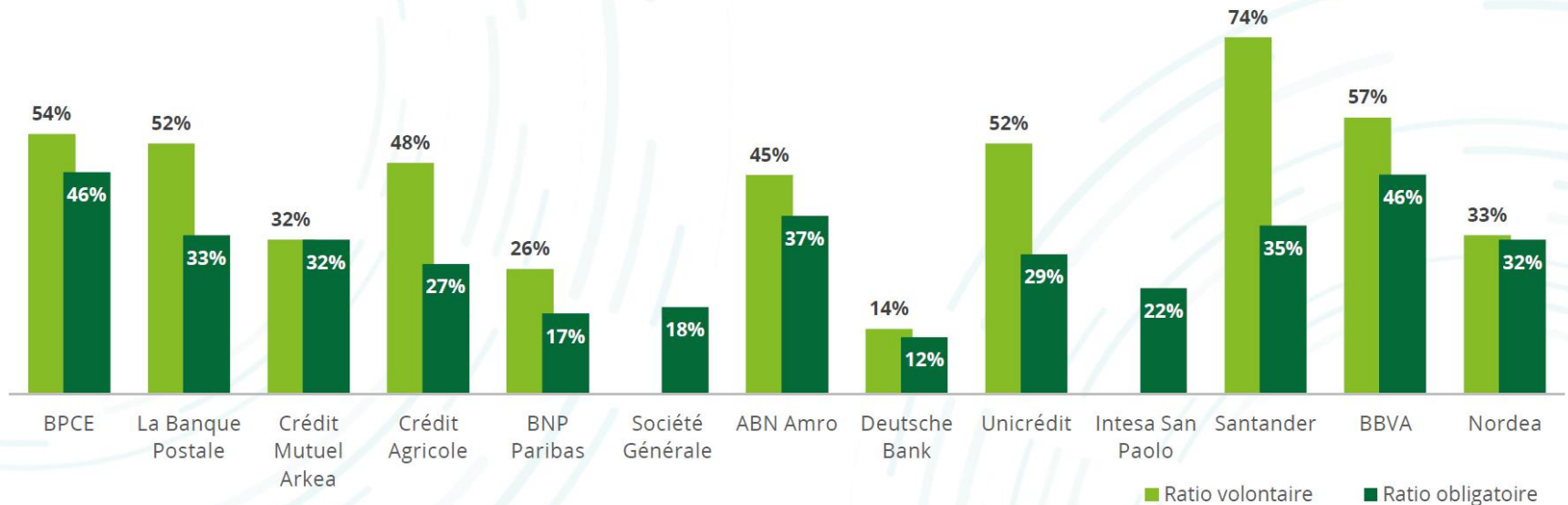
Broad toolbox for companies, market participants and financial intermediaries to develop sustainable investment solutions, while preventing green washing.

- EU Climate Benchmarks Regulation **applies** since April 2020
- Standard for European green bonds (EuGB), **proposed** by the Commission today

# Taxonomy Regulation Green Asset Ratio

## Enseignements des publications taxonomie au 31 décembre 2021

Vue d'ensemble



- Publication systématique d'un ratio obligatoire et un ratio volontaire à l'exception de deux banques
- Grande hétérogénéité des ratios qui peut s'expliquer par les différences de modèles économiques (poids des activités retail), d'implantations géographiques (exclusion des Corporate non EU) mais également des divergences dans l'interprétation des textes.

- Nécessité d'expliquer l'évolution des ratios entre le 31.12.21 et le 31.12.22 y compris les transferts de ratio volontaire vers ratio obligatoire
- Nécessité de renforcer dans les prochaines publications les informations qualitatives permettant de comprendre le niveau des ratios et de faciliter la comparaison

# CSRD (Corporate Sustainability Reporting Directive)

## Environnement

1. Climate change mitigation
2. Climate change adaptation
3. Water and marine resources
4. Circular economy
5. Pollution
6. Ecosystems, biodiversity  
→ *cf. european taxonomy*

## Social

1. Equal opportunities (ex. remunération, access to education and career development)
2. Conditions of work (ex. social dialogue, security at work)
3. Respect of Human rights and fundamental freedom (*cf. international agreements*)

## Governance

1. Role et composition of administrative bodies
2. Work ethics (ex. anticorruption)
3. Political activities of undertakings (ex. lobbying)
4. Relation with commercial partners
5. Internal control systems and risk management

# Double materiality

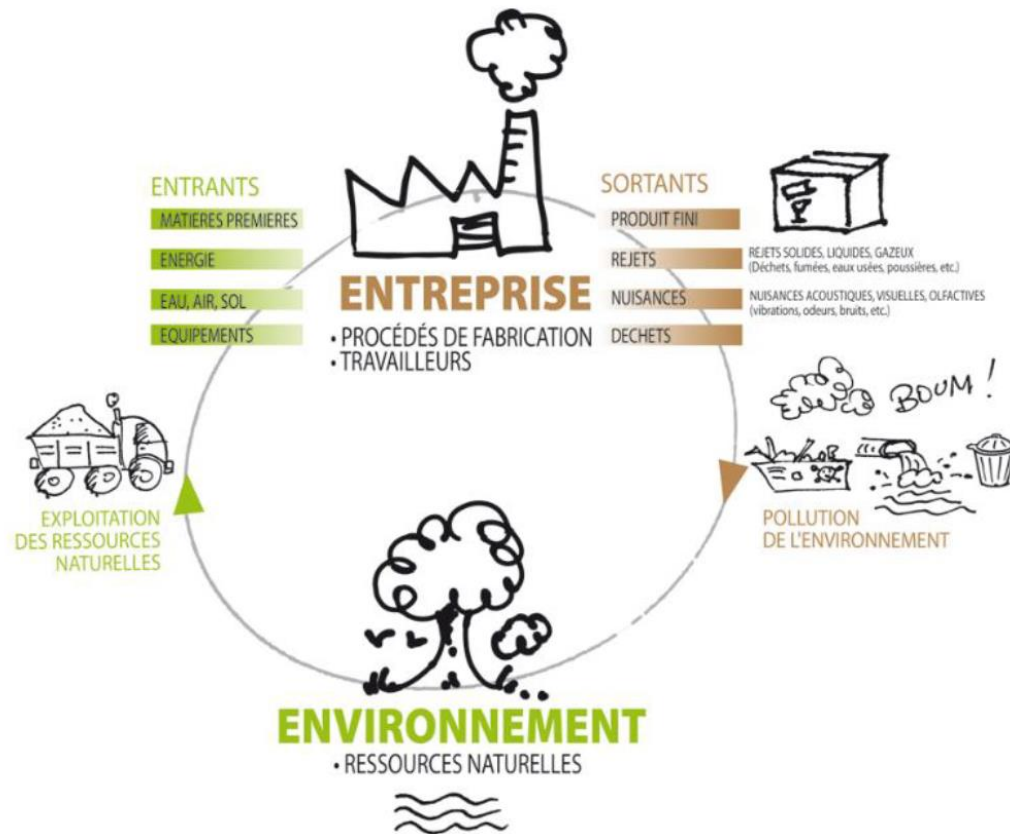









Figure 5 – Cycle entreprise-environnement © Les Cahiers du Développement Durable

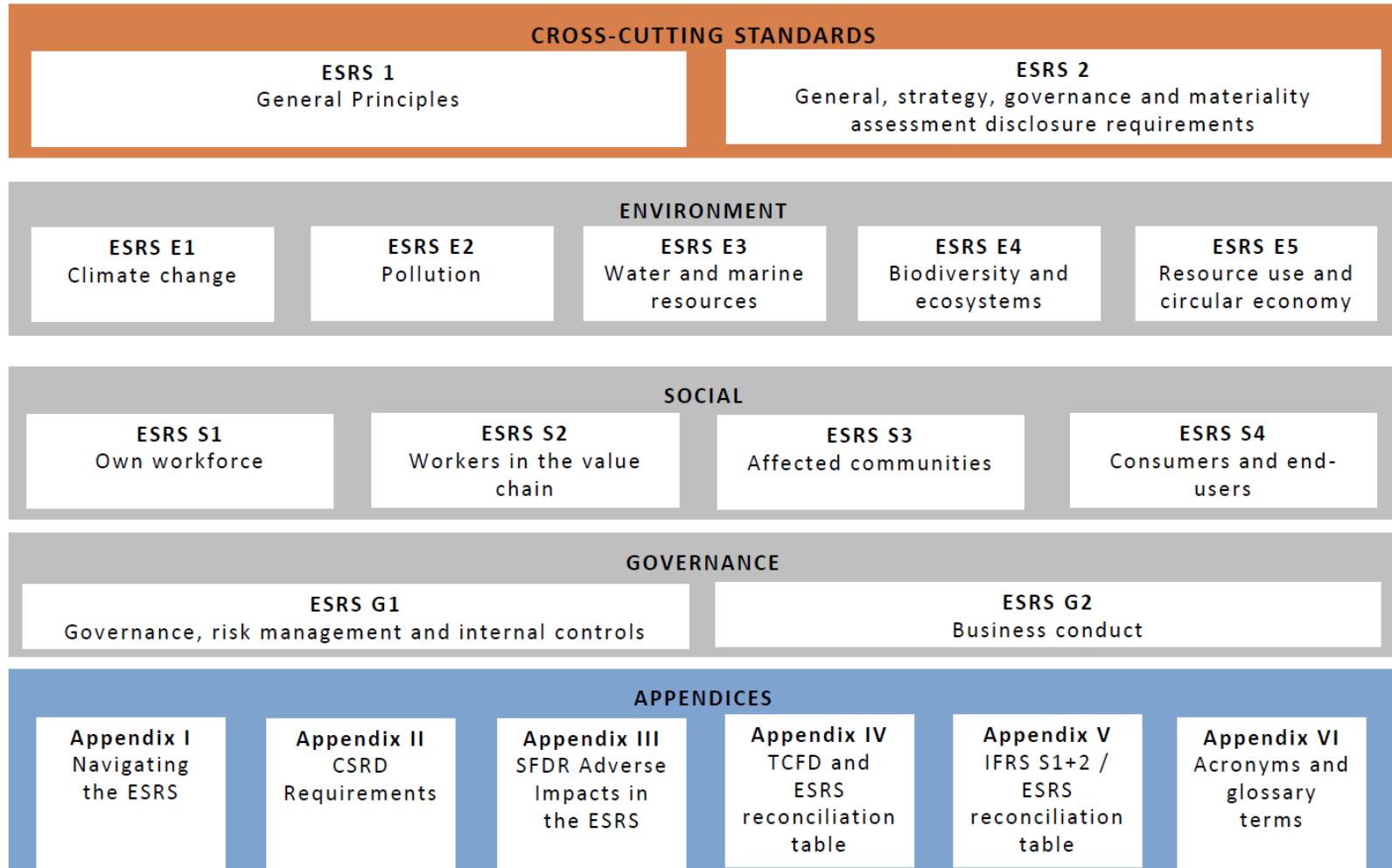
# Sustainability disclosure requirements

## Normalisation du Reporting de durabilité

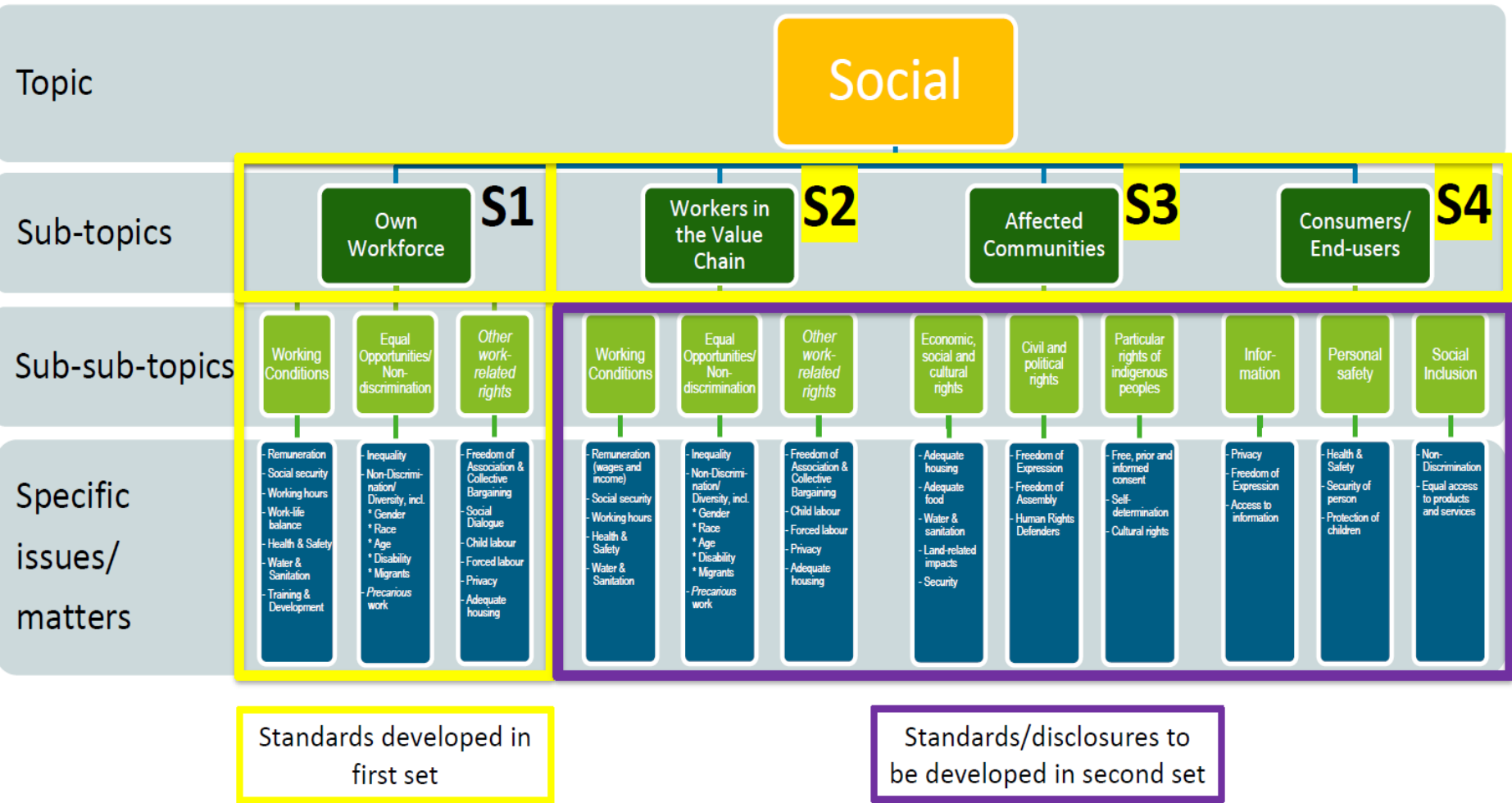
3 grandes dynamiques de normalisation en cours

	 US	 Union européenne	 International
Normalisateurs	US Securities and Exchange Commission (SEC) 	Commission européenne + Parlement UE + Conseil UE  →  EFRAG <small>European Financial Reporting Advisory Group</small>	International Sustainability Standards Board (ISSB)  IFRS®
Normes	02/2022 – projet de réglementation : <u>1 spécifique</u> sur le <i>climat</i> (y.c. informations dans les états financiers)	European Sustainability Reporting Standards (ESRS) 04/2022 – 13 projets de normes : <u>2 générales</u> et <u>11 spécifiques</u> sur l'environnement (y.c. <i>climat</i> ), social/sociétal et gouvernance	IFRS Sustainability Disclosure Standards (SDS) <b>Global baseline</b> <i>(application volontaire / adoption Etats ?)</i> 03/2022 – 2 projets de normes : <u>1 générale</u> (IFRS S1) et <u>1 spécifique</u> sur le <i>climat</i> (IFRS S2)
Référentiels d'application volontaire	Recommandations TCFD, GRI, Value Reporting Foundation - VRF (fusion SASB et IIRC), GHG Protocol, TNFD,...		

# Framework of Sustainability Disclosure Requirements

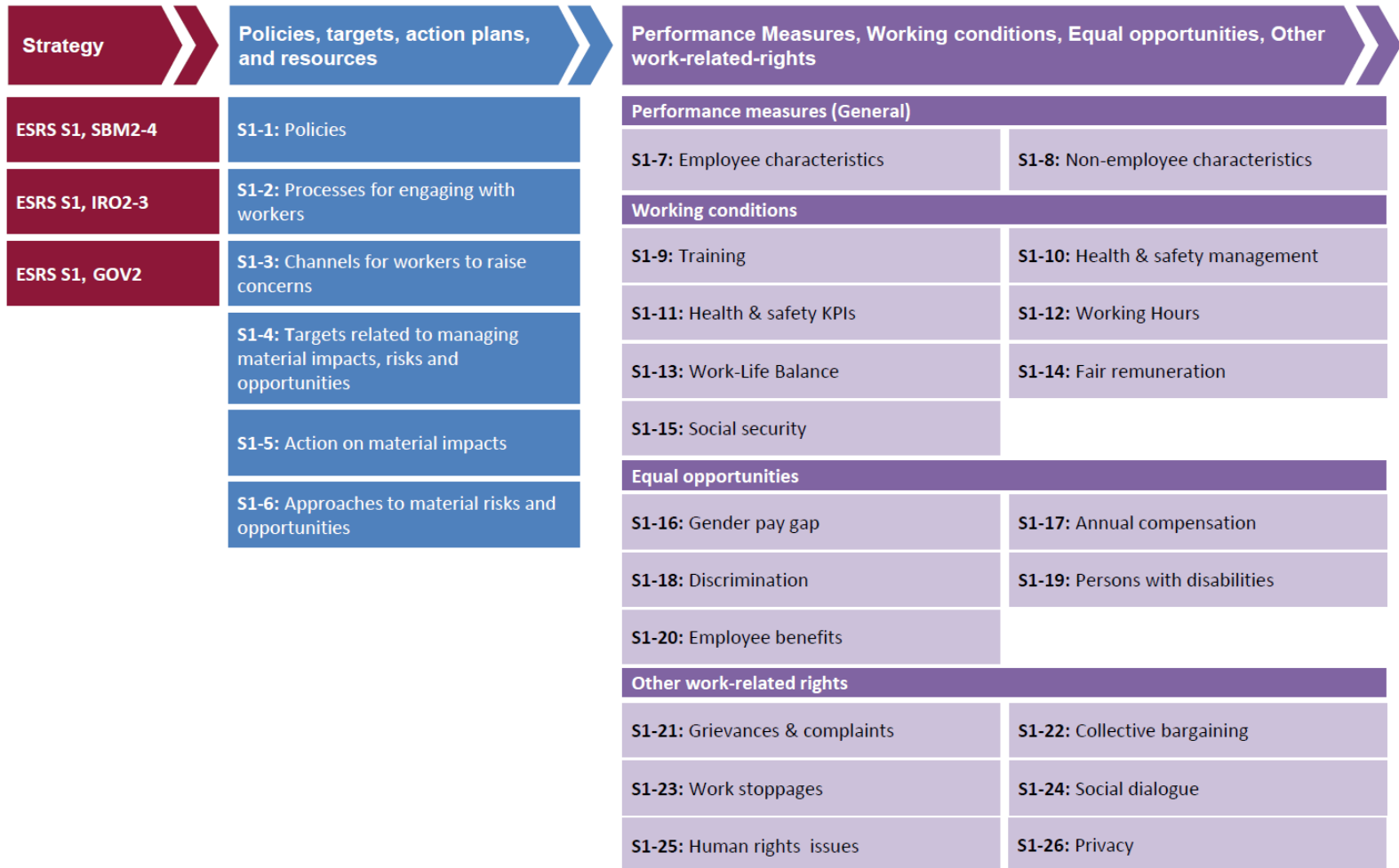


# Social Norms





# Social Norms



# How to use it

- Good question!
- France: BDESE – database for negotiation in works councils
- Implication of TU or employee board members – board remuneration schemes linked to green
- Implication of Works Councils – Social Dialogue on
  - Agreements on profit sharing (« participation » and « interressement »)
  - Agreements on employee savings schemes
  - Training, training, training
  - Linkage to strategy, health and safety etc. etc.

# Thank you!

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