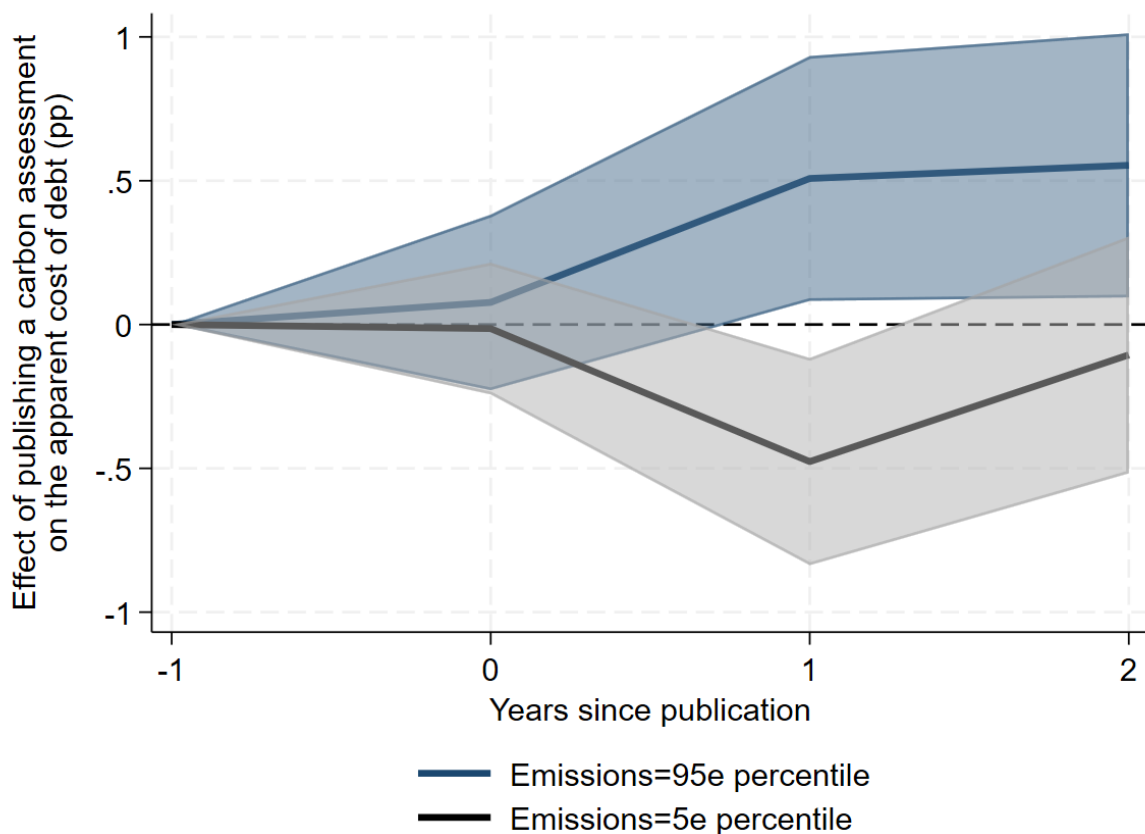


Publication of carbon assessments and companies' financing costs

By Valentin Georges and Paul Vertier

Cross-referencing the carbon assessments of French companies published on the ADEME website with their financial statements allows us to show that companies reporting higher greenhouse gas emissions subsequently have less favourable financing conditions. However, a company is penalised less if it publishes ambitious emission reduction targets.

Chart 1: Effect of publishing greenhouse gas emissions on financing costs



Source: ADEME (GHG database), FIBEN database.

Note: If a company reports GHG emissions at $t=0$ that are equal to the 95th percentile (or the 5th percentile), its financing cost increases (or decreases) by 0.5 percentage point the following year, compared with a company that does not report its GHG emissions in that year. 90% confidence intervals.

Evidence of a “green premium” particularly for listed companies

Taking climate transition risks into account within the financial system is a major challenge, both for its participants and for central banks. At a time when French and European regulations are aiming to make the risks borne by companies more transparent, it is essential to understand how companies' disclosure of their greenhouse gas (GHG) emissions data and their transition plans affect their financing costs.

The literature agrees on the existence of a “green premium” for the least polluting companies ([Altavilla et al, 2024](#)) and on the fact that disclosing emission reduction targets can reduce the cost of debt ([Dong et al, 2025](#)). The research mainly centres on listed large enterprises (LEs) and focuses on the integration of climate risks into a specific market (banking or bond markets). However, the proportion of bank debt declines as company size increases: from 93% for small and medium-sized enterprises (SMEs) to 30% for LEs ([Situation financière des entreprises, 2024](#)). The research also draws on emissions data made available every year, which does not allow the potential effect of the publication date of carbon assessments to be isolated.

The rest of this blog post draws on the French regulatory framework to assess the impact of publishing carbon assessments on companies' financing conditions. It extends the analysis to cover all company debt, including medium-sized enterprises as well as SMEs.

Worse financing conditions for companies reporting higher emissions...

In France, under Article L. 229-25 of the Environment Code (*Code de l'environnement*), companies with more than 500 employees (or 250 employees in the overseas territories) are required to produce a greenhouse gas emissions (GHG) assessment and a GHG reduction plan at least once every four years. Both these documents are centralised on the [French Agency for Ecological Transition \(ADEME\) platform](#).

We study the impact that publishing a carbon assessment has on a company's financing conditions. To this end, we combine the assessments published on the ADEME platform between 2015 and 2024 (available in September 2025) with the companies' financial statements available in the Banque de France's FIBEN database, which document the apparent cost of their debt, calculated as the ratio between interest paid and total debt.

Our initial sample is made up of 4,151 assessments published by 3,041 reporting entities. We exclude the 10% of companies with the highest emission intensities (emissions relative to turnover), and those whose apparent cost of debt is more than 20%. We focus our analysis on industry, trade, transportation, accommodation and food services, and construction, which accounted for 67% of France's direct emissions according to [Eurostat](#), and 41% of total turnover for the 2015-24 period on the FIBEN database. Ultimately, our sample comprises 1,777 companies (and 2,179 emission assessments) spread across LEs (29%), medium-sized enterprises (46%), and SMEs (25%) and accounting for 44% of the turnover of the sectors under review according to the FIBEN database.

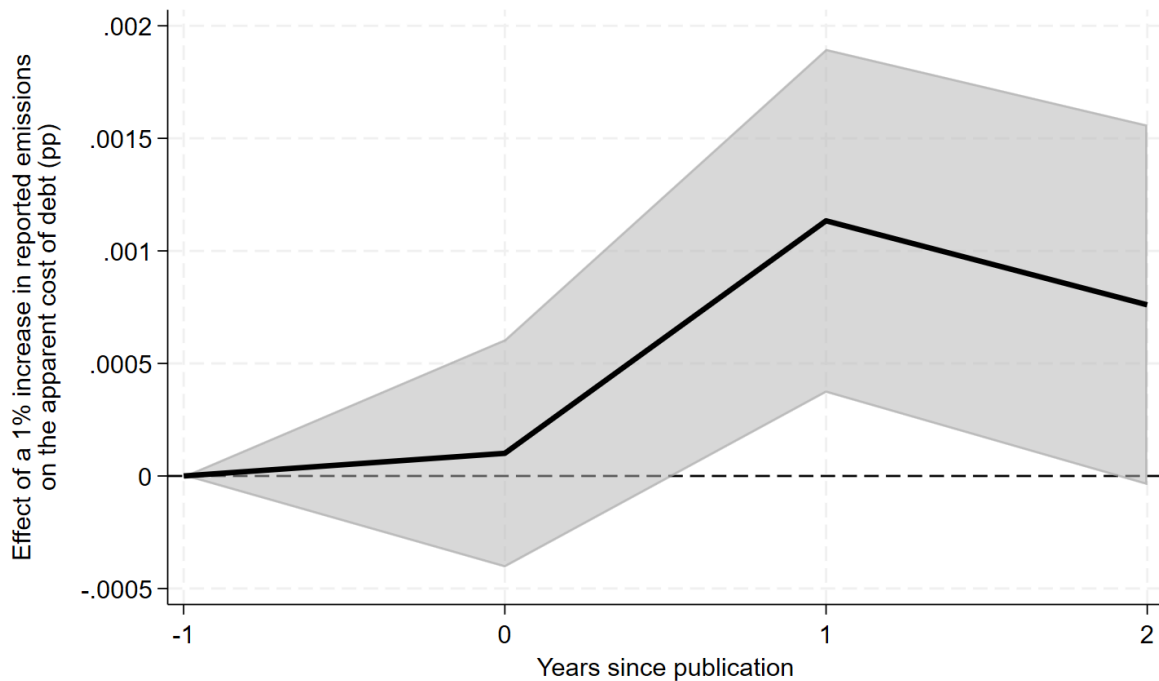
We study the effects of emissions and of emission reduction targets, focusing on direct emissions. The median intensity is 12 tonnes per EUR million of turnover; 95% of the companies in our sample have concurrently published a target to bring down their direct emissions, with a median reduction of 9% of their reported level; 18% of reporting entities disclosed a reduction target of 50% or more. The start date for implementing these targets and their timeframe for completion are not always specified.

We compare the change (in percentage points) in a company's apparent cost of debt between year $t-1$ and $t+2$, depending on (i) whether it published a carbon assessment in year t , and (ii) its reported level of emissions (on a logarithmic scale). We estimate a linear model that includes fixed effects for the company and year, and controls for the level and change in turnover in $t-1$. These controls capture potential biases linked to companies' invariant characteristics, differences in size, and shocks common to each.

The effect of publishing carbon assessments rests on two factors. First, for companies that publish during a given year, their financing costs may differ depending on the reported level of emissions. Second, as not all companies report each year, companies that publish a carbon assessment may have a different financing cost from those that do not.

Our estimation isolates these two factors. First, for companies that publish an emissions assessment during a given year, a 1% change in reported emissions is associated on average with a 0.001-percentage point change (of the same sign) in financing costs over the following two years (Chart 2). This represents 0.03% of the average cost of debt over the period, which is comparable to the effects estimated in the literature. Consequently, between two companies with the same turnover publishing a carbon assessment, the difference in the cost of debt between one reporting low emissions (equal to the 5th percentile of the distribution) and the other reporting high emissions (equal to the 95th percentile of the distribution) is approximately 1 percentage point (or around one-third of the average cost of debt). This effect materialises gradually, as outstanding loans are only partially renewed each year. Second, reporting has a specific effect, which varies depending on the reported level of emissions. Compared with a company that has not published its emissions, a company that reports low emissions benefits from a premium of around 0.5 percentage point in the two years following disclosure. For a company that reports high emissions, financing costs increase by 0.5 percentage point one year after disclosure (Chart 1). The relative persistence of these effects suggests that creditors lastingly take into account the information provided as part of the mandatory publication of carbon assessments, even if the latter is on a non-annual basis.

Chart 2: Increase in the apparent cost of debt associated with a 1% increase in reported emissions



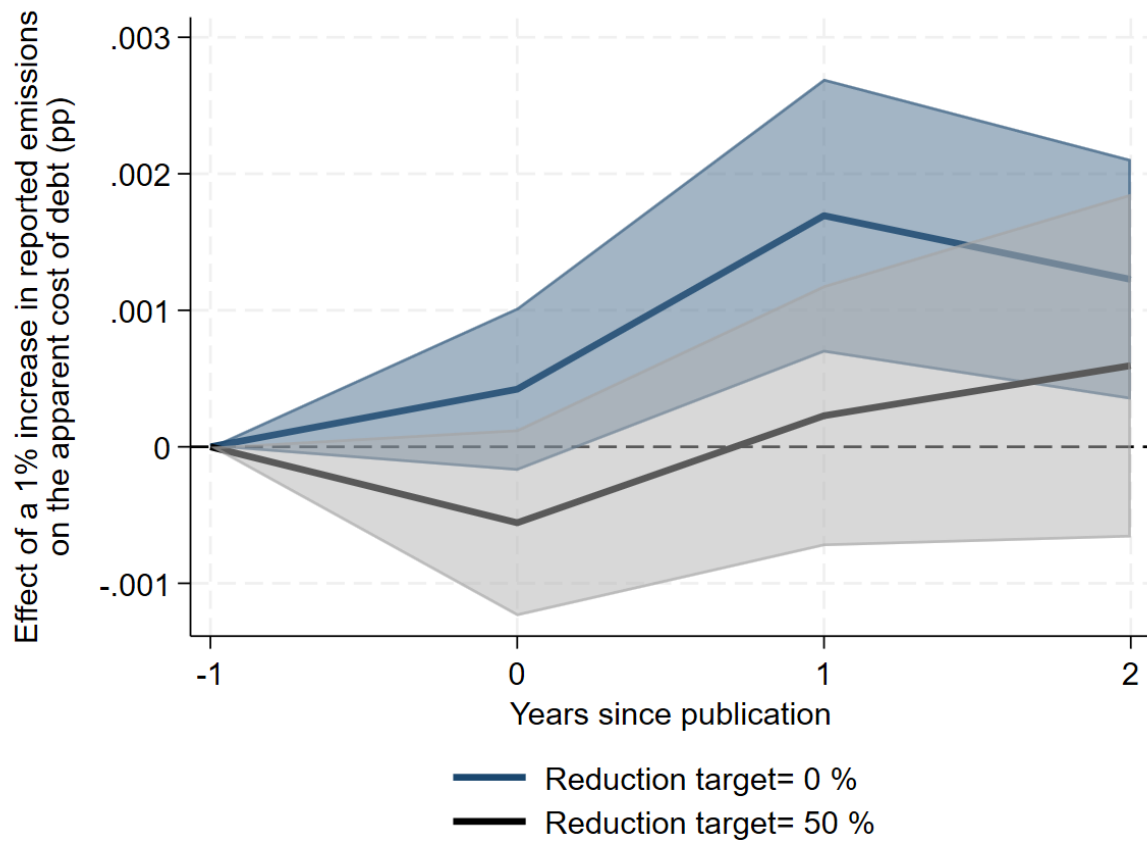
Source: ADEME (GHG database), FIBEN database.

Note: Among companies publishing an assessment at $t=0$, a 1% increase in reported emissions raises financing costs by approximately 0.001 percentage point over the two years following disclosure. 90% confidence intervals.

... but which depend on companies' reported emission reduction targets

The effect of reported emissions on financing costs also depends on the emission reduction targets disclosed jointly. We assess this effect by interacting the level of direct emissions with the associated reduction target, expressed as a percentage of reported direct emissions. The effect of a 1% increase in reported emissions on financing costs declines as the reported targets become increasingly ambitious (Chart 3). For companies that report that they have no emissions reduction targets, a 1% increase in reported emissions is associated, on average, with a near 0.0015 percentage point increase in financing costs – an above average effect. By contrast, for companies with the stated aim of reducing their emissions by 50%, the effect of an increase in reported emissions is close to zero. This mitigation effect becomes all the more pronounced as a company's level of emissions increases. This finding too is consistent with results from the recent literature ([Altavilla et al., 2024](#)).

Chart 3: Reduction targets influence the effect of emissions disclosure



Source: ADEME (GHG database), FIBEN database.

Note: Among companies publishing an assessment at $t=0$ without a reduction target, a 1% increase in reported emissions raises financing costs by approximately 0.0015 percentage point. 90% confidence intervals.