

Banks: actors of a responsible and sustainable world

*Banks:
actors of a responsible
and sustainable world*

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Banks contribute to the development of the economic and social fabric of their regions through a close relationship with all their customers. Their mobilisation throughout the health crisis to support economic activity is an example of this.

For many years, French banks and their more than 350,000 employees have been committed to integrating corporate social responsibility (CSR) requirements: they have adapted their strategies and structures, and have developed their offerings and services towards responsible and sustainable finance.

Financing the energy transition is a collective challenge for French banks, which support their customers in their low-carbon projects and take great measures for the climate. Eco-responsible and committed at national and global levels, they also strive to preserve biodiversity.

As major players in innovation, French banks also support their customers in their digital transformation, while maintaining a high demand for cyber and financial security.

Financial inclusion and support for financially vulnerable customers are the subject of ongoing attention by French banks. They also implement proactive integration policies and support their employees in their professional lives and the transformation of their professions.

Many initiatives demonstrate the French banking industry's commitment to participate in the great cause of gender equality, with more than one in two bankers in France being a woman.

While not exhaustive, this summary document aims to illustrate the main actions and collective contributions of the French banking industry to sustainable development objectives. French banks are proud to work tirelessly alongside their customers and with all their employees to provide solutions to build an inclusive and sustainable future.

Maya Atig
Chief Executive Officer of the FBF



Financing the local economy and responsible growth



97%

of SMEs are granted
the investment loans
requested.**

Source: Banque de France,
Q1 2022



close to
74,000

microloans approved
in 2021. In each
department, banking
partnerships are
possible for microfinance
institutions.

Source: Financial Inclusion
Observatory

Banks - businesses: a close relationship

French banks are committed to supporting their customers in a personalised and sustainable manner.

- Banks' **regional roots** enable entrepreneurs to build a close relationship with their bankers and gain easy access to banking services*.
- Thanks to their **universal model**, banks can offer a full range of services and financing.
- The 1.3 million SMEs established in France can receive efficient **access to credit**.

Loans for individuals' personal projects

From home loans to energy consumption and renovation, banks are working with their individual customers to finance their projects responsibly.

- **45.2% of households** had at least one loan in 2021.**
- Each month, banks grant **more than €28 billion in new loans** to individuals.***
- **Home loan financing** accounts for nearly 85% of outstanding loans to individuals and is based on:
 - growth in outstanding loans and favourable interest rates,
 - analysis of the borrower's repayment capacity,
 - mainly fixed-rate loans.
- Household **debt levels** are very well controlled.

* See reports from the Corporate Finance Observatory

** Household Loans Observatory

***Banque de France, on average in 2021



Further reading at lesclesdelabanque.com
4 mini-guides on "Financing my VSE"
20 mini-guides for "PROs"

A commitment to social cohesion

French banks contribute to the economic and social development of their regions.

- Banks are partners and **finance players in the social and solidarity-based economy**.
- Several banks are part of the **Collectif d'entreprises pour une économie plus inclusive** (Corporate collective for a more inclusive economy).
- **Professional integration and business creation** are promoted: financing, partnerships (with France Active, ADIE, Initiative France, Les Déterminés, etc.), microloans, skills sponsorship, etc.
- Solidarity-based savings products help **finance the local economy**.



**€36.4
bn**

**in loans to businesses
in the social and solidarity
economy**

Source: Observatory
of Regulated Savings, 2021



During the Covid-19 crisis, French banks implemented strong measures, in record time, to support the economy and its recovery.

- **Massive extension of corporate loan repayments:** €20bn in loan payments deferred in 2020 (source: FBF).
- **Continuity of banking services:** opening of branches, development of remote services, maintenance of aid payments to people with the lowest incomes.
- **Limit for contactless payment increased to €50.**
- **Government-Backed Loan (GBL):** €140bn granted for more than 682,000 companies, 88% of which were VSEs (source: Minefir, end-June 2022).
- **Development of Stimulus Equity Loans (SELS).**



**FIGHTING
CLIMATE CHANGE**

Contributing to the development of a low-carbon and sustainable economy



**€44.3
bn**

for the financing of renewable energies compared to 2.1 bn for coal in banking portfolios.

Source: Sustainable Finance Observatory, end-2020

A global presence

The actions of French banks in the fight against global warming and the transition to a low-carbon economy are recognised worldwide.

- French banks are among the **world's top 15** in sustainable bond issues and use the Green Bond Principles.
- They adhere to the UN's Principles for Responsible Banking.
- France's major banks are part of the Net-Zero Banking Alliance (NZBA), of which the FBF is an official partner, to align their portfolios with a **net carbon neutrality** approach by 2050.
- The FBF, a **member with observer status of the Conference of the Parties (COP) on climate change**, contributes to international discussions.

Ambitious climate strategies

French banks incorporate environmental criteria into their strategies and promote the financing of renewable energies.

- **Extra-financial transparency** has been strengthened.
- **Low-carbon strategies** and consideration for the climate risk are transforming business models.
- Strong measures are accelerating the **financing of the energy transition**: development of renewable energies, withdrawal from the coal and hydrocarbon sectors.
- Banks **are promoting the decarbonisation** of shipping (Poseidon Principles).

The Paris financial centre's steps in achieving carbon neutrality by 2050 are monitored by the Sustainable Finance Observatory.

observatoiredefinancedurable.com

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French banks in the top 15 on the EMEA market for green/sustainable loans

Source: Dealogic, H1 2021



Simplified energy transition for customers

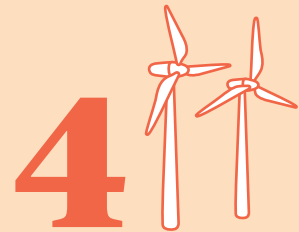
French banks are offering solutions to encourage the ecological transition of their customers, who must take advantage of the subsidies and financing solutions that are available.

- Banks **finance individual customers' low-energy equipments** and energy efficiency home renovations: bank loans, combination of Ma Prime Renov/eco-interest-free loan, etc.
- Banks support local businesses and authorities: **thermal renovation, wind and solar projects, low-carbon mobility**, etc.
- **Major transition projects** and climate change research are funded.
- Products enable customers to **invest in solidarity-based and sustainable savings**.

Banks: sustainable companies

French banking companies are implementing sustainable development protocols to reduce their environmental footprint.

- Banks are **reducing the carbon footprint of employees**: soft and low-carbon mobility, more efficient workstations, renewable energy sources.
- The management of buildings, networks and resources is **optimised**: water, electricity, IT equipment.
- Paper consumption has been **significantly reduced**: recycling, digitalisation, etc.



French banks in the world's top 15 sustainable bond issuers

Source: Bloomberg, Q2 2021



Further reading at lesclesdelabanque.com
8 "climate" mini-guides



PROTECTING BIODIVERSITY

Supporting the preservation of natural terrestrial and aquatic ecosystems

Reducing the footprint of human activities

French banks can help their customers to reduce the impact of their activities on biodiversity:

- By financing companies and local authorities' projects to **restore and preserve natural spaces**;
- By incorporating the impacts of certain projects on biodiversity and natural ecosystems into the **credit risk analysis**;
- By measuring the **biodiversity impacts** of financed infrastructure projects;
- By excluding financing for projects on **sites with a rich biodiversity**, in particular sites classified by the IUCN*.



Faced with the alarming observation of the loss of biodiversity, the French financial sector is taking action to reverse the process, both through its customers' activities and its own direct impacts.

Products and services focused on nature

French banks are developing innovative financing solutions that respect natural ecosystems.

- Products incorporate **specific biodiversity objectives**: *green bonds, sustainability-linked loans, etc.*
- Investment solutions are **dedicated to natural capital**.
- Public/private financing promotes **agroecology and agroforestry** in emerging countries.



over
55%

**of global GDP depends
on healthy biodiversity.**

Source: Swiss Re Institute, 2020



68%

**of vertebrate populations
have disappeared in less
than 50 years.**

Source: WWF, 2020

Biodiversity strategies in banks

French banks can integrate biodiversity, alongside climate, into their internal policies to reduce their environmental footprint.

- **Natural spaces** are being incorporated into buildings: shared gardens, urban vegetation, installation of beehives, etc.
- **Recycling facilities** have been developed to reduce plastic pollution: single-use objects, computer and telephone equipment, etc.
- Employees are **trained and made aware** of biodiversity issues.
- The **banks' own impacts** are measured, in particular those linked to the artificialisation of soil.

* International Union for Conservation of Nature (IUCN)



Through the act4nature initiative, several major French banks have made concrete, measurable and time-bound commitments to preserve biodiversity. They communicate their achievements each year.

www.act4nature.com



Innovating for customers, with a concern for maximum security



96%

of French people use their
bank's website or app

Source: FBF-IFOP survey, 2021

Innovation in customer offerings

The digitalisation of banking services extends and enhances customer relations.

- Digital portals are the main **entry points** for customer relations.
- The number of **innovative solutions** are increasing: contactless payment, instant transfer, cards with dynamic or biometric cryptograms, etc.
- The offering is enhanced by advances in **digital identification**, artificial intelligence, blockchain, big data, etc.

At the heart of the digital ecosystem

French banks, the drivers of the digital financial ecosystem, are supporting their customers' digital transformation.

- Banks finance innovative companies and the digitalisation of their customers.
- **Ad hoc structures** (innovation centres, incubators, accelerators) and partnerships with start-ups have been established.
- Banks drive **dynamic ecosystems**: acquisition of start-ups, equity investments, open API platforms, etc.
- The banking industry is **a member of the Finance Innovation cluster** and contributes to its work.



+54%

of suspicious activity reports to Tracfin from credit institutions over a 4-year period.

Source: Tracfin, 2021

Cyber and financial security

Mobilisation is ongoing to ensure the security of the financial system and a high level of protection for data and funds.

- Strong authentication is applied to all **online purchases**.
- **Prevention actions** are carried out: European cybersecurity month, “Les clés de la banque” programme, communication to customers, etc.
- **Investments are constantly made** for the effectiveness of financial security.
- The proportion of **compliance, control and risk professions** (3.9% of employees and 8.7% of recruitments in 2021) is essential.

Banks: digital companies

All aspects of banking companies are impacted by the digital transformation.

- **Branch digitisation** is organised around the customer.
- **Information systems are transforming**: architecture, cloud, API, big data, etc.
- **Working methods are evolving**: collaborative tools, e-learning, innovation labs, intrapreneurship projects, etc.
- **Professions are transforming**: development of digital skills, recruitment of new profiles, etc.

68% of French people say they have complete confidence in banks in securing their personal data, far ahead of telephone operators, high-tech and GAFA companies.

Source: FBF-IFOP survey, May 2022



Further reading

- > 7 "Security" mini-guides at lesclesdelabanque.com
- > Studies on blockchain, AI, business transformation at observatoire-metiers-banque.fr



Meeting customers' needs and providing support to the financially vulnerable



99.25%

of French people have a bank account compared to 95.3% on average in the eurozone

Source: Court of Auditors, 2021



6

branches per 100 km², and nearly 74,000 cash withdrawal points in mainland France.

Source: Eurostat, ECB, FBF, Banque de France, 2021

Banking services for all

With more than 350,000 employees and its relationship-focused model, the French banking sector is offering more and more services to meet the needs of customers who are at the heart of banks' strategies.

- The **regional presence** of French banks, among the densest in Europe, is a key asset of inclusion: +99% of the population is less than 10 minutes away from a cash withdrawal point in mainland France. (Banque de France, 2021)
- France is one of the best European countries in terms of the availability of financial services.
- The **right to an account** guarantees everyone free access to a bank account and essential services: French banks had nearly 184,000 active accounts opened in this context at the end of 2021.*
- **Tariffs transparency** promotes access to banking services and mobility.**



Further reading at lesclesdelabanque.com

"Managing your account in the event of an incident", a mini-guide on the specific offer for financially vulnerable customers

*"Pilote Budget"
and "Pilote Dépenses":
2 free apps to make it
easier to monitor your
accounts on a daily
basis! ****

French banks share the goal of combating overindebtedness alongside citizens who have encountered difficult life situations: banking services are maintained for the customers concerned, and partnerships are established with social actors so as to support them.



15%

fewer cases of overindebtedness filed in 2021 compared to 2019 and a continuous decline since 2014.

Source: Banque de France

Support for vulnerable customers

For financially vulnerable customers, solutions exist to limit incident fees and help a return to financial stability.

- Banks offer a **specific range** of services and payment methods to customers identified as financially vulnerable: 4.1 million individuals are concerned.*
- They strengthen **dialogue**: personalised examination of the situation, adaptation of authorised overdraft if necessary, account alerts, capped incident fees for vulnerable customers, etc.
- **Cheaper offers** are designed to limit incidents: card with systematic authorisation, account without an authorised overdraft, etc.
- To aid a return to financial stability, **support** is available in dedicated structures, partner associations, Budget Advice Centres (or ‘PCBs’), etc.

* Financial Inclusion Observatory, end-2021

** See professional standards on pricing guides and the comprehensibility of bank statements

*** Applications launched by 10 financial inclusion players, including the FBE



Offering sustainable jobs and contributing to professional integration for all



The AFB-APEC partnership aims to promote the employment of managers in banking and throughout France, and promote banking professions among candidates.

Banks: *diverse melting pots*

Integration in the French banking sector is facilitated by dynamic policies in favour of diversity.

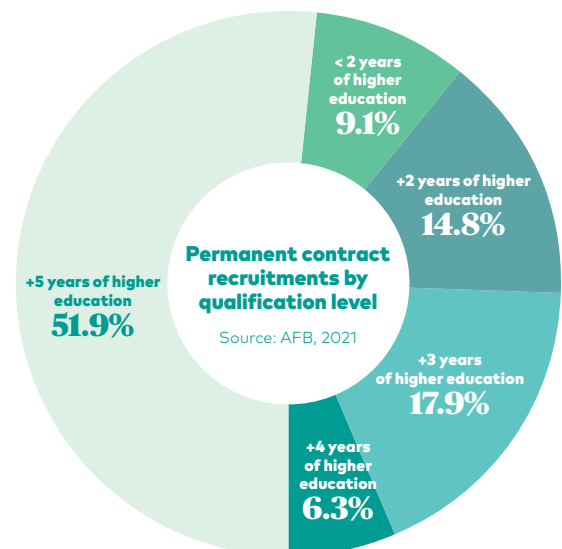
- Partnerships contribute to the **integration of young people with poor employment prospects** (APELS' "Déclics sportifs" programme) and highly qualified refugees ("each One" programme) in the banking sector.
- **Disability policies** are based on company agreements and non-profit partnerships.
- **AFNOR's diversity label** has been granted to several banks.
- **LGBTQ+ policies** have been implemented.

Banks, social ladders

The French banking sector offers sustainable, highly skilled jobs.

- **98% of employees have permanent contracts.** Over 65% of people hired on permanent contracts have **managerial status** and more than 50% are **young people under the age of 30**.
- **12,300 promotions** were granted in 2021: 49% of promotions concern **technicians** and more than 15% of those promoted **become a manager**.
- Young people with **post-graduate qualifications** account for more than half of new recruits (58,2%).

Source: AFB, 2021





Respect for human rights

The UN's Guiding Principles on Business and Human Rights and the Global Compact for corporate sustainability are central to French banks' actions.

Quality of life in the banking sector

Agreements contribute to good working conditions in the French banking sector.

- **Wage policies** are favourable.
- Profit-sharing, quality of life at work and the prevention of harassment and violence are covered by **company or branch agreements**.
- The creation of **Interbank Occupational Health Services** (SSTIB) is the result of a branch agreement on occupational health policy.



Further reading: social banking data
more at [AFB.fr](https://www.afb.fr)
more at [observatoire-metiers-banque.fr](https://www.observatoire-metiers-banque.fr)



12,300

**promotions
in the banking sector
in 2021**

Source: AFB

40,300

people hired in 2021

Source: FBF scope



€42,000

**This is the median base salary,
excluding profit-sharing and
incentives.**

Source: AFB, 2020



Encouraging access to lifelong learning and training for all



Over

76,100

students have
participated
in "Invite a banker to
class" since 2015.

20 years of financial education

Understanding day-to-day banking and managing a budget is essential to prevent difficulties. The French banking industry has been working to towards this for nearly 20 years.

- The FBF's "**Les clés de la Banque**" programme* offers many free educational resources.
- Throughout France, the 103 regional committees of the FBF raise awareness among **social actors and partner associations** on financial and budgetary education, particularly with the *Ecoles de la 2^e Chance* (E2C) network.
- Each year, thousands of children take part in the "**Invite a banker to class**" initiative.**
- The sector is involved in the "Educ Fi" module of the **General National Service (SNU)**.

Academic success and access to culture

The banking profession is committed to equal opportunities in education and culture.

- French banks participate in **support schemes for students** in disadvantaged neighbourhoods.
- They support secondary school pupils and students from **disadvantaged backgrounds**: dedicated programmes, partnerships with schools and universities, etc.
- **Cultural and sports sponsorship** programmes are in place: fight against illiteracy, access to sport, music and museums, etc.

*The convention between
the FBF and the
Versailles education
authority provides
for the establishment
of corporate advisors
for pupils aged 10 to 18.*

To promote banking professions among young people, French banks are present at student job fairs, on social networks, and as school partners.



Discover banking professions on AFB's YouTube channel and at investislavenir.fr



16,400

work-study participants in the banking sector in 2021

(FBF scope)



**€500
m**

spent on employee training in 2020

(FBF scope)

Work-study and training programmes in the banking sector

As a responsible employer, French banks support young people and employees in their careers and the transformation of their professions.

- Banks have an **active work-study policy**. They also took on 5,800 student trainees in 2021 and more than 1,000 Volunteers for International Experience (VIEs) in foreign subsidiaries (AFB scope).
- Each year, 4 to 5% of the payroll is set aside for **professional training**: 100% of employees went on at least one training course in 2019.
- To anticipate changes in banking professions, **branch agreements** have been signed on Employment and Skills Management Planning and professional training.
- The AFB and all the unions have signed an agreement on the Pro-A scheme to **develop the employability of employees** who do not have an undergraduate degree (June 2022).

* Part of the National Financial Education Strategy

** Under the Distinguished Patronage of the Ministry for National Education and the Educ Fi label from the Banque de France



GENDER EQUALITY

Promoting gender equality and combating violence against women

Financing women's entrepreneurship

Entrepreneurship is a powerful driver of growth and employment. French banks provide financing for the projects of female entrepreneurs.

- The approval rate of bank loans for **women entrepreneurs** is more than 95%, the same as for men.*
- Banks are stepping up initiatives to **promote female entrepreneurship** in all areas: innovation, agriculture, services, etc.
- Banks are **partners of associations** for female entrepreneurship: France Active, Action'elles, etc.

Banks support associations for promoting women and diversity in companies: Financi'elles, #JamaisSansElles charter, Women in Cyber (WiC), Women & girls in tech, etc.



Further reading at lesclesdelabanque.com

> Mini-guide on "*Female entrepreneurship*"

> Mini-guide on "*What to do in the event of separation*"

Preventing violence against women

The banking profession carries out educational initiatives and is taking action against violence against women.

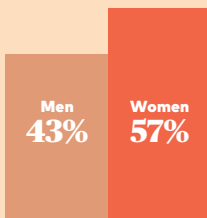
- The FBF-CNAF convention aims to **raise awareness among families about domestic violence** of an economic nature and to explain how to manage bank accounts in the event of separation.
- Banks **support associations** such as: OneInThreeWomen, StOpe, etc.



87

a high gender equality index in finance

Source: AFB, 2021



Finance workforce

Source: AFB, 2021

Banks: a highly feminine workforce

In France, more than one in two bankers is a woman. The percentage of female managers is growing steadily.

- Women account for **57% of the workforce** in the banking sector.
- **50% of bank managers** are women compared to 42,6% of the overall “management” population (AFB, INSEE, 2021).
- Nearly **60% of employees promoted** are women.
- The **gender equality index** is 87, i.e. above the national average (86).
- **Agreements** for gender equality are signed in French banks and AFB banks.

To combat stereotypes and sexist behaviour, the banking profession is raising awareness among employers, bank employees, trade unions and partners.

**See the videos
on AFB's YouTube channel!**



*Source: FBE, Neufilze/Asterès study, 2021

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