



Paris, 18 January 2021

Responsible investment policy: reinforcing exclusions with regard to fossil fuels

On 13 January 2021, François Villeroy de Galhau, Governor of the Banque de France, stated during his hearing before the Finance Committee of the French National Assembly: *"Already, with regard to the Banque de France's own investments, its own funds and the pension fund, we were the first Eurosystem central bank to make responsible investment commitments. Each year, we publish a report that is considered somewhat as a reference in methodological terms, and I would like to specify that, as regards coal investments, we will as of this year withdraw from any company for which coal accounts for more than 2% of its activity, which is already a very high exclusion threshold, and we will withdraw entirely in 2024 - 0% coal"*.

Since 2018, the Banque de France has been conducting a responsible investment policy with regard to its own investments (EUR 22 billion). Within this framework, it has already excluded coal mining companies or coal-based energy producers for which thermal coal accounts for more than 20% of their turnover. In view of the climate emergency, the Banque de France has decided to reinforce its exclusion policy with regard to fossil fuels:

Coal: the Banque de France announces a definitive exit from coal in 2024

- The Banque de France already de facto excludes any company for which coal accounts for more than 10% of its turnover.
- This threshold shall be lowered to 2% at end-2021 before being brought down to 0% at end-2024.

The Banque de France will thus totally exclude all companies with a coal-related activity, however small, by end-2024. This is a very ambitious horizon compared to the global "consensus" (2030 for Europe, 2040 for the rest of the world).

Oil and gas: the Banque de France will align itself with European benchmarks in 2024 and start to withdraw from non-conventional hydrocarbons from 2021

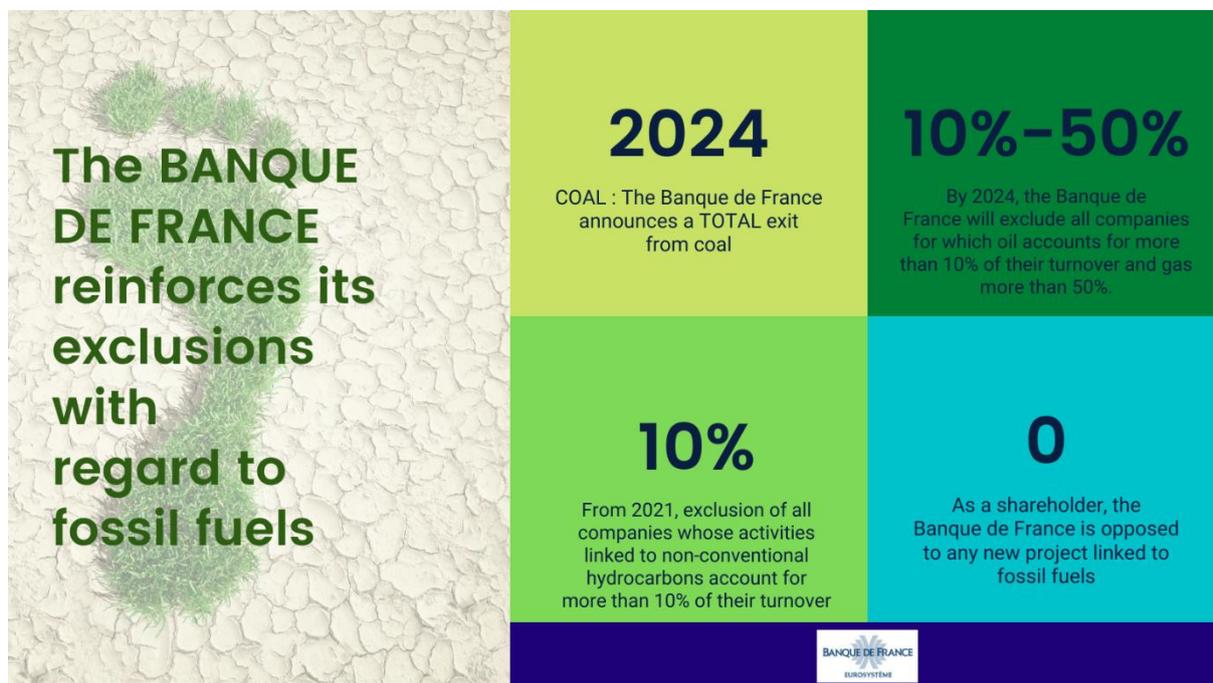
- The Banque de France has adopted the exclusion thresholds of the European indices aligned with the Paris Agreement, the "Paris Aligned Benchmark - PAB", i.e. the exclusion of all companies for which oil accounts for more than 10% of their turnover and gas more than 50% by 2024.
- From 2021, exclusion of all companies whose oil and shale gas activities, oil sands and/or arctic and deep water exploration accounts for more than 10% of their turnover.

The Banque de France will vote against the development of new fossil fuel projects

- From 2021, introduction in the voting policy of a means of monitoring that companies do not engage in new projects to develop fossil fuels.

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