June 2026

2025 SUSTAINABILITY REPORT

REPORT ON THE BANQUE DE FRANCE AND ACPR'S SUSTAINABLE ACTION

BANQUE DE FRANCE
EUROSYSTÈME

ACPR
BANQUE DE FRANCE

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GOVERNOR'S FOREWORD

Ten years on from the Paris Climate Agreement, the time has come to take stock in an international and geopolitical context that has become more challenging for the transition towards carbon neutrality. Real progress has been made, with the use of renewable energy rising sharply and numerous central banks and supervisors taking action as part of their mandates. However, we are still far from meeting the emissions reduction targets set out in the Paris Agreement. It is therefore essential that we strengthen our commitment and move faster towards securing an effective and sustainable climate transition. The Banque de France is contributing to this goal both as a company and in the conduct of its missions.

This third edition of the Banque de France and ACPR's *Sustainability Report* is part of the transparency strategy we launched in 2019. It provides a consolidated overview of the actions taken by our two institutions in 2025 to protect the climate and nature. Our aim is to be more transparent with our peers and the public by informing them of our commitments, and to share our best practices so they can improve their management of climate and nature-related risks.

In this context, the Banque de France and the ACPR reaffirm their commitment to further integrating climate and nature-related risks into their activities and missions.

In 2025, in our **operational activities**, we exceeded all our targets for reducing greenhouse gas (GHG) emissions and for training our purchasing staff on climate and nature-related issues. Building on this, we have set new carbon reduction targets for 2028 in our transition plan, covering tertiary, procurement and industrial activities. From 2026 onwards, all euro banknotes will be produced using organic cotton, and this will gradually be extended to foreign banknotes by 2028. We have also begun work on adapting to climate change and improving our water resource management.

In responsible investment, in 2022, 2023 and 2024 (the latest available year), the Banque de France ranked first among G20 central banks for its climate action in the Green Central Banking Scorecard published by Positive Money and other international NGOs. In 2025, it continued to support the energy, ecological and social transition by purchasing EUR 13.4 billion of green, sociable and sustainable bonds, thereby doubling the share of these assets in its portfolios. It also invested an additional EUR 108 million in unlisted impact funds dedicated to the energy transition and the preservation of nature and biodiversity, bringing total holdings of these assets to nearly EUR 1 billion. Alongside these investments, the Banque de France strengthened and formalised its shareholder engagement strategy in 2025, with the launch of a new campaign focused on preserving nature and biodiversity. As in previous years, this report contains the Eurosystem's common climate indicators. This year, however, it has been enhanced with the addition of new, nature-related indicators, measuring the portfolios' exposure to certain priority sectors defined by the Task Force on Nature-related Financial Disclosures (TNFD), and the impact of our investments on water quality.

Regarding our core missions, the *Sustainability Report* is structured around monetary strategy, financial stability and services to the economy and society. It follows the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and is gradually incorporating those of the TNFD.

In monetary strategy, 2025 marked a milestone with the Eurosystem's incorporation of a "climate factor" into its collateral framework, applicable from 2026, to better account for transition risks and make its operational framework more resilient. The Banque de France also integrated transition and physical climate risks into its in-house credit assessment system (ICAS), to assess the impact of these factors on firms' short-term solvency.

In financial stability and supervision, 2025 was marked by a revision of the extra-financial reporting framework for supervised entities, to which both the Banque de France and the ACPR contributed. The ACPR also continued its review of climate-related risks and assessed institutions' preparedness for the prudential transition plans set out in the CRD VI Directive. While acknowledging the progress made, it highlighted the need to improve governance, as well as data quality and monitoring. For insurers, sustainability risk requirements were simplified. At the same time, the ACPR increased its oversight of insurers' integration of these risks and underlined that prevention efforts and policyholder guidance remain insufficient. The Banque de France also took part in the Paris Resilience Group's "Hydros 2025" exercise simulating a major Seine flood, which confirmed the overall resilience of the Paris financial centre.

With regard to **services to the economy and society**, the Banque de France continued to deploy its corporate climate indicator in 2025 to evaluate firms' carbon reduction trajectories. In 2026, it will expand the tool's adaptation component and extend its coverage to the construction, tourism and agricultural sectors. In parallel, the Banque de France will also launch its climate change adaptation diagnostic tool (ODACC) in 2026, which will be made available free of charge online to firms wishing to assess the exposure of their sites to climate hazards. This tool is part of the National Climate Change Adaptation Plan.

Our institutional missions are supported by extensive research activity, to advance knowledge on topics such as the impact of biodiversity loss on price stability and the implications of the ecological transition for public finances. In 2025, the Banque de France published 22 articles (working papers, bulletins and blogs) covering, in particular, the climate, nature, the energy transition and green finance.

In today's challenging geopolitical environment, it is vital that we maintain strong multilateral engagement, notably through the Central Banks and Supervisors Network for Greening the Financial System (NGFS). Cofounded in 2017 by the Banque de France – which also provides its permanent secretariat in Paris – the NGFS contributed to the work of the G20 in 2025 and published its first short-term climate scenarios. This work is supported by the active mobilisation of 149 central banks and supervisory authorities worldwide.

Drawing on their economic and financial expertise, as well as their close ties with local stakeholders and the global monetary and financial system, Banque de France and ACPR staff remain committed to including climate and nature concerns in economic decision-making and financial management, which is essential for economic resilience and sovereignty.

Emmanuel Moulin

FIND OUT MORE

Banque de France, 24 March 2026: *Annual Report 2025*.

Speech by François Villeroy de Galhau – 16 December 2025: "Ten years after the Paris Agreement: time to celebrate, but also to combat".

CONTENTS

ABOUT THIS REPORT

OUR METHODOLOGY

The *Sustainability Report* published by the Banque de France and the *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority) explains how sustainability is integrated throughout our activities. It is structured around our core missions, our operational activities and our responsible investment policy.

Core missions. The three core missions – (i) financial stability, (ii) monetary strategy and (iii) services to the economy and society – are presented according to the structure recommended by the Task Force on Climate-related Financial Disclosures (TCFD),[1] as interpreted by the guide issued for central banks by the Network for Greening the Financial System (NGFS),[2] namely based around four pillars:

- **Governance:** the Banque de France's governance arrangements for the impacts, the risks and the opportunities related to climate and nature;
- **Strategy:** the steps taken to address the real and potential impacts of the identified risks and opportunities;
- **Risk management:** the processes used to identify, measure and manage those risks and opportunities;
- **Metrics and targets:** the metrics and targets used to measure and manage those impacts, risks and opportunities.

Operational activities. Operational activities are presented according to a structure inspired by the corporate social responsibility (CSR) reporting standards followed by companies. The report therefore sets out the **environmental disclosures** relating to climate change and nature-related risks in a specific section.

The report also covers the Banque de France's strategy and actions in terms of **responsible investment**.

- This section includes, for the fourth consecutive year, metrics calculated as part of the **climate reporting exercise undertaken by all Eurosystem central banks**. The scope of the reported metrics includes **Scope 3 emissions** and the proportion of **social and sustainability bonds**.
- This year, the Banque de France is expanding its publication of **nature-related performance indicators** by disclosing the **proportion of its portfolios exposed to sectors that have a material nature-related dependency or impact on nature**,[3] as well as **indicators assessing the impact of its portfolios on water quality**.

1 The TCFD was disbanded in 2023 after fulfilling its mandate, and the Financial Stability Board asked the IFRS Foundation to take over monitoring the change in companies' climate-related disclosures. The International Sustainability Standards Board (ISSB) incorporated the TCFD's recommendations into Standard IFRS S2 on Climate-related Disclosures.

2 NGFS (2019), *A sustainable and responsible investment guide for central banks' portfolio management*, October. – See also NGFS (2024), *Sustainable and responsible investment in central banks' portfolio management – Practices and recommendations*, May.

3 As defined by the Taskforce on Nature-related Financial Disclosures (TNFD).

The CSR and responsible investment policies are an expression of the Banque de France's **sustainable performance**, which constitutes one of its five core values, alongside independence, expertise, openness and solidarity.

As in previous issues, this *Sustainability Report* focuses on activities carried out by the Banque de France and the ACPR themselves, referring to additional work at Eurosystem level as applicable. It adopts an **integrated approach to climate and nature-related risks** as recommended by the NGFS. The report is intended to act as a single gateway to information about the Banque de France's and the ACPR's sustainability initiatives, with reference to more detailed documentation where available.

It includes **indicators and targets** for all our objectives and actions. A stringent risk assessment and management approach has been developed by both institutions that relies on **indicators** that may be used to objectively measure the change in risks and to determine whether these developments are aligned with the institution's governance, strategy, and risk management and prevention policies. It also makes use of **targets** where appropriate. In line with their holistic risk-based approach, the Banque de France and the ACPR plan to develop a set of indicators to assess not only the risks to the Banque de France's balance sheet but also the impact of environment-related risks on their missions. With a sustainability-risk management approach that improves year on year, the list of indicators to be tracked evolves regularly; it is important to recognise the current limitations inherent in climate and environmental data, including data gaps, data that are still being standardised, and ongoing harmonisation of the methodologies used depending on the different indicators.

FIND OUT MORE

TCFD recommendations: https://www.fsb-tcfd.org/

International Sustainability Standards Board (ISSB): https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/

NGFS recommendations: https://www.ngfs.net/en/publications-and-statistics/publications/guide-climate-related-disclosure-central-banks-second-edition

SECTION 1

GOVERNANCE AND STRATEGY

GOVERNANCE
High-level governance implemented by each business area

A CLIMATE STRATEGY DEFINED BY THE EXECUTIVE COMMITTEE OF THE BANQUE DE FRANCE

The **Executive Committee** – which includes the Governors and Directors General of the Banque de France, the Secretary General of the ACPR and the Chair of the *Institut d'émission des départements d'outre-mer* (IEDOM – Delegated Central Bank for the French Overseas Departments and Territories), who is also Director General of the *Institut d'émission d'outre-mer* (IEOM – Central Bank for the French Overseas Territories in the Pacific Region) – sets out the broad guidance for the Banque de France and the ACPR to follow in the fight against climate change and the degradation of nature, as part of the development of the strategic plan and CSR policy. It also oversees the overall consistency of the climate and nature strategy applied across the different business areas.

The **strategic plan** and guidelines are submitted for approval to the General Council, which is kept abreast of progress in implementing the climate and nature roadmap. The College of the ACPR approves all publications by the supervisory authority on climate change and nature-related issues. Initiatives designed to take account of climate change are also defined in conjunction with specific governance bodies. Some of these are internal (Assets-Liabilities Committee and Pension Plan Strategic Committee for responsible investment), while others are external (Eurosystem Governing Council for monetary policy, Single Supervisory Mechanism for European banking supervision, *Haut Conseil de stabilité financière* (HCSF – High Council for Financial Stability) for macroprudential policy in France).

STEERING BY THE EXECUTIVE COMMITTEE ON CLIMATE AND NATURE (CECN)

The **Executive Committee on Climate and Nature (CECN)**, chaired by the Deputy Governor, Agnès Benassy-Quéré, is a cross-functional body tasked with steering the institution's actions to tackle the risks associated with climate change and the degradation of nature. The CECN ensures the effective coordination, overall consistency and visibility of these initiatives with a view to further strengthening the Banque de France's ability to spearhead them among its peer institutions and, more broadly, throughout the financial system.

Purely internal initiatives relating to the Banque de France's sustainable performance are not covered by the CECN's scope and have their own governance bodies. These are described in Sections 3 and 4 of this report.

OPERATIONAL IMPLEMENTATION BY THE BUSINESS LINES WITHIN THE NETWORKS OF THE EXECUTIVE COMMITTEE ON CLIMATE AND NATURE (CECN)

The operational implementation of initiatives to tackle the risks associated with climate change and the degradation of nature is carried out by all business lines within the Banque de France and the ACPR, **working together across functions within the CECN's networks**. Specifically, the networks cover the following aspects: scenarios and modelling, methodologies, climate and nature-related data, policy, preparation of the *Sustainability Report*, communication and research. The CSR and Sustainable Development Unit on the one hand, together with the Finance, Financial Markets, and Risk and Compliance Directorates on the other, steer the implementation of the CSR policy and the responsible investment policy, respectively.

The Centre for Climate and Nature (CCN) acts as the secretariat for the CECN and contributes through the CECN's networks to the implementation of the Banque de France's and the ACPR's initiatives to take account of climate and nature-related issues (excluding the CSR and responsible investment policies). The CCN aims to make the Banque de France's actions even more effective by drawing on new

FIND OUT MORE

Banque de France governance bodies: https://www.banque-france.fr/en/banque-de-france/strong-transparent-governance/governance-advisory-committees

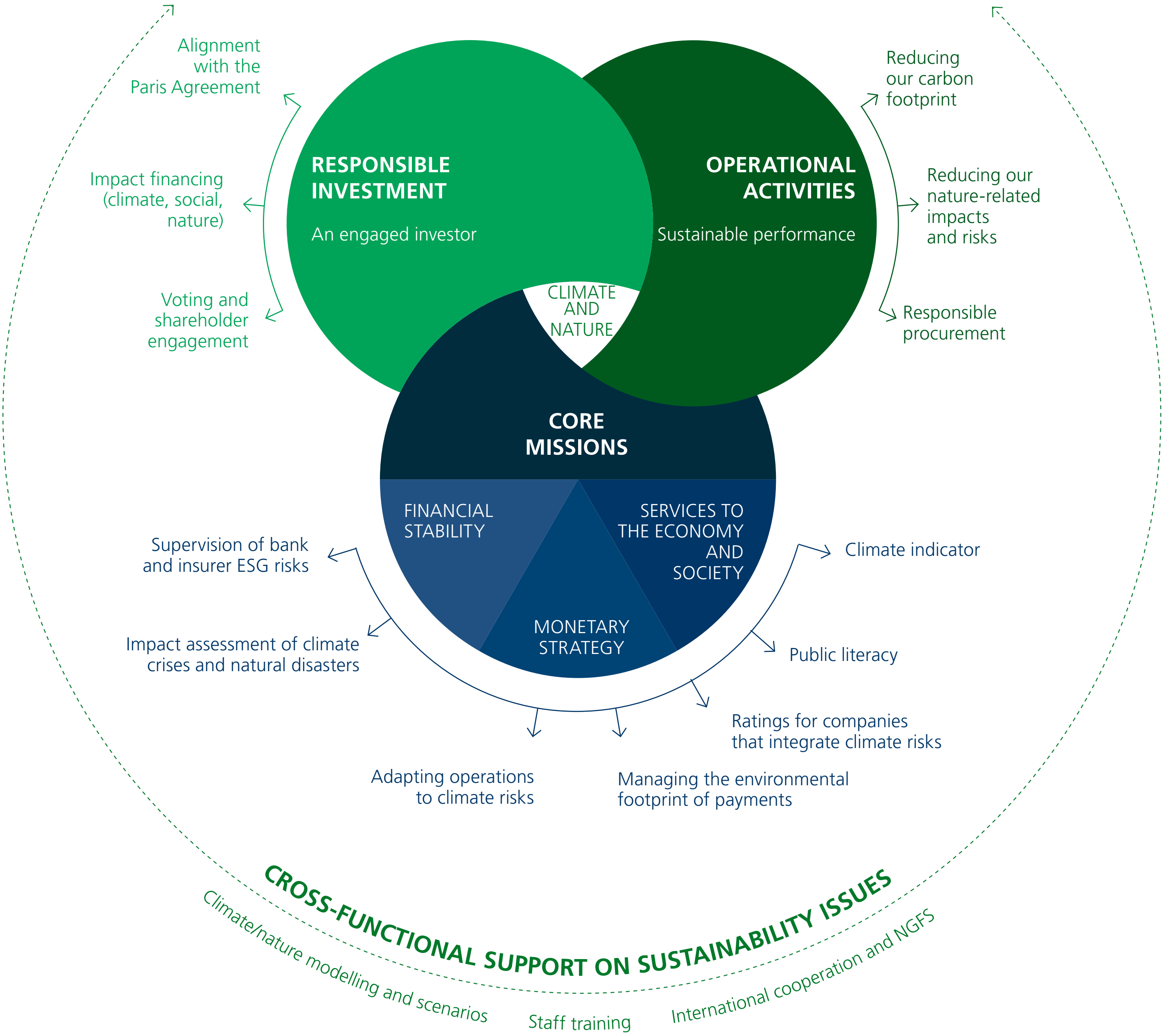
Centre for Climate and Nature: https://www.banque-france.fr/en/banque-de-france/engaged-central-bank/climate-nature-sustainable-finance

ACPR Supervisory College: https://acpr.banque-france.fr/lacpr/colleges-et-commissions/college-de-supervision/composition-du-college-de-supervision

ACPR Climate and Sustainable Finance Commission: https://acpr.banque-france.fr/lacpr/colleges-et-commissions/commissions-consultatives

Governance and strategy relating to the sustainability of the Banque de France and the ACPR's operational activities: https://www.banque-france.fr/system/files/2025-08/Charte%20RSE_2025-EN.pdf skills and unlocking synergies between the directorates general. The CCN is also tasked with ensuring that the Banque de France's measures are aligned with international initiatives led by the **Central Banks and Supervisors Network for Greening the Financial System (NGFS), an organisation made up of 173 members and observers at end-2025 and for which the Banque de France provides the permanent secretariat**. The CCN took on, consolidated and broadened the remit of the Sustainable Finance Division, which in 2019 made the Banque de France one of the world's very first central banks to have a team entirely devoted to climate issues.

THE BANQUE DE FRANCE AND THE ACPR: CLIMATE AND NATURE AT THE HEART OF OUR ACTIVITIES AND MISSIONS



Note: ESG, environmental, social and governance; NGFS, Network of Central Banks and Supervisors for Greening the Financial System.

STRATEGY

CLIMATE AND NATURE-RELATED RISKS AT THE HEART OF THE MANDATES ENTRUSTED TO THE BANQUE DE FRANCE AND THE ACPR

The risks associated with climate change and the degradation of nature, whether they are physical or transition risks, represent a source of financial risk that central banks and supervisors must take into account in carrying out their mandates. All the Banque de France's missions are thus concerned, from monetary strategy to financial stability, as well as the services it provides to the economy and society. By contributing to the best possible understanding and management of the financial risks associated with climate change and the degradation of nature, the Banque de France plays an active role in promoting sustainable finance and the greening of the financial system at an international level. Meanwhile, as an organisation, it firmly places sustainable performance at the heart of its operational activities and the responsible management of its non-monetary policy investments. In 2025, it continued to integrate issues associated with climate and nature into all its activities. This approach builds on the methods that have led the Banque de France to be awarded top place in the G20 Green Central Banking Scorecard drawn up by the non-governmental organisation, Positive Money, for three years running (most recently in 2024). As for the ACPR, it ensures that financial players effectively integrate environmental risks into their governance, strategy and risk management.

CLIMATE AND NATURE-RELATED RISKS AT THE HEART OF OUR BUILDING 2025 TOGETHER STRATEGIC PLAN

Climate and environmental issues were among the seven major challenges identified in the **Building 2025 Together** strategic plan. Building 2025 Together extended a plan initially adopted in 2021, and strengthened our capacity to conduct our missions while addressing the consequences of these challenges.

The Banque de France's strategic plan, which is structured around 28 actions, harnessed the resources of the Banque de France around four focus areas: (i) anchoring price stability, financial stability and resilience; (ii) anticipating innovation and the climate and environmental transition; (iii) supporting individuals and businesses in the face of uncertainty; (iv) attracting talent and further improving working conditions through operational efficiencies in particular.

In all, five actions corresponding to priority initiatives were carried out to prepare the institution for the physical and transition risks associated with climate change:

- monetary policy and climate;
- a Green Banque de France, whose content is identical to that of the environmental component of the CSR policy;
- climate indicator;
- financial stability and exogenous shocks (including climate);
- nature.

When the Building 2024 Together strategic plan was extended by one year, a new "Nature" action was added to integrate nature-related economic and financial risks into the execution of our mandate. This approach reflects the belief that central banks must not take climate change alone into account to ensure monetary and financial stability in the long term, but the full range of environmental challenges. Just as for the climate, the goal is to develop cross-cutting expertise on these issues in order to assess the associated economic and financial risks.

A REVIEW OF BUILDING 2025 TOGETHER AND A NEW STRATEGY FROM 2026

The Building 2025 Together strategic plan has concluded, having successfully enabled the Banque de France to decisively enhance the integration of environmental considerations into all its missions: incorporating climate risk into monetary policy, improving the analysis of exogenous shocks for financial stability, accounting for nature-related risks, and consolidating its position as a sustainable institution. For example, the Banque de France's **Climate Transition Indicator (CTI)** now provides businesses with a clear point of reference to help them assess their climate risks and steer their transition, while its **climate change adaptation diagnostic tool** (*outil de diagnostic sur l'adaptation au changement climatique* – **ODACC**) complements this process by providing them with a simple and straightforward overview of the climate hazards to which they may be exposed.

The strategic plan for 2026-28 builds on these priorities and will specifically feature a targeted initiative to consolidate the Banque de France's role as a primary player on climate and nature issues, particularly water-related risks, by fully integrating them into monetary, prudential and financial policy analyses and instruments, while continuing to lead by example on environmental responsibility.

FIND OUT MORE

Building 2025 Together strategic plan: https://www.banque-france.fr/en/banque-de-france/strategy-for-future

CSR policy 2025: https://www.banque-france.fr/system/files/2025-08/Charte%20RSE_2025-EN.pdf

CSR policy 2026-28: https://www.banque-france.fr/system/ files/2026-06/politique_RSE_2026_2028.pdf

Responsible Investment Charter: https://www.banque-france.fr/system/files/2025-08/2025_Charte_d_investissement_responsable_EN.pdf

The Responsible Investment page on the Banque de France website: https://www.banque-france.fr/en/banque-de-france/engaged-central-bank/responsible-investment

Voting policy: https://www.banque-france.fr/system/files/2026-03/Politique_vote_BDF_2026_EN.pdf

Green Central Banking Scorecard: https://www.datocms-assets.com/132494/1736848825-positive-money-green-central-banking-scorecard-report-2024-v8.pdf

Banque de France (2026), *Annual Report 2025*: https://www.banque-france.fr/en/publications-and-statistics/publications/banque-de-france-annual-report-2025

① IN-HOUSE TRAINING IN SUPPORT OF THE EXECUTION OF OUR STRATEGY

Since 2022, the Banque de France has offered general training courses to all its employees to raise their awareness of climate-related issues. At the end of 2025, 77.4% of Banque de France staff (7,200 employees) had benefited.

At the same time, technical training courses for our experts in various fields have been introduced and further refined. These fields notably concern the finance, supervision and procurement business lines as well as financial analysts responsible for assigning climate ratings to non-financial corporations: the "Climate Challenges and Finance" course, for example, addresses the impacts and challenges of biodiversity conservation in the financial sector; the "Responsible Procurement" training course professionalises procurement agents by equipping them with practical solutions to promote more ethical procurement practices in terms of corporate social and environmental responsibility (CSR); for financial analysts within the Banque de France network, initiatives aimed at collecting data and assigning climate indicators help them improve their expertise in assessing companies' exposure to climate risk and their transition trajectories.

A SUSTAINABILITY STRATEGY BUILT AROUND CLIMATE CHANGE AND NATURE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

MONETARY STRATEGY

Monetary policy and climate

Incorporate climate risk into the execution of our monetary policy mandate

↓

Make headway on climate macroeconomics

Adapt the operating framework and the monetary policy of the Eurosystem to climate risks

FINANCIAL STABILITY

Financial stability

More effectively capture the risks related to exogenous shocks, including climate shocks, for the financial system

↓

More effectively identify the financial-stability impacts of risks related to exogenous shocks, including those linked to climate change

Strengthen our modelling capability with a view to building scenarios and conducting more complex and more comprehensive stress tests, including climate stress testing

Develop our macrofinancial projecting capability so that we can connect macroeconomic developments and projected or stressed financial developments, including under climate scenarios

Nature

Integrate economic and financial risks linked to the degradation of nature and biodiversity loss in the execution of our mandates

↓

Objective: be a leading central bank in recognising economic and financial risks linked to the degradation of nature and impacts on nature for financial stability and in macroeconomic analysis

Develop the methodological building blocks for a framework to analyse nature-related risks

Develop and share best practices and approaches that are beneficial to the management of risks linked to the degradation of nature

Promote recognition of these risks in the prudential framework

SERVICES TO THE ECONOMY AND SOCIETY

Climate indicator

Deploy the climate indicator to support the corporate green transition and the climate as a common good

↓

Devise a methodology to build the climate indicator

Assign a climate indicator (focused on two aspects: Transition and Adaptation)

Create and deploy a dedicated information system to track and process data

SUSTAINABLE PERFORMANCE

Green Banque de France

Actively contribute to the objective of carbon neutrality and help to preserve nature

↓

Actively contribute to the objective of carbon neutrality by targeting a reduction of at least 25% in greenhouse gas emissions in 2025 compared with 2019

Help to preserve nature by training 75% of our procurement agents in responsible purchasing by end-2025

SECTION 2

CORE MISSIONS

MONETARY STRATEGY

Governance

The **Eurosystem** conducts monetary policy-related work within the framework of its existing governance structures. The Banque de France was involved in drawing up the roadmap for greening the European Central Bank's (ECB) monetary policy and is working to execute it according to the agreed timetable.

Euro area monetary policy is determined by the ECB **Governing Council** and implemented jointly on a decentralised basis by the ECB and national central banks (NCBs). Proposals from the ECB Executive Board to the Governing Council are based on work by Eurosystem committees made up of members from the ECB and NCBs. Under the monetary strategy, the Banque de France is also entrusted with ensuring confidence in means of payment, which perform the key function of circulating currency among economic agents. In this capacity, the Banque de France monitors the environmental trajectory of the payments industry. To do this, it relies on the support of the ***Comité national des moyens de paiement*** **(CNMP – National Payments Committee)**.

Strategy

The climate has been given a central place in our **monetary mandate** because of its effects on price stability. Extreme events linked to climate change are already having increasingly visible effects on economic activity and prices, especially in the food sector. The transition to a low-carbon economy, spurred notably by the introduction of transition policies and technological developments, may feed through to activity and prices, starting with those of the energy industry. However, the cost of this transition for growth remains lower than the cost of inaction.

The ECB's 2025 strategy review confirmed the impact of climate change on price stability and explicitly recognised the implications of nature degradation for monetary policy and central banking activities. Consequently, as part of its mandate, the Eurosystem is maintaining its commitment to climate issues and has broadened its scope to include nature-related challenges.

The Banque de France supports the Eurosystem's strategy to **better incorporate climate and nature-related considerations into monetary policy**. This involves improving the integration of physical and transition risks into assessments of risks to price stability, notably in macroeconomic models, and making use of climate scenario analyses.

Acting through the CNMP, the Banque de France views **environmental challenges as structural issues for the European payments ecosystem**. Sustainability is therefore one of the main objectives of the new national strategy adopted by the CNMP for the period 2025-30.

Risk management

INCORPORATING CLIMATE RISK INTO EUROSYSTEM MONETARY POLICY

In 2025, the Eurosystem took a further step towards including climate risks in its operational framework. On 29 July 2025, the ECB Governing Council announced it was incorporating a climate factor into its collateral framework to better manage the financial risks related to the climate crisis. The measure will address forward-looking climate-related uncertainties, thereby strengthening the resilience of the Eurosystem's monetary policy implementation. It will protect the Eurosystem from potential declines in the value of collateral in the event of adverse climate-related transition shocks. The climate factor will apply to negotiable securities issued by non-financial corporations and will come into effect in the second half of 2026. It could potentially reduce the value assigned to eligible assets pledged as collateral, depending on the extent to which an asset can be impacted by these uncertainties. This will act as a buffer against the possible financial impact of uncertainties related to climate change. The climate factor will complement the Eurosystem's existing risk management toolbox by considering forward-looking climate scenario analyses, and will therefore improve the resilience of the Eurosystem's monetary policy implementation. The calibration of the measure will preserve adequate collateral availability.

In 2025, the Banque de France continued to align its risk management with its Building 2025 Together strategic plan, which identifies climate challenges as a core priority. The plan underscores the need to better anticipate environmental changes, integrate climate-related risks into all monetary policy and financial stability tasks, and strengthen the financial system's resilience to exogenous shocks – of which climate risks are a major component.

EFFORTS TO GREEN THE EUROSYSTEM'S MONETARY PORTFOLIOS

Drawing on its experience in implementing responsible investment policies for its non-monetary policy portfolios *(see Section 4)*, the Banque de France is contributing to the Eurosystem's work to green its corporate bond holdings (the corporate sector purchase programme or CSPP) and extend climate-related data disclosures to all monetary policy portfolios.

The Eurosystem is gradually decarbonising its corporate bond holdings along a path aligned with the goals of the Paris Climate Agreement. The Banque de France directs reinvestments towards issuers with strong climate performances, i.e. those with low greenhouse gas emissions, ambitious and credible carbon reduction targets and satisfactory climate-related disclosures.

As a result, all else being equal, the share of assets on the Eurosystem's balance sheet issued by companies with strong climate credentials has increased relative to that of poorer climate performers. The aim is to mitigate climate-related financial risks on the Eurosystem balance sheet and encourage issuers to improve their disclosures and reduce their carbon emissions.

These measures have been in place since October 2022. In 2023, 2024 and 2025, the ECB published climate-related information on the corporate bond holdings acquired by the Eurosystem under its monetary policy purchases, along with an assessment of the impact of the measures.

Macroeconomic research by the Banque de France shows that climate and nature-related risks can be sources of instability in the short and medium term. Recent modelling studies have demonstrated that the degradation of ecosystems and the energy transition can cause significant supply shocks, fuelling inflation and weighing on short and medium-term productivity. These studies emphasise that an orderly transition is essential to limit the economic costs linked to the loss of ecosystem services and the decarbonisation of the economy.

FIND OUT MORE

Inclusion of climate considerations in the new monetary policy strategy: https://www.ecb.europa.eu/press/pr/date/2021/html/ecb.pr210708_1~f104919225.en.html

July 2022 decision on monetary policy operations: https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.pr220704~4f48a72462.en.html

Eurosystem collateral framework: https://www.ecb.europa.eu/mopo/coll/risk/html/index.en.html

ECB climate and nature plan 2024-25: https://www.ecb.europa.eu/ecb/climate/our-climate-and-nature-plan/html/index.en.html

Adaptation of the ECB collateral framework to address climate-related transition risks (2025): https://www.banque-france.fr/en/press-release/ecb-adapt-collateral-framework-address-climate-related-transition-risks

Policy to decarbonise the corporate bonds acquired by the Eurosystem as part of its monetary policy purchases: https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.pr220919~fae53c59bd.en.html

ECB sustainability disclosures (2025): https://www.ecb.europa.eu/ecb/climate/climate-related-financial-disclosures/shared/pdf/ecb.crfd2025_MPPs.en.pdf

Decarbonisation of Eurosystem and ECB monetary policy portfolios (2024): https://www.ecb.europa.eu/press/pr/date/2024/html/ecb.pr240625~94de5e0780.en.html

The ECB's monetary policy strategy statement (2025): https://www.ecb.europa.eu/mopo/strategy/strategy-review/ecb.strategyreview202506_strategy_statement.en.html

Banque de France (2025), "Seeds of Inflation: Macro Modelling of Nature-Related Risks through Agricultural Prices", *Working Paper*, No. 1006, 29 July.

Banque de France (2025), "Bridging the Gap in Macroeconomic Analysis of the Energy Transition: Combining Medium- and Long-Term Approaches", *Working Paper*, No. 1000, 11 July.

INTEGRATING CLIMATE-RELATED RISKS INTO COMPANY RATINGS

The Banque de France's rating system is recognised by the Eurosystem as an in-house credit assessment system (ICAS). It enables credit institutions' claims on non-financial corporations (NFCs) to be assessed for monetary policy purposes. Each year, the Banque de France assigns an expert-based credit rating to some **290,000 NFCs** – mainly small and medium-sized enterprises (SMEs) and intermediate-sized enterprises (ISEs).

In line with the ECB's climate action programme, ICASs must now take account of climate-related risks when assessing companies' one-year default risk.

Methodology and channels of transmission

Climate risks are integrated into the rating methodology through two main channels of transmission:

- **Transition risks**, linked to the financial impact on companies of the European carbon market. A high financial cost linked to emissions quotas can justify a rating downgrade.

- **Physical risks**, linked to exposure to acute climate hazards and their impact on insurability. The impact is assessed according to the company's vulnerability and capacity to maintain insurance cover or implement preventive measures.

The analysis combines quantitative and qualitative assessments to measure the concrete and quantifiable impact on the company's short-term solvency (cost of carbon, insurability).

Operational implementation and outlook

Following a test phase in 2024, the Banque de France implemented these methodological changes in 2025. It is applying a proportionality principle, focusing initially on the largest and highest-emitting companies.

In 2026, it will continue to roll out this approach using procedures similar to those of 2025. To ensure the system is robust, analysts will continue to benefit from a structured and tailored methodological framework, guaranteeing reliable, high-quality ratings.

FIND OUT MORE

Eurosystem collateral framework: https://www.ecb.europa.eu/mopo/coll/risk/html/index.en.html

Common minimum standards for incorporating climate change risks into in-house credit assessment systems in the Eurosystem: https://www.ecb.europa.eu/press/economic-bulletin/focus/2022/html/ecb.ebbox202206_06~d7f88f706f.en.html

On the Eurosystem's effort to adequately incorporate climate risks into credit ratings (2025): https://www.ecb.europa.eu/press/blog/date/2025/html/ecb.blog20251107~54c4d00c0a.en.html

MANAGING THE CARBON AND ENVIRONMENTAL FOOTPRINT OF RETAIL PAYMENTS

In the face of the challenge posed by the green transition, reducing the carbon and environmental footprint of the entire payment chain is a key priority. This applies not just to **cash** (banknotes and coins) but also to **non-cash means of payment**, including cards, credit transfers, direct debits, cheques and electronic wallets. To promote payment instruments that are aligned with climate objectives, the first step is to gain a better understanding of the components of their environmental footprint over their lifecycle. Based on this assessment, the CNMP's goal is to identify ways of reducing their footprint and to encourage their adoption by payment ecosystem participants and users.

As part of this work, the CNMP carried out two key exercises in 2025:

- In the spring of 2025, it conducted a review of various private and public sector studies on the carbon and environmental footprint of payments. This allowed it to identify initial trends and present the main findings to members of the working group.
- In the autumn of 2025, it conducted an initial review of best practices in greening by circulating two qualitative questionnaires to cash and cashless payments sector participants. This also gave it initial feedback on the implementation of the best practices disseminated by the Euro Retail Payments Board (ERPB).

This stocktaking exercise allowed the CNMP to identify a number of concrete measures that are being taken:

- In cashless payments, measures include the digitalisation of transaction statements and notifications, improvements in the energy efficiency of IT infrastructure and a shift towards payment terminals that are more energy-efficient and easier to recycle.
- In the cash sector, efforts have focused on reducing the carbon and environmental footprint of the banknote life cycle, particularly banknote distribution. The measures taken form part of the individual strategies of the organisations concerned (cash-in-transit firms, banks and the Banque de France) to meet their CSR commitments or comply with regulatory requirements. They are also an extension of the European action plan developed after the publication of the first Product Environmental Footprint (PEF) study in 2023. The initiatives focus in particular on reducing the carbon intensity of energy use, shifting towards more sustainable vehicles, modernising banknote distribution as well as sorting and processing equipment, reducing plastic and paper packaging, and improving waste management and recycling.

In parallel, to be able to continue measuring carbon and environmental footprints, data collection and restitution processes need to be harmonised. Since 2025, the Eurosystem has worked with payment sector stakeholders across the euro area to develop questionnaires on cash activities. The data collected in 2026 will enable a new euro area-wide PEF study to be conducted in early 2027, incorporating the changes observed since the previous study (based on 2019 data), and will allow a new action plan to be drawn up.

FIND OUT MORE

National Payments Committee (CNMP): https://www.banque-france.fr/en/monetary-strategy/national-payments-committee/discover-cnmp

National Retail Payments Strategy: https://www.banque-france.fr/en/monetary-strategy/means-payment/national-payments-committee-cnmp/national-retail-payments-strategy

Initiatives to green the cash industry: https://www.banque-france.fr/en/publications-et-statistiques/publications/lempreinte-environnementale-des-activites-fiduciaires-au-coeur-des-engagements-de-la-banque-de

Product Environmental Footprint study of euro banknotes: https://www.ecb.europa.eu/press/pubbydate/2023/html/ecb.pefreport202312~81e945e7aa.en.html

FINANCIAL STABILITY

Governance

CLOSE INVOLVEMENT OF THE BANQUE DE FRANCE AND THE ACPR IN EUROPEAN AND INTERNATIONAL BODIES

The Banque de France and the ACPR both operate within national, European and international frameworks.

At the **national** level, they sit on the *Haut Conseil de stabilité financière* (HCSF – High Council for Financial Stability), in accordance with their institutional mandates.

At the **European** level, the Banque de France participates formally in the Eurosystem and the European Systemic Risk Board (ESRB), while the ACPR forms part of the Single Supervisory Mechanism (SSM) for microprudential banking supervision.

In the regulatory sphere, the ACPR participates proactively in the sustainable finance working groups set up by the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA). It is thus helping to establish a European prudential framework that incorporates environmental risks in an appropriate and effective manner.

The Banque de France and the ACPR also participate actively in international work. The Banque de France steers the NGFS working group on nature-related risks and, in 2025, the ACPR coordinated an NGFS deliverable on the supervision of nature-related risks. The ACPR and the Banque de France also participate in dedicated working groups set up by the Financial Stability Board (FSB), the International Association of Insurance Supervisors (IAIS), the Basel Committee and the G20, to name just the main international bodies.

THE ACPR CLIMATE AND SUSTAINABLE FINANCE COMMISSION

Set up in October 2019 following the marketwide agreement of 2 July 2019, this Commission is chiefly tasked with advising the ACPR on how to monitor the sustainable finance commitments of the financial intermediaries it supervises. It also seeks to deepen understanding of how climate and nature-related issues affect the assessment and measurement of financial risk. In 2025, the Commission launched a working group to gather details of how banks take account of climate risk in their assessment of credit risk.

Strategy

Under their financial stability mandates, the Banque de France and the ACPR expect credit institutions and insurers to adequately identify and manage their environmental, social and governance (ESG) risks.

Regarding credit institutions, in June 2025, the ACPR declared itself to be compliant with the EBA's guidelines on ESG **risk management**, whilst also taking into account the evolving regulatory context of the European sustainable finance framework *(see Focus 2)*. This compliance was therefore accompanied by an interpretative reservation specifying that the ACPR complies with the text provided there is no incompatibility between the guidelines and the finalised version of the Corporate Sustainability Reporting Directive (CSRD) as revised by the Omnibus proposal. This text therefore applies to credit institutions and financing companies established in France from January 2026 (except for small and non-complex institutions, for which its entry into force is set for January 2027), at the same time as the entry into force of the Capital Requirements Directive VI (CRD VI). Finally, continuing this objective of helping institutions to identify and analyse environmental risks as effectively as possible, the ACPR has contributed to the EBA's work on environmental scenario analysis, which sets out how such scenarios should be implemented (objectives, governance, use cases). This work led to the publication of guidelines at the end of 2025, which will be applicable to all institutions from January 2027.

For insurers, the ongoing review of Solvency II as part of the Omnibus package has resulted in the drafting of streamlined technical standards on **sustainability risk management plans**. The amendments made following the public consultation have led to a rationalisation of the requirements applicable to these plans, so that they are now directly integrated into internal risk and solvency assessments (own risk and solvency assessment or ORSA reports) and may be limited to minimal qualitative analyses for small and non-complex undertakings. Sustainability risk management plans will now include a materiality analysis of sustainability risk exposure and an assessment of related financial risks over the short, medium and long term, which must be addressed through remedial actions in line with the risk appetite framework. EIOPA submitted these draft technical standards to the Commission in November 2025, but they have not yet been published.

② **INVOLVEMENT IN WORK ON EXTRA-FINANCIAL REPORTING**

The Banque de France and the ACPR are actively involved in European and international efforts to develop an extra-financial reporting framework. They are working to promote European disclosure standards for climate risk exposure that can be transposed to the international level, while also supporting their proper application at national level.

In early 2025, the European Commission published a proposal aimed, among other things, at simplifying the information that companies subject to the Corporate Sustainability Reporting Directive (CSRD) are required to disclose. In this context, the Banque de France and the ACPR closely monitored the work of the European Financial Reporting Advisory Group (EFRAG) on the revision of the European Sustainability Reporting Standards (ESRS). They also took part in discussions on this revision with market participants and replied to EFRAG's public consultation in the summer of 2025, with the aim of ensuring an appropriate balance between simplification and transparency.

Risk management

ADAPTATION OF THE INSURANCE SECTOR TO CLIMATE AND SUSTAINABILITY CHALLENGES

In 2025, the ACPR expanded the thematic review it conducted in 2024, covering 90% of the French insurance market, to assess **whether sustainability risks[4] have been adequately integrated into insurers' governance and risk management frameworks**. It held meetings with the main groups to discuss how they identify, assess and incorporate sustainability risks into their ORSA process, and to identify difficulties and best practices.

Building on this review, in 2025, the ACPR conducted a study of a select panel of non-life insurers, by means of a questionnaire, to see how they are adapting provisioning methods and underwriting and pricing policies to climate change. The main goal was to check whether there had been any significant rise in claims linked to climate change over 2021-24 and how this had affected respondents' provisions. The study also examined how insurers are improving their understanding and measurement of risk in this context, and the solutions they have put in place to adapt their provisioning, pricing and underwriting strategies to increased climate-related claims. The questionnaire also asked the panel about the risk prevention measures they have put in place. The results showed that, while strong progress has been made in understanding and mitigating risks, more still needs to be done to encourage policyholders to take preventive steps.

Lastly, in 2025, the ACPR conducted its first on-site inspection of an insurance group focusing specifically on its governance and management of sustainability risks. The aim was to check that all such risks had been properly identified and explicitly included in written policies, the risk appetite framework and the ORSA process.

Through this work, the ACPR was able to assess and identify insurers' best practices in recognising the effects of climate and environmental risks. It will continue these efforts in 2026 ahead of the entry into force in 2027 of the revised European Solvency II directive, which clarifies and strengthens the supervisory framework for sustainability risks.

ACPR THEMATIC REVIEW ON THE RECOGNITION OF CLIMATE AND ENVIRONMENTAL RISKS BY BANKING INSTITUTIONS

As in 2023 and 2024, in 2025 the ACPR conducted a thematic review on climate and environmental risks among the financial institutions under its direct supervision (less significant institutions (LSIs) and financing companies). The 2025 review was aimed specifically at assessing institutions' preparedness for implementing **prudential transition plans**. These are a requirement of CRD VI (which comes into force in 2026 for large and medium-sized entities), and their contents are set out in detail in the EBA *Guidelines on the management of ESG risks*. The 2025 review covered some 40 institutions. Although there is still room for progress, the review found that most institutions have deployed and improved their climate and environmental risk management frameworks and can now use them as a basis for developing their prudential transition plans. They now take better account of the materiality of ESG risks and of counterparties' exposure to these risks. However, institutions need to make sure their governance bodies are more closely involved in developing the plans. They also need to improve how the data used to draw up the plans is collected and updated, and define indicators for monitoring the measures set out in the plans.

Moreover, the *Internal control report* template has been revised so that institutions must now detail their strategies, policies and systems for measuring, monitoring and managing ESG risk factors, and describe how these fit into their overall risk management.

In line with the ECB's work, the ACPR will continue to pay closer attention to climate and environmental risks over coming years, in particular to its analysis of prudential transition plans.

STRENGTHENING THE RESILIENCE OF THE FINANCIAL SECTOR TO A 100-YEAR FLOOD OF THE SEINE

In October 2025, the **Paris Resilience Group (PRG)** took part in Hydros 25, an exercise organised by the Paris Préfecture de Police **simulating a major flood** of the Seine and Marne rivers in the Île de France region.

Chaired by the Banque de France as part of its financial stability mandate, the PRG brings together the main Paris financial centre stakeholders.[5] The exercise was designed to test the centre's crisis management system, strengthen cooperation with network operators and anticipate the impacts following the peak of the flood.

Flooding is the primary nature-related hazard in the Île de France region. A major Seine flood could affect nearly 5 million people and generate spillover effects to the French economy, causing damage estimated at upwards of EUR 30 billion. It is therefore essential that the financial sector be prepared for such a scenario, to guarantee the continuity of the economy.

The scenario, designed and steered by the PRG's secretariat, consisted of a gradual rise in the Seine water level to 7 metres, with a peak potentially reaching levels close to those of the historic flood of 1910. This provided a framework for assessing the financial sector's ability to maintain its essential activities (distribution of cash, payments, etc.) in the event of major disruption to critical infrastructure (telecommunications, energy, transportation, etc.). The exercise also served to test the individual preparedness of PRG members (crisis communication, evacuation, business relocation, remote working).

Overall, the exercise highlighted the resilience of the financial sector and the crucial importance of cross-sector coordination, notably with energy and telecommunications operators. The Hydros 25 exercise confirms the PRG's central role in preparing the sector for extreme weather events, which are becoming increasingly likely. It marks a major step forward in strengthening the financial centre's resilience to a 100-year flood and its ability to ensure a sustained recovery of operations.

FIND OUT MORE

Banque de France governance and advisory committees https://www.banque-france.fr/en/banque-de-france/strong-transparent-governance/governance-advisory-committees

Survey on the integration of sustainability risks into governance systems under Solvency II: https://acpr.banque-france.fr/en/publications-and-statistics/publications/ndeg-171-survey-integration-sustainability-risks-governance-system-under-solvency-ii

ACPR review of the integration of sustainability risks into the governance frameworks of insurers and reinsurers: https://acpr.banque-france.fr/fr/communiques-de-presse/lacpr-dresse-un-bilan-de-lintegration-des-risques-de-durabilite-dans-la-gouvernance-des-organismes

4 Climate and environmental risks, including nature-related, social and governance risks.

5 Banque de France (2025), *Paris Resilience Group. Les 20 ans du Groupe (2005-2025) – Mieux se préparer aux crises et renforcer la résilience opérationnelle de Place*, February, p. 7.

③ THE BANQUE DE FRANCE AND THE NETWORK FOR GREENING THE FINANCIAL SYSTEM (NGFS)

The Banque de France's contribution to the NGFS

The Banque de France views its **continuing involvement in the Network for Greening the Financial System (NGFS)** as a priority, as the structure produces leading international work on how central banks and supervisors can integrate climate and nature-related risks. The Banque de France is a founding member of the network and serves as its secretariat, providing around 20 staff members and hosting experts seconded from NGFS member institutions at its Centre for Climate and Nature. The NGFS secretariat prepares and implements the network's work programme and facilitates cooperation between members, supports the production of deliverables and coordinates the Workstreams led by member institutions. The Secretary General of the NGFS also provides strategic support to the NGFS Steering Committee and Chair, and represents the network in international forums such as the G7 and G20, as well as at major global events such as the Conferences of the Parties on climate change and biodiversity (COPs).

In addition to this secretariat role, experts from the Banque de France and the ACPR contribute to NGFS Workstreams across their respective areas of expertise. Since 2022, the Banque de France has also co-chaired the NGFS Task Force on Nature-related Risks. Through these commitments, the Banque de France is reaffirming the importance of a multilateral approach to climate and nature-related issues.

Number of NGFS members and observers

	2019	2021	2022	2023	2024	2025
Number of members	54	105	121	135	144	149
Number of observers	12	16	19	21	21	24

Main advances by the NGFS in 2025: short-term scenarios and discussions on transition plans

In May 2025, following on from the publication of several editions of its long-term scenarios (2050 horizon), the NGFS published its **first short-term climate scenarios, covering a 5-year horizon**. These allow financial actors to anticipate the macro-financial effects of climate-related physical and transition risks that are liable to occur in the coming years.

Four scenarios have been developed, representing different combinations of risks. The first two focus on transition risks ("Highway to Paris": a gradual, orderly low-carbon transition; and "Sudden Wake-Up Call": a delayed, disorderly transition), the third focuses on physical risks ("Disasters and Policy Stagnation": a sequence of extreme weather events), while the fourth, "Diverging realities", explores a world where only advanced economies achieve an orderly transition. The scenarios provide detailed results for a broad range of financial variables, sectors and countries, making them easy for users to apply in practice.

Transition plans are designed to complement the climate scenarios and support banks and insurers in their transition. They describe the strategy, targets, actions and governance processes put in place by firms to align their activities with the climate transition targets and manage climate-related risks to their operations. As such, the plans can provide supervisors and central banks with key information on how supervised financial institutions are assessing and mitigating climate-related physical and transition risks.

In 2025, the NGFS published three reports on transition plans to gain a better understanding of: (i) **how these plans interact with the climate scenarios**; (ii) the **challenges linked to the climate targets** set by financial institutions in their plans; and (iii) **how climate adaptation considerations can be integrated into the plans**.

Transition plans and climate scenarios are **forward-looking tools** that use similar macroeconomic and financial data and aim to enhance the financial sector's climate resilience. Climate scenarios can help financial institutions define their transition pathway and, conversely, transition plans can provide useful information for calibrating climate scenarios.

Financial institutions' **climate targets – whether for mitigation or adaptation** – are also an essential building block in the transition plan framework. They make it possible to measure the climate risks affecting a company's activities and assess the effectiveness of the measures put in place to comply with voluntary commitments or regulatory requirements. The NGFS therefore encourages supervisors to assess the targets submitted by supervised institutions with due care.

FIND OUT MORE

The work of the NGFS: https://www.ngfs.net/en/what-we-do

NGFS short-term scenarios: https://www.ngfs.net/en/publications-and-statistics/publications/ngfs-short-term-climate-scenarios-central-banks-and-supervisors

NGFS publications on transition plans:

- "NGFS publishes two notes relating to transition plans on climate target setting and climate scenario analysis"
- "NGFS Input paper on Integrating Adaptation and Resilience into Transition plans"

The Banque de France's commitment within the NGFS: https://www.banque-france.fr/fr/communiques-de-presse/la-banque-de-france-et-tous-les-membres-du-ngfs-reaffirment-leur-determination-commune-relever-les

SERVICES TO THE ECONOMY AND SOCIETY

Strategy

SUPPORTING THE ECONOMY'S ECOLOGICAL TRANSITION THROUGH THE CORPORATE CLIMATE INDICATOR AND RATING

The Banque de France's **climate indicator** is a tool made available to companies to support them with their **climate transition** and **their exposure to climate-related risks**. It is also intended to serve as a potential benchmark for use in financing the ecological transition. It has been rolled out progressively since 2024 and now covers those sectors facing the biggest climate change mitigation challenges up to 2027: land and property sector, transportation, power generation, construction, cement production, vehicle manufacture, oil and gas, aluminium and chemicals. Steel manufacture and arable farming, among others, are set to be included soon. The indicator is based on firm-level data gathered from companies themselves or from existing databases. In the two years since its launch, 2,900 companies have been assigned a climate indicator on a voluntary basis.

For 2026, the indicator is set to be extended to adaptation challenges, and a dedicated campaign will be launched targeting the construction, tourism and agriculture sectors. In early 2026, the Banque de France also launched its online climate change adaptation diagnostic tool, ODACC, developed in conjunction with Météo France, which allows firms across mainland France to assess their exposure to climate hazards under different warming scenarios. Since March 2025, ODACC has been referred to in France's National Climate Change Adaptation Plan (PNACC) as one of the factors helping French companies adapt to climate change.

Separately from the corporate climate indicator, and as part of the ECB's climate action programme, the Banque de France incorporated climate-change-related risks into its **company rating system** in 2025, in accordance with its status as a Eurosystem in-house credit assessment system (ICAS). Further details on this are provided in the monetary strategy section of this report. This integration of climate risks has been facilitated by the Banque de France's long experience of using non-financial data in credit ratings, the expertise acquired in recent years in developing the corporate climate indicator and the collection of data and analyses. From 2026 onwards, some of the data collected for the climate indicator will be used to incorporate physical climate risks into the rating.

The corporate climate indicator and rating are both part of the Banque de France's core task of monitoring business financing.

IMPROVING PUBLIC FINANCIAL LITERACY

France has had a national strategy for economic, budgetary and financial literacy (EDUCFI) since 2016, and has appointed the Banque de France as national operator, responsible for implementing it throughout France. EDUCFI consists of information and training initiatives designed to help people improve their practical understanding of financial topics. Teaching sessions are organised regularly for **secondary school pupils, students and teachers**, and the **fight against climate change** is among the topics covered. In 2025, 40 sessions were held for students dealing specifically with climate risks. Similarly, the public has access to a series of practical economic guides (ABC de l'économie), covering green finance, responsible finance and corporate social and environmental responsibility.

STRENGTHENING THE TECHNICAL CAPABILITIES OF OTHER CENTRAL BANKS

The International Banking and Finance Institute (IBFI) plays a central role in the Banque de France's technical cooperation with foreign central banks and supervisory authorities. Each year, IBFI organises more than 40 training courses for nearly 3,000 international participants. It contributes actively to **training on climate and nature-related issues** by organising two dedicated seminars on "Climate, nature and central banking", and "Reducing central banks' carbon footprint" – one held in person and the other online. The sessions can also be watched as replays on the IBFI platform and are supplemented by e-learning modules, two of which are devoted to climate change and carbon footprints.

IBFI also draws on the Banque de France and ACPR's expertise to assist central banks in **strengthening their capabilities**. It participates in bilateral technical assistance projects run by *Agence française de développement* (AFD – French Development Agency) and Expertise France, including a two-year project to **incorporate climate risks** into the supervisory framework of the Bank of Mauritius, and a study visit in June 2025 to strengthen the National Bank of Rwanda's climate capabilities. In 2025, 172 central bankers took IBFI's "Clim'Up: climate and central banks" training course to learn more about the impact of climate change on their activities. This collaborative card game was added to the Banque de France's training catalogue in early 2025. Building on this success, a digital version will be made available in 2026.

FIND OUT MORE

Banque de France climate indicator: https://www.banque-france.fr/fr/votre-service/entreprises/la-banque-de-france-vous-aide/indicateur-climat

International Banking and Finance Institute (IBFI): https://www.banque-france.fr/en/at-your-service/central-banks-public-institutions/discover-international-banking-finance-institute

ABC de l'économie on sustainable finance: https://abc-economie.banque-france.fr/leco-en-bref/finance-durable

ABC de l'économie on green finance: https://abc-economie.banque-france.fr/la-finance-verte

ABC de l'économie on green bonds: https://abc-economie.banque-france.fr/obligation-verte

ABC de l'économie on the European green taxonomy: https://abc-economie.banque-france.fr/la-taxonomie-verte-europeenne

ABC de l'économie on responsible finance: https://abc-economie.banque-france.fr/mot-de-lactu/finance-responsable

ABC de l'économie on corporate social responsibility: https://abc-economie.banque-france.fr/responsabilite-societale-des-entreprises

METRICS AND TARGETS

Financial literacy

	2021	2022	2023	2024	2025
Number of views of ABC de l'économie guides relating to the fight against climate change	**7,512**	**25,261**	**21,670**	**24,591**	**24,652**
Number of climate risk sessions for student groups	**20**	**21**	**33**	**35**	**40**

Development of a corporate climate indicator

	2022	2023	2024	2025	2026 target
Deploy the climate indicator to support the corporate green transition and the climate as a common good	Collection of data on 60 companies from five pilot sectors	Expansion of tests to a sample of 550 companies in ten sectors	1,500 climate transition indicators assigned[a]	1,400 climate transition indicators assigned[b]	2,300 climate transition indicators assigned

	2026 target
ODACC (climate change adaptation diagnostic tool): launch of a tool in December 2025, accessible for 5 million French companies, allowing them to view their exposure to climate hazards. Number of companies (identified by a SIREN number) that used ODACC via the Banque de France manager portal	≈ 5,000

a) The figure of 1,350 for 2025, indicated in the *2024 Sustainability Report*, was an estimate. The official figure is now 1,500.
b) This figure is an estimate based on questionnaires collected by climate analysts across the Banque de France network. The analysis of these questionnaires has not yet been completed.

Integration of climate risks into the financial rating system

	2025	2026 target
Number of companies whose ratings include a climate risk analysis	**5,700**[a]	**4,700**

a) The Banque de France initially set itself a target of including a climate risk analysis in the ratings of 9,000 companies by 31 December 2025. Following the increase in the rating threshold on 12 January 2025 and the change in methodology (exclusion of certain sub-holdings and subsidiaries), this target was revised down to 5,750. The actual figure for 2025 and target for 2026 are presented on this new basis.

Skills development at other central banks

	2022	2023	2024	2025
Number of participants in IBFI training courses for foreign central banks relating to the fight against climate change	**488**	**626**	**693**	**645**

④ RESEARCH ACTIVITIES SERVING INSTITUTIONAL TASKS

The Banque de France conducts research on the climate, nature and green finance to better understand the economic and financial issues linked to the effects of climate change, nature degradation and public environmental and climate-related policies. It also explores ways of recognising these issues in the Banque de France and ACPR's activities.

In recent years, the Banque de France has developed an ambitious research programme and published numerous articles by researchers from across its directorates general. Over 50 research projects are being conducted internally on topics relating to the climate and, more recently, nature-related financial and macroeconomic risks. Since 2019, the Banque de France has also awarded prizes to the best young researchers working on green finance.

In response to the climate emergency, the Banque de France is stepping up its research on the interactions between the ecological transition and macro-financial stability. An initial strand of research on **public finances** has highlighted that a strategy relying exclusively on public spending could undermine debt sustainability, pushing up sovereign bond yields and increasing the cost of the transition. Conversely, a balanced policy mix, incorporating carbon pricing and incentivising private-sector action, appears to be the most viable approach.

To inform short-term decision-making, new **transition scenarios have been published for France** exploring the range of possible shocks (energy prices, investment, capital obsolescence). These models reveal that, while certain pathways are inflationary, or indeed stagflationary, the scale of the effects will depend crucially on the chosen policy strategy. An orderly, ambitious and planned transition will systematically prove less costly for economic and financial stability than a delayed and fragmented response to climate shocks.

At the same time, the Banque de France's research is expanding to cover **biodiversity and nature-related risks**. A recent study shows that the erosion of natural capital, particularly in agriculture, poses a direct threat to price stability. A shock of this type to ecosystem services could push up food inflation by more than 2 percentage points, adding half a percentage point to headline inflation in the short term. To address the analytical gaps in this field, on 20 May 2025 the Banque de France launched a **modelling consortium on nature-related risks**. This multi-year partnership with French scientific institutions aims to integrate natural capital into macroeconomic models by analysing risks specific to French territory and dependencies on global supply chains.

These developments were among the topics discussed at the **10th Green Finance Research Advances conference (GFRA)**, held on 16 and 17 December 2025. Endorsed by the United Nations Framework Convention on Climate Change (UNFCCC), the event marked the **10th anniversary of the Paris Agreement on climate change**, and brought together central bankers, supervisors and researchers to discuss the alignment of financial flows with climate and nature conservation objectives.

FIND OUT MORE

Allen (T.), Boullot (M.), Dées (S.), Gaye (A. de), Lisack (N.), Thubin (C.) and Wegner (O.) (2025), "Using short-term scenarios to assess the macroeconomic impacts of climate transition", *Energy Economics*, Vol. 148.

Banque de France (2025), "The Banque de France is launching a macroeconomic modelling consortium on nature-related risks", press release, 20 May.

Green Finance research advances 2025.

Seghini (C.) and Dées (S.) (2025), "The green transition and public finances ", *Macroeconomic Dynamics*, Vol. 9, Cambridge University Press, 27 October.

Wegner (O.), Dées (S.), Boullot (M.), Lesterquy (P.), Serfaty (C.), Thubin (C.), Ulgazi (Y.), Boitout (A.) Gabet (M.) (2025), "Seeds of inflation: macro modelling of nature-related risks through agricultural prices", *Working Paper*, No. 1006, Banque de France, 29 July.

Research

	2022	2023	2024	2025	Target
Contribution by Banque de France and ACPR researchers on climate and environmental topics (% of annual publications)	13%	21%	24%	21%	research on climate and the environment to account for at least **15%** of annual publications from 2022

⑤ SARGASSUM: A MAJOR ISSUE FOR THE FRENCH WEST INDIES

The Institut d'émission des départements d'outre-mer *(IEDOM – Delegated Central Bank for the French Overseas Departments and Territories) is responsible for producing economic analyses for overseas territories and is strengthening its expertise on topics linked to the effects of climate change and ecosystem degradation. As part of its CEROM partnership with INSEE and* Agence française de développement *(AFD – French Development Agency), it recently conducted a study on the proliferation of Sargassum (brown seaweed) in the French West Indies.*

Since 2011, large-scale sargassum strandings have become a recurring phenomenon across the Caribbean. Since 2019, in the French West Indies, 16% of Martinique's coastline and 12% of Guadeloupe's coastline (14 out of 32 municipalities) have been regularly affected. The situation was particularly severe in 2025, when around 7,600 tonnes of sargassum were collected at sea. In coming years, the phenomenon could persist and occur outside its usual seasonal patterns.

The main concerns are health-related as decomposing sargassum releases toxic gases that can affect human health. The phenomenon also poses an economic challenge as the damage caused by these strandings reduces the tourist appeal of affected areas and pushes down property values. By way of illustration, studies carried out in Barbados, Mexico and the Dominican Republic show a 30-40% per cent drop in hotel bookings during peak proliferation periods. In Florida, other studies estimate a fall in property prices of around 5-10% in affected areas, and a decline in fishing sector revenues of around 15%.

There are also financial implications for municipalities, local authorities and the state, as they have to invest in equipment for collecting the seaweed at sea and mobilise staff to clear it from the shore. In 2024, state expenditure on sargassum management in Martinique amounted to EUR 6.4 million.

FIND OUT MORE

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SECTION 3

OPERATIONAL ACTIVITIES

2025 HIGHLIGHTS

In 2025, the Banque de France exceeded its greenhouse gas (GHG) emissions reduction target – set at -25% compared with 2019 – achieving a 35% cut in emissions linked to energy use, employee commuting, business travel, waste and direct fugitive emissions.

It has since committed to going even further, setting new carbon reduction targets for 2028 relative to 2019. These targets cover its industrial activities (including purchases), its tertiary activities (excluding purchases) and its tertiary purchases.

In its industrial activities, the Banque de France aims to reduce the carbon intensity of banknotes by 25% compared with 2019. This will be achieved in part by relocating operations to a new, state-of-the-art and energy-efficient printing facility, installing a new boiler at the paper mill and increasing the use of organic cotton and alternative fibres with a lower carbon footprint than conventional cotton. From 2026 onwards, all euro banknotes produced by the Banque de France will be made entirely from organic or Fairtrade cotton (the sustainable cotton currently used is certified under the Global Organic Textile Standard or Organic Content Standard).

In its tertiary activities (excluding purchases), the Banque de France is targeting a 40% reduction in GHG emissions by 2028 compared with 2019.

The Banque de France has trained 87.5% of procurement staff to take better account of the climate and nature in purchasing decisions, exceeding its target of training a minimum of 75%. It is now focusing on identifying and prioritising suppliers that are reducing their carbon footprint.

The Banque de France was the first central bank to publish its biodiversity footprint in its *2024 Sustainability Report*, assessing both its impact and dependencies on nature. It is currently developing a policy on the sustainable use of water resources.

Sustainable performance is one of the Banque de France's core values. It pays particular attention to its operational activities, which are those that it undertakes as a company and that are not specific to central banking. These include support activities such as procurement that are necessary to perform its tasks, the management of offices and industrial facilities, banknote transportation, business travel, employee commuting and waste management.

GOVERNANCE

The Banque de France and the ACPR incorporate climate and nature-related issues into their operational activities as part of their corporate social and environmental responsibility (CSR) policy. The implementation of this policy is monitored by the highest governance bodies:

- progress on the CSR policy is presented annually to the Banque de France's General Council;
- it is discussed by the Executive Committee, which devotes at least one meeting a year, and as many as necessary, to monitoring the policy's objectives and targets and approving any potential changes;
- the Deputy Secretary General, who is the CSR policy sponsor, reports quarterly to the Banque de France's Governor on the policy's implementation.

A dedicated CSR and Sustainable Development Unit (CSR&SD Unit), reporting directly to the CSR policy sponsor, ensures the overall consistency of the CSR initiatives implemented at the Bank. Comprising around 15 staff, the Unit coordinates a network of CSR correspondents across the directorates general and regional branches, who are tasked with implementing the policy and channelling feedback from the field. The CSR&SD Unit works closely with all Banque de France directorates, supporting their CSR initiatives and participating in decision-making committees. It also ensures that real estate, industrial and IT investment projects are subject to non-financial assessment. The CSR policy actively encourages collaborative initiatives, and the CSR&SD Unit and correspondent network guide staff in taking sustainable action.

CLIMATE-RELATED ACTIONS

As part of the environmental pillar of its CSR policy, the Banque de France aims to mitigate its impact on the climate by reducing its greenhouse gas (GHG) emissions. It is also focusing increasingly on measures to adapt to climate change, to guarantee the resilience of its activities and infrastructures *(see Focus 4)*.

Strategy

DECARBONISATION TARGETS FOR 2028

The Banque de France is committed to making further progress in mitigating its climate impact. After meeting its GHG emissions reduction target in 2025, it has now structured its transition plan around three scopes to cover its operational activities more comprehensively and precisely. It has set itself the following reduction targets for 2028 relative to 2019, which is the reference year for its decarbonisation trajectory:

- **tertiary activities** (excluding purchases): reduce GHG emissions by 40% (-34% in 2025);
- **tertiary purchases**: identify key suppliers committed to a decarbonisation plan;
- **industrial activities** (including purchases): reduce the carbon intensity of banknotes by 25% (-5% in 2025).

These targets are inspired by the Science-Based Targets initiative (SBTi) methodology. The target set for tertiary activities is aligned with the goals of the Paris Agreement, which aims to limit the global temperature rise to 1.5°C above pre-industrial levels.

TRANSITION PLAN (2019-28)

The CSR&SD Unit coordinated the development of the transition plan and integrated input from all relevant directorates. The plan was then approved by the Executive Committee. It has been incorporated into the Banque de France's strategic plan and into the roadmaps for the directorates general.

To achieve the 2028 decarbonisation targets, the plan includes actions to reduce all sources of GHG emissions: purchases, capital goods, freight, energy use, employee commuting, business travel, waste and direct fugitive emissions. The main drivers of reductions are the use of organic cotton in banknote manufacture, the opening of a new printing works and further improvements in the energy efficiency of office buildings. In tertiary purchases, the principal action will be to identify key suppliers who have committed to reducing their carbon footprint.

⑥ THE THREE SCOPES OF GREENHOUSE GAS (GHG) EMISSIONS DEFINED BY THE GHG PROTOCOL

The 2001 Greenhouse Gas (GHG) Protocol on measuring company GHG emissions distinguishes between three levels or "scopes" of emissions:

- Scope 1 corresponds to a company's direct emissions from sources that it owns or controls, such as GHGs emitted by vehicles owned by the company or its use of gas for heating.
- Scope 2 corresponds to indirect emissions linked to the consumption of energy supplied by other companies, such as GHGs emitted during the generation of the electricity consumed by the company.
- Scope 3 corresponds to indirect emissions linked to the upstream (supplier emissions) and downstream (emissions linked to the use of goods sold) portions of the company's value chain: for example, in the case of a vehicle manufacturer, this would include GHGs emitted not only by suppliers but also by the vehicles produced and sold by the company.

Management of impacts and risks

The 2025 transition plan enabled the Banque de France to exceed the GHG emissions reduction target of 25% that it set for the scope most directly within its control.[6]

The policies and actions implemented to achieve the 2028 targets are described below for each scope.

TERTIARY ACTIVITIES (EXCLUDING PURCHASES)

Tertiary activities include emissions linked to energy use, capital goods, employee commuting, business travel, merchandise freight, waste and direct fugitive emissions. They also now include the IEDOM's emissions, except for those linked to capital goods and freight, which will be incorporated at a later date.

Energy (Scopes 1, 2 and 3)

In 2025, the Banque de France lowered energy-related GHG emissions in its tertiary activities by 43% compared with 2019. These results illustrate its determination to limit its energy consumption and decarbonise its energy mix.

As part of these efforts, the Banque de France is completely transforming its property portfolio. Since 2019, it has sold off some historical sites in favour of newer, more efficient premises with reduced floor space. In 2025, it completed the construction of new branches in Lens, Rodez and Saint-Etienne, following the Angers site in 2024. The sites that have been retained are being completely renovated to improve

6 The CSR policy scope for 2025, which includes energy use, employee commuting, business travel, waste and direct fugitive emissions. This scope includes the Banque de France and its subsidiaries BDF Gestion and EuropaFi but excludes the IEDOM.

⑦ ACHIEVEMENT OF THE 25% EMISSIONS REDUCTION TARGET RELATIVE TO 2019

Progress made between 2019 and 2025 in reducing greenhouse gas (GHG) emissions

(%)

DECARBONISATION DRIVERS	PROGRESS ACHIEVED	DISTRIBUTION OF EFFORT
Energy efficiency and sobriety	**-36**	64
Reduction in use of gas and fuel oil (Scope 1, buildings)	-37	
Reduction in emissions related to electricity (Scope 2, buildings)	-31	
Reduction in emissions linked to consumption of district heating and cooling (Scope 2, buildings)	-39	
Reduction in emissions linked to energy not included in Scopes 1 and 2 (Scope 3, buildings)	-34	
Incentives to use sustainable transport options for employee commuting	**-34**	18
Management of business travel	**-45**	14
Reduction in emissions related to vehicle fuel (Scope 1)	-33	
Increase in electricity-related emissions resulting from vehicle use (Scope 2)	1,830	
Management of business travel (Scope 3)	-47	
Management of waste-related emissions	**-34**	6
Increase in direct fugitive emissions	103	-2
TOTAL	**-35**	**100**

Source: Banque de France.
Scope: The CSR policy scope for 2025 which includes energy use, employee commuting, business travel, waste and direct fugitive emissions. This scope includes the Banque de France and its subsidiaries BDF Gestion and EuropaFi but excludes the IEDOM.

energy efficiency and make them more comfortable for staff. The regional branch in Lille was notably inaugurated at the end of 2025 following a complete refurbishment and the sale of part of its historical site.

The Banque de France's premises in Paris are also being rationalised, with the renovation of certain areas to optimise use.

In banknote sorting, the Banque de France has reorganised its network of cash centres to adapt it to changes in cash use across France. Nine centres have been closed and operations are now concentrated across 14 sites, leading to lower energy use. The air conditioning is also switched off in the banknote sorting workshops outside of normal working hours.

The Banque de France is also introducing more energy-efficient operating practices. At its data centres, for example, consumption is now rigorously controlled by adjusting operating temperatures and optimising lighting and equipment settings.

Lastly, thanks to the joint efforts of local property and energy managers, all consumption is now monitored precisely to quickly identify any unusual increases and take corrective measures.

These efforts will be continued over coming years to meet the reduction targets for energy use defined in the Tertiary Sector Decree[7] and the Bank's own targets for decarbonising its tertiary buildings.

7 Decree No. 2019-771 of 23 July 2019 on the obligation to take action to reduce final energy consumption in buildings used for tertiary purposes.

Capital goods (Scope 3)

GHG emissions from tertiary capital goods are those generated in the manufacture of the assets the Banque de France uses for its activities. These include buildings, the vehicle fleet, furniture and IT equipment. The biggest carbon contribution in this category comes from buildings, followed by IT equipment. Despite the rise in emissions from IT equipment, the Banque de France succeeded in lowering emissions from its overall capital goods by 12% in 2025 relative to 2019, mainly by optimising floor space in its buildings.

Employee commuting (Scope 3)

Emissions linked to commuting for tertiary activities fell by 40% between 2019 and 2025, notably thanks to a rise in remote working. Staff spent an average of 120 days working on site in 2025, down from 155 in 2019.

The introduction of incentives to switch to green mobility options – for example, a green mobility subsidy and reimbursements of travel passes and subscriptions to bike-share schemes that go beyond French legal requirements – has helped to reduce car journeys and increase the use of bikes. Cars accounted for 31% of staff journeys to and from work in 2025, down from 37% in 2019.

These policies will be maintained to continue lowering commuting emissions.

Business travel (Scopes 1, 2 and 3)

The Banque de France's business travel policy prioritises the use of videoconferencing, limits the size of delegations and requires staff to use the train for journeys of less than three and a half hours. Some directorates general have gone even further by banning air travel for journeys within mainland France and from Paris to Frankfurt (over 1,400 journeys in 2025), 95% of which are made by train.

In addition, each directorate general is given an annual carbon budget for business travel, which is approved by the Executive Committee and monitored monthly.

The Banque de France has also reduced the size of its vehicle fleet since 2019, as well as gradually switching to electric vehicles. For vehicles serving the branch network, which make up the bulk of its fleet, the Banque de France's target is for 70% of replacement vehicles to be electric in 2027, and 100% in 2028.

Freight (Scopes 1 and 3)

Freight-related emissions in tertiary activities stem from the transport of banknotes between euro area countries to ensure denominations are evenly distributed, and the transport of coins on behalf of the Monnaie de Paris.

The Banque de France is studying ways of optimising its logistics to reduce their environmental impact. However, its options are limited due to the strict security requirements and operational constraints in cash transport.

Waste (Scope 3)

Waste-related GHG emissions depend directly on the volume of waste produced and the treatment methods used (recycling, incineration with or without energy recovery).

Since 2019, the treatment of tertiary waste has improved, with an increase in the use of recycling. The volume of tertiary waste has also fallen by nearly half, leading to an equivalent reduction in GHG emissions.

This trend has been intensified thanks to initiatives to encourage staff to sort their waste and reduce the volumes produced at source.

Direct fugitive emissions (Scope 1)

Direct fugitive emissions are those caused by leaks of refrigerants, which are mainly found in building and vehicle air conditioning systems. These refrigerants are volatile GHGs with a very high global warming potential, and can generate significant emissions, even when leaks are detected rapidly. This specific feature, combined with the unpredictable nature of leaks, explains the sharp year-on-year fluctuations observed for this emissions category.

In 2025, direct fugitive emissions linked to tertiary activities were three times higher than in 2019. Nonetheless, this item remains marginal and only accounted for 0.7% of total tertiary emissions in 2025.

To control its direct fugitive emissions, the Banque de France limits the use of air conditioning in its tertiary buildings. Premises are not systematically air conditioned, helping to reduce the total volume of refrigerants and the number of units installed. For building renovations, the Banque de France also prioritises the use of innovative air-conditioning systems that use refrigerants with a lower warming potential and cause less pollution when they leak.

TERTIARY PURCHASES (SCOPE 3)

Emissions linked to tertiary purchases are those for which the Banque de France is indirectly responsible via purchases of goods and services for its tertiary activities.

The Banque de France maps its suppliers and collects information on their carbon footprint and decarbonisation plans from different sources, including questionnaires, reports and databases.

More than half of emissions linked to tertiary purchases are from IT purchases (IT consultancy services, IT service contracts, software, cloud solutions, current IT assets). Purchases linked to property and building maintenance account for around 14% of emissions, while the remainder are from security, logistics and communication activities, as well as from consultancy and training services. The Banque de France is therefore rolling out its responsible procurement policy.

It has implemented a scheme for the promotion of socially and environmentally responsible purchases (SPASER), which comprises a series of indicators and can be accessed via the Banque de France website. SPASER 2024-26, the first results of which were published in May 2026, focused, for example, on incorporating environmental performance criteria into the awarding of contracts and the use of products from the circular economy. The Banque de France will publish a new SPASER for 2027-28 before its next *Sustainability Report*. On 11 December 2025, it officially signed the Supplier Relations and Responsible Procurement Charter, which is backed by the Business Ombudsman and the National Procurement Council. The signing marks a further step in making our procurement practices exemplary, transparent and economically, socially and environmentally responsible.

The Banque de France has also strengthened ties with its suppliers by encouraging over 600 firms to sign its Responsible Procurement Charter. In doing so, these firms commit to adopting responsible practices, notably with respect to the environment.

Finally, mindful of the key role that buyers play in reducing its environmental footprint – both for tertiary and industrial purchases – the Banque de France has trained 87.5% of its buyers in climate and nature-responsible procurement, exceeding its minimum target of 75% for end-2025.

INDUSTRY

Industrial purchases (Scope 3)

In 2025, the Banque de France further strengthened the sustainability of its procurement model for industrial purchases. Today, the banknotes it produces are made primarily from cotton fibres derived from textile industry combing waste. From 2026 onwards, all euro banknotes will be made from organic cotton certified under the Global Organic Textile Standard (GOTS) or the Organic Content Standard (OCS), as part of a joint initiative with Eurosystem national central banks. By 2028, the Banque de France aims to extend the use of organic cotton or other lower-emission fibres to all its banknote production. This initiative, targeting the main contributor to banknotes' carbon footprint, is expected to halve emissions related to cotton use. In parallel, the Banque de France is exploring the use of other alternative fibres with a lower environmental impact, such as hemp or wood. More broadly, the Banque de France is strengthening its responsible industrial procurement practices to ensure that, over the long term, a significant share of its materials are certified.

Freight (Scopes 1 and 3)

Freight covers both upstream transport such as cotton deliveries for the manufacture of banknote paper, and downstream transport, including the distribution of paper and finished banknotes.

There are two main ways of reducing the environmental impact of freight: (i) optimising logistical flows; and (ii) replacing carbon-intensive transport with lower-emission alternatives. The Banque de France is therefore exploring the possibility of replacing air freight with road freight for shipments of goods to and from neighbouring countries, and of increasing its use of sea freight – where security and logistical constraints permit. It is important to note that banknote logistics are subject to stringent security requirements that limit the available transport options.

Energy (Scopes 1, 2 and 3)

Despite an increase in production over recent years, the Banque de France has reduced energy consumption in its industrial operations by 18% since 2019 and cut GHG emissions by 21%.

In 2025, the paper mill took steps to improve its energy efficiency, including optimising its wastewater treatment unit and installing a heat recovery system on an air compressor. These measures are part of the decarbonisation roadmap launched in 2022, which has involved adjusting equipment settings to meet actual needs and insulating the steam system to reduce heat loss. In the period up to 2028, the site plans to further reduce its emissions through investments aimed at decarbonising its energy mix, including the replacement of its current gas boiler.

Regarding the printing works, the factory is set to be relocated to the same site as the paper mill in Vic-le-Comte ("Refondation" project), and the new building will feature an optimised design, high-performance insulation and decarbonised heat generation. The gas-fired boiler currently used at the Chamalières site will notably be replaced by an electric solution with gas backup in the new building.

Capital goods (Scope 3)

The carbon footprint of industrial capital goods depends mainly on emissions associated with industrial buildings and machinery. These emissions declined slightly in 2025 relative to 2019. They are expected to fall more significantly by 2028 thanks to the relocation of the printing works to a more compact factory in Vic-le-Comte.

Waste (Scope 3)

Industrial waste accounts for nearly two-thirds of the Banque de France's waste-related emissions. Given its impact and specific nature, it is the focus of particular attention.

In 2025, GHG emissions linked to industrial waste fell by over 10% compared with 2019. There are two key aspects to managing industrial waste:

- reducing the quantity of waste produced by rigorously monitoring and improving practices;

- selecting appropriate treatment solutions and prioritising recycling.

Employee commuting (Scope 3), **business travel** (Scope 1, 2 and 3) **and direct fugitive emissions** (Scope 1)

These emission sources are being addressed by applying cross-cutting, standardised policies and measures throughout the Banque de France's operations. The reduction measures deployed are identical for both tertiary and industrial activities and are based on the mechanisms already described in the section on tertiary activities.

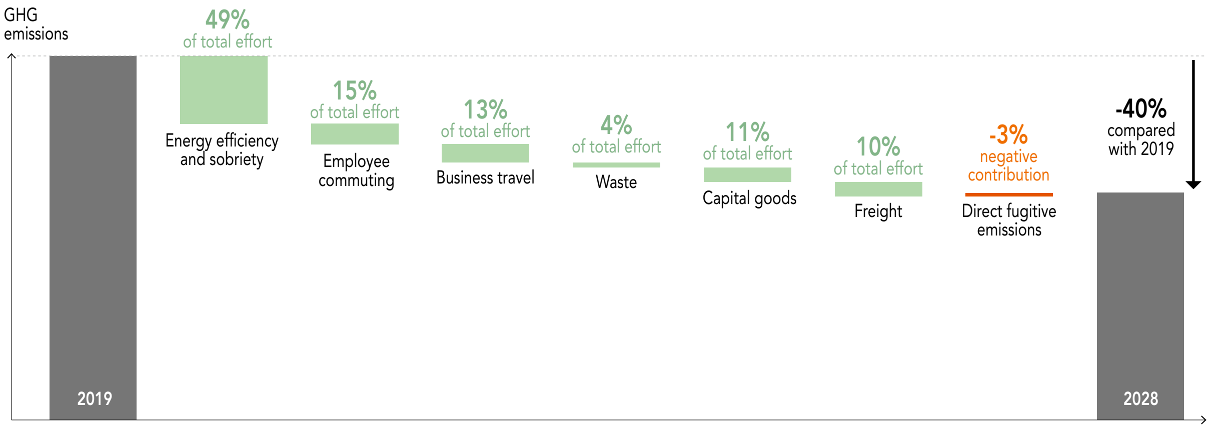
PURCHASE OF CARBON CREDITS

The Banque de France is extending its commitment to decarbonisation beyond its own activities to contribute to the planetary target of carbon neutrality. In 2025, it supported a reforestation project led by the National Forestry Office in the Woëvre forest in the Meuse department, which should enable the sequestration of 533 tCO_2eq (estimate to be verified following the project audit). A mix of oak and pine trees was planted on the plot to restore the forest, which had been damaged by bark beetles. The initiative also aims to preserve the soil and restore the entire forest ecosystem. The project is certified under the Low Carbon label, which is a voluntary certification scheme created by the Ministry for the Ecological Transition to guarantee the quality of projects and the permanence of the carbon sequestration.

Metrics and targets

TRANSITION PLAN: TERTIARY ACTIVITIES

The Banque de France's 2019-28 transition plan



Source: Banque de France.
Note: GHG, greenhouse gases.

CARBON FOOTPRINT

Consolidated carbon footprint of the Banque de France in 2025

(emissions in tCO_2eq; in brackets: % of footprint; % change since 2019)

a) By emissions category			
	2019	2025	Change since 2019
Purchases	80,956 (54)	88,379 (62)	+9
Energy	27,139 (18)	17,906 (13)	-34
Capital goods	15,363 (10)	13,812 (10)	-10
Freight	11,989 (8)	12,114 (9)	+1
Employee commuting	7,517 (5)	4,994 (4)	-34
Business travel	4,662 (3)	2,783 (2)	-40
Waste	2,711 (2)	1,805 (1)	-33
Direct fugitive emissions	273 (0.2)	521 (0.4)	+90
b) By Scope			
Scope 1	14,693 (10)	9,635 (7)	-34
Scope 2	8,307 (6)	5,842 (4)	-30
Scope 3	127,611 (85)	126,836 (89)	-1

Source: Banque de France.
Scope: Banque de France and its subsidiaries BDF Gestion, EuropaFi and IEDOM.
Notes: Classification of greenhouse gas emissions by scope according to the GHG Protocol.
tCO_2eq, tonnes of CO_2 equivalent.

⑧ SUSTAINABLE IT

In response to emerging challenges and the rapid transformation of its ecosystem (rise of generative AI, growing need for digital sovereignty in purchases and infrastructure, climate adaptation and pressures on critical raw materials and rare metals), the Banque de France is raising its ambition in the digital sphere. It is upgrading its approach from "digital sobriety" to **"sustainable IT"**, with the aim of balancing technological transformation with resilience, climate and nature objectives, and human needs.

This operational transition comprises three main pillars: (i) reducing the Banque de France's environmental footprint through eco-design and the circular economy; (ii) using technology as a lever for inclusion and wellbeing; and (iii) exercising responsible influence through sovereign and sustainable procurement.

In 2025, the Banque de France strengthened the role of eco-design in IT project governance by increasing the involvement of architects. It also refined the measurement of its IT system's environmental footprint by including remote working and establishing a projection for 2030. In parallel, the Banque de France reaffirmed its commitment to responsible innovation by signing the Responsible Digital Institute's Artificial Intelligence (AI) Charter and by maintaining a 100% reuse rate for its laptops. In 2026, it will develop synergies between cybersecurity, digital sovereignty and the deployment of generative AI, while continuing to contribute to digital common goods.

The Banque de France has been actively engaged in the digital ecosystem since 2021 and has signed the Planet Tech'Care manifesto as well as the International Charter for Inclusive AI. Its IT teams regularly participate in inter-company or non-profit working groups and share their sustainable digital experience with other central banks, notably within the Network for Greening the Financial System (NGFS) and the International Banking and Financial Institute (IBFI).

Environmental footprint of the Banque de France's information system

To steer its sustainability policy effectively, the Banque de France measures its IT system's environmental footprint on an annual basis. This assessment is a guarantee of transparency and is carried out according to the **European Commission's Product Environmental Footprint (PEF)** methodology, as well as French[1] and international[2] standards.

This state-of-the-art approach analyses products' entire lifecycle via 16 environmental impacts,[3] thereby avoiding any transfer of pollution. The Banque de France strives to continuously improve its approach, refining its data and incorporating the latest methodological advances. For example, the 2025 exercise included the impact of remote working and extrapolated it backwards to 2024 to ensure the improvement trajectory is consistent.

The scope of the assessment focuses on the supply of digital services (user environment, telephony and videoconferencing, printing, networks, data centres, Infrastructure as a Service - IaaS).

PEF results are expressed as normalised scores in points. A lower score indicates a lower environmental impact.

PEF single overall score

Year	Points
2019	107,359
2020	108,203
2021	103,762
2022	99,861
2023	101,399
2024	111,204 a)
2025	111,211 a)

Source: Banque de France.
Interpretation: A lower PEF score denotes a decline in the environmental impact of the IT system.
Note: The PEF (Product Environmental Footprint) method is a reliable, harmonised European method used to measure and compare the overall environmental footprint of a product over its entire lifespan.
a) Expansion of scope to include remote working.

1 Ademe (2024), *Référentiel par catégorie de produit (RCP) des systèmes d'information*, November.

2 International Telecommunication Union (ITU), Recommendation L. 1410: "Methodology for environmental life cycle assessments of information and communication technology goods, networks and services".

3 Resource use, fossils (ADPf). – Resource use, minerals and metals (ADPe). – Acidification (AP). – Freshwater ecotoxicity (CTUe). – Human toxicity, cancer (CTUh-c). – Human toxicity, non-cancer (CTUh-nc). – Freshwater eutrophication (Epf). – Marine eutrophication (Epm). – Terrestrial eutrophication (Ept). – Climate change (GWP). – Land use (LU). – Ozone depletion (ODP). – Particulate matter (PM). – Photochemical ozone formation (POCP). – Water use (WU). – Ionising radiation (IR).

⑨ ADAPTATION TO CLIMATE CHANGE

To increase the resilience of its activities to climate change, the Banque de France has measured the exposure of its property portfolio over different time horizons to six major climate hazards: heatwaves, cold waves, heavy rainfall, drought, wildfires and high winds. The assessment was carried out using the climate change adaptation diagnostic tool (ODACC), developed by the Banque de France for the French companies it rates. Based on the initial findings, the Banque de France has launched in-depth assessment of the climate vulnerability of its activities with a view to developing an adaptation plan.

The overall plan will be complemented with local initiatives. In particular, the Banque de France has defined a business continuity plan for its head office and other Paris sites in the event of flooding of the River Seine. The plan was tested in the Hydros 2025 exercise, coordinated by the Paris Police Préfecture, which simulated the impacts of a Seine flood across the Île de France region *(see Section 2)*. In addition, the new site for the printing works will feature natural systems for managing water runoff, including infiltration swales and extensive green spaces. At the paper mill, particular attention is being paid to drought risk, as reliable access to water is essential for production. As the site draws its water from the River Allier, studies have been conducted to evaluate the impact of a climate-induced fall in the water level. The results show that current climate projections do not threaten the continuity of the site's activities. Nevertheless, the mill is still committed to reducing water consumption (*see* Actions relating to water resources: *Reducing the impact of industrial activities*).

ACTIONS TO REDUCE OUR IMPACTS AND RISKS LINKED TO NATURE DEGRADATION

Strategy

Nature conservation is intrinsically linked to climate issues and is one of the two environmental objectives in the Banque de France's CSR policy that have been integrated into its institutional strategic plan.

Management of impacts and risks

The Banque de France's efforts to manage its impacts and dependencies on nature are closely tied to its GHG emissions reduction efforts and therefore depend on the policies implemented in this latter area.

ACTIONS RELATED TO TERRESTRIAL ECOSYSTEMS

Reducing the impact of industrial activities

The Banque de France's direct impacts on nature are mainly concentrated in its cash cycle activities, namely the paper mill in Vic-le-Comte and the printing works, currently located in Chamalières, which is due to be relocated to Vic-le-Comte under the Refondation project.

As both the paper mill and the construction site for the new printing works are located near a Natura 2000 protected area, steps have been taken to reduce the project's impact, including the conservation of wooded areas, creation of grasslands, relocation of a heritage plant species and installation of bat boxes. These measures will benefit all species identified in the area as well as local biodiversity.

Downstream in the banknote manufacturing process, the Banque de France is working to reduce waste generation. It has developed EverFit® technology to increase the resistance and durability of banknotes. In addition, an intrapreneurship project has enabled shredded banknotes to be reused to produce items such as furniture.

Reducing the impact of tertiary activities

The Banque de France has taken steps to promote and preserve nature across its tertiary sites. Since 2023, it has applied a landscaping charter for outdoor spaces, covering the choice of plant species, green space maintenance techniques, types of products used and outdoor lighting. The aim is to minimise impacts on soil quality and local biodiversity.

Several network branches are also participating in the League for the Protection of Birds' (LPO) refuge programme. Two sites have already been accredited: Poitiers in 2023 and Dijon in 2025. At these sites, external spaces have been redesigned with the planting of native species and installation of wildlife shelters. Some areas are also left fallow or mown later in the season. The Poitiers branch has made its car park permeable to rainwater, created a staff vegetable garden and planted a micro-forest. Meanwhile, the Dijon branch has established a heritage orchard to help conserve traditional local fruit varieties.

Since October 2024, the Banque de France has been engaged in a three-year partnership with the LPO to implement joint initiatives to preserve nature.

In 2025, it organised several events to raise awareness:

- a climate and nature day open to external participants, featuring round-table discussions and activities;
- a webinar for staff, led by the LPO, focusing on the species nesting on occupied buildings and best practices to protect them during renovation works.

In addition to its own activities, the Banque de France supports charities and foundations working to protect terrestrial or aquatic ecosystems, both in mainland France and in the overseas departments and territories.

ACTIONS RELATING TO WATER RESOURCES

In 2023, the Banque de France performed a qualitative analysis using the ENCORE database to measure the dependency of its activities on ecosystem services. The study identified a direct dependency on water resources, particularly in banknote manufacturing, where it is used in the industrial process itself and in the production of cotton – the main raw material used to produce paper pulp. Tertiary activities are also highly dependent on services provided by water systems, particularly for the mitigation of climate change.

In 2025, the Banque de France carried out an assessment of water-related challenges across all its industrial and tertiary assets. Based on the findings, it is developing a policy on sustainable water use to improve how it manages this resource, prevent health and pollution risks and make its industrial and tertiary activities more resilient to water-related climate hazards.

Reducing the impact of industrial activities

The Banque de France's largest water-consuming industrial activity is banknote production, which is carried out by its subsidiary EuropaFi.

Recognising this challenge, EuropaFi has been implementing a water efficiency programme for the past 20 years, focusing on three main areas: (i) conservation; (ii) recycling; and (iii) operational efficiency.

The water used in paper production is drawn from the River Allier adjacent to the mill, then treated at the on-site wastewater treatment plant to remove pollutants and returned to its natural environment. To reduce the amount of water it draws, EuropaFi has invested in more efficient equipment and processes. Key measures include replacing the paper machine, reducing the number of machines in operation, and introducing a water reuse circuit that recycles water used during production.

The paper mill is committed to minimising its environmental footprint and is continually improving its performance in the areas of water, energy and waste. In recognition of these efforts, it has held ISO 14001 certification (Environmental Management System) for several years and will soon obtain ISO 50001 certification (Energy Management).

The printing works will gradually transfer its operations to a new facility incorporating water saving techniques and a rainwater harvesting system.

Reducing the impact of tertiary activities

In its tertiary buildings, the Banque de France is gradually deploying a remote water meter reading system using a platform that already centralises energy monitoring across its property portfolio. To date, 30 sites – including the largest ones such as the headquarters and certain regional branches – transmit their water consumption data on a monthly basis, allowing the Bank to monitor usage and detect anomalies.

As part of the modernisation of its property portfolio, the Banque de France is implementing measures to optimise water consumption, including the installation of metering solutions and water-saving devices. Certain buildings have also been fitted with rainwater harvesting systems to meet non-potable water needs such as toilet flushing, irrigation, vehicle washing and fire-fighting systems.

Finally, the Banque de France is gradually incorporating water-efficiency clauses into its operating contracts.

Metrics and targets

The Banque de France assesses the impacts of its operational activities on nature (terrestrial and aquatic ecosystems, freshwater) using the Global Biodiversity Score methodology. This impact assessment is not carried out annually. Therefore, the most recent results at the time of publication of this report were for 2024 and can be found in the supplement to the *Sustainability Report*.

FIND OUT MORE

CSR policy: https://www.banque-france.fr/fr/system/files/2026-07/Politique-RSE_2026.pdf

Banque de France (2026), *Annual Report 2025*, Chapter 5 "Social and environmental responsibility", pp. 79-95: https://www.banque-france.fr/en/publications-and-statistics/publications/banque-de-france-annual-report-2025

On the Banque de France's environmental footprint, see the supplement to the *Sustainability Report*: https://www.banque-france.fr/en/publications-and-statistics/publications/sustainability-actions-banque-de-france-and-acpr-their-operational-activities-supplement-2025

SECTION 4

THE BANQUE DE FRANCE'S RESPONSIBLE INVESTMENT POLICY

2025 KEY FIGURES

<1.5°C

The global warming alignment trajectory of the private assets **(equities and corporate bonds)** held in the own funds and pension liabilities portfolios

0%
of revenue

The exclusion threshold introduced in 2024 for **companies involved in the extraction of coal or unconventional hydrocarbons or their use in energy production**

30%

The share of **private issuers excluded from the investment universe** based on ESG criteria, in line with the French SRI label

95%

General meeting attendance rate

Across the entire scope of own-account portfolios:

EUR 21.6bn

invested in green bonds,
an increase of EUR 11.4 billion in 2025

EUR 3.9bn

invested in social bonds

EUR 3.7bn

invested in sustainability bonds

EUR 1,016m

invested in funds financing the **energy transition or in funds with an environmental or social impact**, of which:

EUR 876m in climate impact funds or funds financing the energy transition

EUR 59m in social impact funds

EUR 81m in funds devoted to preserving nature and biodiversity

2025 HIGHLIGHTS

Having already aligned its own-account equity portfolios[8] with a 1.5°C warming trajectory by the end of 2023, the Banque de France pledged to extend this temperature target to the corporate bond component by the end of 2026. At the end of 2025, the private assets (equities and corporate bonds) were already aligned with a sub-1.5°C warming trajectory.

In 2025, the Banque de France actively continued its policy of purchasing sustainable bonds[9] (net purchases of EUR 13.4 billion) and investing in unlisted impact funds (net purchases of EUR 108 million).

For the fourth year in a row, the Banque de France published harmonised climate impact indicators, which are common to all Eurosystem central banks. These include Scope 1, 2 and 3 carbon emissions, and the shares of social and sustainability bonds held in the different portfolios. This year it has also published new nature-related indicators: the share of its portfolios exposed to sectors considered to have material nature-related dependencies and impacts,[10] and indicators measuring its portfolios' impact on water quality.

In the 2025 United Nations-backed Principles for Responsible Investment (UNPRI) reporting exercise,[11] **the Banque de France achieved above-median scores in all its reporting modules** and improved its performance compared with 2024.

In 2025, the Banque de France also formalised its shareholder engagement policy and launched a new engagement campaign focused on nature preservation, which is conducted by BDF Gestion, its asset management subsidiary. The campaign targets firms in which it invests through the biodiversity fund set up jointly with Caisse des Dépôts. CDC Biodiversité's qualitative analyses and expertise were used to select the firms to engage with and guide constructive dialogue with them.

8 Own funds and pension liabilities portfolios and portfolios held against the monetary base.

9 Sustainable bonds comprise green, social and sustainability bonds.

10 As defined by the Taskforce on Nature-related Financial Disclosures (TNFD).

11 The United Nations Principles for Responsible Investment (see note 18 for details).

OVERVIEW

The Banque de France has pursued a responsible investment (RI) approach since 2018. It first adopted an RI Charter, followed by a three-pronged policy covering nature and climate issues, environmental, social and governance (ESG) questions more generally, and engagement with companies in which it is a shareholder. This approach traditionally focused on the own funds and pension liabilities portfolios, i.e. assets for which the Banque de France is solely and fully responsible. Over the last two years, the strategy has been progressively expanded to euro-denominated own portfolios held against the monetary base along with foreign exchange reserves,[12] whose extra-financial performance is also detailed in this report (see the Responsible Investment page on the Banque de France website and the supplementary report on responsible investment). Portfolios covered by the RI approach were worth EUR 177 billion at 31 December 2025,[13] representing an increase of more than EUR 157 billion in the scope covered since the approach was first introduced in 2018.

RESPONSIBLE INVESTMENT APPROACH

In 2018, the Banque de France published a **Responsible Investment Charter**, in which it committed to including climate considerations, and ESG questions more generally, in its investment policy. This commitment is reflected in the application of the **double materiality** principle[14] to the portfolios managed for its own account.[15] Accordingly, the Bank considers (i) the environmental and social impact of its investments, and (ii) the social and environmental risks to the financial performance of its portfolios. By doing so, it aims to improve the overall environmental impact of the assets that it finances through these portfolios by contributing to meeting the United Nations (UN) Sustainable Development Goals (SDGs),[16] while at the same time mitigating the physical and transition risks to which these portfolios are exposed.

While the Banque de France is not subject to **French and European extra-financial disclosure requirements** for financial institutions, it endeavours to comply with them wherever possible and appropriate. For this reason, the annual *Sustainability Report* incorporates some of the provisions of Article 29 of French Energy and Climate Act No. 2019-1147 and its implementing decree of May 2021 establishing extra-financial reporting obligations for institutional investors. Similarly, the Banque de France takes into account the requirements set down by Regulation EU 2019/2088 on sustainability-related disclosure in the financial services sector (the Sustainable Finance Disclosure Regulation or SFDR).

By integrating sustainability factors into the management of assets for own account, the Banque de France's strategy also complies with the recommendations issued by the **Central Banks and Supervisors Network for Greening the Financial System (NGFS)** on sustainable and responsible investment.[17]

12 These portfolios are mainly invested in fixed-rate or index-linked bonds. At the end of 2025, euro portfolios were principally made up of euro-denominated securities issued by euro area residents and held to maturity. Foreign currency-denominated portfolios are primarily invested in US dollars.

13 These assets exclude securities held for monetary policy purposes under the mission entrusted to the European System of Central Banks (ESCB) by the Treaty on the Functioning of the European Union (TFEU).

14 Double materiality is one of the key principles of European Directive 2022/2464 on Corporate Sustainability Reporting (CSRD).

15 These portfolios include own funds and pension liabilities portfolios, as well as euro and foreign currency-denominated portfolios held against the monetary base. These portfolios comprise several asset classes, including sovereign bonds, equities, corporate bonds, money market instruments and unlisted assets.

16 The United Nations adopted the SDGs in 2015. The Banque de France notably contributes to Goals 7 (access to affordable, reliable, sustainable and modern energy for all) and 13 (urgent action to combat climate change and its impacts).

17 NGFS (2019), *A call for action*, April, and NGFS (2024), *Guide on climate related disclosure for central banks, 2nd ed.*, June.

In 2025, the Banque de France upheld its pledge to act transparently by conducting a reporting exercise for the third consecutive year, this time in respect of 2024, on the platform of the UN-backed Principles for Responsible Investment (UNPRI).[18] In the 2025 assessment, the Banque de France achieved its highest ever scores in all its reporting modules. These improved scores – which are higher than the median in all categories – reflect the efforts undertaken over the course of the year, including the formalisation of the shareholder engagement policy with BDF Gestion, the Banque de France's asset management subsidiary, and the transmission of ESG questionnaires to external management companies.

Common Eurosystem metrics

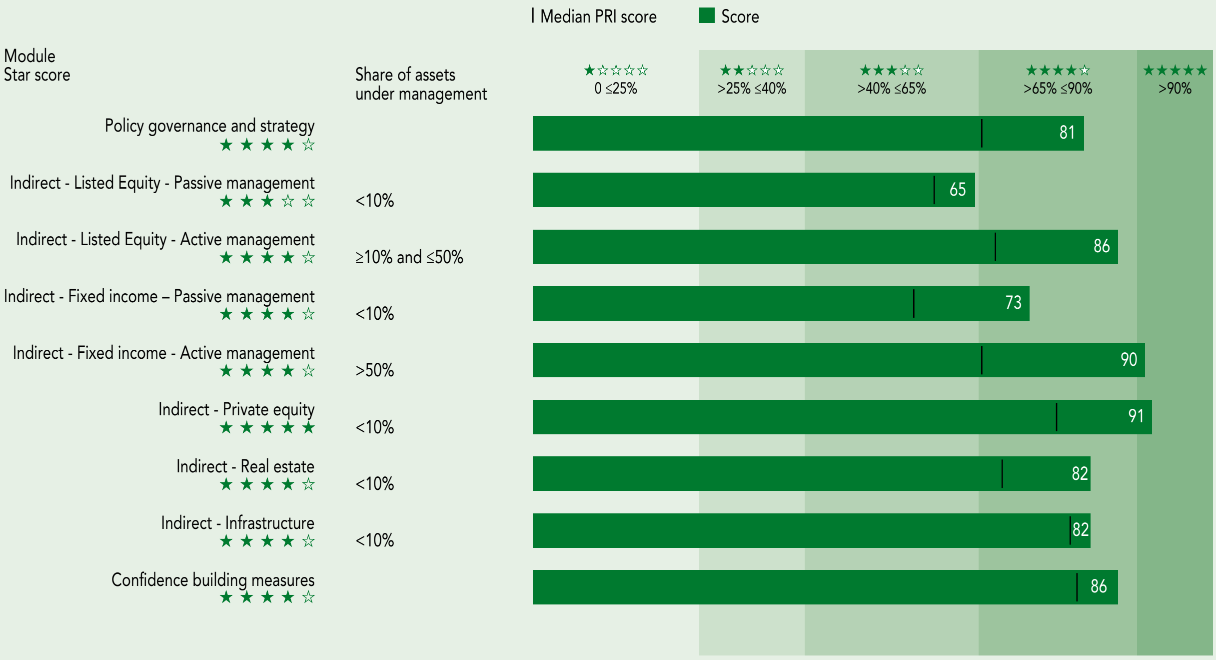
(*See* The Banque de France responsible investment policy - Supplement to the 2025 Sustainability Report, *Focus 2*)

Since the *2023 Sustainability Report* report was released, the scope of portfolios tracked has expanded to include foreign exchange reserves in addition to euro-denominated pension liabilities and own funds portfolios and portfolios held against the monetary base. For 2025, the metrics calculated and published cover the same scope as in 2024.

To ensure the reliability of the metrics published as part of the Eurosystem's harmonised disclosure exercise and for the portfolios' warming trajectory, the main climate metrics published in this report have been certified by the statutory auditors for the third year in a row. The metrics cover 2025 and 2024 and have been examined and validated by Forvis Mazars and Deloitte. This underlines the importance the Banque de France places on extra-financial disclosures and transparency.

18 Founded in 2005 with the support of the United Nations, the Principles for Responsible Investment (PRI) form an internationally recognised platform whose purpose is to develop and promote responsible investment worldwide. Signatories complete a standardised set of reports on how sustainability objectives are integrated into investment portfolios. Based on the answers provided, an automatic non-public assessment of the investment policy is generated, allowing the signatory to check whether it complies with the initiative's minimum requirements, including the integration of sustainability criteria into the management of at least 50% of assets, establishment of a governance mechanism for the investment policy, and existence of a team dedicated to implementing the investment policy.

2025 UNPRI scorecard for the Banque de France's 2024 reporting exercise



Source: United Nations (UN).
Note: United Nations-backed Principles for Responsible Investment (UNPRI).

T1 Climate impact indicators from the Eurosystem 2025 disclosure exercise

(portfolio size in EUR millions; weighted average carbon intensity (WACI), carbon footprint and carbon intensity in tCO_2eq/EUR million; emissions in tCO_2eq; share and coverage in % of the asset class)

a) For pension liabilities and own funds portfolios

	NON-SOVEREIGN SECURITIES					
	Corporate bonds		Coverage	Equities		Coverage
	2025	2024	2025	2025	2024	2025
PENSION LIABILITIES PORTFOLIO (CRE)						
Scope 1 + 2 emissions						
Portfolio size	1,763	1,727		4,500	4,394	
WACI	92	49	94.0	50	54	99.8
Total emissions	48,437	29,049	93.9	62,765	91,949	99.8
Carbon footprint	29	25	93.9	14	21	99.8
Carbon intensity	83	53	93.9	50	60	99.8
Share of green bonds	16.5	13.8				
Share of social bonds	1.7	1.1				
Share of sustainability bonds	2.6	0.0				
Scope 1 + 2 + 3 emissions						
WACI	1,578	1,148		1,493	1,090	
Total emissions	868,773	746,075		2,044,691	2,192,298	
Carbon footprint	525	636		453	499	
Carbon intensity	1,489	1,371		1,617	1,430	
OWN FUNDS PORTFOLIO						
Scope 1 + 2 emissions						
Portfolio size	82	917		3,319	2,725	
WACI	39	5	100.0	54	62	99.9
Total emissions	1,846	3,333	100.0	51,794	68,359	99.9
Carbon footprint	22	4	100.0	16	25	99.9
Carbon intensity	147	17	100.0	52	66	99.9
Share of green bonds	70.0	23.3				
Share of social bonds	0.0	2.5				
Share of sustainability	0.0	0.0				
Scope 1 + 2 + 3 emissions						
WACI	1,228	1,089		1,764	1,194	
Total emissions	23,031	296,022		1,831,366	1,561,700	
Carbon footprint	279	323		551	573	
Carbon intensity	1,830	1,515		1,825	1,507	

	SOVEREIGN SECURITIES Government and local authority bonds						
	Production excluding LULUCF		Production including LULUCF		Consumption		Coverage
	2025	2024	2025	2024	2025	2024	2025
PENSION LIABILITIES PORTFOLIO (CRE)							
Portfolio size	**6,066**	5,871	**6,066**	5,871	**6,066**	5,871	
WACI	136	149	126	138	11	12	100.0
Total emissions	824,394	874,031	762,061	810,791	1,005,754	1,085,553	100.0
Carbon footprint	136	149	126	138	166	185	100.0
Carbon intensity	136	149	126	138	10	11	100.0
Share of green bonds	10.7	4.2					
Share of social bonds	0.0	0.0					
Share of sustainability bonds	0.0	0.1					
OWN FUNDS PORTFOLIO							
Portfolio size	**6,522**	5,678	**6,522**	5,678	**6,522**	5,678	
WACI	105	116	100	111	8	9	100.0
Total emissions	687,767	659,793	649,834	631,557	895,468	900,445	100.0
Carbon footprint	105	116	100	111	137	159	100.0
Carbon intensity	105	116	100	111	8	9	100.0
Share of green bonds	18.4	19.6					
Share of social bonds	2.3	2.6					
Share of sustainability bonds	0.3	0.4					

Sources: Institutional Shareholder Services (ISS), Carbon4 Finance, World Bank, Bloomberg; Banque de France calculations.
Notes: Weighted average carbon intensity (WACI) is a method used to calculate the estimated carbon footprint of a financial asset portfolio. It calculates the weighted average of the carbon intensities emitted by companies in a specific portfolio. Its use is recommended by the Task Force on Climate-related Financial Disclosures (TCFD).
tCO_2eq, tonnes of carbon dioxide equivalent; CRE, *Caisse de réserve des employés* (employee pension fund); na, not available; LULUCF, Land Use, Land-Use Change, and Forestry.

T1 Climate impact indicators from the Eurosystem 2025 disclosure exercise (continued)

(portfolio size in EUR millions; weighted average carbon intensity (WACI), carbon footprint and carbon intensity in tCO_2eq/EUR million; emissions in tCO_2eq; share and coverage in % of the asset class)

b) For euro and foreign currency-denominated portfolios held against the monetary base

	NON-SOVEREIGN SECURITIES								
	Supranational bodies and government agencies		Coverage	Covered bonds		Coverage	Equities		Coverage
	2025	2024	2025	2025	2024	2025	2025	2024	2025
EURO-DENOMINATED PORTFOLIOS									
Scope 1 + 2 emissions									
Portfolio size	**18,372**	9,351		**7,094**	4,971		**636**	296	**99.9**
WACI	1	1	86.4	1	1	64.8	58	71	99.9
Total emissions	1,747	3,480	86.4	793	1,577	64.8	11,951	8,587	99.9
Carbon footprint	0	0	86.4	0	1	64.8	19	29	99.9
Carbon intensity	2	6	86.4	1	2	64.8	52	68	99.9
Share of green bonds	59.6	57.3		13.9	11.3				
Share of social bonds	14.1	21.8		6.6	4.2				
Share of sustainability bonds	15.4	19.7		0.0	0.0				
Scope 1 + 2 + 3 emissions									
WACI	2,787	1,283	86.4	2,900	1,380	64.8	2,109	1,398	99.9
Total emissions	2,153,999	678,322	86.4	2,359,432	959,231	64.8	482,576	206,677	99.9
Carbon footprint	136	76	86.4	513	416	64.8	759	700	99.9
Carbon intensity	2,098	1,190	86.4	3,094	1,397	64.8	2,083	1,639	99.9
FOREIGN CURRENCY-DENOMINATED PORTFOLIOS									
Scope 1 + 2 emissions									
Portfolio size	**5,142**	5,101							
WACI	1	0	51.7						
Total emissions	494	110	51.7						
Carbon footprint	0	0	51.7						
Carbon intensity	1	0	51.7						
Share of green bonds	5.0	5.4							
Share of social bonds	6.7	7.5							
Share of sustainability bonds	6.3	1.4							
Scope 1 + 2 + 3 emissions									
WACI	1,915	1,200							
Total emissions	367,580	280,810							
Carbon footprint	138	82							
Carbon intensity	690	1,240							

	SOVEREIGN SECURITIES Government and local authority bonds						
	Production excluding LULUCF		Production including LULUCF		Consumption		Coverage
	2025	2024	2025	2024	2025	2024	2025
EURO-DENOMINATED PORTFOLIOS							
Portfolio size	**98,196**	61,946	**98,196**	61,946	**98,196**	61,946	**100.0**
WACI	106	118	100	110	8	9	100.0
Total emissions	10,441,140	7,285,510	9,844,012	6,837,787	13,445,829	10,108,227	100.0
Carbon footprint	106	118	100	110	137	163	100.0
Carbon intensity	106	118	100	110	8	9	100.0
Share of green bonds	6.6	2.2					
Share of social bonds	0.3	0.4					
Share of sustainability bonds	0.0	0.0					
FOREIGN CURRENCY-DENOMINATED PORTFOLIOS							
Portfolio size	**24,082**	24,444	**24,082**	24,444	**24,082**	24,444	**100.0**
WACI	232	249	208	223	17	18	100.0
Total emissions	5,597,617	6,089,337	5,012,254	5,454,347	5,783,076	6,534,540	100.0
Carbon footprint	232	249	208	223	240	267	100.0
Carbon intensity	232	249	208	223	16	17	100.0
Share of green bonds	1.9	1.9					
Share of social bonds	0.0	0.0					
Share of sustainability bonds	1.9	2.0					

Sources: Institutional Shareholder Services (ISS), Carbon4 Finance, World Bank, Bloomberg; Banque de France calculations.
Notes: Weighted average carbon intensity (WACI) is a method used to calculate the estimated carbon footprint of a financial asset portfolio. It calculates the weighted average of the carbon intensities emitted by companies in a specific portfolio. Its use is recommended by the Task Force on Climate-related Financial Disclosures (TCFD).
tCO_2eq, tonnes of carbon dioxide equivalent; CRE, *Caisse de réserve des employés* (employee pension fund); na, not available; LULUCF, Land Use, Land-Use Change, and Forestry.

THE THREE PILLARS OF THE RESPONSIBLE INVESTMENT POLICY

The Banque de France's responsible investment policy is built on **three pillars**, which are further divided into **seven objectives** *(see Table 2)*.

The first pillar focuses on climate and nature-related goals. The Banque de France is committed to meeting the targets defined by Article 2 of the 2015 Paris Agreement. In particular, it has set itself the ambitious target of aligning all equities held for own account with a global warming trajectory of less than 1.5°C above pre-industrial levels. This objective was achieved for all equities in its portfolios at the end of 2023, two years ahead of the originally scheduled target date of 2025. In 2024, the Banque de France pledged to step up its efforts by aligning the corporate bond component of its portfolios with a 1.5°C trajectory by the end of 2026 (Objective No. 1). At the present date, all private asset holdings in its portfolios (equities and corporate bonds) are now aligned with a sub-1.5°C global warming trajectory.

To be able to meet this goal, the Banque de France has expanded its measurement capabilities, including by creating an in-house tool to steer the alignment of its equity and corporate bond components with a temperature target, using information supplied by data providers *(see Supplement, Focus 3)*. Management decisions relating to portfolios covered by the RI policy systematically factor in their implied warming trajectories. It is one of the criteria used to select securities for the equity and bond portfolios managed by BDF Gestion, which is the main asset manager for the Banque de France's pensions liabilities and own funds portfolios.

The Banque de France is aware of the crucial role that curbing fossil fuel use plays in meeting the goals of the Paris Agreement.[19] It therefore decided to raise its goals by introducing tougher exclusion thresholds that came into effect in 2024 (Objective No. 2). Accordingly, the exclusion thresholds applied since 2024 are those of the Paris-Aligned Benchmarks for oil (>10% of revenue) and gas (>50% of revenue). The Banque de France has opted to go even further by completely excluding companies involved in the extraction of coal or unconventional hydrocarbons or their use in energy production.[20] Moreover, any company developing new fossil fuel extraction projects is also excluded from the portfolios *(see infographic on the Banque de France's climate-related exclusion and alignment policies)*.

Alongside its alignment and exclusion objectives, the Banque de France also seeks to contribute directly to financing the energy and ecological transition (EET) and to preserving biodiversity by buying green bonds and investing in funds with an EET focus (Objective No. 3). At the end of 2025, its total green bond holdings amounted to EUR 21.6 billion,[21] up 112% or EUR 11.4 billion year-on-year, while investments in EET-thematic funds reached EUR 876 million, an increase of EUR 84 million over the year. In 2025, the Banque de France introduced a new target requiring at least 10% of the sovereign assets in its pension liabilities portfolio to be invested in green bonds, and set up a green bond fund to support this goal. As a result, the share of green bonds in the portfolio's sovereign holdings rose from 4.2% to 10.7% over the year. The Banque de France also increased the size of its euro-denominated portfolio held against the monetary base, allowing it to step up its efforts to invest in green bonds. The share of green bonds in its portfolios at year-end 2025 is shown in Tables 1a and 1b. Through these investments, the Banque de France finances the production of renewable energies, energy refits for buildings, as well as small and medium-sized enterprises (SMEs) that are EET innovators (in energy storage and waste management, for example). To improve its biodiversity impact, the Banque de France invested in a fund financing solutions to preserve marine biodiversity in 2022, and in a second one in 2025. It has also invested in a fund devoted to regenerative agriculture and the preservation of soil health, and is continuing to explore opportunities for the preservation of natural capital and terrestrial ecosystems. In 2024, joint work with Groupe Caisse des Dépôts led to the launch of a listed-equity fund whose strategy is centred on biodiversity *(see Supplement, Focus 7)*.

The second pillar focuses on integrating ESG criteria more broadly into asset management. Since 2024, the Banque de France has excluded 30% of its investment universe based on ESG criteria and scores (Objective No. 4). It thereby complies with the minimum exclusion ratio required by the French Ministry for the Economy and Finance's Socially Responsible Investment (SRI) label,[22]

19 See IPCC press release (2022): The evidence is clear: the time for action is now. We can halve emissions by 2030, April.

20 Their exclusion threshold had been set since 2021 at 2% of revenue for coal and 10% of revenue for unconventional hydrocarbons. Unconventional hydrocarbons include shale oil, shale gas, oil sands or Arctic or deepwater exploration-development. They are often extracted by means of fracking.

21 This is the total value of green bonds held in the pension liabilities (EUR 0.9 billion) and own funds (EUR 1.3 billion) portfolios and in the portfolios held against the monetary base (EUR 19.2 billion).

22 Created in 2016 by the Ministry for Finance, the French SRI label covers funds' environmental, social and governance (ESG) objectives, as well as their methodologies for conducting extra-financial analyses of companies, their engagement with financed companies, their transparency and their measurement of sustainability impacts.

BANQUE DE FRANCE CLIMATE-BASED EXCLUSION AND ALIGNMENT POLICIES

2018

- Exclusion of companies deriving over 20% of their revenue from thermal coal

End-2019

- Alignment of the equity component of the own funds portfolio with a global warming trajectory of well below 2°C

2021

- Exclusion of companies deriving over 2% of their revenue from thermal coal
- Exclusion of companies deriving over 10% of their revenue from unconventional hydrocarbons
- Exclusion of coal sector companies of which the Banque de France is a shareholder that do not have an exit plan to stop thermal coal exploitation

End-2021

- Alignment of the equity component of the pension liabilities portfolio with a global warming trajectory of well below 2°C

End-2023

- Alignment of the equity component of the own funds and pension liabilities portfolios with a global warming trajectory of 1.5°C

2024

- Entry into effect of exclusion thresholds applied by the Paris-Aligned Benchmark to hydrocarbons: >10% of revenue for oil and >50% for gas
- Total exclusion of companies that extract thermal coal or use it in electricity generation, and companies involved in unconventional hydrocarbons
- Exclusion of companies developing new fossil fuel extraction projects

End-2026

- Goal of aligning corporate bonds in the pension liabilities and own funds portfolios with a global warming trajectory of 1.5°C which was raised from 20% to 30% following its revision at the end of 2023. To implement these ESG-based filters, the Banque de France leverages information supplied by external data providers.[23] In addition to fossil fuel-based exclusions, it also applies norm-based exclusions (e.g. compliance with international conventions),[24] sector-based exclusions (tobacco cultivation and production) and exclusions relating to companies involved in controversies. The social dimension of the investment policy has also been gradually expanded, notably by extending the bond purchase programme to include social and sustainability bonds worth EUR 7.5 billion at the end of 2025[25] (see Tables 1a and 1b for their portfolio shares) and by investing in thematic funds that prioritise social inclusion (Objective No. 5). In 2025, the Banque de France continued its efforts in these fields, investing a total of EUR 59 million in social impact funds and the solidarity economy, including in areas such as employment integration, child protection, inclusion, health and education.

The third pillar concerns the Banque de France's engagement with companies in which it holds shares. In 2019, the Banque de France adopted a voting policy that includes provisions on good governance and the recognition of extra-financial objectives by companies (Objective No. 6). It is by this means in particular that the Banque de France aims to integrate the "governance" dimension of ESG.

The voting policy is freely accessible on the Responsible Investment page of the Banque de France's website. It establishes, for example, independence and diversity criteria for corporate management bodies. The Banque de France also expects companies to disclose information on the environmental impact of their activities and to recognise extra-financial performances when awarding executive remuneration. In line with its policy of fossil fuel exclusions, the Banque de France will oppose any new development project involving fossil fuels and will vote against approving the accounts if this requirement is not met. With the rise in recent years of Say on Climate resolutions covering corporate climate action plans, the Banque de France now analyses such resolutions on a case-by-case basis to assess the level of ambition of companies' climate action plans. Since 2023, the voting policy has incorporated new provisions designed to oppose the excessive remuneration that can sometimes be awarded to senior executives. In order to wield maximum influence as a shareholder, the Banque de France targets a general meeting attendance rate of at least 80% across all the companies in its portfolios[26] (Objective No. 7). The voting policy was updated in 2026 to include new provisions on the approval of individual and consolidated financial statements for companies in which the Banque de France is a shareholder, and stricter rules on extra-financial reporting.

The Banque de France also implemented a new engagement strategy in 2025. Supported by its dedicated asset management subsidiary, it pursued a constructive engagement approach focused on biodiversity. During the year, it sent out letters to targeted firms and held meetings with ESG teams to better understand their practices and policies for reducing biodiversity impacts, and to encourage them to take better account of these issues.

23 In 2025, a contract for the provision of ESG data was signed with Institutional Shareholder Services (ISS).

24 In particular, the Banque de France does not invest in companies that do not comply with the Ottawa Convention (1999) and the Oslo Convention (2010), which ban the production, use, storage, sale and transfer of anti-personnel mines and cluster bombs.

25 This is the total value of social and sustainability bonds held in the own funds and pension liabilities portfolios (EUR 0.2 billion) and in the portfolios held against the monetary base (EUR 7.3 billion).

26 Including those that are held indirectly via the funds of its asset management subsidiary, BDF Gestion. Implementation of the voting policy is entrusted to ISS, a proxy voting services provider.

RESPONSIBLE INVESTMENT (RI) GOVERNANCE

DETERMINATION OF RI POLICY

ASSETS-LIABILITIES COMMITTEE

Determines the broad principles of the responsible investment policy applicable to the own funds portfolio and portfolios held against the monetary base

PENSION PLAN STRATEGIC COMMITTEE

Determines the broad principles of the responsible investment policy applicable to the pension liabilities portfolio

INVESTMENT DECISIONS

RISK COMMITTEE

Authorises the vehicles in which the Banque de France wishes to invest

INVESTMENT COMMITTEES

Make investment decisions for portfolios held against the monetary base and own funds and pension liabilities portfolios

EXECUTION

FINANCE DIRECTORATE
(own funds and pension liabilities portfolios)

FINANCIAL MARKETS DIRECTORATE
(portfolios held against the monetary base)

Identify investment vehicles, place purchase/sale orders and steer portfolio monitoring
Invest in funds managed by the Banque de France's subsidiary BDF Gestion (dedicated funds) and by other management companies (open-end funds)

Source: Banque de France.

SPECIFIC RESPONSIBLE INVESTMENT GOVERNANCE ARRANGEMENTS

The Banque de France's responsible investment policy is implemented by the Finance Directorate, within the General Secretariat, for the Banque de France's pension liabilities and own funds portfolios, and by the Financial Markets Directorate, within the Directorate General Financial Stability and Operations, for other own portfolios held against the monetary base.

The responsible investment policy is presented at least once a year to the General Council and determined by the Banque de France's investment decision-making bodies, namely the Assets-Liabilities Committee and the Pension Plan Strategic Committee. Operational implementation of the responsible investment policy is steered by an investment committee on which the Risk Directorate sits alongside the Finance Directorate and the Directorate General tasked with managing the different portfolios.

2025 RESULTS

Besides hitting its targets, the Banque de France improved the **environmental and ESG performances** of the majority of its portfolios.

Climate indicators:

- **The carbon impact** of own portfolios is measured using the data and methodologies put in place as part of the Eurosystem reporting exercise *(see Tables 1a and 1b, and Supplement, Focus 2)*. On a like-for-like basis (Scopes 1 and 2), the capital carbon footprint **of the own funds and pension liabilities portfolios** – measured in tonnes of carbon equivalent per million euro invested – declined significantly in 2025 for both equity and sovereign bond portfolios. For equity portfolios, the Banque de France continued to reduce its exposure to high-emitting firms in sectors such as industrial materials and gases. The decline in the sovereign bond footprint was more moderate and was mainly driven by lower emissions in European Union countries, particularly France and Germany. By contrast, the carbon footprint of corporate bond portfolios increased in 2025. Paradoxically, this reflects efforts to gradually align the portfolios with a 1.5°C trajectory, which may involve continuing to invest in higher-emitting firms that are actively engaged in transitioning to a low-carbon pathway.
- **As regards own account portfolios held against the monetary base**, the carbon footprint of sovereign exposures declined in 2025 for both euro-denominated assets (-16%) and foreign currency-denominated assets (-10%). This decrease reflects lower gross emissions among the main sovereign exposures, as well as the integration of carbon considerations into allocation strategies. In addition to the indicators used in the Eurosystem disclosure exercise, the Banque de France developed a new indicator in 2023 to measure the climate impact of the sovereign exposures. This metric, expressed as a z-score, combines consumption and production-based carbon intensities *(see Supplement, Focus 5)*. At end-2025, the aggregate z-score for the Banque de France's sovereign portfolios stood at -0.37, compared with -0.17 at end-2024 (+0.10 in 2022), illustrating the ongoing greening trend (the more negative the z-score, the greener the country).

In addition to the climate indicators published as part of the common Eurosystem disclosure exercise, the Banque de France also tracks the **extra-financial performances** of its portfolios **by means of metrics covering physical risks, biodiversity footprint and ESG scores** *(see Table 3)*. In 2025, the Banque de France published new metrics on the extra-financial performance of its portfolios:

- an indicator promoted by the Taskforce on Nature-related Financial Disclosures (TNFD) focusing on exposures to sectors deemed a priority in terms of their nature impact;
- an indicator showing the quantity of pollutants released to water by firms in the portfolio;
- an indicator on the existence of water management policies within firms in the portfolio and an assessment of those policies.

T2 Assessment of the implementation of the Banque de France's responsible investment policy at 31 December 2025

TARGETS	MILESTONES
PILLAR 1 → Align investments with France's climate commitments	
Objective No. 1	
Align the equity component with a 1.5°C trajectory. Horizon set at end-2023 for the own funds portfolio and European equities in the pension liabilities portfolio, and end-2025 for all equities in the pension liabilities portfolio. Extend the 1.5°C alignment objective to the corporate bond component of own funds and pension liabilities portfolios by the end of 2026	• Alignment of the equity component of the own funds and pension liabilities portfolios with a <1.5°C trajectory since 2023 • The corporate bond component of the pension liabilities portfolio was aligned with a trajectory of between 1.5°C and 2°C at the end of 2025
Objective No. 2	
Exclude issuers whose involvement in fossil fuels exceeds the thresholds set by the Paris-Aligned Benchmark	• Since 2021, issuers deriving over 2% of revenue from thermal coal or 10% from unconventional hydrocarbons have been excluded • Since end-2024, the coal and unconventional hydrocarbon threshold has been lowered to 0%, thresholds have been applied for oil (>10% of revenue) and gas (>50% of revenue) and firms developing new extraction projects have been excluded
Objective No. 3	
Contribute to financing the energy and ecological transition (EET) and to preserving nature by investing in thematic funds and green bonds	At 31 December 2025: • EUR 21.4 billion invested in green bonds • EUR 876 million invested in EET thematic funds • EUR 81 million invested in two funds devoted to preserving marine diversity and a fund devoted to regenerative agriculture • Joint management with Groupe Caisse des Dépôts of a listed-equity fund with a biodiversity-focused strategy

PILLAR 2 → Include environmental, social and governance (ESG) criteria in asset management	
Objective No. 4	
Exclude 30% of the equity investment universe based on ESG criteria, in compliance with the requirements of Pillar III of France's Socially Responsible Investment (SRI) label	• 20% of issuers excluded on the basis of ESG criteria since end-2019 • 30% of issuers excluded since 2024 to align with the SRI label revision published at end-2023
Objective No. 5	
Contribute to financing social challenges by investing in impact funds and social and sustainability bonds	• EUR 3.9 billion invested in social bonds at end-2025 • EUR 3.7 billion invested in sustainability bonds at end-2025 • Investment of EUR 59 million in social impact funds and funds supporting the solidarity sector (support for affordable housing, employment integration, child protection, inclusion, health and education)

PILLAR 3 → Exercise voting rights and engage with issuers	
Objective No. 6	
Apply a regularly updated voting policy that includes extra-financial provisions	• Voting policy adopted in 2019 • In 2025, formalisation of the shareholder engagement strategy and launch of an engagement campaign on the theme of biodiversity
Objective No. 7	
Maintain a general meeting attendance rate of at least 80%	• Attendance rate of 95% in 2025

Source: Banque de France.

For pension liabilities and own funds portfolios:

- **Exposure to physical risks**, which measures the portfolios' exposure to climate-related physical risks, is very close to benchmark levels. The main risks affecting the equity and corporate bond components are water stress, drought and extreme heat. The sovereign bond components are primarily exposed to the risk of drought and water stress.

- The **biodiversity footprint**, which measures the negative impact on biodiversity per million euro invested, improved slightly for the majority of the portfolios.

- **ESG performances** for all portfolios were above the ESG quality threshold (or the "Prime" threshold of 50 set by ISS).

RISK MANAGEMENT

In accordance with the double materiality principle, the Banque de France's responsible investment policy involves **monitoring and steering the climate risks** (physical and transition risks) to which the asset portfolios are exposed. Physical risks, such as heat stress, are measured using a composite forward-looking indicator covering sovereign issuers and the entire value chain of portfolio companies. Exposure to transition risk is measured based on the share of revenue that companies in the portfolio derive from fossil fuels.

In addition, the responsible investment policy is integrated into the three lines of defence of the Banque de France's **risk management system**.[27] In particular, the Risk Committee regularly monitors the recognition of climate risks in the Bank's risk management system, with a view to strengthening the integration and monitoring of these risks in the asset portfolios managed for own account (non-monetary policy). As part of this, all vehicles in which the Bank is planning to invest are submitted for approval to the Risk Committee.

In terms of investments in unlisted funds, the Banque de France also relies on labels granted by independent third parties,[28] which ensures that ESG criteria are a decisive factor throughout the investment process and that efforts are being made to achieve an environmental or social impact.

In recent years, steps have been taken to green the foreign exchange reserves at the request of the Assets-Liabilities Committee: the allocation model for a portion of the reserves, which was developed by the Risk Directorate, was expanded to include a climate dimension linked to the carbon intensity of asset portfolios managed for own account (non-monetary policy). The allocation parameters now include a constraint covering the reduction in this intensity based on an indicator developed in-house and measuring the carbon impact of sovereign portfolios. This z-score takes account of past production and consumption-related emissions and includes a component measuring countries' medium-term climate ambitions *(see Supplement, Focus 5)*.

27 First line: asset management departments; second line: risk and permanent control managers; third line: internal audit.

28 Non-profit entities in the case of the LuxFLAG and Towards Sustainability labels, or a certification body in the case of the SRI and Greenfin labels, for example.

T3 Climate and ESG performance indicators for portfolios at end-2025

ASSET CLASS	INDICATOR CATEGORY	INDICATOR	PORTFOLIO 2025	PORTFOLIO 2024	COVERAGE (% of the asset class)	BENCHMARK[a)]
PENSION LIABILITIES PORTFOLIO						
Sovereign bond component	Climate	Exposure to physical risks	69/100	–[b)]	99	71/100
	Biodiversity	Total absolute biodiversity impact	-341 MSA.km²	-386 MSA.km²	100	-439 MSA.km²
		Biodiversity footprint	-0.066 MSA.km²/EURm invested	-0.068 MSA.km²/EURm invested	100	-0.083 MSA.km²/EURm invested
		Weighted average biodiversity intensity	-0.066 MSA.km²/EURm of GDP	-0.068 MSA.km²/EURm of GDP	100	-0.083 MSA.km²/EURm of GDP
	ESG	ESG score	53.2/100	–[b)]	92	54.5/100
Equity component	Climate	Temperature pathway	<1.5°C	<1.5°C	100	<1.5°C
		Exposure to physical risks	68/100	–[b)]	100	68/100
	Biodiversity	Total absolute biodiversity impact	-103 MSA.km²	-142 MSA.km²	94	-99 MSA.km²
		Biodiversity footprint	-0.023 MSA.km²/EURm invested	-0.032 MSA.km²/EURm invested	94	-0.022 MSA.km²/EURm invested
		Weighted average biodiversity intensity	-0.059 MSA.km²/EURm capital employed	-0.079 MSA.km²/EURm capital employed	94	-0.069 MSA.km²/EURm capital employed
	TNFD	Share of TNFD priority sectors (%)	31	–	100	37
	Water	Releases of pollutants to water (tonnes)	11.4t	–	18	68.1t
		Water management policies deemed insufficient (%)	14.3	–	100	11.8
	ESG	ESG score	56.9/100	–[b)]	100	56.7/100
Corporate bond component	Climate	Temperature pathway	1.5-2°C	1.5-2°C	86	<1.5°C
		Exposure to physical risks	68/100	–[b)]	94	68/100
	Biodiversity	Total absolute biodiversity impact	-57 MSA.km²	-62 MSA.km²	74	-60 MSA.km²
		Biodiversity footprint	-0.032 MSA.km²/EURm invested	-0.036 MSA.km²/EURm invested	74	-0.035 MSA.km²/EURm invested
		Weighted average biodiversity intensity	-0.045 MSA.km²/EURm capital employed	-0.046 MSA.km²/EURm capital employed	71	-0.048 MSA.km²/EURm capital employed
	TNFD	Share of TNFD priority sectors (%)	39	–	99	30
	Water	Releases of pollutants to water (tonnes)	5.0t	–	7	9.0t
		Water management policies deemed insufficient (%)	16.4	–	56	15.6
	ESG	ESG score	58.9/100	–[b)]	90	56.6/100

T3 Climate and ESG performance indicators for portfolios at end-2025 (continued)

ASSET CLASS	INDICATOR CATEGORY	INDICATOR	PORTFOLIO 2025	PORTFOLIO 2024	COVERAGE (% of the asset class)	BENCHMARK[a)]
OWN FUNDS PORTFOLIO						
Sovereign bond component	Climate	Exposure to physical risks	70/100	–[b)]	99	70/100
	Biodiversity	Total absolute biodiversity impact	-445 MSA.km²	-408 MSA.km²	100	-521 MSA.km²
		Biodiversity footprint	-0.073 MSA.km²/EURm invested	-0.073 MSA.km²/EURm invested	100	-0.084 MSA.km²/EURm invested
		Weighted average biodiversity intensity	-0.073 MSA.km²/EURm of GDP	-0.073 MSA.km²/EURm of GDP	100	-0.084 MSA.km²/EURm of GDP
	ESG	ESG score	55.4/100	–[b)]	97	55.9/100
Equity component	Climate	Temperature pathway	<1.5°C	<1.5°C	99	1.5°C-2°C
		Exposure to physical risks	69/100	–[b)]	100	68/100
	Biodiversity	Total absolute biodiversity impact	-74 MSA.km²	-79 MSA.km²	97	-56 MSA.km²
		Biodiversity footprint	-0.022 MSA.km²/EURm invested	-0.029 MSA.km²/EURm invested	97	-0.017 MSA.km²/EURm invested
		Weighted average biodiversity intensity	-0.049 MSA.km²/EURm capital employed	-0.061 MSA.km²/EURm capital employed	97	-0.040 MSA.km²/EURm capital employed
	TNFD	Share of TNFD priority sectors (%)	39	–	100	43
	Water	Releases of pollutants to water (tonnes)	13.4t	–	33	102.5t
		Water management policies deemed insufficient (%)	9.5	–	100	2.9
	ESG	ESG score	59.7/100	–[b)]	100	61.3/100
Corporate bond component	Climate	Temperature pathway	<1.5°C	<1.5°C	86	<1.5°C
		Exposure to physical risks	64/100	–[b)]	100	68/100
	Biodiversity	Total absolute biodiversity impact	-11 MSA.km²	-42 MSA.km²	20	-3 MSA.km²
		Biodiversity footprint	-0.086 MSA.km²/EURm invested	-0.038 MSA.km²/EURm invested	20	-0.035 MSA.km²/EURm invested
		Weighted average biodiversity intensity	-0.020 MSA.km²/EURm capital employed	-0.008 MSA.km²/EURm capital employed	20	-0.048 MSA.km²/EURm capital employed
	TNFD	Share of TNFD priority sectors (%)	13	–	100	30
	Water	Releases of pollutants to water (tonnes)	0t	–	0	0t
		Water management policies deemed insufficient (%)	0	–	69	15.6
	ESG	ESG score	63.5/100	–[b)]	94	56.6/100

T3 Climate and ESG performance indicators for portfolios at end-2025 (continued)

ASSET CLASS	INDICATOR CATEGORY	INDICATOR	PORTFOLIO 2025	PORTFOLIO 2024	COVERAGE (% of the asset class)
PORTFOLIOS HELD AGAINST THE MONETARY BASE					
Euro-denominated portfolios					
Sovereign bond component	Climate	Exposure to physical risks	68/100	– [b]	86
	Biodiversity	Total absolute biodiversity impact	-6,848 MSA.km²	-4,895 MSA.km²	100
		Biodiversity footprint	-0.07 MSA.km²/EURm invested	-0.08 MSA.km²/EURm invested	100
		Weighted average biodiversity intensity	-0.07 MSA.km²/EURm of GDP	-0.08 MSA.km²/EURm of GDP	100
	ESG	ESG score	56/100	– [b]	100
Foreign currency-denominated portfolios					
Sovereign bond component	Climate	Exposure to physical risks	68/100	– [b]	94
	Biodiversity	Total absolute biodiversity impact	-2,116 MSA.km²	-2,158 MSA.km²	100
		Biodiversity footprint	-0.09 MSA.km²/EURm invested	-0.09 MSA.km²/EURm invested	100
		Weighted average biodiversity intensity	-0.09 MSA.km²/EURm of GDP	-0.09 MSA.km²/EURm of GDP	100
	ESG	ESG score	47/100	– [b]	93

Sources: S&P Global Sustainable1, ISS (Institutional Shareholder Services), Moody's ESG, Iceberg Data Lab.
In green: performances are better than or in line with those of the benchmark; in orange: performances are below those of the benchmark.
ESG, environmental, social and governance criteria; MSA, mean species abundance; EURm, million euro.
TNFD, Taskforce on Nature-related Financial Disclosures.
a) See Supplement, Focus 4.
b) Following a renewal of the tender for extra-financial data providers, the data providers have changed for:
- exposure to physical risks (Moody's in 2024, S&P Global Sustainable1 in 2025);
- ESG scores (Moody's in 2024, ISS in 2025).

2024 data are therefore no longer indicated as results are not comparable.

APPENDIX

Limited assurance report from the Statutory Auditors on the verification of a selection of environmental information included in the sustainability report - Financial year 2025

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LIMITED ASSURANCE REPORT FROM THE STATUTORY AUDITORS ON THE VERIFICATION OF A SELECTION OF ENVIRONMENTAL INFORMATION INCLUDED IN THE SUSTAINABILITY REPORT

FINANCIAL YEAR 2025

Sir or Madam,

In our capacity as statutory auditors of the Banque de France (hereinafter the "Entity"), we have carried out work to express a limited assurance conclusion on a selection of environmental information for the financial year ended 31 December 2025, selected by the Entity on a voluntary basis and prepared in accordance with the principles of the "Guide on climate-related disclosure for central banks – Second edition" issued by the NGFS (Network for Greening the Financial System) (hereinafter the "Framework").

The selected Information is as follows:

- 1.5°C alignment for equity portfolios linked to own funds and pension commitments;
- Four climate impact indicators harmonized with Eurosystem central banks (WACI, carbon footprint and carbon intensity in tCO_2e/€m, total emissions in tCO_2e) for the own funds investment portfolio, the portfolio linked to pension commitments, and other proprietary portfolios in euros and foreign currencies backed by the monetary base;
- The proportion of green, social, and sustainable bonds in the bond securities portfolios.

The conclusion set out below relates solely to this selected Information and not to all the information presented in the sustainability report.

Our Limited Assurance Conclusion

Based on the procedures we performed, as described in the section "Nature and extent of work", and on the evidence we have obtained, nothing has come to our attention that causes us to believe that the Information has not been prepared, in all material respects, in accordance with the Framework.

Preparation of the Information

The absence of a generally accepted and commonly used framework or established practices on which to base the evaluation and measurement of the Information allows for the use of different, yet acceptable, measurement techniques, which may affect comparability between entities and over time.

Consequently, the Information should be read and understood with reference to the Framework, the key elements of which are presented in the Report.

…/…

Inherent Limitations in Preparing the Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions, or estimates applied in its preparation.

In addition, the quantification of greenhouse gases is subject to inherent uncertainty due to incomplete scientific knowledge used to determine emission factors and the values needed to combine the emissions of different gases.

Responsibility of the Entity

Management of Banque de France is responsible for:

- Selecting or establishing appropriate criteria for the preparation of the Information;
- Preparing the Information in accordance with the Framework;
- Designing, implementing, and maintaining internal control as deemed necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Information was prepared under the responsibility of the Finance Directorate, which is part of the General Secretariat, for the Banque de France's pension liabilities and own funds portfolios, and by the Financial Markets Directorate, within the Financial Stability and Operations General Directorate, for other own-portfolios backed by the monetary base.

Responsibility of the Statutory Auditor

It is our responsibility, based on our work:

- To express a limited assurance conclusion as to whether the Information has been prepared, in all material respects, in accordance with the Framework and is free from material misstatement, whether due to fraud or error;
- To provide an independent conclusion, based on the evidence we have obtained; and
- To share our conclusion with the management of the Entity.

As we are responsible for providing an independent conclusion on the Information, we are not permitted to be involved in the preparation of such Information, as this could compromise our independence.

Applicable professional guidance

Our work described below was performed in accordance with the international standard ISAE 3000 (Revised) "Assurance Engagements Other than Audits and Reviews of Historical Financial Information" issued by the IAASB (International Auditing and Assurance Standards Board).

They do not constitute an audit or a review within the meaning of the professional standards applicable in France. Nor do they constitute a "certification" in accordance with the guidelines of the Haute Autorité de l'Audit (H2A).

Means and Resources

Our work involved a team of four people and was carried out between March and May 2026. We engaged our specialists in sustainable development and corporate social responsibility to assist us in performing our work.

Our Independence and Quality Control

Our independence is defined by the provisions of the French Commercial Code (Code de commerce) and the French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have designed, implemented and operated a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards, applicable legal and regulatory requirements as well as French professional guidance.

…/…

Nature and extent of work

We planned and performed our work taking into account the risk of material misstatements in the Information.

We believe that the procedures we have carried out, exercising our professional judgment, enable us to express a limited assurance conclusion:

- We obtained an understanding of the context of the Banque de France's operations and the framework in which this Information is published,
- We assessed the appropriateness of the Reporting Framework with regard to its relevance, completeness, reliability, neutrality, and understandability, taking into account, where applicable, industry best practices;
- We reviewed the procedures implemented by the Banque de France to produce the Information and assessed the data collection process to ensure the conformity of the Information. For the selected Information, we:
  - performed analytical procedures aimed at verifying the correct consolidation of the collected data;
  - verified on a sample basis and using other selection methods the correct application of definitions and procedures and the consistency of the underlying data with the supporting documentation.

Regarding the work relating to the 1.5°C alignment for equity portfolios linked to own funds and pension commitments, we are not responsible for expressing an opinion on S&P's methodology.

The procedures performed in the context of a limited assurance engagement are less extensive than those required for a reasonable assurance engagement conducted in accordance with ISAE 3000 (Revised), both in terms of risk assessment procedures, including understanding internal control, and the procedures performed in response to the assessed risks. As a result, the level of assurance obtained in a limited assurance engagement is lower than that which would have been obtained in a reasonable assurance engagement; a higher level of assurance would have required more extensive verification work.

Any reproduction of the statutory auditors limited assurance report in any document of the Entity must be done in full, strictly replicating the content of said report, including footnotes and any appendices.

Paris La Défense, 5 June 2026

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