

Paris, France, Jun 27 2008 -

Following its commitments of last year, the Caisse d'Epargne published their labeling methodology to inform consumers with respect to the banks' management of issues related to security, responsibility and climate.

Friends of the Earth France accepted Caisses d'Epargne's invitation to participate in the development of the climate methodology, which is currently a very innovative initiative compared with other financiers. The most difficult part still has to be done, however: to incite consumers to use this methodology, to train bankers to integrate it in their day-to-day practices and, most of all, to generalize it to all the banking sector. Friends of the Earth France will monitor these developments carefully.

In 2005, the first FoE France analysis on the environmental practices of French banks highlighted the "backlog of the squirrel" (Caisse d'Epargne's logo). In 2006, the institution seemed to wake up, a fact which was confirmed in 2007. By 2008, Caisse d'Epargne went even further: its labeling methodology, which has been made fully public, has made it a very innovative bank in terms of consumer information.

Yann Louvel, private finance campaigner at Friends of the Earth France, explains : "Most of the banks only work on their direct GHG emissions. But our calculations, confirmed by several banks, clearly show that these emissions only count for 0,1% of the induced emissions by banks' financing and investment activities. The conclusion is clear: we must give priority to developing environmental policies governing banks' financing activities, particularly with respect to climate change. And these policies need to start with developing a GHG reporting methodology."

The Caisse d'Epargne climate methodology focuses on calculating CO2 emissions of its retail products and services, including the emissions generated by financed companies, and also the emissions generated by the products made by these companies. Sébastien Godinot, campaigns coordinator at Friends of the Earth France, adds : "By working with the Swiss consultant Centre Info, the Caisse d'Epargne chose to calculate the GHG emissions covering Scope 1 (direct emissions), 2 (indirect emissions), and 3 (upstream and downstream emissions, including the use of the product) of the GHG Protocol, the international reference for GHG accounting. This is very positive since the large majority of companies limit themselves to levels 1 and 2."

For instance, car producers generally publish the emissions linked to the production of the cars, but not to the use of the cars, which actually represent 88% of the total lifecycle emissions.

The approach, however, is far from perfect. Friends of the Earth France raised 5 main points to Caisse d'Epargne for the future:

- The use of the labeling will largely depend on the training bankers will get in the local branches. This implies a massive training program in the next two years;
- Its use will also depend on the sensitization of consumers, so that they can understand it and use it, similar to the energy labeling system for other appliances which is now commonly used.

- Its effectiveness will also depend on how the Caisse d'Epargne uses the methodology to inform the development of its own financial products and services. The labeling initiative currently informs bank customers, but it has not yet modified the bank's business model;
- Considering its very innovative aspect, the methodology will need to be deepened and consolidated in some respects;
- Most of all, the methodology today applies to the retail bank, but not to the bank's two other major business units, corporate investment banking and asset management. Since these activities generate most of the bank's induced emissions, Caisse d'Epargne have committed to go this way: this is fundamental.

Sébastien Godinot, campaigns coordinator at Friends of the Earth France, concludes : "The effort made by Caisse d'Epargne clearly demonstrates the huge potential for progress. The other French banks should be inspired and question their own practices, instead of participating in nuclear power plants in seismic zones, like BNP Paribas is doing in Bulgaria. We're convinced that, in the end, this labeling will become mandatory, because it answers growing demands from citizens on companies' transparency, and it follows one commitment of the Grenelle de l'Environnement (major French official meeting on the environment with NGOs, state, localities and unions that happened last autumn in France). All banks must then adopt the labeling methodology".

Link towards the labeling methodology in English : <http://www.utopies.com/bank-label>

Yann Louvel

Chargé de campagne / Campaigner

Responsabilité des acteurs financiers / Financial players responsibility

Finance privée / Private finance