

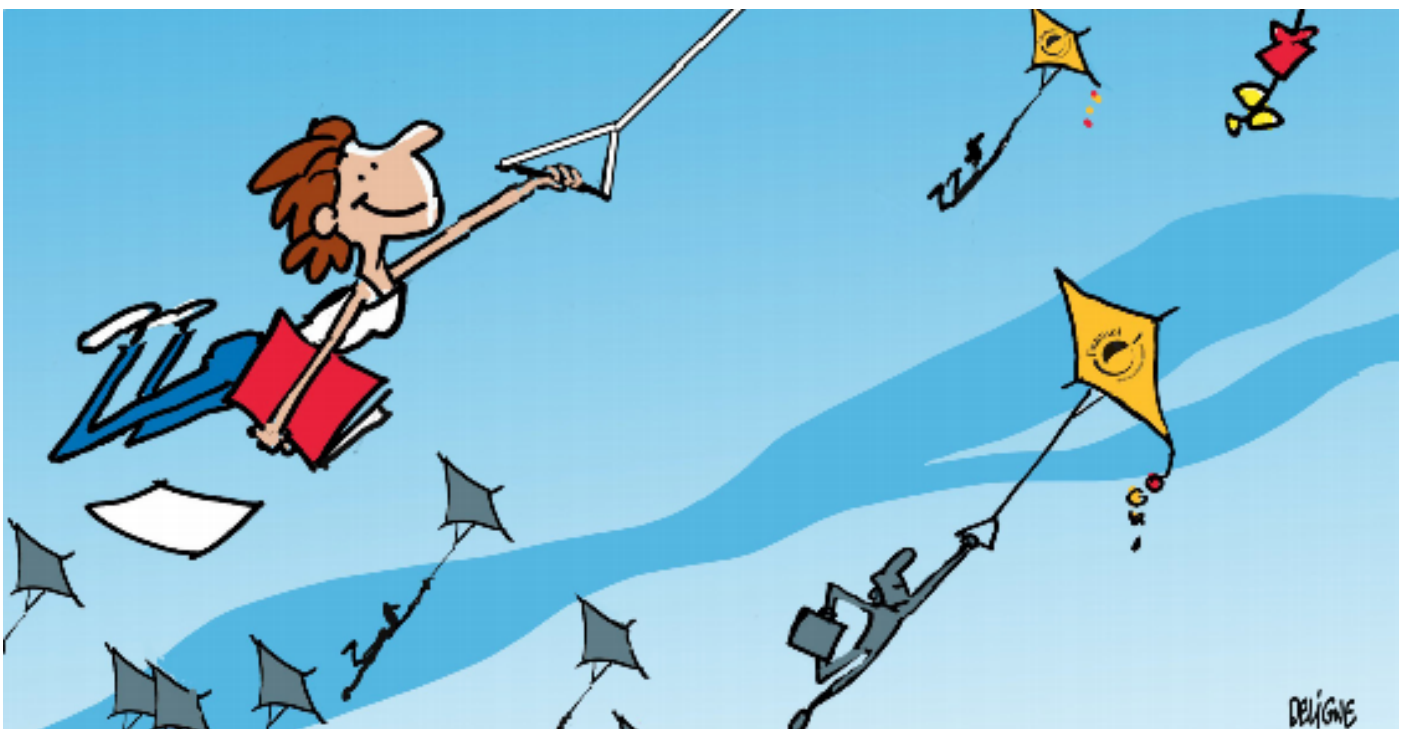


LA CROIX

19TH EDITION OF THE FRENCH SOCIAL FINANCE BAROMETER

**2020, an extraordinary year for
french social finance.**

A 33% growth compared to 2019, a year that had
already broken records.



In 2020, a year marked by the outbreak of Covid-19, the social economy has benefited from an impressive additional amount of **5 billion euros** compared to last year. Even though the French were in lockdown, their commitment to the social economy did not stay at home. Indeed, with **837 000 new subscriptions** to social investment products, the total outstanding amount of social assets hit **20.3 billion euros** by the end of 2020.

These remarkable results are highly due to the reforms of the PACTE law, which restructured employee saving schemes and strengthened the advent of social life insurances. As for the sanitary crisis, it brought some adjustments to the way the French manage their savings: a preference for liquidity was noted (**+26% for bankbooks**) and a strong increase in direct subscriptions to shares and bonds of social enterprises (**+ 15%**). Nevertheless, the crisis altered the missions of these funds. Indeed, social loans to individuals increased, along with the amount of funding dedicated to social utility organizations. On the other hand, social solidarity with the South has declined, as have environmental loans and investments in social real estate companies.

2020 saw the achievement of the labelling of the euro fund of the socially responsible life-insurance contract of the MAIF.

An investors commitment is reflected in two ways: he/she can either channel between 25% and 100% of the interests on his investment towards a charitable association; or his savings can be used to finance a charitable association or an enterprise, via an equity contribution or a loan. The first mechanism allowed to allocate **3.8 million euros** worth of donations to charitable associations in 2020 and the second one financed **566 million euros** worth of environmental and social projects.

These social investment products are achieved through three different channels: employee saving schemes, direct investment through shares and bonds of social enterprises and last but not least, financial products offered by banks and insurance companies. In 2020, ethical banking products

made major progress in 2020. The latter includes bankbooks, undertaking for collective investments (UCI) and life insurance contracts. The sanitary crisis naturally led the French population to put their money aside into saving products, not only as an act of prudence but also because their consumption possibilities were limited! Social saving products ceased to opportunity and were able to benefit from the situation.



3.8

**MILLION EUROS WORTH OF
DONATIONS TO CHARITABLE
ASSOCIATIONS**



566 MILLION EUROS

**WORTH OF SOCIAL IMPACT FUNDING
TO SUPPORT SOCIAL AND/OR
ENVIRONMENTAL PROJECTS**



WHAT IMPACTS FOR SOCIETY IN 2020?

1 006

HECTARES OF ORGANIC
AGRICULTURE MADE AVAILABLE
THROUGHOUT THE YEAR,
EQUIVALENT TO 704 FOOTBALL
FIELDS



38 480

JOBBS CREATED



1 421

INDIVIDUALS REHOUSED
DURING THE YEAR



8 372

HOUSEHOLDS SUPPLIED
IN RENEWABLE ENERGIES



SUPPORT PROVIDED

TO OVER **50** STAKEHOLDERS
OF ECONOMIC DEVELOPMENT
IN DEVELOPING COUNTRIES
(MICROFINANCE, AGRICULTURAL
COOPERATIVE, SOCIAL ENTERPRISES...)



Labelling? Finansol manages a label which certifies the social dimension of a financial product. It is mainly based on solidarity and transparency criterions. Investors therefore have an official certification that their money is really going towards activities that generate social and/or environmental benefits. This label is assigned and controlled annually by a committee of independent experts. To date, 166 saving products have been awarded the Finansol label.

We can safely say that the event of the year for social finance in France revolves around life-insurance contracts, which up to now represented only a very small flow of social savings (an outstanding amount of **211 million euros** in 2019). In 2020, a euro fund of the socially responsible life insurance contract of the MAIF was labelled. With an outstanding amount of over **2 billion euros**, the labelling alone explains the **40% increase** of social savings in 2020, generating an additional **150 million euros** worth of social funds.

The year 2020 was more mitigated concerning social Undertaking for Collective Investments (UCI) They successfully resisted to market turmoil, mostly because they do not include risky products and are therefore less sensitive to economic hazards.

Employee saving schemes remain the main vector for social savings: they represent **11.7 billion euros out of 20.3 billion**. Again, 2020 ended on a high note, with a 21% increase in investments via employee saving schemes. Some socially orientated projects were able to benefit from this increase. Indeed, by the time the payment periods arrived, the sanitary crisis was already existent, and employees were worried about the social repercussions. The constant evolutions of the regulatory framework remain successful. The Economic Modernisation Act of 2008, which enforced the obligation of at least one socially responsible fund in all employee saving schemes, was amplified by the PACTE law, which in turn created a new Retirement Savings Plan and decreased the 'forfait social' for small and medium-sized enterprises (SMEs) and micro enterprises.

Last but not least, direct investments in social enterprises have more than held their own compared to last year, with **a growth of 15%**. The increase

of the rate of tax reduction from 18% to 25%, supported by Finansol's advocacy work, played a significant role.

Territorial cohesion and the fight against social exclusion remain at the top of the list of sectors that have benefited from social funding. A spectacular growth in the financing of renewable energy projects – with a societal dimension, was also acknowledged in 2020.

Aware of the impact of lockdown on projects and youth lifestyle, this barometer puts forward three successful projects focusing on citizen initiatives: eco-manufacturing in the cultural sector, occupational integration of young people with disabilities or in vulnerable situations in several African countries and the development of intergenerational housing in France.

« La Réserve des Arts »



In the warehouse of Pantin (Seine-Saint-Denis) are stored scraps of materials and fabrics.

La Réserve des Arts

In Paris and Marseille: an association raising awareness within the younger population about the circular economy and re-employment in the cultural sector.

In this section, you can read all about how La Réserve des Arts stores recyclable materials to ambitious and artistic young people move forward with their professional projects. By giving a second life to different materials and offering them at a lower price, the association has successfully found its place within the circular economy. The association expanded to Pantin in 2014, with the support of Paris Initiative Entreprise, a territorial fund of France active, powered by solidarity savings, which again supported the association in 2020.

Discover more about La Réserve des Arts at: <https://www.lareservedesarts.org/>

The French association Habitat and Humanisme



*Aerial view of the old Carmel of Douai (North of France).
Habitat and Humanisme*

The French association Habitat and Humanisme is currently creating a intergenerational housing residence in the ancient Carmelite convent of Douai, in the North of France. The project should be complete by mid-2022.

These residences benefit both generations: for instance, students help the older population for the installation of digital equipment, so they can communicate with their families more easily. These students are chosen according to social criteria and in exchange for their help, care and kindness, they are offered homes with affordable rents. These residences are also open to single-parent families and young adults.

Discover all about Habitat and Humanisme housing project at : <https://www.habitat-humanisme.org/projets/residence-intergenerationnelle-a-douai/>

Handicap International, a non-governmental organization, has launched an innovative program in Tunisia, destined to improve the integration of individuals between 18 and 35 years old. This program was then extended to three other African countries.

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Handicap International



In Tunisia, Jamel is employed in an electronics and advanced materials company. Wassim Hadhak/HI

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According to the NGO, 80% of handicapped people in the world, equivalent to 800 million people, are living in poverty. One of the reasons behind this is the unemployment rate, especially amongst the younger population, which is 3 to 4 times higher than able-bodied people.

For three years, Handicap International supported 1800 disabled people,

of which $\frac{3}{4}$ were young people. The program was very successful: in Tunisia and three other African countries (Benin, Morocco and Senegal), a third of these people now occupy a job.

The project involved public employment services and national associations for the support of the disabled. The NGO's financial support made it possible to adapt workstations in the companies.



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