



BNP PARIBAS

**ASSEMBLEE
GENERALE
MIXTE**

16 mai 2023

QUESTIONS ECRITES POSEES PAR BANKTRACK

1^{ère} question :

BankTrack is submitting this question on behalf of Don't Buy Into Occupation, a coalition of 24 European and Palestinian civil society organisations coming together to investigate and expose the financial relationships between businesses involved in the illegal Israeli settlement enterprise in the Occupied Palestinian Territory (OPT) and European financial institutions. In November 2022, our coalition published the second iteration of its annual report, which built on the findings of a first report published the previous year in September 2021. For the second year in a row, our research found BNP Paribas to be the largest European creditor to 50 companies actively contributing to the maintenance and expansion of illegal Israeli settlements in the OPT. Our research found that between January 2019 and August 2022, BNP Paribas provided US\$ 25.09 billions in loans and underwriting to companies well-known to be involved in serious human rights violations against Palestinians, such as Heidelberg and Elbit Systems, and others like Carrefour who are still profiting from Israel's colonisation and war crimes. Furthermore, BNP Paribas also ranks 8th in the top ten European investors to such companies with bonds and shareholdings worth a total amount of US\$ 3.08 billion. As analysed and concluded in our report, any business that is directly or indirectly involved in the illegal Israeli settlement enterprise - including through finance, insurance, and trade with partners, suppliers and subsidiaries that have ties and proven links to the construction, expansion and maintenance of Israel's illegal settlements - runs a high risk of involvement in violations of International Humanitarian Law and potential complicity in war crimes and crimes against humanity. Similarly, several international human rights standards such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the OECD Guidelines for Multinational Enterprises are directly applicable to the involvement of financial institutions in the Israeli settlement enterprise. These clearly lay out the responsibility of financial institutions to conduct enhanced human rights due diligence when operating in a conflict zone. Over the past two years, BNP Paribas has failed to meaningfully engage with the Coalition on this issue, despite receiving several requests, and the growing severity of the situation in the OPT, including increased attacks on the Palestinian people, and the new far right Israeli government's plans to unilaterally and illegally expand occupation of Palestinian land.

a) International human rights standards such as the UNGPs and OECD Guidelines outline the expectation that businesses operating in conflict-affected areas conduct heightened human rights due diligence. What specific measures has BNP Paribas taken to conduct heightened human rights due diligence across its clients and investee companies operating in Occupied Palestinian Territories, and what plans has BNP Paribas put in place to address and mitigate adverse impacts identified?

b) During its 2022 Annual General Meeting, BNP Paribas commented that it was looking into this situation "with due seriousness and vigilance". The UNGPs and OECD guidance also say that if a client is contributing to severe human rights impacts, the bank should see a timely and effective response from its engagement, or otherwise divest. What steps has BNP Paribas taken since last year to engage its clients and investee companies on this issue, use its leverage, or otherwise end its business relationships with companies associated with severe human rights violations in the Occupied Palestinian Territory? And what steps, if any, has BNP Paribas taken to end new finance for such companies?

c) International human rights standards also make it clear that meaningful rights-holders engagement is a crucial part of human rights due diligence; further, the UN Working Group's 2020 report "Business, human rights, and conflict-affected regions: towards heightened action" points out that effective consultation of local communities and groups is expected in conflict situations. How has BNP Paribas engaged with affected communities and local stakeholders in the Occupied Palestinian Territory to inform its due diligence process?

d) Lastly, as the bank states in its 2023 Annual Report that “dialogue with stakeholders is at the heart of BNP Paribas’ actions to promote social and environmental responsibility”, when will BNP Paribas meaningfully engage with Coalition members, and other relevant civil society organisations on the issue of the bank’s continued provision of finance to companies associated to violations of international law and human rights abuses in the Occupied Palestinian Territory?

Réponse du Conseil d’administration :

BNP Paribas a placé de longue date le respect des droits humains au cœur de son modèle de conduite d’affaires et de sa stratégie RSE. Cet engagement volontaire a été progressivement renforcé et étendu par la mise en œuvre d’exigences réglementaires (Loi sur le Devoir de Vigilance, *Modern Slavery Acts*, etc.) auquel le Groupe est soumis.

Nous considérons bien entendu la situation spécifique évoquée par les rapports de la coalition Don’t Buy Into Occupation avec la vigilance et le sérieux nécessaire. Mais compte tenu de sa sensibilité, nous ne sommes malheureusement pas en mesure de commenter plus avant.

Nous ne pouvons que vous assurer qu’en cette circonstance comme dans toute autre, notre Code de conduite et l’ensemble de nos politiques d’engagement sont rigoureusement appliquées (dont le [BNP Paribas Human Rights Risk Mapping](#) et la [Déclaration de BNP Paribas relative aux droits de l’Homme](#)).

BNP Paribas a poursuivi le déploiement de son ESG Assessment au cours de l’année 2022. Ce nouvel outil d’évaluation de la performance extra-financière des entreprises clientes du Groupe couvre notamment les enjeux de droits humains relatifs aux populations locales (l’une de ses cinq dimensions principales), et a été construit pour adresser les enjeux les plus saillants des secteurs d’activités dans lesquels les clients du Groupe opèrent. Il intègre également une analyse des controverses auxquelles ces derniers peuvent être exposés. À fin 2022, 19 secteurs disposaient d’un questionnaire sectoriel dédié, et 1,500 clients avaient déjà été évalués. Tous les clients stratégiques du Groupe auront fait l’objet d’une évaluation d’ici fin 2023.

Conscient de l’importance du dialogue avec ses parties prenantes sur les thématiques tenant à cœur à ces dernières, le Groupe a ouvert son dispositif d’alerte éthique aux parties prenantes externes en début d’année, en application de loi Wasserman.

BNP Paribas a échangé avec de nombreuses organisations de la société civile (120 interactions en 2022) sur des sujets variés, dont le respect des droits humains. Une rencontre avec des représentants de la FIDH, membre de la coalition Don’t Buy Into Occupation, a par ailleurs eu lieu en avril 2023.

2^{ème} question :

BankTrack is submitting this question on behalf of Fernando Barraza, a member of the Mapuche community whose land is being fracked in the Vaca Muerta region in Argentina, and with whom we are working to bring to light the impacts of bank financing for shale oil and gas in the region. The question is the following: “They say that Vaca Muerta is the second largest unconventional gas reserve and the fourth largest oil reserve. But that is what those who do not feel the damage see. For us it is the ancestral territory where a large part of our community lives and in recent years it has become a pole of arrival of thousands of people from different places who work in the oil and gas business. BNP Paribas invests in companies such as Pampa Energía, Shell, Total, BP, all of them present in Vaca Muerta. BNP Paribas and all these companies are responsible for the destruction of our territory and all its inhabitants. The fracking technique used to extract hydrocarbons generates irreparable damage: intensive use of water, the consequent drought of the land, contamination of water tables, air pollution and constant earthquakes that crack our houses and affect the entire ecosystem. Our livestock suffers and dies, and what is even more serious: our people get sick. Our people die from diseases that were once rare and came along with fracking. By joining the Net Zero Banking Alliance, BNP Paribas has committed to “finance a carbon neutral world by 2050, corresponding to a temperature increase limited to 1.5°C compared to the pre-industrial era”, clearly the investments show that this commitment is just a facade.

My question, to you shareholders and company officials, is: why does BNP Paribas insist on supporting fossil fuel companies that generate such a harmful level of local and climate impact?

Réponse du Conseil d'administration :

Nous ne pouvons pas commenter des projets que nous ne connaissons pas.

Notre compréhension est que la zone de Vaca Muerta est une réserve de pétrole et de gaz non conventionnel. Dans ces conditions, notre politique pétrole et gaz s'applique et nous ne financerons pas de projet de nouvelles capacités de pétrole et de gaz. Et depuis 2017 nous ne finançons plus d'infrastructures liées à des champs non conventionnels.