

BNP PARIBAS CSR STRATEGY

LAURENCE PESSEZ

GLOBAL HEAD OF CSR

September 2022



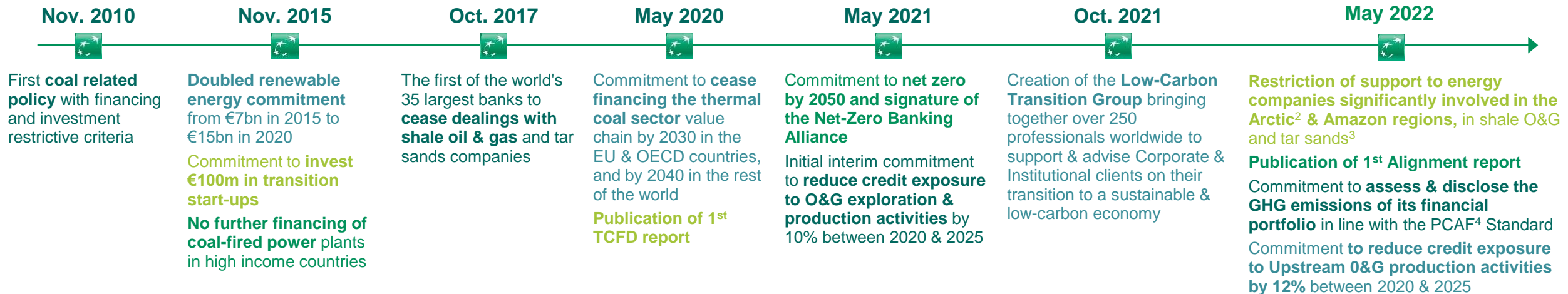
BNP PARIBAS

The bank for a changing world

SUSTAINABILITY FULLY EMBEDDED WITHIN THE GROUP STRATEGY



A LONG-STANDING COMMITMENT TOGETHER WITH OUR CLIENTS WITH CONCRETE ACTIONS



Strong leading positions in sustainable finance

- World's best bank for Sustainable Finance 2022 award by Euromoney
- #2 in sustainable bonds worldwide with €46.1bn¹
- #1 in green bonds in EMEA, #2 worldwide with €22bn¹
- #2 worldwide in ESG-linked loans with €26.8bn¹

Pioneer in Sustainable Finance innovation

1st financing of a Gigafactory in Europe for Northvolt



€3.6bn⁵ of green mortgages to reduce energy consumption



EIPF⁶: 1st European Real Estate impact fund to comply with the Paris Agreement objectives



1. Dealogic as at 31/12/2021; 2. Definition of the Arctic region aligned with the Arctic Assessment & Monitoring Program (AMAP) except Norwegian-operated areas; 3. Exemptions to be granted to companies having the most credible transition plans towards net-zero by 2050 based on clear criteria; 4. Partnership for Carbon Accounting Financials; 5. As of end-2021; 6. European Impact Property Fund



A COMPREHENSIVE GOVERNANCE

Board of Directors

- to **approve** the CSR strategy and the annual reporting (e.g. 2020 vigilance plan; 2021 NZBA membership)
- CGEN, Corporate Governance & Nominations Committee, extended its responsibilities to Ethics, Conduct and CSR in 2016

Executive Committee to validate the ESG strategy and Group commitments

Sustainable Finance Strategic Committee

Sponsored by CEO Jean-Laurent Bonnafé, meets bi-monthly

Attendees: majority of Executive Committee's members + representatives of Clients Coverage + head of CSR

- to **approve** the overall strategy in terms of sustainable finance,
- to **decide** on the overall commitments made by the Group and the Sustainable Finance commercial policies,
- to **monitor** operational implementation

Sustainable Finance Infrastructure Committee

Chaired by the Group COO

Attendees: the Deputy Chief Executive Officer and key contributors from different business lines and functions.

- to **industrialise** ESG processes, data and reporting

ESG Regulatory Committee

- to **assess** the operational consequences of the main new regulations

Governing bodies covering risk-related topics

CCDG

(General Management Credit Committee)

- procedure specifies CCDG will review all issues surrounding the acceptability of risks **including ethics and CSR**

GSCC

(Group Supervisory and Control Committee)

- to validate **financing and investment policies**



GTS 2025 STRATEGIC PLAN: NEW CSR INDICATORS WITH COMMITMENTS BY 2025

Pillar	No.	Indicator	2025 Objective
Our economic responsibility	1	Amount of sustainable loans ¹	EUR 150 billion
	2	Amount of sustainable bonds ²	EUR 200 billion
	3	Amount of sustainable investment and savings (assets under management of article 8 & 9 SFDR funds)	EUR 300 billion
Our social responsibility	4	Share of women among the SMP population (Senior Management Position)	40%
	5	Number of solidarity hours performed by employees (#1MillionHours2Help)	1 million hours (over two rolling years)
	6	Proportion of employees who completed at least four training courses during the previous twelve months	90%
Our civic responsibility	7	Number of beneficiaries of products and services supporting financial inclusion	6 million beneficiaries
Our environmental responsibility	8	Amount of support for our clients in the transition to a low-carbon economy	EUR 200 billion
	9	Amount of financing to companies contributing to protect terrestrial and marine biodiversity ³	EUR 4 billion
	10	Greenhouse gas emissions in tons of CO ₂ equivalent (tCO ₂ eq) / full-time employees (buildings kWh, including IT, + business trips)	1.85 teqCO ₂ /FTE

Group Sustainability and Incentive Scheme:

20% of more than 7,000 key employees' deferred variable compensation relies on the performance of the 10 CSR performance indicators

¹ Cumulative amount of sustainable loans for 2022-2025 related to environmental and social issues, originated by BNP Paribas and granted to its customers

² Cumulative amount of all types of sustainable bonds 2022-2025 (total amount divided by the number of bookrunners). ³ Loans and bonds contributing to the protection of terrestrial and marine biodiversity.



BEST PRACTICES IN GOVERNANCE

Rules for determining the annual variable remuneration of executive corporate officers for 2021



75%
Group's Financial
Performance



10%
Qualitative



HOLISTIC ASSESSMENT OF CSR POLICY

1/3

BY THE BOARD

Annual assessment by the Board of achievements and key developments around a line of action focused on climate and social challenges

1/3

BY THE MARKET

BNP Paribas positioned in the top quartile of the banks sector in the extra-financial performance rankings of FTSE, SAM and V.E (formerly Vigeo Eiris)

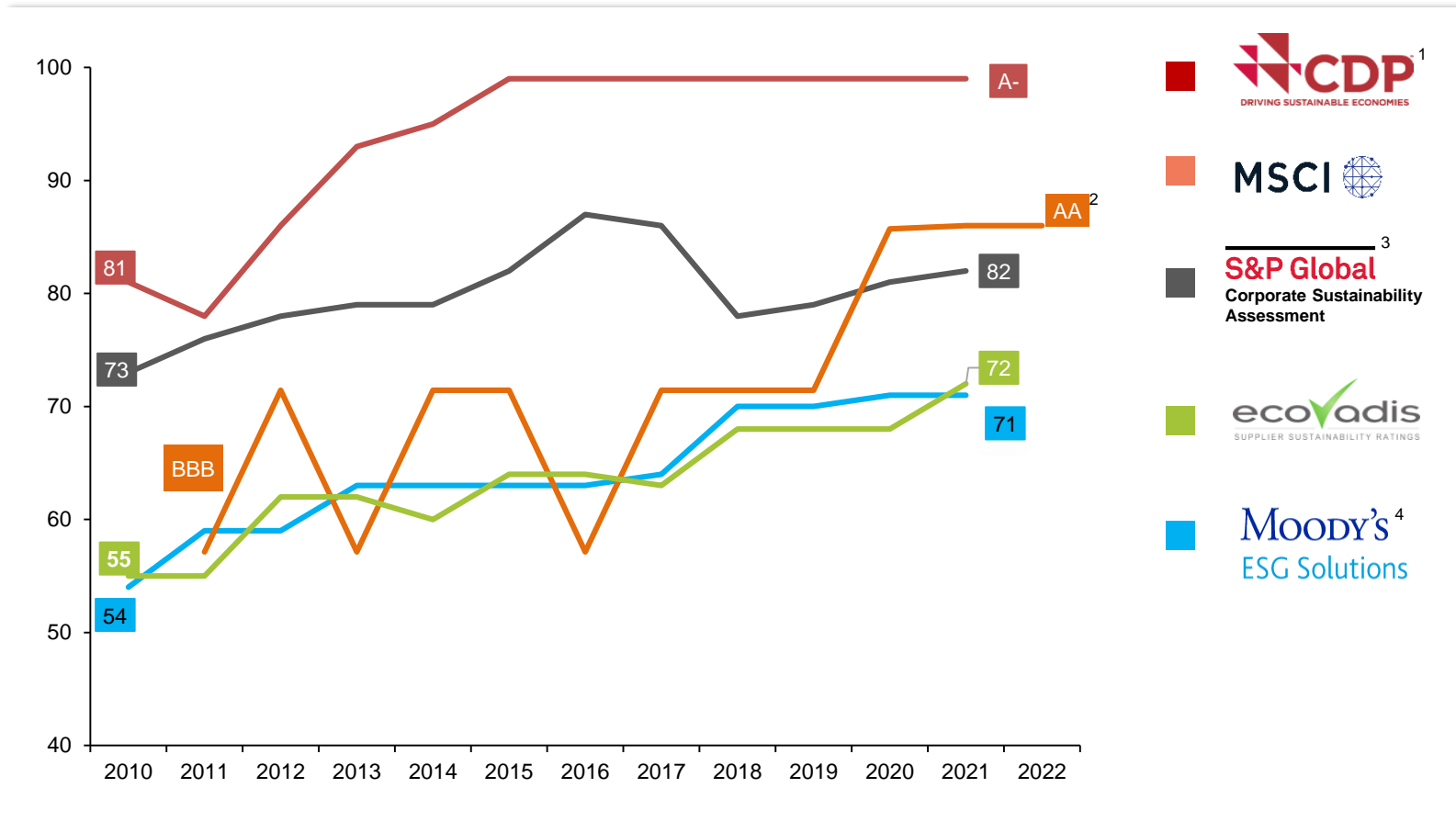
1/3

ALIGNMENT WITH KEY EMPLOYEES OF THE GROUP

Achievement of the CSR objectives set for the Group's key employees in the retention plan that expired during the year



BNP PARIBAS' CSR STRATEGY RECOGNIZED BY EXTRA-FINANCIAL AGENCIES



Environmental Finance COMPANY Awards 2022 Winner
Net zero progression of the year – EMEA

In 2022, Environmental Finance magazine awarded BNP Paribas “**Net-zero progression of the year – EMEA**” for the efforts in supporting our clients in their transition to carbon neutrality.

GLOBAL 100
THE WORLD'S MOST SUSTAINABLE CORPORATIONS © 2022

For the 8th consecutive year, BNP Paribas among the **2022 “Global 100 Most Sustainable Corporations”** ranking (76th) as **1st French and fifth European bank**

EUROMONEY AWARDS FOR EXCELLENCE
GLOBAL BEST BANK FOR SUSTAINABLE FINANCE 2022

BNP Paribas was designated in 2022 “**World’s Best Bank for Sustainable Finance**” by Euromoney

top EMPLOYER EUROPE 2021
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

For the ninth consecutive year, BNP Paribas has been awarded the Top Employer Europe label by the Top Employers Institute.

¹ Methodology change: from 2017, CDP scores are now expressed in the form of letters; ² 2022 MSCI Rating is dated September 2022, ³ Formerly SAM ⁴ Formerly Vigeo Eiris V.E

ACTIVE INVOLVEMENT IN FRAMING THE ESG FUTURE



Jean-Laurent Bonnafé

Group CEO

sits on the **Leadership Council**
of the **UNEP FI**



Laurence Pessez

Global Head of CSR

sits on the Banking Board of the
**UNEP-FI Principles for
Responsible Banking (PRB)**

Vice-chair of the European think
tank **Institute for Sustainable
Development and
International Relations (IDDRI)**



Jane Ambachtsheer

Global Head of Sustainability of
BNP Paribas Asset Management

is a member of the **Task Force
on Climate-related Financial
Disclosure (TCFD)**



Sébastien Soleille

Global Head of Energy
Transition and Environment

is a member of the **Task
Force for Nature-related
Financial Disclosure (TNFD)**

Our advocacy activities are in line with our climate engagement *

* <https://group.bnpparibas/en/charter-responsible-representation-respect-public-authorities>



BNP PARIBAS

The bank for a changing world

September 2022

8

DEPLOYMENT 2022-2025 OF OUR CSR STRATEGY



SUPPORTING TRANSITIONS : ENGAGING WITH CLIENTS TO SUPPORT THEM IN THE TRANSITION TOWARDS A SUSTAINABLE ECONOMY

Mobilising BNP Paribas' distinctive model with 5 priority areas

Bring innovative & seamless solutions to answer clients' Sustainable needs & leverage cross-divisional strengths to reach UN SDGs¹

Sustainable savings, investments and financing

Foster sustainable savings development and steering clients' investment decisions towards positive environmental and social impacts

Circular economy

Encourage clients' transition to circular models by financing adaptation of supply chain & production models



Transitioning towards carbon neutrality

Foster our client's transition towards low carbon and more efficient energy systems and addressing their massive financing needs in this area in particular through the access to capital markets

Natural capital & biodiversity

Orchestrate & promote development of solutions contributing to terrestrial & marine biodiversity conservation

Social inclusion

Develop accessible financial services, promote female entrepreneurship, a positive-impact economy, and equal job opportunities for young people

2025 Sustainable targets

All BNP Paribas Business Lines aligned to reach ambitious targets, consolidated & monitored at Group level

€150bn | Amount of Sustainable loans to Corporates, Institutionals & Individuals dedicated to Sustainable projects²

€200bn | Amount of Sustainable bonds issued for BNP Paribas clients between 2022 & 2025³

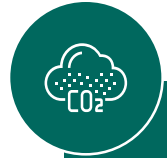
€300bn | Amount of sustainable investments Assets under Management following ESG principles in 2025⁴

1. Sustainable Development Goals; 2. 2022-2025 cumulative amount of sustainable loans dedicated to environmental and social topics, originated by BNPP and granted to clients;

3. 2022-2025 cumulative amount of all types of sustainable bonds (total amount divided by the number of bookrunners); 4. BNP Paribas Asset Management European open funds classified SFDR Art 8 or 9



DEPLOYMENT AT SCALE : 3 STRATEGIC PILLARS TO ACCELERATE THE IMPLEMENTATION OF GROUP'S COMMITMENTS



Aligning our portfolios with our carbon neutrality commitment

- Trajectory for a **reduction in CO₂ emissions corresponding to financing** of the sectors with the highest levels of emissions (NZBA)
- **Aligning the objectives of Group's business lines** with shared objectives by sectors taking into account client transition



→ **New commitments and publication of an alignment report** in May 2022

→ **Publication of financed emissions** (scope 3) in late 2022



Engaging with clients to accompany them in the transition towards a sustainable & low-carbon economy

- **Mobilisation of the integrated model and all business lines** in support of clients
- **Low Carbon Transition Group**, an organisation of 250 professionals dedicated to supporting clients in accelerating their transition
- **Pooling and promoting the Group's technical expertise** via NEST, the in-house network of experts



Strengthening our sustainability culture and expertise, steering tools, processes & set-ups

- Sustainable finance training provided to each employee thanks to the **Sustainability Academy**
- **Accelerated industrialisation and strengthened governance** directly supervised by the CEO
- **Steering tools to support evolving needs** (of clients and regulators) and standards

→ **Priorities that are deeply embedded in the specific objectives of each of Group's businesses**



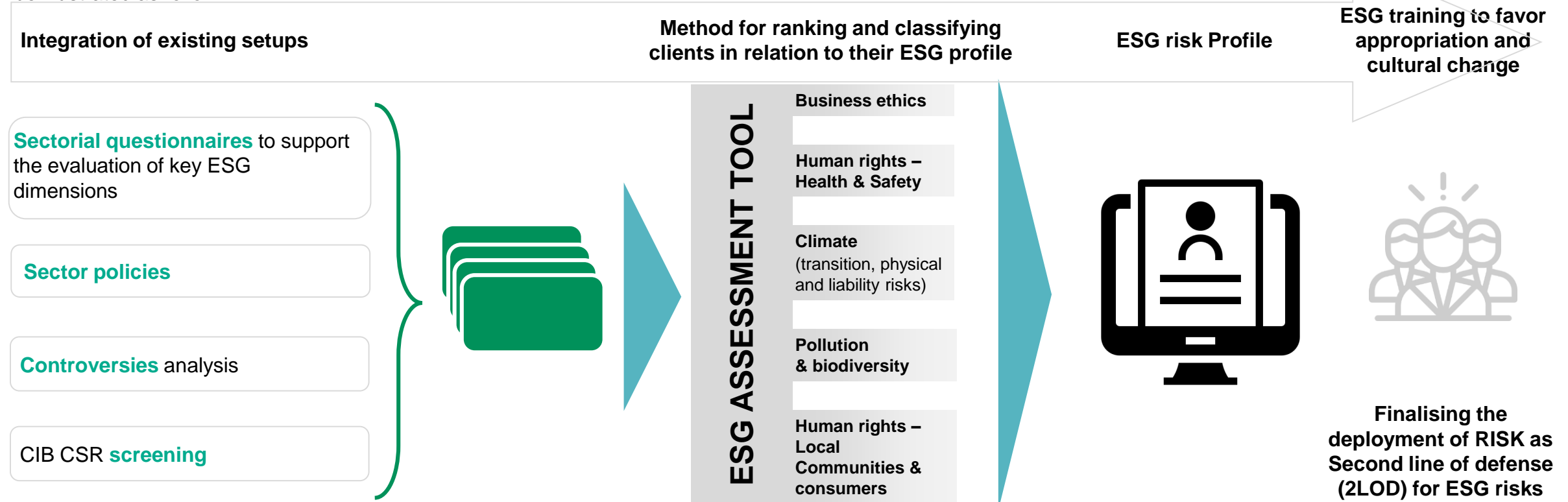
IMPLEMENTATION OF THE ESG ASSESSMENT, A GLOBAL RISK ASSESSMENT TOOL



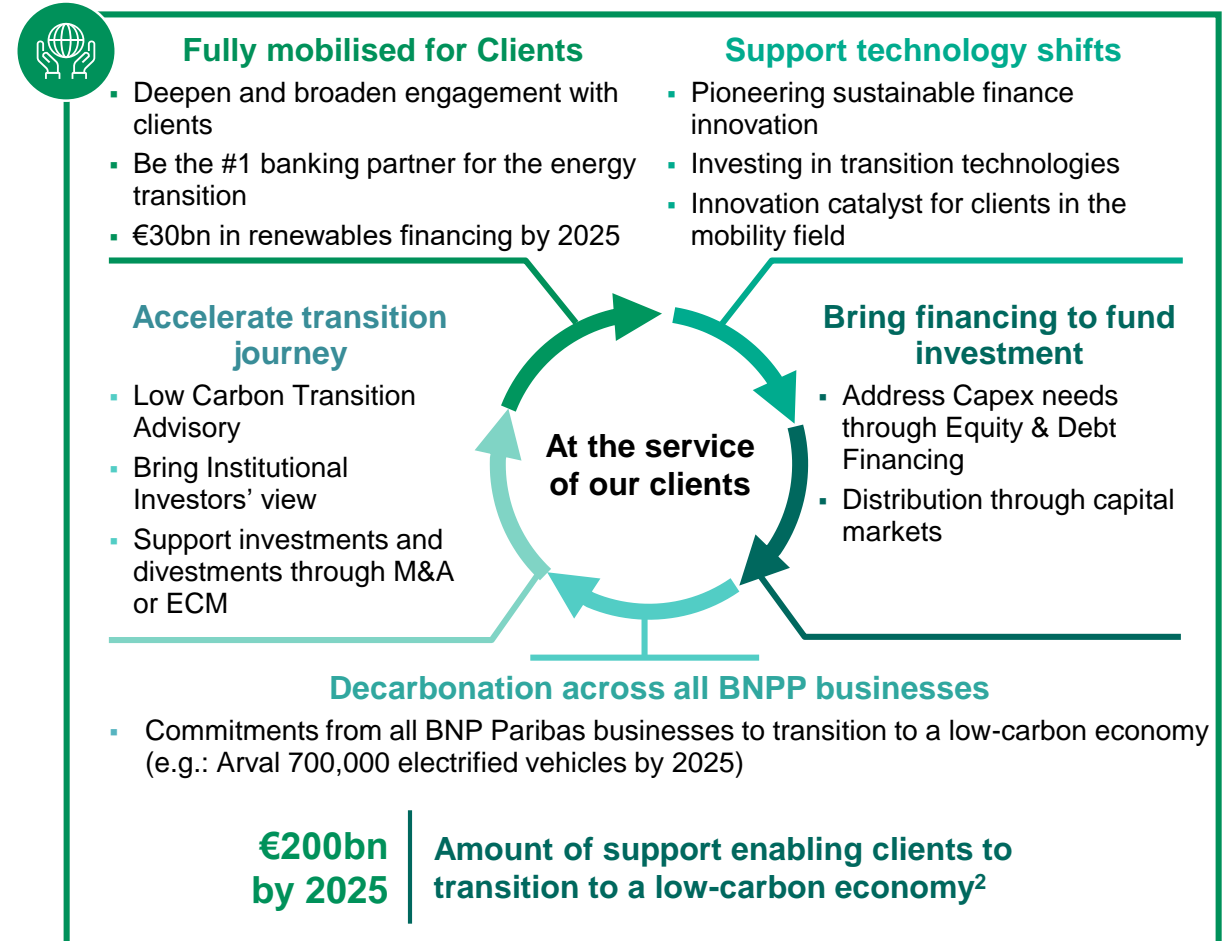
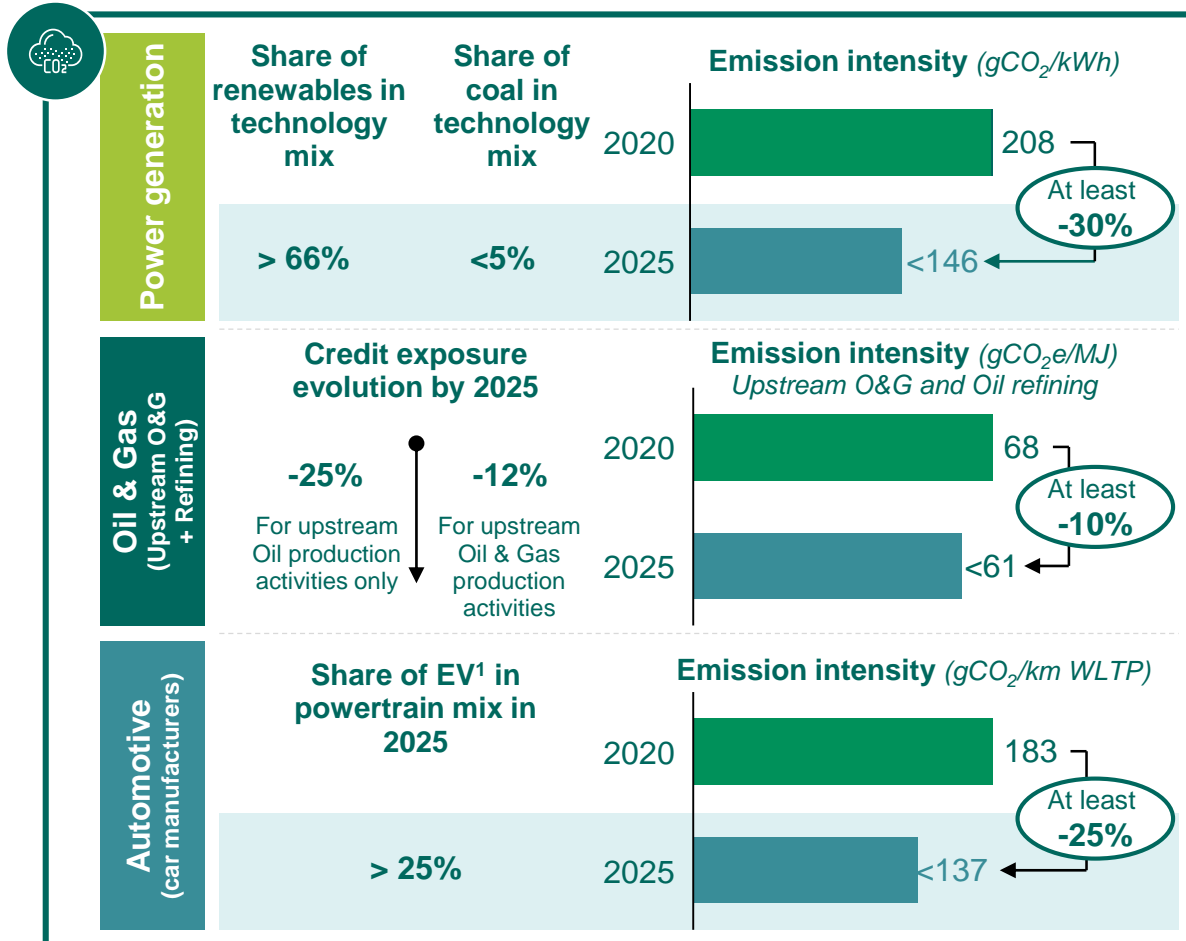
to **identify, assess** and **monitor** the performance and ESG risks of corporate clients by sector
 a **common** and **systematic approach** within the Group for clients within the credit process
 to exercise **greater control** over the ESG dimensions during credit committees

ESG Assessment will be rolled out to all corporate clients by the end of 2023

The ESG assessment Tool can be illustrated as follow



AMBITIOUS 2025 DECARBONISATION TARGETS FOR POWER, OIL & GAS AND AUTOMOTIVE WITH A FULL RANGE OF SOLUTIONS TO ACCOMPANY OUR CLIENTS IN THEIR NET ZERO TRANSITION JOURNEY



Additional commitments on Oil & Gas

- BNP Paribas will no longer finance or invest in companies with more than 10% of their direct activities in tar sands and shale oil and gas
- BNP Paribas will no longer finance any oil and gas project and related infrastructure in the Arctic and in the Amazon regions

1. Electrified Vehicles, including Battery Electrified Vehicles, Plug-In Hybrid Vehicles and Fuel-Cell Vehicles; 2. Green loans, green bonds, as well as all financings supporting low-carbon technologies, such as renewable energies, green hydrogen, etc.



MOBILISING ALL THE GROUP'S ACTIVITIES AROUND KEY PRIORITIES FOCUS ON SOCIAL INCLUSION AND NATURAL CAPITAL & BIODIVERSITY



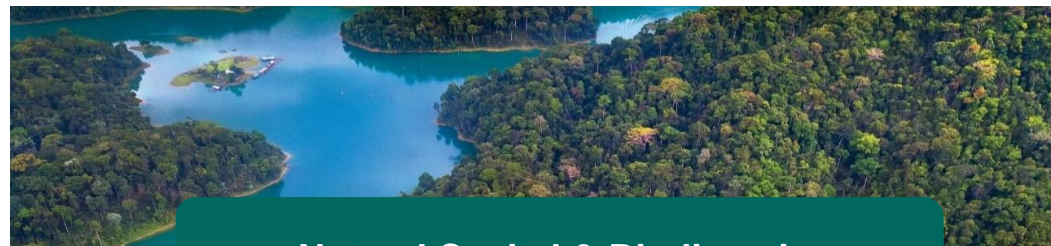
Social Inclusion

Develop products and services that are widely accessible

- Continue to **support Social Enterprises**: as of end 2021, this amounted **€2.35bn**
- Grant specific support to female entrepreneurship in France: **€3.3bn** of loans outstanding as of end 2021
- Increase **corporate philanthropic commitments** to **€200m** by 2025 (€50m every year), including support to youth, refugees, etc.

**6 millions
by 2025**

Number of beneficiaries of products & services supporting financial inclusion¹



Natural Capital & Biodiversity

Support solutions contributing to terrestrial and marine biodiversity

- Take part in **targeted coalitions** (e.g., **Act4Nature**, **Taskforce for Nature-related Financial Disclosures**)
- Continue our dialogue with clients, especially on **forests' preservation**
- Develop funds contributing to natural capital (e.g. **BNP Paribas Ecosystem Restoration Fund**)

**€4bn
by 2025**

Amount of financing to companies contributing to protect terrestrial and marine biodiversity

1. Number of Nickel accounts opened since the inception and of beneficiaries of microloans distributed by microfinance institutions financed by the Group (at prorata of financing)



MOBILISING ALL THE GROUP'S ACTIVITIES AROUND KEY PRIORITIES FOCUS ON SUSTAINABLE SAVINGS & INVESTMENTS AND CIRCULAR ECONOMY



Sustainable Savings & Investments

A reference player in Europe
for sustainable savings & investments

- Include ESG-by-design in Group **Financial Savings initiative: customer journeys, client profiling, advise & offerings, dashboard, training**
- Lead innovation in **ESG and impact investing in private assets and thematic funds**: cleantech, Solar Impulse, investments in start-ups-for-good, social impact, real estate investment funds
- Committed to **Net Zero Asset Managers initiative and Net Zero Asset Owners Alliance**

>90% | of assets under management
by 2025 | in sustainable investments¹



Circular Economy

Encourage clients' transition to circular models

- Support services contributing to the circular economy (e.g. product as a service and insurance and financing of second-hand goods)
- Develop strong partnerships and JVs to support initiatives allowing an increase in products life cycle or reuse (e.g. **BNP Paribas 3 step IT², Evollis³, Back Market⁴**)
- Develop funds contributing to circular economy development (e.g., **BNP Paribas Circular Economy Leaders**)

€0.85bn | Amount of production in
by 2025 | BNP Paribas 3 Step IT circular model

¹ Share of BNP Paribas Asset Management European open funds AuM in funds classified SFDR Art 8 or 9

² Joint venture between BNP Paribas and 3 Step IT ; ³ BNP Paribas Personal Finance has a minority share of Evollis ; ⁴ Commercial partnership between BNP Paribas Cardiff and Back Market



AN EMPLOYER OF CHOICE



Sofia Merlo
Head of Human Resources

“Attracting and retaining talent from diverse backgrounds will be at the core of our priorities in order to respond to the needs and ambitions of the Group. This means offering an “employee experience” that reflects individual aspirations and building a collective trajectory by which skills can improve.”

Diversity and inclusion, well-being and career are the key strengths of BNP Paribas

DIVERSITY AND INCLUSION

Ethic and inclusion as a company culture

- A strong **D&I commitment** across the Group encouraging all forms of diversity with 30,000 employees supporting diversity in BNP Paribas professional networks
- An ambitious **Code of Conduct, enriched in 2021**, with the raison d'être and updated in the fight against corruption, energy transition, competition law and respect for persons

40% | of women in the Group's Senior Management Positions (SMPs)
by 2025

WELL-BEING

We care about staff members in an agile environment

- Working conditions **with an attractive package « beyond fixed salary »** including health and social protections, profit-sharing and incentive agreements, bonuses but also a full set of **common rights across 65 countries**, including paternity/maternity leave and paid block leave
- A care program encouraging **the best work-life balance** and health protection
- Adapting our ways of working : **An agreement on teleworking** was signed for the first time at the level of BNP Paribas SA and its subsidiaries in France and a European charter on teleworking was signed

1 million | put in over a two-rolling-year
solidarity hours | basis by employees
(#1MillionHours2Help)

CAREER

Employee experience: the right skills at the right place at the right time and in the right mindset

- The “About me” digital HR platform, at the heart of the Group's career management, has been recognised at **the Digital HR Awards** by Deloitte
- **Training, upskilling and reskilling** to develop the potential of all our employees, with an achievement of **4 million hours** of training in 2021
- **Talent retention 7 000 “Leaders for Tomorrow” talents** benefit from dedicated support and development programmes

90% | of employees who have
by 2025 | taken at least four training sessions during the year

20K
/year

External
recruitments

20K
/year

Internal
recruitments





BNP PARIBAS

THANK YOU