

BNP PARIBAS CSR STRATEGY

LAURENCE PESSEZ
GLOBAL HEAD OF CSR

November 2024



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

- #1 in the world in Sustainable Finance (bond and loans) with \$62.5bn in 2023*
- #1 in the world in Green Bond issuance with \$25,6bn*

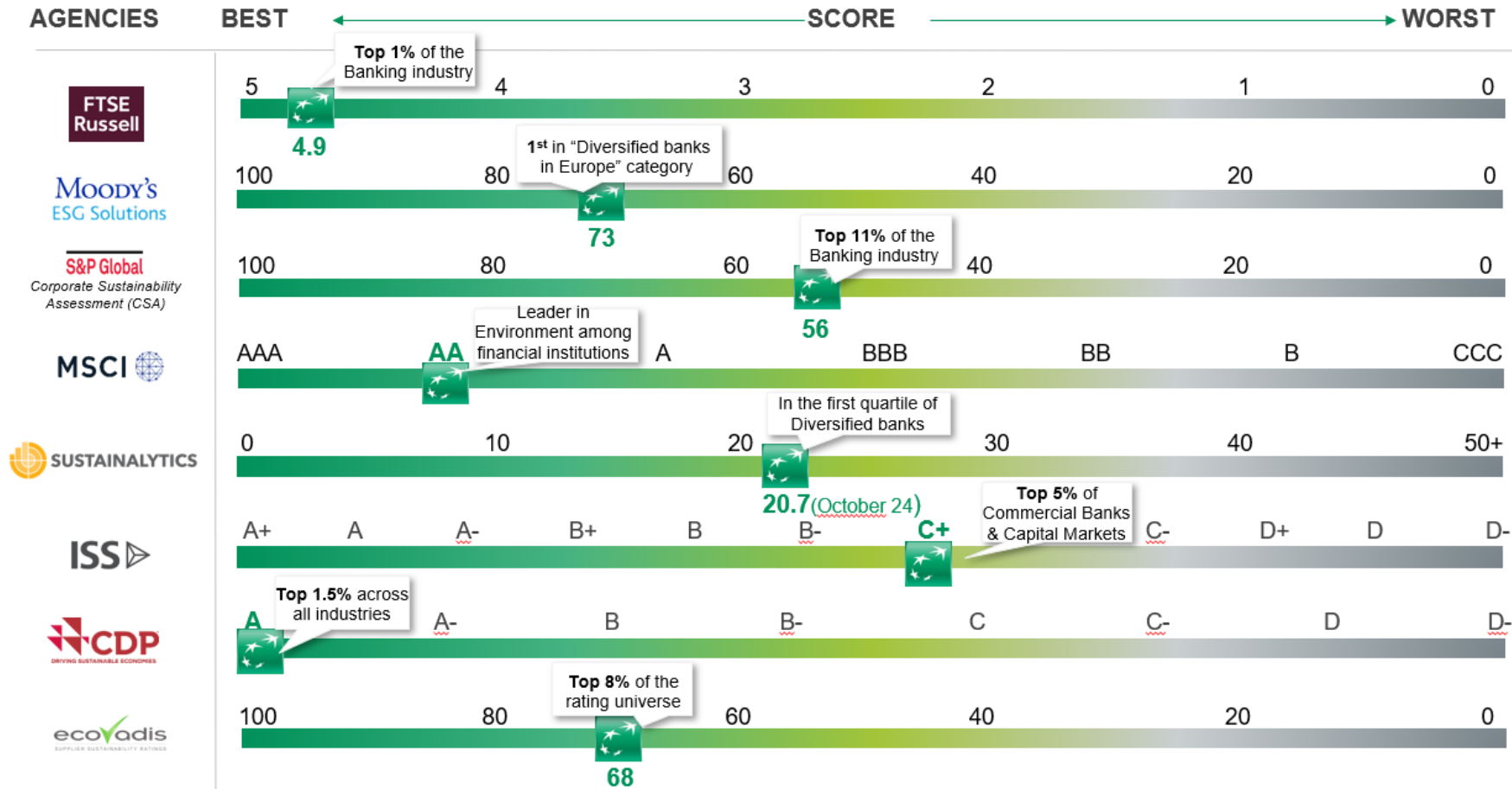


*. Dealogic, 2023: total ESG bonds (sustainable, green, social and sustainability-linked / SLBs) and ESG loans (green, social, ESG-linked loans / SLLs);



EXTERNAL RECOGNITION OF BNP PARIBAS' CSR STRATEGY

▪ LATEST EXTRA-FINANCIAL RATINGS



▪ LATEST AWARDS



EUROMONEY – 2024 “World’s Best Bank for financial inclusion”



CORPORATE KNIGHTS – 2024 “Global 100 Most Sustainable Corporations” for the 10th consecutive year



IFR – 2023 “ESG Financing House”

* Performance rankings included in the assessment of the Group's CSR policy, impacting the annual variable compensation applicable to the CEO and the Chief Operating Officers



ENGAGING WITH CLIENTS TO SUPPORT THEM IN THE TRANSITION TOWARDS A SUSTAINABLE ECONOMY: THE S IN THE GTS 2025 STRATEGIC PLAN

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

1. Sustainable Development Goals;



A COMPREHENSIVE GOVERNANCE TO SUPPORT OUR SUSTAINABLE COMMITMENTS

Board of Directors

- to review the CSR strategy and the annual reporting
- 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: 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



CSR DASHBOARD : 10 INDICATORS WITH 2025 TARGETS TO MONITOR PROGRESS

Pillar	No.	Indicator	2023	2025 Objective
Our economic responsibility	1	Amount of sustainable loans	EUR 117 billion	EUR 150 billion
	2	Amount of sustainable bonds	EUR 67 billion	EUR 200 billion
	3	Amount of assets under management at the end of 2022 in open-ended funds distributed in Europe under articles 8 and 9 according to the SFDR.	EUR 254 billion	EUR 300 billion
Our social responsibility	4	Share of women among the SMP population (Senior Management Position)	37.1%	40%
	5	Number of solidarity hours performed by employees (#1MillionHours2Help)	1 268 515 hours (in 2022 & 2023)	1 million hours (over two rolling years)
	6	Proportion of employees who completed at least four training courses during the previous twelve months	98.2%	90%
Our civic responsibility	7	Number of beneficiaries of products and services supporting financial inclusion	3.9 million beneficiaries	6 million beneficiaries
Our environmental responsibility	8	Amount of support for our clients in the transition to a low-carbon economy	EUR 104 billion	EUR 200 billion
	9	Amount of financing to companies contributing to protect terrestrial and marine biodiversity	EUR 4.3 billion	EUR 4 billion
	10	Greenhouse gas emissions in tons of CO ₂ equivalent (tCO ₂ e) / full-time employees	1.56 tCO ₂ e/FTE	1.85 tCO ₂ e/FTE

Group Sustainability and Incentive Scheme:
20% of more than 8,200 key employees' deferred variable compensation relies on the performance of the 10 CSR performance indicators

See Dashboard definitions in the [JRD 2022](#) page 626



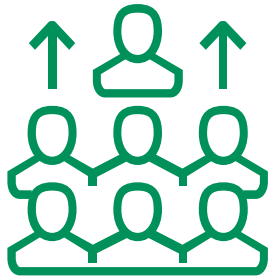
CSR PERFORMANCE CRITERIA IN THE ANNUAL VARIABLE REMUNERATION OF CEO AND CHIEF OPERATING OFFICERS FOR 2023



75%
Group's
Financial
Performance



10%
Qualitative
Criteria



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 banking sector in the extra-financial performance rankings of **FTSE, S&P Global CSA** and **Moody's ESG Solutions**

1/3

Alignment with key staff

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



THE ESG ASSESSMENT TOOL : A GLOBAL TOOL TO IDENTIFY, ASSESS AND MONITOR THE PERFORMANCE AND ESG RISKS OF OUR CLIENTS

- 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 and KYC¹ process
- to exercise **greater control** over the ESG dimensions during credit committees

ESG Assessment is rolled out to all large corporate clients by the end of 2023 (3.000 analysis performed by end-2023)
 It has been adapted for **medium-sized corporate** customers and **financial institutions**, with a target of covering customers in these segments by the end of 2024.

The ESG assessment Tool can be illustrated as follow



¹ Know Your Customer



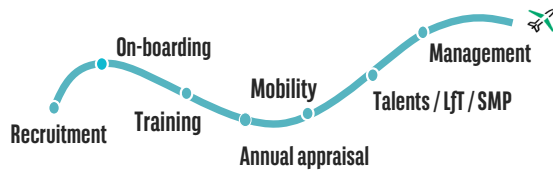
OUR EMPLOYEE AS KEY FACTOR FOR TRANSFORMATION : 4 LEVERS TO ACHIEVE OUR AMBITION



1 Integrate

Provide an incentive framework and the means to support the transformation of entities

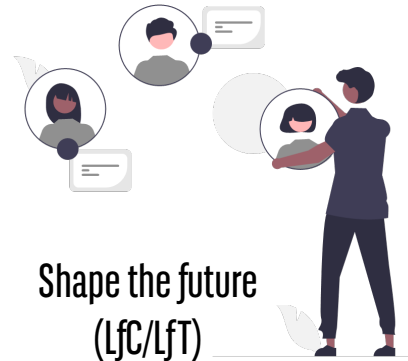
End to end employee journey



Sustainability Academy

2 Activate

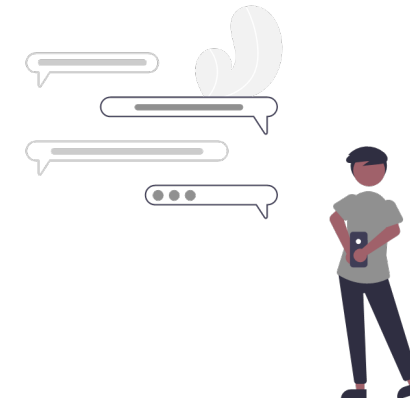
Coordinate business lines and functions, to move forward on their change management



Shape the future (LfC/LfT)

3 Communicate

Rhythm ambition with Communication Highlights



4 Measure

1. Monitor ambition with long-term impact KPIs

2. Meet operational needs with frequently tracked usage/deployment KPIs

LfC: The Leaders for Change population is composed of the members of the main Group-level cross-functional Executive Committees considered as making a major contribution to its operations and its development

LfT: The Leaders for Tomorrow programme includes women and men who have a unique combination of skills, experiences, motivations and personal attributes ("Leadership Profile"), which the Group considers necessary to drive transformation in the future

OUR EMPLOYEE AS KEY FACTOR FOR TRANSFORMATION : A DASHBOARD TO MONITOR AND ADAPT OUR ACTION

Our **Sustainable Finance Change Dashboard** enables us to monitor impact and usage indicators

Pulse surveys

Between **67%** to **96%**

of employees are **proud** of
BNP / their entity contribution
to Sustainable Finance

(based on 18 entities = 50% of
employees Group)*

> 100,000

unique employees have
been **trained at least once**
since the beginning of the
Sustainable Academy at
end 2022

1,7

hour of training in
average for each
trained employee

20%

of new joiners
were trained in
the last 6 months

* AM, ARVAL, BCEF, Cardif, Company Engagement, COMPLIANCE, EM (Central and 6 countries), Fortis, IPS, PACE, Real Estate and WM



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OUR CLIMATE STRATEGY



ENGAGING WITH CLIENTS TO SUPPORT THEM IN THE TRANSITION TOWARDS A SUSTAINABLE ECONOMY: THE S IN THE GTS 2025 STRATEGIC PLAN

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

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Social inclusion

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1. Sustainable Development Goals;



DEPLOYMENT AT SCALE OF OUR CLIMATE STRATEGY



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
- **Publication of Climate Report (May 2023 and May 2024)**



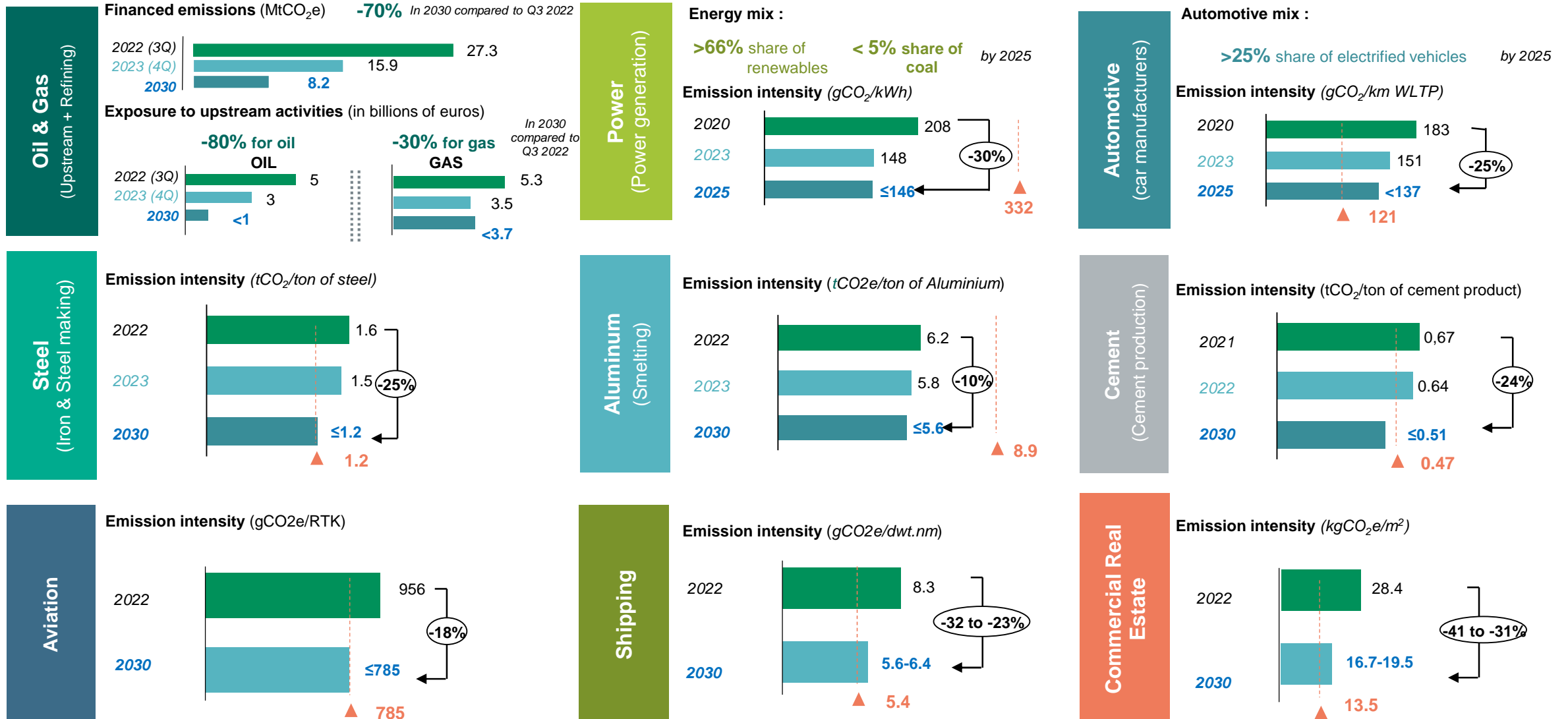
Engaging with clients to accompany them in the transition towards a sustainable & low-carbon economy

- **Mobilisation of the integrated model and all business lines** in support of clients
- **Low Carbon Transition Group**, an organisation of 200 specialised bankers dedicated to supporting clients in accelerating their transition
- **Pooling and promoting the Group's technical expertise** via NEST, the in-house network of experts

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



BNP PARIBAS IS ON TRACK TO REACH ITS CLIMATE ALIGNMENT AND OPERATIONAL TARGETS

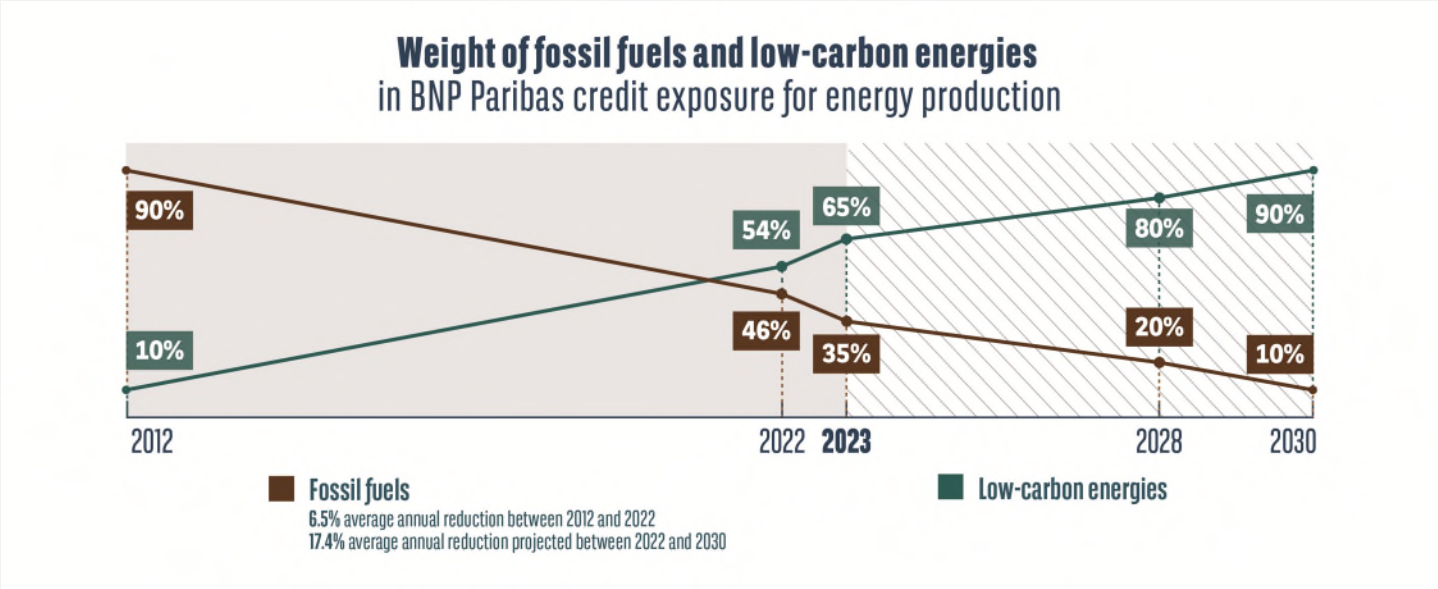


In red: IEA, IAI net-zero scenario (Aluminium), MPP PRU (Aviation), DNV 1.6° (shipping), CRREM V2.02 (Commercial Real Estate)



ENERGY TRANSITION: BEYOND THE RANKINGS, REAL-WORLD ACCOMPLISHMENTS

Sharp acceleration
in financing low-carbon energies and exiting fossil fuels



Target of 80% of energy financing in low-carbon energies moved forward to 2028 from the initial trajectory

A new target of 90% for 2030

N°1 worldwide³
ESG bonds and loans at \$62.5bn in 2023

Best bank⁴ worldwide
in sustainable finance in 2023

Low Carbon Transition Group :
200 specialist bankers dedicated to supporting large companies

1. Source: internal figures – credit exposure in €bn as of 30.09.23 vs. 30.09.22; low-carbon (€32bn as of 30.09.23): renewables (€28.8bn), biofuels (€0.2bn), and nuclear (€3bn); fossil fuels (€17.3bn as at 30.09.23): refining (€9bn), gas exploration & production (€4.3bn), oil exploration & production (€3.6bn), and coal (€0.4bn); 2012-2022 illustrative trajectory; The scope of low-carbon energies could evolve as technologies mature;
 2. Source: internal figures; ratio calculated by comparing financing flows granted by BNP Paribas to oil & gas extraction/production companies and to renewable energies projects.
 3. Dealogic, 2023: total ESG bonds (sustainable, green, social and sustainability-linked / SLBs) and ESG loans (green, social, ESG-linked loans / SLLs); 4. Source: Euromoney 2023

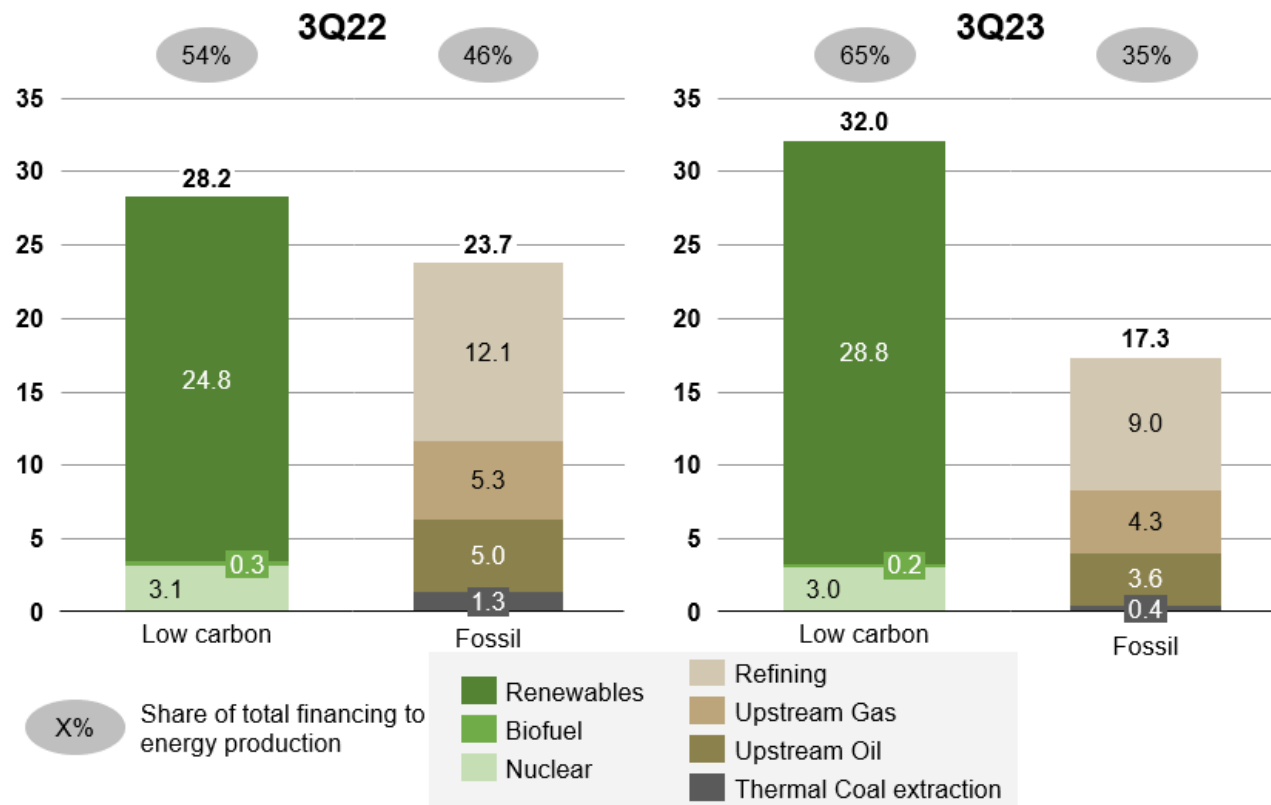


ENERGY TRANSITION: BEYOND THE RANKINGS, REAL-WORLD ACCOMPLISHMENTS

Weight of fossil fuels and low-carbon energies in BNP Paribas energy production financing¹

Exposure to Low Carbon energies and fossil fuels

(in €bn, 3Q22 and 3Q23, Credit facilities + Contingent liabilities + Securities on balance sheet)



The end of financing purely dedicated to the development of new oil & gas fields regardless of the financing methods

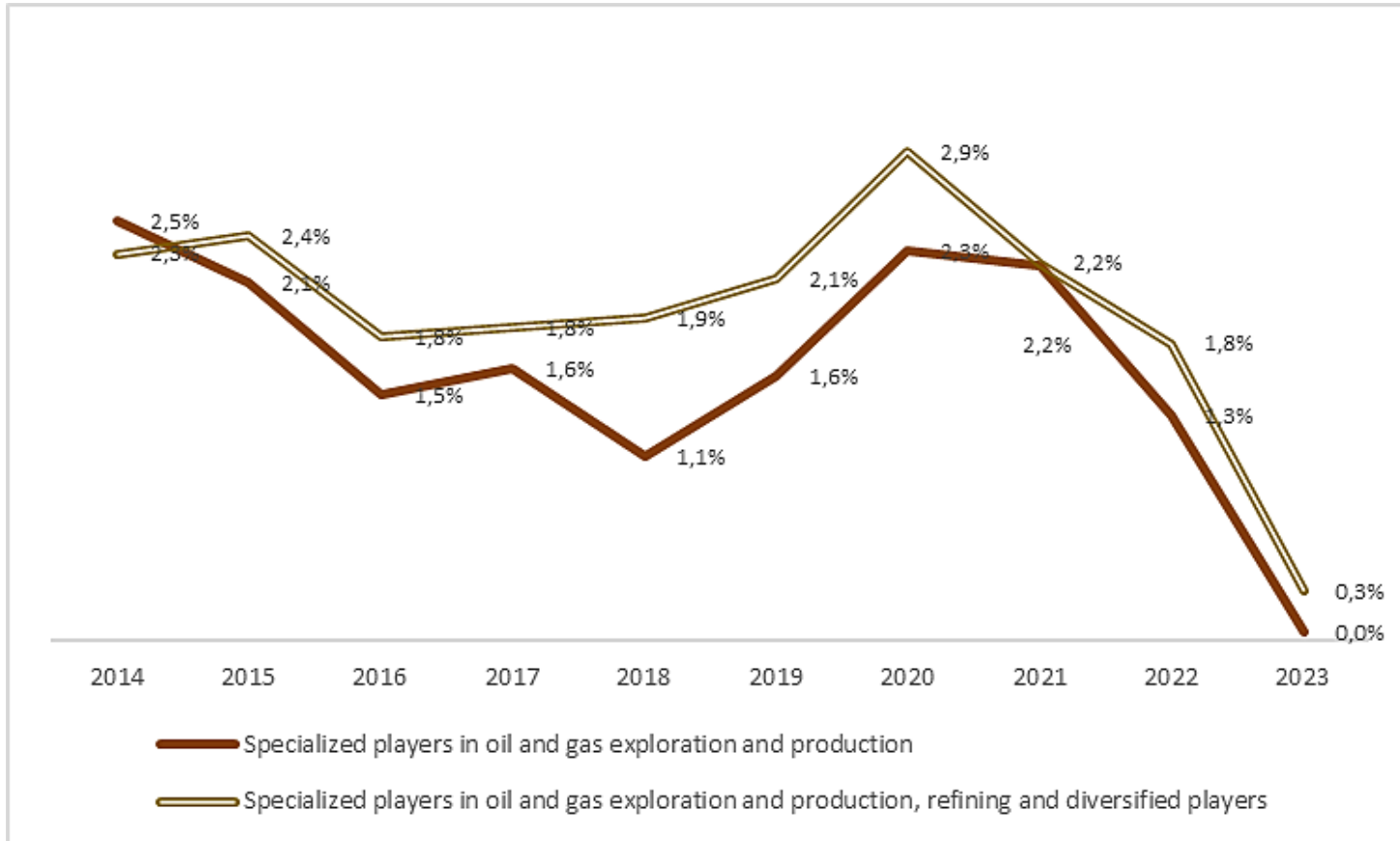
Thermal Coal extraction / mining exit already well underway, completed by 2030 in EU and OECD countries and by 2040 in the rest of the world

Target to reach at least 40 billion euros in credit exposure for **low-carbon energies by 2030**



ENERGY TRANSITION: BEYOND THE RANKINGS, REAL-WORLD ACCOMPLISHMENTS

Change in BNP Paribas' market share in syndicated loans to Oil & Gas companies, 2014 to 2023 (source: Dealogic)



- BNP Paribas' market share¹ in syndicated loans to oil & gas companies **has fallen significantly and steadily since 2020.**
- According to Dealogic, of the USD 256 billion granted by the global banking sector to the oil and gas sector, BNP Paribas' market share is now 0.3%. Previously, and until 2020, it had fluctuated between 2% and 3%.

Source: Dealogic 2014 – 2023, excl. green loans and Sustainability-linked Loans (SLLs), excl. Oil & Gas pipelines and field equipment & services :

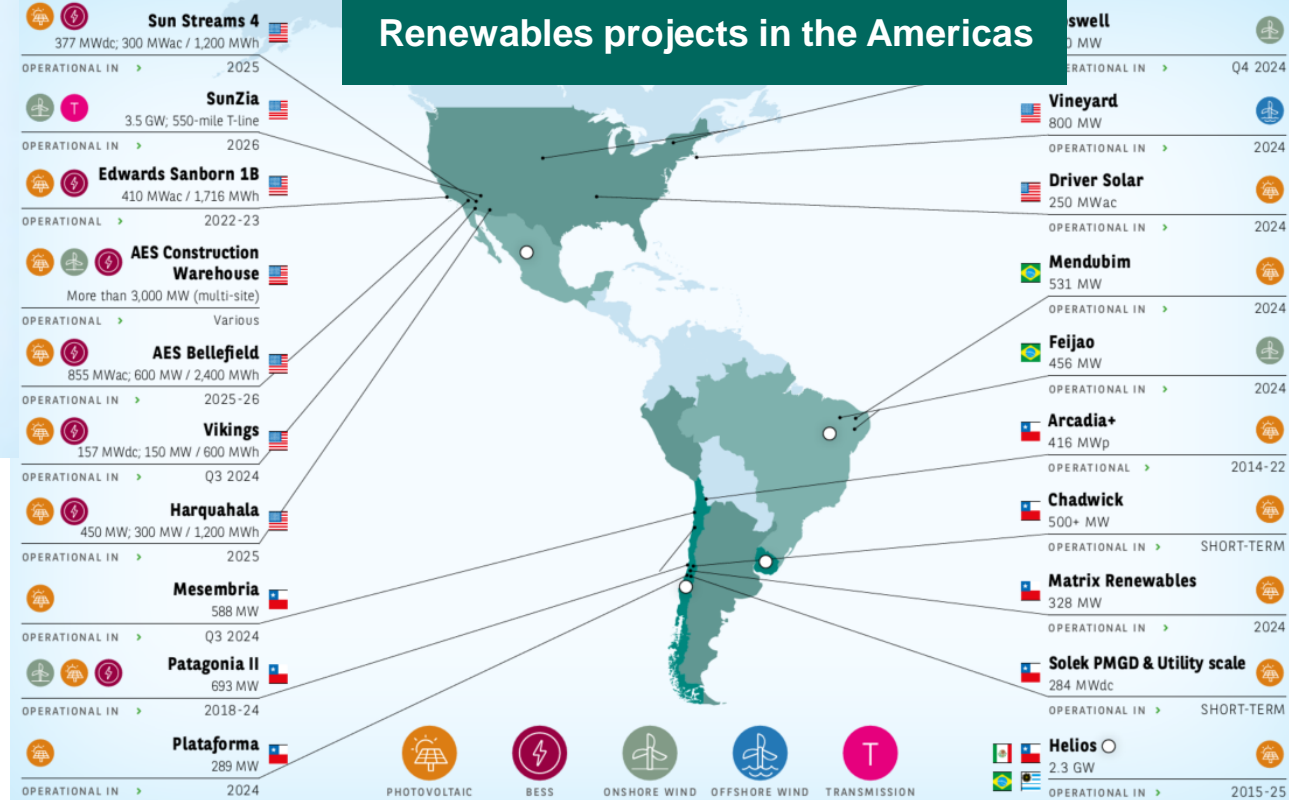


ENERGY TRANSITION: REMARKABLE RENEWABLES PROJECTS IN EUROPE AND IN THE AMERICAS SUPPORTED BY BNP PARIBAS¹

Renewables projects in Europe



Renewables projects in the Americas



1. Internal sources and external publications



BIODIVERSITY, CIRCULAR ECONOMY, SOCIAL INCLUSION



ZOOM ON 4 PRIORITY AREAS OF SUSTAINABILITY EMBEDDED INTO THE 2025 GTS PLAN

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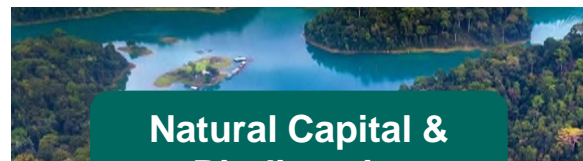
Social inclusion

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

1. Sustainable Development Goals;



MOBILISING THE ENTIRE GROUP AROUND KEY PRIORITIES



Natural Capital & Biodiversity

Support solutions contributing to terrestrial and marine biodiversity

- Financing to companies **protecting terrestrial and marine biodiversity**, already exceeds the 2025 target with **EUR 4.3 billion**
- **BNP Paribas Asset Management** is expanding its **sustainable investment** with the acquisition of a majority stake in the **International Woodland Company (IWC)**, specialising in investment and advisory services for sustainable forestry
- At the end of 2023, a partnership with **the Naturalis Biodiversity Center** was **launched**, one of the world's leading centres of biodiversity knowledge and research



Circular Economy

Encourage clients' transition to circular models

- Financing of **EUR 3.3 million** allowing **Ardennaise**, major player in the foundry industry, **to recycle 90% of black moulding sand**
- Logistics sector pioneer Brambles issued **EUR 500 million green bond** in 2023 with BNP Paribas as joint bookrunner, **the first by an Australian company** dedicated to the circular economy
- **"Arval car sharing"** offers digital solution for reservation and pooled use of service vehicles within a company, **maximising fleet usage rate**, and **optimising vehicle numbers**



Social Inclusion

Develop products and services that are widely accessible

- An objective of **6 million beneficiaries** from products and services supporting financial inclusion in 2025
- Continue to **support Social Enterprises**: at end 2023, the Bank supports over **3,450 impact enterprises** through financing, banking services and investments.
- Increase **corporate philanthropic commitments** to **EUR 200 million** by 2025, including support to youth, refugees, etc.



RECENT SIGNIFICANT BUSINESS CASES

Batteries
France


AESC

Financing the construction of a new greenfield **9 GWh battery gigafactory** in Douai

Mandated Lead Arranger, Technical and E&S Bank, Account Bank Hedging Bank

The gigafactory will equip Renault's next generation flagship electric vehicles models ECHO and 4Ever and support Renault's ambition to reach 100% EV sales in Europe by 2030

Government
Uruguay



Uruguay added **\$700 million** to its 2034 sustainability-linked bonds

Joint Bookrunner

Proceeds:

- achieving a reduction in aggregate greenhouse gas emissions intensity
- maintaining or increasing the native forest area covering Uruguay's territory.

Agriculture
Denmark



DLG Group, a cooperative owned by 25,000 Danish farmers, has secured a **€1.1 billion sustainability-linked loan**.

Co-Sustainability Coordinator, Bookrunner and Mandated Lead Arranger

Sustainability Performance Targets:

- Reduction of GHG Scope 1, Scope 2 and Scope 3 emissions;
- Share of imported deforestation-free soy.



SOCIAL INCLUSION : FINANCING AND INVESTMENTS WITH A POSITIVE IMPACT

Proprietary investment

EUR 450 million are allocated to proprietary investments.

Impact investment

- **EUR 145M** social and local impacts
- **EUR 55M** protection and restoration of natural capital

Innovation

- **EUR 250M** to start-ups involved in the environmental transition.

Impact Bonds

In 2023, 9 new contracts were signed for a total amount of **EUR 28 million** in which the BNP Paribas European Impact Bonds Fund invested EUR 13 million

At end-2023, **24 impact bonds supported** by BNP Paribas (as arranger or investor, sometimes both) had been signed representing more than **EUR 82 million in total**.

Financing Impact Entrepreneurship

In 2023, total support (loans, investments for the own account of the Group or on behalf of third parties, impact bonds) to impact enterprises, including Microfinance Institutions, amounted to **EUR 2 billion**.

The Bank supports over **3,450 impact enterprises** through financing, banking services and investments.


Nickel : Financial Inclusion


At the end of 2023, nearly **3.7 million Nickel accounts** had been opened with the following profiles: income of less than EUR 1,500 per month (77%); unemployed, with no regular income or living on benefits (30%); without a personal address (30%). French Nickel's inclusive offer launched in Spain (2021), Belgium, Portugal (2022) and Germany (2023).





SUPPORTING OUR EMPLOYEES BY OFFERING THEM AN ENVIRONMENT AND PATHWAYS ADAPTED TO THEIR EXPECTATIONS

ETHIC AND INCLUSION


 **Mixity management**
% women (in senior management) **37%**
2025 target : 40%


 **Conduct & Inclusion survey re-run in 2023**
Favorable opinion on the Inclusion Component **83%**

 **Inclusion Days 2023**
Number of participants **17k**
30 countries

 **Overall engagement score**
Consolidation surveys 2023 covering 86% of the workforce (Participation rate : 69%) **85/100**

EMPLOYEE EXPERIENCE


 **Number of solidarity hours by employees** **1 268 515 h**
2025 target : 1 million hours over two rolling years
(2022 + 2023)


 **% of employees benefiting from of Employee Assistance Program³ (We Care)** **83%**


 **Number of employees trained in Agile since 2021** **>11k**

 **% of employees who remoteworking in Europe** **75%**
2 days per week on average


HUMAN CAPITAL


 **% of employees who followed at least 4 training courses** **98,2%**
2025 target: 90%



 **Average number of hours of Training per employee in 2023** **24,2 h**
Of which excluding mandatory training **19,8 h**

 **Number of employees trained by Sustainability Academy in 2023** **>86k**

#UNEXPECTEDJOBS
Number of views on employee posts on LinkedIn **14,7M**

 First and only bank in France to hold the AFNOR "Alliance" label bringing together the "Diversity" and "Professional Equality" labels

 1st bank in the sector in the London Stock Exchange ESG 2023 ranking 96 / 100 on the social aspect

 **top EMPLOYER EUROPE 2023**
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS
 **top EMPLOYER EUROPE 2024**
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS
The only bank in the Top 10 employers in France to be awarded the Top Employer Europe 2023+2024 label for the 10th and 11th consecutive years



PHILANTHROPY MARKED BY LARGE-SCALE CRISIS AND EXCEPTIONAL COMMITMENTS

GLOBAL PHILANTHROPY AT GLANCE



+ €20.5M : Skills-based philanthropy in France

• **1% on average of the net group net income over the past 5 years**

• **Nearly Half a billion euros in 5 years**

• **+70% of Group Philanthropy is European**

+18.3% Vs 2022

*declarative

EXCEPTIONAL ENVELOPES TO ACT QUICKLY AND GLOBALLY

The Group entities are acting as a coalition to respond to the social and humanitarian emergencies internationally

€20M



Donations issued from share buybacks focused on major causes identified by the Group local entities worldwide

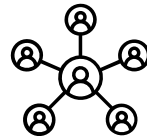
- BNP Paribas is the first bank to have accompanied its share buyback with a solidarity tranche
- Emergencies situations : food insecurity, housing, reception of women and refugees
- Major social issues: climate, biodiversity, access to water, equal opportunities

+ €15M



Emergency philanthropy in Severe Crises: Earthquakes in Turkey/Syria and Morocco

- Local envelopes deployed and relayed by additional Group's actions



A network of 12 foundations and endowment funds working alongside the Group's businesses to implement our philanthropic action



ACTIVE ROLES IN FRAMING THE FUTURE OF ESG



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 *



BNP PARIBAS

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

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November 2024

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BNP PARIBAS

THANK YOU



- [Last Climate Report](#)
- [2023 URD](#)
- [Visite our Publications' page](#)