



# BNP PARIBAS GREEN BOND

## 2022 GREEN BOND REPORTING & METHODOLOGY NOTES

June 2023



**IFR Awards 2022**  
Bank of the Year  
Bank for Sustainability  
Asia Pacific ESG Financing House of the Year



**Global Capital Syndicated Loan 2022**  
Most innovative Bank for ESG Lending



**Global Capital Bond Awards 2021**  
Most Impressive Investment Bank for:  
- Overall Green/SRI Capital Markets  
- Corporate Green/SRI Capital Markets  
- CEEMEA Green/SRI Capital Markets



**Euromoney Awards 2022**  
World's Best Bank in Sustainable Finance  
Western Europe's Best Bank for Sustainable Finance  
Latin America's Best Bank for Sustainable Finance  
World's Best Bank for ESG data and technology



**Euromoney Awards 2021**  
World's Best Bank in Sustainable Finance  
World's Best Bank for ESG data and technology  
Western Europe's Best Bank for Sustainable Finance



**Environmental Finance – Awards 2023**  
Lead manager of the year, green bonds – financial institution  
Lead manager of the year, green bonds – supranational, sub-sovereign and agency (SSA)  
Lead manager of the year, social bonds – corporate  
Lead manager of the year, sustainability-linked bonds  
Loan structurer/arranger/coordinator of the year



**Environmental Finance – Awards 2022**  
Lead manager of the year, sustainability-linked bonds  
Lead manager of the year, social bonds – financial institutions  
Loan structurer / arranger / coordinator of the year



# BNP PARIBAS

## The bank for a changing world

# 1. LATEST UPDATES ON BNP PARIBAS' CSR POLICY

2. OVERVIEW OF THE SINGLE PORTFOLIO OF ELIGIBLE GREEN ASSETS (2022)
3. BNP PARIBAS GREEN BOND: METHODOLOGY NOTES
4. EXTERNAL REVIEW



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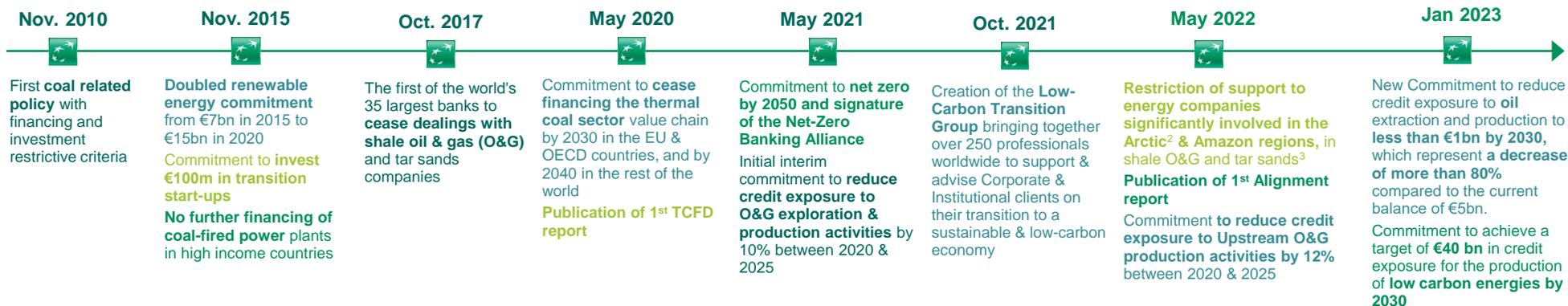
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# A Long-Standing Commitment Together With Our Clients With Concrete Actions



Strong leading positions in sustainable finance

World's Best Bank for Sustainable Finance 2022 Award by Euromoney

Bank for Sustainability – 2022 Top Award by IFR

#1 Worldwide in green bonds with \$19.5bn<sup>1</sup>

#3 Worldwide in sustainability-linked loans with \$17.9bn<sup>1</sup>

<sup>1</sup>Bloomberg as of 31/12/2022

<sup>2</sup>Definition of the Arctic region aligned with the Arctic Assessment & Monitoring Program (AMAP) except Norwegian-operated areas

<sup>3</sup>Exemptions to be granted to companies having the most credible transition plans towards net-zero by 2050 based on clear criteria

# CSR Dashboard: 10 Indicators With 2025 Targets To Monitor Progress

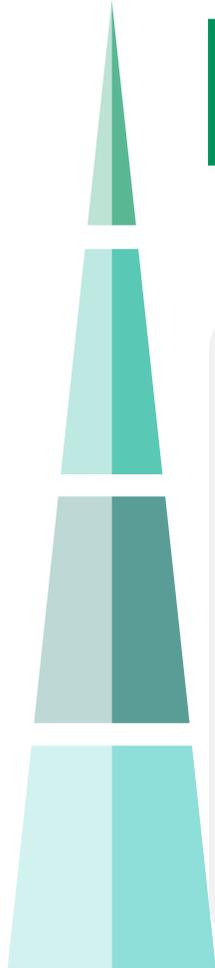
Pillar	No.	Indicator	2022	2025 Objective
Our Economic Responsibility	1	Amount of sustainable loans	EUR 87 billion	EUR 150 billion
	2	Amount of sustainable bonds	EUR 32 billion	EUR 200 billion
	3	Amount of assets under management at the end of 2022 in open-ended funds distributed in Europe under articles 8 and 9 according to the SFDR.	EUR 223 billion	EUR 300 billion
Our Social Responsibility	4	Share of women among the SMP population (Senior Management Position)	35.2%	40%
	5	Number of solidarity hours performed by employees (#1MillionHours2Help)	1,126,142 hours (in 2021 & 2022)	1 million hours (over two rolling years)
	6	Proportion of employees who completed at least four training courses during the previous twelve months	97.4%	90%
Our Civic Responsibility	7	Number of beneficiaries of products and services supporting financial inclusion	3.3 million beneficiaries	6 million beneficiaries
Our Environmental Responsibility	8	Amount of support for our clients in the transition to a low-carbon economy	EUR 44 billion	EUR 200 billion
	9	Amount of financing to companies contributing to protect terrestrial and marine biodiversity	EUR 1.8 billion	EUR 4 billion
	10	Greenhouse gas emissions in tons of CO <sub>2</sub> equivalent (tCO <sub>2</sub> eq.) / full-time employee	1.65 tCO <sub>2</sub> eq./FTE	1.85 tCO <sub>2</sub> eq./FTE

## Group Sustainability and Incentive Scheme

20% of more than 8,400 key employees' deferred variable compensation relies on the performance of the 10 CSR performance indicators

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

# A Comprehensive Governance



## Board of Directors

- To **approve** the CSR strategy and the annual reporting (e.g. 2022 vigilance plan)
- 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 a 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**

# 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>

# 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 SDGs<sup>1</sup>

### 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

<sup>1</sup>United Nations Sustainable Development Goals

# Deployment At Scale : 3 Strategic Pillars to Accelerate the Implementation of the Group's Commitments



## Aligning our portfolios with our carbon neutrality commitment

- Trajectory for a **reduction in CO<sub>2</sub> 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
- ➔ **Output: Publication of Climate Analytics And Alignment Report**



## 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 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

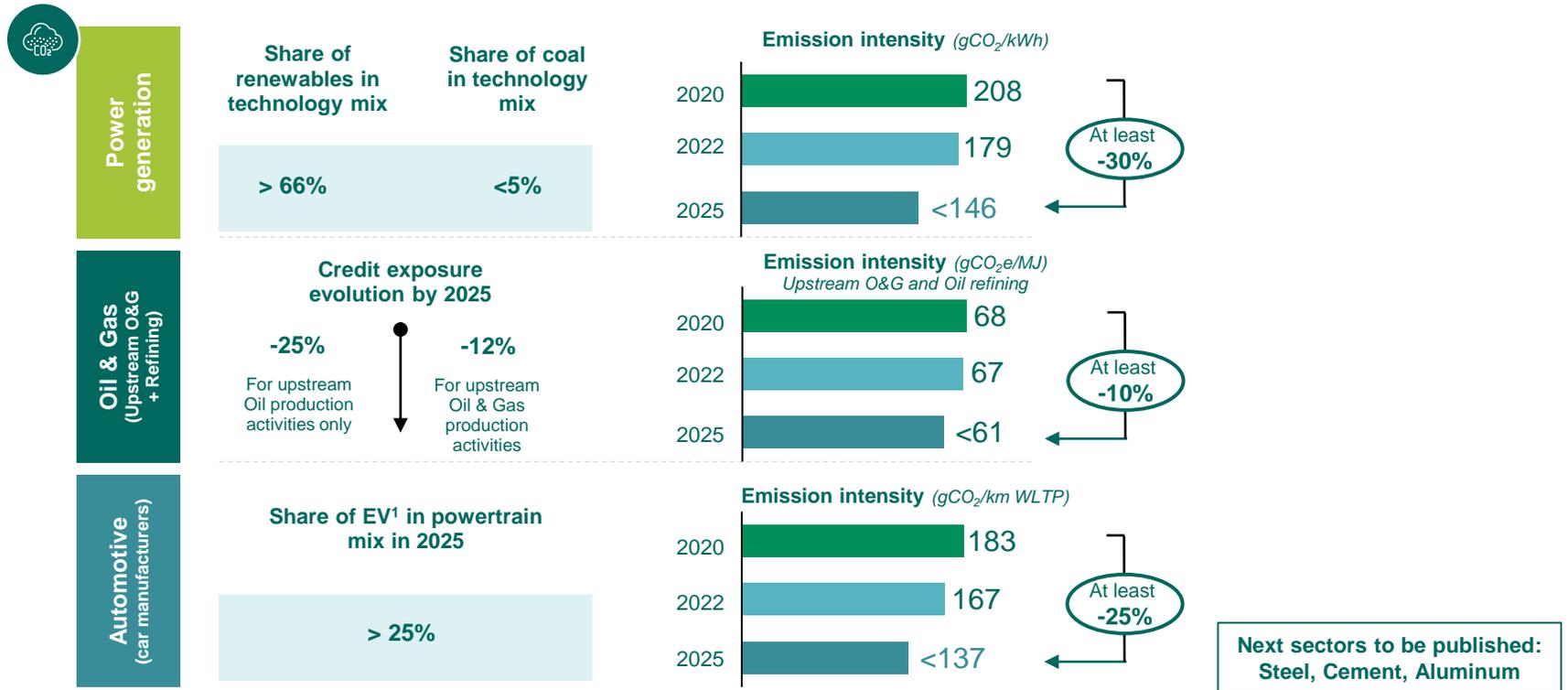


## Strengthening our sustainability culture and expertise, steering tools, processes & set-ups

- 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

➔ These priorities are deeply embedded in the specific objectives of each of the Group's businesses

# Ambitious 2025 Decarbonisation Targets for Power, Oil & Gas and Automotive



## New Oil & Gas Policy with additional commitments

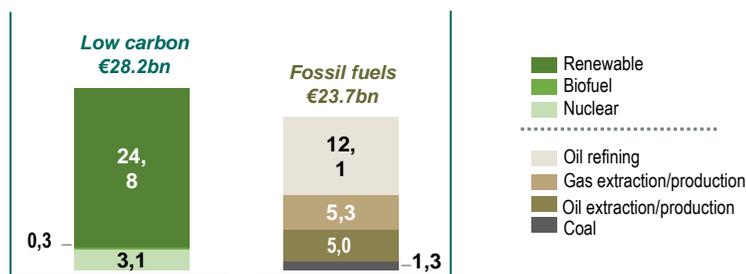
- BNP Paribas will no longer finance or invest in companies with more than 10% of their direct activities in tar sands and shale oil and gas
- BNP Paribas will no longer finance any oil and gas project and related infrastructure in the Arctic and Amazon regions

<sup>1</sup>Electrified Vehicles, including Battery Electrified Vehicles, Plug-In Hybrid Vehicles and Fuel-Cell Vehicles

# A New Acceleration In Financing The Energy Transition<sup>1</sup>

BNP Paribas has already made a major pivot towards financing low-carbon energy production

Financing of energy production<sup>1</sup>:



Source: Credit Exposure in billions of euros as at 30 September 2022

A new phase of rapid acceleration in financing the production of low-carbon energies and reducing financing for fossil fuel

## Objectives for 2030

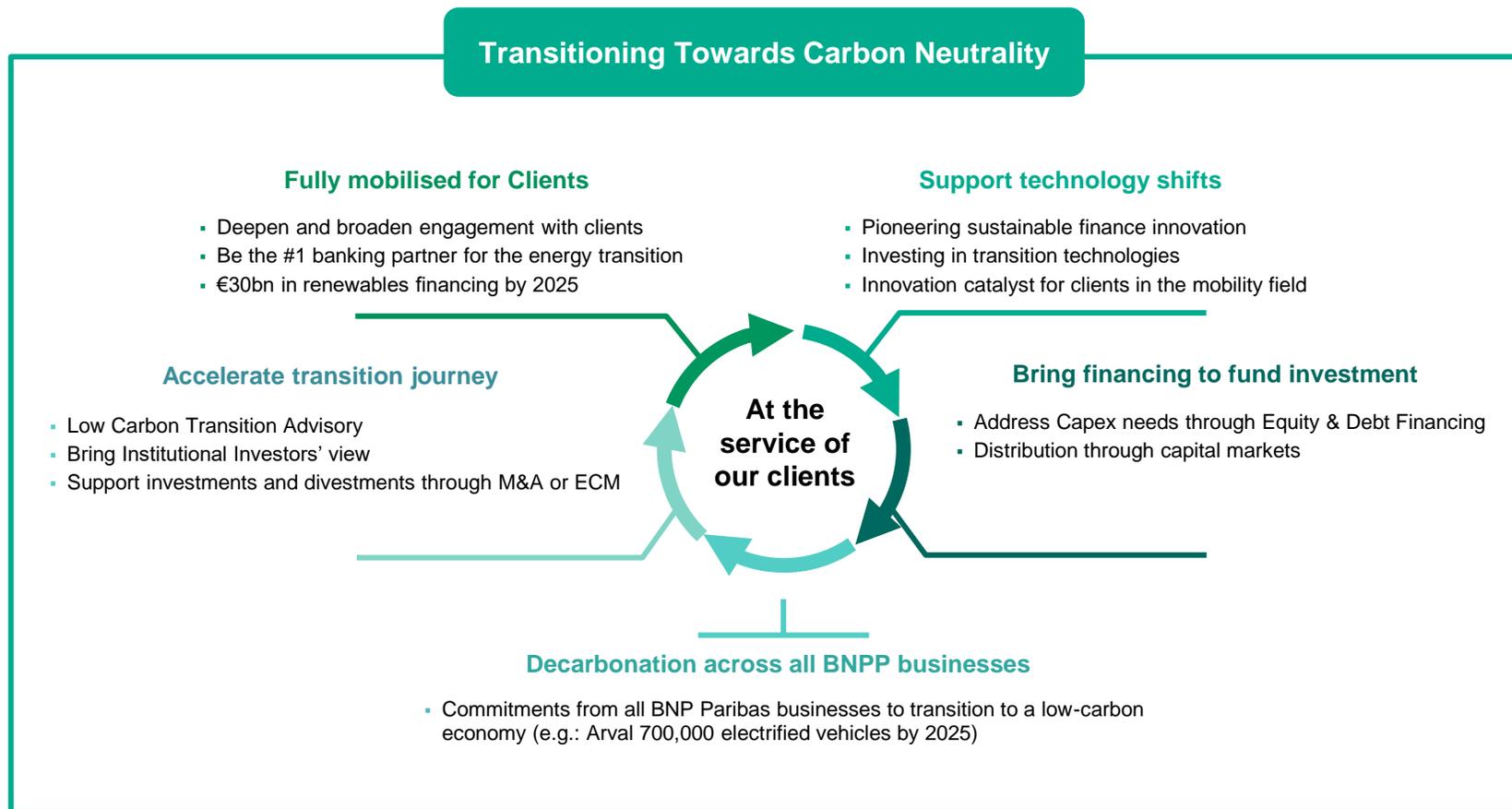
- €40bn in credit exposure for the production of low-carbon energies, primarily renewable
- Less than €1bn in credit exposure for oil extraction and production (>+80% decrease compared to the current level of €5bn)
- +30% reduction in credit exposure to gas extraction and production

- Credit exposure almost 20% higher to production of low-carbon energies than those to fossil fuel production as of end-September 2022
  - No financing to oil projects since 2016
  - Coal exit already well underway and will be completed by 2030 in EU and OECD countries and by 2040 in the rest of the world

In 2030, 80% of credit exposure to energy production will be for low-carbon energy

<sup>1</sup>See press release of 24 January 2023

# A Full Range Of Solutions To Accompany Our Clients In Their Net Zero Transition Journey



# 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 2022, this amounted **€2bn**
- Grant specific support to female entrepreneurship in France: **€3bn** of loans outstanding as of end 2022
- Increase **corporate philanthropic commitments** to **€200m** by 2025 (€50m every year), including support to youth, refugees, etc.

**6 million  
by 2025**

Number of beneficiaries of products & services supporting financial inclusion<sup>1</sup>



## 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**)

**€4 billion  
by 2025**

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

<sup>1</sup>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% by 2025** | of assets under management in sustainable investments<sup>1</sup>

86% achieved as at end June 2022



## 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 IT<sup>2</sup>, Evollis<sup>3</sup>, Back Market<sup>4</sup>**)
- Develop funds contributing to circular economy development (e.g., **BNP Paribas Circular Economy Leaders**)

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

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

<sup>2</sup>Joint venture between BNP Paribas and 3 Step IT

<sup>3</sup>BNP Paribas Personal Finance has a minority share of Evollis

<sup>4</sup>Commercial partnership between BNP Paribas Cardiff and Back Market

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# BNP Paribas: A Frequent Issuer in the Green Bond Market

BNP Paribas is a regular issuer in the green bond market and continues to offer investors further insight into its sustainability strategy in line with its commitments, mainly with public issuances<sup>1</sup>

## SECOND GREEN BOND ISSUANCE

- ISIN: XS1808338542
- Inaugural Issuance in Senior Non-Preferred format
- Rating: Baa1/A-/A+/A(High) by Moody's/S&P/Fitch/DBRS
- Maturity of 6-yr
- Pricing at €MS+55bps
- Coupon: 1.000%
- SPO by oekom
- Assurance Report by EY



EUR  
500,000,000  
1.000% due  
2024  
Apr 2018

## THIRD GREEN BOND ISSUANCE

- ISIN: FR0013405537
- Second Issuance in Senior Non-Preferred format
- Rating: Baa1/A-/A+/A(High) by Moody's/S&P/Fitch/DBRS
- Maturity of 5.5-year
- Pricing at €MS+100bps
- Coupon: 1.125%
- SPO by ISS-Oekom
- Assurance Report by EY



EUR  
750,000,000  
1.125% due  
2024  
Feb 2019

## FOURTH GREEN BOND ISSUANCE

- ISIN: FR0013465358
- Third Issuance in Senior Non-Preferred format
- Rating: Baa1/A-/A+/A(High) by Moody's/S&P/Fitch/DBRS
- Maturity of 6.5-yr NC 5.5year
- Pricing at €MS+75bps
- Coupon: 0.500%
- SPO by ISS-Oekom
- Assurance Report by EY



EUR  
750,000,000  
0.5% due  
2026/25  
Nov 2019

## FIFTH GREEN BOND ISSUANCE

- ISIN: FR00140005J1
- Fourth Issuance in Senior Non-Preferred format
- Rating: Baa1/A-/A+/A(High) by Moody's/S&P/Fitch/DBRS
- Maturity of 7-yr NC 6-yr
- Pricing at €MS+80bps
- Coupon: 0.375%
- SPO by ISS-ESG<sup>2</sup>
- Assurance Report by EY



EUR  
750,000,000  
0.375% due  
2027/26  
Oct 2020

## SIXTH GREEN BOND ISSUANCE

- ISIN: US09659X2Q47
- Fifth Issuance in Senior Non-Preferred format
- Rating: Baa1/A-/A+/A(High) by Moody's/S&P/Fitch/DBRS
- Maturity of 6-yr NC 5-yr
- Pricing at €MS+80bps
- Coupon: 1.675%
- SPO by ISS-ESG<sup>2</sup>
- Assurance Report by EY



USD  
1,000,000,000  
1.675% due  
2027/26  
June 2021

## SEVENTH GREEN BOND ISSUANCE

- ISIN: CH1125186663
- Sixth Issuance in Senior Non-Preferred format
- Rating: Baa1/A-/A+/A(High) by Moody's/S&P/Fitch/DBRS
- Maturity of 6-yr NC 5-yr
- Pricing at CHF MS+53bps
- Coupon: 0.1475%
- SPO by ISS-ESG<sup>2</sup>
- Assurance Report by EY



CHF  
230,000,000  
0.1475% due  
2027/26  
July 2021

## EIGHTH GREEN BOND ISSUANCE

- ISIN: FR0014006N17
- Seventh Issuance in Senior Non-Preferred format
- Rating: Baa1/A-/A+/A(High) by Moody's/S&P/Fitch/DBRS
- Maturity of 6.5-yr NC 5.5-yr
- Pricing at €MS+68bps
- Coupon: 0.500%
- SPO by ISS-ESG<sup>2</sup>
- Assurance Report by EY



EUR  
1,000,000,000  
0.5% due  
2028/27  
Nov 2021

<sup>1</sup>Issuances under the scope of this annual report are as of end of December 2022

<sup>2</sup>SPO at framework level complemented by an annual SPO at Use of Proceeds level

# BNP Paribas' Green Bond: Initial Statement

- BNP Paribas' Green Bond Framework is aligned with the Green Bond Principles as administered by ICMA
- The Green Assets allocated to BNP Paribas' Green Bond program amount to c. **9.27 Bn EUR (total drawn amount), backing up to 5.97 Bn EUR Green Bond issuances**, as of end of December 2022<sup>1</sup>
- **BNP Paribas is reporting on its own share of GHG emissions avoided**, i.e., the CO<sub>2</sub>eq. emissions avoided which BNP Paribas is responsible for
- **100% of the proceeds** are allocated for the financing or refinancing of eligible projects according to the Eligible Categories of BNP Paribas' Green Bond Framework
- The financed categories of the entire portfolio of Eligible Green Assets are identified in Slide 18. Out of the 9.27 Bn EUR (total drawn amount), **29% of these projects are still under construction**
- **BNP Paribas carefully selects its Green Assets according to the features of its Green Bond framework.** In addition to the projects' high positive impacts and standards, this **screening process also considers any negative social or environmental impacts.** For more details, please consult our 2022 Second Party Opinion, provided by ISS-ESG

<sup>1</sup>Please note that the latest €2Bn Green Bond issuances of January and April 2023 are not in the scope of this annual report.

# BNP Paribas' Green Bond: 2022 Impact Figures

This slide presents an overview of drawn volumes allocated to each eligible category, considering an overview of projects in operation and under construction. It includes the regional breakdown of the portfolio of Eligible Green Assets. The details of these figures can be found in the following slides

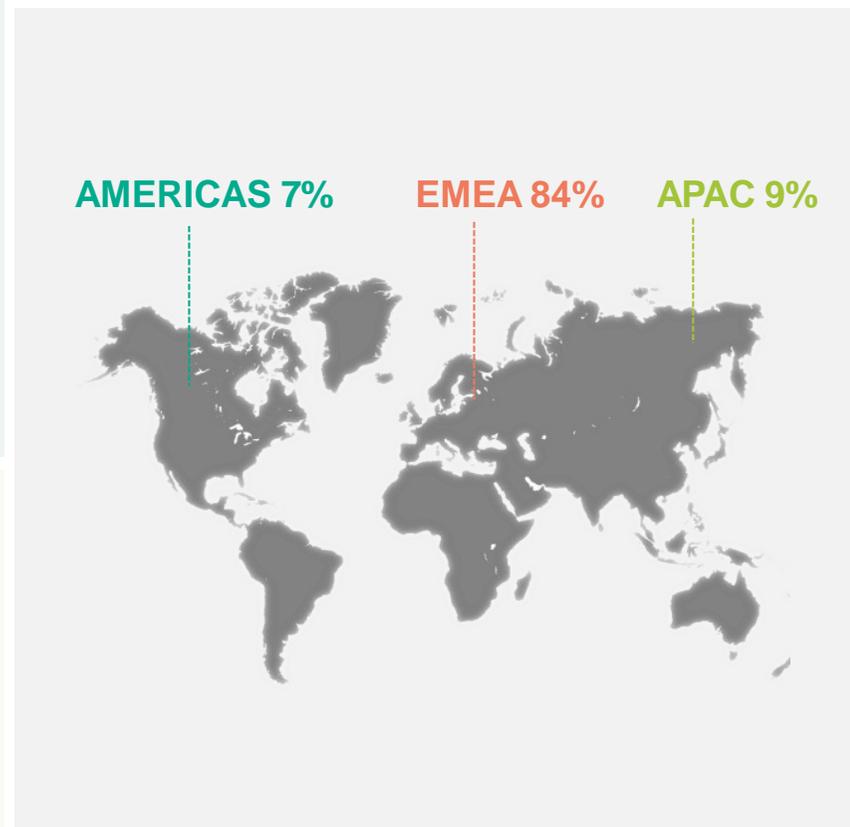
## Total Volume (Mn €) *(of which in construction)*

## 2022 Impact Indicators\*

## Regional Breakdown

*based on drawn volumes*

	Renewable Energy <i>(including Personal Finance assets)</i>	<b>5,108.6</b> <i>(1,472.0)</i>	<b>948.4</b> <i>tCO<sub>2</sub> Emissions Avoided per Mn EUR Invested **</i>
	Transportation	<b>347.1</b> <i>(19.2)</i>	<b>50.7</b> <i>tCO<sub>2</sub> Emissions Avoided per Mn EUR Invested</i>
	Private Energy Efficiency Projects	<b>1,176.6</b> <i>(0)</i>	<b>24.4</b> <i>tCO<sub>2</sub> Emissions Avoided per Mn EUR Invested</i>
		<b>6,632.3</b> <i>(1,491.2)</i>	<b>737.5</b> <i>tCO<sub>2</sub> Emissions Avoided per Mn EUR Invested</i>



	Green Buildings	<b>1,928.5</b> <i>(568.4)</i>	<b>5.3</b> <i>tCO<sub>2</sub> Emissions per Mn EUR Invested</i>	<b>4.8</b> <i>kgCO<sub>2</sub> Emissions per Square Meter</i>
	Other assets: <i>Water treatment &amp; distribution, Pollution Prevention &amp; Control (Recycling), Transmission Lines, Manufacturing of Energy Efficient equipment</i>	<b>704.9</b> <i>(604.1)</i>	<b>11.8</b> <i>tCO<sub>2</sub> Emissions per Mn EUR Invested</i>	
		<b>2,633.4</b> <i>(1,172.5)</i>	<b>4.4</b> <i>tCO<sub>2</sub> Emissions per Mn EUR Invested</i>	

**9,265.7**  
*(2,663.7)* Total Mn EUR Invested

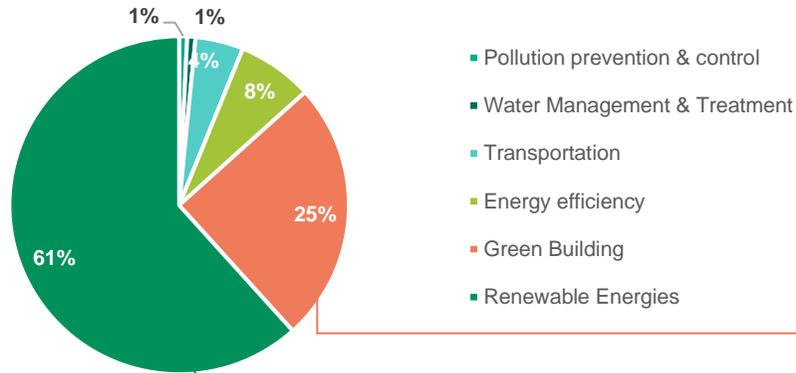
\*Considering BNP Paribas share of financing in the project cost at origination.

\*\*Projects under construction are considered for the Renewable Energy category, but excluded from all the other categories

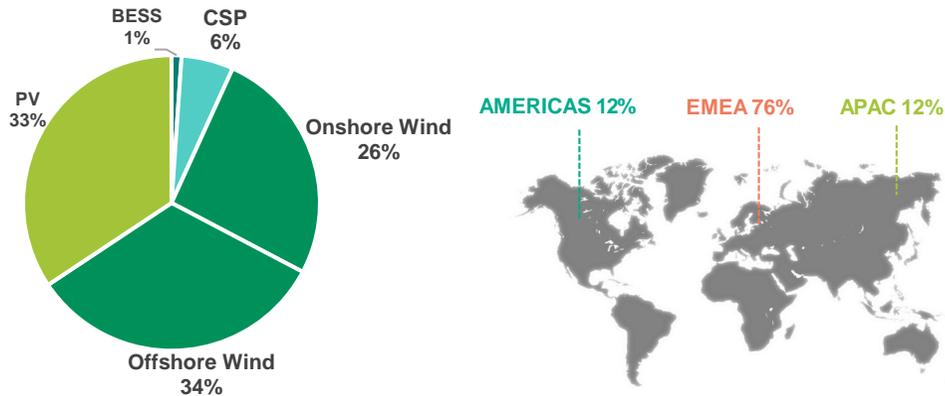
# 2022 Annual Report: Overview (CIB only)

CIB represents 82% of the portfolio of Eligible Green Assets, with Renewable Energies and Green Buildings accounting for 55% and 21%, respectively

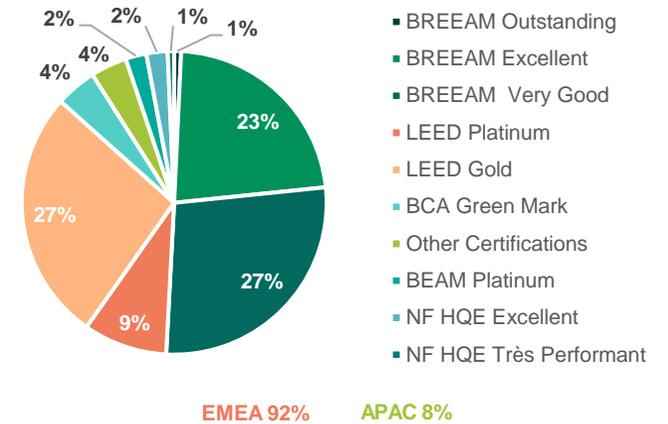
## Green Assets<sup>1</sup> by Technology



## Renewable Energies<sup>2</sup>



## Green Buildings<sup>3</sup>



<sup>1</sup>Based on drawn amounts as of 12/2022

<sup>2</sup>Battery Energy Storage Systems (BESS), Concentrated Solar Power (CSP), Solar photovoltaic (PV)

<sup>3</sup>Five buildings have more than one green certification; "Other Certifications" include GOLD BEAM Plus, EDGE Certified (Lvl 1), BBC Effinergie Rénovation, and WIREDSCORE classique

# 2022 Annual Report: Sector Deep-Dive – Greenhouse Gas Emissions Avoided (1/2)



## Renewable Energy

Technology	Countries	Number of Projects	Capacity (MW)	Annual Production (GWh)	Annual tCO <sub>2</sub> eq. Avoided***	Total	Operation
						BNP Paribas Amount of the financing (drawn) in Mn EUR (or EUR eq.) as of 31/12/2022	
PV		38	10,110	15,304	1,331,608.1	1,540.4	1,188.4
CSP		11	716	1,680	45,200.6	290.0	251.6
Onshore Wind	AR, AU, BE, CL, CN, FR, DE, IN, IE, IT, MY,	47	11,432	22,789	1,383,331.4	1,175.1	913.3
Offshore Wind	NL, PE, PT, ES, SW,	25	13,755	48,529	1,984,298.6	1,576.8	771.5
BESS	TW, UAE, UK, US	3	1,951	3,325	91,801.4	52.9	-
Private Rooftop and Solar PV (Personal Finance assets)		2	67	71	8,761.5	473.4	473.4
<b>TOTAL</b>		<b>126</b>	<b>38,031</b>	<b>91,698</b>	<b>4,845,001.6</b>	<b>5,108.6</b>	<b>3,598.2</b>
<b>GHG Emissions Avoided</b> (tCO <sub>2</sub> eq. emissions avoided per Mn EUR Invested)						<b>948.4</b>	<i>Estimated GHG avoided for Renewable energy includes projects under expansion/ construction</i>



## Transportation

Technology	Countries	Number of Projects	Annual tCO <sub>2</sub> eq. Avoided*** (for projects in operation)	Total	Operation
				BNP Paribas Amount of the financing (drawn) in Mn EUR (or EUR eq.) as of 31/12/2022	
Electrical Buses		2	9,339.8	50.6	50.6
Infrastructure	FR, IT, CL, PA, AU	6	8,245.4	296.5	277.3
<b>TOTAL</b>		<b>8</b>	<b>17,585.2</b>	<b>347.1</b>	<b>327.9</b>
<b>GHG Emissions Avoided</b> (tCO <sub>2</sub> eq. emissions avoided per Mn EUR Invested)				<b>50.7</b>	<i>Project under construction are not included</i>

\*Project scenario assumes that all new electrical buses will replace old EURO III buses (as per the client's sustainability strategy)

\*\*One project (accounting for 5.6% of the total Transportation portfolio) is still under construction and not included in emission figures

\*\*\*Based on BNP Paribas share of financing in the project cost at origination



# 2022 Annual Report: Sector Deep-Dive – Greenhouse Gas Emissions Avoided (2/2)

## Private Energy Efficiency Projects

Category	Countries	Number of Portfolios	Total energy saved (GWh)	Annual tCO <sub>2</sub> eq. Avoided*** (for projects in operation)	BNP Paribas Amount of the financing (drawn) in Mn EUR (or EUR eq.) as of 31/12/2022	
					Total	Operation
Private Energy Efficiency Projects (Personal Finance assets)	FR	2	232	28,748.4	1,176.6	1,176.6
<b>GHG Emissions Avoided</b> (tCO <sub>2</sub> eq. emissions avoided per Mn EUR Invested)					No projects are under construction	<b>24.4</b>

## Summary of Greenhouse Gas Emissions Avoided

Eligible Project Category	Number of projects/ Portfolios	Drawn Volume	GHG Emissions Avoided***	GHG Emissions Avoided*** per Mn EUR eq. invested
Unit	(#)	(Mn EUR eq.)	(tCO <sub>2</sub> eq.)	(tCO <sub>2</sub> eq./ Mn EUR eq.)
(Renewable Energy – CIB)	124	4,635.2	4,836,240.1	1,043.4
(Private Rooftop Solar PV – Personal Finance assets)	2	473.4	8,761.5	18.5
<b>Total Renewable Energy</b>	<b>126</b>	<b>5,108.6</b>	<b>4,845,001.6</b>	<b>948.4**</b>
<b>Transportation - CIB</b>	<b>8</b>	<b>347.1</b>	<b>17,585.2</b>	<b>50.7</b>
<b>Energy Efficiency - Personal Finance assets</b>	<b>2</b>	<b>1,176.6</b>	<b>28,748.4</b>	<b>24.4</b>
<b>Total</b>	<b>136</b>	<b>6,632.3</b>	<b>4,891,335.2</b>	<b>737.5**</b>

\*Based on drawn volumes and actual BNPP shares of financing in the project cost

\*\*Weighted average per drawn volume with respect to each category portfolio

\*\*\*Based on BNP Paribas share of financing in the project cost at origination

# 2022 Annual Report: Sector Deep-Dive – Greenhouse Gas Footprint



## Green Buildings

Certifications	Countries	Number of Projects		Estimated Carbon Footprint (tCO <sub>2</sub> eq.) (for buildings in operation)	BNP Paribas Amount of the financing (drawn) in Mn EUR (or EUR eq.) as of 31/12/2022	
		In construction	In operation		Total	In Operation
<b>BREEAM</b> Outstanding/Excellent/Very good, <b>LEED</b> Platinum/Gold, <b>BCA</b> Green Mark, <b>BEAM</b> Platinum, <b>NF HQE</b> Excellent/Très performant, <b>GOLD BEAM</b> Plus, <b>EDGE Certified</b> , <b>BBC Effinergie Rénovation</b> , <b>WIREDSCORE</b> classique	CN, FR, IE, IT, PT, ES, SG	16	25	7,157.1	1,928.5	1,360.1
				<b>Emissions Intensity</b> (tCO <sub>2</sub> eq. emissions per Mn EUR Invested)	<i>Projects under construction are not included in estimations</i>	<b>5.3</b>



## Other Eligible Green Assets

Sub-categories	Countries	Number of Projects		Estimated Carbon Footprint (tCO <sub>2</sub> eq.) (for projects in operation)	BNP Paribas Amount of the financing (drawn) in Mn EUR (or EUR eq.) as of 31/12/2022	
		In construction	In operation		Total	In Operation
<b>Water treatment &amp; distribution, Pollution Prevention &amp; Control (Recycling), Transmission Lines, Smart Grids, Manufacturing of Energy Efficient equipment</b>	AO, AU, BE, ES, FR, HU, SE, TR, UK, US	10	3	1,185.7	704.9	100.8
				<b>Emissions Intensity</b> (tCO <sub>2</sub> eq. emissions per Mn EUR Invested)	<i>Projects under construction are not included in estimations</i>	<b>11.8</b>

\*Carbon Footprint is estimated based on economic activity data collected from the projects' borrower companies.

\*\*Water Management, Energy Efficiency, BESS, Recycling

\*\*\*Based on BNP Paribas share of financing in the project cost at origination



# Examples Of Corporate Green Assets included in 2022

The following assets were added to the portfolio of Eligible Green Assets during 2022 and illustrate the highly recognised standards of our assets



## Edwards Sanborn PV and BESS

- Terra-Gen's Edwards Sanborn renewable energy financing was awarded with the Renewable Deal of the Year 2022 by Project Finance International/ Refinitiv
- The project is the largest single solar and battery energy storage project to be financed to-date
- The project will play a critical role in balancing California's power grid with substantial renewable sources to provide system stability and reliability needs, and increase renewable penetration to help meet the State's decarbonisation goals

[Americas Awards | PFI \(pfi.com\)](#)



## Iberdrola PV, Onshore Wind and BESS

- It's the first operation under Cesce's new Green Investment Policy, exclusively aimed at financing projects that contribute to the fight against climate change outside Spain
- The funds will be allocated to finance renewable wind and photovoltaic projects, as well as battery and transmission grid projects in the UK, Ireland, Portugal and Poland
- Total renewable capacity under this placement is expected to reach 650 MW. It will also enable the renewal and development of the UK's transmission networks with the aim of achieving net zero in the UK by 2050

<https://www.iberdrola.com/documents/20125/2009885/221107-we-sign-the-first-syndicated-loan-together-with-caixabank-and-bm-paribas-with-Cescs-coverage.pdf>



## Reliance Rail Train Fleet

- Reliance Rail's 78 Waratah trains account for roughly a third of Sydney's suburban passenger fleet and provide almost half of all passenger journeys in the city
- The asset is one of the first of its kind in the Asia Pacific market given it is certified as a 'Green Loan' by the Climate Bonds Initiative under its Low Carbon Transport criteria, as well as being a Sustainability-Linked Loan

<https://static1.squarespace.com/static/5d846c592d35f2767da82aae/t/621d55f6c7bed324b02ce931/1646089719970/Reliance+Rail+Green+Sustainable+Linked+Loan+media+release+1+March+2022.pdf>



1. LATEST UPDATES ON BNP PARIBAS' CSR POLICY
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# Methodology Notes: Renewable Energy

The impact methodology described below refers to the Renewable Energy category, including Onshore/Offshore Wind, Concentrated Solar Power, Solar Photovoltaic and other technologies described in eligible categories.

The avoided emissions represent **the share of BNP Paribas in the total GHG emissions avoided** by these renewable energy systems. The methodology used to compute the CO<sub>2</sub> emissions avoided relies on EIB's Project Carbon Footprint Methodologies\*.

BNP Paribas estimates its GHG emissions avoided based on **its share of financing in the cost of projects included in the portfolio of Eligible Green Assets.**

$$\begin{array}{l} \text{Avoided GHG emissions} \\ \text{(in tCO}_2\text{eq / year)} \end{array} = \begin{array}{l} \text{GHG emissions of} \\ \text{the Renewable Project} \\ \text{(in tCO}_2\text{eq / year)} \end{array} - \begin{array}{l} \text{GHG baseline emissions of} \\ \text{project's country grids} \\ \text{(in tCO}_2\text{eq / year)} \end{array}$$



**A diverse Renewable Energy portfolio with projects across EMEA (78%), APAC (11%) and AMERICAS (11%)**



**54% Wind Projects, 30% PV Projects, 6% CSP Projects, 1% BESS Projects, 9% Private Rooftop Solar PV (Personal Finance assets)**

*Percentages are based on drawn volumes per category (not project count) and include PF assets*

\*[https://www.eib.org/attachments/lucalli/eib\\_project\\_carbon\\_footprint\\_methodologies\\_2023\\_en.pdf](https://www.eib.org/attachments/lucalli/eib_project_carbon_footprint_methodologies_2023_en.pdf)

\*\*Including Personal Finance assets

## 2022 IMPACT ASSESSMENT

- GHG emissions avoided via BNP Paribas financing<sup>\*\*</sup>: **4,845,001.6 tCO<sub>2</sub>eq.**
- GHG emissions avoided per Mn EURO invested by BNP Paribas: **948.4 tCO<sub>2</sub>eq. / Mn EUR invested**

# Methodology Notes: Transportation

The impact methodology described below refers to the Transportation category.

Similarly to the impact of Renewable Energy projects, the avoided emissions represent the **estimated share of GHG emissions avoided associated to BNP Paribas' share of financing in the cost of transportation projects**. When possible, BNP Paribas uses the actual GHG emissions avoided figures provided by the project's Company. For metro lines, when no independent estimation is available, the estimated emissions of the project are calculated based SNCF CO<sub>2</sub> Information for Transportation Services Methodology\*.

The avoided emission are calculated assuming emissions occurred without the existence of the green project.

$$\begin{aligned} \text{Avoided GHG emissions} &= \text{Project Emissions} - \text{Base Scenario} \\ \text{(in tCO}_2\text{eq / year)} & & \text{(in tCO}_2\text{eq / year)} & \text{(in tCO}_2\text{eq / year)} \end{aligned}$$

Average distance travelled by passenger x CO<sub>2</sub> emission per kilometer for a passenger/  
type of transport x Total number of passengers per year

Where the same passengers would use different means of transport if the Project did not exist

## 2022 IMPACT ASSESSMENT\*\*



**15% of the Transportation portfolio constitutes of financings to Electrical Buses and 85% to infrastructure projects (metro/train lines and train fleet, accounting for a total of 375 km of railways)**

*Percentages are based on drawn volumes per category; not project count*

- GHG emissions avoided via BNP Paribas financing: **17,585.2 tCO<sub>2</sub> eq.**
- GHG emissions avoided per Mn EUR invested by BNP Paribas: **50.7 tCO<sub>2</sub> eq. / Mn EUR invested**

\*[http://medias.sncf.com/sncfcom/pdf/co2/Methodologie\\_generale\\_Info\\_CO2\\_EN.pdf](http://medias.sncf.com/sncfcom/pdf/co2/Methodologie_generale_Info_CO2_EN.pdf)

\*\*Excluding emissions avoided of projects still under construction (6% of the drawn volume) – 1 transport infrastructure project out of 8 transportation projects

# Methodology Notes: Green Buildings

The impact methodology described below refers to the Green Buildings.

The uses of proceeds eligible to this category include acquisition and construction of green buildings with environmental certifications (minimum BREEAM Very Good, LEED Gold or equivalent certifications duly supported by sustainability evidence) and retrofit of commercial and public buildings.

The impact report, as for the previously reported categories, is presented on a portfolio basis and is computed according to the methodologies below:

## Carbon Footprint (Green Buildings portfolio)

(in tCO<sub>2</sub>eq / year)

$$= \frac{\text{Financed Amount}_b}{\text{Property Value at Origination}} \times$$

*b* : building

Real energy consumption of the building  $\left(\frac{kWh}{annum}\right) \times$  country emission factor  $\left(\frac{tCO_2}{kWh}\right)$

or

GHG estimated by the EPC  $\left(\frac{tCO_2}{m^2.annum}\right) \times$  total surface area (m<sup>2</sup>)

or

Energy consumption estimated by the EPC  $\left(\frac{kWh.m^2}{annum}\right) \times$  total surface area (m<sup>2</sup>)  
 × country emission factor  $\left(\frac{tCO_2}{kWh}\right)$

## Green Building Environmental Certifications



## 2022 IMPACT ASSESSMENT

- 25 operational Green Buildings accounting for a total of **1,360.1 Mn EUR eq.** and **1,499,253.7 m<sup>2</sup>**
- GHG footprint of BNP Paribas\*: **7,157.1 tCO<sub>2</sub> eq.**
- GHG footprint per Mn EUR invested by BNP Paribas\*: **5.3 tCO<sub>2</sub> eq. / Mn EUR invested**
- GHG emissions intensity per square meter\*: **4.8 kgCO<sub>2</sub> eq. / m<sup>2</sup>**

\* Excluding emissions of buildings still under construction (29%)

# Methodology Notes: Other Eligible Assets

Below is the impact of the remaining assets in BNP Paribas Green Bond Framework eligible categories, where a basic attribution concept is applied. The eligible asset accounts for the portion (attribution factor) of the annual emissions of the project is determined by the ratio between BNP Paribas outstanding amount and the total equity and debt of the financed project. The carbon footprint of each project is therefore calculated by multiplying this portion (attribution factor) by the emissions of the respective project. For Private Energy Efficiency projects, GHG Emissions avoided are computed based on the Renewable Energy methodology (see Slide 25).

## Carbon Footprint per eligible category

(in tCO<sub>2</sub>eq / year)

$$= \frac{\text{Financed Amount}_p}{\text{Total (debt + equity)}_p} \times \text{Project emissions}^*$$

*p : project*



- **Water treatment & distribution: 9%**
- **Pollution Prevention and Control: 9%**
- **Energy Efficiency: 82%**

*Percentages are based on drawn volumes out of the other eligible assets; not project count*

## 2022 IMPACT ASSESSMENT\*

- 3 operational projects accounting for a total of **100.8 Mn EUR eq.**
- GHG footprint of BNP Paribas: **1,185.7 tCO<sub>2</sub>eq.**
- GHG footprint per Mn EUR invested by BNP Paribas\*: **11.8 tCO<sub>2</sub>eq. / Mn EUR invested**

*\*When project emissions are not available assumption based on the total GHG emissions per category in the project's country and total volume of financed assets per category will be considered*

*\*\*Excluding projects under construction. Emissions are estimated based on economic activity data collected from the borrower company. These emissions are estimated using official statistical data/ acknowledged environmentally extended input-output (EEIO) tables providing region- or sector-specific average emission factors expressed per economic activity.*

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# Second Party Opinion - Sustainability Quality of the Issuer and its Portfolio of Eligible Green Assets



“ISS reviewed a total volume of 1,436.24 million euros of new green assets added in 2022, complying with the Use of Proceeds categories listed in the issuer’s Green Bond Framework.”

SPO SECTION	SUMMARY	EVALUATION <sup>2</sup>
<b>Part 1: Sustainability quality of the Green Bonds portfolio</b>	<p>The Green Bonds are (re-)financing eligible asset categories including Sustainable Water and Wastewater Management, Renewable Energy, Energy Efficiency, Pollution Prevention &amp; Control, Green Buildings, and Clean Transportation.</p> <p>Those use of proceeds categories have a significant contribution to SDGs 6 “Clean water and sanitation”, 7 “Affordable and clean energy”, 11 “Sustainable cities and communities”, 12 “Responsible consumption and production” and 13 “Climate action”.</p> <p>The environmental and social risks associated with those use of proceeds categories have been well managed.</p>	<b>Positive</b>
<b>Part 2: Linking the transaction(s) to BNP Paribas’ overall ESG profile</b>	<p>The key sustainability objectives and the rationale for issuing Green Bonds are clearly described by the Issuer. The project categories financed are in line with the sustainability objectives of the Issuer.</p>	<b>Consistent with Issuer’s sustainability strategy</b>
<b>Annex 1: Alignment with GBP</b>	<p>The issuer has defined a formal concept for its Green Bond Framework regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA GBP. The full assessment can be found on <a href="#">ICS’ website</a> and <a href="#">BNP Paribas’ website</a>.</p>	<b>Aligned</b>

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION <sup>1</sup>	SUSTAINABLE DEVELOPMENT GOALS
Green Buildings	Significant contribution	
Recycling	Significant Contribution	
Water Distribution	Significant Contribution	
Wastewater Treatment	Significant Contribution	
Wind Power Onshore & Offshore (Renewable Energy)	Significant Contribution	
CSP (Renewable Energy)	Significant Contribution	
Solar P.V.	Significant Contribution	
Rooftop PV (Renewable Energy)	Significant Contribution	
Battery Energy Storage Systems (BESS)	Significant Contribution	
Energy Efficiency	Limited Contribution	
Railway and Metro (Transport)	Limited Contribution	

Source: <https://invest.bnpparibas/en/document/green-bond-iss-second-party-opinion-10-may-2023>

# Independent Report from EY

Report of the independent verifier on BNP Paribas' 2022 Green Bond Reporting on the compliance of the Green Assets selected for the Green Bonds with BNP Paribas' Green Bond Framework, on the impact reporting provided to investors and on the management of the net proceeds



- *“we hereby present our report on BNP Paribas’ 2022 Green Bond Reporting (available on BNP Paribas’ website) on (i) the compliance of the green assets selected for the Green Bonds issued in November 2016, April 2018, February 2019, November 2019, October 2020, June 2021, July 2021 and November 2021 with BNP Paribas’ Green Bond Framework (as of October 2021 and available on BNP Paribas’ website), (ii) the impact reporting of the green assets for the year ended December 31, 2022, and (iii) the management of the net proceeds (as of December 31, 2022).*
- *“In our opinion, the green assets selected for the 2016, 2018, 2019, 2020 and 2021 Green Bonds issued by BNP Paribas and the impact indicators mentioned in the annual use of proceeds reporting, comply, in all material aspects, with BNP Paribas’ Green Bond Framework.”*
- *“On the basis of our work, we have no matters to report on the consistency of the drawn amounts of the selected green assets with the net proceeds of the bonds.”*

The above extracts taken from the independent report from EY are indicative only; the full version of the report is publicly available and may be consulted in the following link: <https://invest.bnpparibas/en/document/green-bond-ey-assurance-report-6-july-2023>



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