



BNP PARIBAS GREEN BOND (FRAMEWORK UPDATE)

October 2020



BNP PARIBAS

The bank for a changing world

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This presentation must be read in conjunction with the Base Prospectus dated July 5, 2018 as so supplemented (the "EMTN Base Prospectus"). Full information on BNP Paribas and the offer of the Notes is available in the EMTN Base Prospectus.



BNP PARIBAS GREEN BOND

- **Latest updates on BNP Paribas CSR Policy**
- BNP Paribas Green Bond Framework Update
- Overview of the Single Pool of Assets as of 2019

BNP Paribas' Engagement is made concrete through strong and tangible achievements in 2019

- EUR 180 Bn in support to the achievement of UN SDGs at end-2019
- Support to social entrepreneurship amounting to EUR 1.9 Bn at end-2019



- **Improvement of diversity** at end-2019: the nomination of men at key positions in human resources has increased from 18% to 28%, and gender equality has been achieved in Global Markets recruitment
- **Inclusion and diversity policy recognized** by employees through the internal survey

- **30 years of Group support to microfinance:** close to 2 million beneficiaries
- **Strengthened coalitions** for the development of a more inclusive society



- **EUR 9.8 Bn of green bonds** at end-2019 as joint lead manager for our clients
- **EUR 15.9 Bn of financing to renewable energies at end-2019**
- **EUR 63 Bn of SRI funds assets managed** by BNP Paribas Asset Management in 2019: 15% of total assets managed

Health crisis

Exceptional mobilisation of BNP Paribas for its clients and society at large

Activation of a business continuity set-up

Prompt adaptation to safeguard employees' health and ensure essential services

Crisis management governance set up at all levels to handle **lockdown measures**

Rapid and agile management of business continuity while protecting employees' safety.

More than **132,000** employees **working remotely worldwide**

90% **of branches open** with suitable public health set up

Enhanced IT network capacities (x5 in Europe, increased bandwidth worldwide) and **cybersecurity** measures

Support for customers during the crisis

Exceptional mobilisation of entities and employees to support and assist clients

Proactive reach out to assess the crisis' impact and design action plans

Implementation of suitable credit and cash management **solutions:**

- faster processing times
- strengthened staff mobilisation
- respecting responsible risk management standards

~69 000 applications received for **state-guaranteed loans¹** in particular for very small businesses and SMEs

Payment **deferrals and moratoriums**

Over €115bn in financing raised for clients across bond, syndicated loans and equity markets²

Commitment to civil society

Over **€55m** emergency donations in **35 countries**
Over **€100m** investments to support **SMEs and the healthcare sector**

Support for hospitals and medical research: donations to many hospitals worldwide, and to medical research (the Pasteur Institute)

Assistance to the most vulnerable persons: donations to institutions (Red Cross, Food Banks, Care, Doctors Without Borders, ADIE, etc.)

Support for the youth suffering from the digital divide: donations of computers (already close to 2,000) and digital keys, assistance to unprivileged youth

Participation to solidarity funds

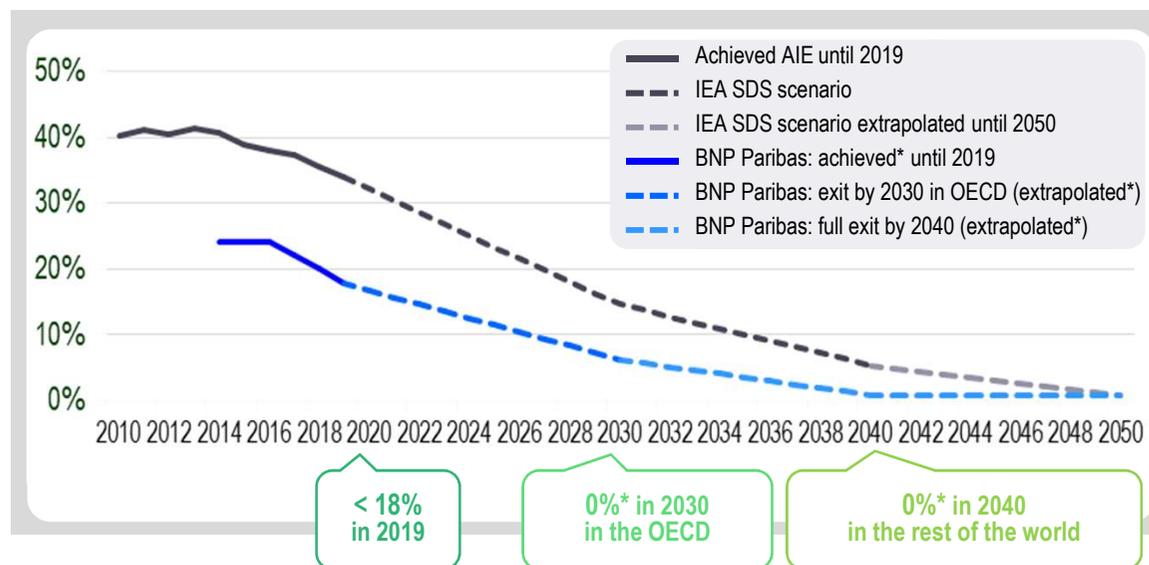
1. Received by the Retail Networks as at 30 April and according to the inception of the measures ; 2. Source: Dealogic Year to date as at 17 April 2020; bookrunner

A Global Thermal Coal Exit Timeframe

BNP Paribas is the only bank in the world to have announced (i) a timeframe for complete thermal coal exit, (ii) have ceased financing unconventional oil and gas, and (iii) to be a leader in renewable energies at the same time.

- **The biggest bank in the world** to have announced a complete exit from the use of coal in electricity production
- **A residual share of coal (2.4%) approaching 0%** in the field of energy extraction
- **A reinforced ambition** in terms of the financing of renewable energies

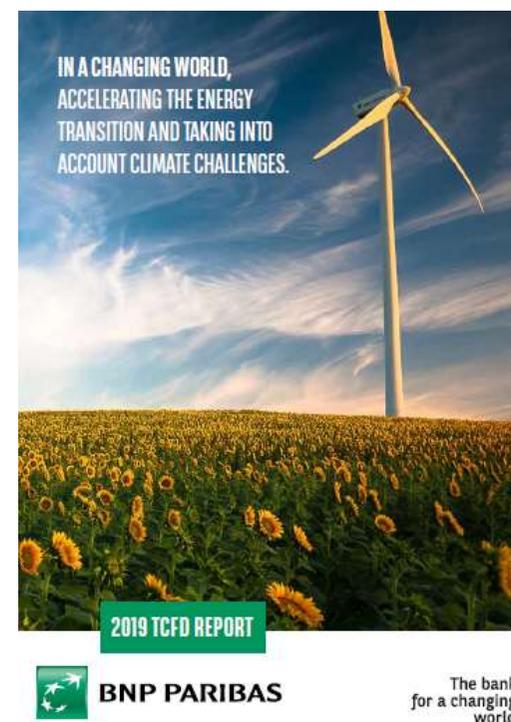
➤ Objective: **EUR 18 billion in 2021**



* Data based upon 80% of BNP Paribas portfolio's coal capacity at the end of 2019 (data used for the calculation of the Group electric mix); The trajectory is based on the hypothesis of a full exit for each perimeter, and doesn't take into account potential commitments terminating after the exit dates

— Publication of BNP Paribas' First TCFD Report

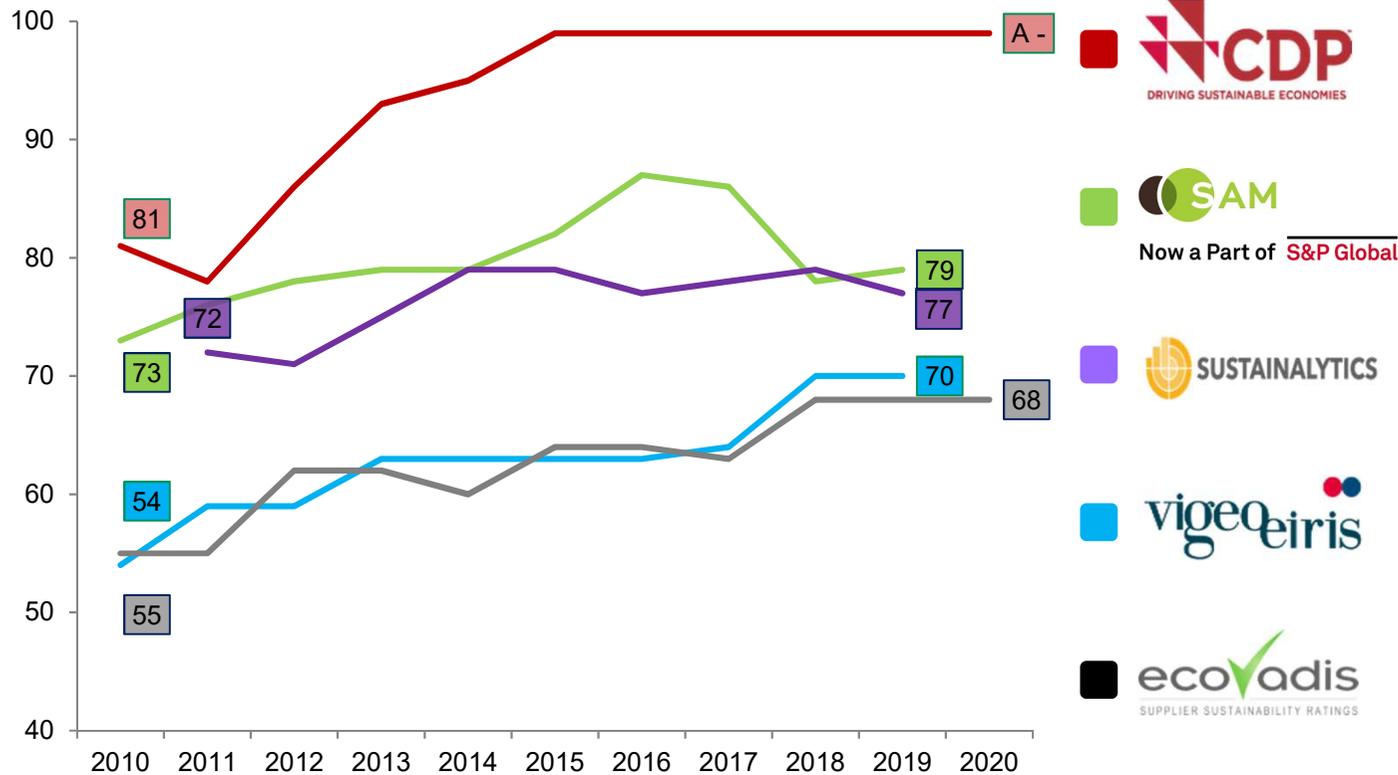
- Since 2011, BNP Paribas has been strongly engaged in the fight against climate change and works to align its activity with the objectives set by the Paris Climate Agreement. BNP Paribas has therefore endeavoured for several years to identify, analyse, and manage the climate-related risks and opportunities for the Group and its clients;
- In 2017, BNP Paribas CEO Jean-Laurent Bonnafé publicly supported the release of the final recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), which have been supported and implemented by the Group since then;
- Also, within BNP Paribas, Jane Ambachtsheer (Global Head of Sustainability, BNP Paribas Asset Management) and Mark Lewis (Global Head of Sustainability Research, BNP Paribas Asset Management) are both members of the TCFD;
- On May 18th, 2020, BNP Paribas published its first dedicated and stand-alone TCFD report, which represents an additional step toward leading this alignment with constructive transparency.



Link to the report: https://group.bnpparibas/uploads/file/bnpparibas_tcf_d_report_en.pdf

BNP Paribas' CSR Strategy Recognised by Extra-Financial Agencies

➤ A high and increasing positioning within extra-financial indices



BNP Paribas participated in the following agencies' solicited ratings:



In July 2019, BNP Paribas obtained an **A1+** rating, based on an overall score of **70/100**, and thus ranks **no.1** out of 31 companies in the "diversified banks in Europe" sector and **no.4** out of 4,906 companies worldwide



In 2019, BNP Paribas has been considered **top 5%** and among "**Industry Leaders**" in the Commercial Banks & Capital Markets sector (C+ Prime) by ISS-ESG

* Methodology change: from 2017, CDP scores are now expressed in the form of letters

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BNP Paribas: A regular Issuer of Green Bonds

- BNP Paribas is a repeat issuer in the green bond space with already a good track record of issuing successful transactions with a robust and transparent asset selection process
- BNP Paribas has also been at the forefront of the innovation in the sector, issuing one of the first green TLAC eligible debt instrument in Europe
- A single common pool of Eligible Green Assets being used, with the proceeds so far utilized to refinance existing loans or other form of financing within the Renewable Energy, Clean Transportation, Energy Efficiency, Green Buildings and Water sectors
- BNP Paribas continues to offer investors further insight into its sustainability strategy in line with its commitments

INAUGURAL GREEN BOND ISSUANCE

- Inaugural issuance in Senior Preferred format
- Rating: A1/A/A+/AA(Low) by Moody's / S&P / Fitch / DBRS
- Maturity of long 5-year
- Pricing at €MS+40bps
- Coupon: 0.500%
- SPO by oekom
- Assurance Report by EY

 **BNP PARIBAS**
EUR 500,000,000
0.500% due 2022

Nov 2016

SECOND GREEN BOND ISSUANCE

- Issuance in Senior Non-Preferred format
- Rating: Baa1/A/ A+/A(High) by M/S&P/Fitch/DBRS
- Longer maturity of 6yr
- Pricing at €MS+55bps
- Coupon: 1.000%
- SPO by oekom
- Assurance Report by EY

 **BNP PARIBAS**
EUR 500,000,000
1.000% due 2022

Apr 2018

THIRD GREEN BOND ISSUANCE

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

 **BNP PARIBAS**
EUR 750,000,000
1.125% due 2024

Feb 2019

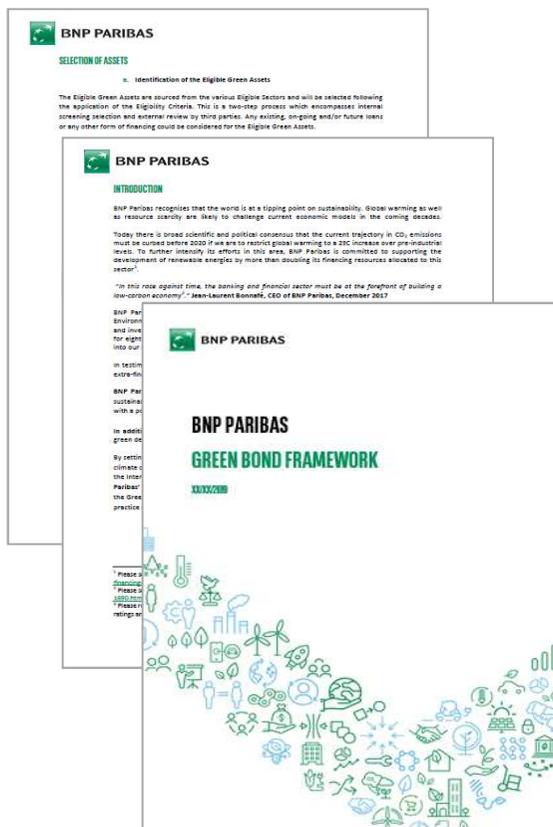
FORTH GREEN BOND ISSUANCE

- Third Issuance in Senior Non-Preferred format
- Rating: Baa1/A/ A+/A(High) by M/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

 **BNP PARIBAS**
EUR 750,000,000
0.5% due 2026/25

Nov 2019

BNP PARIBAS Green Bond Framework: Updates



New External Review Process to provide more flexibility to BNP Paribas in terms of frequency of accessing the Green Bond Market. As such, BNP Paribas will no longer seek a pre-issuance SPO ahead of each issuance but instead will provide investors with the below External Review process.

Extract of the BNP Paribas Green Bond Framework:

a. Second Party Opinion on Green Bond Framework

BNP Paribas will appoint an independent second party opinion provider to assess the sustainability of its Green Bond Framework and in particular the dual selection criteria (second party opinion provider and BNP Paribas), to provide a Second Party Opinion on its Green Bond Framework and to confirm its alignment with the ICMA Green Bond Principles. The Green Bond Framework and Second Party Opinion are available on BNP Paribas' Investors' website: <https://invest.bnpparibas.com/en/green-bond-issues>. This Second Party Opinion on the Green Bond Framework will be published as and when BNP Paribas Framework is updated.

For the avoidance of doubt, Green Asset Categories not reviewed by an independent second party opinion provider, either in whole or in part, would require an updated version of the Second Party Opinion on the Green Bond Framework before their insertion in BNP Paribas' single common pool of Eligible Green Assets.

b. Annual External Review

- 1. Second Party Opinion on Eligible Green Assets:** On an annual basis, an independent second party opinion provider will provide a verification of the compliance of all the new Eligible Green assets added within the course of the year.
- 2. Independent Assurance Review:** The external independent auditors will provide, on an annual basis, assurance on the allocation of the net proceeds of the Securities to Eligible Green Assets, the conformity of the Eligible Green Assets with the Eligibility Criteria, the relevant impact indicators.

These reports will be available on BNP Paribas' Investors' website: <https://invest.bnpparibas.com/en/green-bond-issues>

BNP Paribas has appointed ISS-ESG as Second Party Opinion provider for its SPO on the Green Bond Framework

— Second Party Opinion on Green Bond Framework



Overall Evaluation of the Green Bond Framework

BNP Paribas commissioned ISS ESG to assess the alignment of its Green Bond Framework with the International Capital Market Association's (ICMA) Green Bond Principles (GBPs) and to assess the issuer sustainability performance, based on the ISS ESG Corporate Rating.

SCOPE	SUMMARY	EVALUATION
Part 1: Performance against GBPs²	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 GBPs.	Positive
Part2: Issuer sustainability performance	The issuer shows a good sustainability performance and has been given a rating of C+, which classifies it as 'Prime' by the methodology of the ISS ESG Corporate Rating. It is rated 2 nd out of 285 companies within the Financials/Commercial Banks & Capital Markets sector as of 09 June 2020. This equates to a high relative performance, with a Decile Rank ³ of 1.	Status: Prime Rating: C+ Decile Rank: 1

<p>1. USE OF PROCEEDS</p> <p>2. PROCESS FOR PROJECT EVALUATION AND SELECTION</p> <p>3. MANAGEMENT OF PROCEEDS</p> <p>4. REPORTING</p>	<p>Opinion: ISS ESG considers the Use of Proceeds description provided by BNP Paribas's Green Bond Framework aligned with the Green Bond Principles (GBPs). BNP Paribas has established the list of eligible use of proceeds categories which align with the examples of Green Projects categories stated by the GBPs and that will be assessed against ISS ESG KPI's (see Annex 2¹⁰) post-issuance. Additionally, BNP Paribas explicitly excludes harmful project categories, reflecting best market practices.</p> <p>Opinion: ISS ESG considers the Process for Project Evaluation and Selection provided by BNP Paribas's Green Bond Framework as aligned with the GBPs and with market best practices. The eligibility criteria are precisely defined and transparently displayed in the framework and covers both environmental and social risks related to the Use of Proceeds categories in an appropriate manner. BNP Paribas has established a clear internal screening process with sustainability criteria tackling Social, Environmental, Health and Safety and Supply Chain indicators reflecting best market practice.</p> <p>Opinion: ISS ESG finds that Management of Proceeds proposed by BNP Paribas's Green Bond Framework is aligned with the GBPs and best market practices. The stakeholders involved in the management of proceeds are clearly identified and relevant as well as the responsibilities that they share in this process. An appropriate tracking of proceeds is in place and the intended types of temporary investment instruments for unallocated proceeds are described.</p> <p>Opinion: ISS ESG finds that the allocation and impact reporting proposed by BNP Paribas's Green Bond Framework aligned with the GBPs. The level, duration, frequency and scope of reporting are clearly defined and in line with industry best practices.</p>
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² The portfolio will be reviewed on an annual basis by ISS ESG.

³ Rank relative to industry group. 1 indicates a high relative ESG performance, while 10 indicates a low relative ESG performance.

¹⁰ All BNP Paribas's Eligible Categories are covered by ISS ESG KPIs except for green shipping which will be developed at a later stage.

Recap of BNP Paribas Use of Proceeds

	 	 					 
	RENEWABLE ENERGIES	ENERGY EFFICIENCY	GREEN BUILDINGS	TRANSPORTATION	WATER MANAGEMENT AND WATER TREATMENT	POLLUTION PREVENTION AND CONTROL	
SCOPE OF THE SINGLE COMMON POOL OF ELIGIBLE GREEN ASSETS	<ul style="list-style-type: none"> Offshore and Onshore Wind Concentrated Solar Power Solar Photovoltaic Hydropower projects upon conditions Bioenergy and geothermal projects Equipment manufacturer for Renewable Energies 	<ul style="list-style-type: none"> Improved infrastructure Smart grid investments Manufacturing facilities for Energy Storage System(ESS) 	<ul style="list-style-type: none"> Green buildings with environmental certifications Retrofit for commercial and public buildings 	<ul style="list-style-type: none"> Energy efficient public transport Development, operation/ upgrade of rail transports Transportation infrastructure Non-diesel rolling stock Electric cars Green shipping * 	<ul style="list-style-type: none"> Development, operation and upgrade of water treatment plant Water use minimization Leakage prevention Other water related projects including irrigation and wastewater 	<ul style="list-style-type: none"> Development, operation and upgrade of recycling and waste-to-energy power plants Recycling activities for metals, plastic and paper 	

* Scrubbers are explicitly excluded as well as ships transporting coal

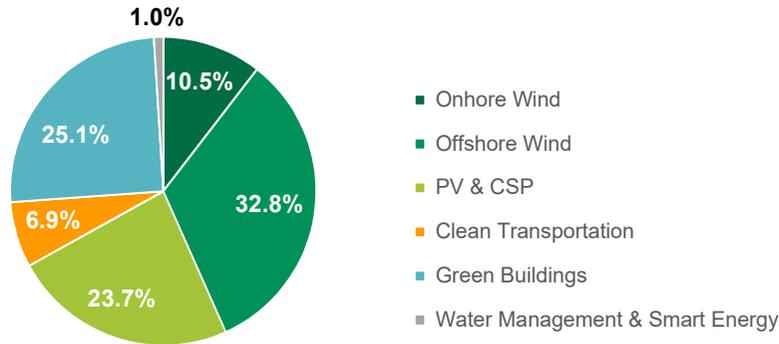
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— Overview of the Green Asset Pool as of Dec-19

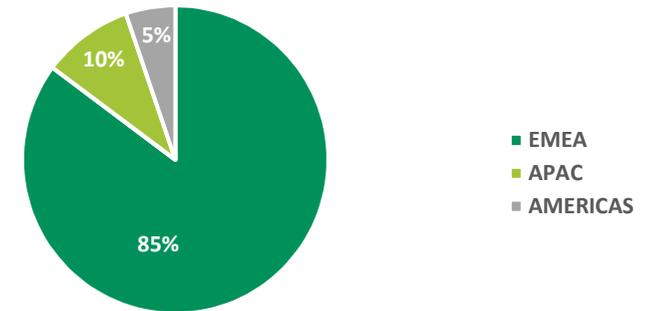
(as reported in the 2019 Green Bond Reporting¹)

Green Assets* by Technology



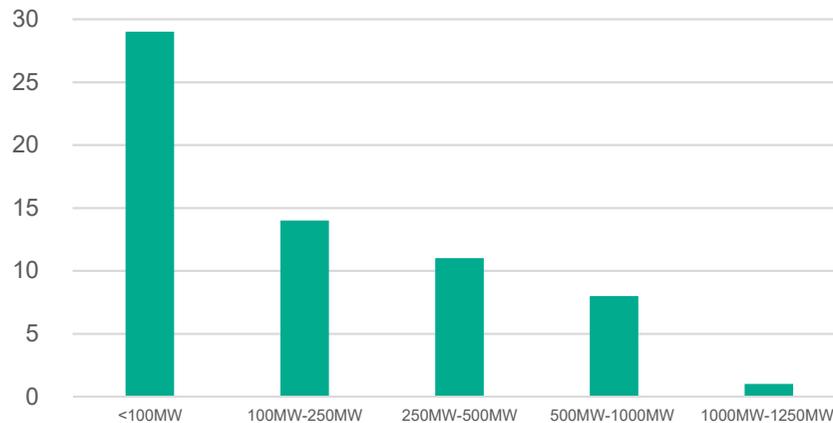
* Based on drawn amounts as of 12/2019

Green Assets* by Geography



* Based on drawn amounts as of 12/2019

Number of Renewable Energy projects by capacity



- Green Assets of four green bond issuances amounting c. **€3.50bn (total drawn) as of end of December 2019 with an average residual maturity of 6.4 years.**
- 100% of the proceeds are used for the refinancing of existing Renewable Energies, Clean Transportation, Green Buildings and Smart Energy projects.
- Well-known and established technologies in renewable energies for a total of 63 projects located in EMEA, APAC and Americas.

¹ https://invest.bnpparibas.com/sites/default/files/documents/green_bond_reporting_2019.pdf

CONCLUSION



Framework aligned with UN SDGs based on ICMA “*A High-Level Mapping to the Sustainable Development Goals*” and reviewed by ISS-ESG



Robust and Transparent Selection of Assets



Enhanced robust approach with Second Party Opinions on the Framework and on Eligible Green Assets



In line with BNP Paribas’ Ambitions in Sustainability

