

BNP PARIBAS CSR STRATEGY

LAURENCE PESSEZ
GLOBAL HEAD OF CSR

2024



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SUSTAINABILITY FULLY EMBEDDED WITHIN THE GROUP STRATEGY



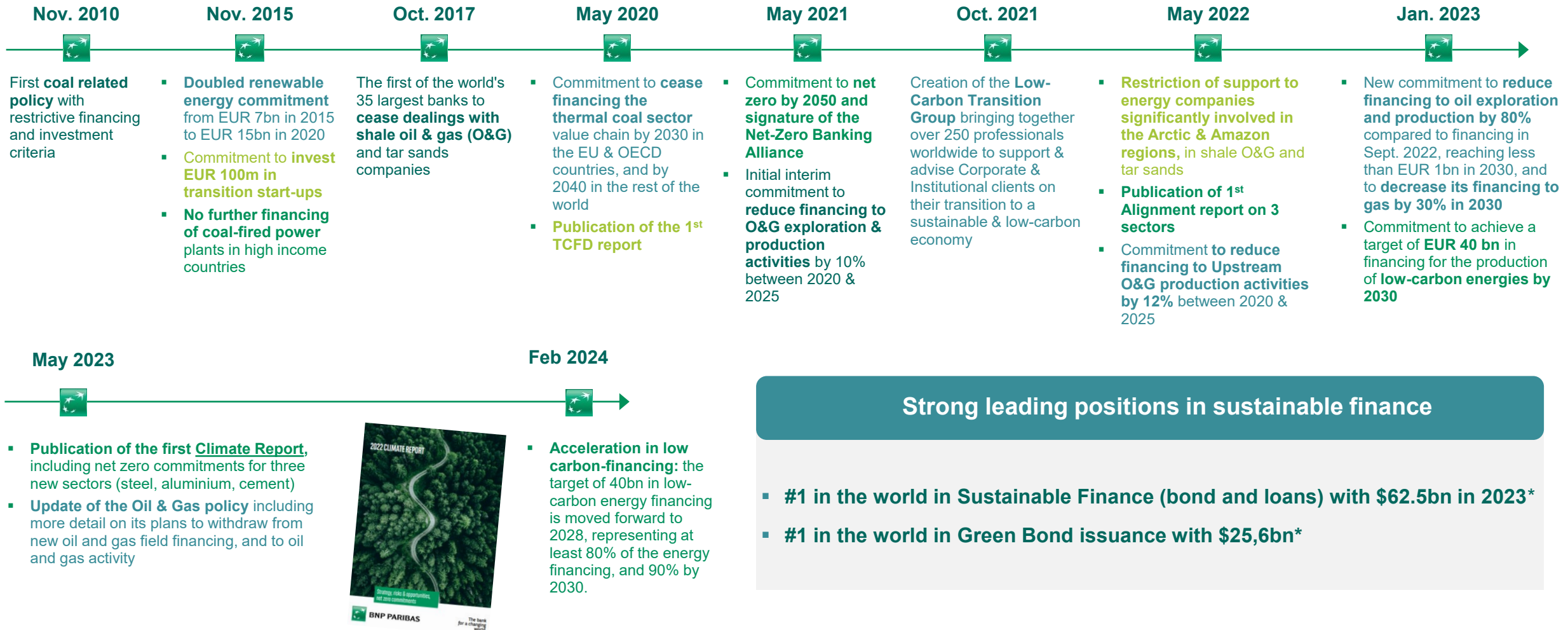
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A LONG-STANDING COMMITMENT TOGETHER WITH OUR CLIENTS WITH CONCRETE ACTIONS



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



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EXTERNAL RECOGNITION OF BNP PARIBAS' CSR STRATEGY

■ LATEST EXTRA-FINANCIAL RATINGS

RATING AGENCY		RATING (YEAR)	COMMENTS
	*	4.4/5 (2023)	Top 11% of the banking industry
	*	70/100 (2023)	Above the sector average performance 2 nd in "Diversified banks in Europe" category
	*	73/100 (2023)	Top 4% of the banking industry Top 1% for Environment
		AA (2023)	Among the leading financial institutions Leader in the Environment dimension (score of 10/10 vs. 5/10 average sector performance)
		Medium risk 24.6/40** (March 2024)	Above the sub-industry "Diversified banks" average performance
		C+ (2023)	Prime Status, Top 5% Commercial Banks & Capital Markets
		A (2023)	On the A-list which covers the top 1.5% of companies according to the climate questionnaire rating
		68/100 (2023)	Top 8% of the rating universe

■ LATEST AWARDS



- EUROMONEY – 2023 “World’s Best Bank” and “World’s Best Bank for Sustainable Finance”



- 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

** 0 being the best possible rating



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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 [URD 2022](#) page 626



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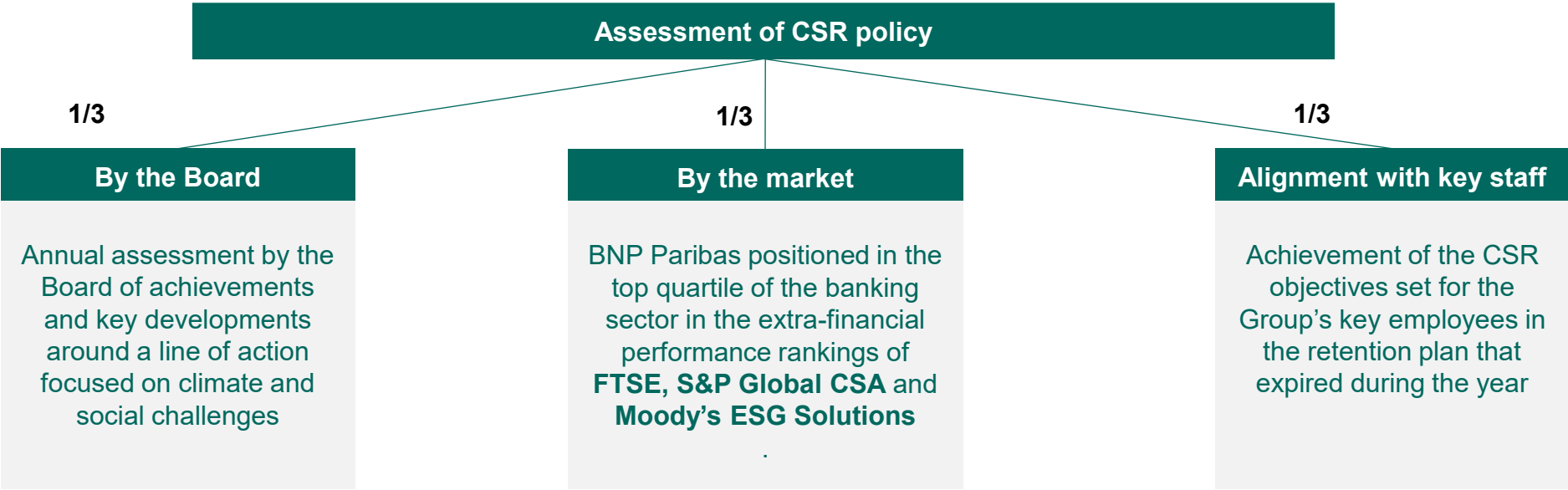
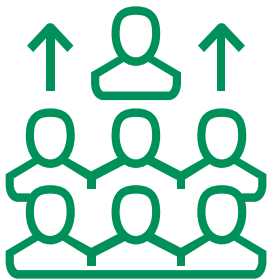
CSR PERFORMANCE CRITERIA IN THE ANNUAL VARIABLE REMUNERATION OF CEO AND CHIEF OPERATING OFFICERS FOR 2023



75%
Group's
Financial
Performance



10%
Qualitative
Criteria



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 :

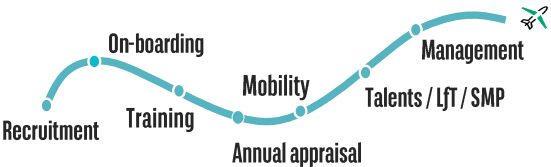
4 LEVERS TO ACHIEVE OUR AMBITION



1 Integrate

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

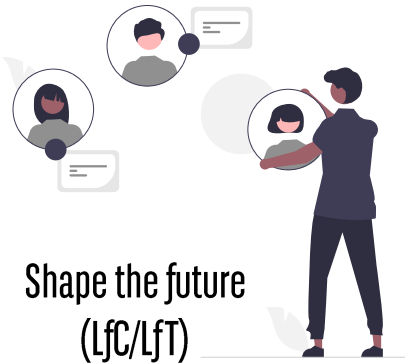
End to end employee journey



Sustainability Academy

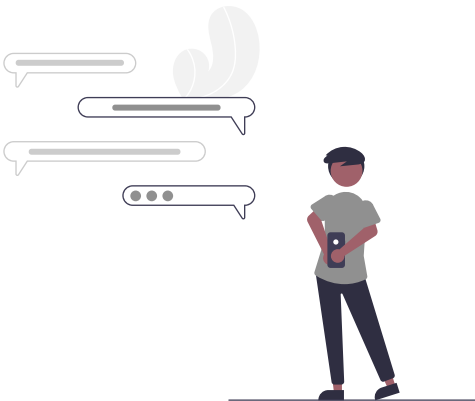
2 Activate

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



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
year

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



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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

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

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

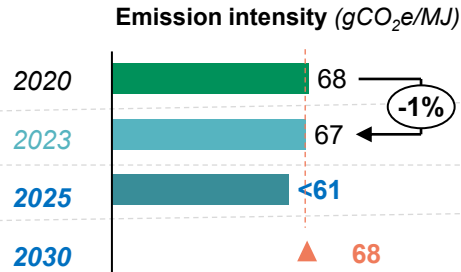
→ **Priorities that are deeply embedded in the specific objectives of each of the Group's businesses**



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

■ BNP Paribas' baseline ■ BNP Paribas' latest actual metric ■ BNP Paribas' target

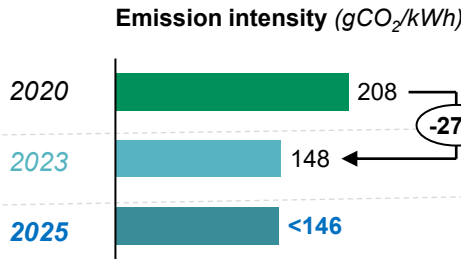
Oil & Gas (Upstream + Refining)



Credit exposure	2023	2030
Upstream Oil financing	-43% (vs. Sep 2022)	-80% (vs. Sep 2022)
Upstream Gas financing	-34% (vs. Sep 2022)	-30% (vs. Sep 2022)

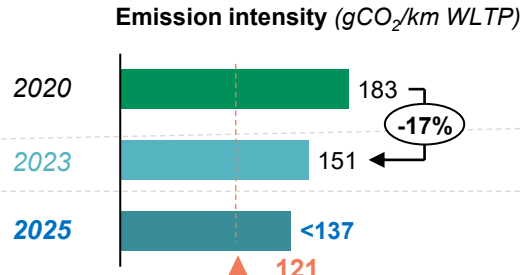
See following slide for low-carbon and fossil fuel credit exposures

Power (Power generation)



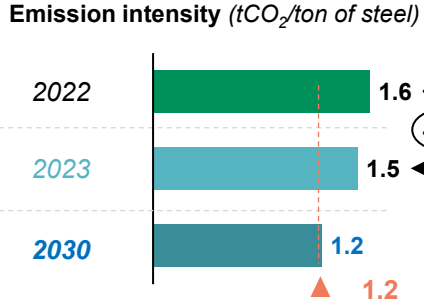
Share of renewables	Share of coal
57%	10%
65%	5%
> 66%	< 5%

Automotive (car manufacturers)

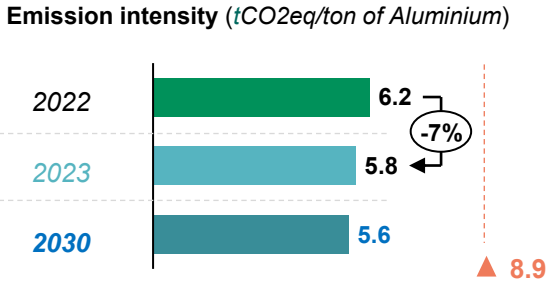


Share of electrified vehicles
4%
15%
> 25%

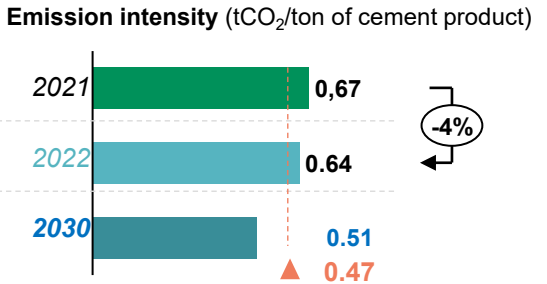
Steel (Iron & Steel making)



Aluminum (Smelting)



Cement (Cement production)



In red: IEA and IAI net-zero scenario



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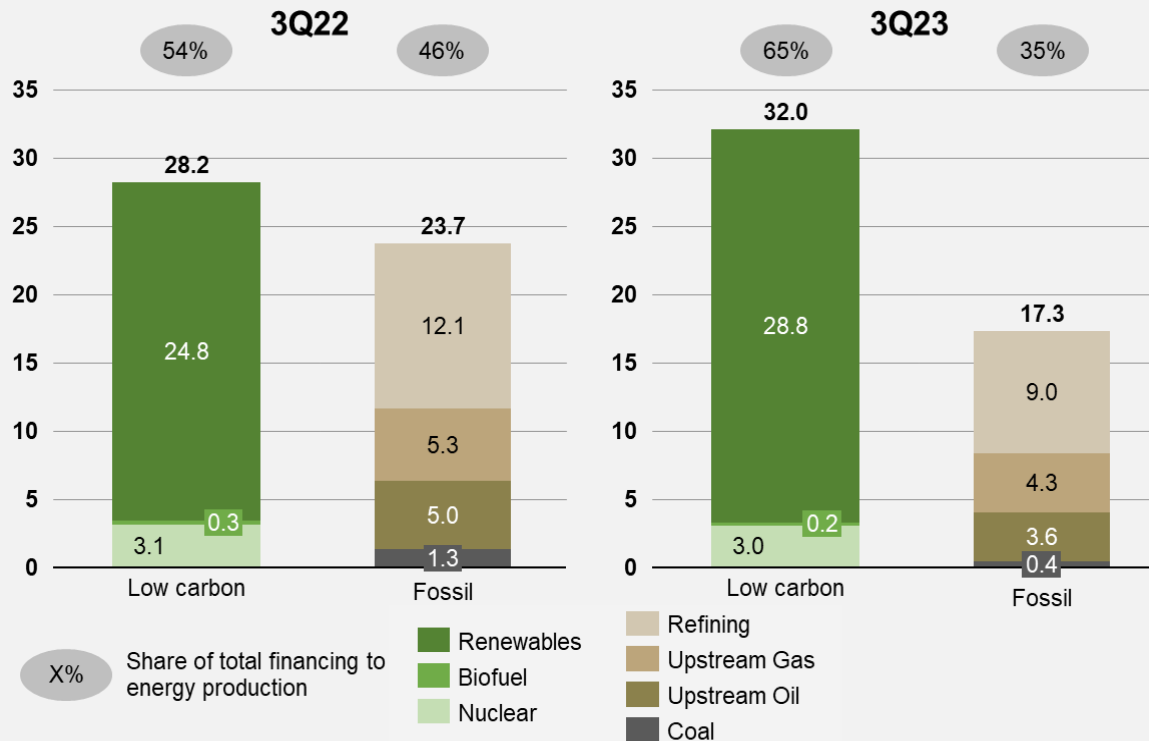
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SHARP ACCELERATION IN FINANCING LOW-CARBON ENERGIES AND EXITING FOSSIL FUELS

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

Exposure to Low Carbon and Fossil energies

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



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**

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

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

BNP Paribas' 2023
"Financing flows ratio"²

1 / 11

Oil & gas exploration & production to Renewable energies



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1. Definition: BNP Paribas makes the following distinction: ■ renewable energy, including wind and marine energy, photovoltaic solar energy, concentrated solar energy, hydroelectricity, geothermal energy, bioenergy (including biofuels except for first generation(1)); ■ low-carbon energy, including renewable and nuclear energy sources. The scope of low-carbon energy could evolve according to technological progress to gradually go beyond the production of energy and include other steps in the value chain such as transport, storage or distribution of low-carbon energy
2. Dealogic, 2023: total ESG bonds (sustainable, green, social and sustainability-linked / SLBs) and ESG loans (green, social, ESG-linked loans / SLLs)

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LAST SIGNIFICANT BUSINESS CASES

Climate
US



Energy company

\$2.5Bn financing for AES
3 GW Clean Energy's
construction warehouse
credit facility

Coordinating Lead
Arranger and Bookrunner

Climate
France



Processed vegetables
company

Amend & Extend of the
EUR 400 million RCF
facility with into a SLL

Lead arranger
& Lead coordinator ESG

ESG KPIs:

Reduction of GHG on
Scope 1 and 2 Industry
and Scope 1 and 3
Agriculture aligned with
SBTI (Science-Based
Targets Initiative) trajectory

Climate
Europe



Mobility solutions

International framework
agreement to accelerate
the transition to electric
mobility for companies
and private individuals

This international
framework agreement will
enable Arval customers to
access a charging network
of over 485,000 charging
ports across Europe. It will
also further improve
Arval's electric vehicle
solutions.

Climate
Germany



Building materials and
solutions

Heidelberg Materials'
inaugural €750 million
Sustainability-Linked Bond

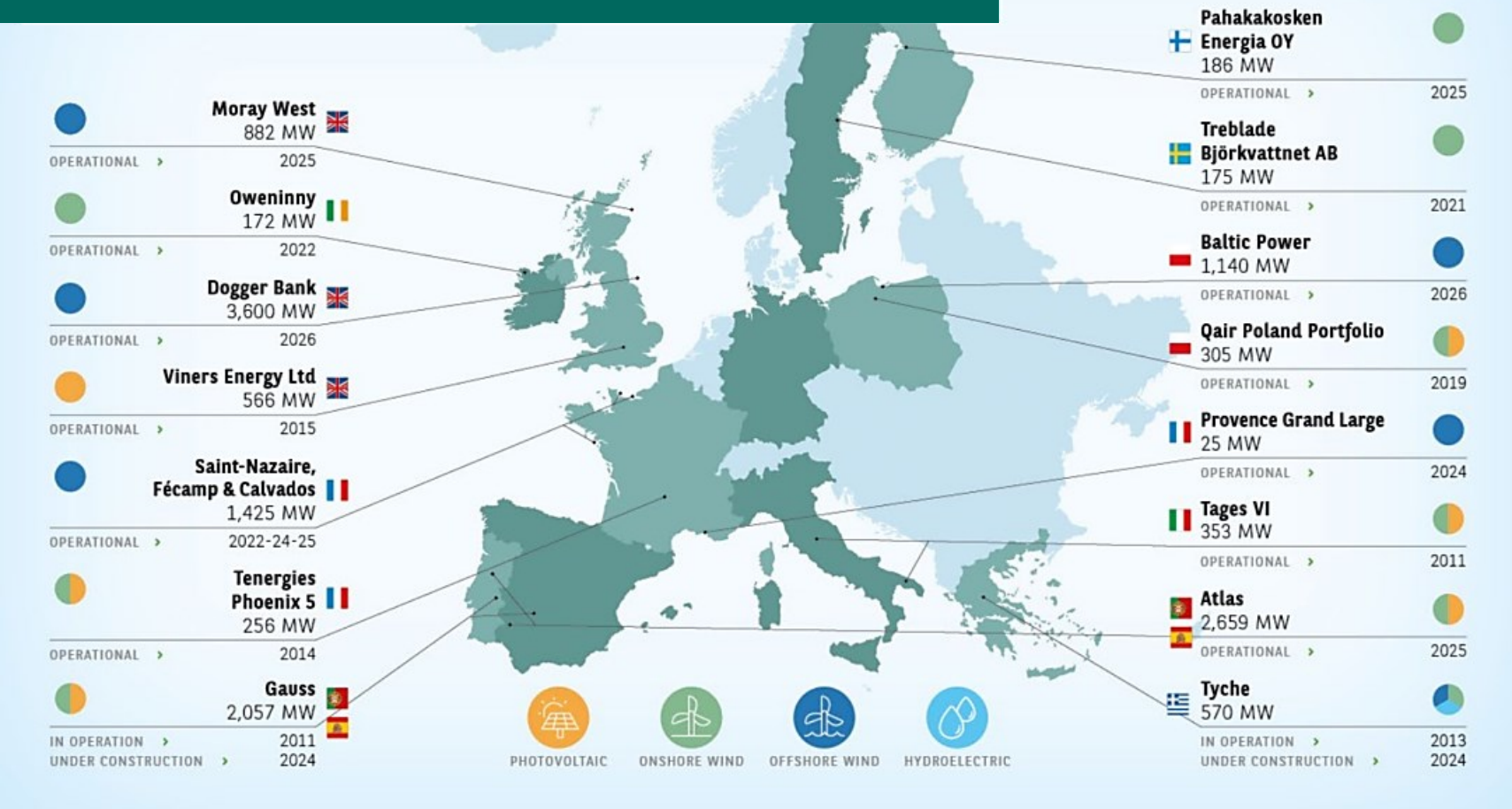
KPI

- Reduce specific net
CO₂ emissions to 500
kg CO₂ per tonne of
cementitious material
by 2026, and to 400 kg
CO₂ per tonne of
cementitious material
by 2030.



ENERGY TRANSITION: BEYOND THE RANKINGS, REAL-WORLD ACCOMPLISHMENTS

Remarkable renewables projects in Europe supported by BNP Paribas¹



1. Internal sources and external publications



BIODIVERSITY, CIRCULAR ECONOMY, SOCIAL INCLUSION



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

Mobilising BNP Paribas' distinctive model with 5 priority areas

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to reach UN SDGs¹

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Social inclusion

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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**



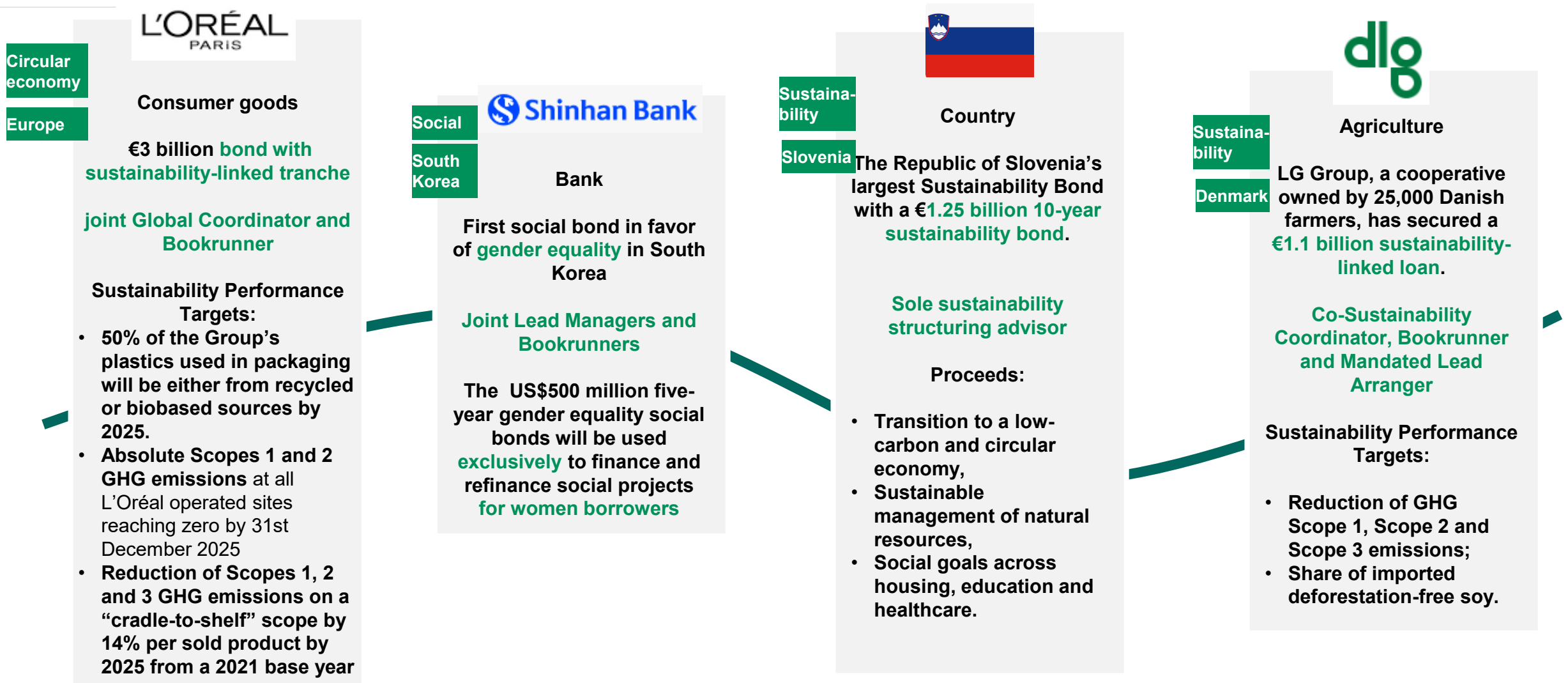
Social Inclusion

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, it 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



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).



AN EMPLOYER OF CHOICE

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.



Share of women among the Senior Management Position (SMP) population

37.1%
(at end-2023)

40%
(2025 objective)



Bloomberg
Gender Equality
Index
2023

82 / 100
(2023 index on data
from 2021)

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 : monitoring of the application of the **Agreement on remote working** (signed at the level of BNP Paribas SA and its subsidiaries in France) and the **European charter on remote working**.



For the 11th consecutive year, BNP Paribas received the "Top Employer Europe 2024" label from the Top Employers Institute.

CAREER

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



- The "Sustainability Academy" programme and platform with content and training **dedicated to sustainable finance for all employees**, embodies BNP Paribas' ambition to be a learning company in sustainable finance.
- **Training, upskilling and reskilling** to develop the potential of all our employees, with an achievement of an **average number of hours per employee** (excluding mandatory training courses) **of 19.8h** in 2023.
- **Talent retention 7 000 "Leaders for Tomorrow" talents** benefit from dedicated support and development programmes.

25K
/year

25K
/year

External hires Internal transfers
Carried out in 2022, **beyond the annual objectives of 20K targeted by the GTS 2025 strategic plan**



Average number of training hours per employee

24.2 h



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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 *

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



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THANK YOU



- [2022 Climate Report](#)
- [2023 URD](#)
- [Visite our Publications' page](#)