

CSR

2018-2019 HIGHLIGHTS



LAURENCE PESSEZ, GLOBAL HEAD OF CSR
November 13th/14th, 2019



BNP PARIBAS

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BNP Paribas 2020 Engagement Strategy

Extract from BNP Paribas 2020 Engagement Manifesto:

“We will strengthen our commitment to society, notably in line with the United Nations’ 17 Sustainable Development Goals”



EXCELLENCE

CSR POLICIES

DIVERSITY & INCLUSION

POSITIVE IMPACT BUSINESS

STAFF ENGAGEMENT

MAIN WORKSTREAMS

CLIMATE CHANGE & BIODIVERSITY



YOUNG PEOPLE



ENTREPRENEURS



LOCAL FOOTPRINT



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BNP Paribas' Engagement is made concrete through strong and tangible realisations



- Participation to the drafting and signature of UN Principles for Responsible Banking (Sept. 2019)
- Publication of BNP Paribas actions in favour of ocean protection - SDG 14 "Life below water" (Sept. 2019)
- Publication of BNP Paribas Responsible Business Principles (Dec. 2018)

- Commitment to **increase the amount of financing** to support sectors considered as directly contributing to SDGs **by 10 Bn/year in average over the 2019-2021** period (2018 baseline : €168 Bn)
- Support to **microfinance and social entrepreneurship** reached **1.8 billion euros** as of mid-2019
- **3.5 billion euros** of **Sustainability Linked Loans** signed in 2018 and already **3 billion euros** signed in 2019 (as of mid-September)



- Signature with UNI of a global social framework to further improve the quality of life and working conditions within the Group
- A score of **87/100 on the gender equality index** created by the French government

- Financing of **renewable energies: +65% in 2 years**, over the 2020 target
- BNP Paribas ranks **#3 worldwide** of **green bonds** issuers as of end 2018



A Committed Bank: 4 pillars and 12 commitments

A BANK COMMITTED TO A BETTER FUTURE

4 PILLARS – 12 COMMITMENTS



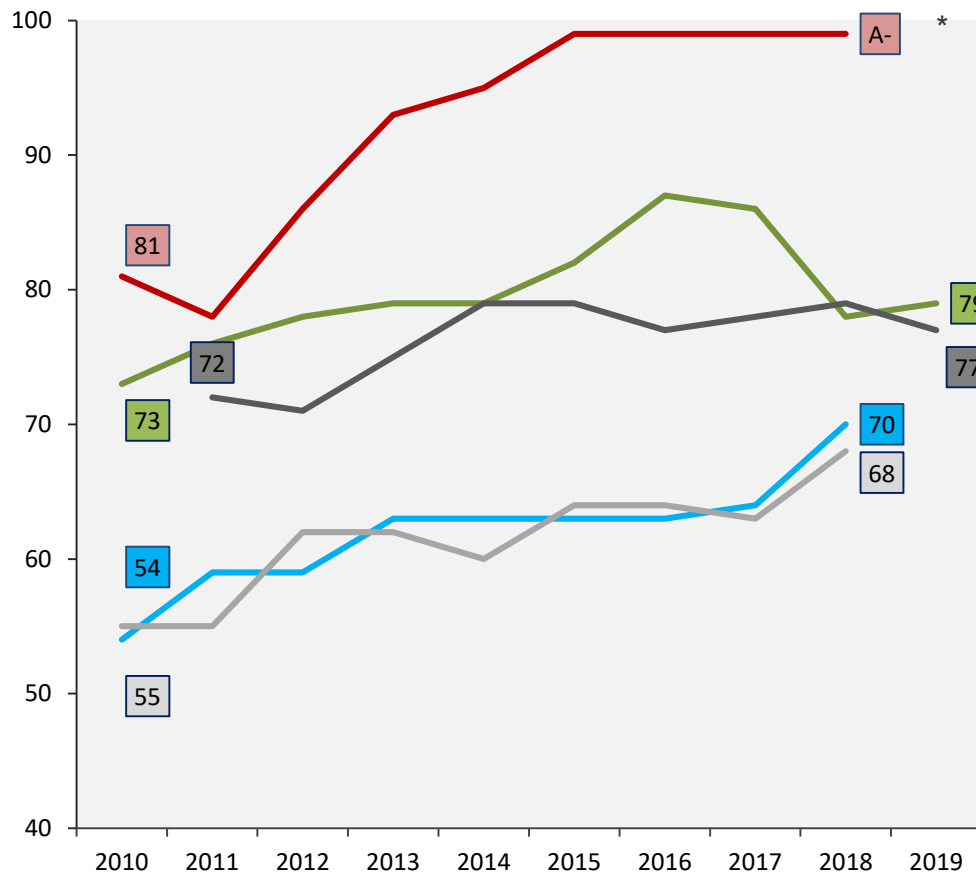
CSR is fully part of our corporate culture and strategy

- Integration of CSR criteria in the calculation of the deferred variable compensation plan of the 6,750 key employees of the Group
- Integration of criteria related to the Group's CSR performance in the calculation of the annual variable compensation of the Executive Corporate Officers
- A specialised Board committee, the "Corporate Governance, Ethics, Nominations and CSR" Committee (CGEN), is in charge of CSR issues



BNP Paribas' CSR dynamic is more and more recognised by extra-financial agencies

> A high and increasing positioning within extra-financial indices



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

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

S&P Global
Ratings

> In June 2019, BNP Paribas started participating in Standard & Poor's **pilot to develop an ESG rating for the banking industry**



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The Group position in extra-financial rankings and sustainable indexes

Main extra-financial ratings

No.1 out of 31 companies in “diversified banks in Europe” industry and **no.4 of 4,906 companies** rated worldwide in **Vigeo Eiris’ 2019 rating** (70/100 as of July 2019)



No.1 French bank and **no.4 European bank** out of 248 banks in RobecoSAM’s 2019 rating, i.e. in the **top 10%** companies of the “Banks” sector (79/100 as of September 2019)

BNP Paribas received a score of **A** in **MSCI ESG Ratings** (September 2019)



In **top 5%** and among “**Industry Leaders**” of **ISS ESG Corporate Rating** in the “Commercial Banks & Capital Markets” sector (**C+ Prime** as of Nov 2019)

BNP Paribas ranked in the **top 10%** “Banks” of **Sustainalytics’ 2019 ESG rating** (77/100 as of Nov 2019)

BNP Paribas received a score of **A-** in the **Carbon Disclosure Project** rating (January 2019)

Presence in the sustainable indexes



BNP Paribas is listed in the **Dow Jones Sustainability Indices World & Europe** (Sept 2019)



BNP Paribas is listed in **Euronext-Vigeo Eiris indexes** World 120, Europe 120, Eurozone 120, France 20 (July 2019)

BMCI maintains its presence in **Vigeo Eiris’ Best 100 Emerging Market Performers Ranking** (July 2019)



FTSE4Good



100 Sustainability Stock Index

STOXX ESG LEADERS INDICES

PAX ellevate

Other rankings and CSR prizes



BNP Paribas among the **2019 “Global 100 Most Sustainable Corporations”** ranking (24th) as **1st European bank**



European leader in managing climate risks according to the NGO **ShareAction** (promoting responsible investment)



World’s Best Bank for **Corporate Social Responsibility**



Top Employer Europe label for 7 countries



Global Performance trophy for the best AGM in terms of financial and extra-financial information



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Our key CSR performance indicators

Group Sustainability and Incentive Scheme:
20% of 6,750 key employees' deferred variable compensation relies on the performance of 9 CSR performance indicators

Pillar	Commitment	Indicator	2018 baseline	2021 target
Economic Responsibility	1 - Investments and financing with a positive impact	1 - Amount of financing and investments to companies of sectors considered as contributing directly to the achievement of UN SDGs	€ 168 Bn	Increase by € 10 Bn / year in average over the 2019-2021 period
	2 - Ethics of the highest standards	2 - Percentage of employees trained on an ethics-related issue	96.2 %	Maintain more than 95 % in 2021
Social Responsibility	4 - Promotion of diversity and inclusion in the workplace	3 - Percentage of women among the SMP population (Senior Management Position)	28 %	Over 31 % in 2021
	6 - A learning company supporting dynamic career management	4 - Percentage of employees having been trained at least twice over the year	91.8 %	Maintain more than 90 % in 2021
	4 - Promotion of diversity and inclusion in the workplace	5 - Percentage of entities with more than 1,000 employees having taken a commitment as regards disability	91 %	100% in 2021
Civic Responsibility	8 - Combat social exclusion and support human rights	6 - Number of solidarity hours performed by the employees	305 k hours	1 million hours in 2021
	8 - Combat social exclusion and support human rights	7 - Support (financing, investment for the account of third parties) to associations and Social and Solidarity Economy enterprises	€ 5.6 Bn	€ 6.3 Bn in 2021
Environmental Responsibility	10 - Partnering with our clients in the transition to a low-carbon economy	8 - Financing for renewable energies	€ 15.4 Bn	€ 18 Bn in 2021
	11 - Reduce the environmental impact of our operations	9 - Greenhouse gas emissions in CO ₂ teq / FTE (kWh buildings + professional travels)	2.45 CO ₂ teq / FTE	2.31 CO ₂ teq / FTE in 2021



HIGHLIGHTS



BNP Paribas signing the UN Principles for Responsible Banking and Collective Commitment to Climate Action

- September 2019 at New York Climate Week: BNP Paribas signed the **UN Principles for Responsible Banking** and joined UNEP FI's **Collective Commitment to Climate Action**

130 signatory banks representing more than **1/3 of the global banking industry** committed to align their business strategies with the UN SDGs and the Paris Climate Agreement



- PRB were first developed in 2018 by a core group of **30 Founding Banks including BNP Paribas**, through an innovative global partnership with UNEP FI. They were subject to a **six-month global public consultation** from November 2018 to May 2019
- Additionally, **31 signatory banks including BNP Paribas** have endorsed the **Collective Commitment to Climate Action** to align their portfolios with a low-carbon and climate-resilient economy so as to limit global warming to well-below 2°C



Pursuing our active contribution to the achievement of the UN Sustainable Development Goals

- Our commitment is to **increase the amount of financing** to support sectors considered as directly contributing to SDGs **by €10 Bn/year in average over the 2019-2021 period** (2018 baseline : €168 Bn)
- In order to meet this target we have several action plans on specific SDGs:

#5 “Gender Equality”

#10 “Reduced inequalities”

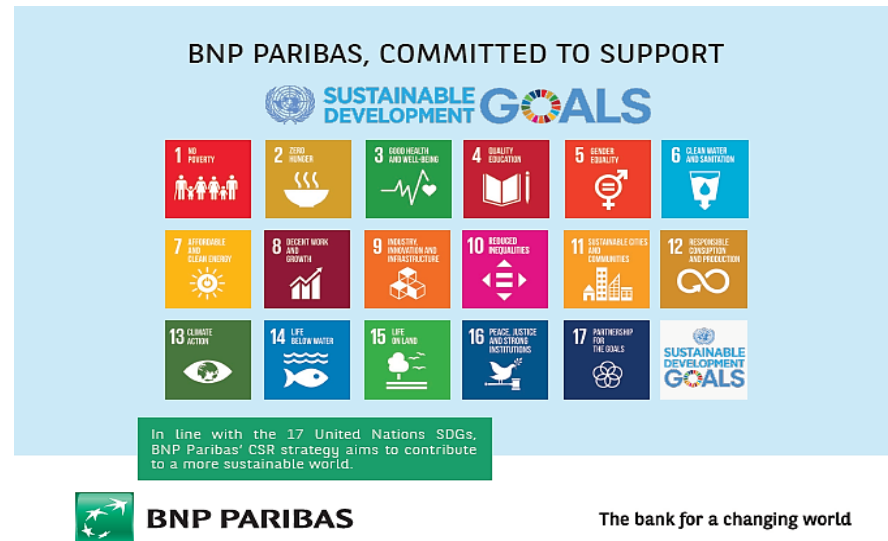
#13 “Climate actions”

#14 “Life below water”

#15 “Life on land”

#17 “Partnerships for the goals”

Etc.



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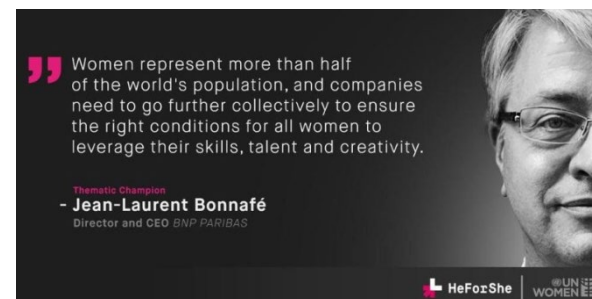
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** Including sustainable bonds' placement and CSR funds*

SDG #5 - Notable results and actions regarding gender equality

A commitment from the Executive Management

- **Increase of the share of women** in key populations, with for instance 28% of the SMP at end-2018 (31% target by 2021)
- Jean-Laurent Bonnafé becomes **Thematic Champion** of the **He For She** initiative
- **€ 2 billion** allocated to support women entrepreneurs' projects
- **Paid maternity leave of at least 14 weeks** in all entities of the Group



Training, awareness raising actions and commitments

- Personal development programmes, such as **"Active Inclusion"**, **"#WomengotTalent"** » or **"Women in Business"**
- Awareness to the bias, stereotypes, sexism, violence against women: **Respect campaign**, member of the intercompany European network "Cease" with the **signature of the charter "Une femme sur trois"** (one woman in three)

External recognitions

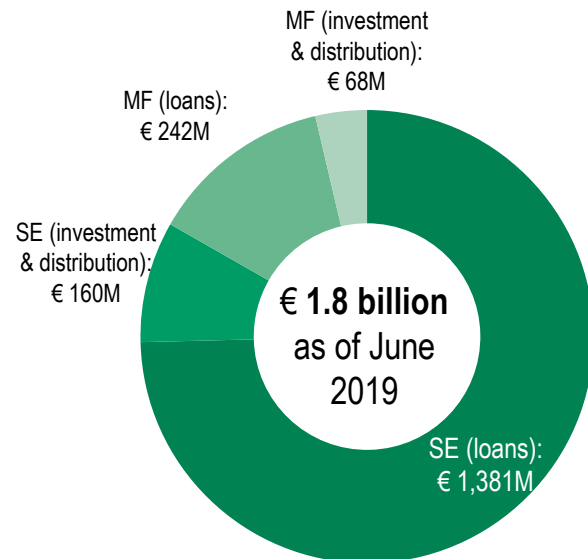
- In France, BNP Paribas has the **label professional equality**
- Presence of the Group in specific indices related to professional equality topics, such as the **Bloomberg Financial Services Gender Equality Index (BFGEI)** or the **Pax Ellevote Women's Index Fund**
- BNP Paribas ranks and **1st French bank** and **no. 33** company in **Equileap 2019 ranking** of the **top 100 companies worldwide in terms of gender equality** (over more than 3,500 companies assessed)



SDG #10 - Group's leading position on the support to social entrepreneurship

SOCIAL ENTREPRENEURSHIP

- Support for more than **2,300 clients and partners** in 7 countries, and **28 MFIs** in 16 countries
- Support of € 1.8 billion to social entrepreneurship & microfinance, of which **€ 1.62 billion** through loans to social enterprises and MFIs
- As of mid-year 2019, growth of **6%** at constant perimeter over 6 months



A DEDICATED PRODUCT: THE CONTRATS A IMPACT SOCIAL (CIS) OR SOCIAL IMPACT BONDS (SIB)

- **Financial tool** through which private investors **finance a social target** and are refunded by public authorities if the target is reached
- At September 2019, BNP Paribas already launched **7 CIS** in France and **2 SIB** in the United States, for a **total of €25 million**, in which the Bank has also invested or committed to invest **€9.7 million**

STRUCTURES AND LABELS ENABLING SOCIAL INNOVATION



- Providing social entrepreneurs with a **dedicated support**
- Accelerating their **projects**
- Introducing them with **key partners**



- A 5-year global partnership, with the aim to:
 - Create **new social businesses** inside the Bank
 - Raise our employees' **awareness** on positive impact business
 - Support the **Grameen Creative Lab** by offering professional legal (pro bono) advice

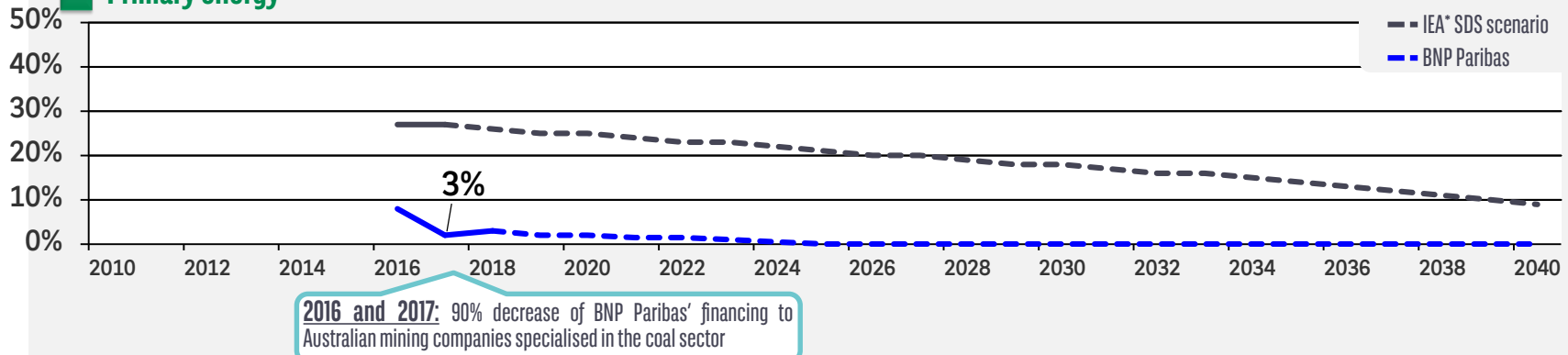


- **Dotation of € 5,2 M** for subventions, actions and operation of this accelerator of the social and solidarity innovation
- **Mobilisation** of circa 100 employees (e.g. panels, events)
- **Mentoring** of candidates of a competitive exam, with 2 directly by Jean-Laurent Bonnafé

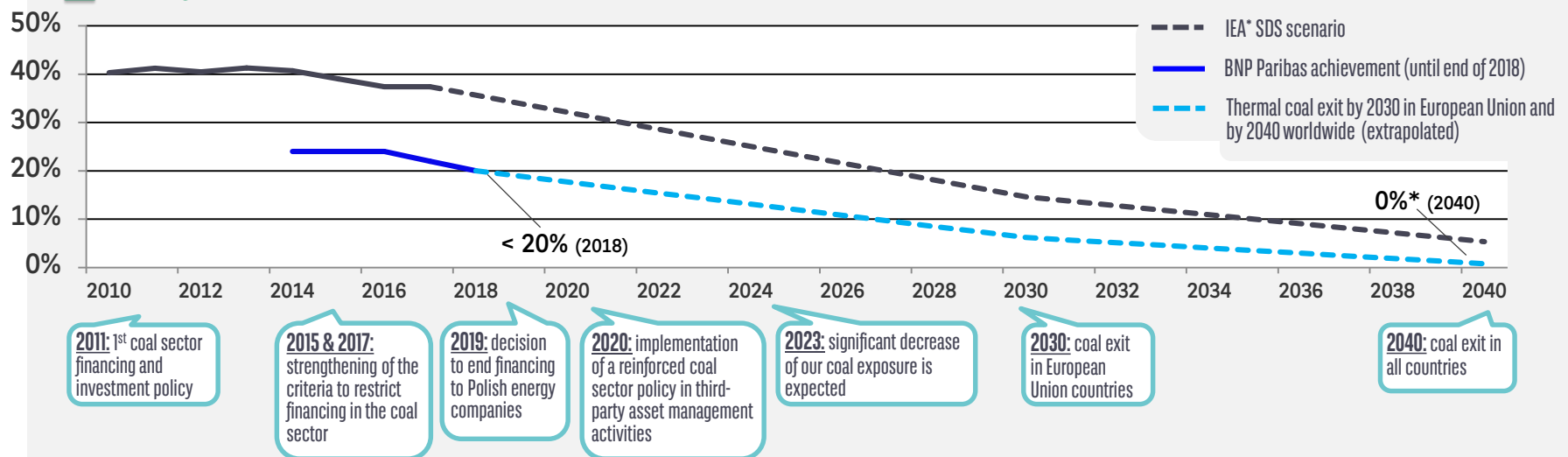


SDG #13 - Significant decrease of the coal share financed by BNP Paribas with a full exit commitment by 2030 and 2040

> Primary energy



> Power generation



* Data based upon 80% of BNP Paribas portfolio's coal capacity at the end of 2018 (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



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* Sustainable Development
Scenario of the International
Energy Agency = < 2°C

SDG #13 - BNP Paribas' portfolio vs. the 2°C scenario

2°C scenario



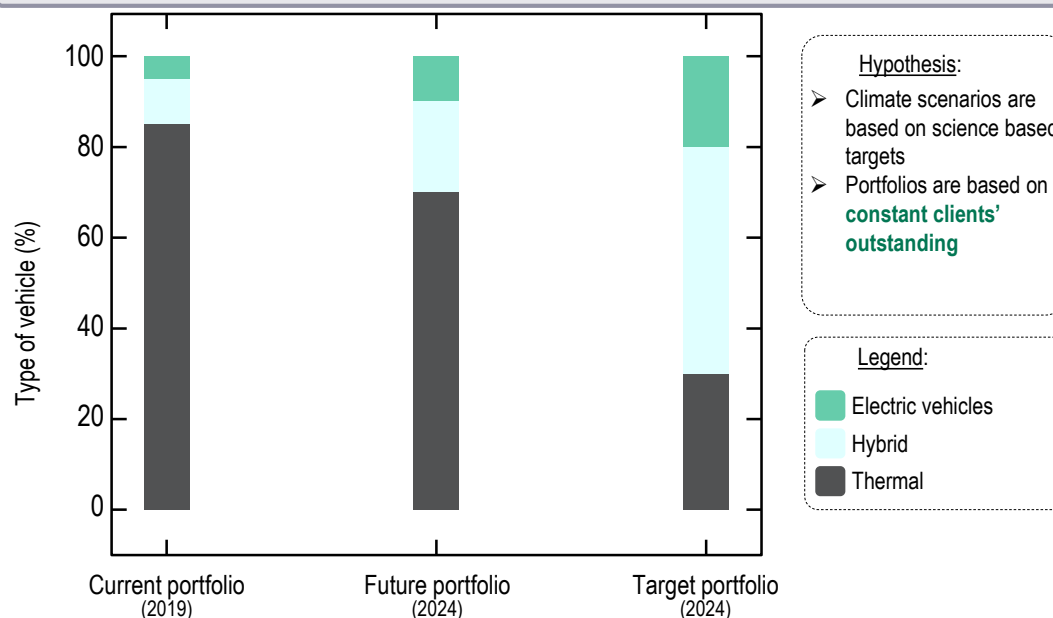
Rationale

- Assessment of **transition risk** embedded in BNP Paribas' credit portfolio
- Compliance with the **TCFD* recommendations**
- Anticipation of **regulatory disclosure measures**

During COP24 in Katowice, 5 leading banks (incl. BNP Paribas) shared a methodology to assess the alignment of their lending portfolios with global climate goals (2°C scenario of the Paris Agreement)

- Development of common tools and metrics to compare the Bank's **current** portfolios to different climate scenarios (Science Based Targets)
- **Sector-specific** approach and focus on the **most carbon-intensive sectors**

Example: Automotive-technology mix analysis (not based on BNPP data)



* Task Force on Climate-related Financial Disclosure



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SDG #13 - Financing proactively the “green” economy



Renewable energies

- **15.4 billion euros** as of end 2018
- **New objective of 18 billion euros in 2021** (2020 15 Bn€ target already achieved)



GREEN
CLIMATE
FUND



Coalitions

- **BNPP accredited** by the Green Climate Fund Board in October 2018, enabling **riskier projects** to be financed
- **BNPP and UNEP*** aim to reaching by 2025 **10 Bn\$** in investments in sustainable projects in developing countries (e.g. Indonesia, India)



Pointing savings towards Energy Transition

- **BNPP Green Business**: 10% invested in a fund directly investing in SME in the Energy Transition, the other 90% in companies fighting climate change, representing a total of **95 M€ AuM** (as of end-June 2019)



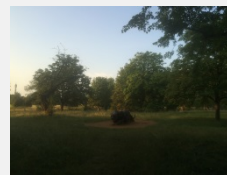
Carbon offsetting

- **BP2S ClimateSeed** launched in **November 2018**
- Facilitation of carbon emissions offsetting both for corporates and asset managers



Green bonds

- **7.4 Bn€ of sustainable bonds in 2018** for which BNPP was joint lead manager for its clients, mainly “green”***
- BNP Paribas ranks **number 3 worldwide** of **green bonds issuers** (as of end 2018)



Sustainable-Linked Loans (SLLs)

- **Tailor-made loans** for which the bank will improve the rate according to the achievement of environmental and/or social criteria **matching the clients’ strategy**
- **3.5 Bn€ of SLLs** signed in 2018 and already 3 Bn€ signed in 2019 (as of mid-September)



Green loans for individual customers

- **Personal Finance: 2 Bn€ of outstanding**
- **BNP Paribas Fortis: 3.6 Bn€ of outstanding**



Supporting innovation

- **100 M€ to be invested by 2020** in innovative start-ups active in the energy transition, of which **55 M€ already invested** (as of end-September 2019), amongst which:
 - Heliatek (solar thin films)
 - Sunna Design (off grid solar street light)
 - STEM (behind-the-meter storage)
 - Demeter Venture (seed fund for start-ups in the field of energy transition)

* United Nations Environment Programme ** Renewable energies, energy efficiency or mobility



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SDG #14 - BNP Paribas' actions in favour of ocean protection

A public position released Sept. 23, 2019 in New York:

- Statement of BNP Paribas' willingness to work with its clients towards the **achievement of SDG 14** ("Life below Water")
- **Ocean is critical for our planet**: it is a cradle of biodiversity essential for life balance on earth, a source of vital resources for human beings including food and habitat preservation, and a vector of the global economy, generating direct and indirect jobs



BNP Paribas commits to finance in a responsible manner activities likely to impact the ocean

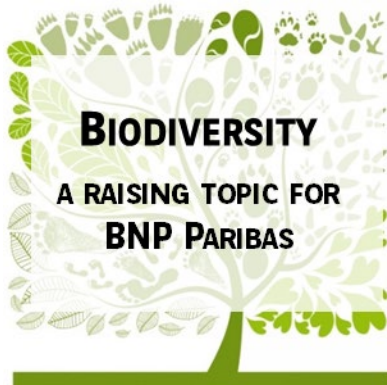
- Sectors identified: Maritime transportation; Fishing and Aquaculture; Offshore oil and gas, deep sea mining and renewable marine energies; and Land-based activities in relation to the ocean

BNP Paribas seeks to actively take part in the preservation of the ocean

- Support the implementation of best practices through positive-impact banking solutions and services, e.g. BNP Paribas' commitment to dedicate **1 billion euros to finance the ecological transformation of the shipping fleet** by 2025
- Support innovation and invest in start-ups through the **100 million euros global envelope** targeting among others sustainable maritime transportation
- Moving the needle, e.g. participation to working groups and BNP Paribas Asset Management's endorsement of the **"New Plastics Economy Global Commitment"** launched by the Ellen Mac Arthur Foundation
- Support research for a better understanding of the ocean with the international sponsorship program **Climate and Biodiversity Initiative** of the BNP Paribas Foundation



SDG #15 - Biodiversity



Fight against deforestation – BNP Paribas' actions:

- **4 sector policies** addressing forest protection
- Being a member of the **“Zero Net deforestation”** initiative
- Being a member of the **“Act for Nature”** initiative mobilizing scientists, associations, governments and companies
- J-L. Bonnafé being the president of **“Entreprises pour l’Environnement”** from 2019
- BNP Paribas AM signed the **Cerrado Manifesto** (2018) aimed at preventing deforestation in the Brazilian tropical savannah, and the **Investor Statement on deforestation and forest fires in the Amazon** (2019)

Engaging agricultural commodities producers and traders:

- BNP Paribas group asks traders of agricultural commodities to develop **a system of traceability** for the commodities they trade
- In Brazil, BNPP teams established a **dialogue with soybean- and beef-producing clients** to ensure that they adopt these responsible practices
- All BNPP clients operating in the Amazonian and Cerrado regions are either already certified or engaged in a **certification process** (RTRS on soy, GRSSB on beef...)



SDG #17 - BNP Paribas implemented new coalitions for the common good



Participation to the construction of a unique place dedicated to youth equal opportunities in Paris: « L'Ascenseur »

- ➡ Gathering of over 20 non-profit, private and public committed actors to support young people at each step of their education and career
- ➡ Obvious next episode of the « Projet Banlieues », being the bank which contributes to fix the “social elevator in France and elsewhere



Partnership between BNP Paribas and the Whitaker Peace & Development Initiative, the NGO founded by par Forest Whitaker

- ➡ Train 2,400 young people from disadvantaged areas of Los Angeles to the role of mediators in their schools and communities
- ➡ Enable 360 young women and men from disadvantaged areas of Cape Town and Los Angeles to embody the roles of peace ambassadors and entrepreneurs within their communities. Positive impact on over 60,000 young people in Cape Town in 5 years.



OUR OWN OPERATIONS



Implementing cultural change: empowering and mobilizing internal staff on positive impact business

Build

- We launched with our 'Impact Pioneers' (Leadership for Change program) positive impact business workstream, i.e.:
 - *'Pitching to clients'* to enable client-facing in all business lines to deliver impactful pitches on BNP Paribas positive impact business offer and expertise;
 - Expert groups on: *hydrogen, circular economy, soft commodities...*

Train

- All staff training to be launched in 2020
- Cambridge positive impact certification for almost 500 employees (mostly having business roles with client relationship) as of end-September 2019
- Business & function specific trainings



World social agreement with UNI Global Union

BNP Paribas global social framework encompasses 7 main topics:

Human rights, social dialogue and trade union rights

1

Social and environmental responsibility

2

Employment management and skills

3



4 Gender equality

5 Promotion of diversity and inclusion

6 Prevention of and fight against moral and sexual harassment

7 Health and quality of life at work

- Signature in September 2018 with **Union Network International (UNI) Global Union**
- **Concrete measures** which will be applied progressively **by the end of 2021** in all entities of the Group
- **Internal and external recognition still very positive:** continuous growth of GPS results since 8 years



Talent attraction and retention

Recognized progresses to attract and keep the best talents



- More than **26,000 permanent contracts recruitments** in 2018, amongst which **59% in Europe**
- **6,600 “Leaders for Tomorrow”** talents benefit from dedicated support and development programmes
- **Top Employer Europe certification** in 7 countries for the 5th consecutive year

Student Manifesto for an ecological awakening

- What does the manifesto says? *“The main purpose of the text is to say to companies: If you don’t take ecological factors into account in your strategy, we, the graduates of prestigious schools, will not come to work for you.”*
- What BNP Paribas does to answer this expectation:
 - The Group engages with the students (participation to a questionnaire to help students choosing their future employers, publicly available at <https://pour-un-reveil-ecologique.org/fr/les-entreprises-nous-repondent/#reponses>)
 - BNP Paribas’ CEO considers that it is crucial that all our future employees are trained in sustainable development and climate change
 - That’s why he decided to act for the systematic inclusion of Sustainable Development training in the mandatory common core of schools and universities’ programs
 - Each member of the BNP Paribas’ Executive Committee has started contacting his/her former graduate school to engage on this issue (around 10 schools)

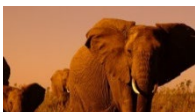


Carbon neutrality and commitment on single-use plastic

■ Carbon neutrality since 2017

The implementation of carbon neutrality for the Group is based on a **3-step approach**:

1. **25% reduction in the carbon footprint of employees** between 2012 and 2020 (already -23.6% in 2018)
2. **Purchase of low-carbon electricity** wherever possible (already 32.2% of electricity consumed in the Group's buildings at end-2018)
3. **Compensation of residual emissions via reduction programmes with partners:**



- **Wildlife Works**, which preserves and replants forests in Kenya and helps local people to avoid new forest destruction



- **Good Planet**, which provides gas bio-composters in India, thus avoiding CO₂ emissions and preserving forests, whilst relieving women of the job of collecting wood

■ Single-use plastic ban by 2020

Global commitment: to ban the use of single use plastic from the employees' working environment by 2020

- **Main focus:** office's supply, take away food, promotional items



A REGULATORY FRAMEWORK



Implementation of the French Law on the Duty of Care

French Law on the Duty of Care

BNP Paribas' systems in place to identify and manage risks (i.e. on human rights, health/safety and the environment) enable the Group to meet the requirements of the **French Law on Duty of Care**

➡ BNPP's vigilance approach is part of a drive for continuous improvement

"BNP Paribas Responsible Business Principles"

- Published on the Group's website at the end of 2018 and is valid for all commercial relationships of the Group
- Reference to BNPP's mission to contribute changing the world according to its existing commitments of promoting Human Rights and protecting the environment
- Expectation of BNP Paribas to engage with clients having a high degree of governance and responsibility

Environmental and Social risk per country

- Definition of a level of risk: very high, high, medium and low

Dedicated measures according to the E&S country risk and the sector

- Additional sector questionnaires for the most sensitive sectors



Implementation of the TCFD recommendations by BNP Paribas

Governance

- Climate-related risks taken into account at **Board level**
- **Strengthening of the CSR function** now overviewed by Company Engagement Department, directly represented at the Group's Executive Committee
- **Deferred variable compensation** of 6,750 Group top managers partly indexed on **CSR performance**

Strategy

- **Mitigate business risks** linked to the energy transition
- **Seize opportunities: finance the energy transition**
- **Reach carbon neutrality** for its own operations
- Compare our **energy credit portfolio** with the Sustainable Development Scenario (SDS) defined by the International Energy Agency (IEA)

Risk Management

- Participation to the **UNEP Fi initiative** on the implementation of the TCFD recommendations
- Implementation of a **carbon risks analysis**
- Development of a methodology to **assess climate-related physical risks**
- **RISK** function to act as a **second line of defence** for all credit and investment decisions

Metrics and Targets

- Disclose metrics & targets on **own operations** (scopes 1 & 2)
- Disclose metrics & targets related to **opportunities**
- Calculate the **energy mix financed** by the Group (primary and secondary)
- Assess the alignment of the credit portfolio with a 2°C scenario (**Katowice commitment**) – *work in progress*
- Define targets with the Science-Based Target Initiative (**SBTi-FI road tester** as part of the SBTi-Finance team) – *work in progress*



APPENDIX



Reinforced CSR strategies in BNP Paribas' asset management subsidiaries

➤ BNP Paribas Asset Management strengthens its “Sustainability” strategy

Announcement of the new global strategy in March 2019

- 4 pillars: ESG integration, stewardship, responsible business conduct expectations and sector-based exclusions, as well as a forward-looking strategy
- Definition of targets relating to: energy transition, environment sustainability, equality and inclusive growth
- A 25-person strong *Sustainability Centre*, with 14 people hired since mid-2018, with an average experience of over 10 years in sustainability

New investment criteria adopted in the coal sector in April 2019

- Exclusion of companies that derive more than 10% of their revenue from mining thermal coal and/or account for 1% or more of total global production & exclusion of power generators whose carbon intensity is above the 2017 global average of 491 gCO₂/kWh. This threshold will gradually fall to 327 gCO₂/kWh by 2025.

➤ BNP Paribas Cardif raises its ambitions in terms of green investments

- Commitment to provide 2.4 billion euros in green investments by the end of 2020, already reached as of end-2018 (€2.6bn)
- Decision taken in March 2018 to raise this objective by 1.1 billion euros to reach 3.5 billion euros in green investments by the end of 2020
- Means: contribute to the development of green bonds which finance projects with high environmental value and continue its positive environmental impact investments

