

PRINCIPLES FOR RESPONSIBLE BANKING

# BNP PARIBAS 2022 REPORTING



**BNP PARIBAS**

The bank  
for a changing  
world

Reporting and Self-Assessment Requirements	High-level summary of bank’s response	Reference(s)/Link(s) to bank’s full response/ relevant information
<p><b>Principle 1: Alignment</b>                      We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p><b>1.1 Describe</b> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>BNP Paribas, Europe’s leading provider of banking and financial services, has four domestic Retail Banking markets in Europe, namely in France, Belgium, Italy and Luxembourg. It operates in 65 countries and has nearly 190,000 employees, including more than 145,000 in Europe.</p> <p>BNP Paribas serves millions of clients around the world, from individual customers, to entrepreneurs and small businesses, corporates and civil society organisations. It offers them a wide array of financial solutions adapted to their needs: financing, payment, wealth and asset management, insurance. BNP Paribas is also a provider of real estate services and leasing solutions.</p> <p>The organization of BNP Paribas evolved in 2021, with three operational divisions:</p> <ul style="list-style-type: none"> <li>• Commercial, Personal Banking &amp; Services (<b>CPBS</b>), comprised of:                             <ul style="list-style-type: none"> <li>○ Commercial banks of the Euro zone (BCEF, BNL, BCB, BCL),</li> <li>○ Commercial banks outside the Euro zone (Mediterranean Europe, BancWest in the USA),</li> <li>○ Specialized businesses (Arval, Leasing Solutions, Personal Finance, Personal Investors, Nickel, Floa, Lyf)</li> </ul> </li> <li>• Investment and Protection Services (<b>IPS</b>), comprised of:</li> </ul>	<p>See ‘<b>Presentation of operating divisions and business lines</b>’ (<a href="#">2021 URD</a>, p. 7 to 18) ‘<b>A diversified and integrated model, creating value</b>’ (<a href="#">2021 URD</a>, p. 650)</p>

	<ul style="list-style-type: none"><li>○ Insurance activities (Cardif),</li><li>○ Institutional and Private Management activities (BNP Paribas Asset Management, Wealth Management, Real Estate)</li><li>○ BNP Paribas Principal Investments</li><li>● Corporate &amp; Institutional Banking (<b>CIB</b>), comprised of:<ul style="list-style-type: none"><li>○ Global Banking,</li><li>○ Global Markets,</li><li>○ Securities Services</li></ul></li></ul>	
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<p><b>1.2</b> Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>As expressed in its company's purpose, BNP Paribas' mission is to contribute to responsible and sustainable growth by financing the economy and advising clients according to the highest ethical standards. To this end, the Group adopted social and environmental goals aligned with global standards (such as the SDGs) and those of the financial community (such as the PRB and PRI), and ensure that ethics and its commitment to economic, social, civic and environmental responsibility are integrated into its business operations. BNP Paribas has taken a number of public position on ESG issues, and acts in compliance with numerous commitments, working groups and platforms that are disclosed in its <i>Universal Registration Documents</i>.</p> <p>BNP Paribas was an early supporter of both the SDGs and the Paris Climate Agreement, and took action in the wake of the adoption of these two sustainable landmarks to play its part in their achievement.</p> <p><u>Contributing to the SDGs:</u></p> <p>The Group's CSR strategy has long been structured to contribute to achieving the United Nations' 17 seventeen Sustainable Development Goals (SDG). This strategy involves supporting all customers, individuals, companies and institutions, in their transition to a low-carbon economy, respectful of the planet's resources and allowing the inclusion of the most vulnerable as well as respect for human rights.</p> <p>All four of BNP Paribas responsibilities (economic, social, civic and environmental) have embedded the Group's commitment towards the SDG in their approach:</p> <ul style="list-style-type: none"> <li>• Pertaining to its economic responsibility, BNP Paribas has developed and is continuously expanding the range of products and services to support or even accelerate this transition, such as Sustainability-Linked Loans (SLL), Bonds</li> </ul>	<p>See '<b>BNP Paribas' purpose and consideration of environmental and social issues'</b> (<a href="#">2021 URD</a>, p. 580)</p> <p><b>'The CSR Policy Management Dashboard'</b> (<a href="#">2021 URD</a>, p. 582)</p> <p><b>'BNP Paribas' public positions'</b> (<a href="#">2021 URD</a>, p. 583)</p> <p><b>'Supporting the transition by offering a wide range of sustainable products'</b> (<a href="#">2021 URD</a>, p. 589)</p> <p><b>'Federating financial institutions in coalitions around ambitious objectives and development of shared methodologies'</b> (<a href="#">2021 URD</a>, p. 589)</p> <p><b>'Alignment of the loan portfolio with the net zero in 2050 objective'</b> (<a href="#">2021 URD</a>, p. 599)</p> <p><b>'Strengthening of ESG financing and investment criteria'</b> (<a href="#">2021 URD</a>, p. 596)</p> <p><b>'Commitment 4 : Promotion of diversity and inclusion in the workplace'</b> (<a href="#">2021 URD</a>, p. 602)</p> <p><b>'Commitment 5 : A « Good place to work » and responsible employment management'</b> (<a href="#">2021 URD</a>, p. 608)</p> <p><b>'Commitment 6 : A learning company supporting dynamic professional path management'</b> (<a href="#">2021 URD</a>, p. 618)</p>
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	<p>(SLB), Sustainable Deposits, or cross-currency sustainability-linked swaps;</p> <ul style="list-style-type: none"> <li>• Pertaining to its social responsibility, BNP Paribas has implemented a range of initiatives towards its employees, especially tackling SDG #5 (Gender Equality), #8 (Decent Work &amp; Economic Growth) and #17 (Partnerships);</li> <li>• Pertaining to its civic responsibility, BNP Paribas strives to improve the accessibility of financial products worldwide as the financial inclusion of populations is a major accelerator of economic development (SDG #1: No Poverty ; #8 ; and #10: Reduced Inequalities);</li> <li>• Pertaining to its environmental responsibility, BNP Paribas has put the ecological and energy transition at the heart of its approach (SDG #7: Affordable and Clean Energy; #13: Climate Action). For instance, the Group has co-launched (with the Solar Impulse Foundation) the BNP Paribas Solar Impulse Venture funds in 2021. By supporting professional investors involved in the ecological transition, BNP Paribas will contribute to the achievement of eight SDGs.</li> </ul> <p><u>Aligning with the conclusions of the Paris Agreement:</u>  Since 2011, BNP Paribas has been contributing to accelerate the energy and ecological transition. Since the Paris Agreement in 2015, the Group has developed and strengthened its ESG risk management framework in accordance with the conclusions of the latter. Hence in 2018, BNP Paribas was one of the banks which undertook the Katowice commitment, thus “committing to finance change, putting our balance sheets to work to progressively align with the Paris Agreement thereby contributing to the ultimate goal of climate neutrality”.</p> <p>Besides, BNP Paribas has also been very active in the development of innovative and sustainability-linked products and services, such</p>	<p><b>‘Products and services that are widely accessible’</b> (<a href="#">2021 URD</a>, p. 623)</p> <p><b>‘Supporting research and development on climate change and biodiversity’</b> (<a href="#">2021 URD</a>, p. 638)</p> <p><a href="#">Katowice Commitment</a></p>
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	<p>as Sustainability-Linked Loans (SLLs), to accompany its corporate clients in their transition (see above).</p> <p>BNP Paribas has devised and implemented ambitious financing and investment policies on a number of industries with high impact on climate change (unconventional oil &amp; gas, coal-fired electricity production, mining...).</p> <ul style="list-style-type: none"> <li>• In 2018, the Bank stopped supporting companies whose primary business is exploration, production and export of gas/oil from shale, oil from tar sands or gas/oil production in the Arctic.</li> <li>• In 2020, the Group extended this commitment to the Arctic National Wildlife Refuge (oil and gas projects) and the Esmeraldas region in Ecuador (trading of seaborne oil exports).</li> <li>• Also in 2020, BNP Paribas announced a strategy for a complete exit from the thermal coal value chain by 2030 in the European Union and OECD countries, and by 2040 in the rest of the world. The mining extraction, dedicated infrastructure and electricity production sectors are directly concerned.</li> <li>• In 2021, BNP Paribas committed to reducing its credit exposure to oil and gas exploration and production activities by 12% by 2025, in line with the NZE scenario of the IEA. This commitment will be supplemented by targets for reducing greenhouse gas emissions across the entire oil and gas value chain in 2022.</li> </ul> <p>BNP Paribas has also become a founding signatory of the Net Zero Banking Alliance in April 2021, thus committing to a carbon neutral economy by 2050, a target in full alignment with the Paris Agreement as it aims to limit global warming to 1.5°C (consistent with the “well below 2°C” target of the Paris Agreement) from pre-industrial levels.</p>	
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	<p>Previously, BNP Paribas had begun work on aligning its loan portfolio :</p> <ul style="list-style-type: none"> <li>• In 2019, BNP Paribas first committed to implementing the PACTA methodology alongside four other international banks and to measure the alignment of its loan portfolio with five high-carbon sectors (fossil fuel extraction, electricity production, transport, steel and cement).</li> <li>• In 2020, by signing the Collective Commitment to Climate Action (CCCA) under the aegis of the UNEP FI, the Group chose to share the tools to align the activities of banks with the objectives of the Paris Agreement with more banks.</li> </ul> <p>The strategical significance of this twin alignment is notably expressed by the integration of related KPIs into BNP Paribas 2018-2021 CSR Dashboard. Hence, at the end of 2021:</p> <ul style="list-style-type: none"> <li>• The amount of loans to companies supporting the energy transition and sectors directly contributing to the SDGs was EUR 244 billion (compared to EUR 188 billion in 2020).</li> <li>• The financing for renewable energies was EUR 17.8 billion (compared to EUR 17.8 billion in 2020).</li> </ul> <p>New KPIs tackling these issues have been established in the 2022-2025 CSR Dashboard (see 2.2).</p>	
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**Principle 2: Impact and Target Setting**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

**2.1 Impact Analysis:**

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- a) Scope: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.
- b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of

As a global and diversified financial group, supporting millions of customers in 65 countries, BNP Paribas is familiar with the environmental and social realities and challenges of the numerous sectors, activities and stakeholders it interacts with on a regular basis, and is aware that its impact on the society can be significant.

The CSR Strategy and policy developed and implemented by the Group, and which is applied by all of the Group’s business lines, networks, subsidiaries and countries, have always taken into consideration the materiality and saliency of the issues it tackle, in order to have major (positive) impact on the society. Thanks to the multi-level CSR governance that has been put in place within the Group, from its highest tiers (Board of Directors and Executive Management) to its operational levels (through the 220 people-strong CSR network and 440 additional CSR experts BNP Paribas can mobilize, besides the Group CSR Function), BNP Paribas has been in capacity to identify, assess and prioritize the ESG risks and opportunities it is facing, and to act in consequence and in accordance with its missions and visions and company’s purpose. The ‘4 pillars/12 commitments’ framework used by BNP Paribas since 2012 as its CSR policy exemplifies this approach, by singling out three priorities for each facet of the Group responsibilities (economic, social, civic and environmental).

Besides, as a French bank, and pursuant to article R. 225-105-1 of the French Commercial Code and Ordinance No. 2017-1180 respecting the publication of extra-financial information, BNP Paribas has assessed what were the most

See ‘Our corporate social responsibility strategy (CSR)’ ([2021 URD](#), p. 581)  
 ‘CSR, taken to the highest level in the organisation’ ([2021 URD](#), p. 586)  
 ‘Alignment of the loan portfolio with the net zero in 2050 objective’ ([2021 URD](#), p. 599)  
 ‘Group support for microfinance, a long-term commitment’ ([2021 URD](#), p. 623)  
 ‘Analysis of issues, risks and opportunities’ ([2021 URD](#), p. 652)  
[‘BNP Paribas Position on Biodiversity’](#)



<p>products and services. <i>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</i></p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> <li>• Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>• Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul>	<p>material extra-financial issues the Group should address, as considered by their importance for BNP Paribas employees and external stakeholders.</p> <p>In order to complete its materiality matrix (updated at the end of 2021), BNP Paribas relied on an assessment of materiality criteria to classify a hundred extra-financial issues based on their relevance to BNP Paribas stakeholders and their impact on the Group's performance. Various sources were used in order to assess how internal and external stakeholders rank extra-financial issues.</p> <p>More than 1,200 employees from BNP Paribas top management provided their feedback on the subject through an <i>ad hoc</i> questionnaire. Moreover, a comparative study of the publications of ten peers of the banking sector, over 2,500 regulations, 20,000 articles from the sectoral press, and 450 million tweets were also analysed to this end. As it was the case in 2018, the results of this study were classified into three types of issues: important, major and crucial.</p> <p>Following this materiality analysis, major and crucial issues (14) were selected. These issues are listed according to the four categories of information appearing in Ordinance 2017-1180: social and environmental consequences, respect for human rights, fight against corruption and tax evasion, to which economic and governance issues were added. For each issue, relevant indicators, policies and associated due diligence have been set and are monitored.</p> <p>With regards to the Significant Impact Areas acknowledged by the PRB as of this reporting release, BNP Paribas considers that <b>Climate change mitigation</b>, <b>Financial inclusion</b> and <b>Biodiversity</b> rank among the most material ones for the Group. These specific issues have also been</p>	
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	<p>envisaged and assessed through dedicated impact analysis, in order to identify the most salient sides of each area.</p> <p>For <b>Climate change mitigation</b>, BNP Paribas has been an active member of numerous initiatives and coalitions dedicated to the role of financials in the fight against climate change and the transition towards a low-carbon economy, since 2015 and the Paris Agreement. As a signatory of the Katowice Commitment, and early adopter of the PACTA methodology in order to measure the alignment of its loan portfolio, BNP Paribas chose a sector-based approach to tackle this issue, and has thus put high-emissions sectors (fossil fuel extraction, electricity production, transport, steel and cement) on top of its priority list. This is also the approach of the Net Zero Banking Alliance, convened in 2021 and that BNP Paribas joined as a founding member. As such, BNP Paribas committed to issue alignment targets to additional sectors (agriculture, real estate, heavy industries), no later than 18 months after becoming a member.</p> <p>For <b>Biodiversity</b>, BNP Paribas approach always prioritized industries with the largest environmental footprint, long before the release of the Group's Biodiversity Position (2021). Indeed, criteria relating to deforestation and biodiversity were included in its financing and investment policies (Agriculture, Palm Oil, Wood Pulp, Mining) since 2012, dialogue engaged with customers in these most sensitive sectors, and commitments undertaken through the act4nature initiative in 2018 (updated in 2021). The Group also relied on reference sources to build its position on the subject, and notably the "pressures on biodiversity" identified in the <i>2019 IPBES report</i>, with a focus on the first</p>	
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	<p>four: changes in land and sea use, direct exploitation of organisms, climate change and pollution.</p> <p>As for <b>Financial Inclusion</b>, BNP Paribas has been a player in microfinance for the past three decades. Its activities in this field cover both emerging and developed countries (84 microfinance institutions – MFIs – supported in 33 countries at end 2021), but the Group is especially active in developing countries and, its direct and indirect support to MFIs had benefited mostly to women (83% of the 2.4 million people that have benefited from BNP Paribas support to microfinance since 1989 have been women).</p> <p>Finally, BNP Paribas also sees <b>Climate change adaptation, Resource efficiency and circular economy, Human rights, Decent employment and Gender equality</b> (among other issues) as material subjects, and has taken numerous actions in their favour, as reported in the Group <i>Universal Registration Documents</i>. Please refer to :</p> <ul style="list-style-type: none"> <li>• Commitments #10, 11 and 12 (Environmental responsibility) for <b>Climate change adaptation and Resource efficiency &amp; circular economy;</b></li> <li>• Commitment #8 (Civic responsibility), Vigilance Plan and Statement on Slavery and Human Trafficking for <b>Human rights;</b></li> <li>• Commitments #4, 5 and 6 (Social responsibility) for Decent employment and <b>Gender equality.</b></li> </ul>	
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**BNP Paribas statement on Impact Analysis requirements:**  
 Identifying, assessing and monitoring the impact of the actions of the Group have always be part of BNP Paribas CSR Strategy and policy, which have been initially devised and adapted overtime with materiality as one their core features. The Group will continue its work in this field (and has done so in 2021), in a spirit of continuous improvement of its practices, and through constructive engagement with its stakeholders.

<p><b>2.2 Target Setting :</b>  <i>Show</i> that the bank has set and published a minimum of two <b>Specific, Measurable</b> (can be qualitative or quantitative), <b>Achievable, Relevant</b> and <b>Time-bound (SMART)</b> targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p><i>Show</i> that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><i>Show</i> that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>BNP Paribas has backed its policies and actions towards the aforementioned “areas of most significant impact” by setting public targets related to the latter, many of them included in its CSR Dashboard, and thus, having a direct impact on the retention-plan of the Group’s key 7.000 + employees (Group Sustainability and Incentive Scheme – GSIS) and on the annual variable remuneration of the Executive Management.</p> <p>In 2022, the CSR Dashboard of BNP Paribas has been renewed, in the wake of the completion of the previous one (2018 – 2021). Relevant KPIs featured in the 2022-2025 Dashboard are indicated <i>in italics</i>.</p> <p><b>Climate change mitigation:</b></p> <ul style="list-style-type: none"> <li>• Amount of corporate financing contributing to the energy transition and to sectors considered as contributing directly to the achievement of UN SDGs (2018 baseline: EUR 168 billion ; 2021 target: increase by €10 billion per year on average over the 2019-2021 period; 2021 results: EUR 244 billion).</li> <li>• Financing for renewable energies (2018 baseline: EUR 15.4 billion; 2021 target: EUR 18 billion; 2021 results: EUR 18.6 billion).</li> <li>• Greenhouse gas emissions in teqCO2/FTE (kWh buildings and business travel) (2018 baseline: 2.45; 2021 target: 2.31; 2020 results: 1.50).</li> <li>• <i>Amount of support for our clients in the transition to a low-carbon economy (2025 target: EUR 200 billion).</i></li> </ul>	<p>See ‘<b>The CSR Policy Management Dashboard</b>’ (<a href="#">2021 URD</a>, p. 582)  ‘<b>BNP Paribas’ public positions</b>’ (<a href="#">2021 URD</a>, p. 583)  ‘<b>Strong involvement in the work of the United Nations Principles for Responsible Banking</b>’ (<a href="#">2021 URD</a>, p. 589)  ‘<b>Strengthening of ESG financing and investment criteria</b>’ (<a href="#">2021 URD</a>, p. 596)  ‘<b>Expanding the ESG analysis with a new risk assessment tool: the ESG Assessment</b>’ (<a href="#">2021 URD</a>, p. 596)  ‘<b>Providing assistance to vulnerable customers</b>’ (<a href="#">2021 URD</a>, p. 624)</p>
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	<ul style="list-style-type: none"> <li>• <i>Greenhouse gas emissions in teqCO<sub>2</sub>/FTE (kWh buildings and business travel) (2025 target: 1.85).</i></li> </ul> <p>Besides, BNP Paribas announced a strategy for a complete exit from the thermal coal value chain by 2030 in the European Union and OECD countries, and by 2040 in the rest of the world, which another high-profile/high-impact target the Group publicly committed to with regards to <b>Climate Change mitigation</b>. Beyond coal, BNP Paribas is aware of the impact of the use of fossil fuels in climate change and has also committed to reducing its credit exposure to oil and gas exploration and production activities by 12% by 2025, in line with the NZE scenario of the IEA. This commitment will be supplemented by targets for reducing greenhouse gas emissions across the entire oil and gas value chain in 2022.</p> <p><b>Financial inclusion:</b></p> <ul style="list-style-type: none"> <li>• Amount of corporate financing contributing to the energy transition and to sectors considered as contributing directly to the achievement of UN SDGs (2018 baseline: EUR 168 billion ; 2021 target: increase by €10 billion per year on average over the 2019-2021 period ; 2021 results : EUR 244 billion).</li> <li>• Support (financing, investments on behalf of the bank and third parties) to associations and Social and Solidarity Economy enterprises (2018 baseline: EUR 5.6 billion ; 2021 target: EUR 6.3 billion ; 2021 results : EUR: 6.8 billion).</li> </ul>	
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- *Number of beneficiaries of products and services supporting financial inclusion (2025 target: 6 million beneficiaries).*

Besides, BNP Paribas, as one of the founding signatory of the PRB's **Commitment to Financial Health and Inclusion** (issued in December 2021), will develop indicators to improve inclusive finance practices over the next eighteen months and report against them in its public disclosures after that.

**Biodiversity:**

- *Amount of financing to companies contributing to the protection of terrestrial and marine biodiversity (2025 target: EUR 4 billion).*

Besides, BNP Paribas made new commitments within the Aact4nature initiative in 2021 (to assess all of its corporate clients on biodiversity-related criteria by 2025 ; to dialogue with its customers active in commodities and in sensitive countries, asking them to demonstrate their commitment to combating deforestation; and to roll out training programmes on biodiversity protection for all employees), and their alignment with SMART tenets has been validated by a multistakeholder steering committee. Two experts of the Group are members of the newly launched Taskforce on Nature-related Financial Disclosures (TNFD). The TNFD aims to define a common methodological framework to better assess the dependencies, impacts and risks related to biodiversity for companies and the financial sector.

BNP Paribas is fully aware that all projects can have potential negative consequences and impacts. Identifying, addressing and, as much as possible, mitigating these risks



	<p>is a key concern of the Group, which has developed to this end a comprehensive framework devoted to the management of ESG risks. Project financing is especially addressed through the Group commitment to the Equator Principles (since 2008) and the deployment and implementation of BNP Paribas' sectoral policies (eg agriculture, unconventional oil &amp; gas, mining...), which contain stringent ESG criteria that projects must abide by in order to benefit from the support of the Group.</p> <p>These above mentioned targets have been set after extensive assessments, researches and dialogue with expert stakeholders, in order to be both ambitious (and thus impactful) and achievable. The potential negative impacts of these objectives were also considered: while they were found to be not significant for <b>Financial Inclusion</b> (ie there is no identified potential negative impact to be mitigated should the aforementioned targets be achieved), the subject of "just transition" (accompanying the transition of clients in order to let them the time and resources to shift their business model in line with sustainability targets) is pivotal for <b>Climate Change mitigation</b> and Biodiversity, as stopping to support companies active in sectors at high climate change and biodiversity risks can have a negative impact on local development and result in job losses. Therefore, the Group is keen to engage with its potentially impacted clients during the drafting and implementation phases of its ESG policies, in order to facilitate the understanding and application of the latter.</p>	
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Finally, BNP Paribas has also committed to have all its large corporate clients assessed against the 5 modules of its ESG Assessment by the end of 2023. **Climate change** and **Biodiversity** are two of the specific themes covered by dedicated ESG Assessment modules, providing additional SMART targets for concerned areas of most significant impact.

**BNP Paribas statement on Target Setting requirements:**

The 2022-2025 CSR Dashboard of BNP Paribas set SMART targets on all three significant impact areas the Group selected (previously, only **Climate Change mitigation** and **Financial Inclusion** were covered), and thus will help to fulfil the requirements under this section.





<p><b>2.3 Plans for Target Implementation and Monitoring:</b></p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets.</p>	<p>BNP Paribas has taken actions to ensure that it will be in capacity to meet the targets described in the precedent sections. Annual advancement on the KPIs of its CSR Dashboard is provided in the <i>Universal Registration Documents</i> (URDs), and additional qualitative reporting, describing the actions taken and the results obtained from one year to the next in terms of extra-financial performance, is exposed in the chapter 7 of BNP Paribas URDs.</p> <ul style="list-style-type: none"> <li>• For <b>Climate change mitigation</b>, refer to Commitments #3 (Economic responsibility), 10, 11 and 12 (Environmental responsibility). Besides, this issue is also comprehensively tackled in BNP Paribas TCFD reports and Alignment report (to be issued in S1 2022).</li> <li>• For <b>Financial inclusion</b>, refer to Commitment #1 (Economic responsibility) and #7 (Civic responsibility).</li> <li>• For <b>Biodiversity</b>, refer to Commitments #3 (Economic responsibility), 10, 11 and 12 (Environmental responsibility). Besides, BNP Paribas is closely following the work of the TNFD (and is a participant in the latter), and will align its reporting on this matter with the TNFD guidelines after they would have been issued.</li> </ul>	<p>See ‘The CSR Policy Management Dashboard’ (<a href="#">2021 URD</a>, p. 582)</p> <p>‘Economic responsibility’ (<a href="#">2021 URD</a>, p. 588)</p> <p>‘Civic responsibility’ (<a href="#">2021 URD</a>, p. 622)</p> <p>‘Environmental responsibility’ (<a href="#">2021 URD</a>, p. 630)</p> <p><a href="#">‘BNP Paribas 2020 TCFD Report’</a></p>
<p><b>BNP Paribas statement on Target Implementation and Monitoring requirements:</b></p> <p>The comprehensive, both at quantitative and qualitative levels, extra-financial disclosure published by the Group, fulfils the PRB requirements regarding Plans for Target Implementation and Monitoring.</p>		

<p><b>2.4 Progress on Implementing Targets:</b></p> <p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><i>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</i></p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>Regarding the aforementioned targets:</p> <p><b><u>Climate change mitigation:</u></b></p> <p>Amount of corporate financing contributing to the energy transition and to sectors considered as contributing directly to the achievement of UN SDGs (target: increase by EUR 10 billion per year on average over the 2019-2021 period) :</p> <p>BNP Paribas has increased its financing towards companies and projects contributing to the energy transition and the achievements of the SDGs in line with its commitment on the matter, notably through the development and mainstreaming of innovative products and services, such as sustainability-linked loans (SLL), sustainability deposits, cross-currency sustainability-linked swaps, green bonds or positive impact bonds. BNP Paribas, which is one of the leaders in the sector of SLL, was ranked second for the Europe, Middle East and Africa (EMEA) region by Dealogic at the end of 2021. BNP Paribas was also the second largest global player in green bonds in 2021, according to the same source.</p> <p>With EUR 244 billion of corporate financing contributing to the energy transition and to sectors considered as contributing directly to the achievement of UN SDGs at end 2021, <b>BNP Paribas went beyond its target.</b></p> <p>Financing for renewable energies (target: EUR 18 billion at end 2021) :</p> <p>As it was the case in the past years, BNP Paribas was a major player in the financing of renewable energies project in 2021. Major achievements include the co-arrangement and co-coordination for the syndication of the Vineyard Wind project in the United States, the first large-scale offshore wind project in this country with a capacity of 800 MW, and the implementation in China of the TESS joint venture between</p>	<p>See 'The CSR Policy Management Dashboard' (<a href="#">2021 URD</a>, p. 582)</p> <p>'Supporting the transition by offering a wide range of sustainable products' (<a href="#">2021 URD</a>, p. 589)</p> <p>'Financing social entrepreneurship' (<a href="#">2021 URD</a>, p. 590)</p> <p>'Increased support for renewable energy' (<a href="#">2021 URD</a>, p. 631)</p> <p>'Ongoing efforts to save energy and improve energy efficiency in our operations' (<a href="#">2021 URD</a>, p. 635)</p>
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	<p>TotalEnergies and Envision Energy, a Chinese renewable energy company, which aims to install 170 MW of photovoltaic panels on roofs in the country.</p> <p>At the end of 2021, the amount of financing for the renewable energy sector was EUR 18.6 billion. Thus, <b>BNP Paribas went beyond its target.</b></p> <p>Greenhouse gas emissions in teqCO<sub>2</sub>/FTE (kWh buildings and business travel) (target: 2.31 teqCO<sub>2</sub>/FTE at end 2021):</p> <p>BNP Paribas has implemented actions and programmes to jointly reduce greenhouse gas emissions (mainly caused by buildings energy consumptions and business travels) and use low-carbon electricity. At end of 2020, BNP Paribas had already gone further than its 2021 GHG emissions target (1.80 teqCO<sub>2</sub>/FTE, versus a target of 2.31). This good performance was impacted by the 2020 health crisis, but is also aligned with the actions undertaken in the long term to reduce GHG emissions at Group level. Besides, the Group offsets its residual emissions since 2017.</p> <p>At the end of 2021, the GHG emissions in teqCO<sub>2</sub>/FTE (kWh buildings and business travel) was 1.50. Thus, <b>BNP Paribas went beyond its target.</b></p> <p><b>Financial inclusion:</b></p> <p>Amount of corporate financing contributing to the energy transition and to sectors considered as contributing directly to the achievement of UN SDGs (target: increase by EUR 10 billion per year on average over the 2019-2021 period) :</p> <p><i>See above.</i></p> <p>Support (financing, investments on behalf of the bank and third parties) to associations and Social and Solidarity Economy enterprises (target: EUR 6.3 at end 2021) :</p>	
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BNP Paribas achieved its goal of EUR 6.3 billion of support to associations and SSE business one year before due. Due to the specific context of the health crisis, 2020 and 2021 were marked by intense work to support social enterprises during these trying times.

At the end of 2021, BNP Paribas support to associations and Social and Solidarity Economy enterprises was EUR 6.8 billion. Thus, **BNP Paribas went beyond its target.**

**Biodiversity:**

Amount of financing linked to criteria related to the protection of terrestrial and marine biodiversity (target: EUR 4 billion at end 2025):

This is a recently set target (that was updated in the course of 2021, from an initial objective of EUR 3 billion, on terrestrial biodiversity alone), upon which BNP Paribas will report in the course of the coming months, through its ESG disclosure.

The progress made over the last 12 months towards achieving the aforementioned targets is described within section 2.2. Most of these targets were KPIs set as part of the 2019-2021 triannual plan, and all targets were met and exceeded at the end of 2021. The KPIs set as part of the 2022-2025 CSR Dashboard will be subjected to the same kind of annual reporting in BNP Paribas upcoming *Universal Registration Documents*.

**BNP Paribas statement on Process on Implementing Targets requirements:**

The comprehensive, both at quantitative and qualitative levels, extra-financial disclosure published by the Group, fulfils the PRB requirements regarding Progress on Implementing Targets.

**Principle 3: Clients and Customers**

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

**3.1** *Provide an overview* of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

Establishing and fostering responsible relationships with all its customers is a priority for BNP Paribas, in line with its commitment to the respect of the most rigorous ethical standards. BNP Paribas Code of Conduct, which was updated in 2021, and Responsible Business Principles of BNP Paribas serve as basis, Group-wide policies and tenets of this ambition

Protecting clients’ interests and supporting vulnerable customers:

Protecting clients’ interests is a major concern for BNP Paribas. Therefore, the Group has chosen to place this issue at the heart of its Code of conduct (that is subjected to a mandatory, all-staff training) and has set up a dedicated expert group within the Group Compliance teams. Protecting clients’ interests is based in particular on the Code of conduct and the Clients’ Interests Protection (CIP) policy which now also includes the management of client complaints. This Group-wide policy details rules that must be abide by to ensure the mitigation of the following major generic risks: product and service suitability, information provided, CIP-related conflicts of interests, managing client complaints.

BNP Paribas also makes every effort to pay particular attention to customers in vulnerable situations and to facilitate their access to banking services. Hence, the Bank has introduced systems for customers with disabilities or reduced mobility by promoting better accessibility to its products or services. Moreover, the

See ‘**Protecting clients’ interests**’ ([2021 URD](#), p. 593)  
 ‘**The fight against tax evasion**’ ([2021 URD](#), p. 593)  
 ‘**Customers experiencing financial difficulties and the access to credit facilities**’ ([2021 URD](#), p. 624)  
 ‘**Financial issues training**’ ([2021 URD](#), p. 625)  
 ‘**Financial Security**’ ([Code of Conduct](#), p. 16)  
 ‘**Market Integrity**’ ([Code of Conduct](#), p. 18)  
[Tax Code of Conduct](#)

	<p>Group is committed to ensure easier access to credit, but also to the prevention of over-indebtedness. For instance, the French Retail Banking has developed, with several members of “Companies for a More Inclusive Economy” association, the AXELLE platform for customers in difficulty, who can access to inclusive offers on essential products and services to reduce their spending constraints, and support with their job search. Another high profile example is the development of Nickel, a Group subsidiary providing an easy access to basic banking services to a public of (mostly) vulnerable customers. At end of 2021, 2.3 million accounts had been opened.</p> <p>As financial education has demonstrated its effectiveness in combating excessive indebtedness and encouraging economic growth, several Group entities deploy training programmes in several countries (TEB in Turkey, BICICI in Ivory Coast).</p> <p><u>Complying with regulations:</u></p> <p>The BNP Paribas Group is dedicated to serving its customers. At the same time, the Group always needs to be conscious of the impact its actions can have on wider society.</p> <p>The BNP Paribas Group is committed to complying with all applicable laws for preventing criminal and terrorist activities, and to upholding international action that is conducted through the financial industry. The Group is also committed to upholding and protecting the integrity of markets. Anti-competitive behaviour is rejected and the Group is committed to building upon a culture of responsibility and integrity to better serve the interests of its customers.</p>	
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	<p>Moreover, compliance with all tax obligations is one of the BNP Paribas Group's commitments in terms of economic, social, civic and environmental responsibility. The tax compliance of transactions intended to meet its needs or those of its clients is therefore a major objective of the Group's governance, which, for this purpose, has defined principles and procedures applicable to all transactions in which the Group is a stakeholder. These elements are included in the BNP Paribas Group's Tax code of conduct. As stated herein, the Group takes the greatest care in ensuring the tax compliance of its clients and is prohibited from participating in transactions for the benefit of its clients that could lead to an undue tax advantage.</p>	
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<p><b>3.2</b> Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities.</p>	<p>BNP Paribas has been encouraging sustainable practices from its clients and customers through various and complementary means. The Group has embedded its ambition to help its commercial counterparts to implement more responsible practices by setting a number of KPIs devoted to these stakeholders in its new CSR dashboard (all targets to be achieved by 2025):</p> <ul style="list-style-type: none"> <li>• EUR 150 bln of sustainable loans;</li> <li>• EUR 200 bln of sustainable bonds;</li> <li>• EUR 300 bln of sustainable investments;</li> <li>• EUR 200 bln to support clients to transition to a low-carbon economy;</li> <li>• EUR 4 bln financing to companies contributing to protect terrestrial and marine biodiversity.</li> </ul> <p><b>Encouraging sustainable practices:</b></p> <p>Corporate clients are subjected to a comprehensive and regularly strengthened ESG risk management system, which ensure that the Group does not finance or invest in companies or projects that are not in line with its CSR Strategy and policies. Through frequent updates and strengthening of its tools (KYC questionnaires, screening grids...) and sector policies (agriculture, mining, defence, unconventional oil &amp; gas...), BNP Paribas also contributes to the evolution and improvement of its client sustainable performances.</p> <p>In addition to the aforementioned ESG risk assessment tools, a new ESG assessment framework has been deployed since June 2021: the ESG Assessment. It makes it possible to identify, assess and monitor the</p>	<p>See 'The CSR Policy Management Dashboard' (<a href="#">2021 URD</a>, p. 583)</p> <p>'Supporting the transition by offering a wide range of sustainable products' (<a href="#">2021 URD</a>, p. 589)</p> <p>'Financing impact entrepreneurship' (<a href="#">2021 URD</a>, p. 590)</p> <p>'Expanding the ESG analysis with a new risk assessment tool: the ESG Assessment' (<a href="#">2021 URD</a>, p. 624)</p> <p>'A major player in green bonds' (<a href="#">2021 URD</a>, p. 631)</p> <p>'Financial innovation supporting the transition' (<a href="#">2021 URD</a>, p. 631)</p> <p>'The creation of the Low-Carbon Transition Group' (<a href="#">2021 URD</a>, p. 632)</p> <p>'Fully supporting corporate clients in their energy and environmental transition' (<a href="#">2021 URD</a>, p. 632)</p> <p>'Loans to individuals to support the energy renovation of homes and more sustainable mobility' (<a href="#">2021 URD</a>, p. 633)</p> <p>'Raising the awareness of individual customers about their carbon footprint' (<a href="#">2021 URD</a>, p. 633)</p> <p>'Statement on Modern Slavery and Human Trafficking' (<a href="#">2021 URD</a>, p. 649)</p>
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	<p>performance and ESG risks of corporate clients by sector with a common approach within the Group for a given customer segment. It covers the environmental (climate and biodiversity), social (health, safety and impact on communities) and governance (business ethics) dimensions through a set of questions, supplemented by an analysis of the controversies affecting the client. The questionnaires developed in this context are specific to each sector in order to better integrate the challenges and issues specific to their activities.</p> <p>BNP Paribas committed to have all of its large corporate clients assessed through ESG Assessments by the end of 2023.</p> <p>Complementary to this risk-driven approach, the also Group offers to support its clients throughout their energy and ecological transition strategy, which may cover efforts to reduce their energy consumption (energy efficiency), decarbonise it, offset their residual greenhouse gas emissions, or develop more circular business models to minimise their impact on biodiversity, and is a major player in this field:</p> <ul style="list-style-type: none"> <li>• BNP Paribas, is one of the leaders in the sector of Sustainability-Linked Loans, and was ranked second for Europe, Middle East and Africa (EMEA) by Dealogic at the end of 2021. In total, EUR 23.4 billion of SLL were directly underwritten by the Bank in 2021 ;</li> <li>• In 2021, BNP Paribas was ranked second 2nd global player in the green bond market by Dealogic (and number one in EMEA), with EUR</li> </ul>	
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	<p>23.8 billion as bookrunner for its clients. The Group is present in the full range of bond issues that finance its clients’ transition to a sustainable economy;</p> <ul style="list-style-type: none"> <li>• In order to offer its large corporate clients short-term investment solutions in line with the SDGs, since 2020, BNP Paribas has developed a short-term investment offering, the Sustainable Deposit, in which amounts increased more than doubled in one year;</li> <li>• Since 2015, BNP Paribas has launched a range of indices taking into account of ESG criteria on various topics such as climate, water or diversity. At the end of 2021, the assets of these indices ESG amounted to 5.3 billion euros.</li> <li>• In 2021, BNP Paribas created the Low-Carbon Transition Group, a dedicated internal organisation to support its international corporate and institutional clients in accelerating their transition to a sustainable and low-carbon economy. One hundred new hires will be added to a team of two hundred and fifty professionals. This system will provide its customers with the Group’s banking and non-banking expertise, particularly in terms of clean energy, mobility and eco-responsible real estate.</li> </ul> <p>The Group has launched several applications to help its customers assess their carbon footprint and become a player in reducing it:</p> <ul style="list-style-type: none"> <li>• In France, BCEF has deployed the <i>Mon Empreinte Carbone</i> (My Carbon Footprint) application with</li> </ul>	
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	<p>the French start-up Greenly on the MaBanque BNPP and Hello bank! mobile applications to enable customers to estimate the carbon footprint of their spending.</p> <ul style="list-style-type: none"> <li>• At Findomestic in Italy, a credit card application was set up, in partnership with the Swedish firm Doconomy.</li> <li>• In Poland, BNP Paribas Bank Polska offers a multi-bank expenditure management tool, GreenUp, which helps them reduce their greenhouse gas emissions and raises awareness of the use of water related to the products purchased.</li> <li>• Lastly, with Arval, long-term vehicle rental companies can visualise the environmental impact of their journeys.</li> </ul> <p>In the various countries where it operates, the Group supports its customers in carrying out energy audits and renovating their homes:</p> <ul style="list-style-type: none"> <li>• French Commercial Banking has co-developed the “monprojetrenovation.com” website, which offers a complete programme, from energy diagnostics to identifying eligible subsidies and tax credits. In addition, it offers Énergibio loans at preferential rates (0% or 1%), dedicated to financing renovation work. In November 2021, the volume of Energibio loans doubled compared to 2020.</li> <li>• Also in France, BNP Paribas Personal Finance is continuing its alliance with EDF in Domofinance, one of the only two players in France offering an energy renovation project adapted to condominiums. In Paris, Domofinance</li> </ul>	
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	<p>supported a EUR 12 million multi-building renovation of EUR 12 million with the aim of halving its energy consumption. BNP Paribas Personal Finance has also developed offers in the United Kingdom and the Czech Republic to support clients in their renovation projects.</p> <ul style="list-style-type: none"> <li>• In Belgium, BNP Paribas Fortis is the first bank in the country to collaborate with the independent foundation Energy Efficient Mortgage Label, whose European label validates the ecological purpose of the green home loans granted, and gives entitlement to an advantageous rate. At the end of 2021, these green loans amounted to EUR 3.57 billion, taking into account the latest interpretations of the European Taxonomy.</li> <li>• In the field of sustainable mobility, the BNP Paribas Personal Finance subsidiary, which specialises in consumer credit, is developing innovative offers to help its customers acquire more environmentally-friendly goods, including charging stations for electric vehicles or products to insure them.</li> <li>• In Luxembourg, BGL BNP Paribas offers a green mobility loan: a personal loan with an advantageous interest rate to finance the purchase of a plug-in electric or hybrid car, the installation of a home charging station and assistance with obtaining the state bonus.</li> </ul> <p><b><u>Enabling sustainable economic activities:</u></b></p> <p>BNP Paribas is a strong supporter of the energy transition, and is among the first financiers of renewable energies (see above). The Group is also a long-time supporter of microfinance (since 1989) and social</p>	
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	<p>business. In 2021, total support for social enterprises and Microfinance institutions (“MFIs”) (financing, investments on its own behalf or on behalf of third parties) amounted to EUR 2.35 billion worldwide.</p>	
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**Principle 4: Stakeholders**

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.

**4.1** Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank’s impacts.

Dialogue with stakeholders is at the heart of BNP Paribas’ actions to promote social and environmental responsibility. This dialogue has a three-fold objective: anticipating change in our businesses developments and improving our products and services, optimising risk management, and finding innovative solutions that positively impact society. The following is a brief overview of how the Group interacts with its main stakeholders

- Dialogue with the **employees** or employee representatives are described in the social pillar of BNP Paribas *Universal Registration Documents*. Employees may use the Company’s whistleblowing system.
- **Individual and small business clients** of all French Retail Banking entities have access to a **complaint management** system. Numerous entities provide their clients with the opportunity to use an independent ombudsman.
- In the framework of its asset management activities, **BNP Paribas Asset Management** engages with **companies in which the entity invests** on ESG) topics in order to preserve, or even enhance, the medium and long-term value of the investments made on behalf of its clients. In 2021, discussions focused on energy transition, biodiversity, equality, human rights and corporate governance. BNP Paribas Asset Management supports the ESG commitments of these companies through its voting rights policy.

See ‘Think tanks’ ([2021 URD](#), p. 584)  
 ‘Fostering dialogue with stakeholders’ ([2021 URD](#), p. 586)

	<ul style="list-style-type: none"> <li>• BNP Paribas regularly exchanges with its main <b>suppliers</b> primarily through business reviews, annual “Partners for Strategic Sourcing” events dedicated to the Group’s key suppliers, and satisfaction surveys (SME Pact Barometer). The Group also offers them a redress procedure in case of difficulties. In France, an <b>internal mediator</b> can be contacted by any supplier in the event of a dispute. One referral was recorded in 2021 compared to seven in 2020.</li> <li>• BNP Paribas presents its CSR strategy to investors several times a year and regularly informs extra-financial analysts. <b>97 different investors</b>, based in Europe and North America, were met at least once in 2021 on ESG topics.</li> <li>• The Group has defined a policy and a management process for its relations with <b>advocacy NGOs</b>, in order to ensure a constructive, coordinated and productive dialogue with them. In 2021, BNP Paribas had <b>119 different exchanges</b> with these NGOs throughout the world.</li> <li>• With regard to <b>regulatory organisations, governments and parliamentarians</b>, in November 2012, BNP Paribas adopted a “Charter for responsible representation with respect to the public authorities”. In 2017, BNP Paribas was registered in the digital register of lobbyists, managed by the Haute Autorité pour la Transparence de la Vie Publique (HATVP, High Authority for Transparency in Public Life). In February 2014, the Group signed the joint declaration on transparency in lobbying, introduced by Transparency International France,</li> </ul>	
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	<p>then in May 2019 its revised version, thus renewing the commitments made in 2014 as a follow-up to the provisions of the Sapin 2 law on representation of interests. The <a href="#">dedicated website</a> of its Public Affairs France Department details its work in the area of responsible representation. The Group's public positions concerning banking and financial regulations are also available on its <a href="#">website</a>.</p> <p>The stakeholder mapping and BNP Paribas' dialogue initiatives with each stakeholder are described in detail in the document "How BNP Paribas listens to and takes into account the expectations of its stakeholders". The document has been updated in 2021.</p> <p>Moreover, several members of BNP Paribas' management as well as Group experts play an active role in strategic coalitions of active markets on CSR topics, for example:</p> <ul style="list-style-type: none"> <li>• Jean-Laurent Bonnafé, Director and Chief Executive Officer of BNP Paribas, is Chairman of the <i>Entreprises pour l'Environnement</i> (EpE), is a member of the Financial Services Taskforce (FSTF), and sits on the Leadership Council of UNEP FI;</li> <li>• Laurence Pessez, Global Head of CSR of BNP Paribas, sits on the Banking Board of the PRB and is vice-President of the <i>Institut du Développement Durable et des Relations Internationales</i> (IDDRI) think tank.</li> <li>• Two BNP Paribas experts, Sébastien Soleille, Energy and Environment Transition Manager, and Robert-Alexandre Poujade, ESG analyst in charge of biodiversity at BNP Paribas Asset Management, sit in the Task force on Nature-related Financial Disclosures (TNFD).</li> </ul>	
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**Principle 5: Governance & Culture**

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.

BNP Paribas CSR/ESG Governance is well suited to the task of implementing the Group’s commitments to the PRB, as it is both multi-layered and far-reaching, allowing for top-down and bottom-up interactions.

- BNP Paribas Board of Directors, tasked with the promotion of corporate social responsibility, is given a presentation on the CSR strategy at least once a year. A specialized CGEN (Corporate Governance, Ethics, Nominations and CSR) Committee monitors CSR issues and the Group’s contribution to economic, sustainable, and responsible development.
- The Group’s Executive Committee, where the CSR Department is represented by the Head of Company Engagement, regularly decides on CSR topics. Besides, a member of the Executive Committee is responsible for CSR in each entity to ensure that CSR is integrated into the entity’s strategy.
- A dedicated department is responsible for managing the Bank’s CSR commitments, reporting to the Company Engagement Department and represented in the Group Executive Committee. The assignments and responsibilities of the CSR Function are clearly defined in a directive from the Executive Management.
- The Group CSR Department is based on a network created in 2012, which operates in the

See ‘The Board of Directors’ ([2021 URD](#), p. 52)  
 ‘CSR, taken to the highest level in the organisation’ ([2021 URD](#), p. 586)  
 ‘Strengthened governance in Sustainable Finance’ ([2021 URD](#), p. 586)  
 ‘A comprehensive ESG risk management approach’ ([2021 URD](#), p. 597)  
 ‘Financing and investment activities’ ([2021 URD](#), p. 644)



	<p>divisions, business lines, networks, departments and subsidiaries in order to facilitate the roll-out of the CSR policy across the whole Group. In total, more than 220 people spend all or a majority of their time on CSR matters within BNP Paribas. They can also call upon the expertise of nearly 440 contributors on specific topics such as direct environmental impacts, microfinance and even financing and investment policies.</p> <ul style="list-style-type: none"> <li>• For the analysis of environmental, social and governance (ESG) risks, the CSR Department relies on the various businesses, which constitute the first line of defence. The Group CSR Function supports businesses in the most complex analyses, providing its thematic and industry expertise. The Risk Management Function acts as a second line of defence for CSR assessments as part of the credit and investment decision-making process.</li> </ul> <p>In 2021, BNP Paribas governance on sustainable finance was further strengthened through the creation of three new committees:</p> <ul style="list-style-type: none"> <li>• A Sustainable Finance Strategic Committee, chaired by the Director and Chief Executive Officer, was set up. This bimonthly committee, in which members of Executive Management, the Company Engagement Department and the heads of the business lines and functions involved take part, approves the overall strategy in terms of sustainable finance, decides on the overall commitments made by the Group and the main focuses of Sustainable Finance</li> </ul>	
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	<p>commercial policies, then monitors their operational implementation.</p> <ul style="list-style-type: none"> <li>• A Sustainable Finance Infrastructure Committee was created to industrialise ESG processes, data and reporting. Its mission is to meet the growing needs of customers, regulators and investors. Around the Deputy Chief Executive Officer, it brings together key contributors from different business lines and functions.</li> <li>• Finally, an ESG Regulatory Committee at Executive Management level was set up to assess the operational consequences of the main new regulations.</li> </ul> <p>The PRB implementation will also benefit from the comprehensive ESG framework devised, expanded and regularly strengthened by BNP Paribas towards the management of its extra-financial performance. Regarding the financing and investment activities of the Group, this framework is notably based on :</p> <ul style="list-style-type: none"> <li>• The development of financing and investment policies to regulate sectors with high ESG risks. These policies, which are available on the Group’s website, are updated according to regulatory changes, their expected changes, and reports from the operational teams of the Group’s businesses;</li> <li>• The respect of the Equator Principles for major industrial and infrastructure projects. BNP Paribas has been a signatory to the Equator Principles since 2008: they aim to avoid, reduce, mitigate or offset the negative impacts of large</li> </ul>	
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	<p>industrial or infrastructure projects on communities, ecosystems or the climate;</p> <ul style="list-style-type: none"> <li>• The integration of ESG criteria into the “Know Your Customer” process (KYC);</li> <li>• A progressive integration of ESG criteria into lending and rating policies;</li> <li>• The development and use of tools to manage and monitor such risks, such as specific questionnaires for activities that have salient risks;</li> <li>• Training on ESG risk management systems for Financing business lines and Control functions;</li> <li>• An operational control plan</li> </ul>	
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<p><b>5.2</b> Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Responsibility and compliance culture are a strength and a driving force of BNP Paribas. It expected from all the Group employees to abide by these principles at all time, as stated in BNP Paribas Code of Conduct. In 2021, the Code was enriched and updated on the following topics: the fight against corruption, the energy transition, competition law and respect for colleagues. The fostering of a culture of responsible banking among the Group employees is notably built on:</p> <ul style="list-style-type: none"> <li>• General awareness of the tenets of the Code of Conduct: a new training course, the “Conduct Journey”, mandatory for all employees, was launched in July 2021. This course, to be completed by new hires and every two years by all employees, brings together most of the Group’s mandatory awareness training sessions around the Code of conduct. 96,5% of the Group’s employees completed the first part of the training course (with the second part being rolled out in 2022) in 2021.</li> <li>• Comprehensive training programmes, with special care for matters of ethics and conduct, as demonstrated by the inclusion of a related KPI within the Group CSR Dashboard. As examples of the high rate of completion, in 2021 :             <ul style="list-style-type: none"> <li>○ 98% of the Group’s employees followed the online training on international sanctions and embargoes.</li> <li>○ 96.6% of the Group’s employees took part in the anti-money laundering and terrorist financing training.</li> </ul> </li> </ul>	<p>See ‘<b>Compensation of Executive Management</b>’ (<a href="#">2021 URD</a>, p. 82-87)  ‘<b>The CSR Policy Management Dashboard</b>’ (<a href="#">2021 URD</a>, p. 582)  ‘<b>Ethics of the highest standards</b>’ (<a href="#">2021 URD</a>, p. 592)  ‘<b>A comprehensive ESG risk management approach</b>’ (<a href="#">2021 URD</a>, p. 596)  ‘<b>A socially responsible, fair and competitive compensation policy</b>’ (<a href="#">2021 URD</a>, p. 612-613)  ‘<b>BNP Paribas is committed to respecting human rights</b>’ (<a href="#">2021 URD</a>, p. 626-628)  ‘<a href="#">Code of Conduct</a>’  ‘<a href="#">Summary of BNP Paribas’s Internal Whistleblowing framework</a>’  ‘<a href="#">Dix dirigeants de grandes sociétés se mobilisent : "Les réfugiés sont des talents pour nos entreprises"</a>’</p>
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	<ul style="list-style-type: none"> <li>○ A new module called “Personal Data Protection Awareness” was rolled out. This made it easier for 95% of the Group’s employees to understand their responsibilities in terms of data protection.</li> </ul> <p>More generally, training of the workforce is a priority of the Group. The proportion of employees who completed at least two training courses during the previous 12 months is thus a KPI of the BNP Paribas’ CSR Dashboard, with a target of at least 90% by the end of 2021. With a result of 98.3%, BNP Paribas went further than its objective. One of the Group newly set KPIs (in the 2022-2025 CSR Dashboard) will track the rate of employees who completed at least four training courses on an annual basis, with a target of 90%.</p> <p>Trainings and e-learnings dedicated to the ESG commitments, policies and tools implemented by the Group are regularly offered to the employees tasked with their operational monitoring (as well as being generally freely available on the Group’s intranet). In 2021, emphasis was placed on training the Bank’s two lines of defence in terms of ESG risk management: the Risk Officers &amp; Senior Credit Officers who, in second line, are responsible for analysing files as part of the credit process. In 2021, over 40,000 employees attended one or more ESG training courses offered by the functions or business lines.</p>	
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	<ul style="list-style-type: none"> <li>• BNP Paribas has a dedicated internal ethics alert (whistleblowing) system, based on dedicated communications channels, available to employees on the intranet. Every employee has the right to report ethics violations and the ethics alert policy guarantees employees exercising this right protection against the risk of retaliation for having launched an internal alert in good faith. A description of the whistleblowing system set up by the Group is available on the BNP Paribas corporate website.</li> <li>• Integration of the results obtained on the CSR Dashboard's KPIs in the retention-plan (GSIS) of more than 7,000 top employees of the Group, as well as in the variable annual remuneration of the Executive Management.</li> <li>• Finally, BNP Paribas Executive and Senior Managers are regularly using their media platform and role of representatives in business initiatives and coalitions to discuss sustainability matters. For instance, Jean-Laurent Bonnafé, co-signed, with 9 other CEOs of large French corporates, a collective statement in favor of the support and integration refugees in <i>Le Journal du Dimanche</i> in June 2021.</li> </ul>	
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<p><b>5.3 Governance Structure for Implementation of the Principles:</b></p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> <li>a) target-setting and actions to achieve targets set</li> <li>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</li> </ul>	<p>BNP Paribas has undertaken numerous commitments, and developed robust policies and mechanisms to ensure they are consistently applied. The Principles for Responsible Banking of the United Nations, and the commitments that are attached to them, thus benefit from the advanced and extended governance structure and control mechanisms BNP Paribas has put in place to address and monitor extra financial matters with all due diligence and seriousness. Please see the description of the CSR governance structure of BNP Paribas above.</p> <p>The Group regularly reviews the commitments it has undertaken, in order to monitor progress and where needed, adjust its actions towards the achievement of its goals.</p> <p>The Company Engagement Direction has been specifically tasked with defining and implementing commitments concerning economic growth, expansion, environment and energy transition, social inclusion and local development, diversity and promotion of human rights, all subjects considered significant impact areas by the PRB.</p> <p>Employees of the Company Engagement Direction act as points of contact with the PRB on each of the three areas of most significant impact the Group has chosen to specifically report against:</p> <ul style="list-style-type: none"> <li>• For <b>Climate Change mitigation</b>, Nathalie Jaubert, Deputy Director of Group CSR.</li> <li>• For <b>Financial Inclusion</b>, Claudia Belli, Head of Advocacy and Financial Inclusion.</li> <li>• For <b>Biodiversity</b>, Sébastien Soleille, Energy and Environment Transition Manager</li> </ul>	<p>See ‘Our corporate social responsibility strategy (CSR)’ (<a href="#">2021 URD</a>, p. 581)</p> <p>‘The CSR Policy Management Dashboard’ (<a href="#">2021 URD</a>, p. 582)</p> <p>‘BNP Paribas’ public positions’ (<a href="#">2021 URD</a>, p. 583)</p> <p>‘Code of conduct’ (<a href="#">2021 URD</a>, p. 592)</p>
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	<p>Besides, Laurence Pessez, Global Head of CSR of the BNP Paribas Group, sits on the Banking Board of the PRB.</p> <p>BNP Paribas is also deeply attached to fostering a culture of responsible banking among its employees. As stated in its <i>Code of Conduct</i>, that was reviewed in 2021, BNP Paribas expects from all its employees to abide by the highest standards of ethics. Training on the key tenets of the Code of Conduct is mandatory, and one of the KPIs of BNP Paribas 2018 – 2021 CSR Dashboard (at end 2021, cover rate reached 98,7%).</p> <p>A new training course, the “Conduct Journey”, mandatory for all employees, was launched in July 2021. This course, to be completed by new hires and every two years by all employees, brings together most of the Group’s mandatory awareness training sessions around the <i>Code of Conduct</i>.</p>	
<p><b>BNP Paribas statement on Governance Structure requirements:</b>                  BNP Paribas CSR governance is well suited to the implementation of the PRB within the Group.</p>		

**Principle 6: Transparency & Accountability**

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.

**6.1 Progress on Implementing the Principles for Responsible Banking**

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

BNP Paribas has progressed in the implementation of the six Principles of the PRB in a number of ways. The Chapter 7 of the Group’s *Universal Registration Documents* provide a comprehensive overview of the CSR Strategy, policies, actions and achievements of BNP Paribas from one year to the next. The following examples could be complemented by others, taken from the Group’s disclosures :

**Principle 1 (Alignment):**

BNP Paribas has taken measures to align its strategy with the achievement of SDGs and Paris Agreement. In 2021, the Group notably expressed this longstanding commitment by joining the Net Zero Banking Alliance (NZBA) upon its launch in April. The NZBA signatories pledge to finance a carbon-neutral world by 2050, which corresponds to a limited increase in temperature of 1.5°C compared to the pre-industrial era. As a Katowice bank, BNP Paribas had also been very active in developing alignment methodologies, and especially PACTA, over the past few years.

BNP Paribas supports and implements the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and published its second TCFD report in May 2021.

Finally, BNP Paribas reported on its eligible activities under the meaning of the newly issued European

See ‘**The CSR Policy Management Dashboard**’ ([2021 URD](#), p. 582)  
 ‘**BNP Paribas’ public positions**’ ([2021 URD](#), p. 583)  
 ‘**CSR, taken to the highest level in the organisation**’ ([2021 URD](#), p. 586)  
 ‘**Fostering dialogue with stakeholders**’ ([2021 URD](#), p. 586)  
 ‘**Federating financial institutions in coalitions around ambitious objectives and development of shared methodologies**’ ([2021 URD](#), p. 589)  
 ‘**Supporting the transition by offering a wide range of sustainable products**’ ([2021 URD](#), p. 589)  
 ‘**Ethics of the highest standard**’ ([2021 URD](#), p. 592)  
 ‘**An adapted training programme**’ ([2021 URD](#), p. 597)  
 ‘**Customers experiencing financial difficulties and the access to credit facilities**’ ([2021 URD](#), p. 624)  
 ‘**Eligible activities under the meaning of the European taxonomy**’ ([2021 URD](#), p. 655)  
 ‘**Grenelle II Table of concordance, GRI, ISO 26000, Global Compact, Sustainable Development Goals, Principles for Responsible Banking**’ ([2021 URD](#), p. 659)  
 ‘[BNP Paribas Position on Biodiversity](#)’  
 ‘[2020 TCFD Report](#)’  
 ‘[2020 Integrated Report](#)’  
 ‘[2021 CDP Questionnaire \(completed\)](#)’



	<p>Taxonomy (bound to become a standard of reference in terms of sustainable finance in the years to come) in its <i>2021 URD</i>.</p> <p><b>Principle 2 (Impact &amp; Target Setting):</b></p> <p>2021 was the final year of the 2018-2021 CSR dashboard of BNP Paribas, and ended with the Group meeting/exceeding its targets on all but one case (not linked to the issues covered in this reporting). A new CSR Dashboard has been set up and featured in the <i>2021 URD</i> of the Group, for the 2022-2025 period. Detailed information on the existing and newly launched targets assessing BNP Paribas performance on the <b>Climate Change mitigation</b>, <b>Financial Inclusion</b> and <b>Biodiversity</b>, is provided in the previous sections of this document.</p> <p><b>Principle 3 (Customers &amp; Clients):</b></p> <p>BNP Paribas continued to increase its offer of innovative, sustainable products and services, to new geographical areas and new sectors. In particular, for its corporate clients, the following products were proposed:</p> <ul style="list-style-type: none"> <li>• Sustainability Linked Loans (SLL) allow adjustment of the loan rate according to the achievement of environmental and/or social objectives by the borrower. Having primarily targeted large corporates, SLLs are now available to companies of all sizes and in all sectors, including investment funds, such as the SLL of EUR 3.2 billion in favour of the BPEA Private Equity Fund in Asia. BNP Paribas, one of the leaders in this sector, was</li> </ul>	
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	<p>ranked second for Europe, Middle East and Africa (EMEA) by Dealogic at the end of 2021. In total, EUR 23.4 billion of SLL were directly underwritten by the Bank in 2021 ;</p> <ul style="list-style-type: none"> <li>• Following the first issues of a Sustainability-Linked Bond (SLB) in 2019, BNP Paribas has rolled out this product for both corporate and sovereign clients. For example, in 2021, BNP Paribas was joint bookrunner of the bond issued by the UK government for £10 billion with a term of 12 twelve years. This issue is the largest sustainable sovereign bond issue. In 2021, BNP Paribas is the world leader in the SLB market with a total amount of sustainable bonds of EUR 5.4 billion ;</li> <li>• In addition, in order to offer its large corporate clients short-term investment solutions in line with the SDGs, since 2020, BNP Paribas has developed a short-term investment offering, the Sustainable Deposit in which amounts more than doubled in one year ;</li> <li>• In 2021, the range of sustainable products continued to expand with cross-currency sustainability-linked swaps which make it possible to link the guaranteed exchange rate between the dollar and the euro to extra-financial indicators.</li> </ul> <p>BNP Paribas corporate clients could also rely on the expertise of the newly (2021) Low-Carbon Transition Group, to accelerate their transition towards a decarbonized economy. This group brings together</p>	
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	<p>more than 250 professionals worldwide, of which 150 from advisory, capital markets and industry teams currently involved in low-carbon transition. It will also provide access to the full spectrum of expertise across the BNP Paribas Group including clean energy, mobility and built environment solutions.</p> <p>Smaller companies and individual customers also benefitted from tailored offers and support, on both social and environmental issues (see <i>‘Products and services that are widely accessible’</i> and <i>‘Supporting our clients in the transition to a low-carbon economy that respects the environment’</i> in 2021 URD for a detailed overview of the actions and initiatives developed by BNP Paribas on these topics).</p> <p>For instance, in 2021, total support for impact companies, including microfinance institutions (MFIs), (financing, investments on their own behalf or on behalf of third parties) amounted to EUR 2.35 billion worldwide compared to EUR 2.2 billion at the end of 2020, an increase of 7%. Nickel, the subsidiary of the Group offering basic banking services without conditions to individuals (starting at 12 years old), continued its deployment. At the end of 2021, more than 2.3 million Nickel accounts had been opened (an increase of 26% compared to 2020). The objective target is to continue development in Belgium and Portugal in 2022.</p> <p><b>Principle 4 (Stakeholders) :</b></p> <p>Under the climate leadership of HRH The Prince of Wales, BNP Paribas CEO Jean-Laurent Bonnafé with 11 other global banking executives announced in</p>	
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	<p>February 2021 the <a href="#">creation of the Financial Services Task Force</a> (FSTF), a progressive industry group launched by the Sustainable Markets Initiative (SMI). It will focus on reducing carbon emissions to define a credible transition pathway for banks to move towards a low carbon economy, increase private investment into sustainable infrastructure projects, and develop climate solutions including evolving carbon markets.</p> <p>Several members of BNP Paribas’ management as well as Group experts play an active role in strategic coalitions of active markets on CSR topics, for example, Sébastien Soleille (Energy and Environment Transition Manager) and Robert-Alexandre Poujade (ESG analyst in charge of biodiversity at BNP Paribas Asset Management) are part of the TNFD.</p> <p>As part of its ongoing dialogue with stakeholders, BNP Paribas met with analysts and stewardship officers of 97 different investors on ESG topics, participated in the evaluations of numerous extra-financial rating agencies (Moody’s ESG Solutions, S&amp;P’s CSA, FTSE4Good, Sustainalytics, EcoVadis...) and had 119 different exchanges with NGOs throughout the world in 2021.</p> <p><b>Principle 5 (Governance &amp; Culture) :</b></p> <p>BNP Paribas CSR governance, as described in 5.1, is far reaching (from the Board of Directors to the operational level) and well structured. In 2021, it was further strengthened through the creation of three</p>	
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	<p>high level committees, pertaining to the matter of sustainable finance (see 5.3).</p> <p>BNP Paribas CSR network substantially grew between 2020 (170 FTEs) and 2021 (220 FTEs), and the number of internal experts on specific extra-financial subjects, such as direct environmental impacts, microfinance and financing and investment policies, also increases steeply (400 FTEs in 2020, 440 in 2021).</p> <p>In 2021, in order to foster its responsible banking culture, BNP Paribas considerably enhanced its ESG training offering. It now covers a broad spectrum ranging from general awareness-raising on the major ESG issues related to the energy transition, the protection of biodiversity and respect for human rights, to expert training on ESG risk management systems and the offer of sustainable finance products and services.</p> <p>In 2021, over 40,000 employees attended one or more ESG training courses offered by the functions or business lines.</p> <p><b>Principle 6 (Transparency &amp; Accountability):</b></p> <p>BNP Paribas integrated the Principles for Responsible Banking in its extra-financial disclosures from the onset of the initiative, as one of the standards included in the concordance table of its URDs (starting from 2018 URD).</p> <p>In 2021, BNP Paribas published its Position on Biodiversity, second TCFD report, third Integrated Report, answers to the 2021 CDP questionnaire, and updated its Code of Conduct, providing extra</p>	
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	<p>information to all interested stakeholders on the aforementioned subjects.</p> <p>In 2022, BNP Paribas will issue its first Alignment report, further strengthening its already comprehensive effort of public disclosure.</p>	
<p><b>Paribas statement on the Progress on Implementing the PRB requirements:</b>          BNP Paribas has been striving to report transparently on the implementation of its CSR Strategy and policies, through a number of public documents whose number, coverage and detail of information provided have steadily increased. The Group considers that it has fulfilled the requirements regarding Progress on Implementing the PRBs, and will pursue its efforts in this way, in a logic of continuous improvement, in the months and years to come.</p>		

