

BNP PARIBAS 2023 REPORTING

Principle 1: Alignment



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.

Business model

Describe (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 across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

Serving its clients, BNP Paribas supports the society's transitions by providing its expertise and financing the economy. The Group creates value thanks to its diversified and integrated model, based on risk diversification, cooperation between our businesses and digitalised platforms on a scale.

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.

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 range 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.

Since 2021, BNP Paribas is organized through three operational divisions:

- Commercial, Personal Banking & Services (CPBS), comprised of:
 - Commercial banks of the Euro zone (BCEF, BNL, BCB, BCL),
 - Commercial banks outside the Euro zone (Mediterranean Europe, BancWest in the USA),
 - Specialized businesses (Arval, Leasing Solutions, Personal Finance, Personal Investors, Nickel, Floa, Lyf)
- Investment and Protection Services (IPS), comprised of:
 - Insurance activities (Cardif),
 - Institutional and Private Management activities (BNP Paribas Asset Management, Wealth Management, Real Estate)

Links and references

For further information regarding the Business model of BNP Paribas, please refer to the Chapter 1, Part 1.4 "Presentation of operating divisions and business lines" of the Universal Registration Document ([Link](#)), pages 7 to 19. And also Chapter 7, Part 7.6 "Extra-financial performance statement" at the Section "A diversified and integrated model, creating value", pages 686 and 687 of the same document.

<ul style="list-style-type: none"> - BNP Paribas Principal Investments • Corporate & Institutional Banking (CIB), comprised of: <ul style="list-style-type: none"> - Global Banking, - Global Markets, - Securities Services <p>BNP Paribas portfolio is highly diversified, as can be seen it is on <i>Table 29: credit risk exposure by geographic region (EU CRB-C)</i> and <i>Table 30: credit risk exposure by industry (EU CRB-D)</i>, p. 383 and following of 2022 URD.</p>	
<p>Strategy alignment</p> <p>Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p> <p>Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?</p> <p><input checked="" type="checkbox"/> UN Guiding Principles on Business and Human Rights</p> <p><input checked="" type="checkbox"/> International Labour Organization fundamental conventions</p> <p><input checked="" type="checkbox"/> UN Global Compact</p> <p><input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples</p> <p><input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: TCFD, Pillar 3 disclosures (EBA), European taxonomy...</p> <p><input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: Pillar 3 disclosures (EBA)</p> <p><input type="checkbox"/> None of the above</p>	
<p>BNP Paribas' company purpose, which was adopted by the Board of Directors in 2019 and published in early 2020, expresses BNP Paribas' mission to meet its clients' needs, in particular by financing in an ethical manner the projects of individual clients and businesses, drivers of the economic development and jobs' creation.</p> <p>In line with this company purpose, and in line with the United Nations Sustainable Development Goals, BNP Paribas' social and environmental responsibility policy is structured around four pillars and 12 commitments that reflect its CSR challenges, and the Bank's concrete achievements. This strategy aims to help building a more sustainable world while ensuring the Group's stability and performance. This ambition is reflected in the GTS (Growth, Technology, Sustainability) 2025 strategic plan, acknowledging the crucial importance of sustainability issues. Its deployment involves all of the Group's</p>	<p><i>Links and references</i></p> <p><i>For deeper insight, please refer to the Universal Registration Document (Link) on the following pages:</i></p> <p>Chapter 7, Part 7.1 "Strategy", Section "BNP Paribas' purpose and consideration of environmental and social issues", page 624.</p>

businesses, networks, subsidiaries and geographies, under the aegis of a governance system organised at the highest level of the Bank.

BNP Paribas' CSR approach is guided by thematic and sectoral public positions. Present in 65 countries, the Group is engaged in various working groups or platforms.

For many years, BNP Paribas' actions have followed the framework of the United Nations Global Compact (Advanced level) and the United Nations Women's Empowerment Principles, and are fully in line with the promotion and respect of the fundamental conventions of the International Labour Organization. The Group supports the UN Guidelines on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. It chose to follow the recommendations of the Reporting Framework on the UN Guiding Principles.

The Group actively participates in the development and implementation of socially and environmentally sustainable solutions within the framework of the Principles for a Responsible Bank (PRB), the Principles for Responsible Investment (PRI), or the Equator Principles.

BNP Paribas is involved in the Net-Zero Banking Alliance, the Net-Zero Asset Owner Alliance and the Net-Zero Asset Managers Initiative, the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD), among others., the Institutional Investors Group on Climate Change (IIGCC), or the Poseidon Principles.

In particular, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) are followed and presented in the URD's cross-reference table.

The Group also reports in accordance with applicable regulations such as the European Taxonomy and Pillar 3 of the European Banking Authority.

Also refer to paragraph ***“The CSR Policy Management Dashboard”***, page 626 of the Section ***“The Corporate Social Responsibility (CSR) strategy”***.

All the public positions adopted by the Group are listed on the Section ***“BNP Paribas’ public positions”*** pages 629 to 631.

See also, the section ***“Federating financial institutions in coalitions around ambitious objectives and development of shared methodologies”***, page 634 of the Chapter 7, Part 7.2 ***“Our economic responsibility: financing the economy in an ethical manner”***.

As regards with the European Taxonomy and Pillar 3, please refer to the Chapter 7, Part 7.9 ***“Eligible activities under the meaning of the European Taxonomy”***, pages 711 to 714 and Chapter 5 ***“Risks and Capital Adequacy – Pillar 3”***, pages 303 to 570 of the Universal Registration Document ([Link](#)).

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 (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

- a) *Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

BNP Paribas structured its CSR strategy at the beginning of the 2010's (predating the launch of the PRB – September 2019), with the ambition of integrating all its activities and countries of operations in its scope. Through its "4 pillars/12 commitments" model, established in 2012 and tackling the four major responsibilities (economic, social, civic and environmental), the Group ensured it was addressing all material issues in terms of sustainability, for all of its stakeholders.

BNP Paribas already has a mature CSR strategy that is rooted in the assessment of the group's areas of impact as assessed through a risk-driven approach and enriched by the complementary materiality analysis approach (described below). This is why BNP Paribas chose not to conduct a new impact analysis after becoming a PRB signatory, and rather to maintain its own methodology (regular update of its risk management framework and materiality matrix¹), deemed appropriate for the requirements of the PRB.

It must be noted that the present PRB report covers only the banking activities of BNP Paribas, excluding the other activities of the Group. In particular, investment and asset management activities will not be discussed here as they are covered in a specific report (PRI).

¹: Established in 2018 and updated in 2021, BNP Paribas' materiality matrix and the associated materiality assessment process took into account the input of both internal (top management employees) and external (peers, law makers, the media, individuals) stakeholders, and so covers all parts of the business.

Links and references

For more details on the risk management framework and materiality matrix of BNP Paribas, please refer to *Chapter 5 "Risks and Capital Adequacy – Pillar 3"* section "5.11 Environmental, social and governance risk" p.531, and Chapter 7, Part 7.7 "Duty of Care", at the section 1.1.1 "Materiality matrix" of the Universal Registration Document ([Link](#)), page 693.

See also the 2021 Task Force on Climate-related Financial Disclosures report

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

	<p>(link), Section 3 “Risk management”, page 32.</p>
<p>b) *Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope</p> <p>i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.</p>	
<p>Response</p> <p>As a global financing institution offering diversified services (financing, underwriting, asset management, insurance, advisory, leasing, to name only the main ones) to millions of customers ranging from individuals and SMEs to corporations and sovereigns, BNP Paribas’ portfolio is highly diversified, as can be seen it is on <i>Table 29: credit risk exposure by geographic region (EU CRB-C)</i> and <i>Table 30: credit risk exposure by industry (EU CRB-D)</i>, p. 383 and following of 2022 URD. As such, it was not the only factor considered in the analysis.</p> <p>Methodological remarks: While BNP Paribas’ risk analysis approach covers the full scope of the Group’s activities, the present PRB report only considers the credit portfolio of the Group. Additionally, the risk analysis performed on credit portfolio is sector-based rather than product-based (the most logical approach, as per our analysis). Finally, an ad’hoc risk management module has been developed for retail banking.</p> <p>The list of the main subsidiaries and participations of BNP Paribas SA are provided in the Group’s URD, (6.4 Main subsidiaries and associates of BNP Paribas SA, p. 604 of 2022 URD).</p>	<p>Links and references</p> <p>Please refer to the Universal Registration Document (Link), Chapter 5 “Risks and Capital Adequacy – Pillar 3” sections “5.11 Environmental, social and governance risk” page 531 and 5.4 “Credit risk”, <i>Tables 29 and 30 pages 384 to 388, tables 50 and 51 pages 434 to 441.</i></p> <p><i>For the Group’s subsidiaries and associates, see Chapter 6 “Information on the parent company financial statements 31 December 2022”, Section “Main subsidiaries and associates of BNP Paribas SA”, pages 604 to 611 of the same document.</i></p>

³ ‘Key sectors’ relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

c) *Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Response

As a financial institution with highly diversified and international portfolios, BNP Paribas' approach has been focused on global priorities, with an ambition to cover all four themes of its CSR strategy (economic, social, civic and environmental responsibilities).

Both PRB reporting and the CSR strategy of BNP Paribas are based in the Group's risk analysis framework.

In abidance to the French law pertaining to the publication of extra-financial information to which the parent entity of the Group (BNP Paribas SA) is subjected to, BNP Paribas mapped and ranked its most important (i.e. salient) extra-financial issues through the use of a materiality matrix.

In order to complete the latter, BNP Paribas relied on an assessment of materiality criteria to classify one hundred extra-financial subjects brought together in 21 themed issues (such as climate change & energy transition, biodiversity, human rights, ethics and compliance, data privacy, responsible financing, governance, responsible procurement, local community support...) based on their relevance to BNP Paribas' external and internal stakeholders.

Carried out for the first time in 2018, this analysis was repeated in 2021 using a very similar methodology. It is based on an assessment of the importance for BNP Paribas of these 21 extra-financial issues from two points of view: on the one hand, that of BNP Paribas employees, on the other hand, that of its external stakeholders. The internal perception is established by a survey to which more than 1,200 top management employees responded, while the external point of view is assessed by the importance of these issues in several databases: publications from ten of our main peers, more than 2,500 regulations applicable to our activities and locations, more than 20,000 industry press articles and more than 450 million tweets on social networks. The results of this study make it possible to distinguish three groups of issues: important, major and crucial.

Moreover, BNP Paribas also takes stock of its stakeholders feedback through its stakeholders dialogue policy. This dialogue has a three-fold objective: anticipating change in our business developments and improving our products and services, optimising risk management, and

Links and references

For further information, please have a look on the Universal Registration Document ([Link](#)), 7.1 "Strategy" p.624, also section 7.6 "Extra-financial performance statement", section "Analysis of issues, risks and opportunities", pages 688 and 689, and section 1.1.1 "Materiality matrix" page 693.

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

<p>finding innovative solutions which positively impact society. Dedicated teams within the BNP Paribas Group CSR department exchange with investors, rating agencies, corporate clients and civil society organisations on a regular basis, which allows for the timely detection and acknowledgment of “weak signals”.</p>	
<p>*Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.</p>	
<p>Response</p> <p>First, as the approach used by BNP Paribas was risk-driven, its impact analysis tackled first and foremost negative impacts (to be avoided or mitigated), and not positive impacts. On the 21 either important, major or crucial issues that were identified through the above-described methodology, BNP Paribas chose to focus on the Climate Change Mitigation (Climate change & energy transition in BNP Paribas materiality matrix) and Biodiversity (same name in BNP Paribas’ materiality matrix) significant impact areas. Besides, the “Responsible investment and financing” issue, identified as a crucial issue in the matrix, can also be linked to Climate Change Mitigation and Biodiversity (two themes that could benefit from dedicated investment and financing). This selection acknowledged the different scopes used by BNP Paribas (all types of stakeholders, all activities of the Group) and the PRB (client-based, banking activities-based approach).</p> <p>Note : Financial Health and Inclusion (“Accessibility for all to products and services” in BNP Paribas materiality matrix) was not selected to be a part of BNP Paribas’ PRB reporting this year as the selection of the target(s) and KPI(s) on which BNP Paribas, as a signatory of the Financial Health & Inclusion commitment, should report was not finalized in time to be included in the present report.</p> <p>Human Rights (same name in BNP Paribas materiality matrix) was not selected either, as the “performance measurement” and “target setting” requirements defined by the current PRB methodology were determined to be complex to implement in their current version for a global and diversified financial institution such as BNP Paribas. It is however a crucial issue for BNP Paribas, and respect for human rights has been embedded in the way the Group conducts its activities. See for instance BNP Paribas’ Vigilance Plan and Modern Slavery Act Statement in the Group’s <i>Universal Registration Documents</i>.</p>	<p>Links and references</p> <p><i>See the BNP Paribas Universal Registration Document (Link), section 7 p.616 “A committed bank: information concerning the economic, social, civic and environmental responsibility of BNP Paribas”, specifically section 1.1.1 “Materiality matrix” page 693, and the BNP Paribas “Statement on modern slavery and human trafficking” from pages 706 to 710.</i></p>
<p>d) For these (min. two prioritized impact areas): *<u>Performance measurement</u>: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.</p>	

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assess the intensity of impact resulting from the bank’s activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response

For **Climate Change Mitigation**, BNP Paribas drew upon the collective expertise gathered in the initiatives, alliances and working groups dedicated to climate change and energy transition the Group is or has been a part of (for instance, the Katowice group of banks, conveyed in 2018 to adapt the PACTA methodology to loan portfolios, and the NZBA, which provides a list of seven highly emitting sectors that signatories should address in priority, since 2021). As requested by the NZBA, work is currently underway to have all seven sectors covered by middle term (no later than 2030) targets to monitor the decarbonation of BNP Paribas portfolio. Three sectors (power, oil & gas, automobile) have already been covered in BNP Paribas Climate Analytics & Alignment report, with intensity targets set as indicators¹.

For **Biodiversity**, BNP Paribas has been involved in the work of the Taskforce on Nature-related Financial Disclosures (TNFD) from the onset. Prior to that, it has addressed the, at the time nascent, subject of biodiversity protection through the lens of its financing and investment policies, several of which (Agriculture, Mining, Wood Pulp) tackles issues linked to biodiversity loss, such as deforestation (and land conversion in general). The Biodiversity position issued by BNP Paribas in 2021 summarized the approach of the Group on that matter.

For both impact areas, BNP Paribas chose to set financial targets (rather than impact targets), as a way to efficiently onboard and responsabilize a large number of employees (going beyond the CSR network of experts and specialists) on these issues.

¹: Intensity targets disclosed in the Group *Climate analytics and alignment report* were not used in the present PRB report due to the delay constraints induced by the required third party audit.

Links and references

Please refer to the Universal Registration Document ([Link](#)) section “5.11 Environmental, social and governance risk” p.531.

*For more details regarding climate change mitigation, please refer to the Universal Registration Document ([Link](#)) at the Chapter 7, Part 7.2 “**Our economic responsibility: financing the economy in an ethical manner**”, Section “**Alignment of the loan portfolio with the net-zero by 2050 objective**”, pages 643 to 645.*

*Also see **The Climate analytics and alignment report**: [bnpp climateanalytics and alignment report final.pdf](https://group.bnpparibas.com/bnpp-climateanalytics-and-alignment-report-final) ([group.bnpparibas](https://group.bnpparibas.com/bnpp-climateanalytics-and-alignment-report-final))*

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, biodiversity.

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:
(optional)

⁶ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 *Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) *Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and 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.

You can build upon the context items under 2.1.

Response

As a PRB signatory, BNP Paribas considers the Sustainable Development Goals and the Paris Climate Agreement as the primary international frameworks of reference in terms of extra-financial performance and CSR strategy's setting. The Group publicly expressed its support to both frameworks as soon as 2015 (the year they were established), and is still committed to their achievement.

Climate Change Mitigation target: support BNP Paribas clients in their transition towards a low-carbon economy, as measured by the cumulative (at end of year n) amount of green loans, green bonds and financing identified as contributing to the transition to a low-carbon economy according to an internal classification system (e.g. renewable energies, low-carbon hydrogen, nuclear). This is aligned with SDG #13 (Take urgent action to combat climate change and its impacts), #7 (Ensure access to affordable, reliable, sustainable and modern energy) and #9 (Build resilient infrastructure, promote sustainable industrialization and foster innovation), and contribute to reaching the objectives of the Paris Climate Agreement (limit global warming to well below 2°C, striving for 1.5°C, compared to pre-industrial levels). For example at the end of 2022, BNP Paribas' financing for energy production was already predominantly dedicated to low-carbon energies. With credit exposure of EUR 28.2 billion, low-carbon energies represent 55% of credit exposure to the energy production sector.

Biodiversity target: help to protect biodiversity by financing companies contributing to protect terrestrial and marine biodiversity, as measured by the cumulative (at end of year n) amount of financial products and services (loans, bonds, etc.) that help protect terrestrial and marine biodiversity. The contribution to the protection of biodiversity is identified by an internal classification system. This is aligned with SDG #15 (Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss) and #14 (Conserve and sustainably use the oceans, seas and marine resources). For example in Poland, BNP Paribas Polska created the Agronomist.pl platform to help

Links and references

For more details, see the Universal Registration Document ([Link](#)), Chapter 7, Part 7.2 "Our economic responsibility: financing the economy in an ethical manner", Section "Enabling the transition by offering a wide range of sustainable products" page 632.

And the Chapter 7 of the Universal Registration Document ([Link](#)), Part 7.5 "Our environmental responsibility: accelerating the ecological and energy transition", Section "Commitment 10: Enabling its clients to transition to a low-carbon economy respectful of the environment", pages 674-678.

agrifood companies make the transition to digitisation and the environmental protection of their ecosystem. The platform was extended in 2022 and makes it possible to promote and preserve the balances of natural ecosystems measuring, through the use of various tools such as AgroEmission, the potential for carbon sequestration in soils, greenhouse gas emissions and the crop water footprint.

Climate Change Mitigation: BNP Paribas considers the TCFD as the framework of reference in terms of financial disclosures pertaining to climate change, and has been publishing annual TCFD reports since 2020. As the issue is per definition a global one, regional or national frameworks do not appear as especially relevant. More recently, the NZBA issued clear guidance on what sectors to tackle in priority for banks aiming to align their portfolio with a net zero by 2050 target, and BNP Paribas has produced a first report (Climate Analytics and Alignment) to commit with its NZBA pledge.

Biodiversity: BNP Paribas is closely following the progress made by the TNFD, which is likely to become the framework of reference on this issue when its final recommendation will be issued. In the meantime, the Group has used as a reference the pressures on biodiversity listed by IPBES in its 2019 report, and mainly the first four (changes in land and sea use, direct exploitation of organisms, climate change and pollution) to establish its approach to biodiversity stakes.

b) *Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
	...	
	...	

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

<i>Climate change mitigation</i>	...	
<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Financial health & inclusion</i>	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

<p>Response</p> <p>Climate Change Mitigation: the baseline is 2021, which was the “gap year” between the 2018-2021 and the 2022-2025 CSR dashboards. During the 2018-2021 period, two other climate change mitigation-related KPIs (<i>Share of loans to companies supporting the energy transition and sectors directly contributing to the SDG and Financing for renewable energies</i>) were monitored.</p> <p>Biodiversity: the baseline is 2019, which was the year when the first comprehensive assessment of the Group’s financial support to the protection of biodiversity was performed.</p> <p>Both indicators are part of the 2022-25 CSR Dashboard of BNP Paribas, with an expiration date set at the end of 2025. At end of 2022 (data provided in the 2022 Universal Registration Document), the level of alignment with the 2025 target was deemed satisfactory.</p>	<p>Links and references</p> <p>See the BNP Paribas 2025 Strategic plan (Link), and the Universal Registration Document (Link) section 7.1 “Strategy” p.624.</p>
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<p>c) *SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	
<p>Response</p> <p>Climate Change Mitigation: target is to reach EUR 200 billion by end of 2025.</p> <p>Biodiversity: target is to reach EUR 4 billion by end of 2025.</p> <p>The targets set by BNP Paribas have been established based on the baseline levels calculated in the preliminary work that led to the constitution of the 2022-25 CSR Dashboard. SMART targets were then established, taking into account yearly projections for contributing business lines.</p> <p>BNP Paribas annually reports on the KPIs of its CSR Dashboard in its Universal Registration Documents. Therefore, additional monitoring indicators were deemed redundant.</p>	<p>Links and references</p> <p>See the BNP Paribas 2025 Strategic plan (Link), and the Universal Registration Document (Link) section 7.1 “Strategy” p.624.</p>

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

d) **Action plan:* which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response

Both targets are fully embedded into the 2025 GTS (Growth, Technology, Sustainability) Strategic Plan of BNP Paribas, as their presence in the CSR dashboard, which the Group will monitor over this period of time, reflects. An annual update will therefore be published in subsequent URDs, allowing stakeholders to track the progress made by BNP Paribas on a regular basis. Besides, as financial targets (as well as CSR objectives), they are subjected to the same level of monitoring than the other financial targets set by the Group.

Due to the nature of both indicators (providing often innovating financing products and solutions to clients on specific issues), a key success factor is the level of awareness and knowledge of business lines (relationship managers, senior bankers...) and counterparts on the Group's ambition and solutions :

- In 2021, BNP Paribas created the Low-Carbon Transition Group, a strong internal organisation of 100 bankers (within a network of 160) dedicated to supporting clients, corporate clients and international institutions, in accelerating their transition to a sustainable and low-carbon economy. The Group provides them with banking and non-banking expertise, in particular in terms of clean energy, mobility and eco-responsible real estate.
- BNP Paribas launched the NEST (Network of Experts in Sustainability Transitions) at the end of 2021. This network is now composed of more than 500 experts, who are BNP Paribas employees, in areas such as the energy transition, the circular economy, biodiversity, human rights, social inclusion and sustainable finance. The aim of this international network is to strengthen and share expertise to accelerate the transition of our teams and our clients. Since its launch, NEST has organised 27 internal webinars attended by more than 3,000 participants, and has supported the various BNP Paribas entities in their communication with their external stakeholders.
- In November 2022, the Group launched the Sustainability Academy. Co-constructed with the Group's entities, it provides access to a set of selected resources on sustainable development and finance (training courses, articles, videos, interviews, practical sheets, news, support modules for managers, etc.). These will enable employees to learn about the fundamentals of the environmental and social challenges of sustainable finance as well as to enter more in-depth into the five priority areas of actions for the Group (namely the

Links and references

See the BNP Paribas 2025 Strategic plan ([Link](#)), and the Universal Registration Document ([Link](#)) sections 7.1 "Strategy" p.624, "Commitment 3: Systematic integration and management of environmental, social and governance risks" p.639, and "Commitment 10: Enabling its clients to transition to a low-carbon economy respectful of the environment", pages 674-678.

circular economy, transition to carbon neutrality, biodiversity conservation, social inclusion and the development of sustainable savings, finance and investments).

- BNP Paribas also organises targeted events with its clients on the theme of the energy and ecological transition. In 2022, the Group offered its customers a forum dedicated to ESG experts, which was an opportunity to discuss the challenges of Net-Zero emissions, ESG regulations, biodiversity and the circular economy. In addition, in October 2022, BNP Paribas organised the 7th edition of the Sustainable Future Forum (SFF), followed worldwide by more than 3,200 financial sector corporate participants, with the central theme: “Navigating the Transition”.
- A monthly newsletter dedicated to the Energy and Environmental Transition is forwarded to the CSR network.

Climate Change Mitigation: the offer of products and services enabling our clients to transition to a low-carbon economy will be steadily expanded to all segments of clients and mainstreamed. BNP Paribas is already recognized as a top regional or global player in terms of Sustainability-Linked Loans (SLL) and Sustainability-Linked Bonds (SLB). BNP Paribas also created the Low-Carbon Transition Group in 2021, which will eventually include around 250 professionals (160 at end 2022), to support its international corporate and institutional clients in accelerating their transition to a sustainable and low-carbon economy.

Biodiversity: as for Climate Change Mitigation, BNP Paribas aims to develop its offer of biodiversity-sensitive products and services in the years to come. As the subject is less mature than climate change, gathering relevant data from clients and training its employees will be paramount to secure the target set by the Group. As a consequence, BNP Paribas will assess all of its corporate clients on biodiversity-related criteria by 2025; dialogue with its customers active in commodities and in sensitive countries, asking them to demonstrate their commitment to combating deforestation; and roll out training programmes on biodiversity protection for all employees.

The main indirect negative impact that could be linked to these targets would be generated by an improper monitoring of ESG risks by the corporate clients BNP Paribas will support (for instance, a windfarm project displacing local communities without prior settlement, or a PV company sourcing raw materials from conflict areas). These issues have already been identified by BNP Paribas in its ESG risk management framework, described in great detail in the Group’s URD (see 2022 URD, p. 639 and following).

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...			
	... first area of most significant impact: ... <i>(please name it)</i>	... second area of most significant impact: ... <i>(please name it)</i>	<i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i>
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 *Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

Due to the update of BNP Paribas CSR Dashboard between 2021 and 2022, the reporting on 2.3 has been adjusted to reflect this change.

Climate Change Mitigation: at end of 2022, the amount of the support enabling BNP Paribas clients to transition to a low-carbon economy was EUR 44 billion.

Links and references

"The CSR Policy Management Dashboard", page 626 of the Section "The Corporate Social

Biodiversity: at end of 2022, the amount of financing to companies contributing to protect terrestrial and marine biodiversity was EUR 1.8 billion.

Other recent major achievements include:

- An energy production portfolio already devoted in majority to low-carbon energies at end of September 2022, with a credit exposure of €28.2 billion to low-carbon energies, versus €23.7 billion to fossil energies. BNP Paribas also committed to reach €40 billion of credit exposure to low-carbon, mainly renewable, energies by 2030.
- The publication of BNP Paribas Climate Analytics & Alignment report, and update of its Oil & Gas financing and investment policy.
- The launch of the Sustainability Academy, a programme and platform of content and trainings dedicated to sustainable finance and for all employees.
- The acceleration of the deployment of ESG Assessment (which contains climate change and biodiversity as two of its five dimensions) across all industries and sectors, and the evaluation of 1,500 very large and large corporate clients.
- BNP Paribas ranked first among the 25 major European banks in the benchmark performed NGO ShareAction on actions implemented to fight climate change and preserve biodiversity.

A comprehensive review of the actions implemented on both subjects in the course of the last twelve months is provided in BNP Paribas 2022 URD, chapter 7, commitment 10: *Enabling its clients to transition to a low-carbon economy respectful of the environment.*

Responsibility (CSR) strategy” of the Universal Registration Document ([Link](#)).

For the other major achievements:

- **On credit exposure to the energy production:** See the following press release “*BNP Paribas, a leader in financing the energy transition, enters a new phase of rapid acceleration*” through [this link](#).

- **The Climate analytics and alignment report:** [bnpp climateanalytics alignmentreport final.pdf \(group.bnpparibas\)](#) and the **Oil & Gas financing and investment policy:** [BNPP \(group.bnpparibas\)](#)

- The ESG Assessment: Universal Registration Document, page 640 ([link](#)).

- **The report “In Debt to the planet: An assessment of the 25 largest European banks’ biodiversity and climate strategies”** at the following link:

[ShareAction Banking Survey 2022-final.pdf \(assets-servd.host\)](#).

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 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

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 activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response

BNP Paribas strives to maintain a strong relationship with each of its clients and consumers, based on the highest ethical standards. The Group follows a set of procedures and applies policies to ensure the long-term conduct of this relationship. As such, BNP Paribas has a Code of Conduct, Sector Policies and Principles for Responsible Business Conduct applicable at Group level.

The Group oversees its investment and financing activities in various sectors with major environmental, social and governance (ESG) challenges through sectoral policies covering today 8 major sectors (coal-powered electricity generation, oil & gas, palm oil, agriculture, to give but a few examples). These policies apply to all business lines, products and services, as well as in all the countries in which the Group operates. Gradually deployed since 2010 as part of the CSR policy, they aim to support clients in their transitions to more sustainable practices for climate, biodiversity and human rights. The eight sectoral policies published by BNP Paribas are applicable at the project and company level as specified in each of these policies. Each year, the group ensures that companies comply with the policy criteria. Sectoral policies are controlled, as are all the policies of the group, within the framework of

Links and references

See the BNP Paribas Financing and investment policies: [Financing and investment policies - BNP Paribas \(group.bnpparibas\)](https://www.bnpparibas.com/en/financing-and-investment-policies)

See also the BNP Paribas 2025 Strategic plan ([Link](#)).

the first and second lines of defence: implementation is therefore the responsibility of the business lines, and control of the RISK function.

As a signatory to the Equator Principles alongside 137 financial institutions around the world, BNP Paribas works with its clients to identify, assess and manage the risks and environmental and social impacts of major industrial and infrastructure projects. According to these principles, negative impacts of projects on communities, ecosystems or climate must be avoided, minimized, mitigated and/or compensated.

In parallel, as part of its sustainable development policy, and in addition to these financing and investment policies, the Group manages activity restriction lists according to the level of ESG risks observed. Companies placed under surveillance are subject to commitment measures by the Group, so that they can sustainably change their practices and reduce their ESG risks. For companies under restriction, the Group prohibits any new financing or investment relationship. BNP Paribas has also drawn up an exclusion list for certain goods and activities that the Group does not wish to finance, such as driftnets, asbestos fibres, tobacco or the production and trade of controversial weapons.

In addition, the Group is committed to its customers by supporting them in their energy and ecological transition over the long term for a more sustainable economy. In this regard, the Group has set ambitious targets for 2025:

- €200 billion to support its clients in the transition to a low-carbon economy (indicator 8 of the CSR policy scoreboard);
- EUR 4 billion to finance companies contributing to the protection of terrestrial and marine biodiversity (Indicator 9 of the CSR Policy Scoreboard).

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response

As part of its 2022-2025 GTS (Growth Technology Sustainability) strategic plan, the Group reaffirms its commitment to supporting a sustainable economy. It has set ambitious targets for 2025:

- EUR 200 billion to support its clients in the transition to a low-carbon economy (indicator 8 of the CSR policy scoreboard);

Links and references

See the *BNP Paribas 2025 Strategic plan* ([Link](#)).

Also refer to paragraph “*The CSR Policy*”

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

- EUR 4 billion to finance companies contributing to the protection of terrestrial and marine biodiversity (Indicator 9 of the CSR Policy Scoreboard).

To achieve these objectives, BNP Paribas, among others:

- Is developing its support for renewable energies: the GTS strategic plan has set a target of €30 billion in outstanding financing for renewable energies by 2025. At the end of 2022, the amount of this financing, which is the majority of low-carbon financing, was €24.8 billion.
- Is a major player in the green bonds market: the Group was the world leader in structuring and investing green bonds in 2022.

Beyond its actions in terms of financing the energy and ecological transition, and asset management, the Group offers its clients support on their entire energy and ecological transition strategy, which can cover efforts to reduce their energy consumption (energy efficiency), decarbonize it, offset their residual greenhouse gas emissions, develop circular business models and minimize their impacts on biodiversity:

- In 2022, BNP Paribas stepped up its action in the field of energy efficiency for corporate clients, notably through its partnership with the start-up French Metron, a CleanTech expert in energy efficiency and business performance improvement, in which the Bank took a stake in 2018.
- Supporting the development of more sustainable mobility is a major focus of BNP Paribas as part of its GTS 2025 strategic plan, involves many of the Group's business lines, and supports the automotive industry in its transition to electrification. For example, BNP Paribas supported the Geely Auto group with a €428 million green credit, of which BNP Paribas was Mandated Lead Arranger and Bookrunner and Joint Sustainability Structuring Bank.
- In order to reduce the consumption of non-renewable raw materials and waste production, BNP Paribas continues to support the development of the circular economy. For example, in 2022, the Group acted as global coordinator of Carrefour's inaugural bond issue to support the food transition. The €1.5 billion issue is indexed to two 2025 targets for reducing packaging and food waste.
- the Group also supports the development of low-carbon hydrogen, for example by providing expertise and advice to the French company Lhyfe, which produces hydrogen from renewable energies.

Finally, BNP Paribas supports its individual clients in reducing their carbon footprint and the energy transition in particular by providing

Management Dashboard", page 626 of the Section **"The Corporate Social Responsibility (CSR) strategy"** of the *Universal Registration Document* ([Link](#)).

Additionally, regarding the clients support in their energy and ecological transition strategy, see the the Chapter 7 of the Universal Registration Document ([Link](#)), Part 7.5 **"Our environmental responsibility: accelerating the ecological and energy transition"**, Section **"Supporting corporate clients in their energy and ecological transition"**, pages 675 to 677.

support for the energy renovation of homes and less polluting vehicles.

Principle 4: Stakeholders



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

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

Dialogue with all its stakeholders is a priority for the implementation of BNP Paribas' CSR strategy. The Group is committed to listening, understanding and seeking to address the concerns raised by its stakeholders in a fair and effective manner.

The Group has deployed a number of different tools for measuring dialogue with its stakeholders, which make it possible to capture their expectations in order to take them into account in its strategy, but also to measure their impact. This dialogue takes place within the framework of the implementation of BNP Paribas' guidelines "How BNP Paribas listens to and takes into account the expectations of its stakeholders".

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 which positively impact society.

BNP Paribas interacts specifically with all its stakeholders:

- With regard to individual and professional clients, the Group sets up a complaint handling process with an independent mediator.
- Listening to staff representatives and collaborators through the company's whistleblowing system.

Links and references

Please have a look on the following presentations: "[BNP Paribas and the exercise of its CSR](#)"

And "[How BNP Paribas listens to and takes into account the expectations of its stakeholders](#)".

¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

- Discussions guided by BNP Paribas Asset Management’s voting rights policy as part of its asset management activity.
- With its suppliers, the Group consults through business reviews, annual “Partners for Strategic Sourcing” events dedicated to the Group’s key suppliers, or satisfaction surveys (SME Pact barometer).
- Finally, advocacy NGOs are at the heart of a constructive and ongoing dialogue on the Group’s social and environmental commitments.

The Group dedicates specific contacts to each stakeholder:

- For BNP Paribas suppliers and sub-contractors, BNP Paribas has an internal mediator independent of the Procurement & Performance function, whose contact details are displayed on the Group’s institutional website, offering a remedy in the event of a dispute, and an ethical channel open to suppliers since the end of 2022.
- Within Group CSR, a dedicated team coordinates exchanges with advocacy NGOs.
- Group Finance coordinates dialogue with investors and analysts.
- The Institutional Affairs Department ensures relations with regulatory bodies and public authorities.
- Communication Group is the preferred contact for journalists and media.
- For BNP Paribas clients, consumer associations and local elected officials, independent mediators, such as commercial banking networks.

Principle 5: Governance & Culture



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

5.1 *Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please 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 the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

Over the years, BNP Paribas has structured, expanded and strengthened its governance pertaining to sustainable finance, and the implementation of its CSR strategy in general. With the launch of the GTS 2025 strategic plan, in which one of the three pillars (S: Sustainability) is dedicated to the integration of environmental and social issues in all of the Group's activities, CSR is more than ever a priority for BNP Paribas. For efficiency's sake, BNP Paribas chose not to establish a distinct PRB governance, but to embed it into its preexisting CSR governance framework, already in charge of overseeing, monitoring and implementing the Group's CSR strategy (depending on the level considered). This comprehensive governance framework notably incorporates the Low Carbon Transition Group (on climate change mitigation) and participation in the Act4Nature initiative (on biodiversity).

Depending on their scope, materiality and maturity, PRB-related issues will be discussed and acted upon at one or several of the following tiers: The Board of directors determines BNP Paribas' business orientations and supervises their implementation by the Executive Management, taking the social and environmental challenges of BNP Paribas' activities into consideration. In particular, one of its committees, the CGEN, is particularly responsible for monitoring the Group's contribution to economic sustainable and responsible development. The Internal Control, Risk and Compliance Committee (CCIRC) is tasked with, among

Links and references

Regarding the GTS 2025, Strategic plan, see the BNP Paribas 2025 Strategic plan ([Link](#)).

For better insight on the governing bodies of BNP Paribas, see the Chapter 5 of the Universal Registration Document ([Link](#)), Part 5.3 "**Risk management**", Figure 6: "**Overview of Group level governing bodies covering risk-related topics**", pages 366 and 367. But also the Chapter 2, Section 2.1.3 "**Remuneration and benefits awarded to the Directors and**

other things, reviewing the overall risk strategy, including ESG, as well as monitoring ESG indicators related to the Group's Risk Appetite Statement, i.e. its tolerance to the risks to which it is exposed in the execution of its strategy. In this respect, the Board is regularly informed of the progress made in the implementation of the Group's CSR strategy. In 2022, it addressed ESG topics on 25 occasions, including climate issues, and its members received training in sustainable finance. Since 2021, three high-level Sustainable Finance Committees work to strengthen the integration of these issues into the Group's strategy and within each:

- the Strategic Committee, under the direction of the director and Chief Executive Officer, met seven times in 2022, and notably ruled on the Group's commitments in terms of loan portfolio alignment (Oil & Gas, Power Generation, Automotive) and on its participation in the Net-Zero emissions coalitions (NZBA, NZAOA, NZAMI). It also considered the impacts and implementation of new regulations relating to sustainable finance (SFDR, MiFID, IDD) and analysed the expectations of the European Central Bank (ECB) in terms of climate and environmental risks;
- the Infrastructure Committee, under the direction of the Group's COO, met monthly to monitor the deployment of processes and reports related to sustainable finance, at the methodological, normative and operational levels;
- the Regulatory Committee, chaired by the Group General Counsel and by the Corporate Engagement Director, met three times in 2022 to inform its members on the main regulatory texts in preparation (European taxonomy, duty of care, CSRD).

The CSR Function within the Company Engagement Department is responsible for managing the Bank's CSR commitments, for reporting it and is represented in the Group Executive Committee. At Group level, the CSR Function is split into five specialised divisions: Positive Impact Business Accelerator; Dialogue with NGOs; Methodology and Data; Centre of Expertise on ESG risks and opportunities; and extra-financial communication. The Global Head of CSR, Laurence Pessez, sits at the Banking Board of the PRB.

The CSR Function is based on a network of branches created in 2012, which operates in the 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 employees spend all or a majority of their time on CSR matters.

Communities of ESG expertise are being created within the Group and its entities to accelerate, streamline and industrialise the consideration of sustainable finance issues in BNP Paribas' activities. For example, Low-

Corporate officers", pages 78 to 84.

As regards with the ESG risks management, see the Chapter 7, Section "A **comprehensive ESG risk management approach**" at pages 639 to 640 of the same document.

<p>Carbon Transition Group, formed in 2021, is composed of more than 100 fully dedicated bankers, within a network of 160 people (target of 250 in 2025) bringing together several areas of expertise and specialists in the financing of the energy transition, whose mission is to support corporate clients in their decarbonisation.</p> <p>A detailed overview of how BNP Paribas tackles ESG risks (i.e. potential negative impacts) in its financing activities is provided in the section <i>Systematic integration and management of ESG risks</i> of BNP Paribas URD (p. 639 and following of 2022 URD).</p> <p>As for the integration of ESG criteria in remuneration practices, the variable remuneration of both Executive Management (CEO and COOs) and the 8,400 key employees of the Group are linked (to respectively 15% and 20%) to BNP Paribas' CSR performance. See p. 81 and 661 of 2022 URD.</p>	
<p>5.2 Promoting a culture of responsible banking:</p> <p>Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p>	
<p><i>Response</i></p> <p>BNP Paribas is convinced that the energy and ecological transition can only be successful if all actors (companies, public authorities, associations, citizens and consumers) are committed together to this transformation. The Group therefore addresses these issues with all its stakeholders and participates in the joint awareness-raising and training effort.</p> <p><u>Employees, the Group's best sustainable development ambassadors</u></p> <p>To support employees in this strategic transformation and ensure that everyone has the necessary knowledge and skills around major environmental and civic issues, in November 2022, the Group launched the Sustainability Academy. Co-constructed with the Group's entities, it provides access to a set of selected resources on sustainable development and finance (training courses, articles, videos, interviews, practical sheets, news, support modules for managers, etc.). These will enable employees to learn about the fundamentals of the environmental and social challenges of sustainable finance as well as to enter more in-depth into the five priority areas of actions for the Group (namely the circular economy, transition to carbon neutrality, biodiversity conservation, social inclusion and the development of sustainable savings, finance and investments). The Sustainability Academy is organised into four different areas:</p>	<p><i>Links and references</i></p> <p>For further information, please refer to the Universal Registration Document (Link), Chapter 7, Part 7.5 "Our environmental responsibility: accelerating the ecological and energy transition", Section "Raising awareness among internal and external stakeholders", pages 683 and 684.</p>

- a “common base” for all employees comprising the foundations, definitions and strategy of the Group’s Engagement relating to the five priority areas of actions indicated previously;
- specific content for the Group’s business lines and functions with specialised trainings;
- a set of tools through the “Mobilise your team” module made available to managers to enable them to engage and strengthen the mobilisation of their teams around the challenges of sustainable finance;
- a dedicated space to prepare for the future targeting specific “Talent” populations and members of the Executive Committees of the business lines and functions.

With this same objective, some notable, older initiatives in terms of sustainable development awareness and training are continued:

- the Group continued the “WeEngage” initiative, an awareness-raising programme for all employees worldwide dedicated to sustainable finance and current environmental and social issues. Eight modules, available in five languages, have been produced since the launch of WeEngage, and more than 17,000 Group employees had been informed by the end of 2022;
- in France, the modules of CPBF’s “committed banker” common core were taken by more than 87% of the workforce at the end of September, i.e. nearly 23,000 employees;
- the training of Group managers in sustainable development has been accelerated through the Shape the Future programme. Thanks to collaborations with leading universities (Cambridge, Columbia) and industrial experts, 1,272 leaders received CSR training in 2022;
- more than 350 BNP Paribas Asset Management employees have completed a certifying ESG training course. In addition, a training course on sustainable investment, lasting from 4 to 20 hours, is offered to all BNP Paribas Asset Management employees. A training course was also created with the CFA Institute, and made available to BNP Paribas Asset Management employees and clients;
- the Climate Fresk, a game in the form of collaborative workshops enables a systemic vision of climate change issues and their consequences to be acquired. This awareness-raising campaign, rolled out at BNP Paribas since 2019, saw strong growth in 2022, with nearly 3,000 employees trained during this year. In total, 4,200 employees, including 400 members of Management Committees have already attended this workshop, proposed in over fifteen countries. Lastly, this year saw the start of the deployment of the biodiversity and digital frescoes.

At the same time, the Bank has strengthened its specific training actions in terms of ESG risk management as part of the deployment of the ESG Assessment for relationship managers and analysts who form the first line of defence and Risk Officers & Senior Credit Officers who constitute the second line of defence. In 2022, nearly 97,000 Group employees attended an average of 4.3 training courses on sustainable development topics.

All ethics topics are subject to mandatory training courses rolled out over several years. A training course on all the topics of the Code of conduct (Conduct Journey) is mandatory for new employees in the Group, and every two years for all employees. After a first training campaign assigned in 2021 with a completion rate of 96.5%; a second component was assigned to all employees in 2022 with an achievement rate of 97.2%. In addition, employees particularly exposed to certain risks must undergo advanced training in their respective areas of expertise.

A network of internal experts serving the entire Group

The CSR Department is based on a network created in 2012, which operates in the divisions, business lines, retail networks, departments and subsidiaries in order to facilitate the roll-out of the CSR policy across the whole Group. In total, more than 220 employees spend all or a majority of their time on CSR matters. Communities of ESG expertise are being created within the Group and its entities to accelerate, streamline and industrialise the consideration of sustainable finance issues in BNP Paribas' activities.

In order to accelerate the environmental and social transition, BNP Paribas launched the NEST (Network of Experts in Sustainability Transitions) at the end of 2021. This network is now composed of more than 500 experts, who are BNP Paribas employees, in areas such as the energy transition, the circular economy, biodiversity, human rights, social inclusion and sustainable finance. The aim of this international network is to strengthen and share expertise to accelerate the transition of our teams and our clients. Since its launch, NEST has organised 27 internal webinars attended by more than 3,000 participants, and has supported the various BNP Paribas entities in their communication with their external stakeholders.

The creation of informative content dedicated to the ecological transition

BNP Paribas regularly publishes information dedicated to the ecological and inclusive transition for its employees and external stakeholders. Thus, in 2022, NEST distributed four newsletters capitalising on the knowledge of more than 100 internal and external experts. In addition, the Group publishes a newsletter on LinkedIn dedicated to the challenges of sustainable finance: "Sustainable Finance at Scale". Launched in 2022, this newsletter has published four issues dedicated to

biodiversity, the COP27, the circular economy and green mobility and counts nearly 300,000 subscribers.

Inclusion in remuneration structures

Meeting the objectives set as part of the CSR strategy is included in the calculation of a three-year retention plan, called the Group Sustainability and Incentive Scheme (GSIS), attributed to more than 8,400 key Group employees, with 20% weighting. CSR performance also impact (up to 15%) the variable remuneration of the Group’s executive officers.

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

Since 2011, BNP Paribas has gradually deepened and broadened its framework to manage the ESG risks that may affect its activities. Initially focused on the most sensitive sectors from an ESG point of view (with the development of sectoral policies), the framework has now become more exhaustive as it covers all the sectors of the economy in which the Group has customers. At the same time, sectoral policies are regularly adapted to better take into account the new challenges of the sectors covered by increasing the level of ambition.

Binding financing and investment policies

As part of the implementation of its strategy to combat climate change and align its activities with a carbon neutrality target by 2050, as a priority, since 2011, BNP Paribas has developed ESG policies covering today eight major sectors. They also cover fundamental issues such as biodiversity and human rights.

The eight sectoral policies published by BNP Paribas are applicable at project and company level as specified in each of these policies. Each year, the Group ensures that corporate clients comply with the policy criteria. The sectoral policies are controlled, in the same way as all the Group’s policies, as part of the organisation of the first and second lines of defence: the implementation is, therefore, the responsibility of the business lines, and the control, the responsibility of the RISK Function.

An internal ESG performance and risk assessment tool: the ESG Assessment

Links and references

For more details on the risk management framework of BNP Paribas, please refer to the Chapter 7, Part 7.7 “**Duty of Care**”, at the section 1.5.3 “**Representation of the overall ESG Risk Management system**” of the Universal Registration Document ([Link](#)), page 696.

¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Gradually developed and then rolled out since 2021, the ESG Assessment has become the preferred tool for monitoring the ESG performance and associated risks of the Group's corporate clients. The assessment is a systematic ESG analysis that applies as part of the credit process, and is being rolled out in the KYC (Know Your Client) system. Like other criteria (financial, strategic), ESG criteria are taken into account in the assessment of the counterparty's credit profile.

The ESG Assessment covers the environmental (climate and biodiversity), social (health and safety at work and impact on communities) and governance (business ethics) dimensions through numerous questions divided according to these five themes. It is supplemented by an analysis of controversies affecting clients. The questionnaires developed in this context are specific to each sector in order to better integrate the challenges and issues specific to their activities. Aware that ESG issues are changing rapidly and that the quality of responses will gradually improve, the Group plans to adjust these questionnaires, as necessary, taking into account feedbacks from clients and relationship managers (RMs), the RISK and CSR teams.

The ESG Assessment also enables to assess clients' compliance with the Bank's sectoral policies, as well as the maturity of their ESG strategy and its implementation. The ESG Assessment, therefore, enables the bank to deepen and document its ESG knowledge of clients.

In order to assess and contribute to reducing its clients' impact in terms of ESG risks, 18 sectoral questionnaires were finalised in 2022, and 1,500 analyses of very large and large corporate clients were carried out.

This analysis will gradually be extended to all corporate and financial institution clients, according to appropriate approaches.

Due diligence and dialogue

In the event of suspected or identified serious abuses of human rights by a BNP Paribas customer or a company in its portfolio, the Group conducts in-depth due diligences and discusses the matter with the company concerned.

Restriction of activity lists

In order to identify the companies presenting the highest environmental and social risks, in addition to financing and investment policies, the Group manages activity restriction lists according to the level of ESG risks observed. Following their update in 2022, these lists included 1,490 companies, of which 1,369 companies under restrictions and 121 under monitoring.

<p>Those under monitoring are subject to engagement measures by the Group, in order to monitor that they make lasting changes to their practices and reduce their ESG risks. For companies under restrictions, the Group prohibits any new financing or investment relationship. Lastly, BNP Paribas has compiled an exclusion list of specific goods and activities that the Group is unwilling to finance, such as tobacco.</p> <p>These lists, implemented at the level of legal entities and groups, are periodically updated using data supplied by clients and external sources, and by analysing the key controversies involving corporate clients accused of serious violations of respect for the environment or human rights. The implementation of clients' exit strategies or amounts invested is regularly monitored internally.</p> <p><u>Respect of the Equator Principles in project financing</u></p> <p>As a signatory to the Equator Principles alongside 137 other financial institutions worldwide, and in its role as a financial service provider and adviser, BNP Paribas works with its clients to identify, assess, and manage the risks and environmental and social impacts linked with major industrial and infrastructure projects. According to these principles, the negative impacts of these projects on communities, ecosystems or the climate must be avoided or minimised, mitigated and/or offset.</p>	
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<p>Self-assessment summary</p> <p>Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</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 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- Yes Partially No

If applicable, please include the link or description of the assurance statement.

Response

Links and references

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
 SASB
 CDP
 IFRS Sustainability Disclosure Standards (to be published)
 TCFD
 Other:

Response

BNP Paribas discloses sustainability information through GRI, SASB, CDP, TCFD frameworks.

BNP Paribas also performs reporting against the ESG Pillar III.

Links and references

For deeper insight regarding the reporting of the Group on these frameworks, see the Universal Registration Document, Chapter 7 on the Section 7.10 "Cross-reference tables", pages 715 to 719.

See also the Task Force on Climate-related Financial Disclosures report on the following: [tcfd_report_2021_eng.pdf \(bnpparibas.com\)](https://www.bnpparibas.com/tcfd-report-2021-eng.pdf)

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

<p><i>Response</i></p> <p>BNP Paribas will continue to deploy its best efforts to uphold its economic, social, civic and environmental responsibilities, and meet the ambitious targets set in its 2022-5 CSR Dashboard.</p> <p>With its impact analysis already performed and related targets already set (at least until the expiration of the GTS strategic plan, i.e. 2025), BNP Paribas will not engage into structural developments on both of these areas.</p>	<p><i>Links and references</i></p> <p>See the <i>BNP Paribas 2025 Strategic plan</i> (Link).</p>
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6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

BNP PARIBAS SA

16 Boulevard des Italiens

75009 Paris

Limited assurance report of one of the Statutory Auditors on selected Principles for Responsible Banking (PRB) information

Year ended December 31, 2022

BNP PARIBAS SA

16 Boulevard des Italiens

75009 Paris

Adresse postale :
TSA 20303
92030 La Défense Cedex

Limited assurance report of one of the Statutory Auditors on selected Principles for Responsible Banking (PRB) information

Year ended December 31, 2022

To the Executive Management,

Pursuant to your request and in our capacity as Statutory Auditor of BNP Paribas SA (hereinafter the “Company”), we performed a limited assurance engagement in accordance with the International Standard on Assurance Engagement 3000 (Revised) on the Selected Information (hereinafter “the scope of our work”) indicated with a *, as presented in the PRB Reporting and Self-Assessment Template, and as listed below on pages 5 and 6 of this Assurance Report, for financial year ended December 31, 2022.

Conclusion

Based on the procedures we have performed as described under the paragraph “Nature and scope of procedures”, and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information (hereinafter “the scope of our work”) indicated with a *, as presented in the PRB Reporting and Self-Assessment Template, and as listed below on pages 5 and 6 of this Assurance Report, is not prepared, in all material respects, in accordance with the Applicable criteria and Basis of Reporting defined by the Company.

Emphasis of Matter

We draw attention to the following points:

- The reporting guidelines of the following KPIs – related to the two significant impact areas identified by BNP Paribas SA – could be further formalized in a dedicated document so that they can be made publicly available or communicated to stakeholders upon request: amount of the support enabling our clients to transition to a low-carbon economy; amount of financing to companies contributing to protect terrestrial and marine biodiversity;
- The double materiality analysis – required for the two significant impact areas – could be further formalized for the impact area related to biodiversity.

Our conclusion is not qualified in respect of this matter.



Scope of our work

The requirements for the preparation and publishing of Selected Information within a Reporting and Self-Assessment Template are established by the [Guidance for banks \(February 2021\)](#) and [Reporting and Self-Assessment Template \(September 2022\)](#) (“guidance”) published by the United Nations Environment Program Finance Initiative (“UNEP FI”). The guidance requires the directors of BNP Paribas SA to obtain a limited Assurance Report on the following discrete elements of the entity’s Reporting and Self-Assessment Template:

- Principle 2.1: Impact analysis.
- Principle 2.2: Target setting.
- Principle 2.3: Plans for target implementation and monitoring.
- Principle 5.1: Governance and culture – describe relevant governance structures, policies and procedures.

The Selected Information for BNP Paribas SA is presented in the PRB Reporting and Self-Assessment Template, and as listed below on pages 5 and 6 of this Assurance Report. The Selected Information indicated with a * is the subject of this Assurance Report.

The guidance requires BNP Paribas SA to publish other information within its Reporting and Self-Assessment Template. This other information is not marked with a * and is not the subject of this Assurance Report.

Preparation of the Information

The Applicable Criteria and Basis of Reporting defined by the directors, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organizations and from year to year within an organization as methodologies develop.

Limits inherent in the preparation of the Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

The Applicable Criteria, Basis of Reporting, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities.

The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organizations and from year to year within an organization as methodologies develop.

Responsibility of the Company

The Company is responsible for:

- Selecting and establishing the Applicable Criteria and Basis of Reporting.



- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria and Basis of Reporting.
- Publishing the Applicable Criteria and Basis of Reporting publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.

Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria and Basis of Reporting, including that all relevant matters, are reflected in the Selected Information.

Responsibility of the Statutory Auditor

Based on our work, we are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the directors.

As it is our responsibility to issue an independent conclusion on the Information prepared by the Company, we are not authorised to participate in the preparation of the Selected Information, as this could compromise our independence.

Applicable regulatory provisions and professional guidance

The work described below was performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with the international standard ISAE 3000 (revised) « *Assurance Engagements other than Audits and Reviews of Historical Financial Information* » issued by the IAASB (*International Auditing and Assurance Standards Board*).

Independence and quality control

Our independence is defined by regulatory texts (article L.822-11 of the French *code de commerce*), and the French Code of Ethics for Statutory Auditors (*code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, professional ethical requirements, and French professional standards applicable for this assignment.

Nature and scope of procedures

We planned our engagement in accordance with ISAE 3000 (Revised) and designed procedures to obtain sufficient appropriate evidence to express an independent limited assurance conclusion on the Selected Information in line with ISAE 3000 (Revised).

Our procedures were informed by the [Guidance for assurance providers – Providing limited assurance for report - Version 2 \(October 2022\)](#) published by UNEP FI in November 2022. However, we have performed the procedures as outlined in ‘the work we performed’ section below which do not necessarily obtain the confidence level as outlined by UNEP FI’s *Guidance for assurance providers*, but what is normally obtained by a practitioner in a limited assurance engagement under ISAE 3000 (Revised).

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The assessment of what is material is a matter of professional judgement and includes consideration of both the amount (quantity) and the nature (quality) of misstatements. The procedures we performed were based on our professional judgment.

As this is a limited assurance engagement, the nature, timing and extent of evidence-gathering procedures was more limited than for a reasonable assurance engagement, and therefore substantially less assurance is obtained than in a reasonable assurance engagement.

In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the procedures as follows:

- Planned our procedures informed by the *Guidance for assurance providers – Providing Limited Assurance for Reporting - Version 2 (October 2022)* published by UNEP FI in November 2022, considering BNP Paribas SA’s stage of implementation of the Principles for Responsible Banking.
- Conducted interviews with process owners and internal stakeholders to understand the processes and control activities for measuring, reporting, and presenting information in the PRB Reporting and Self -assessment Template, in accordance with the Applicable Criteria.
- Made inquiries with process owners and internal stakeholders, obtained and reviewed supporting evidence to assess whether disclosures within the Selected Information in the PRB Reporting and Self -Assessment Template reflect BNP Paribas SA’s assessment of the stage of implementation of the Principles.
- In respect of Principle 2.1 (Impact analysis), based on inquiries made and information obtained and reviewed, checked that BNP Paribas SA’s business areas and scope are clearly described, reconciled portfolio composition to management information and checked that challenges and priorities have been analysed, including the rationale for business areas where the analysis was not performed. Furthermore, we checked that BNP Paribas SA has disclosed the method for determining its impact areas and has selected what was determined as the two most significant areas of impact. For the one impact area where performance has been measured ([Identify]), reconciled to published information referenced in the response and to supporting management information. Finally, we checked to supporting evidence, including meeting minutes, that the stated governance process was followed.
- In respect of Principle 2.2 (Target setting), based on inquiries made and information obtained and reviewed, checked that the BNP Paribas SA sets targets for one of its two significant impact areas ([Identify]) and that the targets are linked to that impact area. We checked that the BNP Paribas SA has identified frameworks to align with and explained how targets contribute to relevant goals.

Further, for the one impact area where targets have been set ([Identify]), we checked that the base year for climate targets ([identify]) is no more than two full reporting years prior to the year when the targets have been set ([identify date]) and that the targets are Specific, Measurable, Achievable, Relevant and Time-bound.

- In respect of Principle 2.3 (Target Implementation and Monitoring), based on inquiries made with process owners and internal stakeholders, obtained and reviewed supporting evidence to assess whether disclosures within the selected responses in the PRB Reporting and Self -Assessment Template reflect BNP Paribas SA's assessment of the stage of implementation of the Principle.
- In respect of Principle 5.1 (Governance Structure for Implementation of the Principles), based on inquiries made and information obtained and reviewed, checked consistency to supporting evidence, including organisation charts and meeting minutes with that of the disclosures of BNP Paribas's governance structure for implementation of the Principles, that there is oversight over the implementation and monitoring, that the structure is in line with existing governance structures as defined by BNP Paribas SA. Further, we checked that the Board of Directors obtained information on BNP Paribas SA's stage of implementation of the Principles for Responsible Banking on an annual basis.

The nature, timing and extent of procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error, in the Information.

We consider that the sampling techniques and sample sizes we have used in exercising our professional judgement enable us to express our conclusion. The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, April 28th, 2023

One of the Statutory Auditors,

Deloitte & Associés

 *Laurence Dubois*

Laurence Dubois
Partner, Audit

 

Julien Rivals
Partner, Sustainability