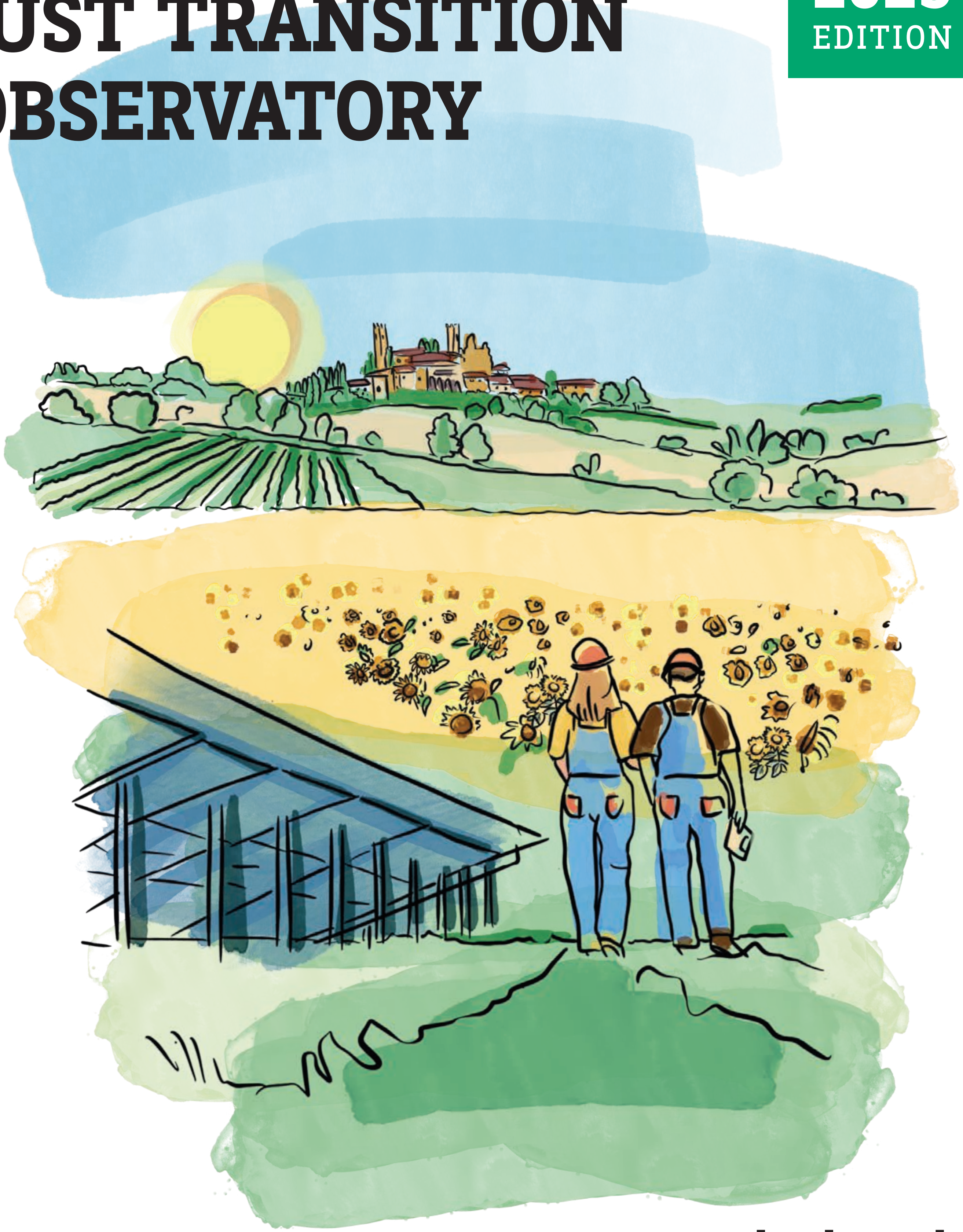
JUST TRANSITION OBSERVATORY

2025 EDITION



Leaving no one behind in the ecological transition

BNP PARIBAS
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Editiorials

Achieving a solutions-based transition, rather than a backward retreat

The 2025 edition of our Observatory shines a light on an increasingly important contradiction. Europeans have never been so clear-sighted about the long-term risks of climate change. But at the same time, they have never struggled as much to limit those risks in their daily lives.

With geopolitical crises and inflation taking its toll, making decisions is becoming tougher. Sustainable activities are steadily declining. People are growing weary of sustainable messaging because they increasingly regard the transition as costly, unfair and a cause of inequality. Most Europeans have begun to view the transition as a threat – to their bills, standard of living, jobs and social cohesion – rather than as a promise.

Rather than discouraging us, this disconnect should serve as a warning. It shows that the grand story built around the climate is not having the desired effect. Because even extreme weather events – which are on the rise – now fail to trigger a response. There will be no support until there is justice. And without fairness, there will be no transition. This challenge is not just about technology: it is social, geographical and cultural. It is high time to highlight the real benefits of the transition for everyone ... wherever they may be.

In uncertain times like these, financial institutions have a key role to play. It is crucial to not only finance the shift to a low-carbon economy, but to also offer effective support to those who might otherwise be left behind. This is exactly what we are doing by facilitating access to electric mobility for low-income households with our LOA 120, initiative. Or, with HappyNest in Belgium, which enables people to live in energy-efficient homes thanks to a 'rent now, buy later' model. Our support for businesses and employees also reflects just transition principles. For example, in rural areas of Poland, we are working with McCain and its farmers as they move towards regenerative agriculture.

These projects show that another path is possible. A path based on a transition that is practical, inclusive and attuned to local realities. It is an ecosystem of solutions, rather than a backward retreat.

Laurence Pessez, *Global Chief Sustainability Officer and Deputy Head of Company Engagement, BNP Paribas*

BNP PARIBAS

Ecological transition: time to end the deadlock

Terra Nova is delighted to be associated, for the third year in a row, with the international survey on the just transition. Conducted by BNP Paribas in 10 countries, the survey takes stock of citizens' concerns, expectations and doubts around the ecological and energy transition. This third wave highlights people's growing anxiety. While many understand the vital importance of this transition, their confidence in its implementation is in freefall.

Everywhere, the climate crisis is escalating, yet political focus on the issue is on the wane. Climate issues are increasingly on the back burner, due to other emergencies such as inflation, energy insecurity, and geopolitical disputes. In France and elsewhere, there is growing resistance to climate action. This can be seen in political backsliding, disputes over European standards, as well as a reluctance to embrace agricultural and energy transitions.

However, two out of three Europeans say they are still worried about climate change. And a majority believe this will be our biggest challenge over the coming decade. But only 32% think the transition will benefit the entire population, including the most vulnerable. More worryingly, 39% believe the transition will contribute to making society more unequal by 2035.

Scepticism about the transition runs deep. Over half of the French respondents expressed concern it will exacerbate poverty and social tensions.

We should not ignore such worries. Because the ecological transition's success will depend on clear and committed governance. Stakeholders must set out plans for achieving this transition and not forget to highlight all its benefits. This means acknowledging the efforts required and fairly sharing the societal burdens. We also need to support everyone facing transition-linked challenges. The best way forward now is to reconcile the ecological emergency, social justice and democracy.

Thierry Pech,
Managing Director Terra Nova

terra nova LE THINK TANK PROGRESSISTE

Climate transition and the need for psychoanalysis

Global warming is a stressful topic for people. We are all aware of it now; it is still creating great anxiety, and over the next 10 years it is sure to become an increasing problem. Although we acknowledge it, we just wish we could get rid of it and never need to worry about it ever again. This is one of the takeaway messages of the third edition of the 2025 Just Transition Observatory survey, carried out by Ipsos for BNP Paribas. Virtually all indicators have taken a tumble, most notably those related to people's anxiety levels, their feeling of being personally affected by global warming's impacts, and their readiness to make the efforts required.

The problem now is that extreme events – such as floods, heatwaves and storms – are occurring more frequently than ever. So, it is becoming harder and harder to simply deny global warming. These events are happening all at once – be they short- or long-term; clearly evident or not; or maybe alarming yet still tolerable.

Worryingly though, people's engagement is on the wane, while the problem itself is only growing. German philosopher Hegel wrote that reality always punishes those who think they can ignore it.

Brice Teinturier,
Deputy Managing Director, Ipsos

Ipsos

The transition must be inclusive

Amid a growing ESG backlash, which is benefiting populist parties, ensuring a fair and effective green transition has become more urgent than ever. Besides reducing greenhouse gas emissions, businesses have a key role to play in cushioning the social impacts of climate action. This means creating green jobs, investing in professional reskilling and contributing to regional development.

The transition must be inclusive, so as not to widen inequality or leave some communities behind. By working with the public sector and civil society, economic players can bolster the social acceptability of the necessary measures, reduce political risks and strengthen their own resilience.

Without sharing the responsibility, the green transition cannot succeed. At the same time, the green transition also opens the way to opportunities for all. For this to happen, we need to make social justice a core foundation of climate action.

Catherine E. De Vries,
President of the Institute of European Policymaking, Generali Endowed Chair in European Policies, Department of Social and Political Sciences, Bocconi University

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Companies are at the heart of the transition

The 2025 edition of the Just Transition Observatory makes a compelling case – companies are crucial in tackling climate change and reducing inequality. By funding or supporting targeted aid such as energy renovations, low-carbon equipment and sustainable mobility solutions for low-income households, companies can enable an accessible transition for all. Green and inclusive jobs can be created through investment in sustainable sectors (renewables, circular economy) and through support for the training or retraining of vulnerable groups.

Companies should also engage with their customers and their value chain in their sustainability efforts. They must equally be transparent about the real impact of their climate actions, and ensure the fair sharing of transition efforts and benefits by integrating social criteria. These actions as well as a sustained commitment will boost their environmental impact, value creation and social legitimacy. However, it remains to be seen how businesses will collaborate with vulnerable citizens, scientists, and political leaders at different government levels.

Stefan Crets,
Executive Director, CSR Europe

CSR EUROPE

FOR MORE INFORMATION: "THE BUSINESS MANIFESTO: DELIVERING A JUST INDUSTRIAL TRANSITION FOR A SUSTAINABLE EUROPE 2030"

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We would like to thank all the staff from BNP Paribas and the partners who have contributed to producing this report.

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Just transition, transition in and out: what do these terms mean?

Somewhere between transition in and out, the objective of the just transition is to leave no one behind in the more sustainable future.

BNP Paribas is aligned with the definitions of a just transition, as set out by the ILO in 2015 and by the B4IG coalition in 2021.

For the ILO: "A just transition for all towards an environmentally sustainable economy (...) needs to be well managed and contribute to the goals of decent work for all, social inclusion and the eradication of poverty. (...) A just transition promotes environmentally sustainable economies in a way that is inclusive, by creating decent work opportunities, reducing inequality and by leaving no one behind. Just transition involves maximising the social and economic opportunities of climate and environmental action, including an enabling environment for sustainable enterprises, while minimising and carefully managing challenges."

"The ILO's vision of just transition is broad and primarily positive. It is a bridge from where we are today to a future where all jobs are green and decent, poverty is eradicated, and communities are thriving and resilient. More precisely, it is a systemic and whole-of-economy approach to sustainability. It includes both measures to reduce the impact of job losses and industry phase-out on workers and communities; and measures to produce new, green and decent jobs, in economically and socially robust sectors and healthy communities. It aims to address environmental, social and economic issues together."

According to the B4IG coalition, "Climate change and in turn climate change strategies and policies have the potential to cause major social repercussions. We can address [those] if we collectively take the necessary actions to support the just transition, putting people at the heart of climate action and [converging] on common indicators that will lay the foundations of a shared approach with all stakeholders. (...) Businesses have a central role to play in ensuring the social challenges of the transition are met, by partnering with governments, social partners, suppliers and other stakeholders, and by taking action to properly integrate the social impact of their ecological transition strategies into corporate policies and action. Governments, business, and other stakeholders must collectively ensure that no one is left behind in the process."

Transition out

Mitigate the social risks and impacts of environmental transition (workers, companies, territories)

Strengthen the capacities and resilience of people, companies and territory affected by change (training, retraining)

Guarantee universal access to sustainable energy, food, accommodation and mobility at a fair price

Transition in

Maximise the social benefits of the transition

Create green and decent jobs in emerging industries and services

Be aware of the ESG impacts of new emerging sectors (supply chains)

RECONCILING TRANSITIONS

The concept of energy transition is associated with various ideas that must be reconciled. The ideas of 'transition in' and 'transition out' illustrate this. 'Transition in' implies the fast development of new low-carbon sectors and activities. It calls for strong support to develop infrastructure, skills and the workforce. Furthermore, a number of green activities can have an impact on human rights, the use of resources and job quality.

'Transition out' entails transforming certain sectors, or a gradual phase-out from activities that emit significant amounts of carbon but are difficult to decarbonise. Under this process, there is a risk of large-scale job losses or a decline in working conditions – which can negatively impact value chains, regions and communities. Yet when supported, these sectors can also reinvent themselves, retrain their workforces and play their part in the transition – all without leaving anyone behind.

In both cases, 'in' and 'out' transitions present a risk and an opportunity. If managed well, they can generate jobs whilst facilitating a successful and just transition.

Main results of the quantitative study

Europeans see climate change as the main concern in the long term, but they are more worried about international developments and their own purchasing power in the short term.

Methodology of survey of the general public

- Respondents were interviewed by the Ipsos **Online Panel** from 31 March to 24 April 2025
- Sample included **9,500 individuals** aged 16 and over, in each of the **10 countries** of the scope of the study
- The representativeness of the sample was ensured using the **quota method** (sex, age, location type, occupational group)

Desired positive effects of a successful transition

1. Renewable and low-cost energy (56%)
2. An energy transition for everyone (55%)
3. Clean air and cities being nature hubs (52%)

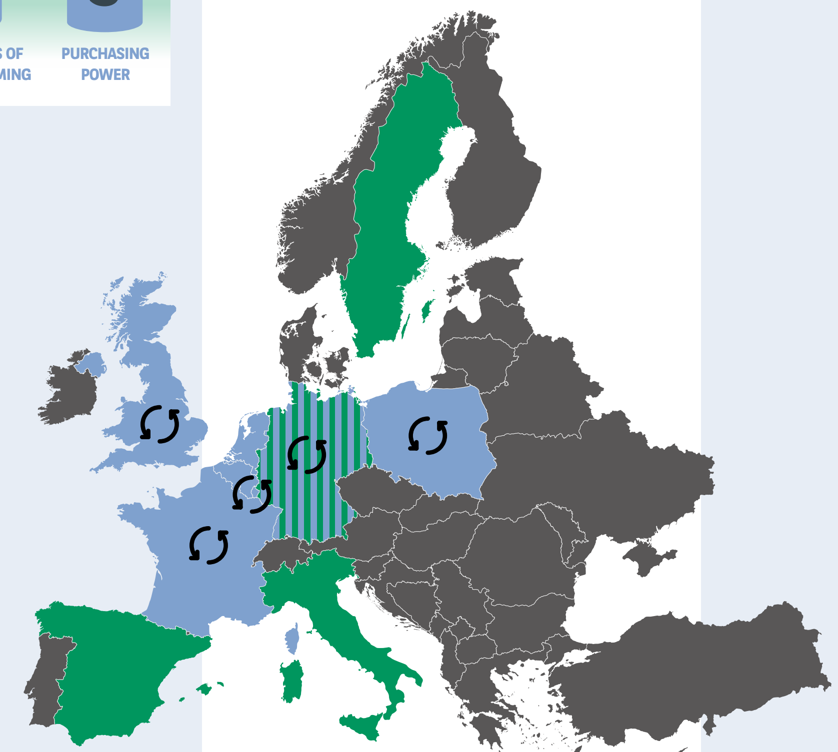
End of the world or end of the month: which is the priority?

Breakdown of countries by most frequently given answer

- Fighting global warming, even if it affects your comfort and quality of life
- Protecting your purchasing power and quality of life, even it means doing less to counter global warming
- The same proportion for both priorities
- Countries not surveyed
- Priority changed compared to 2023

Global-level barometer

	VS 2023
15% Do not know	-1
41% Protecting purchasing power	+3
44% Fighting global warming	-2



Europeans' main concerns

	in 2025			in 2035		
Rank	2	1	3	2	1	3
Concern	PURCHASING POWER	THE INTERNATIONAL SITUATION	THE EFFECTS OF GLOBAL WARMING	THE INTERNATIONAL SITUATION	THE EFFECTS OF GLOBAL WARMING	PURCHASING POWER

Energy transition and social inequalities

Proportion of respondents who believe the fight against global warming will lead to social inequalities

	In general	Between urban and rural people	Between countries	Between wealthiest and the poorest groups
2025	64%	66%	67%	72%
VS 2023	+5	+4	+6	+4

Main results of the qualitative study

In-depth interviews have enabled us to identify different profiles based on respondents' level of commitment and attitude to the transition.

A qualitative study undertaken in France looked at how the energy transition is being perceived and experienced in companies, as well as at its true impacts, barriers and the levers foreseen. We include some illustrative examples on pages 16 to 17.

PRAGMATIC STANCE

THE REDUNDANT
Employees or ex-employees of an SME in a 'transition out' sector (road transport, automobile), faced with restructuring. They see the energy transition as the direct cause of their job loss.

THE GOOD STUDENT
Typically, corporate social responsibility (CSR) leaders of an SME with more than 100 employees, particularly in the new energies sector. They see themselves as responsible agents of change.

WORRIED

Employees or executives hit hard by the energy transition. Restructuring and a drop in sales: the transition is being endured and experienced as a form of exclusion, with no real alternative.

CHAMPS

Executives of a relatively large or fast-growing SME, often in a booming sector (electric mobility, new energies). They see the transition as a real opportunity in the medium term.

THE FATALIST
Executives or employees of an SME in a 'transition out' sector (road transport, automobile) that have had to or are considering downsizing in response to a sectoral slowdown. They attribute this situation to the energy transition, which is seen as inevitable.

THE OPPORTUNIST
Leaders of a high-growth VSB, particularly in electric mobility. They fully embrace the transition, which they see primarily as a driver of opportunity and development.

ENERGY TRANSITION RELUCTANT — ENERGY TRANSITION ENTHOUSIASTIC

THE ROOTED
Experienced employees whose job, and their sector at large, is being changed by the energy transition. They struggle to envision their future career.

THE EARLY BIRD
Executives or leaders of an SME in a 'transition out' sector (e.g. road transport), they support their company's commitment to transition. They are clear about the changes to come, while anticipating market trends and regulatory requirements.

DIEHARDS

Leaders of a very small business (VSB), self-employed persons, or employees of a vulnerable SME. They oppose the transition project and call it unfair or ill-adapted. They see it as a step in the wrong direction and a threat to their business model in the short to medium term.

ACTIVISTS

Leaders of a VSB or self-employed persons, often in professional retraining. They are deeply committed to a more sustainable model of society. The energy transition is merely one solution in this overall vision.

THE REBEL
Self-employed or leaders of a VSB. They oppose the energy transition altogether, and reject its principles, rules and related government-imposed regulation.

THE AGROECOLOGIST
New farmer strongly committed to the ecological transition. They are adapting their daily practices, guided by their environmental beliefs.

IDEOLOGIC STANCE

Methodology of the survey of SMEs

- Respondents were interviewed by Ipsos from 5 March to 28 March 2025
- **32 individuals**, aged 30 to 60, from **companies up to 250 employees** were interviewed throughout **France**
- Interviews in the **energy** (oil and gas, electricity), **automotive-mobility-transport** and **agriculture** sector
- The survey is based on a **qualitative approach**, results can not be projected to the entire population because of the sample selection, the methods used and the sample size

Climate anxiety levels are decreasing in several countries

While climate change is struggling to be seen as an immediate priority, it is still a major worry from a long-term perspective.

Energy transition sparks public concerns in Germany

by **Sina Steffen,**
Associate, Sustainability Business, BNP Paribas Germany

Germans increasingly worry about climate change, but are also apprehensive about the social and economic impacts of tackling it.

Mark Twain's quip that "everybody talks about the weather, but nobody does anything about it" has lost its charm in Germany. As the climate heats up, so do public anxieties – not just about the planet, but about who will pay the price for saving it. BNP Paribas' recent survey shows a stark increase of six percentage points since 2024 in the share of Germans worried about climate change. In parallel, a significant number of respondents fear that the energy transition will result in rising social inequalities (49%) and tensions (57%) in the next decade.

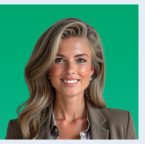
What lies behind these responses? Growing climate anxiety likely reflects both environmental and political developments. Climate change feels increasingly real, as 2024 was another year of record temperatures and floods. A separate Ipsos survey also revealed a drop of 42 percentage points in confidence in political crisis management since 2020. The previous government's collapse in late 2024 – partly over climate policy – has done little to assuage such worries.

> "RESPONDENTS FEAR THAT THE ENERGY TRANSITION WILL RESULT IN RISING SOCIAL INEQUALITIES AND TENSIONS IN THE NEXT DECADE."

Concerns over growing social inequality in the energy transition may be linked to fears about the transition's impact on Germany's industry. A recent study on the automotive sector estimated that upcoming transformations, notably the shift towards electromobility, could cost 190,000 jobs by 2035. In addition, several climate policies with social implications have ignited debates in recent years. For instance, the Building Energy Act triggered controversy over the costs for private households. Budgetary restrictions have also hampered the government's ability to implement climate policy-related aid programmes. The vehemence of these debates may help account for concerns about mounting social tensions.

Dutch private sector must step up energy transition support

by **Dagmar van der Plas,**
Head of Marketing, Communication and Company Engagement, BNP Paribas the Netherlands



One thousand Dutch citizens took part in the 2025 Just Transition Observatory survey. Their responses highlight the importance of building broader public support and of businesses equipping their staff for a green future. The financial sector can contribute by better communicating the economic and societal value of green investments.

Asked to prioritise three measures for a just energy transition, 40% of the Dutch respondents said that related policies should focus on vulnerable groups, which is 10 percentage points above the European average. Over a third (35%) also think that well-off citizens should contribute more.

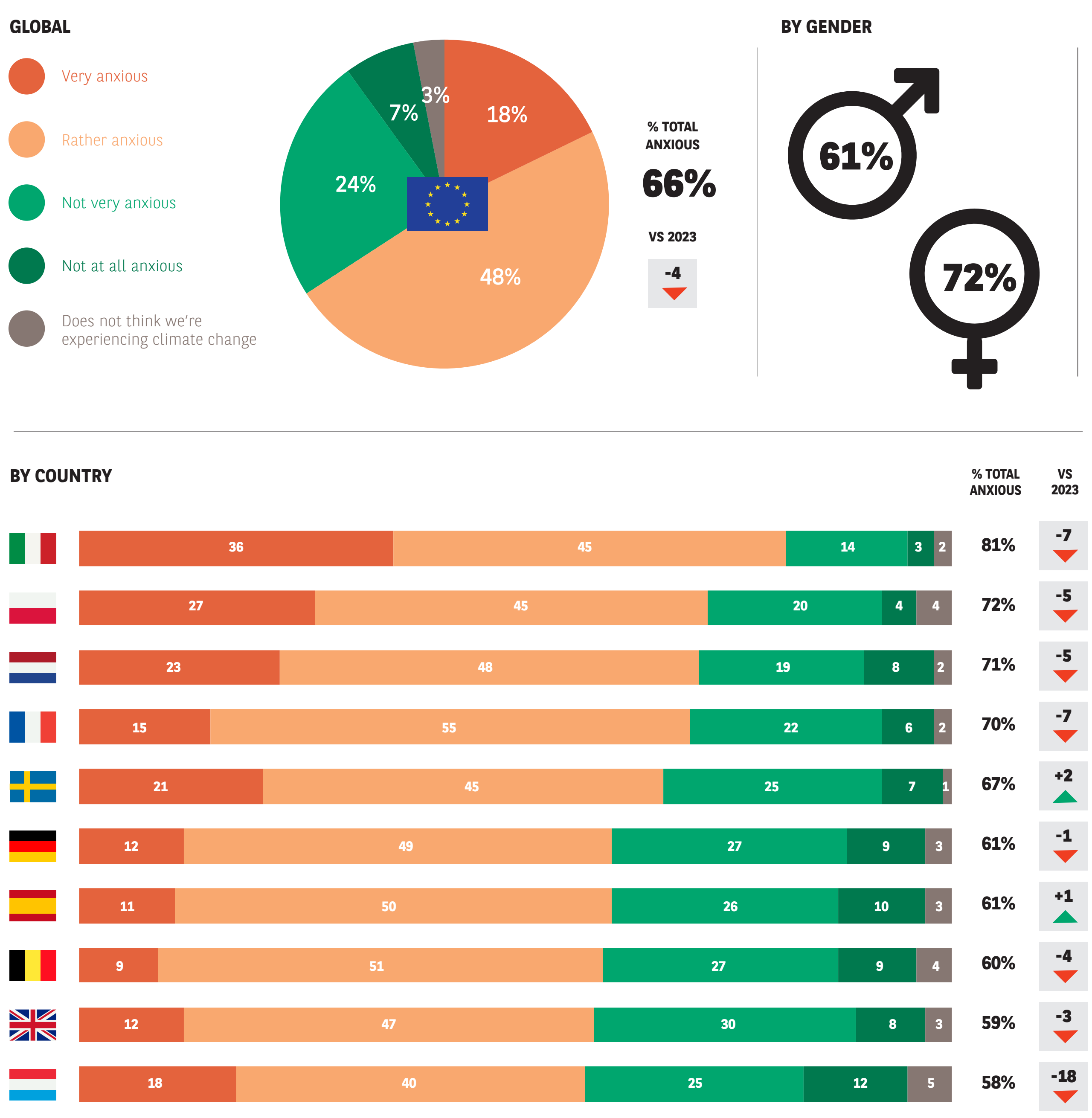
Quite clearly, the financial benefits of green energy investments must be a central part of the narrative. Especially given Europe-wide concerns over purchasing power and declining support for climate policies. Banks, including BNP Paribas, can show they contribute by investing in energy projects to make the public energy supply more sustainable.

According to the survey, the Dutch worry most about geopolitical instability. People have experienced first-hand that international conflict can have very real consequences on purchasing power through rising energy prices. They are consequently more aware that enhancing our energy independence is in everyone's interest, as it ensures energy prices remain more stable and affordable.

The energy transition requires businesses to adopt technological innovations and further support their employees. However, the urgency to prepare for a changing economy is not felt by Dutch employees. When asked to pick three top measures, only 21% of Dutch respondents said that vocational and higher education should adapt their curricula to prepare people for the energy transition. And just 13% believe they need upskilling for a greener economy, demonstrating that innovation does not happen automatically.

Employers have a crucial role to play in ensuring their staff are equipped for a green future. By being transparent about the potential impact of the energy transition on jobs and by investing in re- and upskilling, businesses can make the transition both fair and future-proof.

Two thirds of Europeans remain anxious about climate change, but the trend is descending



Transition inequalities are an increasing concern for Europeans

The sense that the transition isn't designed for everyone explains why some choose to reject it.

Energy transition and equity: can they be reconciled?

by **Estelle Chandèze**, Deputy Head Corporate Reputation, Ipsos; **Margaux Schmitt**, Research Manager Corporate Reputation, Ipsos and **Nicolas Berthier**, Research Manager Public Affairs & Corporate Reputation, Qualitative Department, Ipsos

Economic and geopolitical challenges are weighing hard on the transition, which increasingly appears to be a vehicle for social, geographical and budgetary pressures rather than a lever for progress. There appears to be consensus about the urgency of climate issues; yet doubts are mounting about the best ways to tackle them.

The two parts of our study highlight a situation that is both complex and multifaceted. They reflect an emerging disconnect between the 'far-off' horizon of an ecological ideal that we could easily embrace, and an energy transition that is closely linked to current public policy. Consequently, the ecological transition is struggling to be seen as an operational priority.

The energy transition is losing momentum
The study reveals how the very concept of the energy transition is starting to fall on deaf ears. The transition is seen by some – such as companies that have already made the transition, private individuals who have renovated their homes, etc. – as a process that is now complete, thanks to the investments made so far. Others view the transition as a 'trend' that is running out of steam. Or, as something that generates mistrust of public authorities, who are deemed to be promoting technologies – or even enforcing their use – without commensurate financial support. One example of this is the electric vehicles being pushed through France's 2019 Mobility Orientation Law (LOM) for transport. There is moreover a wider debate on low-emission zones (ZFE), which was on the political agenda just as the survey was being conducted, as well as heat pumps and photovoltaic installations.

"THE RESULTS OF BOTH PARTS OF THE SURVEY SUGGEST THAT THE ENERGY TRANSITION IS TAKING A BACK SEAT AND IS OVERSHADOWED BY BUDGETARY CONCERNS [...]. ON TOP OF ALL THIS, THE STATE OF THE WORLD [...] IS A SOURCE OF ANXIETY."

This perception revolves around three major criticisms. Firstly, the transition's fairness is being challenged, whether for individuals or businesses. This criticism is associated with the enduring idea that 'only those who can afford it can make the transition'. Secondly, there are now questions around the environmental benefits of various solutions, notably with regard to batteries' environmental impact and incentives to purchase new equipment. Incentives like that run counter to the principle of persuading people to buy less. Thirdly, public subsidies are gradually being phased out. So, although companies may have tapped into these incentives initially, they may now struggle to envisage just how they could continue to benefit from them.

In light of all the above, the results of both parts of the survey suggest that the energy transition is taking a back seat. Moreover, the transition is overshadowed by budgetary concerns such as continued inflation, a shortage of supplies for businesses, excessive tax burdens, and the economic after-effects of the Covid-19 crisis (repayment of state-guaranteed loans, downturn in business). On top of all this, the state of the world – for employees, executives, managers and simple citizens – is a source of anxiety, alongside geopolitical instability and regulatory constraints, particularly at European level. As a result, even the smallest companies feel entrapped.

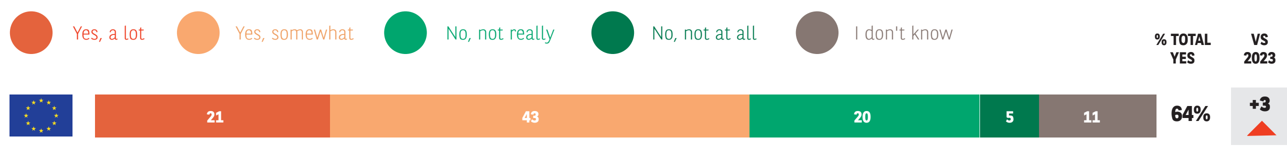
A transition facing major social challenges
The majority of European citizens still view the risks associated with the energy transition in a negative light. Around two-thirds of respondents (64%) believe that efforts to tackle climate change will lead to social inequalities. More than half (56%) think that the transition will increase society's fragmentation.

Fears of a growing divide also emerged from our qualitative analysis of the different company profiles facing the energy transition. On one side, we have the 'champions', or executives and managers in new energies and electric mobility: they view the transition as essential, something to be tackled pragmatically and rationally. On the other side, we have the 'worried', mainly in the road transport and automotive sectors: they feel excluded, particularly those employees who have lost their jobs.

More ideological positions are also evident: the 'die-hards' (managers of very small businesses and self-employed people in all sectors, employees of at-risk SMEs, traditional farmers) are worried and frustrated by regulations. This is in complete contrast to the 'activists' (neo-rural farmers), who are committed to and pioneers in introducing environmentally friendly practices.

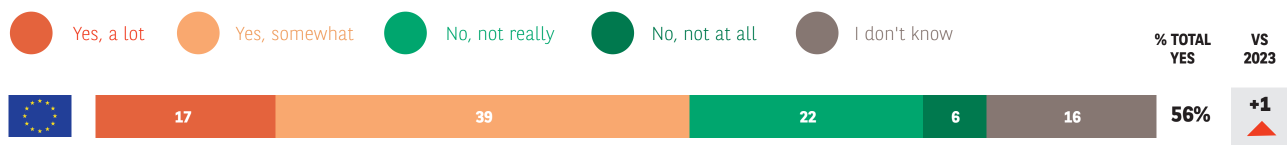
Social inequalities

Do you think the efforts required to fight global warming will result in social inequalities in general?



Fragmentation of society

In economic terms, do you think the energy transition will increase society's fragmentation?



This segmentation underscores an unavoidable reality. Some have now broadly embraced the energy transition, but it is still inaccessible to others, whether for financial or cultural reasons.

Support at several levels
Cost is still considered the biggest factor driving injustice. This means it will be essential to improve messaging about the financial aid available from public authorities, chambers of commerce and local governments. Support from banks, through financing solutions and tailored advice, is also essential. Many interviewees – particularly those from companies in the transport, agriculture and very small business sectors – also stressed the urgent need for greater clarity about all things related to the energy transition. This could include setting up a real-time regulatory and geopolitical monitoring system, as well as webinars to raise awareness, and inform companies and their employees.

"THE CHALLENGE IS NO LONGER SIMPLY TO ACCELERATE THE ENERGY TRANSITION, BUT TO ENSURE IT CAN BE ACCESSED BY ALL THE ECONOMIC ACTORS, WHATEVER THEIR SIZE OR ACTIVITY SECTOR."

For companies ready to embark on the transition after their financing issues have been resolved, there is a need for energy planning that comprises an overview of existing solutions and best practices. Lastly, for employees of large SMEs in transition, there are two major issues: skills obsolescence, which will require targeted training; and outplacement of affected employees, to ensure they do not feel isolated. For employees like these, personalised follow-up and support are highly recommended.

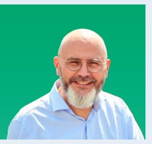
Moving towards a fairer transition
The study demonstrates that the current energy transition is a divide that many of the most vulnerable economic stakeholders will struggle to bridge. In today's world, resilience and adaptation are watchwords. In other words, the challenge is no longer simply to accelerate the energy transition, but to ensure it can be accessed by all economic actors, whatever their size or activity sector.

Developing low-carbon mobility solutions for everyone

The electrification of mobility is a key part of the energy transition, but it remains costly. Even so, innovative solutions will enable many more people to benefit from electrification.

Inclusive mobility in France: a drive for equity

by **Christophe Michaëli,** Head of Brands France Auto Mobility, BNP Paribas Personal Finance



BNP Paribas is reshaping vehicle finance to support low-income households through France's ecological and social mobility transition.

In France, the push towards decarbonising personal mobility has mainly benefited affluent households, with 70% of electric vehicles (EVs) bought by the wealthiest 20%. For low-income households, whose priority is managing day-to-day costs rather than acquiring new cars, the environmental transition poses a social and economic threat. They often rely on older, more polluting vehicles because greener alternatives are financially out of reach.

This inequality has key implications: while urban low-emission zones (LEZs) were designed to promote cleaner mobility, they risked excluding large segments of the population who depend on cars for essential activities. Political pressure over the social consequences of these restrictions recently led the French government to halt the rollout of further LEZs. Within this context, BNP Paribas Personal Finance has designed the Lease with Option to Purchase (LOP 120) scheme. Launched 18 months ago, it is a financing mechanism tailored to lower-income households, structured to spread car payments over 10 years in a departure from the standard three-year lease. This reduces the monthly cost, making newer, cleaner vehicles (including both EVs and hybrids, new and used) accessible to those who would otherwise be limited to purchases of older cars in the peer-to-peer market.

The scheme is complemented by France's government-backed "social leasing" programme, which provides subsidies of up to €13,000 per vehicle to low-income households. This initiative brings monthly payments for an EV down to approximately €100, enabling 50,000 EV purchases in its first year. While encouraging, this represents only a fraction of the 10 million vehicles that need replacing. At the current pace, this could take two decades, and subsidy funds are limited. The uptake of the LOP 120 scheme has been slower than anticipated. A key hurdle is the traditional car dealership model, which favours short-term leasing cycles and higher-margin customers. Dealers are now being encouraged to adopt the LOP 120 as incremental business, serving new customers who would otherwise purchase old vehicles outside the dealership system. However, this shift requires a fundamental mindset change and operational shift, not just in business practice but in attitudes towards who the car market is for and how it can be accessed.

Targeting the right customer segments is a challenge. BNP Paribas is collaborating with local associations who have direct relationships with lower-income communities. These partners can better reach and support the target demographic, many of whom are not BNP customers and have little familiarity with formal car financing. This outreach strategy recognises the importance of tailored communication and trust-building within underserved communities. Infrastructure is another key factor. While France has made progress in this area – with over 100,000 charging points and plans for 300,000 more – this infrastructure is unevenly distributed. Charging stations are concentrated in wealthier neighbourhoods and corporate offices, while low-income households remain at a disadvantage. Unless infrastructure development is recalibrated with equity in mind, access will remain fragmented. In this complex and evolving landscape, BNP Paribas' actions reflect a shift in mindset: inclusive mobility is not a short-term commercial opportunity but a driver for a broader commitment to social and environmental responsibility. Through the LOP 120 initiative, the Group is helping to ensure that the shift to cleaner mobility does not leave the most vulnerable behind, whilst also taking steps to redefine the role of finance in a just transition, balancing business, climate, and social equity.

Furthering green mobility through partnerships

BNP Paribas is set to launch another initiative to boost sustainable mobility. Together with La Banque Postale, the Group is developing a digital platform offering new and used low-emission vehicles, bundled with lease financing, insurance, and expert support. Targeting La Banque Postale's retail customers, this service responds to rising vehicle costs and limited household incomes with expert advice and tailored customer support. Set for launch by 2026, it draws on BNP Paribas' mobility expertise and La Banque Postale's civic commitment, complementing the know-how and expertise of both. With leasing becoming dominant in private vehicle financing, the initiative positions both banks to support a just, low-carbon transition through accessible, integrated and sustainable mobility solutions.

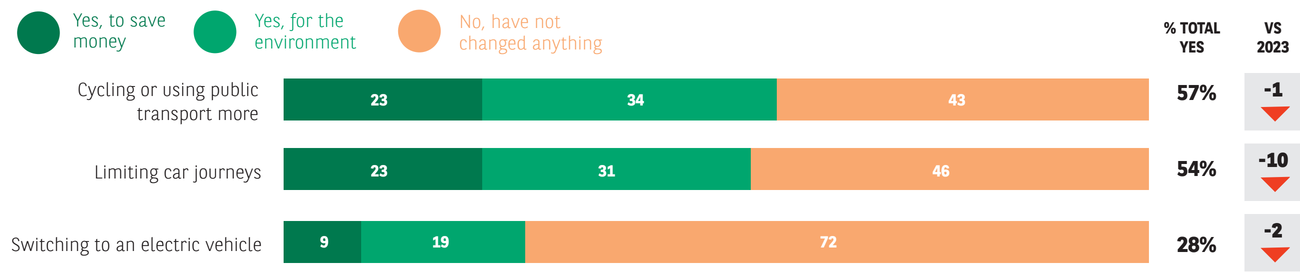
Driving change for Europe's carmakers

by **Wilfried Remans,** Senior Manager European Public Affairs, BNP Paribas

A key sector for Europe, the car industry provides 13 million jobs and makes up 7% of the EU's GDP. But it faces challenges linked to new technologies, increasing competition and fraught geopolitics. In response, the European Commission launched a Strategic Dialogue on the Future of the Automotive Industry, in January 2025, complemented recently by the Action Plan for the Automotive Industry. To boost the bloc's car industry, this plan includes five main actions: innovation and digitalisation, a shift to zero-emission vehicles, ensuring supply chain resilience (e.g. batteries), improving skills and addressing the social dimension, as well as enhanced competitiveness globally. For the social dimension, the Commission aims to address skills shortages, mismatches and an ageing workforce in the automotive sector. Employment trends in the industry should be tracked by the European Fair Transition Observatory to anticipate the threat of job displacements. Workers' upskilling should be supported through the €90-million Pact for Skills fund.

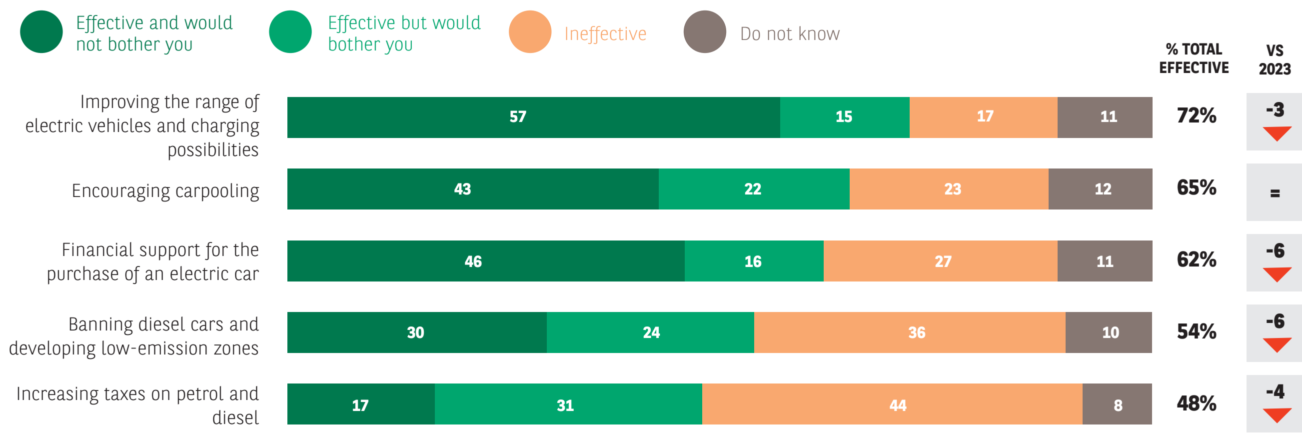
Individual actions: the commitment to the fight against climate change

Have you changed your behaviour in the following areas significantly over the past few years?



Transport & mobility: perceived effectiveness of the different measures

Hereby a list of measures that could be adopted as part of the energy transition. For each of them, would you say that it would be...

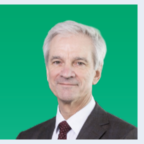


Just transition: between adaptation and anticipation

Although 60% of Europeans are concerned about the growing number of extreme climate events, many of them believe that the transition is chiefly a threat to the most vulnerable groups in society.

Redesigning insurance to cope with climate and social risks

by **Michel Lepetit,**
Vice-President, The Shift Project



With climate risks on the rise, the insurance sector has no option but to reinvent itself.

Historically speaking, the United States is a typical example of a country facing climate risk, and a place where major disasters have at times caused significant damage for decades now. Over the last three years, the economic costs of these events have soared. When annual contracts between insurers and reinsurers (the insurers' insurers) were renegotiated in late 2022, premiums rose by 40% and some risks were simply no longer covered. Reinsurers are backing away from the market for various reasons. First, extreme climate events have become more frequent across the globe. Secondly, rising interest rates have unsettled the entire financial sector, particularly those players who were not highly profitable such as reinsurers. Ever since, traditional insurers have been unable to avoid certain extreme risks, especially 'secondary perils' such as heavy rainstorms, hail and forest fires.

The Shift Project tracks this challenge with the assistance of a team of 15 volunteer "shifters". The overall economic cost of climate change worldwide is estimated at $400 billion a year. In the larger developed countries, more than half of this cost is not covered by insurance, even though climate risk is steadily increasing.

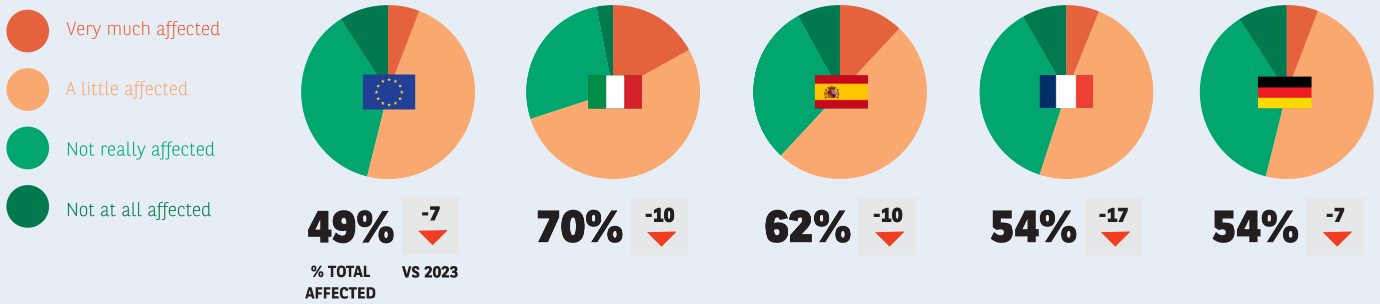
Prevention
One solution to this problem lies in prevention, although the insurance sector is poorly prepared in this field. Annual contracts tend not to encourage long-term investment in prevention, while government funding leaves no room for ambitious initiatives.
A key way of achieving better prevention would be to strengthen cooperation between the various players, who have so far been more inclined to compete with one another. The EU has made several proposals for a Europe-wide system of risk pooling. In the absence of strong initiatives in this regard, we will face either higher premiums, or the prospect of insurers withdrawing from the most exposed risk areas. Insurance contracts are changing gradually, notably in terms of coverage conditions (e.g. deductibles, etc.), which could result in more risk sharing with policyholders.

A just adaptation
Over and above any just transition, we should now be talking about 'just adaptation'. Climate change is likely to highlight regrettable public planning decisions, particularly in flood-prone areas. In some cases, public authorities have allowed low-income residents to settle in areas that were not suitable for construction. Pressure to adapt will be felt on several fronts. Regulatory constraints, incentives, and eventually the real estate market will oblige people to consider these insurance risk issues when they buy or sell a property. The banking world must play its part too, for instance by sending risk signals to the mortgage market. Insurers can react in the short term by increasing annual premiums should risks increase, or they could even refuse to renew a policy. Mortgages, on the other hand, typically cover several decades. The question facing bankers is: will insurers agree to cover the property for the entire term of the loan?

France is reasonably well protected against this kind of problem. This is chiefly thanks to a public-private partnership with the French state reinsurance company Caisse centrale de réassurance pCCR), which covers natural disasters, as well as properties' extensive insurance against climate risk. As a result, risks are spread among the entire population and premiums are reasonable. Nevertheless, we need to keep focusing on the issue, since rising premiums and insurability will inevitably become a serious political issue in the longer term.

Perceived impact of climate change

Do you feel personally affected by the consequences of climate change in your country?

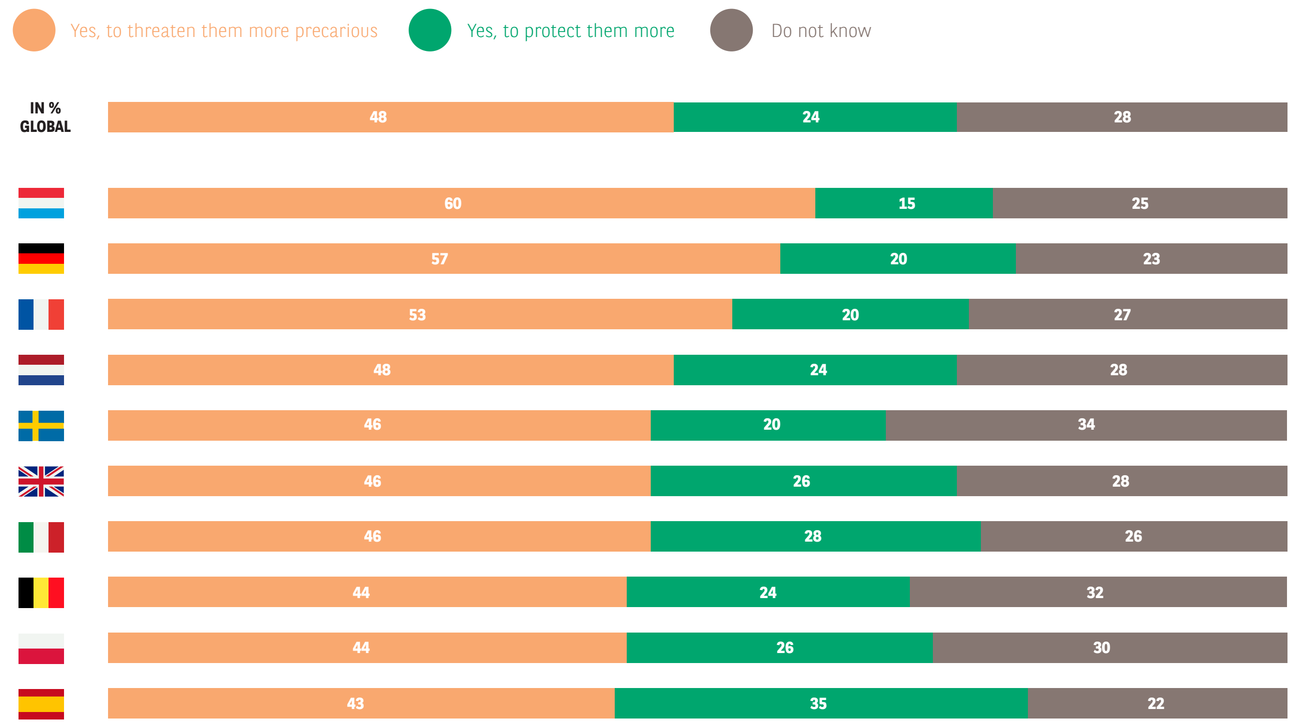


The main concerns identified by Europeans

What makes you most anxious regarding climate change and its consequences?

Countries' impact of the energy transition on the most vulnerable populations

Do you think that the implementation of the energy transition in your country will have impacted the most vulnerable populations by 2035?



Eight attitudes to the transition

A qualitative study has been undertaken among French employees working in the energy, mobility and agriculture sectors. The results have helped to identify four different profiles that were organised into eight archetypes, according to respondents' stance (pragmatic or ideological) and level of commitment (enthusiastic or reluctant).

The energy transition: a process we need to boost

Given all the pressing economic emergencies, the energy transition faces an uphill struggle if it is to become a priority for French employees. Public authorities and the financial sector have a key role to play in tackling the identified obstacles.

In these times of economic and political uncertainty, many French very small businesses (VSBs) and small and medium-sized enterprises (SMEs) have placed implementing the energy transition on the back burner. A qualitative study by Ipsos– carried out among companies in the energy, transport and agriculture sectors in March 2025 – points to a degree of weariness. People are well aware of the environmental stakes, but they are not in a position to take practical action.

Uneven transition rates

Some companies are already well advanced in the transition, while others continue to lag behind. This reflects a growing scepticism about technologies such as electric vehicles, heat pumps and solar power – which are seen as being pushed through in the absence of any real financial support. The green credentials of some solutions, such as batteries, are even being called into question.

Clear needs

The key factor holding back the transition is the high cost of investment, coupled with low levels of public support and bureaucratic hurdles. Moreover, support schemes are gradually being phased out. This will reduce the business opportunities that were available in the early stages.

To boost the transition process, the following is needed: regulatory clarity, better information provision about aid schemes, financial support from banks, targeted training, as well as individual support for retraining.

Methodology of the survey of SMEs

DATA COLLECTION

- **32 x Individual In-depth interviews**
- Duration: 60 mn
- Throughout France
- On Teams
- In march 2025
- With a financial compensation

SEGMENTATION

- **Segmentation by work situations:** Employees, executives / managers and self-employed /business owners OR former ones having lost their job / activity
- **Segmentation by Impact risk perception:** ET is perceived whether as an opportunity / a gain, or a threat / a harm

OVERALL MIX / SAMPLE

- **Genders:** 14 women / 18 men
- **Ages:** 14 from 30 to 49 years old / 18 of 50 years and over
- **Work situations:** 8x managers / 16x employees or former employees / 7x self-employed or SB managers
- **Company sizes:** 8x from 1 to 9 employees / 10x from 10 to 49 employees / 3x from 50 to 99 employees / 11x from 100 to 250 employees
- **Location:** 17x Paris and Ile-de-France/ 15x Province
- **Sectors:** 7x Agriculture / 9x Energy / 16x Automotive-Mobility-Transport
- **Position on ET:** 8 considering ET as a gain / 8 as an opportunity / 8 as a threat and 8 as a damage

THE NEXT PAGE PRESENTS TESTIMONIALS FROM PEOPLE WHO REPRESENT FOUR ARCHETYPES OF A TYPOLOGY BASED ON THE RESULTS OF THE IPSOS QUALITATIVE STUDY. FOUR OTHER PROFILES CAN BE DISCOVERED IN THE FULL STUDY, ACCESSIBLE BY SCANNING OR CLICKING ON THIS QR CODE.

PRAGMATIC STANCE

ÉLODIE, FORMER EMPLOYEE OF A VERY SMALL BUSINESS (VSB) IN THE AIR TRANSPORT SECTOR
WORRIED, REDUNDANT

Élodie is pragmatic about the energy transition's impact on her job and acknowledges that not everybody can afford to get involved.

"We were winning fewer and fewer contracts, due to price increases and because people were taking planes less often. We faced competition from foreign companies with a far more aggressive commercial policy than ours. And within a year, I lost my job."

- In **Élodie**'s view, the energy transition may well be necessary, but support for it is uneven. Large companies use it to boost their image, but SMEs must make big investments and these lead to job losses.
- **Challenges and prospects:** a fall in air traffic immediately affected the business of Élodie's company, resulting in her being laid off. She found a job in a road transport SME, but she fears the same situation will occur again.

CÉDRIC, CSR MANAGER IN A SMALL AND MEDIUM-SIZED ENTERPRISE (SME) FOCUSED ON RENEWABLE ENERGIES
CHAMP, GOOD STUDENT

Cédric is fully engaged in the energy transition and is pragmatic about its consequences.

"I'm 42 years old and work in Nantes. My background is more in marketing and communication. I'm the CSR manager of an SME that installs electric charging stations for road transport and I also develop hydrogen storage solutions."

- **Cédric** believes that the energy transition revolves around company reputation and calls for forward planning. Above all, he sees the transition as crucial: the company must remain competitive in the medium term, whilst satisfying the expectations of both customers and regulators.
- **Challenges and prospects:** Cédric hopes to turn the company into a top player in new energies, with a clear roadmap and by developing alternative solutions. Equally important will be the careful management of existing diesel-related activities, to comply with regulatory requirements and keep pace with market trends.

ENERGY TRANSITION RELUCTANT — ENERGY TRANSITION ENTHUSIASTIC

PHILIPPE, TECHNICIAN FOR AN ENERGY-FOCUSED SME
DIE-HARD, ROOTED

Philippe is highly dubious about the energy transition. He rejects it ideologically and regards it as a pretext for job cuts above all.

"I'm 51 years old. For most of my career, I read electricity and gas meters. But that's over. Now we respond to calls for tenders, things like that. And many (colleagues) have left with the arrival of smart meters."

- **Philippe** views the energy transition as a trend, or even a subtle economic ploy. He sees the transition less as a plan for society and more as an excuse to cut jobs.
- **Challenges and prospects:** Philippe's job has been transformed, so it no longer suits him, especially because he does not support the objectives behind the changes. He thinks this professional disruption will be permanent, but admits he was lucky not to have been laid off. He also regrets his management's lack of support and now feels sidelined.

BENJAMIN, ECO-RESPONSIBLE FARMER FROM BRITTANY
ACTIVIST, AGROECOLOGIST

Benjamin is ideologically committed to the energy transition as a driver for a sustainable world.

"I did a course at a landscape engineering school, with an urban focus. But a few years ago, I started to have doubts, I felt something was missing (...) I was considering a terrain near Morlaix where I had family, but I did not have any training. So, I followed a course to get a professional certificate."

- **Benjamin** thinks that the energy transition can play a vital role in reducing energy consumption, ensuring independence and controlling costs, particularly for greenhouse heating.
- **Challenges and prospects:** Benjamin plans to make large investments, notably for the installation of solar-powered greenhouses and methanisers for biogas production. However, funding these projects is still a challenge, so public support – whether through grants or incentives – is essential.

IDEOLOGICAL STANCE

Supporting the transition and social justice

For financial stakeholders such as BNP Paribas, one of the biggest challenges is to ensure that a positive environmental effect is accompanied by a positive impact on society.

Inclusive financing is speeding up the just transition

by **Alexandre Nayme,** Head of Inclusive Finance Europe & Africa, Group Company Engagement, BNP Paribas and **Davide Forcella,** Director, JuST Institute

A financial innovation that channels capital towards aligning economic inclusion with climate and biodiversity goals.

Inclusive sustainability-linked financing+ (ISLF+) is a transformative financial product designed to accompany clients' just transition pathway by embedding both social inclusion and environmental transformation directly into the structure of financial instruments. It provides access to capital on improved terms on the condition that investees meet pre-agreed sustainability performance indicators. These include at least one environmental KPI aligned with the European Taxonomy, one social inclusion KPI, and one transformative social or environmental KPI that support either recently initiated or entirely new social or environmental activities.

This model enables enterprises to transition progressively: first, by better managing environmental and social performance; next, by implementing transformative solutions; and by delivering climate-positive, biodiversity-positive and social inclusion outcomes. ISLF+ is a tool to steer organisational transformation. In particular, it aims to provide adapted pricing that reflects climate preservation and biodiversity protection: investees that make adaptations have better creditworthiness and hence should benefit from attractive financial conditions.

The mechanism is purposely inclusive. It is open to a range of entities, from financial institutions and SMEs to large corporates and NGOs, regardless of their legal structure. In addition to capital, ISLF+ offers technical assistance with the aim of reinforcing investees' internal capacity to pursue transformative KPIs.

BNP Paribas has been at the forefront of this financial innovation and worked with the JuST Institute to co-design and deploy ISLF+ solutions globally with inclusive financial service providers and corporates. Together, they have piloted seven ISLF+ deals across Brazil, Italy, Morocco and France, unlocking over €70 million as of May 2025 and more to come.

L'Adie strengthens social mandate and develops green lending with ISLF+

In France, L'Adie, a microfinance pioneer, supports entrepreneurs excluded from traditional banking systems. L'Adie committed to several key performance indicators as part of the ISLF+ signed with BNP Paribas: growing the share of its loans directed to ecological transition projects; increasing its percentage of female beneficiaries and beneficiaries residing in urban priority areas known as 'QPVs'; raising the share of clients receiving minimum social benefits; and reducing its own carbon footprint.

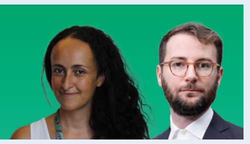
What makes this example significant is that L'Adie's existing lending strategy is already centred on financial inclusion. The social KPIs in the ISLF+ agreement are an incentive to go even further in their social mission. The environmental KPIs, meanwhile, help L'Adie develop and grow its relatively recent offering of green lending to become a mainstream product. This dual emphasis underlines the effectiveness of ISLF+ as a just transition tool. Moreover, the agreement supports L'Adie's evolution into a more climate-responsive lender and demonstrates how inclusive finance institutions can become agents of positive environmental change while reinforcing their social mandate.

> "BY DIRECTLY LINKING FINANCE TO TRANSFORMATIONAL OUTCOMES, ISLF+ DEMONSTRATES HOW FINANCIAL AGREEMENTS CAN BE STRUCTURED TO DELIVER MULTIPLE FORMS OF VALUE SIMULTANEOUSLY."

By directly linking finance to transformational outcomes, ISLF+ demonstrates how financial agreements can be structured to deliver multiple forms of value simultaneously within a single investment, from economic returns and environmental progress to measurable social improvement. The BNP Paribas and JuST Institute partnership reflects a growing commitment to mainstreaming such innovations as part of the global effort toward a just and inclusive transition.

Focused on integrating the just transition concept across all our investments

by **Maha Keramane**, Head of PIBA, Company Engagement, BNP Paribas and **Sylvain Taboni**, Investment Director at PIBA, BNP Paribas



The just transition is a cross-cutting theme of the impact investment strategy co-steered by BNP Paribas' Positive Impact Business Accelerator (PIBA) and BNP Paribas Asset Management, as can be seen in different examples.

Our investment team's core mission is to support the development of impact companies working on the following challenges – social impact, the preservation and restoration of natural capital, and local development – particularly through solutions to climate change. Our selection is based on a holistic approach, as a positive impact should not be overshadowed by a negative effect in other areas.

Our support for the selected projects takes the form of an equity contribution, as well as support for entrepreneurs through the internal resources of our team and the wider BNP Paribas network, including our Act for Impact account managers across the country. So far, half of our €200 million budget has been committed. This means we are still actively looking for businesses that meet our selection criteria.

> "OUR SELECTION IS BASED ON A HOLISTIC APPROACH, AS A POSITIVE IMPACT SHOULD NOT BE OVERSHADOWED BY A NEGATIVE EFFECT IN OTHER AREAS."

In this process, the just transition is an issue that we have identified as vital and a priority.

A selection of illustrative initiatives

By promoting the development of regions, Ecov practically shows how the just transition concept can be applied in the transport sector. This mobility player offers carpooling solutions in areas that are not densely populated and are poorly served by public transport. In this way, it facilitates accessible, affordable and sustainable mobility. Ecov works with local authorities and strives to meet the mobility needs of rural and suburban areas. Greater mobility enables more people to take up jobs and to benefit from stronger social bonds.

As part of another investment, the Berlin-based AgriTech start-up Klim raised €22 million to develop regenerative agriculture on a large scale. Thanks to its platform, 3,500 farmers have already been helped to implement sustainable practices, and they are generating carbon credits that are resold to food manufacturers seeking to make their supply chains more resilient and less carbon-intensive. BNP Paribas is supporting Klim's expansion, and is working with the company in Poland to help the bank's farming customers make the transition, while also providing them with a decent and diversified income.

> "OUR NEXT STEP IS TO ENHANCE OUR SUPPORT FOR ENTREPRENEURS ENGAGED IN DEVELOPING MODELS THAT PROMOTE A JUST TRANSITION."

We have also invested in Printemps des Terres, a France-based company that restores degraded farmland and forests. The land is leased to farmers who are committed to sustainable practices, with an option to purchase after five years. This initiative promotes biodiversity and carbon capture, and provides farmers with a reasonable income.

These initiatives share a common goal – to combine environmental impact and inclusion with innovative models with the widest possible reach.

Our next step is to enhance our support for entrepreneurs engaged in developing models that promote a just transition.

Regenerative agriculture cultivates sustainable change

The McCain example highlights the urgency of raising awareness and supporting farmers. While they must address the challenges of the transition, they may not always have the resources to make the necessary adaptations.

A practical example of the just transition: McCain in Poland

by **Szymon Bielawa**, Director, US and Canada MNC Coverage, BNP Paribas Poland and **Arthur Gilain**, VP - Regional Account Manager, EMEA, BNP Paribas

The partnership between McCain and BNP Paribas is driving a just and sustainable transition in Poland's agri-food sector.

McCain Foods and BNP Paribas' joint initiative in Poland exemplifies a holistic approach to sustainability, combining financial expertise with supply chain support to help potato farmers as they transition to more resilient and environmentally conscious practices. The partnership unites BNP Paribas' global capabilities with McCain's local supplier network to enact long-term, systemic change in the agricultural sector.

In the competitive Polish agricultural market, where potato contracts are typically short-term and margins tight, the transition to regenerative practices can be viewed by farmers as economically risky. Yet this transition is required to meet McCain's environmental ambitions. With a commitment to source 100% of its global potato supply through regenerative agriculture by 2030, McCain works not only with farmers, but also on creating a finance and support ecosystem for them. BNP Paribas acts as an integrated partner offering financial, technical and operational support for farmers navigating a complex transition.

> "IN THE COMPETITIVE POLISH AGRICULTURAL MARKET, THE TRANSITION TO REGENERATIVE PRACTICES CAN BE VIEWED BY FARMERS AS ECONOMICALLY RISKY."

Launched in 2023 as a pilot, the McCain-BNP Paribas regenerative agriculture programme in Poland addresses the interlinked challenges of ESG compliance, economic sustainability, and agricultural transformation.
Designed jointly with McCain and deployed by BNP Paribas Bank Poland, the programme has been conceived from the outset not as conventional financing, but as an ecosystem-based model, supporting McCain and its whole supply chain. The programme provides interconnected, tailored and accessible solutions, delivering financial products, advisory services and technical know-how. This approach acknowledges the risk many farmers fear by demonstrating how sustainable farming can enhance farm performance.

At the heart of the model is the recognition that regenerative farming is capital intensive. From agricultural machinery to new soil and water management practices, the transition demands investment long before results materialise. For farmers, these are high-risk decisions, especially given the volatility of weather and markets. This risk is addressed through a package of financial tools that include vendor leasing for specialist equipment, bilateral loans at favourable terms backed by EU grants, and access to insurance through BNP Paribas Cardif for climate-related losses.

The programme is distinguished by the wide range of financing options and the integration of these tools into farmers' operational cycle. Instead of the delays associated with standard payment terms, factoring services for instance allow farmers to receive immediate payment on invoices issued to McCain, improving liquidity at the moment it is most needed.

Farmers participating in the programme interact with a single, dedicated point of contact at BNP Paribas. This project manager is responsible for tailoring the bank's resources – from leasing and insurance to credit – around the specific needs of individual farmers. This approach reduces red tape and ensures personalised support, which is essential given the complexity of the transformation being undertaken.

The initiative builds on BNP Paribas' knowledge of the Polish agri-food sector and its existing relationships with farming communities. The bank employs agricultural engineers who work alongside financial specialists, ensuring that discussions with farmers are grounded in technical understanding. This allows for a more informed risk assessment and product design that is tailored to regenerative agriculture.

On McCain's side, the model reflects the company's global ambition but is adapted to local dynamics. In Poland, where potato farming is widespread but the local market is fragmented, contract security is rare. The partnership enables McCain to offer procurement contracts whose provisions allow farmers to plan and adapt.

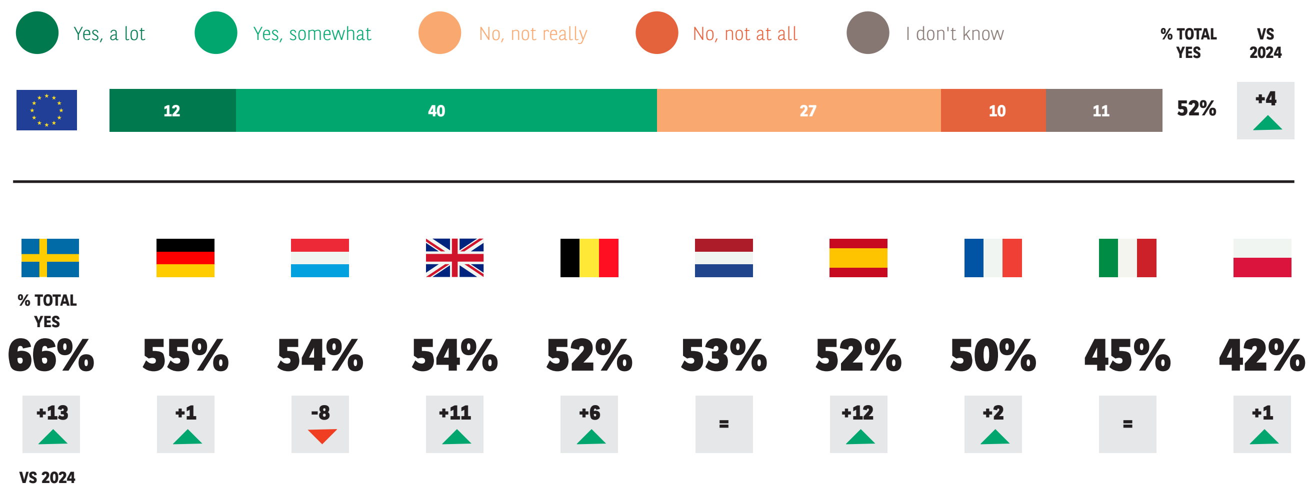
Now entering its second year, the pilot has shown sufficient promise that McCain intends to expand it across its suppliers in Poland. The aim is to embed the model as a standard feature of McCain's supply chain, effectively mainstreaming regenerative practices through practical, risk-aware incentives.

> "NOW ENTERING ITS SECOND YEAR, THE PILOT HAS SHOWN SUFFICIENT PROMISE THAT MCCAIN INTENDS TO EXPAND IT ACROSS ITS SUPPLIERS IN POLAND."

The programme also demonstrates how financial institutions like BNP Paribas can become agents for sustainable transformation by acting as partners, not just providers.

Perceived action of the agricultural sector in the energy transition

Would you say that the agricultural sector is taking action in the energy transition and the fight against global warming?



Just transition and the social contract

To address the fears raised by the transition, all stakeholders must swiftly adopt an approach that balances sustainable priorities with citizens' aspirations.

What kind of society will the ecological transition have forged in 2035?

by **Grégoire Lusson,**
Head of NEST, BNP Paribas

In 2025, it feels as if the ecological transition has been downgraded to second place, given the numerous and more immediate concerns of today. Yet this transition figures strongly in Europeans' imagination when looking ahead to the next 10 years. When asked which issue will loom largest in 2035, global warming tops the list by far. The French and Swedes, in particular, identify climate change as the biggest challenge for the future.

This lack of clear-sightedness – akin to burying our heads in the sand in the present, whilst remaining lucid about the future – says something about our ambivalent relationship with the transition. We are reluctant to view the transition as an immediate priority, even though it is obvious we will have to act by 2035. At the same time, there is a lack of consensus on this action, which in itself highlights geographical, generational and social disparities. Because leaving aside any promises of progress, the transition threatens the very cohesion of societies.

Tensions are now focused around the transition's socio-economic impact, as we discussed earlier. In many countries, citizens expect inequalities to increase as a result of this transition. Germans, Belgians and the French, in particular, are worried about a socially unfair transition by 2035. The British and Poles, however, still have faith in its potential for social justice. This divide becomes more apparent with age: those older than 55 foresee a rise in inequalities, while people aged 16 to 24 anticipate the transition creating a more just society. This generational gap is noteworthy. Young people may well be facing the most difficult times, but they still believe in the possibility of an empowering transition.

> "MOST EUROPEANS EXPECT SOCIAL TENSIONS TO INTENSIFY BETWEEN NOW AND 2035, DUE TO THE PRESSURES OF THE TRANSITION ON THE MIDDLE AND WORKING CLASSES ESPECIALLY."

Yet, believing in the transition does not equal believing the transition will be easy. Most Europeans expect social tensions to intensify between now and 2035, due to the pressures of the transition on the middle and working classes especially. This fear cannot be ignored. Recent energy crises have shown how climate policies can deepen existing divisions when these policies are not designed to be inclusive.

> "MANY EUROPEANS ALSO BELIEVE THAT A SUCCESSFUL TRANSITION WILL GENERATE NEW JOBS AND BUSINESS OPPORTUNITIES, AND POSSIBLY EVEN FORGE NEW SOCIAL TIES."

Should we therefore give in to the prevailing pessimism? Not necessarily. Our 2025 Observatory shows that Europeans are genuinely hopeful about the transition's predicted co-benefits – including cleaner air, greener cities, scientific advances, health progress and innovation. Italians and Spaniards, together with younger respondents, are particularly optimistic on this score. Many Europeans also believe that a successful transition will generate new jobs and business opportunities, and possibly even forge new social ties. However, they have flagged the key question for the next decade: how can we transform the urgent obligation to reduce our emissions into a shared project? And can this project be extended beyond the new 'environmental' elites?

In 10 years' time, European society will have been shaped by the path taken. It is not just a question of the objectives achieved – carbon neutrality, share of renewable energies, share of electric vehicles – but also of the way in which these objectives are reached. Will we have taken into account and assessed the level of social acceptability, the ability of the most vulnerable to adapt, the sustainability of the environmental choices made, and the democratic quality of decision-making processes?

These are all aspects that public institutions, companies and financial players must fully embrace. The transition will not be smooth or seamless. However, it can be just and transformative, while simultaneously fostering a new social contract. This will only happen if the transition is conceived as a response that balances our planet's priorities and citizens' aspirations.

Overview of the initiatives and products developed by BNP Paribas

In order to accelerate the transition, BNP Paribas is engaged in initiatives that foster a just transition across a number of different sectors.

Under the stewardship activities of **BNP Paribas Asset Management's Sustainability Centre**, an agreement was reached with a key player in the Australian energy sector for the early closure of a coal-fired power plant, as well as the implementation of a retraining programme aimed at preserving jobs by helping employees move into wind power.

BNP Paribas Cardif is investing in **Beem Energy**'s solar power kits to improve access to affordable transition solutions.

In Poland, BNP Paribas has partnered with **McCain**, in order to help farmers switch to regenerative agriculture through subsidised offtake contracts and appropriate financing.

Berlin start-up **Klim** has raised €22 million to scale up its regenerative agriculture model in Europe with impact investment support from BNP Paribas. BNP Paribas collaborates with Klim in Poland to support the bank's agricultural customers as they transition, whilst ensuring their income is sufficient and diversified.

BNP Paribas is investing in **Printemps des Terres**, a mission-driven company that restores farmland and forests before leasing them to sustainable farmers in transition with a buyout option.

Ecov, supported by impact financing, is rolling out carpooling solutions in rural areas and contributes to people's access to employment and sustainable mobility.

BNP Paribas Personal Finance facilitates access to electric vehicles through LOA 120, a long-term lease plan open to low-income households.

With **La Banque Postale**, BNP Paribas is developing a digital platform (launch in 2026) that will bring together low-emission vehicles, financing, insurance and personal advice.

BNP Paribas Cardif is investing in **Upway**'s refurbished electric bikes to increase access to affordable transition solutions.

In Belgium, the **HappyNest** programme, supported by BNP Paribas Fortis and Matexi, enables low-income households to rent a new home, with a gradual ownership option.

A simulator allows BNP Paribas advisors to raise customer awareness and provide guidance on energy renovation thanks to a partnership with **EDF**.

OTHER FINANCIAL TOOLS AND INSTRUMENTS

Through the **JuST Institute**, BNP Paribas is supporting the agricultural transition in emerging countries by offering lower interest rates and technical support to microfinance institutions.

Launch of the **BNP Paribas Global Equity Net Zero Transition Fund**, a global equity fund with a focus on carbon neutrality and just transition.

To see the full results or previous reports, scan or click on the QR code.

2025 RESULTS

2024 OBSERVATORY

2023 OBSERVATORY

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