

Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

BNP Paribas is a leading institution offering banking and financial services internationally. It operates in 65 countries and has nearly 190,000 employees, including nearly 145,000 in Europe, providing diversified products and services to all its customers built around commercial and personal banking activities, specialised businesses (consumer finance, mobility and leasing services, and new digital business lines), insurance, wealth and asset Management, and corporate and institutional Banking.

BNP Paribas SA is the parent company of the BNP Paribas Group. The Group's organisation is based on three operating divisions: Corporate & Institutional Banking (CIB), Commercial, Personal Banking & Services (CPBS) and Investment & Protection Services (IPS).

These divisions are organized as follows:

■ Corporate and Institutional Banking (CIB) division combines:

- Global Banking
- Global Markets
- Securities Services

■ Commercial, Personal Banking & Services (CPBS) division covers:

- Commercial & Personal Banking in the eurozone: Commercial & Personal Banking in France (CPBF), BNL banca commerciale (BNL bc), Italian Commercial & Personal Banking, Commercial & Personal Banking in Belgium (CPBB), Commercial & Personal Banking in Luxembourg (CPBL).
- Commercial & Personal Banking outside the eurozone: Europe-Mediterranean, covering Central and Eastern Europe and Türkiye, BancWest in the United States.
- Specialized businesses: Arval, BNP Paribas Leasing Solutions, BNP Paribas Personal Finance, BNP Paribas Personal Investors, new digital businesses (Nickel, Floa, Lyf).

■ Investment & Protection Services (IPS) division combines:

- Insurance (BNP Paribas Cardif),
- Wealth and Asset Management (BNP Paribas Asset Management, BNP Paribas Wealth Management and BNP Paribas Real Estate), the management of the BNP Paribas Group's portfolio of unlisted and listed industrial and commercial investments (BNP Paribas Principal Investments).

It should be noted that, the insurance (life) and asset owner activities represent only a few part of the Group's revenues ($\approx 5.5\%$ in 2022). In addition, the challenges associated with climate change for BNP Paribas concern banking and investment activities (asset management). We will therefore focus on the latter in this questionnaire.

For several years, BNP Paribas has been engaged to consistently embedding climate change and environmental considerations within all its operations and aligning its business activities with the objectives of the Paris climate agreement. This engagement is recognized by numerous external stakeholders. As such, BNP Paribas:

- was designated in 2022 “Best Bank for Sustainable Finance” in the World and Western Europe categories and “World’s Best Bank for ESG Data and Technology” by Euromoney, the leading publication in international finance.
 - was awarded the “Best Net-Zero Progression of the Year” by Environmental Finance, for the Group’s portfolios with trajectories compatible with collective carbon neutrality in 2050
 - was listed as the leading French bank and 4th global bank in the 2023 “Global 100 Most Sustainable Corporations” ranking of the Canadian magazine Corporate Knights
 - took 1st place in the ranking of the 25 major European banks that the NGO ShareAction established in the fight against climate change and preservation of biodiversity
 - was recognised for its commitments to fight against deforestation by the NGO Global Canopy, which ranked BNP Paribas at the top of 150 financial institutions in its Forest500 ranking for 2021.
- Similarly, this engagement has earned BNP Paribas positive results from extra-financial rating agencies:
- FTSE Russell 4.4/5 (2022), FTSE4Good Global Index Series
 - ISS (ESG Corporate Rating) C+ (2022) Prime (best-in-class status)
 - MSCI (ESG Rating) AA (2022)
 - Standard & Poor’s (Corporate Sustainability Assessment) 84/100 (2022) DJSI World – DJSI Europe
 - Sustainalytics (ESG Risk Rating) Medium risk – 25.4/40 (Nov. 2022) STOXX Global ESG Leaders
 - Moody’s ESG Solutions (ESG Profile) 71/100 (2022) No. 1 European bank in the ranking, Euronext-Vigeo Eiris: World 120, Europe 120 and France 20
 - EcoVadis 72/100 (2022) 72/100 (2021) Top 4% of the rating universe.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) Select the countries/areas in which you operate.

Algeria
 Argentina
 Australia
 Austria
 Bahrain
 Belgium
 Botswana
 Brazil

Bulgaria
Canada
Cayman Islands
Chile
China
Colombia
Côte d'Ivoire
Czechia
Denmark
Finland
France
Germany
Greece
Guernsey
Hong Kong SAR, China
Hungary
India
Indonesia
Ireland
Israel
Italy
Japan
Jersey
Kuwait
Luxembourg
Malaysia
Mexico
Monaco
Morocco
Namibia
Netherlands
New Zealand
Norway
Peru
Poland
Portugal
Qatar
Republic of Korea
Romania
Russian Federation
Saudi Arabia
Senegal
Serbia
Singapore
Slovakia
South Africa
Spain
Sweden

Switzerland
 Taiwan, China
 Thailand
 Turkey
 Ukraine
 United Arab Emirates
 United Kingdom of Great Britain and Northern Ireland
 United States of America
 Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	Exposed to all broad market sectors
Investing (Asset manager)	Yes	Exposed to all broad market sectors
Investing (Asset owner)	No	
Insurance underwriting (Insurance company)	No	

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	FR0000131104

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	The Board of Directors of BNP Paribas is assisted by two committees in its role of overseeing climate-related issues: the Corporate Governance, Ethics, Nominations and CSR Committee (CGEN) and the Internal Control, Risk Management and Compliance Committee (CCIRC). The CGEN ensures that the Group contributes to sustainable and responsible economic development, including climate action whereas the CCIRC advises the Board of Directors on the suitability of BNP Paribas' overall strategy and tolerance for risks, including climate-related risks, both current and future. In 2022, environmental topics, including climate issues, were specifically addressed 16 times at Board Committee meetings.
Chief Executive Officer (CEO)	For climate-related risks and opportunities, the Chief Executive Officer, member of the Board of Directors, holds the general responsibility for climate change strategy. He is also a member of the Executive Committee, which supervises the CSR Department jointly in charge with the operational entities of the implementation of the Group's climate strategy.
Chief Risk Officer (CRO)	The Group CRO reports directly to the CEO and sits on the Executive Committee of BNP Paribas. He can veto the decisions which are not in line with the Risk Appetite Statement, which contains metrics resulting from targets set within the NZBA commitments.
Chief Financial Officer (CFO)	As members of the BNP Paribas Executive Committee, the CFO, COO and the CPO contribute altogether to the application of the Group's climate strategy and the alignment of BNP Paribas' portfolio to the objective of the Paris Climate Agreement by providing guidelines for risk management through Group-level governance bodies. Some criteria linked to the Group's CSR performance determine the remuneration and benefits awarded as annual variable compensation to the Executive Management include a portion of 15% linked to the Group's CSR performance. The allocation of this portion of the annual variable compensation is based on a set of actions undertaken by the BNP Paribas Group with respect to environmental issues, among others. This compensation structure includes three weighted criteria, each at 5%. One of these weighted criteria is the assessment of the year's highlights, primarily with regard to climatic and social challenges.
Chief Sustainability Officer (CSO)	The CSO of BNP Paribas, acting as the head of the Company Engagement Department, is directly in charge of managing the Group's CSR commitments that include indicators relative to the climate strategy.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<p>Reviewing and guiding annual budgets</p> <p>Overseeing major capital expenditures</p> <p>Overseeing acquisitions, mergers, and divestitures</p> <p>Overseeing and guiding employee incentives</p> <p>Reviewing and guiding strategy</p> <p>Overseeing and guiding the development of a transition plan</p> <p>Monitoring the implementation of a transition plan</p> <p>Overseeing and guiding scenario analysis</p> <p>Overseeing the setting of corporate targets</p> <p>Monitoring progress towards corporate targets</p> <p>Overseeing and guiding public policy engagement</p> <p>Overseeing value chain engagement</p>	<p>Climate-related risks and opportunities to our own operations</p> <p>Climate-related risks and opportunities to our banking activities</p> <p>Climate-related risks and opportunities to our investment activities</p> <p>The impact of our own operations on the climate</p> <p>The impact of our investing activities on the climate</p>	<p>The directors of BNP Paribas possess, both individually and collectively, the expertise, experience, skills, understanding and personal qualities necessary, notably in terms of professionalism and integrity, to properly perform their duties in connection with each of the significant activities of BNP Paribas and guaranteeing efficient governance and supervision. The Board of directors promotes the overall CSR policy and is in charge of the implementation of BNP Paribas' strategy and objectives, based on the proposal submitted by the Executive Management, with the aim of promoting long-term value creation that embeds environmental considerations. In that regard, environmental topics, including climate issues, were specifically addressed 16 times at Board Committee meetings in 2022.</p> <p>To that end, the Corporate Governance, Ethics, Nominations and CSR Committee assisting the Board of directors reviewed the report on the Group's social and environmental responsibility and acknowledged the Group's main progress and achievements, as well as the new dashboard designed in connection with the 2025 strategic plan, which aims to accelerate and mobilise all of the Group's business lines around the challenges of sustainable finance. He was also informed in particular of the creation of the Low-Carbon Transition Group bringing together 250 professionals dedicated to financing the energy transition.</p> <p>Presentations about climate-related risks and opportunities for the Group are given several times a year to the Board of Directors by the Director of Company Engagement Department and the Head of CSR.</p> <p>Moreover, the Group's Executive Committee and Board of Directors monitor the CSR policy</p>

	Reviewing and guiding the risk management process		<p>management dashboard that consists of 10 indicators, of which two are precisely related to energy or climate issues on a yearly basis.</p> <p>Lastly, the Board of Directors validates the variable compensation granted to executive corporate officers, based in part on the assessment of the Group's environmental and social performance including mitigation of climate change.</p>
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C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	<p>The members of the Corporate Governance, Ethics, Nominations and CSR Committee are independent directors who have expertise in corporate governance and in putting together management teams in international companies and in CSR. The Board of Directors of BNP Paribas is merging different expertise on sustainability issues, that include climate topics specifically. One of its members is also a member of the Haut conseil pour le Climat since its creation in 2018, which is an independent executive council the Government of France that is meant to address the countries climate policy and produce reports on the progress of France towards its Climate commitments. Another one is the Chairman of an international group involved in energy renovation.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
 Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
 Managing climate-related acquisitions, mergers, and divestitures
 Providing climate-related employee incentives

Developing a climate transition plan
 Implementing a climate transition plan
 Integrating climate-related issues into the strategy
 Conducting climate-related scenario analysis
 Setting climate-related corporate targets
 Monitoring progress against climate-related corporate targets
 Managing public policy engagement that may impact the climate
 Managing value chain engagement on climate-related issues
 Assessing climate-related risks and opportunities
 Managing climate-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our banking
 Risks and opportunities related to our investing activities
 Risks and opportunities related to our insurance underwriting activities
 Risks and opportunities related to our own operations

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The Chief Executive Officer along with other members of the Board of Directors, are directly responsible for managing the Group's overall climate strategy. For climate-related risks and opportunities, the Chief Executive Officer and the Chief Operating Officers submit a strategy proposal to the Board of Directors. He is also a member of the Executive Committee, supervises the CSR Department which, alongside the operational entities, is responsible for operational implementation of the Group's climate strategy. In 2022, 11 meetings were held by Executive Management and with the aim of promoting long-term value creation in the light of social and environmental issues, that include climate change.

In addition, 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.

Also 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).

Position or committee

Chief Sustainability Officer (CSO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Providing climate-related employee incentives
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our banking
Risks and opportunities related to our investing activities
Risks and opportunities related to our insurance underwriting activities
Risks and opportunities related to our own operations

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

A dedicated department is responsible for managing the Bank's CSR commitments, reporting to the Company Engagement Department (acting as Chief Sustainability Officer), represented in the Group Executive Committee. 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. For example, the Low-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.

Position or committee

Risk committee

Climate-related responsibilities of this position

Conducting climate-related scenario analysis
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our banking
Risks and opportunities related to our investing activities
Risks and opportunities related to our insurance underwriting activities
Risks and opportunities related to our own operations

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The Risk Committee, labelled as the Internal Control, Risk Management and Compliance Committee" (CCIRC) advises the Board of directors on the adequacy of the global strategy of the Company and the overall current and future risk appetite. It assists the Board of directors when the latter assesses the implementation of this strategy by the actual managers and by the Head of risk management. The CCIRC advises the Board of Directors on the suitability of BNP Paribas' overall strategy and tolerance for risks, including climate-related risks, both current and future. It also performs assessment over the achievement of the Group's risk policy, in coordination with the RISK Function and in accordance with regulatory requirements.

In addition the Governance, Ethics, Nominations and CSR Committee (CGEN), one of the Board of directors, is particularly responsible for monitoring the Group's contribution to economic sustainable and responsible development.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	<p>As part of the annual variable compensation of members of the Executive Management, criteria linked to the Group's CSR performance are taken into consideration where they represent a portion of 15% of the overall compensation plan. This compensation structure includes 3 weighted criteria, each at 5%.</p> <p>For retention purposes, in 2022, the Group awarded to over 8,400 key employees a retention plan (maturing in June 2025), known as the Group Sustainability and Incentive Scheme (GSIS). 20% of the initial award is related to the Group's CSR performance objectives, based on achievement of the indicators present in the CSR management policy dashboard (which includes two climate-related indicators). These indicators include:</p> <ul style="list-style-type: none"> -The amount of the support enabling our clients to transition to a low-carbon economy, with a 2025 target of 200 billion of euros. -The Greenhouse gas emissions (teq CO2 per Full -Time Equivalent) (buildings and business travel) whose target is 1.85 teqCO2/FTE by 2025.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Board/Executive board

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Board approval of climate transition plan
 Achievement of climate transition plan KPI
 Progress towards a climate-related target
 Achievement of a climate-related target
 Implementation of an emissions reduction initiative
 Reduction in emissions intensity
 Increased share of low-carbon energy in total energy consumption
 Increased share of renewable energy in total energy consumption
 Increased share of revenue from low-carbon products or services in product or service portfolio
 Increased engagement with customers on climate-related issues
 Increased engagement with clients on climate-related issues
 Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
 Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Long-Term Incentive Plan

Further details of incentive(s)

As members of the Executive Management, 15% of their annual variable compensation is dependent of the completion of the Group's CSR performance. The latter is the result of the progression against the 10 indicators of the CSR policy management dashboard. This remuneration structure includes three weighted criteria, each at 5%:

- (i) the Board of directors' assessment of the year's highlights, primarily with regard to climatic and social challenges;
- (ii) a market criterion: publications of extra-financial rating agencies measuring the quality of the BNP Paribas CSR positioning relative to its peers;
- (iii) an alignment with the CSR objectives included in the compensation due to retention plans granted to the Group's key employees.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The climate-related indicators of our CSR policy management dashboard are instrumental for achieving the net zero emission objective of BNP Paribas by 2050. The amount of the support enabling our clients to transition to a low-carbon economy, which is targeted at 200 billion of euros by 2025 is a cumulative amount of green loans, green bonds and financing identified as contributing to the transition towards a low-carbon economy according to an internal classification system (renewable energies, low-carbon hydrogen, nuclear). This amount covers part of the amounts of indicators 1 (sustainable loans) and 2 (sustainable bonds).

The Greenhouse gas emissions (teq CO₂ per Full-Time Equivalent (FTE)), projected at 1.85 teqCO₂/FTE by 2025 is reflecting the greenhouse gas emissions for scope 1 (direct emissions from

the combustion of fossil fuels), scope 2 (indirect emissions from the purchase of energy) and, for a part of scope 3 (emissions related to employee business travel), in proportion to the number of Group employees (FTE).

Delivering on these two indicators would not only enable BNP Paribas to reduce its operation impact on climate change but also support its clients in the transition into a global net zero economy.

Entitled to incentive

Business unit manager

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI
 Progress towards a climate-related target
 Achievement of a climate-related target
 Reduction in emissions intensity
 Increased share of low-carbon energy in total energy consumption
 Increased share of renewable energy in total energy consumption
 Increased engagement with clients on climate-related issues
 Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Long-Term Incentive Plan

Further details of incentive(s)

For retention purposes, in 2022, the Group awarded to over 8,400 key employees a retention plan (maturing in June 2025), known as the Group Sustainability and Incentive Scheme (GSIS). 20% of the initial award is related to the Group's CSR performance objectives, based on achievement of the CSR criteria (namely, those presented in the CSR Management Policy Dashboard), while the rest is indexed to the Group's operational performance.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The achievement of the 10 objectives illustrated in the CSR Policy Management Dashboard is included in the calculation of the three-year retention plan for almost 8,400 key Group employees, where they represent 20% of the award conditions. The climate-related indicator, presented in relation to the incentive scheme of Executive management, s of the dashboard highlights the progressive transition of the Group to a more sustainable economy.

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Profit share

Performance indicator(s)

Achievement of climate transition plan KPI
 Progress towards a climate-related target
 Achievement of a climate-related target
 Implementation of employee awareness campaign or training program on climate-related issues
 Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Employees are subject to profit-sharing and incentive plans. In 2022, 302 million of euro were distributed in that regard. It is worth nothing that in France, employees are involved in the Group's performance through these plans. A new profit-sharing agreement between BNP Paribas SA, BNP Paribas Arbitrage and Exane was signed on 29 June 2022. The latter includes new CSR criteria. The amount related to these criteria has more than doubled compared to the previous agreement, confirming BNP Paribas' commitment to CSR. Under this agreement, an amount of EUR 164 million will be divided between 46,314 beneficiaries for the 2022 financial year (compared to EUR 134 million to 41,811 beneficiaries in 2021). Elsewhere in the world, similar schemes exist. At BNP Paribas Fortis in Belgium, part of the so-called "collective" variable compensation is linked to the achievement of CSR objectives. The 2022 objectives were met, and a total of EUR 21.9 million was paid to all employees.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The allocation of the profit-sharing and incentive plans is triggered by the accomplishment of its CSR commitments, that include the environmental responsibility BNP Paribas engaged to abide by. This environmental responsibility breaks down into three commitments: enabling its clients to transition to a low-carbon economy respectful of the environment, reducing the environmental impacts of its operations and advancing awareness and sharing of best environmental practices.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated
Row 1	Yes, as an investment option	All BNP Paribas employees are entitled to profit-sharing and incentive plans schemes. As a result, retirement saving options are presented to them such as the PEE (Plan d'Epargne Entreprise) and the PERCO (Plan

		d'Epargne pour la Retraite Collectif). Saving money through these schemes whilst meeting environmental performance objective is possible through the sustainable finance mechanisms offered as default options for employees. These sustainable finance mechanism enable savings to be allocated for ESG thematic funds, that incorporate climate change considerations.
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C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	As per BNP Paribas risk approach, short-term refers to the 0 to 2 years time span. Please note that other time spans may be used for other subjects where short, medium and long-term are used (for instance, remuneration plans).
Medium-term	2	5	As per BNP Paribas risk approach, medium-term refers to the 2 to 5 years time span. Please note that other time spans may be used for other subjects where short, medium and long-term are used (for instance, remuneration plans).
Long-term	5		As per BNP Paribas risk approach, long-term refers to 5+ years horizon. Please note that other time spans may be used for other subjects where short, medium and long-term are used (for instance, remuneration plans).

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The definition of a 'substantive financial or strategic impact' corresponds, in BNP Paribas risk identification framework, to a 'material risk'. And a 'material risk' is defined, consistently with ECB definition, as "a risk that, based on the institution's internal definitions, has a material impact on its overall risk profile, and thus may affect the capital adequacy of the institution".

As described below, an internal approach based on quantifiable indicators has been designed to appreciate whether a risk is substantive (i.e., material in BNP Paribas' wording) or not.

BNP Paribas risk identification process (Risk ID) is a forward-looking, annual & continuous comprehensive approach to identify and assess the risks the Group is or might be exposed to. It leads to producing and maintaining BNP Paribas' Risk Inventory, i.e., a set of 'severe but plausible' elementary scenarios ('risk events') corresponding to the way the risk types the Group is exposed to could materialize:

- A risk event is described and assigned to one of the risk types of BNP Paribas' risk type taxonomy.
- The risk driver(s) that favour, trigger and / or aggravate the risk event must be identified, on the basis of BNP Paribas' risk driver taxonomy.
- The materiality of the risk event must be assessed using a classical bi-dimensional materiality assessment pattern that mainly relies on:
 - The severity of the risk event (in M€),
 - The probability of the risk event (% deriving from the risk event's intrinsic frequency and the risk event possible imminence).

A risk event is deemed material (i.e., 'substantive') when it is above a materiality frontier that is defined by the Group.

The Group materiality frontier corresponds to a curve returning a severity threshold (M€) for a given probability. It is determined with reference to the volatility (standard deviation) of the quarterly de-seasonalized Group gross operating income appreciated over a 5-year period.

A risk event that typically happens every 20 years (5% probability) and the severity of which is greater and 50% of the pre-described standard deviation is deemed material (i.e., substantive). The rest of the frontier is deducted from this anchor point, assuming a particular statistical distribution.

The anchor point of the frontier evolves every quarter, so does the Group materiality frontier.

This rule applies to any kind of risk event (whatever the risk type, whatever the risk drivers) and, therefore, also to climate-related risk events, i.e., risk events that are favoured, triggered and or aggravated by climate-related risk drivers.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Within its sphere of operations, the Procurement & Performance (P&P) business line - responsible for overseeing Group purchases - applies ESG criteria at several different levels.

Identification:

With the inclusion of a central ESG risk mapping relating to the products or services purchased.

This mapping helps identify high-risk purchasing categories according to thirteen issues related to

ESG material issues related to ethics (corruption, data protection, etc.), environment (pollution, biodiversity, greenhouse gases, etc.) and social impact (human rights, working conditions, discrimination, etc.).

Assessment:

via ESG assessments of suppliers, carried out during the selection process. These assessments, which are based on ESG questionnaires (which, in accordance with sourcing standards, account for 5% to 25% of the score), include confirmation by the supplier of its compliance with the principles of the BNP Paribas Responsible Procurement Charter or its local version. This document requires the signatory provider to observe environmental laws, check and reduce its impacts (including GHG emissions), and develop alternative technologies contributing to the ecological transition over the entire life cycle of its products and services.

Management:

The GSS business has set up an Annual Reporting process so that the progress made by entities can be assessed. Since 2011, an IT equipment processing policy is in place to manage the associated environmental and social risks.

The number of CSR assessments of suppliers and sub-contractors that are conducted as part of requests for proposal, in particular those relating to categories of at-risk purchases, is a metric of BNP Paribas monitoring actions towards this type of stakeholder. In 2022, 5,188 ESG assessments were conducted, and 2,292 Sustainable Procurement Charters were signed by the Group's suppliers.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

While they are not the most material for a financial institution, BNP Paribas monitors closely the climate risks on its direct operations as well.

Identification & Assessment:

Regarding the operational risk, leveraging on climate scenarios, the exposure of BNP Paribas operations to the different types of physical risks is assessed throughout its various locations worldwide.

This exercise supports the design of business continuity plans that are commensurate with the local vulnerabilities of the Group's premises. Thanks to these plans, which aim at mitigating these risks,

BNP Paribas is in a favourable position to react quickly to climate and environmental events that could impact its activities.

BNP Paribas has a crisis committee to coordinate risk identification and crisis management plans that take into account the fact that countries in vulnerable climate zones are particularly affected by physical risks. A business impact analysis is conducted on each business line and its attached activities to determine events causing a disruption, with key drivers of business interruption being unavailability of premises, of people, of IT, of suppliers.

On a broader scale, BNP Paribas has launched action plans to ensure the identification, the assessment and the reporting of operational risks potentially driven by climate and environmental risks.

Management:

Business recovery plan is an integral part of the Business Continuity Plan (BCP). It sets the Business Recovery Time Objectives (BRTTO) that have to be respected in case of major disruption and defines backup business premises. The results of the study on the Group's buildings in France are used to feed the risk analysis on the Group's assets and highlights buildings the Group should consider moving out from. Average operational losses (2014-2022) due to the damage to physical assets remained low (1% of losses linked to operational risk) while the business disruption and system failures accounted for 3%.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>In terms of legal and regulatory risks, BNP Paribas considers judicial proceeds, for instance linked to infringement of Duty of Care obligations but also other regulations in place in the countries and areas BNP Paribas operates, such as enhanced regulations on emissions reporting.</p> <p>BNP Paribas has measured the part of climate-related risk drivers in the overall materiality of the following risk : (1) Risk related to other or all regulations; (2) Liquidity regulation risk. It amounts to respectively 25% and 10%, making the climate dimension of those risks worthy of notice.</p> <p>The Group is exposed to changes in environmental regulations through its clients, mainly those active in carbon intensive sectors.</p> <p>With its headquarters in France, and a strong foothold in Europe, BNP Paribas is subjected to some of the most advanced climate-related regulations in the world: the 2020 Climate and energy package, the EU emissions trading system which is the EU's key tool for cutting greenhouse gas emissions from large-scale facilities in the power and industry sectors, the French law on energy transition, the article 173 on environmental data disclosure and the French strategy for carbon neutrality in 2050, to give but a few examples.</p>

		<p>Fully committed to respect the laws that apply to its activities, BNP Paribas has been reviewing, updating and strengthening its management risk framework on a regular basis and as an ongoing process. It has notably established a comprehensive set of sectoral policies on the most risky sectors and the most controversial industries: palm oil, nuclear power, coal, mining industry, agriculture (updated in 2021), wood pulp, oil and gas (updated in 2023), and defence.</p> <p>These sectoral policies resulted from a robust screening of risks and controversies, including the legislative landscape. The risk assessment of all customers involved in those sensible activities is conducted case by case by local & central CSR teams, RISK Group, ESG Risks from CSR Group, and the legal department of BNP Paribas.</p>
Emerging regulation	Relevant, always included	<p>Climate laws, in many shapes and forms (from enhanced disclosure and increased pricing of GHG emissions to phase out from high-emitting industries), are being discussed by regulatory and lawmaking bodies around the world, with the European Union at the forefront of this global trend. For instance, the EU CSRD (Corporate Sustainability Reporting Directive), soon to come into force, will require companies to report on the impact of corporate activities on the environment and society, and requires the audit (assurance) of reported information.</p> <p>BNP Paribas keeps a close watch on this fast-evolving legislative landscape, in order to adapt and answer to new requirements in a timely fashion. It also participates in public consultation, in accordance with the ethical standards set in its Charter for responsible representation with respect to the public authorities, and through the industry bodies and professional associations it is a part of.</p> <p>Having committed to support the transition towards a low-carbon economy as part of its CSR Strategy and GTS (Growth, Technology, Sustainability) 2025 Strategic Plan, BNP Paribas is closely monitoring emerging regulations (thanks to the expertise of its Public Affairs, Legal, RISK, CSR and industry specialists, among others), and is taking a proactive stance to adapt its business model and risk monitoring framework in due time. For instance, the Group announced its exit from the thermal coal industry by 2030 in the EU and OCDE, and 2040 in the rest of the world, in 2020. In January 2023, it committed to reduce outstanding financing for oil extraction and production to less than 1 billion euros by 2030 (-80% compared to 2022), and to reducing financing for gas exploration and production by more than 30% by 2030.</p> <p>Anticipating stricter regulatory requirements in terms of ESG, and notably GHG emissions, BNP Paribas also developed and started the roll out of its ESG Assessment in June 2021, which notably covers the environmental (climate and biodiversity) dimension through a set of questions, supplemented by an analysis of the controversies affecting the client.</p>

Technology	Relevant, always included	<p>Costs to transition to lower emission technologies, technologies made obsolete by the transition to a low-carbon economy.</p> <p>Through its financing portfolio, BNP Paribas is exposed to technology changes that may affect the business models of our clients, and in some cases, make it obsolete (stranded assets). For the most sensitive sectors, such as energy and utilities, highly polluting industries, we are exposed to risks emerging from emission control technologies, impacting our client's resilience and competitiveness. On the other hand, technology can also yield opportunities. Carbon Capture Utilisation and Storage (CCUS) technologies, even if still immature, can lead to a profound shift in the sectors where we invest.</p> <p>These elements are taken into consideration for the most sensitive contracts negotiated at BNP Paribas. However, an accurate evaluation of risks driven by changes in technology is not feasible at a Group level due to the variety and complexity of sectors and companies involved. We are also aware of the evolving market of startups and technologies serving energy efficiency and energy transition purposes, and we are engaged as a financial supporter to innovative clients.</p>
Legal	Relevant, always included	<p>In terms of legal and regulatory risks, BNP Paribas considers judicial proceeds, for instance linked to infringement of Duty of Care obligations but also other regulations in place in the countries and areas BNP Paribas operates, such as enhanced regulations on emissions reporting.</p> <p>This risk is linked to our compliance and our client's compliance to regulations and due diligence principles.</p> <p>This risk is assessed and managed by the function Group Legal. Compliance and General Inspection are also involved in the application and respect of regulations. CSR Group also contributes through the application of environmental and social commitments such as the respect of Human Rights which is included inside our sector policies, the CSR screening of contracts and clients, and the transparency of the Group towards public opinion.</p> <p>BNP Paribas Framework of environmental and social risks was notably expanded in 2018 to meet the French "Duty of Care" law, and further legal developments have entailed similar analysis and overhaul. BNP Paribas chose to enhance its Vigilance Plan in 2023 in order to provide more visibility to external stakeholders on how it was identifying, addressing, monitoring and mitigation ESG risks.</p>
Market	Relevant, always included	<p>Market risk is the risk that arises from movements in stock prices, interest rates, exchange rates, and commodity prices.</p> <p>The Group is aware of the emergence of new investment markets that may induce significant risks if its strategy doesn't follow. The risk we face is the outcome of a growing demand from clients for green investing and green financing.</p> <p>Regarding market risk, BNP Paribas' key achievements include the participation in the ECB 2022 climate scenario exercise which included market risk shocks by</p>

		<p>sectors for equity and credit underlying, as well as the enhancement of the 2022 RISK ID process for the market activities, to better reflect climate and environmental risk drivers.</p> <p>The insertion of climate and environmental factors in the market risk framework is ongoing through several actions and in particular in the strengthening of: the approval framework for ESG transaction for Global Markets activities; the operational process and governance for the application of the CSR exclusion list for equity and credit underlying (e.g. further automating the screening process of entities excluded for CSR reason); the market risk preliminary dashboard with a focus on climate and environmental risks for trading books positions (equity and credit derivatives), for example through sectorial heat maps and transition ratings.</p>
Reputation	Relevant, always included	<p>Reputational risk is linked to increased stakeholder concern or negative stakeholder feedback.</p> <p>The Group's reputation of integrity and ethical practices is critical to the Bank's ability to maintain leading position in the market and attract more clients. We face risks related to our clients increased awareness of sustainability issues, and the negative feedback from NGOs and notation agencies.</p> <p>BNP Paribas has measured the part of climate-related risk drivers in the overall materiality of its reputational risk, and found it to amount to 40%.</p> <p>Our sectoral policies and ESG screening tools, used by business lines and reviewed by central risk and ESG risk teams, were defined to reduce our exposure to risky clients and to reputation risks through due diligence rules and good business practices; deals and transactions are also reviewed using the Equator principles for large industrial and infrastructure projects. The ESG Assessment, whose roll out has started for strategic clients (corporate) since June 2021, is also supplemented by an analysis of the controversies affecting the assessed client.</p> <p>Moreover, BNP Paribas pays a close attention to transparency towards the public opinion about the crucial issues related to climate change and our role in financing the world's economy, and has established a comprehensive stakeholder's dialogue policy, in order to have fruitful and open exchanges with its ecosystem. For instance, in 2022, BNP Paribas had 120 exchanges with advocacy NGOs and met with 74 investors at least once to discuss ESG topics.</p>
Acute physical	Relevant, always included	<p>Acute physical climate risk are extreme weather events such as cyclones and floods, that climate change will make more frequent and more destructive.</p> <p>The Group is directly exposed to physical risks induced by extreme weather events, essentially floods and cyclones that could threaten the integrity of its official buildings and data centers. An interruption or a breach of the Bank's information systems may cause substantial losses of client or customer information, damage to the Bank's reputation and financial losses. We have economic activity in sensitive climate countries: such as the US Coast, Japan, India, Hong Kong, French West Indies and Brazil. European sites are also</p>

		<p>vulnerable, due to extreme cold and heat events and the changing patterns of precipitation. The challenge is to ensure a quick recovery of activity with minimum loss of data and to prevent closing of our offices and branches. The financial implications result from damage to facilities, data loss, working hours loss, insurance costs.</p> <p>The Group can also be indirectly impacted by acute physical risks through its corporate client's portfolio, if client assets and/or activities are damaged or stopped by extreme climate events.</p> <p>This risk of natural disasters is included in the traditional operational risk analysis of the Group. In addition, to manage this risk, a process to determine recovery times objectives and establish a business recovery plan is implemented at Group level in each country; Local managers can adapt the measures depending on the specificities of each country.</p> <p>The Group has also developed capabilities to assess the potential impact of climate scenarios on the credit quality and associated internal rating of corporate clients at future dates and the geolocation of real estate to assess the impact of physical risk events (notably riverine flooding and coastal flooding).</p>
Chronic physical	Relevant, always included	<p>Chronic physical risk are for instance changes in precipitation patterns and extreme variability of weather patterns.</p> <p>Investment in energy production represents an important share in the Group's portfolio. Climate Change has an impact on the viability of such projects, because of potential changes in weather patterns, precipitation and temperatures. It affects the performance of power plans (mainly hydro/ solar/ wind energy). The Group's risk is related to the investees inability to pay back their debt when production is lower than expected. The main sector at risk is hydropower generation. The scientific community expects a decrease in the local distribution of water resources in the coming years, which will impact water availability for dams and hydropower stations. Combined with higher average temperatures, this lack of water resource can severely impair whole economic sectors.</p> <p>BNP Paribas has internalised a chronic heat model using a reference temperature of 32°C as a Heat indicator which is then converted into a labour loss measure. This measure is considered as a first level proxy for heat risk, noting that there is no sectoral or regional differentiation in the model currently.</p>

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure
Banking (Bank)	Yes
Investing (Asset manager)	Yes

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	2DII Paris Agreement Capital Transition Assessment (PACTA) tool Risk models Scenario analysis Stress tests Internal tools/methods External consultants	Climate change is a multi-factorial, complex issue, requiring a multi-layered, comprehensive and regularly updated risk management framework to be properly tackled. This has been the approach of BNP Paribas since the Group started to address this issue, resulting in the development and implementation of numerous tools, processes and collaborations over the past few years. [Internal tools & methods]: Leveraging on the expertise and experience of its employees, and on the diversity of its business models (with clients ranging from individuals to corporates and institutions), BNP Paribas developed and implemented "internal tools" (i.e. based on proprietary methodology and not shared with other actors) to address climate risk, such as its sector policies,

						<p>monitoring and exclusion lists, or production of ad hoc CSR analysis. In 2021, BNP Paribas created the Low-Carbon Transition Group, a cadre of 250 bankers tasked with the support of corporate clients in their transition to a low-carbon economy. It also started the roll out of its ESG Assessment on strategic clients. In 2022, it launched its Sustainability Academy, aiming to provide all its employees with the training and skills required to achieve its ambitious goal in terms of sustainable financing.</p> <p>[External consultants]: BNP Paribas collaborates with leading climate consultancy firms in order to benefit from their input and expertise in the development of its climate risk management framework. In 2021, the Group worked with Baringa Partners and XDI to assess the impacts of a wide range of climate risk factors.</p> <p>[Risk models]: The Group does not consider the risk ESG as additional type of risks but as risk factors which may potentially impact any types of risk, and notably credit, market or operational risks. Accordingly, ESG risk factors are being</p>
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					<p>gradually incorporated in the Group's existing risk management framework and processes. Most notably, the Group risk identification process (Risk ID) has been adapted to integrate ESG topics and to inform the capital adequacy assessment and the resilience test.</p> <p>[Scenario analysis]: Climate scenario analysis is an integral part of the Bank's risk management and financial steering system, in which climate-related risks are fully integrated. As such, the Group's Internal Capital Adequacy Assessment Process (ICAAP) incorporates climate-related risks analysis. Various climate scenarios, published by recognized international bodies (e.g. IEA, NGFS), are also used to investigate their consequences for the Group.</p> <p>[Stress test]: Stress tests allows to assess the robustness of the Group's business model in case of extreme events, that climate change will make (directly or indirectly) more frequent and severe. As such, they are a key tool in a comprehensive risk management framework.</p>
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						<p>Over the past few years, BNP Paribas has built a robust platform for stress testing and financial simulations covering all risk types (including climate risk) and business lines. BNP Paribas also takes part in the exercises run by the regulators (ACPR in 2021, ECB in 2022).</p> <p>[PACTA]: As one of the 'Katowice banks', and early user of the PACTA tools, BNP Paribas has taken part in the collective work that has concluded in the adaptation of the PACTA methodology to loan portfolios, published in September 2020.</p>
Investing (Asset manager)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	The Transition Pathway Initiative (TPI) Risk models Scenario analysis Stress tests Internal tools/methods External consultants	<p>BNP Paribas Asset Management (BNPP AM) has a number of strategic priorities and policies in place to identify, assess and manage climate-related risks. In addition to committing to align its portfolios with the goals of the Net Zero Asset Management initiative (NZAMi), BNPP AM evaluates climate risks and opportunities as part of the research process and calculates the carbon footprint of its portfolios.</p> <p>[Internal tools & methods]: Leveraging on the expertise and experience of its employees, and on the diversity of its business</p>

						<p>models (with clients ranging from individuals to corporates and institutions), BNP Paribas developed and implemented “internal tools” (i.e. based on proprietary methodology and not shared with other actors) to address climate risk, such as its sector policies, monitoring and exclusion lists, or production of ad hoc CSR analysis. BNP Paribas Asset Management developed its ESG Integration Principles and Guidelines and its ‘3Es’ (Energy Transition, Environmental Sustainability, Equality and Inclusive Growth) perspective, complete with a set of targets and developed key performance indicators (KPIs).</p> <p>[External consultants]:</p> <p>BNP Paribas collaborates with leading climate consultancy firms in order to benefit from their input and expertise in the development of its climate risk management framework. BNP Paribas AM’s investment universes are periodically screened on ESG issues, an assessment conducted by its Sustainability Centre and informed by both internal analysis and information provided by external</p>
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						<p>experts; and in consultation with BNP Paribas Group CSR.</p> <p>[Risk models]: The Group does not consider the risk ESG as additional type of risks but as risk factors which may potentially impact any types of risk, and notably credit, market or operational risks. Accordingly, ESG risk factors are being gradually incorporated in the Group's existing risk management framework and processes. Most notably, the Group risk identification process (Risk ID) has been adapted to integrate ESG topics and to inform the capital adequacy assessment and the resilience test.</p> <p>[Scenario analysis]: Climate scenario analysis is an integral part of the Group's risk management and financial steering system, in which climate-related risks are fully integrated. Various climate scenarios, published by recognized international bodies (e.g. IEA, NGFS) are used to investigate their consequences for the Group. BNP Paribas AM uses IEA's Sustainable Development Scenario (SDS) as a guideline in the selection/exclusion of companies operating in</p>
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						<p>the power generation sector</p> <p>[Stress test]: Stress tests allows to assess the robustness of the Group's business model in case of extreme events, that climate change will make (directly or indirectly) more frequent and severe. As such, they are a key tool in a comprehensive risk management framework. BNPP AM investment teams are permanently engaged in assessing potential market moves and the risks to individual positions or to their entire portfolios, and regular and ad-hoc stress testing analysis are carried out.</p> <p>[TPI]: BNPP AM has been a supporter of the TPI since 2018, and uses the data provided by the initiative to feed its climate change and physical risk analysis.</p>
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C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information
Banking (Bank)	Yes
Investing (Asset manager)	Yes

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio

Banking (Bank)

Type of climate-related information considered

Emissions data
Energy usage data
Emissions reduction targets
Climate transition plans
TCFD disclosures

Process through which information is obtained

Directly from the client/investee
Data provider
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process

Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

State how this climate-related information influences your decision-making

BNP Paribas takes ESG criteria into account in its decision-making processes. ESG criteria are integrated into the Know Your Client (KYC) and in 22 credit and rating policies. In addition to the current ESG risk assessment tools (sectoral policies, CSR screening, specific credit policies, questionnaires related to the duty of care law), a new ESG assessment framework has been deployed since June 2021: ESG Assessment. It makes it possible to identify, assess and monitor the performance and ESG risks of corporate clients by sector with a common approach within the Group for a given customer segment.

The ESG Assessment is sector specific, and notably covers the environmental (climate and biodiversity) dimension through a set of questions, supplemented by an analysis of the controversies affecting the client. The questions cover the existence of GHG emission reduction targets set with a clear deadline, use of sectorial standard metric to measure GHG intensity, status and the target classification related to the “Science Based Target” initiative, existence of a Net-Zero emission target or a carbon neutrality target, and extent of physical risk exposure and actions to mitigate it.

The ESG Assessment enables to assess clients’ compliance with sectoral policies; assess the maturity of the clients’ ESG strategy and its implementation as well as their capability to monitor their ESG key material issues and publish performance indicators; determine whether actions plans have been undertaken; identify if some commitments have been taken by the clients on specific topics; get a sense of forward-looking ESG path of the clients.

By 2023, 100% of the Group’s large corporate clients will have been analysed through a dedicated ESG Assessment.

For example in 2022 the Group has been involved in a Sustainability Linked Bond issued by L’Oréal for EUR 3 billion, for which the coupon is indexed to the achievement of several environmental objectives: zero greenhouse gas emissions on scopes 1 and 2 of the Company, reduction of scope 3 by unit sold and use of 50% recycled or organic plastic for all packaging in 2025.

Portfolio

Investing (Asset manager)

Type of climate-related information considered

Emissions data
 Energy usage data
 Emissions reduction targets
 Climate transition plans
 TCFD disclosures

Process through which information is obtained

Directly from the client/investee
 Data provider
 Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process

Energy
 Materials
 Capital Goods
 Commercial & Professional Services
 Transportation
 Automobiles & Components
 Consumer Durables & Apparel
 Consumer Services
 Retailing

Food & Staples Retailing
 Food, Beverage & Tobacco
 Household & Personal Products
 Health Care Equipment & Services
 Pharmaceuticals, Biotechnology & Life Sciences
 Software & Services
 Technology Hardware & Equipment
 Semiconductors & Semiconductor Equipment
 Telecommunication Services
 Media & Entertainment
 Utilities
 Real Estate

State how this climate-related information influences your decision-making

BNP Paribas Asset Management (BNPPAM) applies BNP Paribas sectoral policies, and as a consequence will not invest in companies that do not abide by them.

BNPPAM will typically avoid investing in a public entity without ESG analysis, with a process for qualitative ESG analysis available to investors. BNPPAM maintains minimum coverage thresholds for funds (90% for developed markets and 75% for emerging markets, mid-small caps and high yield), performing qualitative ESG analysis in the absence of a quantitative ESG rating when thresholds are in breach. BNPPAM will avoid investing in a private entity without performing ESG due diligence (which could include qualitative analysis or receiving a completed ESG questionnaire). Integrating ESG factors into BNPPAM investment processes should have a measurable positive impact on the ESG characteristics of portfolios. As a result, BNPPAM aims to hold portfolios with a more positive ESG scores and a lower carbon footprint than their respective (invested) benchmarks. This data is included in monthly factsheets for in-scope funds.

In 2022, for example, BNP Paribas Asset Management launched the BNP Paribas Sustainable Asian Cities Bond fund, a bond fund classified as article 9 according to the SFDR regulation. Focused on the sustainable development of cities in Asia (excluding Japan), it seeks to respond to the challenges of increasing urbanisation, the impacts of climate change and inclusivity.

BNPPAM will oppose Discharge of Board and Management / Board Re-elections / Financial Statements and Director and Auditor Reports resolutions during AGM for companies that do not properly report on their greenhouse gas emissions (GHG) (scope 1, 2, and 3, when appropriate) nor on their climate lobbying activities, nor communicate or constructively engage with regard to their climate strategy. In 2022, BNPPAM opposed 770 resolutions at 140 companies for these reasons, on a total of 1,391 opposed resolutions (55%).

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

Company-specific description

BNP Paribas' operational costs can be directly affected by any changes in carbon taxes. The Group is present in 65 countries and is subject to local and regional regulations, including carbon taxation. In Europe, where the Group is most active, the Group is bound by tax regulations imposed by several European countries, partially based on carbon content. Moreover, The Paris Agreement has an ambition to enhance carbon pricing which will influence the future regulations on carbon and energy taxes.

The reduction of its own operations emissions is at the heart of the CSR strategy. In 2022, 76% of these emissions come from the energy consumption of buildings and 24% from business trips. That is why the Group develop many projects specifically in the energy efficiency in buildings and low-carbon electricity use, in order to limit emissions and so its annual offsets :

-In 2022, BNP Paribas had 12 ISO 14001 environmental certifications under way, covering more than 74,000 employees, i.e. 39% of BNP Paribas' workforce, demonstrating the renewed commitment of the property management business lines (France and Belgium), IT assets (France, Belgium, Italy, Great Britain), leasing (France), and long-term leasing (France), long-term leasing of company vehicles or financing of housing, individuals and cars (France). At end-2022, two entities, IMEX and BGL, obtained ISO 50001 certification, relating to energy management. The Group also holds three labels: the Responsible Digital Label (INR), the Diversity & Inclusion Label (AFNOR), and the Supplier Relations and Responsible Purchasing Label (Corporate Mediation).

-The Group real estate operating function (IMEX) is a key player in reducing the environmental footprint of BNP Paribas' operating scope. In this respect, the Green Buildings programme implements an approach to sustainably reduce the Group's environmental impact. To do this, IMEX implements work projects to improve the operations and maintenance of the sites. In addition, programmes are implemented to encourage the circular economy, facilitate the sustainable mobility of employees and promote the purchase of sustainable and less energy-consuming equipment. This programme also aims to raise awareness among all employees.

-To continue reducing its environmental impact, the Group also has been increasing its share of low-carbon electricity for several years.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)
Potential financial impact figure – minimum (currency)

1,600,000

Potential financial impact figure – maximum (currency)

16,000,000

Explanation of financial impact figure

The financial impact of a uniform carbon tax that would apply to the Group's emissions for its operational scope (direct emissions and indirect emissions related to energy purchases and business trips) is calculated based on the following assumptions: if the Group's GHG emissions remained at their 2022 level, i.e. 320 kteqCO₂;

-Min. figure : if a carbon tax of €5/ teqCO₂ had to be paid by the Group worldwide; then the Group would have to pay carbon taxes for an amount of €1.6 million per year.

-Max. figure : if a carbon tax of €50/ teqCO₂ had to be paid by the Group worldwide; then the Group would have to pay carbon taxes for an amount of €16 million per year.

Such a calculation has no predictive value since it's difficult to predict whether a carbon tax will be applied everywhere in the world, when and at what level; and the Group's emissions decreases regularly but it can be used to get a rough idea of the order of magnitude of such a measure.

Cost of response to risk

4,500,000

Description of response and explanation of cost calculation

To alleviate the risks driven by a change in carbon taxation, the Group annually offsets its residual operational emission emissions. This strategy creates an internal shadow carbon price and engages the Group's operations in their decision-making and encourages them to turn to projects to reduce its emissions. BNP Paribas has committed in 2021 to cut its GHG emissions by 20 % by 2025 compared to 2019. The strategy is to deploy energy efficiency projects in buildings, to purchase low carbon electricity wherever the market offers such alternatives, and to produce on site electricity and heat via PV panels and cogeneration units in the Group's buildings. The Group has also a global strategy to promote sustainable behaviour among employees, targeting the everyday use of energy and mobility preferences.

The CSR team manages every year an environmental campaign to collect data from the different entities in 19 countries where the Group is present, accounting for 88% of its total activity. The CSR team coordinates collection of data and interpretation using environmental indicators, and gives feedback to the participating entities about their environmental performance, along with recommendations to progress on emissions reduction. The data thus collected is verified by independent auditors. The CSR team also manages Group level strategies to implement reduction measures.

Case Study :

Situation: With its numerous activities in Poland, the Group emits GHG that is likely to have an increased cost in the future with strengthened carbon taxation.

Task: The Group aims therefore to reduce its GHG emissions.

Action: An exclusively renewable electricity purchase agreement (PPA) has been signed in Poland in 2021, which covers 100% of the electricity supply since 2021.

Result: Electricity, which is 50% of the Group's energy use in Poland, is therefore totally decarbonated since 2021. Following this path, a second PPA will be set up in early 2023 in the United Kingdom.

***Explanation of cost calculation:

Carbon risk management costs include the carbon price related to carbon offsets projects. The group offsets its emissions since 2017. But even if the actions lead to lower emissions, the carbon credit prices increase due to the market. In 2023 the group will offset its 2022 carbon emissions (around 250,000 teqCO₂ market-based). With a carbon credit prices from 6€ to 30€ depending on selected projects, so a median at c. 18€, the annual cost would be c. 4,500,000€.

Comment

No additional comment.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Investing (Asset manager) portfolio

Risk type & Primary climate-related risk driver

Emerging regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

Through our financing or investment, we are exposed indirectly to the regulations through clients. Depending on the sector and the geographical location, our clients are exposed to different

environmental legislations, especially in Europe where the European Trading Scheme is implemented (Europe represents 72% of the Group exposure at 31/12/2022). Clients in the Asia-Pacific region also face emerging regulations on carbon trading (Asia-Pacific is 7% of total exposure).

The proliferation of new national and international regulations for a low-carbon economy (e.g. emission reduction target, low carbon technology and energy efficiency requirements, carbon taxes), in compliance with countries' commitments to phase out fossil sources and cut down their emissions, could impact particularly our clients in the brown sectors like aluminum, steel and other heavy industries. If our clients fail to adequately address the new regulatory requirements, their profitability could be impacted and consequently their ability to pay back debt.

***Example of our potential client exposure in the maritime industry:

In 2018, the International Maritime Organization (IMO) adopted an initial IMO GHG strategy, with the ambition to reduce shipping's GHG emissions by at least 50% by 2050, in comparison with 2008. There has been a number of international and national regulations for addressing GHG and air pollutants emissions from ships, with many ships out of commission during the modernization process. At 31 December 2022, gross exposure of the shipping finance sector was EUR 21.5 billion, i.e. 1.1% of the Group's on and off balance sheet credit exposures, while doubtful loans represent 3.2% of Group exposure to the Shipping sector.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,658,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The Group is exposed through its financing portfolio to risks related to energy and carbon taxes and stringent regulations on polluting industries. The risk we face as a financial institution is linked to our clients business viability in stringent legislative conditions. BNP Paribas is mainly exposed through its credits in the energy sector and high GHG emissions sectors.

To calculate the potential financial impact of this risk, we selected several high GHG emissions sectors, for each one multiplied the Group's loan gross exposure to the percentage of doubtful loans

and then summed it all up.

Sector : gross exposure (€billion) / doubtful loans (%)

Shipping : 21.5€b / 3.2% -> potential financial impact = $21.5 \times 0.032 = 688 \text{€M}$

Aviation : 14.4€b / 5.2% -> potential financial impact = $14.4 \times 0.052 = 748.8 \text{€M}$

Electricity : 55.3€b / 0.4% -> potential financial impact = $55.3 \times 0.004 = 221.2 \text{€M}$

-> Total potential financial impact = 1,658€M

Cost of response to risk

1,496,000

Description of response and explanation of cost calculation

In accordance with our commitment to finance a net-zero economy by 2050, we have significantly reduced support for fossil fuels. In 2018, we therefore stopped supporting companies whose primary business is exploration, production and export of unconventional oil and gas (gas/oil from shale, oil from tar sands or gas/oil production in the Arctic).

In 2020, the Bank has announced a timetable for the complete exit from thermal coal by 2030 in the EU and the OECD and by 2040 in the rest of the world.

In 2021, the Group took a new commitment to reduce its credit exposure to the upstream oil and gas activities by 12% and to reduce by 10% minimum the carbon emission intensity of its financings to upstream oil and gas and refining by 2025 versus 2020.

In 2023 the Oil and Gas policy has been updated to follow the commitments of the Group.

BNP Paribas and four other international banks adopted the PACTA methodology in order to assess the alignment of the Bank's loan portfolio with the conclusions of the Paris Agreement.

A Case Study of how the risk is addressed :

Situation: Traditionally the Group's exposure to coal is high, it still represented 10% of the Group's funded electricity mix in 2020.

Task: The Group aims therefore to reduce its exposure to this sector.

Action: In 2020, the Bank has announced a timetable for the complete exit from thermal coal by 2030 in the EU and the OECD and by 2040 in the rest of the world.

Result: In 2020, it became apparent that implementing this policy would promptly cut the number of BNP Paribas corporate customers generating electricity from coal roughly in half. Overall, by implementing this commitment, BNP Paribas has excluded 435 firms operating in the coal mining and coal-based power generation sectors. In 2022, the share of coal in power generation mix was at 7%. On the contrary the share of renewable which was 57% in 2020, was 60% in 2022.

***Explanation of cost calculation: the cost of management includes at least the wages of people involved in ESG risk management at the Group level (around 20 people * 13,484,000,000€ Total Group fixed and variable remuneration, incentive bonuses and profit-sharing / 193,122 FTE in 2022 = 1,396,000€) and the cost of data acquisition from external partners (c. 100,000€). As a financial institution, we are not able to quantify more accurately the management costs related to our clients.

Comment

No additional comment.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Banking portfolio

Risk type & Primary climate-related risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Reputational risk

Company-specific description

According to a 2012 study by the World Economic Forum, on average more than 25% of a company's market value is directly attributed to its reputation. This is specifically crucial to financial institutions who have different client profiles: investors, individuals, corporates... In a competitive economic environment, the Group's reputation of integrity, ethical practices and a sound environmental and social responsibility is critical to the Bank's ability to maintain a leading market position and attract more clients.

First, the Group faces risks related to its clients increased awareness of sustainability issues and the negative feedback from NGOs and notation agencies. For instance BNP Paribas is often challenged by NGOs like Oxfam in their investigation reports.

Second, BNP Paribas faces risks of litigation and claims from states and citizens caused by our involvement in financing industries that might fail to respect environmental laws, or contribute to climate change. In the last few years, many claims were filled by citizens or states against large emitters for failure to mitigate severe environmental impacts, seeking compensation for damages or health issues, failure to comply with national or supranational regulations on environment and climate. Our traditionally important role as a fund provider in highly emitting sectors like energy production exposes us to those risks.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

16,425,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Reputation risks have different impacts on the Group, depending on their nature and severity. Litigation risks in the form of claims affect directly the Bank's earnings, if we were to pay fines, penalties or damage and interests. If the reputation risk is broader, affecting our market position and client's perception, we face a valuation stock drop and a loss of our immaterial capital (social and political position).

It is very complex to quantify the financial impact of reputational risks. For instance, no methodology is yet able to accurately determine sectors of risk regulatory exposure and possible occurrence of non compliance. For CDP reporting, we rely on the study of the World Economic Forum as previously mentioned, to approximately calculate the potential scale of financial impact of reputation risk: 25 % * our market capitalization as at 31 December 2022 (i.e. € 65.7 billion) = €16.425 billion.

Cost of response to risk

838,000

Description of response and explanation of cost calculation

Dialogue with stakeholders is at the heart of BNP Paribas' actions to promote social and environmental responsibility, and is monitored by a dedicated team inside the Group's CSR entity. The dialogue has a three-fold objective: to anticipate trends in business lines and improve products and services, to optimize risk management, and to find innovative solutions. Climate and energy issues are addressed in different forums and channels of stakeholder dialogue. For example BNP Paribas presents its CSR strategy to Socially Responsible Investment (SRI) investors several times a year, while also regularly notifies non-financial analysts (around 30-40 SRI investors at least once worldwide).

A Case Study of how the risk is addressed :

Situation: The NGOs challenge the company, which threatens its reputation.

Task: The Group has to answer in order to have a good understanding of the criticism and the proposed solutions and to initiate the dialogue.

Action: The Group has defined a policy and a procedure governing its relations with advocacy NGOs in order to ensure a constructive, coordinated and productive dialogue with these stakeholders. In 2022, BNP Paribas had around 150 exchanges with advocacy NGOs.

Result: In 2022, BNP Paribas took 1st place in the ranking of the 25 major European banks that the NGO ShareAction established in the fight against climate change and preservation of biodiversity.

***Explanation of cost calculation: cost of management includes at least the wages of the people involved in the CSR Function who manage the Group CSR policy and meet various stakeholders (12 people * 13,484,000,000€ Total Group fixed and variable remuneration, incentive bonuses and profit-sharing / 193,122 FTE in 2022 = 838,000€)

Comment

No additional comment.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Banking portfolio

Risk type & Primary climate-related risk driver

Acute physical

Other, please specify

flood, heat wave and drought

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

With climate change and its consequences, BNP Paribas is subject to physical risk through its financing activities : weather changes, including in the water cycle, disrupting the production processes of some BNP Paribas customers, and thus jeopardising their income (e.g. decreased river flows adversely affecting the production of hydropower plants, increase water temperatures adversely affecting the production of nuclear power plants).

An example of acute physical risk is the credit risk associated with the increased likelihood and severity of wildfires concerning the companies the Group finances through its loan book.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,828,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Given the current lack of stability of the models, the data gaps and the guidelines uncertainty, the Bank has opted for the disclosure from its outcome in the physical risk scenarios of the 2022 European Central Bank Climate stress test. The results of the flood, heat wave and drought scenarios of the ECB's 2022 climate stress test have been adjusted to reflect the materiality of

chronic physical risk factors over the horizon of the estimated duration of the credit portfolios, by only retaining exposures to non-financial companies to match the model expected by EBA. These figures are not comparable with other banks publications having taken other disclosure options and are published for information only. Those figures are only a first attempt to flag exposures potentially sensitive to physical risk events and should not be understood as direct or integrated risks.

Two physical risk scenarios were retained by the European Central Bank for its 2022 climate stress test exercise. They are based on anticipating as at today the levels of expected chronic heat levels and an acute river flooding event forecast for 2050. The acute extreme climate events are managed through this thirty-year anticipation of severe events that are plausible in 2050. No chronic physical risk events have been specifically covered in the 2022 ECB climate stress test.

In the ECB drought and heat risk scenario, the economic effects of a severe drought and heatwave in Europe were modelled. Extended periods of hot weather can lead to sizeable output losses across several economic sectors, for example through the decrease in labour productivity for outdoor professional activities. Through their exposure to these vulnerable industries, banks could sustain losses. To limit the scope of the exercise, the scenario only models the shocks to sectoral gross value-added growth. For this drought risk scenario, BNP Paribas provided its corporate exposures not secured by real estate with headquarters in France, Belgium, Italy, Germany and Luxembourg.

The flood risk scenario was developed based on insights from the work carried out by the European Commission's Joint Research Centre on flood risk, as well as from granular geospatial flood risk data collected for the purposes of the ECB economy-wide climate stress test based on the Four Twenty-Seven dataset. For this flood risk scenario, BNP Paribas provided its commercial real estate exposures located in France, Belgium and Italy.

Cost of response to risk

1,400,000

Description of response and explanation of cost calculation

Tools to enhance forward-looking assessment capabilities are being developed. In particular, climate scenarios analyses are being expanded, covering climate-related risk factors, leveraging on regulatory and supervisory exercises in that respect.

Use of traditional regulatory and internal stress tests to measure the consequences of a crisis scenario on an institution's solvency and liquidity situation. Gradually, this scenario analysis framework has been enriched for use in analysing the consequences of global warming and the energy transition on asset portfolios. Work is ongoing to integrate longer horizons (e.g. 50 years), to project the evolution in the breakdown of sectors in the institution's balance sheet, differentiated scenarios according to a detailed sectoral segmentation and to take into account specific factors such as the cost of carbon emissions, technological innovation and physical risks:

- improvements to the climate scenario analyses framework in 2022: which include the development of a long-term strategy for the dynamic balance sheet projection in line with the different transition risk scenarios,
- participation in the joint learning climate stress test organised by the ECB in early 2022: assessment of bank's modelling capabilities through transition and physical risks,
- integration of climate risk scenario analyses and stress tests in its Internal Capital Assessment Adequacy Process (ICAAP). As part of this, BNP Paribas has included in its ICAAP climate scenario analyses which are, as a result, best suited to apprehend climate risk factors, given their forward-looking nature,
- use of those scenarios for risk management purposes to allow the Group to improve its

understanding of expected impacts of climate change on its business model,
 - integration in a first stage in the 2022 ICAAP of a transition risk scenario based on the short-term disorderly scenario provided by the ECB for its 2022 climate resistance test exercise, under which credit losses and market risk impacts have been projected.

***Cost calculation: it includes at least the wages of people involved in ESG risk management at the Group level (around 20 people * 13,484,000,000€ Total Group fixed and variable remuneration, incentive bonuses and profit-sharing / 193,122 FTE in 2022 = 1,120,000€)

Comment

No additional comment.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Banking portfolio

Opportunity type

Markets

Primary climate-related opportunity driver

Increased diversification of financial assets (e.g., green bonds and infrastructure)

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Green bonds offer:

The most representative example of the green finance dynamic is the rapidly growing market of sustainable bonds (including Green Bonds). In 2022, BNP Paribas consolidated its position as leader in green finance by positioning itself as the world's leading issuer of green bonds, and first in EMEA for ESG bonds, with EUR 32 billion as bookrunner for its clients.

National and regional renewable energy targets or support policies are some of the principal drivers in the growth of renewable energy use. A good understanding and anticipation of renewable energy regulation is the opportunity for BNP Paribas to make new offerings to the renewable energy market. For example, BNP Paribas can take advantage of incentive-based regulations to finance

renewable energies and green infrastructures.

BNP Paribas has participated, along with other banks, to the release of the Green bond Principles in order to enhance the corresponding market. At the beginning of 2014, BNP Paribas has set up Sustainable Capital Markets and signed the Green Bonds Principles.

BNP Paribas has identified in the Green Bonds mechanisms interesting benefits for our business: opportunity to diversify our investor base, the strong and proactive message to customers and stakeholders resulting in enhancement of our brand and reputation.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

200,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Following its 2025 GTS strategic plan, the Group committed to increase the amount of sustainable bonds. At the heart of its CSR management dashboard, BNP Paribas' target is to reach a cumulative amount of sustainable bonds of EUR 200 billion by 2025.

Cost to realize opportunity

3,491,057

Strategy to realize opportunity and explanation of cost calculation

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.

In 2022, BNP Paribas consolidated its position as leader in green finance by positioning itself as the world's leading issuer of green bonds, with EUR 32 billion as bookrunner for its clients. The Group is present in the full range of bond issues that finance its clients' transition to a sustainable economy. Following its 2025 GTS strategic plan, the Group committed to reach a cumulative amount of sustainable bonds of EUR 200 billion by 2025.

Moreover, the Group is a partner of the World Bank in issuing a series of Equity linked green bonds called "Green Growth bonds". One successful aspect of the product has been the diversified investor base it has attracted, which includes both retail and institutional investors as well as private banks.

A Case Study of how the opportunity is addressed :

Situation: One of BNP Paribas's activities is bonds underwriting for big companies. To meet the transition requirements of the industry, the bank is a key player providing sustainable financings.

Task: BNP Paribas adapts to the changing needs of its clients by offering tailored products and services. L'Oréal, one its major corporate client, is committed in a global transition plan of its industry.

Action: L'Oréal required a financing EUR 3 billion.

Result: The Group has been involved in a Sustainability Linked Bond issued by L'Oréal for EUR 3 billion, for which the coupon is indexed to the achievement of several environmental objectives: zero greenhouse gas emissions on scopes 1 and 2 of the Company, reduction of scope 3 by unit sold and use of 50% recycled or organic plastic for all packaging in 2025.

***Explanation of cost calculation: the cost of management includes the wages of people involved in bonds structuring within the Low-Carbon Transition Group (c. 50 people * 13,484,000,000€ Total Group personal costs / 193,122 FTE in 2022 = 3,491,057€).

Comment

BNP Paribas plays an active role in financing the energy transition as underwriter and lead-manager of sustainable bonds. Our teams of experts accompany multilateral development banks, corporates, supranationals, sovereigns, local authorities and agencies in the process of issuing Sustainable Bonds, and provide them access to institutional investors across the world. BNP Paribas has been mandated in various successful sustainable transactions by a wide range of issuers (banks, corporates, local authorities, agencies, and Supranational and Sovereign Agencies).

Identifier

Opp2

Where in the value chain does the opportunity occur?

Investing (Asset manager) portfolio

Opportunity type

Markets

Primary climate-related opportunity driver

Increased demand for funds that invest in companies that have positive environmental credentials

Primary potential financial impact

Increased diversification of financial assets

Company-specific description

BNP Paribas is a major player in sustainable finance through its various subsidiaries in asset management and distribution.

Following its commitment to finance and invest with a positive impact, the Group set a KPI to follow

its investment activity : the amount of assets under management classified under articles 8 and 9 according to the European SFDR (Sustainable Finance Disclosure Regulation) in BNP Paribas Asset Management's open-ended funds distributed in Europe. This classification makes it possible to direct investments to assets incorporating ESG criteria, in other words funds that either promote ESG characteristics (article 8), or that have a sustainable investment objective (article 9). These are BNP Paribas Asset Management funds. At the end of 2022, this amount was EUR 223 billion, which represents 46% of total assets under management at 31 December 2022.

In addition, BNP Paribas Asset Management offers solutions that are recognised and audited by independent labels in Europe (SRI label, Greenfin label, Finansol label, Towards Sustainability label, FNG label, Luxflag label), representing more than EUR 121 billion in assets under management, or nearly 25% of total assets under management at 31 December 2022.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

300,000,000,000

Potential financial impact figure – minimum (currency)
Potential financial impact figure – maximum (currency)
Explanation of financial impact figure

As part of the GTS 2025 strategic plan (Growth, Technology, Sustainability), BNP Paribas Asset Management aims to reach EUR 300 billion in assets under management in open-ended funds distributed in Europe and classified in article 8 or 9 categories of the "Sustainable Finance Disclosure Regulation" (SFDR) by 2025.

Cost to realize opportunity

3,491,057

Strategy to realize opportunity and explanation of cost calculation

The goal of BNP Paribas Asset Management is to integrate sustainability dimensions across its investment strategies, and so to substantially increase climate and environmentally themed investments. For investors wishing to go further, the Group also offer solutions: promoting environmental and/or social characteristics (for example having an ESG score better than investment universe); receiving one or several labels (delivered by independent organisations, such as 'Label ISR' in France); or having a sustainable investment objective (for example sustainable thematic strategies).

To realize this opportunity, 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.

[Case study] In 2022, BNP Paribas Asset Management launched the BNP Paribas Sustainable Asian Cities Bond fund, a bond fund classified as article 9 according to the SFDR regulation. Focused on the sustainable development of cities in Asia (excluding Japan), it seeks to respond to the challenges of increasing urbanisation, the impacts of climate change and inclusivity. The fund invests in bonds that contribute to projects such as clean transport, renewable energies or health infrastructure; and in conventional bonds of issuers where at least 20% of their revenues come from activities contributing to the development of sustainable cities, such as smart grids.

BNP Paribas Asset Management has also launched two climate-focused funds (BNP Paribas Fund Emerging Markets Climate Solutions and Global Climate Solutions), and the BNP Paribas Fund SICAV based on corporate green bonds.

***Explanation of cost calculation: the cost of management includes the wages of people involved in bonds structuring within the Low-Carbon Transition Group (c. 50 people * 13,484,000,000€ Total Group personal costs / 193,122 FTE in 2022 = 3,491,057€).

Comment

No additional comment.

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism


BNP Paribas' internal governance incorporates a "Shareholder Relations" team that provides information and deals with queries from the Bank's 377,500 retail shareholders. They engage in ongoing dialogue with stakeholders on alignment issues. In addition, an individual shareholder advisory committee, the Shareholder Liaison Committee, whose task is to assist the Bank in its communications with individual shareholders; improves the relationship process with shareholders.

It consists of 10 shareholder representatives and two current or former employees, that includes both geographically and socio-professionally representative of the retail shareholder population. In accordance with the provisions of the charter, to which all participants subscribed and which serves as the Internal Rules, the committee members met twice in 2022, on 1st April and 23 September and also participated in the Annual General Meeting of 17 May. Climate issues continue to be a major concern for shareholders, as illustrated by the Group's General Meetings. BNP Paribas actively takes these concerns into account through its constructive dialogue with these shareholders on three issues: improving its products and services, optimising its risk management and having a positive impact on society.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)

 bnp_paribas_2022_climate_report.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Use of climate-related scenario analysis to inform strategy	
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios NGFS scenarios framework	Portfolio		The Group's corporate balance sheet has been tested against the Integrated Assessment Model (IAM) Regional Model of Investment and Development (REMIND) delayed transition risk scenario for which the Network for Greening the Financial System (NGFS) provided scenario-conditional pathways in 2022.
Transition scenarios IEA NZE 2050	Portfolio		In line with its commitment to align its activities with a net zero trajectory in 2050, BNP Paribas has chosen to use the international Energy Agency's Net Zero Emissions (NZE) scenario as a reference. This methodological choice allow the Group to assess the loan portfolio's carbon emissions footprint.
Physical climate scenarios RCP 4.5	Portfolio		Four Representative Concentration Pathways (RCP) are used for climate modeling and research: RCP 2.6, 4.5, 6.0 and 8.5 named after a possible range of radiative forcing values in the year 2100. The range of climate risks modelled includes coastal, river and surface water flooding, ground instabilities due to freeze/thaw,

			extreme heat and wind, and forest fires. Concerning companies, the study analyses a wide range of industrial companies. The analysis of the residential real estate loan portfolio targets a sample in France, Belgium and the United States.
Physical climate scenarios RCP 8.5	Portfolio		<p>Four Representative Concentration Pathways (RCP) are used for climate modeling and research: RCP 2.6, 4.5, 6.0 and 8.5 named after a possible range of radiative forcing values in the year 2100.</p> <p>The range of climate risks modelled includes coastal, river and surface water flooding, ground instabilities due to freeze/thaw, extreme heat and wind, and forest fires. Concerning companies, the study analyses a wide range of industrial companies. The analysis of the residential real estate loan portfolio targets a sample in France, Belgium and the United States.</p>

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

How are our clients' portfolio prepared for climate-related scenario?

Results of the climate-related scenario analysis with respect to the focal questions

The Group is using stress test to measure the consequences of a climate crisis scenario on its clients portfolio.

The Bank has chosen to use the results from the physical risk scenarios of the European Central Bank (ECB) Climate 2022 stress test for this exercise. The results of the flood, heat wave and drought scenarios of the ECB's 2022 climate stress test have been adjusted to reflect the materiality of chronic physical risk factors over the estimated duration of credit portfolios, by only retaining exposures to non-financial companies to match with the model expected by the European Banking Authority (EBA). These figures are not comparable with publications from other banks that have taken other disclosure options and are published for information only. Those figures are a first attempt to flag exposures potentially sensitive to physical risk events and should not be understood as direct or integrated risks. In 2022, the Group participated to the ECB 2022 climate scenario exercise which included market risk shocks by sectors for equity and credit underlying to better reflect climate and environmental risk drivers pertaining to market risk.

The insertion of climate and environmental factors in the market risk framework is ongoing through several actions that include:

- The approval framework for ESG transaction for Global Markets activities.
- The operational process and governance for the application of the CSR exclusion list for equity and credit underlying (e.g. further automating the screening process of entities excluded for CSR reason).
- The market risk preliminary dashboard with a focus on climate and environmental risks for trading books positions (equity and credit derivatives), for example through sectorial heat maps and transition ratings.

As a result, BNP Paribas decided to implement new internal guidances governing its actions in sensitive industrial sectors representing a major challenge in energy transition. As such, BNP Paribas updated its oil and gas policy in 2023, in order to better reflect the ambition to meet sector-specific targets relevant to a net zero economy by 2050. Consequently, BNP Paribas will no longer provide any financing dedicated to the development of new oil and gas fields regardless of the financing methods.

In addition in the next years :

- in 2024 the Group will publish CO2 emissions reduction targets for 10 sectors in line with NZBA commitments,
- NZBA 2025 targets for three sectors: power generation, oil and gas, automotive (e.g. the share of electrified vehicles >25%),
- in 2030 full exit of the thermal coal value chain in OECD and EU countries (investment and financing), and in 2040 worldwide,
- NZBA 2030 targets for four sectors (e.g. emission intensity in steel portfolio <1.2 tCO2/t crude Steel),
- NZAM 2040 targets : reaching 60% by 2030 and 100% by 2040 of investment in companies that have already achieved carbon neutrality, are aligned or in the process of alignment,

...

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Since 2011, BNP Paribas considers climate change to be a priority topic within its business activities and its overall strategy. A leader in sustainable finance, BNP Paribas has significantly reduced its financing and investments in fossil fuels.</p> <p>BNP Paribas is supporting its clients in their transition to a sustainable and low-carbon economy, both through the increasing availability of sustainable finance products and through the expertise of its employees (Low-Carbon Transition Group, Network of Experts in Sustainability Transition). One of the 5 priority themes of BNP Paribas 2025 Strategic plan is "Sustainable saving, investments and financing". Consequently, BNP Paribas will mobilize 350 billion euros by 2025 through sustainable credit and bond issuance activities related to environmental and social issues in parallel of managing 300 billion EUR in sustainable and responsible investments by 2025. The Group also engaged to reach 300 billion EUR of Assets under management of open-ended funds distributed in Europe under article 8 & 9 according to the SFDR by 2025. BNP Paribas Asset Management offers solutions that are recognized and audited by independent labels in Europe, representing more than 121 billion euros in assets under management, or nearly 25% of total assets</p>

		under management at 31 December 2022. In 2022, BNP Paribas is the world leader in the structuring and placement of green bonds.
Supply chain and/or value chain	Yes	<p>All over its value chain, the Group assists customers of all types (companies, sovereigns, individuals) in their transition towards a decarbonized economy.</p> <p>The Group decided to implement and implemented ESG assessments of suppliers and clients, carried out during the selection process. These assessments, which are based on ESG questionnaires, include confirmation by the supplier of its compliance with the principles of the BNP Paribas Responsible Procurement Charter or its local version. The ESG Assessment covers the environmental (climate and biodiversity) topics. 5,188 ESG assessments were completed in 2022 (compared with 3,705 in 2021) and nearly 2,292 Responsible Procurement Charters were signed by Group suppliers.</p> <p>The Group also manages restriction activity lists for third parties presenting major environmental risks. In 2022, these lists included 1,490 companies, of which 1,369 companies under restrictions and 121 under monitoring.</p>
Investment in R&D	Yes	<p>BNP Paribas aims at supporting start-ups, mid-sized and large companies in their technological innovation toward energy and ecological transition. In its 2022 climate report, BNP Paribas has identified as a climate-related opportunity, the support to Small and Medium-sized Enterprises (SMEs) and midcaps clients in their transition toward a net zero economy. With respect to this ambition, BNP Paribas launched the Low Carbon Transition for Midcaps & SMEs initiative to act in the Group's five main Domestic Markets (France, Belgium, Italy, Luxembourg and Poland), that complements the Low-Carbon Transition Group. Both groups provide banking and non-banking expertise, in particular in terms of clean energy, mobility and eco-responsible real estate. In addition, the BNP Paribas Foundation has contributed to the research and development on climate change since 2010 through a 18 million euros support to the Climate and Biodiversity Initiative. 400 researchers have been involved. In 2022, the BNP Paribas Foundation launched a new call for projects and 49 eligible applications were studied and eight projects, which cover climate change for some of them, were selected. These projects will be supported for the next three years with a dedicated budget of 6 million euros. In parallel, the "One Planet Fellowship" programme is supported by the BNP Paribas and Bill & Melinda Gates Foundations, the European Commission and the International Development Research Center for building an intergenerational community of African and European researchers working on climate change adaptation in the agricultural sector in Africa. With an initial endowment of 15 million US dollars, the mentoring programme benefited to 270 junior and senior scientists.</p>

		<p>BNP Paribas has to its credit, numerous business cases involving research and development for climate change. For instance, the Group signed with the United Kingdom government a sovereign green bond of 12 billion euros that involve clean transportation. This includes low and zero emission mobility and research and development as a commitment to ending the sale of new petrol and diesel cars and vans in 2030. Other illustrations include another green bond with Fedex, amounting to 600 million euros, that promotes research into carbon sequestration.</p>
Operations	Yes	<p>BNP Paribas' strategy to reduce the environmental impacts of its operations, its indirect emissions related to energy purchases and its indirect emissions related to business travel consists in both reducing the energy consumption of its operations and increasing its share of low-carbon electricity.</p> <p>In 2021, the Group defined an objective to reduce greenhouse gas emissions (teqCO₂/FTE) by 20% by 2025 compared to 2019. At the end of 2022, the Group's greenhouse gas emissions amounts to 1.65 teqCO₂ per FTE, mainly based on buildings' impact and business travel from employees.</p> <p>The Group is implementing numerous measures to decrease the greenhouse gas emissions resulting from its operations that include : auditing energy equipment and performance in buildings, shifting to new energy efficient buildings wherever possible; deploying new technologies and data centers for better energy use and management.</p> <p>To progress in reducing its environmental impact, the Group has been increasing its share of low-carbon electricity for several years. In 2022, renewable electricity accounted for 31.7% of the Group's total electricity bill. This electricity came either from purchase of renewable electricity certificates, or from direct consumption of renewable energy produced by the Group's buildings. Low-carbon electricity represented 72% of the total consumed and the consumption of renewable energy was 23.8% of the total energy consumed of 1,121 Gwh in 2022. This commitment is strengthened with the introduction of exclusively renewable electricity purchase contracts (PPA). For example, the subsidiary in Poland has been using such a contract for 100% of its electricity supply since January 2021 and a second PPA will be set up in early 2023 in the United Kingdom.</p> <p>BNP Paribas annually offsets the residual greenhouse gas emissions released the previous year within its operating scope. These emissions amounted to 182,044 teqCO₂ in 2021 (expressed in Market-based). This offsetting process has been implemented once again in 2022 through 4 projects: the Kasigau project in Kenya for preserving and restoring 200,000 hectares of forest; the construction of 13,000 biodigesters with the GoodPlanet Foundation in India; the conservation of 150,000 hectares of swamp forest in Indonesia and</p>

		the preservation of 127,000 hectares of threatened Amazon rainforest in Peru.
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C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	<p>**Revenues:</p> <p>The energy transition is associated with multiple opportunities as massive investments prospects and in-depth transformation of business models, in terms of technology, human resources, infrastructure and organization are arising.</p> <p>The Group has set a renewable energy financing target of 30 billion euros by 2025 and a target of EUR 40 billion in credit exposures for low-carbon energy production by 2030.</p> <p>**Operating costs:</p> <p>BNP Paribas considers energy efficiency measures to be of great potential for reducing not only emissions but also energy costs. As a result, improving the Group's resilience to rising energy prices and preventing the value of real estate assets from declining is an opportunity identified by the Group. Similarly, reducing own operational emissions through the decrease of energy consumption in BNP Paribas' buildings, optimizing professional travels and increasing low-carbon electricity use.</p> <p>**Capital expenditures / capital allocation:</p> <p>The Group has likened capital allocation for energy transition to its main business lines: Corporate and Institutional Banking (CIB), Commercial, Personal Banking & Services (CPBS) and Investment and Protection Services (IPS). BNP Paribas Asset Management expects to achieve 100% net zero alignment of its corporate portfolio by 2050. In order to achieve that commitment, it will develop low-carbon products (positive energy buildings, climate and green indices, green investments via retail funds, etc.). At the end of 2022, BNP Paribas Asset Management managed more than 13 billion euros in Paris-aligned/ climate-aligned, low-carbon, fossil-fuel-free benchmark funds. As such, it launched in 2022 the BNP Paribas Sustainable Asian Cities Bond fund to respond among others to the impacts of climate change in Asia. BNP Paribas Asset Management has also launched two climate-focused funds (BNP Paribas Fund Emerging Markets Climate Solutions and Global Climate Solutions), and the BNP Paribas Fund SICAV based on corporate green bonds.</p> <p>As part of its Net Zero Roadmap, BNP Paribas Cardif will allocate at least 800 million euros per year to investments with an environmental theme.</p> <p>**Acquisitions and divestments:</p>

	<p>In 2017, strong commitments had been taken to restrict our financing and investments in the unconventional oil and gas sectors:</p> <ul style="list-style-type: none"> - BNP Paribas is amongst the first banks to have adopted a policy on unconventional oil and gas. Its credit exposure to unconventional oil and gas specialists decreased from over 4 billion dollars in 2016 to zero at the end of 2021; - From that date, the specificity of the Arctic region is integrated into the sectoral policy of BNP Paribas on unconventional oil and gas. <p>In 2020, the Group announced a plan to reduce its thermal coal exposure to zero by 2030 in OECD countries, and by 2040 in the rest of the world. The Group had already elected in 2017 not to finance any projects in the thermal coal sector. Sector policies covering the mining and dedicated infrastructure sectors are also constantly reviewed. At the end of 2022, the activity restriction list included 90 customers, in particular because they continue to plan new coal-fired capacity and/or do not have an exit strategy in line with BNP Paribas' objectives. Similarly, in 2022, BNP Paribas decided to no longer provide products and services to companies where more than 10% of the activity is related to tar sands and shale oil and gas. The Group has also tightened its funding restrictions in particularly sensitive ecosystems such as the Arctic and the Amazon.</p> <p>**Access to capital:</p> <p>In 2022, BNP Paribas structured and placed 18.2 billion euros in green bonds according to Bloomberg, being worldwide leader in this area. All of the proceeds are then used for the refinancing of existing renewable energies, clean transportation, green buildings and smart energy projects.</p> <p>**Assets:</p> <p>Our physical assets are at risk of extreme weather events in climate sensitive countries. These events can lead to damage in facilities and a disruption in our activity. Our data centers are vulnerable to these weather events. A loss of data is the main threat. To counter this risk, several processes were established to ensure continuity of activities in facilities and a quick recovery when a disruption is inevitable. The damage to physical assets accounted for 1% of our average operational losses (2013-2021).</p> <p>**Liabilities:</p> <p>BNP Paribas plays an active role in financing the energy transition as underwriter and lead-manager of sustainable bonds.</p> <p>In 2022, BNP Paribas and the Solar Impulse Foundation completed the first closing for EUR 100 million of the BNP Paribas Solar Impulse Venture fund, dedicated to supporting start-ups committed to the ecological transition. BNP Paribas invested EUR 75 million in this. Still last year, BNP Paribas was Joint Global Coordinator and Bookrunner of the 1st General Motors (GM) green bond, for an amount equivalent to EUR 2.4 billion. It aims to finance its investments to increase its production capacity of electric vehicles to 2 million units per year by 2025. The Group has also been involved in a SustainabilityLinked Bond issued by L'Oréal for EUR 3 billion, for which the coupon is indexed to the achievement of several</p>
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		environmental objectives: zero greenhouse gas emissions on scopes 1 and 2 of the Company, reduction of scope 3 by unit sold and use of 50% recycled or organic plastic for all packaging in 2025.
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C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with both our climate transition plan and a sustainable finance taxonomy	At the company level only

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

Other, please specify
Assets under management

Type of alignment being reported for this financial metric

Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported

Total across all objectives

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

200,400,000,000

Percentage share of selected financial metric aligned in the reporting year (%)

40

Percentage share of selected financial metric planned to align in 2025 (%)

48

Percentage share of selected financial metric planned to align in 2030 (%)

60

Describe the methodology used to identify spending/revenue that is aligned

BNP Paribas Asset Management (BNPP AM), the entity of the Group dedicated to the asset management business line of the BNP Paribas Group, committed to contributing to the fight against climate change through significant actions and initiatives. In that regard, it developed a Net Zero Roadmap, which formally introduces its NZAM commitment and covers three areas: Investments (portfolio alignment), stewardship and our operations. As part of its objective of reducing its financed greenhouse gas emissions, BNPP AM has set a target of 60% of our corporate investments (equity and fixed income) to fall into AAA (Achieving, Aligned or Aligning) categories by 2030 and 100% by 2040 enabling the fulfillment of 100% net zero alignment of corporate portfolio by 2050. The alignment methodology is based on a framework to measure the alignment of its investments in corporates largely inspired by the Paris Aligned Investment Initiative (PAII) Net Zero Investment Framework and which is also based on diverse sources: Transition Pathway Initiative (TPI), Science Based Targets initiative (SBTi), Climate Action 100+24 and Carbon Disclosure Project (CDP). More specifically, the framework for assessing companies' net zero alignment can be broken down as follows:

- Achieving net zero: Companies with at least 50% of their turnover aligned with EU Taxonomy Climate Change Mitigation OR companies with at least 50% of their turnover aligned with climate-mitigation-linked SDGs and with no more than 20% of their turnover misaligned with any SDGs OR companies committed to net zero and whose current carbon performance is at (or close) to the one needed for its sector by 2050 to reach net zero global emissions.
- Aligned to a net zero pathway : Companies committed to net zero emissions by 2050 AND that have a carbon reduction target assessed as $\leq 1.5^{\circ}\text{C}$ OR Companies with at least 20% of their turnover aligned with EU Taxonomy Climate Change Mitigation OR companies with at least 20% of their turnover aligned with climate-mitigation-linked SDGs²⁸ and with no more than 20% of their turnover misaligned with any SDGs.
- Aligning towards a net zero pathway: Companies that have a carbon reduction target assessed as below 2°C and not otherwise considered Achieving or Aligned.
- Not aligned: all other companies.

For the sake of illustration, as of June 2022, 4% of the Assets under management are of BNPP AM (fixed income and equity) are labelled as "achieving net zero" and 21% are categorized as "Aligned to a Net Zero Pathway", while 15% are considered as "Aligning Towards a Net Zero Pathway", with the remaining 60% not aligned.

C3.5c

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

No additional comment.

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

Policy framework for portfolio activities that include climate-related requirements for clients/investees, and/or exclusion policies	
Row 1	Yes, our framework includes both policies with climate-related client/investee requirements and climate-related exclusion policies

C-FS3.6a

(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.

Portfolio

Banking (Bank)

Type of policy

Credit/lending policy

Other, please specify

Oil and gas sector

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

 bnpparibas_csr_sector_policy_oil_gas.pdf

Criteria required of clients/investees

Disclosure of Scope 1 emissions

Disclosure of Scope 2 emissions

Disclosure of Scope 3 emissions

Set an emissions reduction target

Develop a climate transition plan

Other, please specify

Governance criteria: Board supervision of a company's climate strategy and commitments that positively support the climate.

Value chain stages of client/investee covered by criteria

Direct operations only

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Energy

Transportation

Semiconductors & Semiconductor Equipment

Exceptions to policy based on

Explain how criteria required, criteria coverage and/or exceptions have been determined

The criteria are determined under numerous internationally-recognised standards and scenarios. Regarding specifically energy transition, the Group relied on the frameworks developed by the International Energy Agency (IEA), the PACTA (Paris Agreement Capital Transition Assessment) methodology or Roadmap to net zero emissions from the World Energy Outlook. As per human rights concerns, the Group refers to the International Labour Organization's (ILO) international conventions such as the Convention No. 138 Concerning Minimum Age for Admission to Employment. With regards to exclusion or restriction criteria, the Group is using definitions adopted by multistakeholders groups or international organisation as for instance the Arctic Monitoring and Assessment Programme ("AMAP").

Portfolio

Investing (Asset manager)

Type of policy

Investment policy/strategy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

 Responsible Business Conduct Policy_EN_2019.pdf

Criteria required of clients/investees

Disclosure of Scope 1 emissions

Disclosure of Scope 2 emissions

Disclosure of Scope 3 emissions

Set an emissions reduction target

Develop a climate transition plan

Other, please specify

Disclosure criteria: the company has public policies and targets on key environmental, social and governance issues and discloses its related performance.

Value chain stages of client/investee covered by criteria

Direct operations only

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Energy

Materials

Capital Goods

Transportation

Automobiles & Components

Food & Staples Retailing

Food, Beverage & Tobacco
 Household & Personal Products
 Semiconductors & Semiconductor Equipment
 Utilities

Exceptions to policy based on

Explain how criteria required, criteria coverage and/or exceptions have been determined

The criteria are developed under the ground of shared frameworks, recognised worldwide and applicable to all industry sectors, based on the international conventions in the areas of human rights, labour standards, environmental stewardship and anti-corruption. In addition, BNP Paribas Asset Management establishes and maintains two lists:

- An exclusion list of issuers that are associated with serious and repeated breaches of UN Global Compact Principles and/or mandatory requirements related to sensitive sectors.
- A watchlist of issuers with whom we are engaging to encourage improvements, or that are at risk of breaching the standards set out as part of relevant international conventions and regulations.

C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio

Banking (Bank)
 Investing (Asset manager)

Type of exclusion policy

Thermal coal

Year of exclusion implementation

2020

Timeframe for complete phase-out

By 2040

Application

New business/investment for new projects
 New business/investment for existing projects
 Existing business/investment for existing projects

Country/Area/Region the exclusion policy applies to

Antarctica
 Africa/Eurasia
 Americas
 North America
 Oceania
 South America
 Southern Europe

US, Latin America and Caribbean (USLAC)
Western Europe

Description

In 2020, the Group announced a plan to reduce its thermal coal exposure to zero by 2030 in the OECD and EU countries, and by 2040 in the rest of the world. The Group had already elected in 2017 not to finance any projects in the thermal coal sector. For each corporate client generating part of their electricity from coal, BNP Paribas determines to what extent the company's development trajectory is compatible with the Group's exit targets by geographic area. The Group has now ceased all business relationships with its corporate customers which have not adopted a thermal coal exit plan compatible with the Bank's commitments. At end-2021, BNP Paribas has decided to initiate the exit from half of its energy production clients, notably because they were still planning new thermal coal-based capacities and/or had not a carbon exit strategy in line with BNP Paribas' targets.

BNP Paribas no longer accepts any new customers earning more than 25% of their revenue from thermal coal, developing new coal-fired electricity generation capacities, or developing new thermal coal extraction projects

Portfolio

Banking (Bank)
Investing (Asset manager)

Type of exclusion policy

Oil from tar sands
Oil from shale
Gas from shale

Year of exclusion implementation

2017

Timeframe for complete phase-out

Already phased out

Application

New business/investment for new projects
New business/investment for existing projects
Existing business/investment for existing projects

Country/Area/Region the exclusion policy applies to

Antarctica
Africa/Eurasia
Americas
Oceania

Description

In 2017, the Group had decided to restrict its financing and investments in the unconventional oil and gas sectors:

- BNP Paribas is amongst the first banks to have adopted a policy on unconventional oil and gas. Its

credit exposure to

unconventional oil and gas specialists decreased from over 4 billion dollars in 2016 to zero at the end of 2021;

- From that date, the specificity of the Arctic region is integrated into the sectoral policy of BNP Paribas on unconventional oil and gas.

In 2022, the Group updated its financing policy on unconventional oil and gas, which has become an oil and gas policy, with a reinforcement of the criteria governing its financing and investments:

- BNP Paribas strengthens its criteria and will no longer provide products and services and no longer invest in companies with more than 10% of their activities in tar sands and shale oil and gas;
- its definition of the Arctic was enlarged to the AMAP's (Arctic Monitoring and Assessment Program), with an exception made for Norwegian operated area;
- BNP Paribas will no longer finance or invest in companies with oil and gas reserves in the Amazon as well as the ones developing related infrastructures;
- BNP Paribas will exclude all financing and investment in new oil and gas project located in IUCN I to IV (in either Brazil, Ecuador, Bolivia, Colombia or Venezuela).

C-FS3.7

(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?

	Climate-related requirements included in selection process and engagement with external asset managers
Row 1	Yes

C-FS3.7a

(C-FS3.7a) Provide details of the climate-related requirements included in your selection process and engagement with external asset managers.

Coverage

All assets managed externally

Mechanisms used to include climate-related requirements in external asset manager selection

Include climate-related requirements in performance indicators and incentive structures
Preference for investment managers with an offering of funds resilient to climate change

Describe how you monitor and engage with asset managers to ensure investment activities are consistent with your climate strategy

Affiliated entities over which BNP Paribas Asset Management or the BNP Paribas Group do not have operational control are invited to adopt our strategy and implement the components of our sustainable investment approach. Where we use affiliates or external investment managers for our open-ended funds, we expect them to incorporate sustainable investment policies in line with our sustainable investment philosophy.

C-FS3.8

(C-FS3.8) Does your organization include covenants in financing agreements to reflect and enforce your climate-related policies?

Climate-related covenants in financing agreements	
Row 1	Yes

C-FS3.8a

(C-FS3.8a) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your climate-related policies.

Types of covenants used	Asset class/product types	Coverage of covenants	Please explain
Purpose or use of proceeds clause refers to sustainable project Margin or pricing depends on sustainability criteria Minimum level of green assets mandated Legal mandate to obtain third party verification Covenants related to compliance with your policies	Corporate loans Corporate real estate Trade finance Asset finance Project finance	All business/investment for all projects	<p>BNP Paribas has developed a variety of green finance tools in an effort to provide broader support for the energy and ecological transition of its customers, often used to accelerate the energy transition.</p> <p>In 2022, BNP Paribas was the world's No. 1 player for green bonds with EUR 18.2 billion according to Bloomberg. BNP Paribas confirms its position among the leaders in the sector: the Bank stands out as the world's leading player in the green bond market and the sixth world player in the sustainable bond market in 2022. BNP Paribas is also very active in the Sustainability-Linked Loans (SLLs) market. With an SLL, the interest rate paid by the borrowing company is linked to the achievement of sustainable development targets, and particularly those related to the climate: rates are lowered if the company reaches its targets and increased otherwise. This type of loan thus encourages borrowers to improve their sustainable development performance over the duration of the loan.</p> <p>In 2022, BNP Paribas played a key role in SLLs amounting to 26.4 billion euros. To exemplify this commitment, BNP Paribas was involved in a Sustainability-Linked Bond issued by L'Oréal for EUR 3 billion, for which the coupon is indexed to the achievement of several environmental objectives: zero greenhouse gas emissions on scopes 1 and 2 of the Company, reduction of scope 3 by unit sold and use of 50% recycled or organic plastic for all packaging in 2025. Additionally, BNP</p>

			Paribas was Joint Global Coordinator and Bookrunner of the 1st General Motors (GM) green bond, for an amount equivalent to 2.4 billion euros. It aims to finance its investments to increase its production capacity of electric vehicles to 2 million units per year by 2025.
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C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

Portfolio target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 3

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Category 6: Business travel

Intensity metric

Metric tons CO₂e per unit FTE employee

Base year

2019

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

0.31

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

1.41

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO₂e per unit of activity)

0.6

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO₂e per unit of activity)

Intensity figure in base year for total Scope 3 (metric tons CO₂e per unit of activity)
0.6

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)
2.32

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

100

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

20.26

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

1.849968

% change anticipated in absolute Scope 1+2 emissions

20

% change anticipated in absolute Scope 3 emissions

20

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

0.235

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

1.022

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO₂e per unit of activity)

0.393

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)
0.393

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
1.649

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

142.7562378732

Target status in reporting year

Achieved

Please explain target coverage and identify any exclusions

The data required to calculate this indicator is collected annually for a scope comprising the Group's main regions (19 in 2022) in terms of employee headcount (88% of FTEs). The results obtained for this scope are then extrapolated to cover all of BNP Paribas. The period taken into account for the data collected covers 12 months from October (N-1) to September (N). The number of FTEs is that officially determined by Group HR as of 31 December of the year in question. The results obtained are then extrapolated to cover all of BNP Paribas and published in the Universal Registration Document.

The measurement of the CO2 emissions for the Group's operating scope is based on the reference methodology of the GHG Protocol. The following are taken into account: energy consumed (electricity, gas, fuel oil, district heating) in the buildings occupied by the Group, and the energy consumed in the means of transport used by employees for their business travel (excluding commuting) by car, train or plane. Only the combustion of fossil fuels is taken into account; the extraction and transportation of fuels are excluded from this calculation.

The Group's objective is to reduce GHG emissions in $\text{teqCO}_2/\text{FTE}$ by 20% by 2025 compared to 2019.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

To continue reducing its environmental impact, the Group has been increasing its share of low-carbon electricity for several years. In 2022, renewable electricity accounted for 31.7% of the

Group's total electricity bill. This electricity came either from purchase of renewable electricity certificates, or from direct consumption of renewable energy produced by the Group's buildings. This commitment is strengthened with the introduction of exclusively renewable electricity purchase contracts (PPA). For example, the subsidiary in Poland has been using such a contract for 100% of its electricity supply since January 2021 and a second PPA will be set up in early 2023 in the United Kingdom.

The Group real estate operating function (IMEX) is a key player in reducing the environmental footprint of BNP Paribas' operating scope. In this respect, the Green Buildings programme implements an approach to sustainably reduce the Group's environmental impact. To do this, IMEX implements work projects to improve the operations and maintenance of the sites. In addition, programmes are implemented to encourage the circular economy, facilitate the sustainable mobility of employees and promote the purchase of sustainable and less energy-consuming equipment. This programme also aims to raise awareness among all employees.

In 2021, the Group's travel policy has been reviewed and strengthened by recommending, whenever possible, the train instead of the plane for short trips.

C-FS4.1d

(C-FS4.1d) Provide details of the climate-related targets for your portfolio.

Target reference number

Por1

Year target was set

2023

Portfolio

Banking (Bank)

Product type/Asset class/Line of business

Corporate loans

Sectors covered by the target

Other, please specify

Aluminium

Target type

Other, please specify

Aluminium portfolio intensity metric in tCO₂eq/t aluminium, covering Scope 1 and 2 emissions.

Target type: Absolute or intensity

Intensity

Scopes included in temperature alignment

Metric (or target numerator if intensity)

Other, please specify
tCO₂eq

Target denominator

Other, please specify
t aluminium

Base year

2022

Figure in base year

6.2

Percentage of portfolio emissions covered by the target

3

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Loan book value

Percentage of portfolio covered by the target, using a monetary metric

0.04

Frequency of target reviews

Annually

Interim target year

Figure in interim target year

Target year

2030

Figure in target year

5.6

Figure in reporting year

6.2

% of target achieved relative to base year [auto-calculated]

0

Aggregation weighting used

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

The target covers the whole aluminium portfolio (including aluminium smelting also referred to as electrolysis).

The alignment target for BNP Paribas' Aluminium portfolio refers to a CO₂ e emission intensity metric (expressed in t CO₂ e / t aluminium) covering Scope 1 and 2 emissions and is benchmarked against the International Aluminum Institute (IAI) 2050 1.5DS scenario (which itself is based on the IEA NZE).

The Bank's financed Aluminium portfolio CO₂ e emission intensity stood at 6.2 t CO₂ e / t aluminium as of December 31, 2022. BNP Paribas target is to reach a emission intensity of 5.6 t CO₂ e / t aluminium by 2030, i.e. a 10% reduction vs. a 2022 baseline.

According to the IEA, in 2021 the Aluminium industry was directly responsible for 275 Mt of CO₂, c. 3% of the world's direct industrial CO₂ emissions (Scope 1). Including the indirect emissions from electricity consumption (Scope 2), the emissions of this industry amounted to 1.1 Gt of CO₂.

Target reference number

Por2

Year target was set

2022

Portfolio

Investing (Asset manager)

Product type/Asset class/Line of business

All asset classes

Sectors covered by the target

All sectors

Target type

Green finance

Target type: Absolute or intensity

Absolute

Scopes included in temperature alignment**Metric (or target numerator if intensity)**

Other, please specify

Assets under management of open-ended funds distributed in Europe under article 8 & 9 according to the SFDR

Target denominator

Base year

2021

Figure in base year

220,000,000,000

Percentage of portfolio emissions covered by the target

100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Assets under management

Percentage of portfolio covered by the target, using a monetary metric

100

Frequency of target reviews

Annually

Interim target year

Figure in interim target year

Target year

2025

Figure in target year

300,000,000,000

Figure in reporting year

223,000,000,000

% of target achieved relative to base year [auto-calculated]

3.75

Aggregation weighting used

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

Amount of assets under management at the end of 2022 in open-ended funds distributed in Europe under articles 8 and 9 according to the SFDR. These are BNP Paribas Asset Management funds. Despite a lacklustre environment, the amount of assets under management by BNP Paribas Asset Management's open-ended funds distributed in Europe classed as articles 8 and 9 according to the SFDR regulation (indicator no. 3) increased slightly (+1%) over the last twelve months, with the new inflows in these funds being higher than the new inflows in other funds.

Target reference number

Por3

Year target was set

2022

Portfolio

Banking (Bank)

Product type/Asset class/Line of business

Corporate loans

Sectors covered by the target

Other, please specify

Power generation

Target type

Other, please specify

Power generation portfolio intensity metric in gCO₂/kWh

Target type: Absolute or intensity

Intensity

Scopes included in temperature alignment

Metric (or target numerator if intensity)

Other, please specify

gCO₂

Target denominator

Other, please specify

kWh

Base year

2020

Figure in base year

208

Percentage of portfolio emissions covered by the target

39

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Loan book value

Percentage of portfolio covered by the target, using a monetary metric

1.7

Frequency of target reviews

Annually

Interim target year

Figure in interim target year

Target year

2025

Figure in target year

146

Figure in reporting year

179

% of target achieved relative to base year [auto-calculated]

46.7741935484

Aggregation weighting used

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

The target covers the whole power generation portfolio.

Emission intensity slightly decreased compared to 2021 (182 gCO₂/kWh). The increase of the Bank's exposure to low-carbon clients was partially negated by the impact of an increase of the average IEA capacity factor for coal - reflecting a higher use of coal fire plants in the world.

The Bank's financed power generation portfolio CO₂ e emission intensity stood at 179 gCO₂/ kWh as of December 31, 2022. BNP Paribas target is to reach a emission intensity below 146 gCO₂/ kWh by 2025, i.e. a 30% reduction vs. a 2020 baseline.

According to the IEA, in 2021 the power generation industry was directly responsible for 14.2 Gt of CO₂, which represents c. 39% of the 36.6 Gt of total emissions in the world.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2022

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Green finance

Green finance raised and facilitated (denominated in currency)

Target denominator (intensity targets only)

Base year

2022

Figure or percentage in base year

44,000,000,000

Target year

2025

Figure or percentage in target year

200,000,000,000

Figure or percentage in reporting year

44,000,000,000

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

As set out in Commitment 1 "Financing and investments with a positive impact" of the Group's CSR dashboard, the Group supports its clients in the transition to a more sustainable economy. It has set itself ambitious targets for 2025: EUR 200 billion to support its clients in the transition to a low-carbon economy.

Is this target part of an overarching initiative?

Other, please specify
GFANZ

Please explain target coverage and identify any exclusions

The target is the amount of support for the clients in the transition to a low-carbon economy: it is the cumulative amount at the end of 2022 of green loans, green bonds and financing identified as contributing to the transition towards a low-carbon economy according to an internal classification system (e.g. renewable energies, low-carbon hydrogen, nuclear).

Plan for achieving target, and progress made to the end of the reporting year

BNP Paribas' primary mission is 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. Given its leading positions in financial services in the 65 countries in which it operates, the Group's financing capacity and the way it conducts its business can have a direct impact on local economies. Thus, aware of its economic responsibility, BNP Paribas acts in coherence with its three commitments, including "Commitment 1: Financing and investments with a positive impact".

To achieve this target, the Group :

- increase its support for renewable energy : among the achievements of the year, BNP Paribas was a major player in the Edwards Sanborn project led by Terra-Gen in the United States whose amount is higher than EUR 1 billion. This company that works on the generation of photovoltaic electricity is carrying out a project of 410 MW of solar panels and 1,716 MW/h of stored energy, which will be the largest solar project with storage in North America,
- plays an important role in green bonds : r, in 2022, BNP Paribas was Joint Global Coordinator and

Bookrunner of the 1st General Motors (GM) green bond, for an amount equivalent to EUR 2.4 billion. It aims to finance its investments to increase its production capacity of electric vehicles to 2 million units per year by 2025,

- BNP Paribas is integrating gradually environmental criteria into its entire range of financial products,
- the Group also use third-party asset management supporting the energy and ecological transition, in particular through the exercise of voting rights and shareholder dialogue.

In addition, to achieve the banking sector's ambition to align its climate commitments with the objectives of the Paris Agreement and to pursue the objective of collective carbon neutrality by 2050, BNP Paribas is a member of the NetZero alliances promoted at the COP 26 in Glasgow. BNP Paribas Asset Management joined the NZAMi, BNP Paribas Cardif the NZAO and the Group is one of the founding members of the NZBA launched by UN Environment in April 2021.

BNP Paribas' target, set in 2022, is to reach a cumulative amount of green loans, green bonds and financing identified as contributing to the transition towards a low-carbon economy of EUR 200 billion by 2025. At end-2022, the amount was EUR 44 billion.

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Int1

Target year for achieving net zero

2050

Is this a science-based target?

No, but we anticipate setting one in the next two years

Please explain target coverage and identify any exclusions

The data required to calculate these indicators is collected annually for a scope comprising the Group's main regions (19 in 2022) in terms of employee headcount (88% of FTEs). The results obtained for this scope are then extrapolated to cover all of BNP Paribas. The period taken into account for the data collected covers 12 months from October (N-1) to September (N).

The measurement of the CO2 emissions for the Group's operating scope is based on the reference methodology of the GHG Protocol. The following are taken into account: energy consumed (electricity, gas, fuel oil, district heating) in the buildings occupied by the Group, and the energy consumed in the means of transport used by employees for their business travel (excluding commuting) by car, train or plane.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

The goal is to gradually reduce greenhouse gas emissions by 2050. This means reducing energy consumption and using low-carbon and renewable energies. Residual emissions have already been offset since 2017. The first milestone is 2025 with a target of 1.85 teqCO₂/GTF, which represents a 50% reduction in emissions compared to 2012, and a 20% reduction in emissions compared to 2019.

Planned actions to mitigate emissions beyond your value chain (optional)

BNP Paribas is committed to aligning its loan and investment portfolios with trajectories compatible with collective carbon neutrality by 2050. More specifically, as part of the various GFANZ alliances, in 2022, the Group set itself ambitious quantitative decarbonisation targets for its loan and investment portfolios by 2025.

Since 2017, within its operating scope, BNP Paribas annually offsets residual greenhouse gas emissions released the previous year. These emissions amounted to 182,044 teqCO₂ in 2021 (expressed in Marketbased). These emissions were offset in 2022 via the four different projects in Kenya, India, Indonesia and Peru in 2022 representing 182,044 teqCO₂.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year?

Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO₂e savings.

	Number of initiatives	Total estimated annual CO ₂ e savings in metric tonnes CO ₂ e (only for rows marked *)
Under investigation	0	0
To be implemented*	7	1,305
Implementation commenced*	5	3,169
Implemented*	4	98,619
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Company policy or behavioral change

Other, please specify

Energy Consumption, business travel, paper and waste initiatives

Estimated annual CO2e savings (metric tonnes CO2e)

11,526

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Scope 3 category 6: Business travel

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

6,037,031

Investment required (unit currency – as specified in C0.4)

1,232,765

Payback period

1-3 years

Estimated lifetime of the initiative

1-2 years

Comment

Employees are kept informed of the Group's environmental policies through a range of channels: dedicated intranet pages, distribution of internal policies and guides to eco-behavior in certain countries and businesses and an extensive eco-gesture campaign. The campaign to raise awareness on ecogestures was stepped up as part of the COP21 measures. The main points are: energy consumption, business travel, paper and waste. In behavioral change investment, we consider the wages of employees in charge of promoting sustainable behaviors within the Group, designing and deploying green strategies, in the CSR Delegation, procurement teams and facility managers. The investment also includes the annual hosting and maintenance of the environmental reporting tool.

Initiative category & Initiative type

Energy efficiency in buildings

Other, please specify

Insulation, HVAC, Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

2,242

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

112,100

Investment required (unit currency – as specified in C0.4)

6,103,946

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

A range of building services initiatives is being deployed to drive down energy consumption levels, with the expertise of local managers responsible for the administration of premises. Wherever possible in the Group, heating and lighting systems within buildings are upgraded. Main energy efficiency measures implemented are: LED and low energy lamps, replacement of hot water system, limiting cooling and heating systems, installation of PIR systems, installation of timers in various equipment allowing them to automatically switch off when unused, purchasing of fans for office employees during summer, etc. The investment in energy efficiency of buildings includes costs of building retrofitting for insulation, the installation of LED and low power energy lamps, timers in various equipment for automatic switch off, replacement of hot water system, purchasing of fans for offices rather than the use of cooling units.

Initiative category & Initiative type

Low-carbon energy consumption

Other, please specify

Renwable electricity and renewable heat

Estimated annual CO2e savings (metric tonnes CO2e)

84,100

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

252,492

Investment required (unit currency – as specified in C0.4)

218,643

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

In low-carbon energy consumption we compute the renewable electricity procured along with renewable heat procured. These initiatives are voluntary and permanent: these purchases are seen as yearly initiatives that allow to save emissions (market-based). Purchase of renewable heat is assessed as a monetary saving action while in general renewable electricity comes with a purchase surplus, with higher contract prices or additional expenses with market-bought certificates. To continue reducing its environmental impact, the Group is increasingly turning to low-carbon electricity in all countries where this is possible. In 2022, renewable electricity accounted for 31.7% of the Group's total electricity bill. This electricity came either from purchase of renewable electricity certificates, or from direct consumption of renewable energy produced by the Group's buildings. This commitment is strengthened with the introduction of exclusively renewable electricity purchase contracts (PPA). For example, the subsidiary in Poland has been using such a contract for 100% of its electricity supply since January 2021 and a second PPA will be set up in early 2023 in the United Kingdom.

Low-carbon electricity represented 72% of the total consumed and the consumption of renewable energy was 23.8% of the total energy consumed of 1,121 Gwh in 2022.

Initiative category & Initiative type

Low-carbon energy generation
Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

751

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

445,778

Investment required (unit currency – as specified in C0.4)

687,756

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

These initiatives are voluntary and permanent. A lot of efforts has been made to produce our own renewable energy from photovoltaic systems. For example, in Brussels, the buildings of BNP Paribas Fortis are equipped with 2,000m² of solar panels that produce around 314,000 kWh per

year.

In recent years, the head office of BNP Paribas Fortis has been rebuilt in the heart of Brussels, becoming an exemplary building. This building is seven times less energy-intensive than its predecessor and uses a maximum of 15 kWh/m²/year for heating and cooling. The MIPIM Awards, which recognise the most remarkable real estate projects worldwide, awarded this building the 2022 MIPIM Award in the “Best Office and Business Development” category.

BNP Paribas buildings produced electricity and directly consumed it in 7 countries : India, Belgium, Brazil, Italy, Luxembourg , Morocco and Spain.

Moreover, BNP Paribas' buildings produced renewable electricity that was sold back to the grid in 3 countries : Switzerland, France, Italy. Annual CO₂e savings are based on the annual energy production of installations and national emissions factors of average mix (Source : IEA).

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	<p>ISO 14001 standard: BNP Paribas monitors an internal “ISO Competency center”. The consulting activity carried out by this center consists in assisting the Executive Manager and the Quality Manager within Group entities in structuring ISO projects and building Quality management systems. The ISO 14001 standard is the international standard relating to the environmental management system and which allows an organization to reduce the negative effects on the environment of its activities to the minimum and to carry out a continuous improvement of its environmental performance.</p> <p>In 2020, 12 separate ISO 14001 certificates were in effect within the Group. This number establishes BNP Paribas as a world leader in the banking/insurance sector for Environmental Management Systems (EMS).</p> <p>Overall, nearly 74,00 employees work in offices covered by an environmental management system, which represents about 39% of Group employees.</p>
Internal incentives/recognition programs	<p>The GTS 2025 strategic plan defines quantified CSR objectives. The indicators have been renewed in order to reflect a higher ambition and cover new fields. The achievement of the CSR dashboard targets is one of the keys to the plan's success. The achievement of these 10 objectives is included in the calculation of the three-year retention plan for almost 8,400 key Group employees, where they represent 20% of the award conditions. The achievement of these indicators is also included in the calculation of 15% of the variable compensation of the Group's executive corporate officers.</p>
Dedicated budget for other emissions reduction activities	<p>Group CSR implements and manages emission reduction initiatives, with the assistance of more than 170 employees in 20 countries representing 91% of the full time equivalent staff managed by the Group. This is part of the environmental campaign. These initiatives cover sustainable mobility, paper reduction, waste reduction and proper management. From 2018, the environmental campaign is backed up by a new program coordinated by Purchasing teams and CSR Group, called Green Company for Employees (GC4E). This initiative aims to spread sustainable behavior among collaborators and offer sustainable alternatives. In 2022, foremost among the priorities are the promotion of soft mobility by</p>

	encouraging the sharing of journeys (carpooling) and vehicles (car-sharing, bicycle-sharing), the control of the digital footprint, the fight against single-use plastic, as well as the proposal for more sustainable food (responsible sourcing, food waste reduction, waste recovery, stakeholder awareness). Special emphasis is placed on raising the awareness of all Group employees, via dedicated actions (Cleaning weeks or conferences) as well as training in eco-friendly habits.
Employee engagement	<p>Awareness and training efforts for all staff: Employees are kept informed of the Group's environmental policies through a large range of channels: dedicated Intranet pages, distribution of internal policies and guides to ecobehaviour distributed in certain countries and businesses. First of all, the CSR Delegation raises awareness and provides training on CSR issues by taking part in various seminars, mainly providing an overall presentation of the CSR policy, and more occasionally dealing with more specific themes such as energy efficiency.</p> <p>Employees are informed about the Group's environmental policies and objectives through an ecogestures awareness campaign. It focuses on four themes: energy consumption, business travel, paper and waste. Items are permanently available on the Group's intranet and regularly promoted during environmental events or feedbacks to the 70 entities which are collecting CSR data. Moreover, all Group staff has continuous access to training resources through regular additions and updates to the CSR section of the Group intranet.</p> <p>Eventually, the CSR e-learning module is permanently available to all employees and accessible on the Group intranet in four languages (French, English, Italian and Dutch). BNP Paribas employees are presented with six tasks illustrating six key themes within the group's CSR strategy, which they have to complete in order to qualify as a 'CSR Spokesperson', including:</p> <ul style="list-style-type: none"> - identify elements in BNP Paribas branches in France that could help reduce the bank's direct environmental impact; - select a financing operation, taking account of its environmental and social impact; - compile a Socially Responsible Investment (SRI) portfolio.
Dedicated budget for energy efficiency	<p>BNP Paribas has dedicated a budget for projects aiming to improve energy efficiency of buildings. The Group real estate operating function (IMEX) is a key player in reducing the environmental footprint of BNP Paribas' operating scope. In this respect, the Green Buildings programme implements an approach to sustainably reduce the Group's environmental impact. To do this, IMEX implements work projects to improve the operations and maintenance of the sites. In addition, programmes are implemented to encourage the circular economy, facilitate the sustainable mobility of employees and promote the purchase of sustainable and less energy-consuming equipment. This programme also aims to raise awareness among all employees.</p>

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Banking

Other, please specify

Green bonds

Taxonomy or methodology used to classify product

Green Bond Principles (ICMA)

Description of product

BNP Paribas' primary mission is to meet society's needs, in particular by financing in an ethical manner the projects of individual clients and businesses, drivers of the economic development and jobs' creation. Given its leading positions in financial services in the 65 countries in which it operates, the Group's financing capacity and the way it conducts its business can have a direct impact on local economies. Thus, aware of its economic responsibility, BNP Paribas acts in coherence with its commitment to finance and invest with a positive impact, providing sustainable bonds. The cumulative amount of sustainable bonds is KPI of the Group's CSR dashboard. It includes all types of bonds identified as sustainable according to the guidelines of the ICMA (International Capital Market Association) issued by corporate clients, financial institutions and sovereign clients, and arranged by BNP Paribas (total amount divided by the number of bookrunners). BNP Paribas' target is to reach a cumulative amount of sustainable bonds of EUR 200 billion by 2025. At end-2022, the amount was EUR 32 billion, including EUR 18 billion green bonds for which the Group is the world leader. The share of sustainable bonds in the total amount of BNP Paribas' structured bonds in 2022 represents 13% worldwide and reached 22% in Europe. The Group is present across the entire range of bond issues that finance the transition of its clients to a sustainable economy which enabled it to be the world leader in the structuring and placement of green bonds in 2022 (Bloomberg).

In particular, in 2022, BNP Paribas was Joint Global Coordinator and Bookrunner of the 1st General Motors (GM) green bond, for an amount equivalent to EUR 2.4 billion. It aims to finance its investments to increase its production capacity of electric vehicles to 2 million units per year by 2025. In addition, the Group has been involved in a Sustainability-Linked Bond issued by L'Oréal for EUR 3 billion, for which the coupon is indexed to the achievement of several environmental objectives: zero greenhouse gas emissions on scopes 1 and 2 of the Company, reduction of scope 3 by unit sold and use of 50% recycled or organic plastic for all packaging in 2025.

Product enables clients to mitigate and/or adapt to climate change

Mitigation

Adaptation

Portfolio value (unit currency – as specified in C0.4)

32,000,000,000

% of total portfolio value

13

Type of activity financed/insured or provided

Green buildings and equipment
 Low-emission transport
 Renewable energy
 Carbon removal
 Nature-based solutions
 Fortified buildings
 Sustainable agriculture

Product type/Asset class/Line of business

Investing
 Mutual funds

Taxonomy or methodology used to classify product

Externally classified using other taxonomy or methodology, please specify
 European SFDR (Sustainable Finance Disclosure Regulation)

Description of product

Again, following its commitment to finance and invest with a positive impact, the Group set a KPI to follow its investment activity : the amount of assets under management classified under articles 8 and 9 according to the European SFDR (Sustainable Finance Disclosure Regulation) in BNP Paribas Asset Management's open-ended funds distributed in Europe. This classification makes it possible to direct investments to assets incorporating ESG criteria, in other words funds that either promote ESG characteristics (article 8), or that have a sustainable investment objective (article 9). These are BNP Paribas Asset Management funds. At the end of 2022, this amount was EUR 223 billion, which represents 46% of total assets under management at 31 December 2022 . BNP Paribas Asset Management aims to reach EUR 300 billion by 2025.

In 2022, for example, BNP Paribas Asset Management launched the BNP Paribas Sustainable Asian Cities Bond fund, a bond fund classified as article 9 according to the SFDR regulation. Focused on the sustainable development of cities in Asia (excluding Japan), it seeks to respond to the challenges of increasing urbanisation, the impacts of climate change and inclusivity. The fund invests in bonds that contribute to projects such as clean transport, renewable energies or health infrastructure; and in conventional bonds of issuers where at least 20% of their revenues come from activities contributing to the development of sustainable cities, such as smart grids. BNP Paribas Asset Management has also launched two climate-focused funds (BNP Paribas Fund Emerging Markets Climate Solutions and Global Climate Solutions), and the BNP Paribas Fund SICAV based on corporate green bonds.

Product enables clients to mitigate and/or adapt to climate change

Mitigation
 Adaptation

Portfolio value (unit currency – as specified in C0.4)

223,000,000,000

% of total portfolio value

44.5

Type of activity financed/insured or provided

Green buildings and equipment
 Low-emission transport
 Renewable energy
 Carbon removal
 Nature-based solutions
 Fortified buildings
 Sustainable agriculture

C5. Emissions methodology**C5.1****(C5.1) Is this your first year of reporting emissions data to CDP?**

No

C5.1a**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?****Row 1****Has there been a structural change?**

No

C5.1b**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2**(C5.2) Provide your base year and base year emissions.****Scope 1****Base year start**

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

61,187

Comment

To determine scope 1 GHG emissions, GHG protocol / ISO 14064-1 is applied. As a financial institution, our Scope 1 emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings.

Every year, The Group conducts a global environmental campaign to collect data from its most important geographies active (19 countries in 2022), including scope 1 emissions data. The selected countries for the environmental campaign represent 88 % of the Group's FTE in 2022. The data is then extrapolated across the entire Group. CSR team in Paris manages the data reporting and analysis and gives feedback to local entities on their environmental performance.

Our environmental data, including GHG emissions calculation, is verified and validated annually by independent auditors.

Scope 2 (location-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

280,789

Comment

Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings.

Scope 2 emissions (location based) = Electricity from average mix + District heat + District cold.
Data is reported in kWh then converted to GHG emissions using emission factors chosen by the CSR team from reliable sources (IEA, ADEME..)

To determine scope 2 (location based) GHG emissions, GHG protocol / ISO 14064-1 is applied.

Every year, The Group conducts a global environmental campaign to collect data from its most important geographies active (19 countries in 2022), including scope 2 emissions data. The selected countries for the environmental campaign represent 88 % of the Group's FTE in 2022. The data is then extrapolated across the entire Group. CSR team in Paris manages the data reporting and analysis and gives feedback to local entities on their environmental performance.

Our environmental data, including GHG emissions calculation, is verified and validated annually by independent auditors.

Scope 2 (market-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

159,788

Comment

In addition to scope 2 location-based reporting, the Group also report on its scope 2 market-based data. This enables the Group to measure and highlight the efforts done by the operation to use green electricity. Indeed, the purchase of renewable electricity wherever the market provides such possibility is part of our emissions reduction strategy. The Group is also committed to reach 100 % of renewable electricity use in its buildings.

For example, the subsidiary in Poland has been using such a contract for 100% of its electricity supply since January 2021 and a second PPA will be set up in early 2023 in the United Kingdom. Low-carbon electricity represented 72% of the total consumed in 2022.

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

15,623

Comment

As a financial institution, purchased goods and services mainly include IT equipment (computers, telephones and printers), IT support, office supplies (mainly paper), office furniture and consulting services purchased or acquired during the reporting year. These categories of purchased goods and services do not contribute significantly to the Group's total scope 3 emissions.

BNP Paribas mainly targets paper consumption within its facilities to reduce the purchased good or services emissions class.

Thus, for now, the calculation of the emissions of this category is only done on 100 % of our paper consumption. The Group has updated its internal policies and quantified objectives for 2025. The Group is committed to reduce paper consumption per employee by 19% in 2025 compared to 2019. The paper policy also aims to bring to 90% in 2025 the share of responsibly sourced paper (from recycling or sustainable managed forests, i.e. more than 50% recycled or PEFC or FSC labelled). To calculate the emissions, we multiply the weight of paper consumed in 2019 (17,000 tons) by an average emissions factor of 0.919 kgCO₂e/kg selected from ADEME carbon base. Hence, emissions due to paper consumption are : $17,000 \times 0.919 = 15,623$

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

119,055

Comment

Every year, The Group conducts a global environmental campaign to collect data from its most important geographies active (19 countries in 2022), including business travel emissions data. The selected countries for the environmental campaign represent 88 % of the Group's FTE in 2022. The data is then extrapolated across the entire Group. CSR team in Paris manages the data reporting and analysis and gives feedback to local entities on their environmental performance.

Our environmental data, including GHG emissions calculation, is verified and validated annually by independent auditors.

Emissions business travel calculation encompasses travel for business purposes by road, rail or air.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Bilan Carbone

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

45,353

Comment

Scope 1 emissions are related to combustion of natural gas and fossil fuels for heating and oil for emergency units. Data is reported in kWh and then converted to GHG emissions using emission factors, chosen by CSR team from reliable sources (IEA, ADEME..). In 2022, in the Group's breakdown of total emissions by scope, Scope 1 represents 14.2%.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

We account for our scope 2 emissions using both a location-based and a market-based methods, and following the GHG Protocol.

Data is reported in kWh then converted to GHG emissions using emission factors chosen by the CSR team from reliable sources (IEA and ADEME)

In 2016, for the first time, BNP Paribas has also been reporting a Scope 2 market-based figure, to track the progress in Scope 2 emissions influenced by the purchase of low carbon energy from markets providing green certificates.

The CSR team developed a Group's policy on green certificates, applicable to all the countries where the Group is present, but specifically to the countries part of the environmental reporting campaign. It stipulates that:

- Local facility teams should ensure that power purchase is switched to low carbon electricity as soon as possible, and wherever the local or regional market provides low carbon electricity offers.
- If electricity which holds a green certificate, such as REC, I-REC, GO or National Systems, is consumed the emission factor associated to the consumption of this electricity is 0 gCO₂/kWh.
- If the electricity supplier isn't in the position to transmit this certificate, he shall provide the CSR team with an emission factor linked to the purchase of this energy.
- If electricity benefits from a particular contract with a local supplier, and if he is in the position to

transmit an emission factor, we use this one in our calculation of the GHG emissions with a market-based approach. Concerning the green electricity produced on site and directly consumed, the emission factor is zero.

- In the case we aren't able to procure a specific emission factor from our electricity supplier, we use a residual mix (if available) or grid average emission factors. We obtain the grid average emission factor from IEA's data base. In European case, residual mix is calculated thanks to REDISS project. We refer to CDP regional regulations defined in the CDP's Accounting of Scope 2 emissions technical.

This market-based method is defined in the new guidance for scope 2 of the GHG protocol.

Scope 2 emissions (market based) = District heat + District cold + Electricity from residual mix - Electricity produced on site and sold back to the grid

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

197,286

Scope 2, market-based (if applicable)

120,659

Comment

Scope 2 emissions are indirect emissions from imported energy. Data is reported in kWh and then converted to GHG emissions using emission factors, chosen by CSR team from reliable sources (IEA, ADEME..). In 2022, in the Group's breakdown of total emissions by scope, Scope 2 location based represents 61.9%.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO₂e)

7,745

Emissions calculation methodology

Average data method

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

As a financial institution, purchased goods and services mainly include IT equipment (computers, telephones and printers), IT support, office supplies (mainly paper), office furniture and consulting services purchased or acquired during the reporting year. These categories of purchased goods and services do not contribute significantly to the Group's total scope 3 emissions.

**** Influence:** BNP Paribas mainly targets paper consumption within its facilities to reduce the purchased good or services emissions class.

Thus, for now, the calculation of the emissions of this category is only done on 100 % of our paper consumption. The Group has updated its internal policies and quantified objectives for 2025. The Group is committed to reduce paper consumption per employee by 19% in 2025 compared to 2019. The paper policy also aims to bring to 90% in 2025 the share of responsibly sourced paper (from recycling or sustainable managed forests, i.e. more than 50% recycled or PEFC or FSC labelled). To calculate the emissions, we multiply the weight of paper consumed in 2022 (8,428 tons) by an average emissions factor of 0.919 kgCO₂e/kg selected from ADEME carbon base. Hence, emissions due to paper consumption are : $8,428 \times 0.919 = 7,745$.

****Risk:** Emissions from the production of purchased goods and services do not contribute significantly to the Group's risk exposure.

****Stakeholders:** Purchased goods and services are not deemed critical by key stakeholders (e.g., customers, suppliers, investors, or civil society).

****Outsourcing:** The production of purchased goods and services has always been an outsourced activity for BNP Paribas and is typically outsourced by other companies in the banking sector.

****Sector guidance:** Purchased goods and services have not been identified as significant by bank-specific guidance. Therefore, the production of purchased goods and services is not a relevant source of scope 3 emissions. But GHG emissions has been calculated for our paper consumption. Note that the

Procurement Function of the BNP Paribas Group wants to promote the suppliers that accompany the Group in its CSR policy and in particularly those that offer solutions that contribute to reducing its environmental impact. If necessary, the Procurement Function proceeds to setting up progress plans defined jointly with the suppliers regarding CSR issues.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

For BNP Paribas, this category includes the construction and the retrofitting of buildings (branches, office buildings and data centres) in the reporting year for the own use of BNP Paribas. ****Size:** The production of capital goods does not contribute significantly to the Group's total anticipated scope 3 emissions. **** Influence:** There are little emissions reductions that could be undertaken or influenced by BNP Paribas. **** Risk:** Emissions from the production of capital goods do not contribute

significantly to the group's risk exposure. ** Stakeholders: Capital goods are not deemed critical by key stakeholders (e.g., customers, suppliers, investors, or civil society). **Outsourcing: The production of capital goods has always been an outsourced activity for BNP Paribas and is typically outsourced by other companies in the banking sector. **Sector guidance: Capital goods have not been identified as significant by bank-specific guidance. Therefore, the production of capital goods is not a relevant source of scope 3 emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Please explain

For BNP Paribas, this category includes transportation and distribution losses of fuels and energy purchased and consumed during the reporting year. ** Size: Transportation and distribution losses of fuel-and-energy-related activities do not contribute significantly to the Group's total anticipated scope 3 emissions. Indeed, the Group's energy consumption amounted to 1,171 GWH in 2021. **Influence: There are little emissions reductions that could be undertaken or influenced by BNP Paribas. **Risk: Emissions from transportation and distribution losses of fuel-and-energy-related activities do not contribute significantly to the Group's risk exposure. **Stakeholders: Fuel-and-energy-related activities are not deemed critical by key stakeholders (e.g., customers, suppliers, investors, or civil society). **Outsourcing: Fuel-and-energy related activities have always been outsourced activities and are typically outsourced by other companies in the banking sector. **Sector guidance: Fuel-and-energy-related activities have not been identified as significant by bank-specific guidance. Therefore, transportation and distribution losses of fuel-and-energy-related activities are not relevant sources of scope 3 emissions.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

For BNP Paribas, this category includes principally transportation and distribution of IT equipment (mainly computers and telephones), office supplies (mainly paper) and office furniture purchased or acquired during the reporting year. ** Size: The transportation and distribution of purchased goods does not contribute significantly to the Group's total anticipated scope 3 emissions. **Influence: There are little emissions reductions that could be undertaken or influenced by BNP Paribas. ** Risk: Emissions from the transportation and distribution of purchased goods do not contribute significantly to the Group's risk exposure. **Stakeholders: Transportation and distribution of purchased goods are not deemed critical by key stakeholders (e.g., customers, suppliers, investors, or civil society). **Outsourcing: The transportation and distribution of purchased goods have always been outsourced activities for BNP Paribas and are typically outsourced by other companies in the banking sector. **Sector guidance: Transportation and distribution of purchased goods have not been identified as significant by bank-specific guidance. Therefore, upstream transportation and distribution are not relevant sources of scope 3 emissions

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Please explain

The majority of waste generated by the Group is common waste, similar to household waste. In 2021, 16,451 tons of waste were generated and 34% of the total volume of waste was recycled. We estimate that this contributed to 2,368 metric tons CO₂e, using emission factors based on ADEME documents for the accounting of emissions related to waste management.

Since 2011, the Group has an IT equipment processing policy (PC, servers, screens, etc.) which makes it possible to manage the associated environmental and social risks. Its goal is to give them a second life (donations or resale) whenever possible, while ensuring their traceability.

****Size:** The disposal and treatment of waste generated in operations do not contribute significantly to the Group's total anticipated scope 3 emissions.

****Risk:** Emissions from the disposal and treatment of waste generated in operations do not contribute significantly to the Group's risk exposure.

****Stakeholders:** Waste generated in operations is not deemed critical by key stakeholders (e.g., customers, suppliers, investors, or civil society).

****Outsourcing:** The disposal and treatment of waste generated in operations have always been outsourced activities and are typically outsourced by other companies in the banking sector.

****Sector guidance:** Waste generated in operations has not been identified as significant by bank specific guidance. Therefore, the disposal and treatment of waste generated in operations is not a relevant source of scope 3 emissions. Nevertheless, we calculated our GHG emissions related to our waste production and used it internally in our EP&L.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

75,850

Emissions calculation methodology

Fuel-based method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

For BNP Paribas, this category includes the transportation of employees for business related activities by air, by rail and by road. In 2022, business travel contributed to 23.8% to the Group's total GHG emissions. In 2022 2,828km/FTE were travelled compared to 4,175km/FTE in 2020 : 33% by air, 57% by road and 10% by rail.

Reviewed and strengthened in 2021, the Group travel policy sets that travel should only be undertaken once other options such as web and videoconferencing have been explored and are not viable alternatives. If the trip is necessary, the train must be taken instead of the plane on short distances (see travel policy). Up to 5h flights, air tickets must be booked in economy class. Indeed, the carbon footprint per seat in economy class is lower than the one in business class.

Employee commuting

Evaluation status

Not relevant, explanation provided

Please explain

For BNP Paribas, this category includes the transportation of employees between their homes and their worksites.

** Size: BNP Paribas had more than 193,000 employees in 2022.

** Influence: there are potential emissions reductions that could be undertaken or influenced by BNP Paribas. BNP Paribas is gradually rolling out electric charging capabilities at its sites, particularly in France, the UK and the United States of America. Where appropriate, it is also obtaining licenses locally for carpooling schemes, to complement the global service sharing site for employees developed by HR.

** Risk: Emissions from employee commuting do not contribute significantly to the company's risk exposure.

**Stakeholders: Employee commuting is not deemed critical by key stakeholders (e.g., customers, suppliers, investors, or civil society).

**Sector guidance: employee commuting has not been identified as significant by bank-specific guidance. Therefore, employee commuting is not a relevant source of scope 3 emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

For BNP Paribas, this category does not apply. Indeed, the emissions from the operation of buildings (office buildings) that have been leased in the reporting year are included in our scopes 1 and 2. Moreover, the emissions from the operation of vehicles that have been leased in the reporting year are included in the scope 3 business travel category. Therefore, upstream leased assets are not a relevant source of scope 3 emissions.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

BNP Paribas does not sell goods. Therefore, downstream transportation and distribution are not relevant sources of scope 3 emissions

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

BNP Paribas does not sell intermediate goods. Therefore, processing of sold products is not a relevant source of scope 3 emissions

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

BNP Paribas does not sell intermediate goods. Therefore, processing of sold products is not a relevant source of scope 3 emissions

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

BNP Paribas does not sell goods. Therefore, the end of life treatment of sold products is not a relevant source of scope 3 emissions.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

This category would be relevant for our 2 subsidiaries in leasing business: Arval for vehicle leasing and Leasing solutions for professional equipment leasing. However, it is not a relevant source of scope 3 emissions on the Group level.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

BNP Paribas' franchises represent a small part of its activity. Besides their surface is not significant compared to the approximately 7 million m² managed by BNP Paribas in 2021. Therefore, the operation of franchises is not a relevant source of scope 3.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

No other relevant upstream emissions source.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

No other relevant downstream emissions source.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00000481

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

242,639

Metric denominator

unit total revenue

Metric denominator: Unit total

50,419,000,000

Scope 2 figure used

Location-based

% change from previous year

11.6

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption
Other emissions reduction activities

Please explain

The intensity figure decreased by 11.6% between 2021 and 2022 : the gross scope 1 + 2 emissions decrease by 3.6% while the revenue increased by 9%. This decrease represents the Group's efforts to reduce the environmental footprint associated with its operations, through various initiatives such as :

- employees involvement : the Green Company For Employees programme accelerates the reduction of all of BNP Paribas' direct impacts on the environment, by according a central role to the participation of all employees. Foremost among the priorities are the promotion of soft mobility by encouraging the sharing of journeys (carpooling) and vehicles (car-sharing, bicycle-sharing), the control of the digital footprint, the fight against single-use plastic, as well as the proposal for more sustainable food (responsible sourcing, food waste reduction, waste recovery, stakeholder awareness). Special emphasis is placed on raising the awareness of all Group employees, via dedicated actions (Cleaning weeks or conferences) as well as training in eco-friendly habits.
- environmental certifications : in 2022, BNP Paribas had 12 ISO 14001 environmental certifications under way, covering more than 74,000 employees, i.e. 39% of BNP Paribas' workforce. In addition, at end-2022, two entities, IMEX and BGL, obtained ISO 50001 certification, relating to energy management.
- low-carbon electricity : to continue reducing its environmental impact, the Group has been

increasing its share of low-carbon electricity for several years. In 2022, low-carbon electricity represented 72% of the total consumed. This commitment is strengthened with the introduction of exclusively renewable electricity purchase contracts (PPA). For example, the subsidiary in Poland has been using such a contract for 100% of its electricity supply since January 2021 and a second PPA will be set up in early 2023 in the United Kingdom.

- the Green Buildings programme to reduce the carbon footprint of the real estate portfolio : 1/ continuous improvement of the energy performance of buildings via a monitoring tool that centralises energy consumption data. 2/ To modernise and improve the efficiency of facilities (heat pumps, LED lighting, façade insulation etc.). 3/ decisions are made with the Bank's employees to satisfy all users while seeking the maximum reduction in energy consumption.

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	To continue reducing its environmental impact, the Group has been increasing its share of low-carbon electricity for several years. In 2022, low-carbon electricity represented 72% of the total consumed. This commitment is strengthened with the introduction of exclusively renewable electricity purchase contracts (PPA). For example, the subsidiary in Poland has been using such a contract for 100% of its electricity supply since January 2021 and a second PPA will be set up in early 2023 in the United Kingdom. The use of renewable energy is not taken into account in the calculation of emission

				reductions using the location-based method, in contrast to energy efficiency actions as mentioned in the following paragraph.
Other emissions reduction activities	8,978	Decreased	3.6	<p>The gross global emissions for scope 1 and 2 decreased by 3.6% between 2021 and 2022 : from 251,617 tCO₂e to 242,639. This decrease represents the Group's efforts to reduce the environmental footprint of its operations, through various proactive initiatives. It is impossible to calculate precisely and separately the impact of each of them on emission reductions. But the main ones leading to this decrease are :</p> <ul style="list-style-type: none"> - employees involvement : the Green Company For Employees program accelerates the reduction of all of BNP Paribas' direct impacts on the environment, by according a central role to the participation of employees. Among the priorities are the promotion of soft mobility by encouraging the sharing of journeys (carpooling) and vehicles (car-sharing, bicycle-sharing), the control of the digital footprint, the fight against single-use plastic, as well as the proposal for more sustainable food (responsible sourcing, food waste reduction, stakeholder awareness). Special emphasis is placed on raising the awareness of all Group employees, via dedicated actions (Cleaning weeks or conferences) as well as training in eco-friendly habits. - environmental certifications : in 2022, BNP Paribas had 12 ISO 14001 environmental certifications under way, covering more than 74,000 employees, i.e. 39% of BNP Paribas' workforce. In addition, at end-2022, two entities, IMEX and BGL, obtained ISO 50001 certification, relating to energy management. - Reducing the carbon footprint of the real estate portfolio : the Green Buildings programme implements an approach to sustainably reduce the Group's environmental impact. The plan is broken down into three levers : 1/ the continuous improvement of the energy performance of buildings via a monitoring tool that centralises energy consumption data for 90% of the portfolio, enabling optimisation plans to be monitored. 2/

				work and investment plans to modernise and improve the efficiency of facilities (heat pumps, LED lighting, façade insulation, roof repairs, etc.). 3/ decisions are made with the Bank's employees to satisfy all users of the office buildings, the bank branches, and data centres while seeking the maximum reduction in energy consumption.
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
--	---

Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	221,378	221,378
Consumption of purchased or acquired electricity		326,239	502,388	828,627
Consumption of purchased or acquired heat		2,034	48,297	50,331
Consumption of purchased or acquired cooling		0	16,708	16,708
Consumption of self-generated non-fuel renewable energy		4,106		4,106
Total energy consumption		332,379	788,771	1,121,150

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

France

Consumption of purchased electricity (MWh)

331,163

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

19,103

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

350,266

Country/area

Belgium

Consumption of purchased electricity (MWh)

52,906

Consumption of self-generated electricity (MWh)

704

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

53,610

Country/area

Italy

Consumption of purchased electricity (MWh)

73,029

Consumption of self-generated electricity (MWh)

1,043

Consumption of purchased heat, steam, and cooling (MWh)

1,832

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

75,904

Country/area

United States of America

Consumption of purchased electricity (MWh)

75,264

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

3,673

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

78,937

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)

40,174

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

39

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

40,213

Country/area

Poland

Consumption of purchased electricity (MWh)

19,562

Consumption of self-generated electricity (MWh)

71

Consumption of purchased heat, steam, and cooling (MWh)

11,772

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

31,405

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

17,771

Metric numerator

Metric tonnes

Metric denominator (intensity metric only)**% change from previous year**

8.02

Direction of change

Increased

Please explain

BNP Paribas closely monitors the share of waste recycled. In our activities, they are office waste such as paper, plastics, toner, computer waste, lamps, etc. Unrecycled waste is conventional household waste collected by the municipality. It is not possible to know precisely what their future will be, because it depends on the many hundreds of municipalities in which the Group operates. On the contrary, the Group focuses on sorting out in offices and recycling everything that can be recycled.

BNP Paribas continues to improve the quality and availability of its data each year. For countries where service providers don't give precise data, the teams are required to measure their waste production during a representative month. The measures are then extrapolated.

In 2022, the total waste collected weighed for 17,771 tons (16,451 in 2021), or 92.3 kg/FTE. The

waste production increased in 2022 compared to 2021 due to the 2021 pandemic situation, but is far lower than the pre-pandemic 2019 situation.

26% of the total volume of waste has been recycled in 2022, it represents 24 kg per employee, better than the pre-pandemic situation. This is due to the initiatives carried out to limit waste production and to develop recycling for the main types of waste generated (see Group policies in attachments). The Group has an internal policy for waste management from operational activities, that results of collaboration between CSR Delegation, Procurements Group and IMEX, the entity in charge of managing the building asset of the Group in France.

As a financial institution, the main types of waste generated are: paper waste, IT equipment waste, furniture waste and plastic waste. Therefore, our initiatives for reduction of waste target these types of waste.

Description

Other, please specify
Paper consumption

Metric value

8,428

Metric numerator

Metric tonnes

Metric denominator (intensity metric only)

It is not an intensity metric.

% change from previous year

10

Direction of change

Decreased

Please explain

In 2021, the paper policy of the Group has been updated. It is focused on three pillars:

- Reduce the paper consumption of the Group : a new target has been set for 2025 of 70kg paper/FTE. In 2022, there was a decrease of paper consumption and the objective has been achieved with a consumption of 44 kg paper/FTE (paper consumption was 8,428 tonnes in 2022, and 9,363 tones in 2021).
- Use sustainable paper : it is now an obligation for the Group to purchase responsible paper. (from recycling or sustainably managed forests, i.e. more than 50% recycled or PEFC or FSC labelled).

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 universal-registration-document-2022 BNP Paribas.pdf

Page/ section reference

Section 7.11 "Report... on the verification..." p.720-722 of URD 2022.

As mentioned in the statement p.722, the audit work includes specific verification on "the key performance indicators and other quantitative outcomes(2)". KPI are listed in the footprint (2) and include GHG emissions in teq CO₂ /full-time employees (buildings and business trips), which refers to the Group GHG emissions indicator and includes scope 1 + scope 2 emissions + business travels (detail of the indicator is p.680).

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 universal-registration-document-2022 BNP Paribas.pdf

Page/ section reference

Section 7.11 "Report... on the verification..." p.720-722 of URD 2022.

As mentioned in the statement p.722, the audit work includes specific verification on "the key performance indicators and other quantitative outcomes(2)". KPI are listed in the footprint (2) and include GHG emissions in teq CO₂)/full-time employees (buildings and business trips), which refers to the Group GHG emissions indicator and includes scope 1 + scope 2 emissions + business travels (detail of the indicator is p.680).

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 universal-registration-document-2022 BNP Paribas.pdf

Page/section reference

Section 7.11 "Report... on the verification..." p.720-722 of URD 2022.

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Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	ISAE3000	We receive an annual verification of key performance indicators and other quantitative results, including GHG emission assessment (scope 1,2,3), energy consumptions and professional travels (within the Group), for our universal registration document and annual financial report. (Please refer the section 7.11).
C5. Emissions performance	Year on year emissions intensity figure	ISAE3000	We receive an annual verification of key performance indicators and other quantitative results, including GHG emission assessment (scope 1,2,3), energy consumptions and professional travels (within the Group), for our universal registration document and annual financial report. (Please refer the section 7.11).

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Project type

Forest ecosystem restoration

Type of mitigation activity

Carbon removal

Project description

In Kenya, the Kasigau project is led by the NGO Wild Life Works, and supported by the Group since 2017, is a programme to preserve and restore 80,000 acres of forest.

For years, the land between Tsavo East and Tsavo West National parks in Kenya served both as home to a slowly failing cattle ranch and as the main migration corridor for local wildlife moving between the two National Parks. In 1998 the local community supported the plan to establish the Rukinga Wildlife Sanctuary that covers 80,000 acres of forest. We established a community works project so local residents had an alternative income stream in place of poaching and clear cutting. We brought on locally hired rangers and trained them to be wilderness guardians. We convinced the owners of the cattle to remove the cattle from the land to reduce conflict over resources.

Credits canceled by your organization from this project in the reporting year (metric tons CO₂e)

56,992

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2022

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project

Investment analysis

Approach(es) by which the selected program requires this project to address reversal risk

Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed

Ecological leakage

Provide details of other issues the selected program requires projects to address

The project also finances access to water (carbon revenues have funded the completion of 31 water project that improve water access to over 50,000 people) and education (over 12,000 students have received scholarships) for local populations.

Comment

No additional comment.

Project type

Clean cookstove distribution

Type of mitigation activity

Emissions reduction

Project description

In India, the project is based on a ten-year voluntary carbon offset programme as part of a partnership between BNP Paribas and the GoodPlanet Foundation, via the construction of 13,000 biodigesters. They make it possible to obtain 4 hours of gas daily and thus avoid cooking over wood fires and deforestation. This initiative improves the living conditions of nearly 70,000 people in the state of Madhya Pradesh.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

68,068

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2022

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

Gold Standard

Method(s) the program uses to assess additionality for this project

Investment analysis

Approach(es) by which the selected program requires this project to address reversal risk

Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed

Market leakage

Provide details of other issues the selected program requires projects to address

This project also improve health because there is no longer smoke from wood burning in homes.

Comment

No additional comment.

Project type

Forest ecosystem restoration

Type of mitigation activity

Emissions reduction

Project description

In Indonesia, the Katingan project is an important initiative to restore and conserve tropical peatlands covering more than 150,000 hectares of swamp forest located in Central Kalimantan.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

24,800

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2022

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project

Investment analysis

Approach(es) by which the selected program requires this project to address reversal risk

Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed

Ecological leakage

Provide details of other issues the selected program requires projects to address

This project also improve quality of life of habitants in Central Kalimantan. In partnership with 34 villages in the area immediately surrounding the project, the project works to build capacity in community decision-making and identify sustainable initiatives for co-development. 100% of the project staff are Indonesian and 80% are local community members, embedding the project in local culture, and providing a living network for communication and learning. This actively demonstrate that improved livelihoods can be driven by sustainable innovation. As this culture of sustainable innovation spreads, it increasingly buffers the forest, securing its future and the natural resources that underpin community well-being.

Comment

No additional comment.

Project type

Forest ecosystem restoration

Type of mitigation activity

Carbon removal

Project description

In Peru, the Nii Kaniti is a support programme for seven local communities to preserve 127,000 hectares of threatened Amazon rainforest.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

32,184

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2022

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project

Investment analysis

Approach(es) by which the selected program requires this project to address reversal risk

Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed

Ecological leakage

Provide details of other issues the selected program requires projects to address

The project addresses the local, economic drivers of deforestation and forest degradation by supporting the development of socially inclusive businesses, such as FSC certified timber extraction, cacao agroforestry and indigenous handicrafts.

Comment

No additional comment.

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Price/cost of voluntary carbon offset credits

Objective(s) for implementing this internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities
Stakeholder expectations
Reduce supply chain emissions

Scope(s) covered

Scope 1
Scope 2
Scope 3 (upstream)

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Static

Indicate how you expect the price to change over time

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO₂e)

9

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO₂e)

10

Business decision-making processes this internal carbon price is applied to

Operations
Procurement
Value chain engagement

Mandatory enforcement of this internal carbon price within these business decision-making processes

No

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

This internal carbon price has several objectives such as changing internal behaviours and driving direct operations decisions to low-carbon and sustainable project development. Indeed this mechanism engages the Group's operations in their decision-making and encourages them to turn to projects to reduce emissions (e.g. energy efficiency or use of decarbonised energies). Indeed, to further reduce its environmental impact, the Group has been increasing its share of low-carbon electricity for several years. In 2022, the share of renewable electricity accounted for 31.7% of its total electricity purchases. This electricity comes either from the purchase of renewable electricity certificates or from the direct consumption of renewable energy produced by the Group's buildings. This commitment is reinforced by the introduction of exclusively renewable electricity purchase contracts (PPA). For example, the subsidiary in Poland has used such a contract for 100% of its electricity supply since January 2021 and a second PPA was introduced in early 2023 in the United Kingdom. Thus, low-carbon electricity accounted for 72% of total consumption in 2022, reducing the impact of the Group's direct operations in terms of greenhouse gas emissions.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers/clients
Yes, our investees

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Climate change performance is featured in supplier awards scheme

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5**Rationale for the coverage of your engagement**

Dedicated teams in the Procurement & Performance (P&P) Department deal with supplier- and subcontractor-related ESG risks.

In 2022, the Group's purchases amounted to over EUR 10 billion in expenditure globally. BNP Paribas strives to develop balanced relationships with its suppliers. With this in mind, the Group has adopted a Responsible Procurement Charter which sets out commitments that apply to both the Bank and its suppliers.

As part of the implementation of the Group's Strategic Plan GTS 22-25, the Procurement & Performance Function has reinforced its climate and wider CSR ambitions associated with its function in order to encourage its suppliers to have greater transition ambitions themselves. Indeed, climate change and CSR performance were already part of the supplier selection process, but this criterion has been strengthened in the calls for tenders process.

In particular, the climate strategy, the transition plan and the reduction of suppliers' GHG emissions are assessed taking into account the robustness of the objectives, the method used and the means used to achieve carbon neutrality. This assessment results in 4 levels of maturity (leader, advanced, intermediary, beginner).

To implement this strategy within the Group, the Corporate Social Responsibility team within Procurement & Performance offers buyers training sessions that present the tools and best practices for engaging suppliers in a responsible economy. A 'Kit for buyers' was also developed and made available to all buyers.

BNP Paribas Sourcing function is structured around a central team (Group Strategic Sourcing) in charge of the definition of the Procurement norms and of the selection of Suppliers for the Group or for some Business Lines in France. The local sourcing teams located in the Business lines have report functionally to the Central team.

The Strategic Sourcing Filière acts as a driver for the Group transformation and supports the Group's ambitions in the environmental field, through projects and sourcing actions.

Our answer covers the scope of the Group Strategic Sourcing team.

Impact of engagement, including measures of success

In accordance with the deployment of the law on the duty of care, BNP Paribas' ESG Risk Management system for its suppliers and subcontractors is based on the following elements, in line with the ESG risk mapping for purchasing categories:

- standard ESG questionnaires used in calls for tenders to assess suppliers, taking into account ESG criteria, including Climate Change specifications, for at least 5% in the assessment of offers;

- supplier monitoring rules, targeting certain ESG criteria used during the selection process and completed by the thematic regulatory watches;
- training of Procurement function employees.

The use of ESG evaluation questionnaires in calls for tenders and the inclusion of their results in the overall evaluation of the supplier form part of the Procurement control plan.

In addition to the assessment system, BNP Paribas has:

- published a "Responsible Procurement Charter", setting out the reciprocal commitments of the Group and its suppliers and subcontractors from an environmental and social standpoint;
- integrated standard contractual clauses covering requirements in order to meet environmental and social criteria. Since 2018, they have also included the option of ending contracts if suppliers do not comply with the Group's ESG requirements;
- initiated an on-site audit process. The first audits concerned the cash transport sector and the manufacture of ATMs.

The number of ESG assessments of suppliers and sub-contractors that are conducted as part of calls for tender, in particular those relating to categories of at-risk purchases, is a metric of BNP Paribas monitoring actions towards this type of stakeholder. At the end of 2022, over 5,100 ESG assessments had been carried out (3,705 in 2021 which is a rise of 38%) and over 2,200 Responsible Procurement Charters signed by BNP Paribas suppliers.

The goal in 2025 is for suppliers to have all scores above the Group's internal threshold (rated /100).

Comment

No additional comment.

C-FS12.1b

(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.

Type of clients

Customers/clients of Banks

Type of engagement

Engagement & incentivization (changing client behavior)

Details of engagement

Engage with clients and potential clients, particularly those with the most GHG-intensive and GHG-emitting activities, on their decarbonization strategies and net-zero transition pathways

% client-related Scope 3 emissions as reported in C-FS14.1a

100

Portfolio coverage (total or outstanding)

100

Rationale for the coverage of your engagement

Engagement targeted at clients with the highest potential impact on the climate

Impact of engagement, including measures of success

Climate change, circular economy and preserving biodiversity have become systemic challenges for companies. The Group offers its clients support throughout their energy and ecological transition strategy, which may cover efforts to reduce their energy consumption (energy efficiency), decarbonise it, offset their residual greenhouse gas emissions, or develop more circular business models and minimise their impact on the planet.

As set out in Commitment 1 “Financing and investments with a positive impact” of its CSR policy dashboard, the Group supports its clients in the transition to a more sustainable economy. To follow and measure the success of this strategy, the Group has set itself the ambitious target of EUR 200 billion to support its clients in the transition to a low-carbon economy by 2025. This KPI corresponds to green loans, green bonds and financing identified as contributing to the transition towards a low-carbon economy according to an internal classification system (e.g. renewable energies, low-carbon hydrogen, nuclear). The 2022 results, which was the first year of report this indicator, the amount of the support enabling our clients to transition to a low-carbon economy was EUR 44 billion.

For example in 2021, BNP Paribas created the Low-Carbon Transition Group, a strong internal organisation of 100 bankers dedicated to supporting clients, corporate clients and international institutions, in accelerating their transition to a 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.

-In 2022, BNP Paribas strengthened its action in the area of energy efficiency for corporate clients, in particular through its partnership with the French start-up Metron, a CleanTech expert in energy efficiency and business performance improvement. Thanks to a new partnership, 100 companies operating industrial sites across Europe will have access to an innovative tool based on artificial intelligence, which will enable sites to measure, compare and optimise their energy consumption.

-To support the development of low-carbon hydrogen, Portzamparc, a subsidiary of BNP Paribas, provided expertise and advice to the French company Lhyfe, which produces hydrogen from renewable energies.

-The Group also support its individual customers in reducing their carbon footprint providing support for the energy renovation of housing and less-polluting vehicles.

C-FS12.1c

(C-FS12.1c) Give details of your climate-related engagement strategy with your investees.

Type of engagement

Engagement & incentivization (changing investee behavior)

Details of engagement

Encourage investees to set a science-based emissions reduction target

% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b

100

Investing (Asset managers) portfolio coverage

100

Rationale for the coverage of your engagement

Non-targeted engagement

Impact of engagement, including measures of success

BNP Paribas is a major player in sustainable finance through its various subsidiaries in asset management and distribution. As part of the GTS 2025 strategic plan (Growth, Technology, Sustainability), BNP Paribas Asset Management aims to reach EUR 300 billion in assets under management in open-ended funds distributed in Europe and classified in article 8 or 9 categories of the “Sustainable Finance Disclosure Regulation” (SFDR) that entered into force in March 2021 (indicator 3 of the CSR policy management dashboard). At the end of 2022, this amount was EUR 223 billion.

BNP Paribas invested in a firm-wide effort to meet this SFDR commitment in terms of portfolio management capabilities, disclosures and controls. This includes:

- Development of new policies and methodologies to analyse individual securities under the criteria introduced by the new regulatory framework.
- Training and raising awareness about the new regulatory framework, and the actions taken and methodologies developed by BNPP AM to conform to it.
- Upgrade of IT systems to industrialise the treatment of extra-financial information in the context of the new regulatory framework.
- Due diligence on data providers to increase the breadth of extra-financial data.

In 2022, for example, BNP Paribas Asset Management launched the BNP Paribas Sustainable Asian Cities Bond fund, a bond fund classified as article 9 according to the SFDR regulation. Focused on the sustainable development of cities in Asia (excluding Japan), it seeks to respond to the challenges of increasing urbanisation, the impacts of climate change and inclusivity. The fund invests in bonds that contribute to projects such as clean transport, renewable energies or health infrastructure; and in conventional bonds of issuers where at least 20% of their revenues come from activities contributing to the development of sustainable cities, such as smart grids. BNP Paribas Asset Management has also launched two climate-focused funds (BNP Paribas Fund Emerging Markets Climate Solutions and Global Climate Solutions), and the BNP Paribas Fund SICAV based on corporate green bonds.

C-FS12.2

(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?

Exercise voting rights as a shareholder on climate-related issues	
Row 1	Yes

C-FS12.2a

(C-FS12.2a) Provide details of your shareholder voting record on climate-related issues.

Method used to exercise your voting rights as a shareholder

Exercise voting rights directly

How do you ensure your shareholder voting rights are exercised in line with your overall strategy or transition plan?

Percentage of voting disclosed across portfolio

52

Climate-related issues supported in shareholder resolutions

Climate transition plans
 Climate-related disclosures
 Emissions reduction targets
 Board oversight of climate-related issues

Do you publicly disclose the rationale behind your voting on climate-related issues?

Yes, for all

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers
 Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
 Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

 BNPP AM_Public Policy Advocacy Policy 2023.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

At BNP Paribas Asset Management (BNPP AM), we are committed to being a "future maker", using our investments and our influence with companies and policy makers to advocate for low-carbon, environmentally sustainable, and inclusive economies. We regard these as critical pre-conditions for a more sustainable economic system.

In March 2019, we published our Global Sustainability Strategy (GSS), outlining our vision for a sustainable future, and our implementation plan for the next three years. The GSS describes our commitment to integrate environmental, social and governance (ESG) considerations across all of

our portfolios globally. It also outlines how we are aligning our investment research, portfolios, reporting and company and public policy engagement with three key long-term themes - the '3Es': Energy Transition, Environmental Sustainability and Equality & Inclusive Growth.

Our approach to sustainability includes a strong commitment to proactive engagement with corporate and other issuers, and engagement with public policy makers.

Our public advocacy efforts include a variety of approaches, such as:

- Public submissions to legislators, regulators and multilateral institutions.
 - Participation in the development of policy proposals in public and private fora, such as technical advisory committees and investor associations.
 - Meetings with policymakers.
 - Publication of white papers and endorsement of public statements and commitments.
 - Endorsement of public statements and commitments developed by investor and other stakeholder initiatives.
 - Working alongside the BNP Paribas Group in common areas of interest, to increase our leverage.
- We conduct some public policy engagements individually, but prefer to engage in partnership with other investors, in formal or informal networks.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

EU Sustainable Finance Regulation

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate

Climate-related reporting

Policy, law, or regulation geographic coverage

Regional

Country/area/region the policy, law, or regulation applies to

Europe

Your organization's position on the policy, law, or regulation

Support with major exceptions

Description of engagement with policy makers

The fight against climate change and support for a low-carbon economy are strategic priorities for BNP Paribas, as expressed in its GTS 2025 plan. In line with this commitment, the Group strongly supports the spirit, aims and objectives of the European policy agenda on sustainable finance.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Despite the attempts to recognize certain transition efforts in the EU Taxonomy, these are not sufficient to support the EU objective to promote the transition of the whole economy. Indeed, the EU Taxonomy leaves as “non-aligned” a vast majority of the EU economy, without differentiating between activities/companies that have a credible transitioning path, from others that have not yet adapted their business strategies.

Have you evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. The EU taxonomy would provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. It has been established in order to meet the EU’s climate and energy targets for 2030 and reach the objectives of the European green deal.

This regulatory framework is fundamental for the BNP Paribas Group, which has set itself targets for financing the transition to a low-carbon economy.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Association Française des Entreprises Privées (AFEP, French Association of Private Enterprises)

Is your organization’s position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position

The AFEP is a French trade association representing more than 100 of the most important French private companies. The AFEP has notably been supportive of the implementation of mandatory GHG reporting in France. BNP Paribas was a strong supporter of the implementation of mandatory GHG reporting in France for itself and for its clients, in order to gain knowledge on GHG emissions and climate risks of its counter-parties.

In 2022, in preparation for COP 27, Afep published 42 new low-carbon projects on its Ambition 4 Climate platform, which totalled 156 projects implemented by 69 companies. At a time when the ecological transition is a major issue of concern and action, the large companies of the French Association of Private Enterprises (Afep) are being mobilised on the climate emergency. As part of

their climate strategy, they set up varied and reproducible "low carbon" projects that provide concrete solutions to the challenge of climate neutrality.

The Ambition 4 Climate web platform illustrates with specific examples and in a wide range of sectors, this mobilisation of large companies to reduce their greenhouse gas (GHG) emissions throughout their value chains. After its launch in April 2021, and its first update in July 2021, Afep updated the platform for COP 27 held in November 2022 in Sharm el-Sheikh, integrating 42 new low-carbon projects under implementation. The latter result from a voluntary approach initiated by companies and impact many value chains in the economy. In total, more than 156 low-carbon projects undertaken by 69 companies are illustrated on the Ambition 4 Climate platform.

In this context, BNP Paribas has proposed two projects. The first concerns the BNP Paribas Energy Transition fund, which invests in energy transition opportunities arising from the increase in energy demand, the evolution of the energy mix and the need for energy-efficient solutions to combat climate change. The second relates to the delivery by BNP Paribas Real Estat of one of the largest wooden buildings ever built in France, with a surface area of 24 000m². This particularly exemplary building is in line with BNP Paribas Real Estate's environmental objectives, thanks in particular to the numerous carbon optimizations built in from the outset.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Entreprises Pour l'Environnement (EpE), the French partner of the World Business Council for Sustainable Development

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Entreprises pour l'Environnement (EpE) is the French partner of the WBCSD. It is an association of approximately fifty French and international companies committed to improving the way they take the environment into account in their strategies and day-to-day management. One of the most prominent commissions within EpE is the commission on climate change. This commission suggests means by which the productive sector may contribute to the reduction of greenhouse gas emissions. It advocates that these means, such as establishing a significant price to carbon with predictable trend increasing on a long term basis, should enable to reach the environmental

objective while preserving the competitiveness of companies. This commission also supports the efforts of member companies to reduce their greenhouse gas emissions. EpE has notably been supportive of the implementation of mandatory GHG reporting in France. In 2015, EpE has been deeply involved in the organizing of the Business & Climate Summit (BCS) during the Climate Week in Paris. One of the main outcomes of the BCS is the call of the business for a carbon price to be implemented as soon as possible. In 2019, BNP Paribas Director and CEO was appointed as Chairman of Entreprises pour l'Environnement for a three-year term, becoming the first CEO of a financial institution to uphold this position. In this role, he has successfully highlighted and promoted EpE's initiatives and reports in public position statements. In 2019, the association focused its efforts on publishing "ZEN 2050: Imagining and Building a Carbon-Neutral France", a study that recommended initiatives to be undertaken as soon as possible to achieve carbon neutrality in France by 2050. 2022 saw the launch of the publication on carbon-neutral corporate transformation and the launch of a new cycle on sobriety.

Also, the study published in 2019, "ZEN 2050 – Imagining and building a carbon-neutral France", set a trajectory for rapid emission reductions and success conditions. France is not now on the path it had set. 28 EpE members have therefore decided to launch a follow-up to this study, "Ecological Transition Phase 2030", which aims to identify what it would take collectively to put France on a credible ecological transition trajectory in line with its commitments; the study will be completed by the end of 2023.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

L'Institut pour le Développement Durable et les Relations Internationales (IDDRI), a French Institute for Sustainable Development and International Relations

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The Institute for Sustainable Development and International Relations (IDDRI) is an independent think tank that facilitates the transition towards sustainable development. It was founded in 2001. To achieve this, IDDRI identifies the conditions and proposes the tools for integrating sustainable development into policies. It takes action at different levels, from international cooperation to that of

national and sub-national governments and private companies, with each level informing the other. As a research institute and a dialogue platform, IDDRI creates the conditions for a shared analyses and expertise between stakeholders. It connects them in a transparent, collaborative manner, based on leading interdisciplinary research. IDDRI then makes its analyses and proposals available to all. Four issues are central to the institute's activities: climate, biodiversity and ecosystems, oceans, and sustainable development governance.

As a founding member, BNP Paribas' Head of CSR is a member of its Board of directors. We also take part into several working groups proposed and organized by IDDRI.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

United Nations Global Compact

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere. One of the key environmental challenges of Global Compact is atmospheric pollution and the consequences of climate change.

BNP Paribas is a committee member of the Global Compact France. The Group is committed to respecting the 10 principles of the United Nations Global Compact.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

United Nations Environment Programme – Finance Initiative (UNEP FI)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

United Nations Environment Programme – Finance Initiative (UNEP FI) is a partnership between United Nations Environment and the global financial sector created in the wake of the 1992 Earth Summit with a mission to promote sustainable finance. More than 200 financial institutions, including banks, insurers, and investors, work with UN Environment to understand today's environmental, social and governance challenges, why they matter to finance, and how to actively participate in addressing them. UNEP FI's work also includes a strong focus on policy – by fomenting country-level dialogues between finance practitioners, supervisors, regulators and policy-makers, and, at the international level, by promoting financial sector involvement in processes such as the global climate negotiations.

In 2017, BNP Paribas announced its decision to join the UNEP Finance working group, which implements TCFD recommendations on climate reporting guidelines to assess the exposure to climate change risk. In 2020, the Group signed the Collective Commitment to Climate Action (CCCA) under the aegis of the UNEP FI, and chose to share the tools to align the activities of banks with the objectives of the Paris Agreement with more banks. In 2022, the UNEP-FI and the PRI (Principles for Responsible Investment) merged to offer a joint project to the 4,000 member investors. In the latest PRI assessment report, BNP Paribas Asset Management received the best scores (four or five stars) in 10 of the 11 categories and obtained a score above the median of its peers in all categories. Jean-Laurent Bonnafé, director and Chief Executive Officer of the BNP Paribas Group, sits on the Leadership Council of UNEP FI. Laurence Pessez, CSR Director at BNP Paribas Group, sits on the Banking Board of the Principles for Responsible Banking of the UNEP FI (PRB).

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify
Net Zero Alliances

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

To achieve the banking sector's ambition to align its climate commitments with the objectives of the Paris Agreement and to pursue the objective of collective carbon neutrality by 2050, BNP Paribas is a member of the Net Zero alliances promoted at the COP (Conference of Parties) 26 in Glasgow. BNP Paribas Asset Management joined the Net-Zero Asset Managers initiative (NZAMi), BNP Paribas Cardif the Net-Zero Asset Owner Alliance (NZAO) and the Group is one of the founding members of the Net-Zero Banking Alliance (NZBA) launched by UN Environment in April 2021. With 126 signatory banks at the end of 2022, the NZBA is a powerful tool to strengthen and accelerate banks' decarbonisation strategies.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**Describe the aim of your organization's funding****Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Research organization

State the organization or individual to which you provided funding

The Climate & Biodiversity Initiative

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

2,000,000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

The BNP Paribas Foundation has been funding research on climate and biodiversity since 2010 by supporting research teams worldwide through its international philanthropy program, the "Climate & Biodiversity Initiative". This initiative has already made it possible to support 27 research projects, with more than 400 researchers, to the tune of EUR 18 million. In 2022, the Initiative launched a new call for projects and 49 eligible applications were studied by around a hundred volunteer trained employees, before being submitted to the Foundation's Scientific Committee and then to the Foundation's Executive Committee. Eight research projects, ranging from the study of forests, underwater animals to the impacts of climate change in the African savannah or on the ecosystems of the hubs, were selected. These projects will be supported for the next three years with a dedicated budget of EUR 6 million. In addition in 2022, in line with the actions carried out since 2010 (conferences, exhibitions and other public events), seven conferences led by researchers from the "Climate & Biodiversity Initiative" programme were organised and made it possible to raise awareness of around 3,000 people.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Type of organization or individual

Trust or foundation

State the organization or individual to which you provided funding

Solar Impulse Foundation

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

75,000,000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

As part of the commitment made by BNP Paribas at the COP 21 to support the financing of the energy transition, BNP Paribas launched the BNP Paribas Solar Impulse Venture Fund, an article 9 fund (SFDR), open to third-party investors, in partnership with the Solar Impulse Foundation. In 2022, BNP Paribas and the Solar Impulse Foundation completed the first closing for EUR 100 million of the BNP Paribas Solar Impulse Venture fund, dedicated to supporting start-ups committed to the ecological transition, with the objective of reaching EUR 200 million to invest directly in high-potential start-ups committed to the ecological transition. BNP Paribas invested EUR 75 million in this.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

Bill & Melinda Gates Foundations, the European Commission and the International Development Research Center (CRDI, Canada)

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

3,000,000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

The "One Planet Fellowship" programme is supported by the BNP Paribas and Bill & Melinda Gates Foundations, the European Commission and the International Development Research Center (CRDI, Canada). It is operated by AWARD (Kenya) and the Agropolis Foundation. Endowed with USD 15 million over five years, its ambition is to create an intergenerational community of African and European researchers working on climate change adaptation in the agricultural sector in Africa. To date, 270 junior and senior scientists have benefited from the mentoring programme.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).


Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

 bnp_paribas_2022_climate_report.pdf

Page/Section reference

All this report is about BNP Paribas's response to climate change and GHG emissions performance (governance, strategy, risks and opportunity, and targets and metrics).

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures

Emission targets

Other metrics

Comment

No additionnal comment.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	<p>Net Zero Banking Alliance</p> <p>Paris Agreement Capital Transition Assessment (PACTA)</p> <p>Partnership for Carbon Accounting Financials (PCAF)</p> <p>Principle for Responsible Investment (PRI)</p> <p>Science-Based Targets Initiative for Financial Institutions (SBTi-FI)</p> <p>UN Global Compact</p> <p>UNEP FI</p> <p>UNEP FI Principles for Responsible Banking</p>	<p>In 2018, BNP Paribas signed an agreement with other European banks to implement a common methodology for aligning their credit portfolios with the objectives of the Paris Agreement, and in 2020 published with four other European banks the first report on the application of the PACTA methodology. BNP Paribas is a member of the Partnership for Carbon Accounting Financials (PCAF), and is committed to measure and disclose financed emissions using the PCAF Global GHG Accounting and Reporting Standard for Financial Industry. BNP Paribas' commitment marks a significant achievement for PCAF: the industry-led initiative has surpassed its goal of reaching 250 signatories by year-end 2022 with almost nine months to spare.</p> <p>The Group have made a public commitment to set a science-based target aligned with the SBTi's target-setting criteria within 24 months</p> <p>The Group actively participates in designing and implementing long-term social and environmental solutions within the framework of the Principles for Responsible Banking (PRB) and the Principles for Responsible Investment (PRI).</p> <p>In 2020, by signing the Collective Commitment to Climate Action (CCCA) under the aegis of the United Nations Environment Programme Finance Initiative (UNEP FI), the Group chose to share the tools to align the activities of banks with the objectives of the Paris Agreement with more banks.</p> <p>In 2022, the UNEP-FI (United Nations Environment Programme Financial Initiative) and the PRI (Principles for Responsible Investment) merged to offer a joint project to the 4,000 member investors. In the latest PRI assessment report, BNP Paribas Asset Management received the best scores (four or five stars) in 10 of the 11 categories and obtained a score above the median of its peers in all categories.</p> <p>BNP Paribas Asset Management joined the Net-Zero Asset Managers initiative (NZAMi), BNP Paribas Cardif the Net-Zero Asset Owner Alliance (NZAO) and the Group is one of the founding members of the Net-Zero Banking Alliance (NZBA) launched by UN Environment in April 2021.</p> <p>By joining the Net-Zero Banking Alliance (NZBA) in 2021, the Group has committed to extending the alignment scope to a greater number of sectors and to a higher ambition: to finance a carbon-neutral world by 2050, which</p>

	<p>corresponds to a limited increase in temperature of 1.5°C compared to the pre-industrial era. The commitments made under the CCCA are now fully reflected in those of the NZBA. Moreover, in May 2022, the Group published its first "Climate & Analytics Report".</p> <p>Jean-Laurent Bonnafé, director and Chief Executive Officer of the BNP Paribas Group, sits on the Leadership Council of UNEP FI. Laurence Pessez, CSR Director at BNP Paribas Group, sits on the Banking Board of the Principles for Responsible Banking of the UNEP FI (PRB).</p> <p>BNP Paribas is committed to respecting the principles and standards that form the foundation of its activities, including the 10 principles of the United Nations Global Compact.</p>
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C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Lending to all carbon-related assets

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify

The annual flow of all carbon-related assets loans is not published yet, but the exposure is.

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

The annual flow of all carbon-related assets loans is not consolidated yet, but the exposure is.

Value of drawn lending to carbon-related assets in 2022 portfolio was c. €322.4 bn. The percentage of portfolio value comprised of carbon-related assets in reporting year is c. 26,7% in 2022.

Carbon-related assets refer to sectors that highly contribute to climate change. They are sectors which belong to sections A to H and section L of Regulation (EC) No. 1893/2006, in accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – regulation on climate benchmarks: the sectors listed in Annex I, sections A to H and section L, of Regulation (EC) No. 1893/2006. This follows TCFD recommendations as it includes Agriculture forestry and fishing (€13.302 bn), Mining and quarrying (€9.5 bn), Manufacturing (€91.2 bn), Electricity gas steam and air conditioning supply (€21.213 bn), Water supply (€2.9 bn), Construction (€25.096 bn), Wholesale and retail trade - repair of motor vehicles and motorcycles (€63.3 bn), Transportation and storage (€30.514 bn), and Real estate activities (€65.4 bn).

Lending to coal

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

1,300,000,000

New loans advanced in reporting year (unit currency – as specified in C0.4)

0

Percentage of portfolio value comprised of carbon-related assets in reporting year

0.06

Details of calculation

In 2019, the Group committed to fully exit the thermal coal value chain by 2030 in the countries of the European Union and the OECD, and by 2040 in the rest of the world. The value of residual lending to coal in 2022 is c. €1.3bn (in 3Q2022) representing c. 0.06% of the percentage of portfolio value.

Share of coal in the capacity mix of the Group's financed power generation portfolio continued to decrease as a result of this enforcement of BNP Paribas' coal policy. One of BNP Paribas' strategic priorities is to make a significant contribution to the financing of low-carbon energies, mainly renewables, in order to support the broader economy's transition away from fossil fuels. At year-end 2022, low-carbon energies accounted for nearly 60% of BNP Paribas' total financing of the energy sector. As announced on January 24th, 2023, BNP Paribas aims to further shift its energy-based financing to 80% for low-carbon energies, representing at least €40 billion.

Lending to oil and gas

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify

The annual flow of oil and gas loans is not published yet, but the exposure is.

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

The annual flow of oil and gas loans is not consolidated yet, but the exposure is.

The value of lending to oil and gas in 2022 includes refining (12.1 billion euros), upstream gas (5.3 billion euros) and upstream oil (5 billion euros). It represents 1% of BNP Paribas' total loan portfolio in 2022.

BNP Paribas announced its ambition to reduce its upstream Oil and Gas financing in 2021 and subsequently strengthened it in 2022. This commitment allows the Bank to actively monitor and steer the amount of credit made available to the Oil and Gas upstream segment of the industry. It is also a proxy for a carbon emissions reduction target. This ambition was further reinforced and BNP Paribas is now committed to reduce its upstream oil financing to less than 1 billion euros by 2030, i.e. a 80% decrease compared to its exposure amount at the end of September 2022. The upstream oil financing has been reduced by 15% (vs. 2020) and the Group is well on track to achieve its 2025 target of a 25% reduction.

BNP Paribas has also committed to streamline its upstream gas financing, giving priority to new-generation thermal power plants with low emission rates as well as to supply security infrastructure

such as gas terminals, pipelines and gas transportation fleets. The upstream gas financing will decrease by more than 30% by 2030. As of end 2022, BNP Paribas has already substantially succeeded in meeting its 2025 target on upstream oil and gas financing reduction by achieving a 12% reduction compared to the corresponding baseline at the end of 2020.

One of BNP Paribas' strategic priorities is to make a significant contribution to the financing of low-carbon energies, mainly renewables, in order to support the broader economy's transition away from fossil fuels. At year-end 2022, low-carbon energies accounted for nearly 60% of BNP Paribas' total financing of the energy sector. As announced on January 24th, 2023, BNP Paribas aims to further shift its energy-based financing to 80% for low-carbon energies, representing at least €40 billion. In-line with this commitment, BNP Paribas has decided to significantly reduce its support of the oil and gas exploration and production industry.

Investing in all carbon-related assets (Asset manager)

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

11,000,000,000

Percentage of portfolio value comprised of carbon-related assets in reporting year

5

Details of calculation

In France, Article 29 of the Climate Energy Act establishes new publication obligations for investors. This system is intended to be more ambitious than the European Disclosure Regulation (SFDR), with an explicit emphasis on climate and biodiversity issues. Specifically, Article 29 requires financial actors to publish the impacts of their portfolios on climate change, as well as its vulnerability to climate change.

In 2022, BNP Paribas Asset Management therefore calculated for its activity in France the share of investment in companies active in the use of fossil fuels, which amounts to 5%.

In accordance with our Responsible Business Conduct Policy updated in January 2023, there are significant restrictions on investment in companies involved in thermal coal mining and power generation, as well as unconventional oil and gas. Criteria for these exclusions are available in this policy. Our 'net zero' commitment will lead us to increase engagement activities and gradually reduce exposure to companies in this sector. Please consult our Net Zero road map for more details.

In 2022 BNPP AM manages €501 billion of assets, 220 in France.

One of the key priorities of BNP Paribas Asset Management is to reduce by 30% by 2025 the global carbon footprint (scope 1 and 2) of its investments compared to 2019, and by 50% by 2030.

Investing in coal (Asset manager)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify

The value is not published yet.

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

In 2019, the Group committed to fully exit the thermal coal value chain by 2030 in the countries of the European Union and the OECD, and by 2040 in the rest of the world. That is why we continue to implement significantly tighter exclusion criteria on companies that are engaged in the mining of thermal coal and the generation of electricity from coal.

Investing in oil and gas (Asset manager)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify

The value is not published yet.

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

BNP Paribas announced its ambition to reduce its upstream Oil and Gas financing in 2021 and subsequently strengthened it in 2022. This ambition was further reinforced and BNP Paribas is now committed to reduce its upstream oil financing to less than 1 billion euros by 2030, i.e. a 80% decrease compared to its exposure amount at the end of September 2022. The upstream oil financing has been reduced by 15% (vs. 2020) and the Group is well on track to achieve its 2025 target of a 25% reduction.

BNP Paribas has also committed to streamline its upstream gas financing, giving priority to new-generation thermal power plants with low emission rates as well as to supply security infrastructure such as gas terminals, pipelines and gas transportation fleets. The upstream gas financing will decrease by more than 30% by 2030. As of end 2022, BNP Paribas has already substantially succeeded in meeting its 2025 target on upstream oil and gas financing reduction by achieving a 12% reduction compared to the corresponding baseline at the end of 2020.

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric
Banking (Bank)	Yes	Other carbon footprinting and/or exposure metrics (as defined by TCFD)
Investing (Asset manager)	Yes	Portfolio emissions Other carbon footprinting and/or exposure metrics (as defined by TCFD)

C-FS14.1a

(C-FS14.1a) Provide details of your organization's portfolio emissions in the reporting year.

Investing (Asset manager)

Portfolio emissions (metric unit tons CO₂e) in the reporting year

9,734,267

Portfolio coverage

44

Percentage calculated using data obtained from clients/investees

100

Emissions calculation methodology

Other, please specify

European Union's Principal Adverse Impact (EU PAI) definition

Please explain the details and assumptions used in your calculation

The portfolio coverage is 44% corresponding to the French activity : in 2022 BNPP AM manages €501 billion of assets, 220,2 billion for French activity. Effective data coverage of total emissions is high. This means that more than 75% of eligible assets for EU PAI are covered by data.

Although the overall effective coverage figure is high, please note that issuers for which Scope 3 data were not available have a value of 0 for this indicator. We also provide the 'rebased' value of 42 424 963 tCO₂e, which corresponds to the value for which only issuers/instruments with available data were considered, and issuers/instruments without available data ('NULL') were not considered. As a diversified global asset manager, BNPP AM France has negative impacts (PAI) that are mainly indirect, through the entities in which we invest. We take responsibility for identifying and mitigating the 14 PAI of mandatory companies, the 3 PAI of voluntary companies and the 2 sovereign PAI. The various pillars of BNPP AM's sustainability approach (ESG integration, voting and engagement, responsible corporate conduct, forward-looking vision and investment solutions for sustainability) contribute to the inclusion of these PAI.

We joined the Net Zero Asset Managers initiative in 2021 and from the year 2023, we will start reporting annually on our progress. As part of our Net Zero Road Map, we have intermediate emission reduction targets (scope 1 and 2) of 30% in 2025 and 50% by 2030 (compared to a 2019 reference). Our Responsible Business Conduct (RBC) policy aims to reduce exposure to GHGs from fossil fuels through a coal policy that aims to exit coal by 2030 in EU and OECD countries and 2040 for the rest of the world. It also incorporates a strict policy on unconventional oil and gas. As part of our shareholders, we committed to: - Vote for corporate climate action and for companies to achieve carbon neutrality by 2050 or earlier - Dialogue with companies on carbon neutrality - Act for a national and international climate policy aligned with carbon neutrality. For example, we are part of the Climate Action 100+ initiative and are leading or co-leading the dialogue with 10 companies around the world. We also have specific rules on voting on climate-related resolutions and penalise companies if they are not transparent about their climate lobbying activities.

Efforts are underway to better evaluate Scope 3 GHG emission data for inclusion in internal evaluation frameworks.

C-FS14.1b

(C-FS14.1b) Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.

Investing (asset manager)

Portfolio metric

Portfolio carbon footprint (tCO₂e/Million invested)

Metric value in the reporting year

91.72

Portfolio coverage

50

Percentage calculated using data obtained from clients/investees

100

Calculation methodology

In BNP Paribas Asset Management's Global Sustainability Strategy published in March 2019, we committed to report on the carbon footprint of our portfolios. In our ESG Integration Guidelines, we articulate an objective for our portfolios to have a lower carbon footprint than their respective benchmark. This commitment is grounded in the belief that, as an investor, to evaluate the environmental impact of our investments and assess the associated climate risk, we need to be able to measure the GHG emissions embedded in those investments. By providing this information to our clients, we enable them to readily access the carbon performance of their investments. The carbon footprint is used to track impact of the portfolio on the climate, and drives the decarbonisation strategy: as one of its key priorities which is to align investments with net zero by 2050, BNP PAM plans on reducing the carbon footprint of its investment portfolios for in-scope holdings from a 31 December 2019 baseline by 30% by 2025 and by 50% by 2030.

The aggregated carbon footprint of BNPP AM's funds under the scope of its commitment was 91.72 tCO₂ /m€ invested at the end of 2019. We are happy to see that 98% of our in-scope open-ended funds where we could calculate a footprint have a carbon footprint lower than their relevant benchmark or universe as at end of December 2022. The global 2022 carbon footprint calculation is impacted by time-lag in carbon data availability and will be disclosed later. In 2022, BNPP AM measured its carbon footprint of its French activity (portfolio coverage 44%) : 72 tCO₂ /m€. To measure this footprint of both equity and fixed income portfolios, the formula has been updated in 2022 to align it with the EU PAI definition for carbon footprint = $\text{Sum}[(W_{\text{ptf},i} \times (\text{CO}_2 \text{ emissions } i / \text{Enterprise value } i)) / 100]$, where : $W_{\text{ptf},i}$ = Portfolio weight in company i, CO₂ emissions i = sum of Scope 1 & 2 CO₂e emissions expressed in tons for company i, Enterprise value i = sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents.

Carbon emission data come from companies via data providers.

Scope 3 emissions are not yet included in the calculation as the measurement of these emissions is not yet standardised or considered reliable enough to be used in reporting. Given the importance of Scope 3 emissions in most sectors, we are evolving our approach to calculating Scope 3 emissions with the aim of including them in the future.

In 2022 BNPP AM manages €501 billion of assets.

This initial commitment covers 50% of assets under management, and the Group has the aim of increasing the proportion of AUM included in its net zero commitments and strengthening the targets to ensure we reach net zero by 2050 or earlier.

Portfolio

Banking (Bank)

Portfolio metricOther, please specify
gCO₂/kWh**Metric value in the reporting year**

179

Portfolio coverage

1.7

Percentage calculated using data obtained from clients/investees

100

Calculation methodology

The portfolio weighted average emission intensity allows the Group to monitor reduction in GHG emissions per unit of energy expressed in grams CO₂ per kilowatt-hour (kWh) of electricity generated. The average emission intensity provides an aggregated view of the portfolio's climate performance while the power generation capacity mix gives a more detailed view on the progress towards the technological roadmap. By tracking changes in our power generation capacity mix, we maintain additional transparency and ensure progress in transitioning from high to low-carbon technologies. Our methodology applies to 98% of our power generation portfolio loan exposure. The use of an intensity per physical unit-based metric for steering our power generation portfolio performance provides multiple benefits:

- An effective tool for engaging clients as these metrics are commonly used by the main industry players,
- A synthetic view of the decarbonisation progress made by a company or sector over time,
- An easy comparison and more consistent tracking between companies.

The methodology estimates company emissions intensity using the following data sources:

- Installed capacity per technology per counterpart (in MW) sourced from Asset resolution (external database). Covered technologies: nuclear, oil, gas, coal, hydropower and other renewables (o.w. wind, solar, CSP, geothermal, bioenergy). These data are used in the emissions intensity calculation as well as to estimate portfolio generation capacity mix.
- Capacity factor per technology This factor is a measure (expressed as a percentage) of how often an electric generator operates over a specific period, using a ratio of the actual output to the maximum possible output over that period.
- Implied emission factor per technology from the WEO 2021. The IEA transition scenarios consider that retrofitting coal- and gas-fired capacity with CCUS or co-firing with hydrogen-based fuels will enable existing fossil-fuel assets to contribute to the transition while cutting emissions. Given that carbon capture technologies remain at a very early stage of commercialisation, we believe their deployment at a large scale can be challenged.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's portfolio impact?

	Portfolio breakdown
Row 1	Yes, by industry

C-FS14.2b

(C-FS14.2b) Break down your organization's portfolio impact by industry.

Portfolio	Industry	Portfolio metric	Portfolio emissions or alternative metric
Banking (Bank)	Other, please specify Power generation	Other, please specify gCO2/kWh	179
Banking (Bank)	Other, please specify Oil & Gas	Other, please specify gCO2/MJ	67
Banking (Bank)	Other, please specify Automotive	Other, please specify gCO2/km WLTP	167
Banking (Bank)	Other, please specify Steel	Other, please specify tCO2/ t crude steel	1.6
Banking (Bank)	Other, please specify Aluminium	Other, please specify tCO2e/ t aluminium	6.2

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Briefly explain the actions you have taken to align your portfolio with a 1.5-degree world
Banking (Bank)	Yes	<p>Under the umbrella of the wider Glasgow Financial Alliance for Net Zero (GFANZ), BNP Paribas is a member of the Net Zero banking Alliance (NZBA). To align its banking portfolio with a 1.5°C world, the Group takes strong commitments to combat climate change. Here are the main and recent timelines of its climate action :</p> <p>2020:</p> <ul style="list-style-type: none"> -Committed to cease financing the thermal coal sector value chain by 2030 in the EU and OECD countries and by 2040 in the rest of the world -Published its first TCFD report -Published with four other European banks the first report on the application of the PACTA methodology to measure the alignment of their credit portfolios <p>2021 :</p> <ul style="list-style-type: none"> -LOW CARBON TRANSITION GROUP - Created a dedicated structure to bring together over 250 professionals worldwide by 2025 to support large clients' transition to a low-carbon economy. -Committed to reduce its financing to upstream oil and gas by 10% between 2020 and 2025. <p>2022 :</p> <ul style="list-style-type: none"> -Published climate-related business targets in the 2025 "Growth, Technology,

		<p>Sustainability” strategic plan</p> <ul style="list-style-type: none"> -Restricted its support to energy companies involved in the Arctic and Amazon regions, and Committed to reduce its financing to upstream oil and gas by 12% between 2020 and 2025 (and by 25% for upstream oil). -Published its first Climate Analytics and Alignment report with CO2 emission intensity reduction targets for three sectors: power generation, oil and gas, automotive. <p>2023:</p> <ul style="list-style-type: none"> -Entered a new phase of rapid acceleration in financing the energy transition -Published its exposures by sector according to their sensibility to climate risk (Pillar 3) -Published its first Climate report <p>2024:</p> <ul style="list-style-type: none"> - Publication of CO2 emissions reduction targets for 10 sectors in line with NZBA commitments <p>2025:</p> <ul style="list-style-type: none"> - 200 billion EUR for the transition of our corporate clients to a low-carbon economy -1.85 CO2 equivalent per full time employees -NZBA 2025 targets for three sectors: power generation, oil and gas, automotive <p>2030:</p> <ul style="list-style-type: none"> -Full exit of the thermal coal value chain in OECD "and EU" countries "(investment and financing) -80% financing to upstream oil vs. September 2022 -30% financing to upstream gas vs. September 2022 -40 billion EUR financing to low-carbon energies production, primarily renewables - 4/5th of energy portfolio dedicated to low-carbon energy -NZBA 2030 targets for four sectors: oil and gas, steel, cement, aluminium <p>2040 :</p> <ul style="list-style-type: none"> - Full exit of the thermal coal value chain worldwide (investment and financing) <p>2050:</p> <ul style="list-style-type: none"> -Net zero target.
Investing (Asset manager)	Yes	<p>Under the umbrella of the wider Glasgow Financial Alliance for Net Zero (GFANZ), BNP Paribas Asset Management is a member of the Net Zero Asset Managers (NZAM). In late 2022, BNP PAM published its Net Zero Roadmap, its long-term plan to achieve net zero portfolio emissions by 2050 or sooner. The plan not only covers investments, but also how BNP PAM plans to leverage its stewardship activities to help achieve this goal, and how BNP PAM will walk the talk by reducing the emissions of its operations. Here are the 10 pillars of action :</p> <ol style="list-style-type: none"> 1- Reduce the carbon footprint of our in-scope corporate investments (scope 1 & 2) by -30% by 2025 and -50% by 2030. 2- Align with net zero: 60% of in-scope investments to be NZ:AAA by 2030, and 100% of in-scope investments to be NZ:AAA by 2040. 3- Exit coal : we will exclude mining companies that do not have a strategy to

		<p>exit thermal coal activities, and power generators that still have coal capacity in their generation mix, in 2030 for European Union and OECD countries and in 2040 for the rest of the world.</p> <p>4- Invest in climate solutions: Substantially increase our climate and environmentally themed investments.</p> <p>5- Client engagement: Engage with our clients to transition towards net zero investing with us.</p> <p>6- Vote for climate action : a) Signal our expectation for companies to report on their carbon footprint, and for the world's largest greenhouse gas (GHG) emitters to set an ambition to achieve net zero by 2050 or sooner. b) Vote in favour of thoughtful shareholder proposals and submit proposals of our own to accelerate corporate action on climate change.</p> <p>7- Engage companies on net zero : Implement an engagement strategy that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner</p> <p>8- Advocate for NZ 2050 aligned climate policy: Play an active role in advocating for net zero aligned policy, and seek to ensure that any relevant direct and indirect policy advocacy that we undertake is supportive of achieving global net zero emissions by 2050 or sooner.</p> <p>9- Reduce our operational footprint: Continue to offset our operational emissions while we improve energy efficiency and use more green energy.</p> <p>10- Report on progress.</p>
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C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world
Banking (Bank)	Yes, for all
Investing (Asset manager)	Yes, for all

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, board-level oversight	<p>The Group's Board of Directors is involved in biodiversity issues in several respects:</p> <ul style="list-style-type: none"> - The Board of Directors validates the Group's strategy on biodiversity issues, relying on two of its 	Risks and opportunities to our own operations

		<p>specialized committees;</p> <ul style="list-style-type: none"> - Seven members of the Board of Directors have expertise in CSR, including two specifically on biodiversity issues; - The Governing Council validates the biodiversity-related indicators, policies and commitments presented in the universal registration document. <p>The Board of Directors determines the orientations of BNP Paribas' activity and ensures their implementation by the General Management, taking into account the social and environmental issues of BNP Paribas' activities.</p>	<p>Risks and opportunities to our bank lending activities</p> <p>Risks and opportunities to our investment activities</p> <p>The impact of our own operations on biodiversity</p> <p>The impact of our bank lending activities on biodiversity</p> <p>The impact of our investing activities on biodiversity</p>
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C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	<p>Commitment to not explore or develop in legally designated protected areas</p> <p>Commitment to respect legally designated protected areas</p> <p>Commitment to avoidance of negative impacts on threatened and protected species</p> <p>Commitment to no conversion of High Conservation Value areas</p> <p>Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples</p> <p>Commitment to no trade of CITES listed species</p>	<p>CBD – Global Biodiversity Framework</p> <p>SDG</p> <p>CITES</p> <p>PBAF - Partnership for Biodiversity Accounting Financials</p> <p>Other, please specify</p> <p>Taskforce on Nature-related Financial Disclosures and Entreprises pour l'Environnement.</p>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Portfolio activity

Portfolio activity

Investing portfolio (Asset manager)

Tools and methods to assess impacts and/or dependencies on biodiversity

BFC – Biodiversity Footprint Calculator

BFM – Biodiversity Footprint Methodology

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

BNP Paribas Asset Management (BNPP AM) aims at the incorporation of biodiversity into its approach to ESG integration into its corporate portfolios. As such, BNPP AM uses a variety of tools to understand its own dependencies and impacts, and conducted analysis of its global assets under management (AUM) to understand its exposure to water and deforestation risks. Biodiversity impact metrics are used that include nature-related impact indicators, reflecting actual adverse events that have occurred, such as water pollution, deforestation, presence in key biodiversity areas. BNPP AM established a relationship with Iceberg Data Lab and iCare & Consult to develop and provide the entity with biodiversity data that is tailored to our needs as global investors. Iceberg Data Lab and iCare & Consult's Corporate Biodiversity Footprint uses life cycle assessment data to quantify the environmental pressures along the entire supply chain of a given company, using asset level data if available. To date, terrestrial and freshwater biodiversity are relatively well documented in scientific literature and related environmental models such as GLOBIO3, developed by the Netherlands Environmental Assessment Agency. GLOBIO3 is used in the Corporate Biodiversity Footprint methodology to link quantified environmental pressures to biodiversity loss (expressed in Km² MSA). The environmental pressures that are currently covered in the Corporate Biodiversity Footprint methodology are the following:

- Change of land use (land occupation, land transformation, encroachment, fragmentation)
- Air pollution (nitrogen deposition)
- Water pollution (freshwater eco-toxicity)
- Climate change

Each environmental pressure is then translated into a quantified impact on biodiversity (MSA Climate Change, MSA Land use, etc) and then aggregated to compute the Corporate Biodiversity Footprint of a given company, expressed in Km² MSA.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Portfolio activity

Portfolio activity

Investing portfolio (Asset manager)

Tools and methods to assess impacts and/or dependencies on biodiversity

ENCORE tool

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

BNP Paribas Asset Management's use of Natural Capital Finance Alliance's ENCORE dependency tool : To deepen our understanding of our biodiversity related exposure, we were among the first financial institutions to test Nature Capital Finance Alliance's ENCORE dependency tool. To do so, we took our aggregate assets under management in listed corporates and bonds and used the ENCORE database to understand our investees' direct dependencies on ecosystem services. We did not include financials, as ENCORE does not include indirect dependencies.

C15.4**(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?**

No

C15.5**(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**



	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Education & awareness


C15.6**(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?**


	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Pressure indicators

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments	All pages regarding Biodiversity.  ₁
In voluntary sustainability report or other voluntary communications	Risks and opportunities	The biodiversity roadmap.  ₂

 ₁biodiversity_position_2021.pdf

 ₂P2105011_Sustainable_by_nature_EN_V8.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Director of the Company Engagement department	Board/Executive board

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

Annual Revenue

Row 1	
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SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
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SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area
Forests	Yes
Water	Yes

FW-FS1.1a

(FW-FS1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for forests- and/or water-related issues.

Issue area(s)	Position of individual(s) or committee(s)	Responsibilities for forests- and/or water-related issues
Forests Water	Board-level committee	<p>Within the Board of Directors, the Corporate Governance, Ethics, Nominations and CSR Committee (CGEN) is in charge of monitoring CSR issues (Group's contribution to economic, sustainable and responsible development) which includes climate, water and forest-related issues. The members are independent directors with expertise in corporate governance, some deal with CSR issues professionally.</p> <p>The CGEN has encouraged the Group to make strong commitments to manage climate, water and forest-related risks and opportunities, in various ways: reducing support for the coal sector, strengthening the Group's climate goals, etc.</p>
Forests Water	Board-level committee	<p>The Internal Control, Risk and Compliance Committee (CCIRC) advises the Board of Directors on the suitability of BNP Paribas' overall strategy and on its risk appetite.</p> <p>It assists the Board when it verifies the implementation of this strategy by the executive officers and by the Head of the Risk Function. In that role, it examines the primary objectives of the Group's risk policy, including those of a social and environmental nature, relying on the measures of transaction risk and profitability reported to the Committee in accordance with regulatory requirements, and any specific matters associated with these topics and methods.</p> <p>The CCIRC reviews the Risk Appetite Statement (RAS), which contains indicators measuring the Group's risk profile for the different types of risks to which it is exposed. Each metric has its own thresholds and which, when they are reached, condition a pre-established process for informing General Management and the Board of directors and, if necessary, action plans to be implemented. These indicators are monitored in the risk dashboard presented to CCIRC; one of these indicators is directly linked to climate-related risks: the primary and secondary mixes in terms of energy transition.</p>

Forests Water	Chief Executive Officer (CEO)	BNP Paribas has put in place several initiatives in order to ensure that the CSR policy is implemented at the highest level of the organization. The Chief Executive Officer (CEO), who is also a member of the Board of Directors, holds the general responsibility for ESG strategy.
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FW-FS1.1b

(FW-FS1.1b) Provide further details on the board's oversight of forests- and/or water-related issues.

Issue area(s)

Forests

Frequency with which the issue area(s) is a scheduled agenda item

Scheduled - some meetings

Governance mechanisms into which this issue area(s) is integrated

Reviewing and guiding strategy
 Reviewing and guiding the risk management process
 Overseeing the setting of corporate targets
 Overseeing and guiding public policy engagement
 Monitoring the implementation of a transition plan

Scope of board-level oversight

Risks and opportunities to our banking activities
 The impact of our banking activities on forests and/or water security

Please explain

Forest and water issues are review by the BNP Paribas' General Executive Management as part of their process of overseeing sustainability topics acrosss the Group. The Board of directors determines BNP Paribas' strategy and the public engagements based on the proposal put forward by the General Management, with the aim of promoting long-term value creation that is mindful of social and environmental considerations. Numerous presentations about climate-related risks and opportunities for the Group are given several times a year to the Board of Directors by the Director of Company Engagement Department and the Head of CSR. Moreover, the Group's Executive Committee and Board of Directors are jointly monitoring the CSR dashboard (which consists of 10 KPIs, that includes one regarding the amount of financing to companies contributing to protect terrestrial and marine biodiversity) on a yearly basis.

Lastly, the Board of Directors validates the variable compensation granted to executive corporate officers, based in part on the assessment of the Group's environmental and social performance including mitigation of climate change.

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area

Yes

Criteria used to assess competence of board member(s) on this issue area

Two members of the board are assigned as administrators within Veolia Environnement, a company acting for solutions that are both useful and practical for water, waste and energy management.

One of the two is also administrator of Bioversity International, an international association focused on developing research on agriculture.

Water**Board member(s) have competence on this issue area**

Yes

Criteria used to assess competence of board member(s) on this issue area

One of the board member is a Global Food Security specialist and a Bridge, Water and Forest Engineer. She is also member of the High Council on Climate which is an independant executive council inside the Government of France that is meant to address the countries climate policy and produce reports on the progress of France towards its Climate commitments.

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Position or committee

Risk committee

Issue area(s)

Forests

Water

Forests- and/or water-related responsibilities of this position

Integrating forests- and/or water-related issues into the strategy

Setting forests- and/or water-related corporate targets

Managing value chain engagement on forests- and/or water--related issues

Assessing forests- and/or water-related risks and opportunities

Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our banking portfolio

Reporting line

Risk – CRO reporting line

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line

As important matters arise

Please explain

Among the specialised committees, the Internal Control, Risk Management and Compliance Committee (CCIRC) and the Corporate Governance, Ethics, Nominations and CSR Committee (CGEN) are essential in the Group's internal control system. Some of their responsibilities are pertaining to environmental themes, whereby they assess compliance to the deforestation mitigation objectives. Similarly, they assess and report on their main impacts and dependencies on nature, particularly in terms of deforestation and water issues.

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area
Banking – Forests exposure	Yes
Banking – Water exposure	Yes
Investing (Asset manager) – Forests exposure	Yes
Investing (Asset manager) – Water exposure	Yes

FW-FS2.1a

(FW-FS2.1a) Describe how you assess your portfolio's exposure to forests- and/or water-related risks and opportunities.

Banking – Forests exposure**Type of risk management process**

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

100

Type of assessment

Qualitative and quantitative

Time horizon(s) covered

Short-term

Medium-term

Long-term

Tools and methods used

Internal tools/methods

Risk models

UNEP FI Portfolio Impact Analysis Tool for Banks

% of clients/investees (by number) exposed to substantive risk**% of clients/investees (by portfolio exposure) exposed to substantive risk**

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

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 system now covers all sectors of the economy in which the Group has clients. 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 (Agriculture, Palm oil, Paper pulp, Oil and gas...).

A level of environmental and social risk (E&S) was defined for each country where the clients of the Group operate on the basis of reference sources provided by Maplecroft and Reporters Without Borders and issued by recognised international organisations and NGOs, such as the International Labour Organization, the World Bank, the United Nations Environment Programme, Human Rights Watch, Transparency International, and the World Resources Institute. There are 15 indicators, including environmental regulatory framework; biodiversity and protected areas; deforestation; water quality; water stress, which are weighted and give the breakdown of the countries of operation of the Group's corporate clients according to the following four levels of environmental and social risk : very high / high / average / low.

For each business sector, BNP Paribas analysed the ones that had salient risks related to human rights and fundamental freedoms, individual health and safety and the environment. These risks were defined according to a methodology for rating the level of severity and occurrence of each risk, which is based on the United Nations Guiding Principles reporting reference framework. The level of risk inherent in each business sector was then determined based on the presence of salient risks.

Banking – Water exposure

Type of risk management process

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

100

Type of assessment

Qualitative and quantitative

Time horizon(s) covered

Short-term

Medium-term

Long-term

Tools and methods used

Internal tools/methods

Risk models

WRI Aqueduct

UNEP FI Portfolio Impact Analysis Tool for Banks

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

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 system now covers all sectors of the economy in which the Group has clients. 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 (Agriculture, Palm oil, Paper pulp, Oil and gas, Nuclear energy...).

A level of environmental and social risk (E&S) was defined for each country where the clients of the Group operate on the basis of reference sources provided by Maplecroft and Reporters Without Borders and issued by recognised international organisations and NGOs, such as the International Labour Organization, the World Bank, the United Nations Environment Programme, Human Rights Watch, Transparency International, and the World Resources Institute. There are 15 indicators, including environmental regulatory framework; biodiversity and protected areas; deforestation; water quality; water stress, which are weighted and give the breakdown of the countries of operation of the Group's corporate clients according to the following four levels of environmental and social risk : very high / high / average / low.

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Investing (Asset manager) – Forests exposure

Type of risk management process

A specific ESG-related risk management process

Proportion of portfolio covered by risk management process

100

Type of assessment

Qualitative and quantitative

Time horizon(s) covered

Short-term

Medium-term

Long-term

Tools and methods used

ENCORE

Internal tools/methods

Sustainability Policy Transparency Toolkit (SPOTT)

Trase Finance

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

30

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

Forest footprint analysis is a useful tool to improve our understanding of our exposure to deforestation. It is not sufficient to assess the full range of actual and potential impacts to the environment our portfolio holdings may be causing, nor does it provide a full picture of our exposure to deforestation risks. However, it does help us to establish a baseline against which we can monitor our performance, and it provides a high-level compass to identify where closer analysis of individual issuers is warranted. This complements the suite of tools and analysis our ESG analysts perform at the sector and issuer-level and helps to identify key targets for direct engagement by our stewardship team and portfolio managers.

To report on our portfolios' exposure to deforestation, we used three overarching key performance indicators:

1. Transparency
2. Strength of the forest policy and commitments
3. Supply chain traceability practices.

The indicators were chosen because of their relevance, relative data availability and simplicity. Covered commodities include timber, palm oil, cattle products, soy and rubber, where possible. To perform the analysis below, we combined data from three key databases - CDP Forest, Forest 500, and SPOTT - to expand our coverage, but we find that these data sources use different criteria and cannot always be combined into one common dataset. These databases include companies that are the most likely to be exposed to deforestation through the agricultural commodities they produce or purchase, and their size and activities, in their operations and supply chains. We are investigating ways to integrate additional datasets in the future, such as TRASE tools.

Investing (Asset manager) – Water exposure

Type of risk management process

A specific ESG-related risk management process

Proportion of portfolio covered by risk management process

100

Type of assessment

Qualitative and quantitative

Time horizon(s) covered

Short-term
Medium-term
Long-term

Tools and methods used

ENCORE
Internal tools/methods
WRI Aqueduct

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

40

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

Water footprint analysis is a useful tool to improve our understanding of our exposure to water scarcity. It is not sufficient to assess the full range of actual and potential impacts to the environment our portfolio holdings may be causing, nor does it provide a full picture of our exposure to water risks. However, it does help us to establish a baseline against which we can monitor our performance, and it provides a high-level compass to identify where closer analysis of individual issuers is warranted. This complements the suite of tools and analysis our ESG analysts perform at the sector and issuer-level and helps to identify key targets for direct engagement by our stewardship team and portfolio managers.

To report on our water target, we use three overarching key performance indicators:

1. Coverage and disclosure levels
2. Water efficiency of our corporate and sovereign investments
3. Exposure to water stress.

The indicators we have chosen cannot capture the full complexity of the water theme. For example, they focus on the availability of fresh water, and help us to identify heavy corporate water use, but do not address water pollution, a key threat to ecosystems. These indicators were chosen to maximise coverage, be applied at different levels of aggregation (such as corporate, countries and portfolios) and take into account local factors as much as possible. Our data sources include S&P Trucost water data, the CDP water dataset, UN FAO Aquastat and the World Resources Institute. When considering only direct water withdrawals (extracted and purchased), over 60% of our corporate AUM is invested in sectors with a 'low to medium' average water intensity (less than 1 000 m3 per EUR million of net sales). This is explained by our large exposure to the finance sector (first heat map). The picture changes when considering direct and indirect water use.

FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information
Banking – Forests-related information	Yes
Banking – Water-related information	Yes
Investing (Asset manager) – Forests-related information	Yes
Investing (Asset manager) – Water-related information	Yes

FW-FS2.2a

(FW-FS2.2a) Indicate the forests- and/or water-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.

	Type of information considered	Process through which	Industry sector(s) covered by due diligence and/or risk	State how these forests- and/or water-related
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		information is obtained	assessment process	information influences your decision making
Banking – Forests-related information	<p>Scope and content of forests policy</p> <p>Commitment to eliminate deforestation/conversion of other natural ecosystems</p> <p>Certification of forests risk commodities</p> <p>Proportion of forest risk commodity volumes in compliance with no deforestation/conversion</p> <p>Traceability of forest risk commodities</p>	<p>Directly from the client/investee</p> <p>Data provider</p> <p>Public data sources</p>	<p>Energy</p> <p>Other, please specify Agriculture, Palm oil, Wood pulp</p>	<p>Since 2012 BNP Paribas has set up financing and investment policies governing its activities in sectors considered sensitive from a biodiversity point of view: agriculture (including livestock and forestry), palm oil, wood pulp, mining, unconventional oil and gas. In 2021, the Group strengthened its contribution to the fight against deforestation in the Amazon and Cerrado, by adopting new criteria for the beef and soybean sectors. In January 2023, these commitments were, among others, recognised by the NGO Global Canopy, which ranked BNP Paribas as one of the leaders among 150 financial institutions in its Forest500 ranking for 2022. A positive decision : in 2022, the Group continued to deploy its impact investments on its own behalf by favouring direct equity investment in companies with a strong environmental impact. For example the Group invested in “Printemps des Terres”, which supports the transition to sustainable agriculture restoring agricultural land, forests and marshes in France for a more sustainable agriculture that fosters biodiversity.</p>
Banking – Water-	Scope and content of water policy	Directly from the client/investee	Other, please specify Agriculture, wood pulp	The Group has established a sector policy for agriculture. This policies applies to all

related information	Water withdrawal and/or consumption volumes Impingements on the human right to water in communities	Data provider Public data sources		<p>BNP Paribas Group entities and defines a set of rules concerning water in order to limit negative impacts. For large projects, BNP Paribas will only provide financial products or services to Agriculture projects which have a water management plan and disclose water consumption. BNP Paribas will determine whether the farming projects :</p> <ul style="list-style-type: none"> - take measures to minimize water use (e.g. for irrigation) and monitor impacts on water availability for other users, particularly in water stressed areas; - put in place measures to avoid soil salinization (that is considered as a major source of desertification worldwide); - manage their effluents to minimize water pollution. <p>If BNP Paribas is aware that a client operates outside the requirements of the policy, a dialogue will be engaged with the client in order to find an acceptable solution to improve the situation in a timely manner. If this dialogue is unfruitful, BNP Paribas may decide not to pursue any new business with such client and will place existing business under review or exclusion, taking into account existing contractual agreements.</p>
Investing (Asset manager) –	Scope and content of forests policy	Directly from the client/investee	Retailing Food & Staples Retailing	Sustainability information guides how BNP Paribas Asset Management both

Forests-related information	<p>Commitment to eliminate deforestation/conversion of other natural ecosystems</p> <p>Proportion of forest risk commodity volumes in compliance with no deforestation/conversion</p> <p>Traceability of forest risk commodities</p>	Data provider Public data sources	Other, please specify Financials	<p>manages its business and positions it for the future. At the end of 2022, the group announced the acquisition of the majority of a sustainable forestry company, International Woodland Company (IWC). Actions such as this are not just about creating new investment opportunities for clients, but also about how the Group bring its commitment to sustainability to life. IWC enhances our offering through the new Private Assets unit we have created, bringing together and leveraging the strengths of many parts of the BNP Paribas Group.</p>
Investing (Asset manager) – Water-related information	<p>Scope and content of water policy</p> <p>Water withdrawal and/or consumption volumes</p> <p>Water withdrawn from water stressed areas</p>	Directly from the client/investee	<p>Energy</p> <p>Materials</p> <p>Retailing</p> <p>Food & Staples</p> <p>Retailing</p> <p>Health Care</p> <p>Equipment & Services</p> <p>Technology Hardware & Equipment</p> <p>Telecommunication Services</p> <p>Utilities</p> <p>Real Estate</p> <p>Other, please specify</p> <p>Financials</p>	<p>BNP Paribas Asset Management aims to improve the water efficiency of our investment portfolios, especially in water-stressed areas, and measure and disclose the water footprint of our portfolios. We encourage water-intensive companies operating in water-stressed areas to significantly improve their water efficiency while ensuring water access to local communities.</p>

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
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Forests	Yes		
Water	No	Not yet evaluated	It was not yet a priority.

FW-FS2.3a

(FW-FS2.3a) Provide details of forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk1

Portfolio where risk driver occurs

Banking (Bank) portfolio

Issue area risk relates to

Forests

Risk type & Primary risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Increased credit risk

Risk type mapped to traditional financial services industry risk classification

Reputational risk

Company-specific description

The companies concerned are the ones that can have a negative impact on forests in the agriculture, wood pulp and palm oil sectors.

Since 2012 BNP Paribas has set up financing and investment policies governing its activities in sectors considered sensitive from a biodiversity point of view: agriculture (including livestock and forestry), palm oil, wood pulp, mining, unconventional oil and gas. In 2021, the Group strengthened its contribution to the fight against deforestation in the Amazon and Cerrado, by adopting new criteria for the beef and soybean sectors. These commitments were, among others, recognised by the NGO Global Canopy, which ranked BNP Paribas as one of the leaders among 150 financial institutions in its Forest500 ranking for 2022.

Specifically in early 2021, BNP Paribas strengthened its commitment to combating deforestation through its agricultural policy. The Group is committed to providing financial products or services only to companies (producers, meat packers and traders) with a strategy to achieve zero legal and illegal deforestation in their direct and indirect value chains (production and supply) by 2025 at the latest. In particular, the Group does not finance customers purchasing beef or soybeans from land cleared or converted after 2008 in the Amazon, nor after 2020 in the Cerrado. In addition, this policy now includes criteria related to the improvement of animal welfare, particularly in chicken farms. In 2022, the analysis of the portfolio of meat producers, packers and traders was carried out in order to assess their progress and initiate a dialogue.

The Group conducts in-depth due diligences and discusses thoroughly with potentially impacted stakeholders of the consequences of its activities.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,105,000,000

Potential financial impact figure - minimum (currency)**Potential financial impact figure - maximum (currency)****Explanation of financial impact figure**

According to a 2012 study by the World Economic Forum, on average more than 25% of a company's market value is directly attributed to its reputation. This is specifically crucial to financial institutions who have different client profiles: investors, individuals, corporates... In a competitive economic environment, the Group's reputation of integrity, ethical practices and a sound environmental and social responsibility is critical to the Bank's ability to maintain a leading market position and attract more clients.

First, the Group faces risks related to its clients increased awareness of sustainability issues and the negative feedback from NGOs and notation agencies. For instance BNP Paribas is often challenged by NGOs like Oxfam in their investigation reports.

Second, BNP Paribas faces risks of litigation and claims from states and citizens caused by our involvement in financing industries that might fail to respect environmental laws, or contribute to deforestation. In the last few years, many claims were filled by citizens or states against large emitters for failure to mitigate severe environmental impacts, seeking compensation for damages or health issues, failure to comply with national or supranational regulations on environment and climate. Our important role as a fund provider in sectors that can have an impact on deforestation (agriculture, wood pulp, palm oil) or on water (agriculture) exposes us to those risks.

Reputation risks have different impacts on the Group, depending on their nature and severity. Litigation risks in the form of claims affect directly the Bank's earnings, if we were to pay fines, penalties or damage and interests. If the reputation risk is broader, affecting our market position and client's perception, we face a valuation stock drop and a loss of our immaterial capital (social and political position).

It is very complex to quantify the financial impact of reputational risks. For instance, no methodology is yet able to accurately determine sectors of risk regulatory exposure and possible occurrence of non compliance. For CDP reporting, we rely on the study of the World Economic Forum as

previously mentioned, to approximately calculate the potential scale of financial impact of reputation risk, and assume that the reputation would be reduced by 25% : $25\% \times 25\% \times \text{our market capitalization as at 31 December 2022 (i.e. € 65.7 billion)} = €4.105 \text{ billion}$.

Cost of response to risk

800,000

Description of response and explanation of cost calculation

In accordance with its strategy for fighting climate change and for promoting the preservation of natural capital, BNP Paribas has established policies for governing its financing and investments in the sectors of palm oil, wood pulp and agriculture.

Since 2017, the palm oil policy has included an assessment of new palm oil plantations, based on the high-carbon-stock approach. The policy aims to protect forests possessing a high stock of carbon and is one of the financial sector's most advanced policies.

As an important source of revenues for thousands of persons, wood pulp production can also have environmental impacts, in particular on deforestation. BNP Paribas' wood pulp policy is based mainly on the standards of the Forest Stewardship Council (FSC) and the Program for Endorsement of Forest Certification Schemes (PEFC) to ensure sustainable management of forests.

In February 2021, BNP Paribas incorporated new criteria into its agriculture policy to combat deforestation in Amazonia and the Cerrado. BNP Paribas now pledges to encourage its customers producing or buying beef or soy from Amazonia and the Cerrado in Brazil to have a zero-deforestation strategy in place by 2025 and to demonstrate their progress in a transparent fashion

Case Study :

Situation: The NGOs and other external third parties challenge the company, which threatens its reputation.

Task: The Group has to strengthen its actions in accordance with its strategy for promoting the preservation of natural capital.

Action: The Group conducts in-depth due diligences and discusses thoroughly with potentially impacted stakeholders of the consequences of its activities. For example, in 2022, the construction of a renewable energy project in South America was interrupted due to the opposition of members of the local indigenous populations, over fear of the loss of a customary zone of use.

BNP Paribas has integrated no deforestation concerns in three materials policies for governing its financing and investments in the sectors of palm oil, wood pulp and agriculture.

Result: BNP Paribas' global commitment to protecting forests has been recognised by Global Canopy, an NGO, which ranked BNP Paribas at the head of 150 financial institutions in its Forest500 ranking released in January 2022.

***Explanation of cost calculation: cost of management includes at least the wages of the people involved in the CSR Function who manage the Group CSR policy and meet various stakeholders.

Comment

No additionnal comment

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	Yes		
Water	No	Not yet evaluated	This is not yet a priority.

FW-FS2.4a

(FW-FS2.4a) Provide details of forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Portfolio where opportunity occurs

Banking (Bank) portfolio

Issue area opportunity relates to

Forests

Opportunity type & Primary opportunity driver

Products and services

Development and/or expansion of financing products and solutions supporting sustainable forest risk commodity supply chains

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company- specific description

BNP Paribas is a major player in sustainable finance through its various products and services.

Following its commitment to support its clients in the transition to a more sustainable economy, the Group set a KPI to follow this commitment : the Amount of financing to companies contributing to the protection of terrestrial and marine biodiversity: cumulative amount at the end of 2022 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. The amount reached at the end of 2022 was EUR 1.8 billion.

The Group has committed to enabling its clients to transition to a low-carbon economy respectful of the environment. For this reason, the ESG Assessment appears as the preferred tool for monitoring the ESG performance and associated risks of the Group's corporate clients. One of the five dimensions of the ESG assessment relates to biodiversity. In addition, the ESG Assessment enables to assess clients' compliance with the Bank's sectoral policies that encompass industries associated with "Palm oil" production, "Wood pulp" exploitation and agriculture activity. Finally, questionnaires dedicated to forest-related resources are administered to clients in order to cover this risk.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,000,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact figure

Following its 2025 GTS strategic plan, the Group expect to reach EUR 4 billion to finance companies helping to protect terrestrial and marine biodiversity.

Cost to realize opportunity

698,211

Strategy to realize opportunity and explanation of cost calculation

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 sustainability and environment expertise. Since 2012 BNP Paribas has set up financing and investment policies governing its activities in sectors considered sensitive from a biodiversity point of view: agriculture (including livestock and forestry), palm oil, wood pulp, mining, unconventional oil and gas. In 2021, the Group strengthened its contribution to the fight against deforestation in the Amazon and Cerrado, by adopting new criteria for the beef and soybean sectors. In January 2023, these commitments were, among others, recognised by the NGO Global Canopy, which ranked BNP Paribas as one of the leaders among 150 financial institutions in its Forest500 ranking for 2022.

Sase study :

Situation: The Group has set the objective to reach EUR 4 billion to finance companies helping to protect terrestrial and marine biodiversity.

Task: In addition to its sectoral policies, the Group aims to develop products and services to promote the transition and to protect biodiversity.

Action: At the end of 2022, the group announced the acquisition of the majority of a sustainable forestry company, International Woodland Company (IWC). Actions such as this are not just about creating new investment opportunities for clients, but also about how the Group bring its commitment to sustainability to life.

Result: IWC enhances our offering through the new Private Assets unit we have created, bringing together and leveraging the strengths of many parts of the BNP Paribas Group.

***Explanation of cost calculation: the cost of management includes the wages of people involved in bonds structuring within the Low-Carbon Transition Group (c. 10 people * 13,484,000,000€ Total Group personal costs / 193,122 FTE in 2022 = 698,211€).

Comment

No further comment.

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

Description of influence on organization's strategy including own commitments

In accordance with its strategy for fighting climate change and for promoting the preservation of natural capital, BNP Paribas has established three policies for governing its financing and investments in the sectors of palm oil, wood pulp and agriculture.

Since 2017, the palm oil policy has included an assessment of new palm oil plantations, based on the high-carbon-stock approach. The policy aims to protect forests possessing a high stock of carbon and is one of the financial sector's most advanced policies.

As an important source of revenues for thousands of persons, wood pulp production can also have environmental impacts, in particular on deforestation. BNP Paribas' wood pulp policy is based mainly on the standards of the Forest Stewardship Council (FSC) and the Program for Endorsement of Forest Certification Schemes (PEFC) to ensure sustainable management of forests.

In early 2021, BNP Paribas strengthened its commitment to combating deforestation through its agricultural policy. The Group is committed to providing financial products or services only to companies (producers, meat packers and traders) with a strategy to achieve zero legal and illegal deforestation in their direct and indirect value chains (production and supply) by 2025 at the latest. In particular, the Group does not finance customers purchasing beef or soybeans from land cleared or converted after 2008 in the Amazon, nor after 2020 in the Cerrado. In addition, this policy now includes criteria related to the improvement of animal welfare, particularly in chicken farms. In 2022, the analysis of the portfolio of meat producers, packers and traders was carried out in order to assess their progress and initiate a dialogue.

Three key figures in the fight against deforestation

- ~2.5m million trees planted as of the end of 2021, thanks to the distribution of structured products indexed to an ESG thematic index
- 200,000 hectares of forests are expected to be preserved or restored in Kenya, thanks to project Kasigau, funded as part of the annual offsetting of residual greenhouse gas emissions linked to Group operations
- €4bn in financing of companies helping to protect terrestrial and marine biodiversity by 2025

Financial planning elements that have been influenced

Assets

Description of influence on financial planning

BNP Paribas Asset Management overall objective is to improve the environmental impact of its investments. There are two targets with respect to the portfolio water and forest footprints:

- Improve the water efficiency of our investment portfolios, especially in water-stressed areas, and measure and disclose the water footprint of our portfolios. We encourage water-intensive companies operating in water-stressed areas to significantly improve their water efficiency while ensuring water access to local communities.
- Support global efforts to end forest loss by 2030. Our target is for relevant companies in our portfolios to:
 - Adopt No Deforestation, No Peat and No Exploitation (NDPE) commitments for agricultural commodities (palm oil, soy, paper, timber and beef products).
 - Adopt NDPE commitments by 2030 from non-agricultural sectors (mining, metals, infrastructure, etc.).

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

Description of influence on organization's strategy including own commitments

When assessing its risks and opportunities in relation with its business activities, BNP Paribas conducts a fully integrated process, involving business lines, the RISK Function and the other control functions throughout the Group. This process, referred to as the risk identification & assessment process (Risk ID) is part of the Group risk management framework. It broke down risk factors into three levels, whose one is entitled as: " Biodiversity loss, land degradation and other nature-related risk factors". The same goes for opportunities, that are identified by the Group depending on the main business lines affected and dealt with sustainable financing solutions that might possibly take into account forest or water themes (green bonds and loans, Sustainability-Linked Bonds and Loans...).

The BNP Paribas Group is exposed to risks related to climate change, either directly through its own operations or indirectly through its financing and investment activities. There are two main types of risks related to climate change: (i) transition risks and (ii) physical risks, which result from the direct impact of climate change on people and property through extreme weather events or long-term risks such as rising water levels or increasing temperatures. Physical risk can spread throughout the value chain of the BNP Paribas Group's clients, which can lead to a payment default and thus generate financial losses, while the process of reducing emissions is likely to have a significant impact on all sectors of the economy by affecting the value of financial assets and corporate profits.

Financial planning elements that have been influenced

Assets

Description of influence on financial planning

In addition to loans and bonds, BNP Paribas is integrating gradually environmental criteria into its entire range of financial products. Since 2015, BNP Paribas has launched a range of indices taking

into account ESG criteria on various themes such as climate, water and biodiversity. At the end of 2022, assets held in these ESG indices amounted to EUR 11.6 billion.

In 2022, BNP Paribas Asset Management strengthened its ESG voting guidelines. It now opposes the major resolutions of large companies in the sectors with a high potential impact on biodiversity, which must now assess and report on their main impacts and dependencies on nature, particularly in terms of deforestation and water issues. In addition to its ESG risk management system, and one year after the publication of its biodiversity roadmap, BNP Paribas Asset Management released the first results of its research to determine the biodiversity footprint of its investments. This methodology takes into account various environmental components including water pollution, and translates them into a quantified impact and quantified dependencies on biodiversity. This data is then aggregated to calculate the biodiversity footprint of a company and then an investment portfolio.

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

Specific forest related scenario have not yet been used to identify forest-related outcomes. But this issue is integrated in the global risk and opportunity framework, ESG assessment and strategy mainly through the Group's sector specific policies.

In 2020, BNP Paribas Asset Management conducted a footprint exercise to determine our overall exposure to certain risks related to water and deforestation. In 2021, a water and forest integration plan was launched, focusing on the analysis of the main risks and opportunities related to water and forests at the level of companies, sectors and funds. The aim is, in particular, to draw up recommendations for trustees for portfolio managers, for example the priority companies with which to dialogue, the case studies to be retained or the questions to be put to the financial director at their next meeting.

Our work in the field of natural capital and biodiversity strengthens our ability to meet the increasingly stringent requirements of European regulators for information on sustainable finance. First, the expertise of our sector analysts, their literature searches and dialogue with companies, as well as our internal and external forward-looking work, will help us communicate on the main mandatory and optional negative impact indicators provided for in the Sustainable Finance Disclosure Regulation (SFDR) on the themes of water and biodiversity. In addition, our current work on our water, forest and biodiversity footprint can directly feed our reporting on four optional indicators.

Water

Scenario analysis conducted to identify outcomes for this issue area

Yes, we have conducted scenario analysis and we have identified outcomes for this issue area

Type of scenario analysis used

Climate-related

Parameters, assumptions, analytical choices

The Group is using stress test to measure the consequences of a climate crisis scenario on its clients portfolio.

The Bank has chosen to use the results from the physical risk scenarios of the European Central Bank (ECB) Climate 2022 stress test for this exercise. The results of the flood, heat wave and drought scenarios of the ECB's 2022 climate stress test have been adjusted to reflect the materiality of chronic physical risk factors over the estimated duration of credit portfolios, by only retaining exposures to non-financial companies to match with the model expected by the European Banking Authority (EBA).

The flood risk scenario was developed based on insights from the work carried out by the European Commission's Joint Research Centre on flood risk, as well as from granular geospatial flood risk data collected for the purposes of the ECB economy-wide climate stress test based on the Four Twenty-Seven dataset.

Description of outcomes for this issue area

In 2022, the Group participated to the ECB 2022 climate scenario exercise which included market risk shocks by sectors for equity and credit underlying to better reflect climate and environmental risk drivers pertaining to market risk.

Explain how the outcomes identified using scenario analysis have influenced your strategy

The insertion of climate and environmental factors in the market risk framework is ongoing through several actions that include:

- The approval framework for ESG transaction for Global Markets activities.
- The operational process and governance for the application of the CSR exclusion list for equity and credit underlying (e.g. further automating the screening process of entities excluded for CSR reason).
- The market risk preliminary dashboard with a focus on climate and environmental risks for trading books positions (equity and credit derivatives), for example through sectorial heat maps and transition ratings.

FW-FS3.3

(FW-FS3.3) Has your organization set targets for deforestation free and/or water secure lending, investing and/or insuring?

	Targets set	Explain why your organization has not set targets for deforestation free and/or water secure lending, investing and/or insuring and any plans to address this in the future
Forests	Yes	
Water Security	No, and we do not plan to set targets in the next two years	To the best of our knowledge, no related targets will be set in the upcoming two years.

FW-FS3.3a

(FW-FS3.3a) Provide details of your targets for deforestation free and/or water secure lending, investing and/or insuring.

Portfolio

Banking (Bank)

Issue area(s) the target covers

Forests

Targets set

Targets for deforestation free/water secure lending

Sectors covered by the target

Food, beverage and tobacco

Target metric

Other, please specify

%age of companies which are not involved in legal and illegal deforestation.

Target value (as %)

Target value

100

Target year

2025

% of target achieved

100

Provide details of the target

In early 2021, BNP Paribas strengthened its commitment to combating deforestation through its agricultural policy. The Group is committed to providing financial products or services only to companies (producers, meat packers and traders) with a strategy to achieve zero legal and illegal deforestation in their direct and indirect value chains (production and supply) by 2025 at the latest.

Portfolio

Banking (Bank)

Issue area(s) the target covers

Forests

Targets set

Other, please specify

financings to companies helping to protect terrestrial and marine biodiversity

Sectors covered by the target

All sectors

Target metric

Total value (unit currency – as specified in C0.4)

Target value (as %)**Target value**

4,000,000,000

Target year

2025

% of target achieved

45

Provide details of the target

Following its commitment to support its clients in the transition to a more sustainable economy, the Group set a KPI to follow this commitment : the Amount of financing to companies contributing to the protection of terrestrial and marine biodiversity: cumulative amount at the end of 2022 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. The amount reached at the end of 2022 was EUR 1.8 billion.

FW-FS3.4**(FW-FS3.4) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?**

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity
Forests	Yes
Water	Yes

FW-FS3.4a**(FW-FS3.4a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.****Product type**
 Other, please specify
 fund
Taxonomy or methodology used to classify product(s)

Externally classified using other taxonomy or methodology, please specify

Product enables clients to mitigate

Deforestation
Water insecurity

Description of product(s)

BNP Paribas Asset Management offers solutions that are recognised and audited by independent labels in Europe (SRI, Greenfin, Finansol...), representing more than EUR 121 billion in assets under management, or nearly 25% of total assets under management at 31 December 2022.

For example BNP Paribas Aqua is a sustainable finance fund dedicated to the water industry. The fund enables investors in all parts of the world to buy shares in companies active across the entire water sector value chain:

- Treatment and purification
- Installation, maintenance and renovation of water conveyance networks
- Management of these networks (pumping, treatment before use, purification of wastewater, decontamination and recycling), etc.

On another hand, in June 2021, BNP Paribas Asset Management announced the launch of BNP Paribas Ecosystem Restoration, a thematic fund offering exposure to companies engaged in the restoration and preservation of global ecosystems and natural capital. The addition of this fund to BNPP AM's range of environmental strategies reinforces its European leadership within sustainable thematic investing.

BNP Paribas Ecosystem Restoration invests in listed global equities across the capitalisation scale that offer environmental solutions contributing to the restoration of ecosystems through their products, services or processes. Investments focus on three main themes:

- Aquatic ecosystems: water pollution control, water treatment and sustainable packaging, aquaculture, efficient irrigation systems and flood control solutions;
- Terrestrial ecosystems: technologies relating to alternative protein, sustainable agriculture, forestry and plantations;
- Urban ecosystems: environmental services, green buildings, recycling, waste management and alternative modes of transport.

Type of activity financed, invested in or insured

Forest protection
Forests restoration
Sustainable agriculture
Water supply and sewer networks infrastructure
Wastewater treatment infrastructure
Water resources and ecosystem protection

Portfolio value (unit currency – as specified in C0.4)

121,000,000,000

% of total portfolio value

25

FW-FS3.5

(FW-FS3.5) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area
Forests	Yes
Water	Yes

FW-FS3.5a

(FW-FS3.5a) Provide details of the policies which include forests- and/or water-related requirements that clients/investees need to meet.

Portfolio

Banking (Bank)

Issue area(s) the policy covers

Forests

Type of policy

Credit/lending policy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

 csr_sector_policy_palm_oil.pdf

Requirements for clients/investees

Commit to no deforestation/conversion of other natural ecosystems
 Commit to no development on peat regardless of depth
 Avoid negative impacts on threatened and protected species and habitats
 Commit to no land clearance by burning or clearcutting
 Commit to no conversion of High Conservation Value areas
 Commit to no conversion of High Carbon Stock forests
 Commit to no activities in IUCN protected areas categories I – IV
 Commit to no activities in Ramsar sites.
 Commit to recognition of legal and customary land tenure rights
 Secure Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities
 Adopt the UN International Labour Organization principles
 Comply with all applicable local, national and international laws and regulations
 Trace forest risk commodities to a point at which deforestation-free status can be assessed

Value chain stages of client/investee covered by criteria

Direct operations and supply chain

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Food, Beverage & Tobacco

Forest risk commodities covered by the policy

Palm oil

Commodities with critical impact on water security covered by the policy**Forest risk commodity supply chain stage covered by the policy**

Production

Processing

Trading

Exceptions to policy based on**Explain how criteria coverage and/or exceptions have been determined**

BNP Paribas aims to ensure that the bank's business activities do not lead to deforestation or forest degradation. BNP Paribas has thus endorsed the Zero Net Deforestation objective set up by the Soft Commodities Compact whose signatories aim to eliminate deforestation from the downstream and upstream supply chain no later than 2020.

To support this policy, BNP Paribas pays special attention when working with clients in the agriculture, palm oil and wood pulp sectors, where forests are particularly exposed. To benefit from our financial services, our clients in these sectors are expected to have in place internal policies that strictly protect High Conservation Value Forests (HCVF) and prohibit any slash-and-burn technique. Moreover, in accordance with the "No peat, no deforestation, no exploitation" (NDPE) commitments, starting from 2017, we require our clients in the palm oil sector to integrate a "High carbon stock" forestry assessment and to achieve "Free Prior and Informed Consent" for potentially impacted local communities.

In general, we encourage our clients to adopt best international industry practices and to move towards higher standards of sustainability. In 2019, we strengthened dialogue with our clients to ensure that they adopt best practices in order to protect natural ecosystems and biodiversity. We focused primarily on our Brazilian clients, given the importance of both the Amazon rainforest and the Cerrado savannah regions to global biodiversity. Lengthy discussions were held with clients in these two regions, to confirm that all clients operating there are either already certified, or have begun the certification process.

In January 2023, these commitments were, among others, recognised by the NGO Global Canopy, which ranked BNP Paribas as one of the leaders among 150 financial institutions in its Forest500 ranking for 2022.

Portfolio

Investing (Asset manager)

Issue area(s) the policy covers

Forests

Type of policy

Sustainable/Responsible Investment Policy

Investment policy/strategy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

 Responsible Business Conduct Policy_EN_2019.pdf

Requirements for clients/investees

Commit to no deforestation/conversion of other natural ecosystems
Commit to no development on peat regardless of depth
Avoid negative impacts on threatened and protected species and habitats
Commit to no land clearance by burning or clearcutting
Commit to no conversion of High Conservation Value areas
Commit to no conversion of High Carbon Stock forests
Commit to no activities in IUCN protected areas categories I – IV
Commit to no activities in Ramsar sites.
Commit to recognition of legal and customary land tenure rights
Secure Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities
Adopt the UN International Labour Organization principles
Comply with all applicable local, national and international laws and regulations
Trace forest risk commodities to a point at which deforestation-free status can be assessed

Value chain stages of client/investee covered by criteria

Direct operations and supply chain

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Food, Beverage & Tobacco

Forest risk commodities covered by the policy

Palm oil

Commodities with critical impact on water security covered by the policy

Forest risk commodity supply chain stage covered by the policy

Production
Processing
Trading

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

BNP Paribas aims to ensure that the bank's business activities do not lead to deforestation or forest degradation. BNP Paribas has thus endorsed the Zero Net Deforestation objective set up by the Soft Commodities Compact whose signatories aim to eliminate deforestation from the downstream and upstream supply chain no later than 2020.

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Portfolio

Banking (Bank)

Issue area(s) the policy covers

Forests

Type of policy

Credit/lending policy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

 bnpparibas_csr_sector_policy_agriculture.pdf

Requirements for clients/investees

Commit to no deforestation/conversion of other natural ecosystems
 Commit to no development on peat regardless of depth
 Commit to no land clearance by burning or clearcutting
 Commit to no conversion of High Conservation Value areas
 Commit to no activities in IUCN protected areas categories I – IV

Commit to no activities in Ramsar sites.
 Commit to recognition of legal and customary land tenure rights
 Secure Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities
 Adopt the UN International Labour Organization principles
 Comply with all applicable local, national and international laws and regulations
 Restricting sourcing of forest risk commodities to verified legal and known sources
 Trace forest risk commodities to a point at which deforestation-free status can be assessed

Value chain stages of client/investee covered by criteria

Direct operations and supply chain

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Food, Beverage & Tobacco

Forest risk commodities covered by the policy

All agricultural commodities

Commodities with critical impact on water security covered by the policy

Forest risk commodity supply chain stage covered by the policy

Production
 Processing

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

BNP Paribas aims to ensure that the bank's business activities do not lead to deforestation or forest degradation. BNP Paribas has thus endorsed the Zero Net Deforestation objective set up by the Soft Commodities Compact whose signatories aim to eliminate deforestation from the downstream and upstream supply chain no later than 2020.

To support this policy, BNP Paribas pays special attention when working with clients in the agriculture, palm oil and wood pulp sectors, where forests are particularly exposed. To benefit from our financial services, our clients in these sectors are expected to have in place internal policies that strictly protect High Conservation Value Forests (HCVF) and prohibit any slash-and-burn technique. Moreover, in accordance with the "No peat, no deforestation, no exploitation" (NDPE) commitments, starting from 2017, we require our clients in the palm oil sector to integrate a "High carbon stock" forestry assessment and to achieve "Free Prior and Informed Consent" for potentially impacted local communities.

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In February 2021 BNP Paribas strengthened its agricultural policy to combat deforestation in the Amazon and the Cerrado. As a result, BNP Paribas provides financial products or services only to the relevant soybean and beef producers, conditioners and traders who have a strategy to achieve zero deforestation in their production and supply chains by 2025 at the latest.

In January 2023, these commitments were, among others, recognised by the NGO Global Canopy, which ranked BNP Paribas as one of the leaders among 150 financial institutions in its Forest500 ranking for 2022.

Portfolio

Investing (Asset manager)

Issue area(s) the policy covers

Forests

Type of policy

Sustainable/Responsible Investment Policy

Investment policy/strategy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

 bnpparibas_csr_sector_policy_agriculture.pdf

Requirements for clients/investees

Commit to no deforestation/conversion of other natural ecosystems

Commit to no development on peat regardless of depth

Commit to no land clearance by burning or clearcutting

Commit to no conversion of High Conservation Value areas

Commit to no activities in IUCN protected areas categories I – IV

Commit to no activities in Ramsar sites.

Commit to recognition of legal and customary land tenure rights

Secure Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities

Adopt the UN International Labour Organization principles

Comply with all applicable local, national and international laws and regulations

Restricting sourcing of forest risk commodities to verified legal and known sources

Trace forest risk commodities to a point at which deforestation-free status can be assessed

Value chain stages of client/investee covered by criteria

Direct operations and supply chain

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Food, Beverage & Tobacco

Forest risk commodities covered by the policy

All agricultural commodities

Commodities with critical impact on water security covered by the policy

Forest risk commodity supply chain stage covered by the policy

Production

Processing

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

BNP Paribas aims to ensure that the bank's business activities do not lead to deforestation or forest degradation. BNP Paribas has thus endorsed the Zero Net Deforestation objective set up by the Soft Commodities Compact whose signatories aim to eliminate deforestation from the downstream and upstream supply chain no later than 2020.

To support this policy, BNP Paribas pays special attention when working with clients in the agriculture, palm oil and wood pulp sectors, where forests are particularly exposed. To benefit from our financial services, our clients in these sectors are expected to have in place internal policies that strictly protect High Conservation Value Forests (HCVF) and prohibit any slash-and-burn technique. Moreover, in accordance with the "No peat, no deforestation, no exploitation" (NDPE) commitments, starting from 2017, we require our clients in the palm oil sector to integrate a "High carbon stock" forestry assessment and to achieve "Free Prior and Informed Consent" for potentially impacted local communities.

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In February 2021 BNP Paribas strengthened its agricultural policy to combat deforestation in the Amazon and the Cerrado. As a result, BNP Paribas provides financial products or services only to the relevant soybean and beef producers, conditioners and traders who have a strategy to achieve zero deforestation in their production and supply chains by 2025 at the latest.

In January 2023, these commitments were, among others, recognised by the NGO Global Canopy, which ranked BNP Paribas as one of the leaders among 150 financial institutions in its Forest500 ranking for 2022.

Portfolio

Banking (Bank)

Issue area(s) the policy covers

Forests

Type of policy

Credit/lending policy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

 bnpparibas_csr_sector_policy_wood_pulp.pdf

Requirements for clients/investees

Commit to no deforestation/conversion of other natural ecosystems
Commit to no development on peat regardless of depth
Commit to no land clearance by burning or clearcutting
Commit to no conversion of High Conservation Value areas
Commit to no activities in IUCN protected areas categories I – IV
Commit to no activities in Ramsar sites.
Commit to recognition of legal and customary land tenure rights
Secure Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities
Adopt the UN International Labour Organization principles
Comply with all applicable local, national and international laws and regulations
Trace forest risk commodities to a point at which deforestation-free status can be assessed

Value chain stages of client/investee covered by criteria

Direct operations and supply chain

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Materials

Forest risk commodities covered by the policy

Timber products

Commodities with critical impact on water security covered by the policy

Forest risk commodity supply chain stage covered by the policy

Production
Processing
Trading

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

BNP Paribas aims to ensure that the bank's business activities do not lead to deforestation or forest degradation. BNP Paribas has thus endorsed the Zero Net Deforestation objective set up by the Soft Commodities Compact whose signatories aim to eliminate deforestation from the downstream and upstream supply chain no later than 2020.

To support this policy, BNP Paribas pays special attention when working with clients in the agriculture, palm oil and wood pulp sectors, where forests are particularly exposed. To benefit from our financial services, our clients in these sectors are expected to have in place internal policies that strictly protect High Conservation Value Forests (HCVF) and prohibit any slash-and-burn technique. Moreover, in accordance with the "No peat, no deforestation, no exploitation" (NDPE) commitments, starting from 2017, we require our clients in the palm oil sector to integrate a "High carbon stock" forestry assessment and to achieve "Free Prior and Informed Consent" for potentially impacted local communities.

In general, we encourage our clients to adopt best international industry practices and to move towards higher standards of sustainability. In 2019, we strengthened dialogue with our clients to ensure that they adopt best practices in order to protect natural ecosystems and biodiversity. We focused primarily on our Brazilian clients, given the importance of both the Amazon rainforest and the Cerrado savannah regions to global biodiversity. Lengthy discussions were held with clients in these two regions, to confirm that all clients operating there are either already certified, or have begun the certification process.

In January 2023, these commitments were, among others, recognised by the NGO Global Canopy, which ranked BNP Paribas as one of the leaders among 150 financial institutions in its Forest500 ranking for 2022.

Portfolio

Investing (Asset manager)

Issue area(s) the policy covers

Forests

Type of policy

Sustainable/Responsible Investment Policy
Investment policy/strategy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

 bnp-paribas_csr_sector_policy_wood_pulp.pdf

Requirements for clients/investees

Commit to no deforestation/conversion of other natural ecosystems
Commit to no development on peat regardless of depth
Commit to no land clearance by burning or clearcutting
Commit to no conversion of High Conservation Value areas

Commit to no activities in IUCN protected areas categories I – IV
Commit to no activities in Ramsar sites.
Commit to recognition of legal and customary land tenure rights
Secure Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities
Adopt the UN International Labour Organization principles
Comply with all applicable local, national and international laws and regulations
Trace forest risk commodities to a point at which deforestation-free status can be assessed

Value chain stages of client/investee covered by criteria

Direct operations and supply chain

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Materials

Forest risk commodities covered by the policy

Timber products

Commodities with critical impact on water security covered by the policy

Forest risk commodity supply chain stage covered by the policy

Production
Processing
Trading

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

BNP Paribas aims to ensure that the bank's business activities do not lead to deforestation or forest degradation. BNP Paribas has thus endorsed the Zero Net Deforestation objective set up by the Soft Commodities Compact whose signatories aim to eliminate deforestation from the downstream and upstream supply chain no later than 2020.

To support this policy, BNP Paribas pays special attention when working with clients in the agriculture, palm oil and wood pulp sectors, where forests are particularly exposed. To benefit from our financial services, our clients in these sectors are expected to have in place internal policies that strictly protect High Conservation Value Forests (HCVF) and prohibit any slash-and-burn technique. Moreover, in accordance with the "No peat, no deforestation, no exploitation" (NDPE) commitments, starting from 2017, we require our clients in the palm oil sector to integrate a "High carbon stock" forestry assessment and to achieve "Free Prior and Informed Consent" for potentially impacted local communities.

In general, we encourage our clients to adopt best international industry practices and to move towards higher standards of sustainability. In 2019, we strengthened dialogue with our clients to ensure that they adopt best practices in order to protect natural ecosystems and biodiversity. We focused primarily on our Brazilian clients, given the importance of both the Amazon rainforest and the Cerrado savannah regions to global biodiversity. Lengthy discussions were held with clients in these two regions, to confirm that all clients operating there are either already certified, or have

begun the certification process.

In January 2023, these commitments were, among others, recognised by the NGO Global Canopy, which ranked BNP Paribas as one of the leaders among 150 financial institutions in its Forest500 ranking for 2022.

FW-FS3.6

(FW-FS3.6) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?

	Covenants included in financing agreements to reflect and enforce policies for this issue area	Explain how the covenants included in financing agreements relate to your policies for this issue area	Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future
Forests	Yes	<p>In order to limit negative impacts, since 2012 BNP Paribas has set up financing and investment policies governing its activities in sectors considered sensitive from a biodiversity point of view: agriculture (including livestock and forestry), palm oil, wood pulp, mining, unconventional oil and gas. In 2021, the Group strengthened its contribution to the fight against deforestation in the Amazon and Cerrado, by adopting new criteria for the beef and soybean sectors. On the contrary, reflecting its CSR strategy and its commitment n°10 "enabling its clients to transition to a low carbon economy respectful of the environment", the Group helps to finance the ecological transition linking loans with positive indicators.</p> <p>For example in March 2020, BNP Paribas acted as sustainability coordinator for Finnish forest-based bioindustry company UPM's €750 million revolving credit facility (RCF). UPM is one of the first companies to link the pricing mechanism of an RCF to its biodiversity and climate-related targets. The margin of the loan is tied to two key performance indicators (KPIs):</p> <ul style="list-style-type: none"> - a net positive impact on biodiversity in the company's forests in Finland, 	

		- a 65% reduction in CO2 emissions from fuels and purchased electricity between 2015 and 2030, in line with UPM's commitment to the United Nations' Business Ambition for 1.5°C.	
Water	No, but we plan within the next two years		<p>In the agriculture policy that applies to all BNP Paribas Group entities, the Group defines a set of rules concerning water in order to limit negative impacts. For large projects, BNP Paribas will only provide financial products or services to Agriculture projects which have a water management plan and disclose water consumption. BNP Paribas will determine whether the farming projects :</p> <ul style="list-style-type: none"> - take measures to minimize water use (e.g. for irrigation) and monitor impacts on water availability for other users, particularly in water stressed areas; - put in place measures to avoid soil salinization (that is considered as a major source of desertification worldwide); - manage their effluents to minimize water pollution. <p>If BNP Paribas is aware that a client operates outside the requirements of the policy, a dialogue will be engaged with the client in order to find an acceptable solution to improve the situation in a timely manner. If this dialogue is unfruitful, BNP Paribas may decide not to pursue any new business with such client and will place existing business under review or exclusion, taking into account existing contractual agreements.</p>

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

We engage with clients/investees on this issue area	
Clients – Forests	Yes
Clients – Water	Yes

Investees – Forests	Yes
Investees – Water	Yes

FW-FS4.1a

(FW-FS4.1a) Give details of your forests- and/or water-related engagement strategy with your clients.

Type of clients

Clients of Banks

Issue area this engagement relates to

Forests

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate clients about your expectations of them in relation to their impact on forests

Run an engagement campaign to educate clients about how your financing/insurance products can help them access opportunities related to reducing forests-related impacts

Portfolio coverage of engagement

100

Rationale for the coverage of your engagement

Non-targeted engagement

Impact of engagement, including measures of success

BNP Paribas offers a wide range of Socially Responsible Investing (SRI) products to meet the demands of investors seeking to reconcile financial performance and societal/environmental responsibility. BNP Paribas presents its CSR strategy several times a year to Socially Responsible Investing (SRI) investors. In 2022, BNP Paribas had 74 interactions with investors of which 26 were dedicated meetings. In addition, regarding clients, BNP Paribas frequently organises targeted meetings with them on the energy and ecological transition. In 2022, 8 interactions with stakeholders were specifically focused on biodiversity/ deforestation issues and 32 presented our overall CSR strategy.

Type of clients

Clients of Banks

Issue area this engagement relates to

Forests

Type of engagement

Education/information sharing

Details of engagement

Engage with clients on measuring exposure to forests-related risk

Portfolio coverage of engagement

100

Rationale for the coverage of your engagement

Engagement targeted at clients with the highest potential impact on forests

Impact of engagement, including measures of success

BNP Paribas engagements and policies are published on BNP Paribas' website and thus all our customers (100%) have access to it. Most of these policies (agriculture, wood pulp and palm oil) include forest-related issues.

Since 2012 BNP Paribas has set up financing and investment policies governing its activities in sectors considered sensitive from a biodiversity point of view: agriculture (including livestock and forestry), palm oil, wood pulp, mining, unconventional oil and gas.

In early 2021, BNP Paribas strengthened its commitment to combating deforestation through its agricultural policy. The Group is committed to providing financial products or services only to companies (producers, meat packers and traders) with a strategy to achieve zero legal and illegal deforestation in their direct and indirect value chains (production and supply) by 2025 at the latest. In particular, the Group does not finance customers purchasing beef or soybeans from land cleared or converted after 2008 in the Amazon, nor after 2020 in the Cerrado.

These commitments were, among others, recognised by the NGO Global Canopy, which ranked BNP Paribas as one of the leaders among 150 financial institutions in its Forest500 ranking for 2022.

FW-FS4.1b

(FW-FS4.1b) Give details of your forests- and/or water-related engagement strategy with your investees.

Issue area this engagement relates to

Forests

Type of engagement

Engagement & incentivization (changing investee behavior)

Details of engagement

Offer financial incentives for investees managing forests-related issues

Encourage better forests-related disclosure practices

Encourage investees to obtain third-party certifications to verify positive impacts on forests

Encourage investees to engage with suppliers to improve their capacity to comply with the company's forests-related policies

Avoid or divest from companies continuing to fail to meet forests-related expectations

Avoid or divest from companies that pose an unacceptable level of forests-related risks

Investing (asset manager) portfolio coverage of engagement

100

Rationale for the coverage of your engagement

Engagement targeted at investees with the highest potential impact on forests

Impact of engagement, including measures of success

In April 2021, BNP Paribas Asset Management (BNPPAM) launched its Roadmap for Biodiversity – “Sustainable by Nature”(https://docfinder.bnpparibas-am.com/api/files/940B42EF-AFFF-4C89-8C32-D9BFBA72BF24), which includes a dedicated Stewardship section, outlining the Group's high-level expectations of corporations and its plans to make nature loss a core focus of our corporate engagements. Much of BNPPAM engagement on the environmental sustainability theme is therefore driven by this roadmap, building on its years of engagement on deforestation.

BNPPAM Roadmap includes a commitment to advocate for an ambitious outcome to the COP15 summit on the Convention on Biological Diversity and to help organize a collaborative engagement programme focused on biodiversity.

In 2022, BNP Paribas Asset Management strengthened its ESG voting guidelines, with particular attention given to the climate and biodiversity. It now opposes the major resolutions of large companies in the sectors that emit the most greenhouse gases, which have not set themselves a carbon neutrality target by 2050. In terms of biodiversity, companies, and in particular those in sectors with a high potential impact on biodiversity, must now assess and report on their main impacts and dependencies on nature, particularly in terms of deforestation and water issues.

See the Public policy & Stewardship strategy : https://docfinder.bnpparibas-am.com/api/files/1E2A036B-5F2C-4CE1-B6F2-12648D5778B0

In addition to its ESG risk management system, and one year after the publication of its biodiversity roadmap, BNP Paribas Asset Management released the first results of its research to determine the biodiversity footprint of its investments. This methodology takes into account various environmental components (land use, air and water pollution, climate change) and translates them into a quantified impact and quantified dependencies on biodiversity. This data is then aggregated to calculate the biodiversity footprint of a company and then an investment portfolio.

FW-FS4.2

(FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?

	We exercise voting rights as a shareholder on this issue area	Issues supported in shareholder resolutions	Give details of the impact your voting has had on this issue area
Forests	Yes	Halting deforestation	BNP Paribas Asset Management uses the voting rights it has in many companies to help adopt resolutions in favour of the energy transition. Globally, BNP Paribas Asset Management is recognised as one of the most proactive asset managers in this area. Thus, the 2021 edition of the “Voting Matters” study by the British NGO ShareAction places BNPP Asset Management in 2nd place in the ranking of asset managers most active in the use of voting to promote environmental and social issues, with a rate of 98%

			<p>in favour of the ESG resolutions assessed.</p> <p>Finally, in 2022, BNP Paribas Asset Management has updated its voting policy with a focus on water and forests. You can find more info : p8 and following, section 3.6.1</p> <p>"Biodiversity-related expectations : https://docfinder.bnpparibas-am.com/api/files/B49ABC53-7F09-4BEB-A9F4-405E0B0D8381</p>
Water	Yes	<p>Reduce water withdrawal and/or consumption</p> <p>Improve water efficiency</p> <p>Reduce water pollution</p> <p>Water, Sanitation and Hygiene (WASH) provision for all workers</p>	<p>BNP Paribas Asset Management uses the voting rights it has in many companies to help adopt resolutions in favour of the energy transition. Globally, BNP Paribas Asset Management is recognised as one of the most proactive asset managers in this area. Thus, the 2021 edition of the "Voting Matters" study by the British NGO ShareAction places BNPP Asset Management in 2nd place in the ranking of asset managers most active in the use of voting to promote environmental and social issues, with a rate of 98% in favour of the ESG resolutions assessed.</p> <p>Finally, in 2022, BNP Paribas Asset Management has updated its voting policy with a focus on water and forests. You can find more info : p8 and following, section 3.6.1</p> <p>"Biodiversity-related expectations : https://docfinder.bnpparibas-am.com/api/files/B49ABC53-7F09-4BEB-A9F4-405E0B0D8381</p>

FW-FS4.3

(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Primary reason for not providing finance and/or insurance to smallholders	Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future
Row 1	No, and we do not plan to in the next two years	Not a strategic focus	The financing is indirect through aggregation of financial needs.

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	External engagement activities that could directly or indirectly influence policy, law, or	Primary reason for not engaging in activities that could directly or indirectly influence	Explain why you do not engage in activities that could directly or indirectly influence
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	regulation that may impact this issue area	policy, law, or regulation that may impact this issue area	policy, law, or regulation that may impact this issue area
Forests	No, we have assessed our activities, and none could either directly or indirectly influence policy, law, or regulation that may impact this issue area	No instruction from management	This is not the role of our institution.
Water	No, we have assessed our activities, and none could either directly or indirectly influence policy, law, or regulation that may impact this issue area	No instruction from management	This is not the role of our institution.

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	No, but we plan to in the next two years		Lack of tools or methodologies available	We do not measure it yet but work is ongoing through TNFD (Task Force on Nature-related Disclosure). BNP Paribas participates to the task force workshop to establish the framework of the TNFD.
Banking – Impact on Water	No, but we plan to in the next two years		Lack of tools or methodologies available	We do not measure it yet but work is ongoing through TNFD (Task Force on Nature-related Disclosure). BNP Paribas participates to the task force workshop to establish the framework of the TNFD.
Investing (Asset	Yes	Forest footprint analysis is a useful tool to improve our understanding of		

manager) – Impact on Forests		<p>our exposure to deforestation. It is not sufficient to assess the full range of actual and potential impacts to the environment our portfolio holdings may be causing, nor does it provide a full picture of our exposure to deforestation risks. However, it does help us to establish a baseline against which we can monitor our performance, and it provides a high-level compass to identify where closer analysis of individual issuers is warranted. This complements the suite of tools and analysis our ESG analysts perform at the sector and issuer-level and helps to identify key targets for direct engagement by our stewardship team and portfolio managers.</p> <p>To report on our portfolios' exposure to deforestation, we used three overarching key performance indicators:</p> <ol style="list-style-type: none"> 1. Transparency 2. Strength of the forest policy and commitments 3. Supply chain traceability practices. <p>The indicators were chosen because of their relevance, relative data availability and simplicity. Covered commodities include timber, palm oil, cattle products, soy and rubber, where possible. To perform the analysis below, we combined data from three key databases - CDP Forest, Forest 500, and SPOTT - to expand our coverage, but we find that these data sources use different criteria and cannot always be combined into one common dataset. These databases include companies that are the most likely to be exposed to deforestation through the agricultural commodities they produce or purchase, and their size and activities, in their operations and supply chains. We are investigating</p>		
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		ways to integrate additional datasets in the future, such as TRASE tools.		
Investing (Asset manager) – Impact on Water	Yes	<p>Water footprint analysis is a useful tool to improve our understanding of our exposure to water scarcity. It is not sufficient to assess the full range of actual and potential impacts to the environment our portfolio holdings may be causing, nor does it provide a full picture of our exposure to water risks. However, it does help us to establish a baseline against which we can monitor our performance, and it provides a high-level compass to identify where closer analysis of individual issuers is warranted. This complements the suite of tools and analysis our ESG analysts perform at the sector and issuer-level and helps to identify key targets for direct engagement by our stewardship team and portfolio managers.</p> <p>To report on our water target, we use three overarching key performance indicators:</p> <ol style="list-style-type: none"> 1. Coverage and disclosure levels 2. Water efficiency of our corporate and sovereign investments 3. Exposure to water stress. <p>The indicators we have chosen cannot capture the full complexity of the water theme. For example, they focus on the availability of fresh water, and help us to identify heavy corporate water use, but do not address water pollution, a key threat to ecosystems. These indicators were chosen to maximise coverage, be applied at different levels of aggregation (such as corporate, countries and portfolios) and take into account local factors as much as possible. Our data sources include S&P Trucost water data, the CDP water dataset, UN FAO Aquastat and the World Resources Institute.</p> <p>When considering only direct water</p>		

		<p>withdrawals (extracted and purchased), over 60% of our corporate AUM is invested in sectors with a 'low to medium' average water intensity (less than 1 000 m3 per EUR million of net sales). This is explained by our large exposure to the finance sector (first heat map). The picture changes when considering direct and indirect water use.</p>		
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FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Lending to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Lending to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Lending to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding

			those related to the products and services included in the exclusion list.
Lending to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Lending to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Lending to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Investing (asset manager) to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Investing (asset manager) to companies operating in the palm oil products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Investing (asset manager) to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Investing (asset manager) to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.

Investing (asset manager) to companies operating in the rubber supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Investing (asset manager) to companies operating in the cocoa supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.
Investing (asset manager) to companies operating in the coffee supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	As BNP Paribas is an international Group, it is potentially exposed to all economic sectors, in compliance with the Group's sectoral policies, and excluding those related to the products and services included in the exclusion list.

FW-FS5.3

(FW-FS5.3) Indicate whether you measure the percentage of clients/investees compliant with your forests- and/or water-related requirements stated in question FW-FS3.5, and provide details.

Portfolio

investing (Asset manager)

Issue area(s) the requirements cover

Forests

Forests risk commodity covered by the requirements

All agricultural commodities
Timber products
Palm oil

Measurement of proportion of clients/investees compliant with forests- or water-related requirements

Yes

Metric used for compliance with forests-related requirements

BNP Paribas Asset Management prioritises three GICS sectors for this analysis, namely consumer staples, consumer discretionary and financials ('relevant sectors'), representing 48% of our corporate AUM. In these sectors, BNP Paribas Asset Management measures clients compliance with its forests-related requirements through 2 metrics : policies and commitments, and traceability of the products.

A pretty large proportion of reporting companies do not satisfy sufficient criteria to earn a 'strong'

rating:

- 30% of our AUM in relevant sectors is invested in companies with a 'weak' grade on policies and commitments
- 35% of our AUM in relevant sectors is invested in companies with only 'weake' traceability

% clients/investees compliant with forests- or water-related requirements

% portfolio value that is compliant with forest- or water-related requirements

70

Target year for 100% compliance

In more than 5 years

FW-FS6.1

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Focus of the Publication

Forests

Publication

In other regulatory filings

Status

Complete

Attach the document

 BNP PAM_PASI_SFDR_Disclosure_Statement_EN_vf.pdf

Page/Section reference

This SFDR statement is organised in two parts:

- The first section provides an overview of how we integrate sustainability risks in investment decisions and investment advice
- The second addresses principal adverse impacts and our due diligence process.

Content elements

Governance

Strategy

Risks and opportunities

Response to forests- and/or water-related risks and opportunities

Financing and/or insurance of agricultural commodities

Comment

BNPP AM has been active in sustainable investment since 2002, when we launched our first socially responsible investment (SRI) fund and set up a dedicated ESG research team – the

precursor of our Sustainability Centre. We were a founding signatory of the Principles for Responsible Investment (PRI) in 2006. Since then, we have strived to implement all six principles with increasing effectiveness, and continue to develop our approach, regularly reporting on our achievements in terms of meeting the goals of the PRI.

We have adopted a sustainable investment approach across our full range of investment strategies since 2020. This means that they integrate the key pillars of sustainable investment defined in our GSS, a critical component of which is ESG integration, i.e. having our analysts and portfolio managers incorporate relevant ESG factors into their evaluation of companies or assets, and investment decision-making processes. The other pillars are Stewardship (voting, engagement), Responsible Business Conduct Expectations (including our exclusion list), and a Forward-Looking Perspective (focusing on shaping a more sustainable future).

While our Responsible Business Conduct (RBC) Policy aims to minimise the principal adverse impacts of our investments on society and the environment, our ESG integration approach also focuses on ESG sustainability risks in our portfolios. The division of ESG factors into material sustainability risks and adverse impacts is not always clear-cut, making it difficult at times to categorise them at the firm level. The application of ESG analysis and Stewardship activity to a portfolio, for example, can result in improvements to corporate behaviour, and though the exclusion of a company from a portfolio for violation of our RBC Policy may not reduce societal impacts, it may protect the portfolio from related risks. Ultimately, the materiality of an ESG risk will depend on the investment strategy, timeframe of the investment, underlying investment universe, as well as other factors.

Within the scope of the investments we propose to our clients, we have strategies that correspond to article 8, to article 9 and we also have some strategies that are neither article 8 or 9.

This statement is organised in two parts:

- The first section provides an overview of how we integrate sustainability risks in investment decisions and investment advice
- The second addresses principal adverse impacts and our due diligence process.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

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I have read and accept the applicable Terms