

ESG INTEGRATION



PETER CHEN

HEAD OF OFFICIAL INSTITUTIONS COVERAGE APAC &
HEAD OF FINANCIAL INSTITUTIONS COVERAGE SEA

August 2019



BNP PARIBAS

The bank for a changing world

ESG Issues and Engagement

Key ESG Issues

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Carbon Emissions	Community Relations	Board Structure
Climate Change Risks	Diversity Issues	Bribery & Corruption
Energy Usage	Employee Relations	Executive Compensation
Supply Chain Management	Health & Safety	Shareholder Rights
Waste & Recycling	Human Rights	Vision & Strategy
Water Management	Product Responsibilities	Voting Procedures

Achieving Strong Engagement

In achieving the required level of engagement:

- Collectively develop our **'positive-impact' culture**, our culture of **diversity and inclusion**, and our **dialogue with society**
- Incorporate social and environmental responsibility more thoroughly into our **operational processes** and into the **Group's major projects**
- **Create new solutions and partnerships** that enable us to support our clients and have a positive impact on the world around us
- Establish **specific 'engagement objectives' for each major Group entity** and incorporate their contributions into the **Group's overall CSR and diversity and inclusion goals**





Examples

- With EUR 168 billion at the end of 2018, total **financing contributing to the energy transition and SDGs**, has **increased by 8.4%**
- The Group has committed to complying with the **“Principles for Responsible Banking”**
- Total support for **social enterprises** (including microfinance institutions) amounted to EUR 1.6 billion, a **growth of 59%** compared to 2017

- The Group signed an agreement with **UNI Global Union** on 7 topics relating to fundamental rights and a **global social framework**
- Jean-Laurent Bonnafé joined the 8 **Thematic Champions of the UN’s HeForShe movement**
- The Group has the ambitious target of **one million hours of skills-based sponsorship** by its employees globally in 2020

- The Group’s subsidiary, **Nickel**, which offers **prepaid “accounts for everyone”**, had opened 1.142 million bank accounts
- More than 350,000 people across 17 countries benefited from the Bank’s support to **microfinance institutions**
- Five fundraising campaigns via the **Rescue & Recover Fund**, which raised more than EUR 570,000 for NGO partner actions on the field

- Alongside 64 other companies, the Bank has supported **act4nature**, an initiative to protect and restore biodiversity
- In addition to **renewable energy** financing, which reached a level of EUR 15.4 billion, the Bank structured and placed EUR 6.3 billion in **green bonds** at end-2018
- The Bank launched **nine Climate indices**, which raised more than EUR 750 million in 2018



BNP Paribas' Ambition for Sustainability

BNP Paribas is a recognized leader in sustainability rankings or indices

Strong Support From Our Management



Jean-Laurent Bonnafé
CEO BNP Paribas

We're determined to live up to our role as a responsible bank by supporting companies and countries that are committed to sustainability.



Antoine Sire

Director of BNP Paribas Company Engagement department

We are now transforming our business processes so as to ensure that CSR criteria, including environmental care, human rights, diversity and gender equality, are properly taken into account in all our lending decisions and our wider business policies.

BNP Paribas has a Series of Commitments to Sustainability, and in Particular To The Energy Transition

INVEST

€100M

in energy efficiency and cleantech start-ups by 2020

CONTRIBUTE TO THE **2C** SCENARIO

International commitments and more than double our financing to the Renewable Energy sector from €6.9 billion in 2014 to €15 billion by 2020
€12.3 billion as of end 2017

Divested from certain sectors including the tobacco sector, stopping both financing and investing in 2017



MAINTAIN A SHARE OF AT LEAST

15%

CURRENTLY 16.5%

of our corporate loans to companies contributing strictly to the achievements of the UN SDGs

As part of its long-standing commitment to help combat climate change,

BNP Paribas became carbon neutral by the end of 2017 in terms of the CO2 emissions arising from its own operations.

Strong Extra-financing Ratings



No.1 European bank in "diversified banks" for 2018



No. 2 / 250 banks in the "Commercial Banks & Capital Markets" sector (C Prime) in 2018



Rated A- in the Carbon Disclosure Project 2017



No.1 French bank in the "diversified banks" sector in 2018



No. 22 / 344 banking companies



"A" score in MSCI ESG Ratings 2017

Host of Sustainable Awards and Rankings

Corporate Knights

1st European and French bank and 3rd bank worldwide in the 'Global 100 Most Sustainable Corporations' ranking 2019



'World's Best Bank for Sustainable Finance 2018'



BNP PARIBAS

The bank for a changing world

Supporting Clients' Transition



Adapting business model to sustainability

• Green M&A

• Asset Valuation



Carbon price hedging, carbon offset

• Verified Carbon Emissions Offset

• Carbon Emissions Trading Schemes



Investing to reduce carbon footprint or improve resource efficiency

• Renewable Energy Financing

• Positive Incentive Loan

• Green, Sustainable & Social Impact Bonds

• Equity-Linked Green Bonds

• Green Securitization

• Wind Power Futures

• Green Export Finance

• Green Deposit

• Green Leasing Solutions

• Green & Sustainable Car Leasing

• Green Real Estate



Asset management

• Responsible Equity Indices

• Responsible Funds



Investing in startups

• €100M in energy startups



Risk Management

• ESG Reporting analytics tools



Disclaimer

The material in this presentation was produced by BNP Paribas SA, BNP Paribas Fortis SA/NV, or one or more affiliates of BNP Paribas SA (together, "BNPP") for information purposes only. Although the information and opinions contained in this presentation have been obtained from you or public sources believed to be reliable, it has not been independently verified, and BNPP makes no representation, warranty, or undertaking, express or implied, whether such information is accurate or complete, and it should not be relied upon as such. There can be no assurance that any estimates, targets, or projections are attainable or will be realized. Past performance is not a guide to future performance, and future returns are not guaranteed. Any views expressed herein reflect the judgment of BNPP as of the date of this presentation and may be subject to change, without notice, if BNPP becomes aware of any information, whether specific to a transaction or general (including changes in prevailing capital markets conditions), which may have an impact on any such views. These views also may differ from or be contrary to views expressed by other departments and/or affiliates of BNPP. This presentation is not, and should not be construed as, an offer document or an offer or solicitation to enter into any transaction, nor should it form the basis of or be relied upon in connection with any contract or commitment whatsoever or be taken as investment advice, and BNPP makes no representation as to the actual terms on which a transaction may be entered into. BNPP will not be responsible for the adequacy or appropriateness of this information for your purposes or any consequences resulting from the use of this presentation or reliance upon any view or statement contained herein or for any omission. BNPP accepts no liability or responsibility whatsoever for any direct or consequential loss arising from any use of material contained in this presentation. Accordingly, you should make your own judgment and assessment of the information contained in this presentation, which is not intended to be the sole basis upon which a determination as to the advisability of any transaction contemplated herein should be made. BNPP does not provide any tax, accounting, or legal advice, and you should seek independent professional advice, as appropriate. Any products mentioned herein may not be registered for public sale in a particular jurisdiction, and their availability for investment or distribution is restricted and subject to local applicable laws and regulations, including sale only to professional or institutional investors. This presentation is confidential and is submitted to selected recipients only. It may not be reproduced (in whole or in part), summarized, or distributed without the prior written permission of BNPP. In relation to the securities, related derivatives, and other financial instruments and the companies, issuers, institutions, entities, and persons referred to in this presentation, BNPP may (or may have within the previous twelve months or may in the future), from time to time: act as manager, co-manager, underwriter of a public offering or otherwise, in the capacity of principal or agent; deal in, hold a position, or act as market maker; provide significant advice or investment services; act as an advisor, broker, investment banker, commercial banker, or lender; solicit or perform investment banking or other services and receive or intend to receive compensation for those services; and acquire non-public information. As an investment bank with a wide range of activities, BNPP may face conflicts of interest, which are resolved under applicable legal provisions and internal guidelines. You should be aware, however, that BNPP may have previously used the information contained herein or the analysis upon which it is based and may engage or have engaged in transactions in a manner inconsistent with the views expressed herein, either for its own account or the account of its clients. BNPP and/or persons connected with it may effect or have effected a transaction for their own account in any investment referred to in this presentation or any related investment before the material is provided to any BNPP clients. On the date of this presentation, BNPP, persons connected with it, and its respective directors and/or representatives and/or employees may have a long or short position in any of the investments mentioned and may purchase and/or sell the investments at any time in the open market or otherwise, in each case either as principal or agent. **This presentation is prepared for professional clients and eligible counterparties and is not intended for retail clients, as defined in the EU Markets in Financial Instruments Directive (MiFID), and should not be provided to any such persons.**



BNP PARIBAS

The bank for a changing world