

PRINCIPLES FOR RESPONSIBLE BANKING

# BNP PARIBAS 2021 REPORTING (INITIAL)



BNP PARIBAS

The bank  
for a changing  
world

Reporting and Self-Assessment Requirements	High-level summary of bank’s response	Reference(s)/Link(s) to bank’s full response/ relevant information
<p><b>Principle 1: Alignment</b> We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p><b>1.1 Describe</b> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>BNP Paribas, Europe’s leading provider of banking and financial services, has four domestic Retail Banking markets in Europe, namely in France, Belgium, Italy and Luxembourg. It operates in 68 countries and has more than 193,000 employees, including nearly 148,000 in Europe.</p> <p>BNP Paribas holds key positions in its two main businesses:</p> <ul style="list-style-type: none"> <li>• <b>Retail Banking and Services</b>, which includes <i>Domestic Markets</i> (French Retail Banking ‘FRB’ Italian Retail Banking ‘BNL’, Belgian Retail Banking ‘BRB’, Luxembourg Retail Banking ‘LRB’, and other domestic markets abilities such as Arval, BNP Paribas Leasing Solutions, BNP Paribas Personal Investors, Nickel) and <i>International Financial Services</i> (Europe-Mediterranean, Bank of the West, Africa, Personal Finance, Insurance, Wealth and Asset Management).</li> <li>• <b>Corporate and Institutional Banking</b> (CIB), which includes Corporate Banking, Global Markets and Securities Services.</li> </ul> <p>BNP Paribas serves millions of clients around the world, from individual customers, to entrepreneurs and small businesses, corporates and civil society organisations. It offers them a wide array of financial solutions adapted to their needs: financing, payment, wealth and asset management, insurance. BNP Paribas is also a provider of real estate services and leasing solutions.</p>	<p>See ‘<b>Presentation of operating divisions and business lines</b>’ (<a href="#">2020 URD</a>, p. 6 to 17) ‘<b>A diversified and integrated model, creating value</b>’ (<a href="#">2020 URD</a>, p. 622 - 623)</p>

<p><b>1.2 Describe</b> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>As expressed in its company's purpose, BNP Paribas' mission is to contribute to responsible and sustainable growth by financing the economy and advising clients according to the highest ethical standards. To this end, the Group adopted social and environmental goals aligned with global standards (such as the SDGs) and those of the financial community (such as the PRB and PRI), and ensure that ethics and its commitment to economic, social, civic and environmental responsibility are integrated into its business operations. BNP Paribas has taken a number of public position on ESG issues, and acts in compliance with numerous commitments, working groups and platforms that are disclosed in its <i>Universal Registration Documents</i>.</p> <p>BNP Paribas was an early supporter of both the SDGs and the Paris Climate Agreement, and took action in the wake of the adoption of these two sustainable landmarks to play its part in their achievement.</p> <p><u>Contributing to the SDGs:</u> The Group's CSR strategy fully contributes to achieving the UN's 17 SDGs that aim to build a sustainable future by 2030: ending poverty and hunger, promoting equality and building sustainable cities, whilst protecting the planet. It covers economic growth priorities, inclusion of vulnerable populations and preserving resources.</p> <p>BNP Paribas contributes in particular to SDG 17 (partnerships for the achievement of goals) through numerous partnerships between banks or reducing inequalities.</p> <p>It is important for BNP Paribas to measure its contribution to the SDGs and to this end, a methodology has been defined and validated by the extra-financial rating agency</p>	<p>See '<b>BNP Paribas' purpose and consideration of environmental and social issues'</b> (<a href="#">2020 URD</a>, p. 543)</p> <p><b>'The CSR Policy Management Dashboard'</b> (<a href="#">2020 URD</a>, p. 545)</p> <p><b>'BNP Paribas' Public Position'</b> (<a href="#">2020 URD</a>, p. 545 – 546)</p> <p><b>'Contributing to the United Nations Sustainable Development Goals (SDGs)'</b> (<a href="#">2020 URD</a>, p. 551 – 552)</p> <p><b>'The Group's framework system and alignment measurement in sectors with high ESG issues'</b> (<a href="#">2020 URD</a>, p. 560 – 563)</p>
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	<p>V.E. It allows to quantify the amounts of financing that contribute to the SDGs, by economic sectors (social, education, health...), partnerships with development banks and institutions, projects with inherent strong positive impact, and other sustainable products.</p> <p><u>Aligning with the conclusions of the Paris Agreement:</u>          Since 2011, BNP Paribas has been contributing to accelerate the energy and ecological transition. Since the Paris Agreement in 2015, the Group has developed and strengthened its ESG risk management framework in accordance with the conclusions of the latter. Besides, BNP Paribas has also been very active in the development of innovative and sustainability-linked products and services, such as Sustainability-Linked Loans (SLLs), to accompany its corporate clients in their transition.</p> <p>BNP Paribas has devised and implemented ambitious financing and investment policies on a number of industries with high impact on climate change (unconventional oil &amp; gas, coal-fired electricity production, mining...). In 2018, the Bank stopped supporting companies whose primary business is exploration, production and export of gas/oil from shale, oil from tar sands or gas/oil production in the Arctic and in 2020, the Group extended this commitment to the Arctic National Wildlife Refuge (oil and gas projects) and the Esmeraldas region in Ecuador (trading of seaborne oil exports). Also in 2020, BNP Paribas announced a strategy for a complete exit from the thermal coal value chain by 2030 in the European Union and OECD countries, and by 2040 in the rest of the world. The mining extraction, dedicated infrastructure and electricity production sectors are directly concerned.</p>	
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	<p>BNP Paribas has begun work on aligning its loan portfolio with the objectives of the Paris Agreement using the PACTA methodology, that it helped to adapt to five high-carbon sectors (fossil fuel extraction, electricity production, transport, steel and cement) as a member of the Katowice commitment. In the electricity generation sector, the Bank's loan portfolio is already in line with the trajectory required to limit global warming to below 2 degrees. BNP Paribas also produced the first reporting according to the Poseidon Principles of CO2 emissions generated by its loan portfolio to the maritime transport sector. As at 31 December 2019, the alignment score of BNP Paribas' loan portfolio in terms of carbon intensity stood at 2.88%, above the decarbonisation trajectory of the industry as defined by the Poseidon Principles.</p> <p>The strategical significance of this twin alignment is notably expressed by the integration of related KPIs into BNP Paribas CSR Dashboard. Hence, at the end of 2020:</p> <ul style="list-style-type: none"> <li>• The amount of loans to companies supporting the energy transition and sectors directly contributing to the SDGs was EUR 188 billion (compared to EUR 180 billion in 2019).</li> <li>• The financing for renewable energies was EUR 17.8 billion (compared to EUR 15.9 billion in 2019).</li> </ul>	
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**Principle 2: Impact and Target Setting**

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

**2.1 Impact Analysis:**

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

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

As a global and diversified financial group, supporting millions of customers in 68 countries, BNP Paribas is familiar with the environmental and social realities and challenges of the numerous sectors, activities and stakeholders it interacts with on a regular basis, and is aware that its impact on the society can be significant.

The CSR Strategy and policy developed and implemented by the Group, and which is applied by all of the Group’s business lines, networks, subsidiaries and countries, have always taken into consideration the materiality and saliency of the issues it tackle, in order to have major (positive) impact on the society. Thanks to the multi-level CSR governance that has been put in place within the Group, from its highest tiers (Board of Directors and Executive Management) to its operational levels (through the 170 people-strong CSR network and 400 additional CSR experts BNP Paribas can mobilize, besides the Group CSR Function), BNP Paribas has been in capacity to identify, assess and prioritize the ESG risks and opportunities it is facing, and to act in consequence and in accordance with its missions and visions and company’s purpose. The ‘4 pillars/12 commitments’ framework used by BNP Paribas since 2012 as its CSR policy exemplifies this approach, by singling out three priorities for each facet of the Group responsibilities (economic, social, civic and environmental).

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

See ‘Our corporate social responsibility strategy (CSR)’ ([2020 URD](#), p. 544) ‘CSR, taken to the highest level in the organisation’ ([2020 URD](#), p. 548) ‘Analysis of risks and opportunities’ ([2020 URD](#), p. 624-626)

<p>products and services. <i>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</i></p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> <li>• Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>• Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul>	<p>material extra-financial issues the Group should address, as considered by their importance for BNP Paribas employees and external stakeholders.</p> <p>In order to complete its materiality matrix, BNP Paribas relied on an assessment of materiality criteria to classify a hundred extra-financial issues based on their relevance to BNP Paribas stakeholders and their impact on the Group’s performance. Various sources were used: a comparative study of the publications of 59 banks, 2,070 regulations, nearly 15,000 articles from the sectoral press, 128 million tweets, and finally 28% of top management employees attested to the importance of these issues for BNP Paribas. The results of this study were classified into three types of issues: important, major and crucial.</p> <p>Following this materiality analysis, the most major and crucial issues (14) were selected. These issues are listed according to the four categories of information appearing in Ordinance 2017-1180: social and environmental consequences, respect for human rights, fight against corruption and tax evasion, to which economic and governance issues were added. For each issue, relevant indicators, policies and associated due diligence have been set and are monitored.</p> <p>With regards to the Significant Impact Areas acknowledged by the PRB as of this reporting release, BNP Paribas considers that <b>Climate change mitigation</b>, <b>Financial inclusion</b> and <b>Biodiversity</b> rank among the most material ones for the Group. However, BNP Paribas also sees Climate change adaptation, Resource efficiency and circular economy, Human rights, Decent employment and Gender equality (among other issues) as material subjects, and has</p>	
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	<p>taken numerous actions in their favour, as reported in the Group <i>Universal Registration Documents</i>. Please refer to :</p> <ul style="list-style-type: none"> <li>• Commitments #10, 11 and 12 (Environmental responsibility) for Climate change adaptation and Resource efficiency &amp; circular economy</li> <li>• Commitment #8 (Civic responsibility), Vigilance Plan and Statement on Slavery and Human Trafficking for Human rights</li> <li>• Commitments #4, 5 and 6 (Social responsibility) for Decent employment and Gender equality</li> </ul>	
<p><b>BNP Paribas statement on Impact Analysis requirements:</b>                  Identifying, assessing and monitoring the impact of the actions of the Group have always be part of BNP Paribas CSR Strategy and policy, which have been initially devised and adapted overtime with a materiality as one their core features. The Group will continue its work in this field, in a spirit of continuous improvement of its practices, and through constructive engagement with its stakeholders.</p>		



<p><b>2.2 Target Setting :</b>  <i>Show</i> that the bank has set and published a minimum of two <b>Specific, Measurable</b> (can be qualitative or quantitative), <b>Achievable, Relevant</b> and <b>Time-bound</b> (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p><i>Show</i> that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><i>Show</i> that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>BNP Paribas has backed its policies and actions towards the aforementioned “areas of most significant impact” by setting public targets related to the latter, many of them included in its CSR Dashboard, and thus, having a direct impact on the retention-plan of the Group’s key 7.700 employees (Group Sustainability and Incentive Scheme – GSIS) and on the annual variable remuneration of the Executive Management.</p> <p><u>Climate change mitigation:</u></p> <ul style="list-style-type: none"> <li>• Amount of corporate financing contributing to the energy transition and to sectors considered as contributing directly to the achievement of UN SDGs (2018 baseline: EUR 168 billion ; 2021 target: increase by €10 billion per year on average over the 2019-2021 period ; 2020 results : EUR 188 billion).</li> <li>• Financing for renewable energies (2018 baseline: EUR 15.4 billion; 2021 target: EUR 18 billion; 2020 results: EUR 17.8 billion).</li> <li>• Greenhouse gas emissions in teqCO2/FTE (kWh buildings and business travel) (2018 baseline: 2.45 ; 2021 target: 2.31 ; 2020 results : 1.80)</li> </ul> <p>Besides, BNP Paribas announced a strategy for a complete exit from the thermal coal value chain by 2030 in the European Union and OECD countries, and by 2040 in the rest of the world, which another high-profile/high-impact target the Group publicly committed to with regards to Climate change mitigation. Beyond coal, BNP Paribas, aware of the impact of the use of fossil fuels in climate change, is considering to set additional targets on the oil and gas sector.</p>	<p>See ‘<b>The CSR Policy Management Dashboard</b>’ (<a href="#">2020 URD</a>, p. 545)  ‘<b>Strengthening sectoral CSR climate policies</b>’ (<a href="#">2020 URD</a>, p. 560)  ‘<b>Providing assistance to vulnerable customers</b>’ (<a href="#">2020 URD</a>, p. 589)  ‘<b>Contributing to protecting biodiversity and the oceans</b>’ (<a href="#">2020 URD</a>, p. 600-601)  ‘<b>An ambitious policy of engaging with society</b>’ (<a href="#">2020 Full year results</a>, slide 18)  ‘<a href="#">BNP Paribas and Ocean Protection</a>’</p>
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	<p><u>Financial inclusion:</u></p> <ul style="list-style-type: none"> <li>• Amount of corporate financing contributing to the energy transition and to sectors considered as contributing directly to the achievement of UN SDGs (2018 baseline: EUR 168 billion ; 2021 target: increase by €10 billion per year on average over the 2019-2021 period ; 2020 results : EUR 188 billion)</li> <li>• Support (financing, investments on behalf of the bank and third parties) to associations and Social and Solidarity Economy enterprises (2018 baseline: EUR 5.6 billion ; 2021 target: EUR 6.3 billion ; 2020 results : EUR: 6.3 billion)</li> </ul> <p>Besides, Nickel (a subsidiary of the Group offering a bank account, an IBAN, and a payment card for all from age 12 without conditions, allowing vulnerable customers to benefit from basic banking services) has set a target of 700.000 customers in Spain, a newly entered market, by the end of 2024. At end of 2020, more than 1.9 million Nickel accounts had been opened in France.</p> <p><u>Biodiversity:</u></p> <ul style="list-style-type: none"> <li>• Amount of financing linked to criteria related to the protection of terrestrial biodiversity : EUR 3 billion at end 2025</li> </ul> <p>Besides, BNP Paribas took in 2018 several biodiversity-related commitments as a signatory of the Act4Nature initiative, launched under the aegis of EPE (Entreprises pour l'Environnement). Those included (among others) the protection of High Conservation Value (HCV) forests and prohibition of slash-and-burn practices by clients of the farming, palm oil production, pulp and paper, and</p>	
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	<p>mining sectors; and the demand for a “High Carbon Stock Approach” from clients operating in the palm oil sector. The Group reported on the level of achievement of these commitments at end 2020, the year of the first deadline defined by Act4Nature.</p> <p>Preservation of marine biodiversity is also a concern of the Group, as expressed by the Position on Oceans published in 2019. Among other actions, this position requires that clients do not use dynamite or cyanide, drift nets longer than 2.5km, electric fishing, and bottom trawling beyond a depth of 800 meters.</p> <p>BNP Paribas is fully aware that all projects can have potential negative consequences and impacts. Identifying, addressing and, as much as possible, mitigating these risks is a key concern of the Group, which has developed to this end a comprehensive framework devoted to the management of ESG risks. Project financing is especially addressed through the Group commitment to the Equator Principles (since 2008) and the deployment and implementation of BNP Paribas’ sectoral policies (eg agriculture, unconventional oil &amp; gas, mining...), which contain stringent ESG criteria that projects must abide by in order to benefit from the support of the Group.</p> <p>These above mentioned targets have been set after extensive assessments, researches and dialogue with expert stakeholders, in order to be both ambitious (and thus impactful) and achievable. The potential negative impacts of these objectives were also considered: while they were found to be not significant for Financial inclusion (<i>ie</i> there is no identified potential negative impact to be mitigated should the aforementioned targets be achieved), the subject of “just transition”</p>	
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(accompanying the transition of clients in order to let them the time and resources to shift their business model in line with sustainability targets) is pivotal for Climate change mitigation and Biodiversity, as stopping to support companies active in sectors at high climate change and biodiversity risks can have a negative impact on local development and result in job losses. Therefore, the Group is keen to engage with its potentially impacted clients during the drafting and implementation phases of its ESG policies, in order to facilitate the understanding and application of the latter.

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

BNP Paribas set SMART targets on Climate change mitigation and Financial inclusion significant impact areas to fulfil its requirements under this section. The Group will strive to develop the same level of disclosure and transparency on the Biodiversity SIA in the months to come.



<p><b>2.3 Plans for Target Implementation and Monitoring:</b></p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets.</i></p>	<p>BNP Paribas has taken actions to ensure that it will be in capacity to meet the targets described in the precedent sections. Annual advancement on the KPIs of its CSR Dashboard is provided in the Universal Registration Documents, and additional qualitative reporting, describing the actions taken and the results obtained from one year to the next in terms of extra-financial performance, is exposed in the chapter 7 of BNP Paribas URDs.</p> <ul style="list-style-type: none"> <li>• For Climate change mitigation, refer to Commitments #3 (Economic responsibility), 10, 11 and 12 (Environmental responsibility) as well as Climate-related issues management summary.</li> <li>• For Financial inclusion, refer to Commitment #1 (Economic responsibility) and #7 (Civic responsibility).</li> <li>• For Biodiversity, refer to Commitments #3 (Economic responsibility), 10, 11 and 12 (Environmental responsibility).</li> </ul>	<p>See ‘The CSR Policy Management Dashboard’ (<a href="#">2020 URD</a>, p. 545)</p> <p>‘Economic responsibility’ <a href="#">2020 URD</a>, p. 550-566)</p> <p>‘Civic responsibility’ <a href="#">2020 URD</a>, p. 586-593)</p> <p>‘Environmental responsibility’ <a href="#">2020 URD</a>, p. 594-607)</p> <p>‘Climate-related issues management summary’ <a href="#">2020 URD</a>, p. 608-614)</p>
<p><b>BNP Paribas statement on Target Implementation and Monitoring requirements:</b></p> <p>The comprehensive, both at quantitative and qualitative levels, extra-financial disclosure published by the Group, fulfils the PRB requirements regarding Plans for Target Implementation and Monitoring.</p>		

<p><b>2.4 Progress on Implementing Targets:</b>  <u>For each target separately:</u>                  Show that your bank has implemented the actions it had previously defined to meet the set target.  <b>Or explain</b> why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.                  Report on your bank’s progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>Regarding the aforementioned targets:  <u>Climate change mitigation:</u>                  Amount of corporate financing contributing to the energy transition and to sectors considered as contributing directly to the achievement of UN SDGs (target: increase by EUR 10 billion per year on average over the 2019-2021 period) :                  BNP Paribas has increased its financing towards companies and projects contributing to the energy transition and the achievements of the SDGs in line with its commitment on the matter, notably through the development and mainstreaming of innovative products and services, such as sustainability-linked loans (SLL), sustainability deposits, green bonds or positive impact bonds. BNP Paribas, which is one of the leaders in the sector of SLL, was ranked first for the Europe, Middle East and Africa (EMEA) region by Dealogic at the end of 2020.                  Financing for renewable energies (target: EUR 18 billion at end 2021) :                  BNP Paribas ranked second in financing renewable energy projects in the EMEA region and 4<sup>th</sup> worldwide (Dealogic ranking at the end of December 2020). As at end-2020, financing for the renewable energy sector amounted to EUR 17.8 billion. This brings the Group closer to its target of EUR 18 billion at the end of 2021, one year ahead of schedule.                  Greenhouse gas emissions in teqCO2/FTE (kWh buildings and business travel) (target: 2.31 teqCO2/FTE at end 2021):</p>	<p>See ‘The CSR Policy Management Dashboard’ (<a href="#">2020 URD</a>, p. 545)                  ‘Contributing to the United Nations Sustainable Development Goals (SDGs)’ (<a href="#">2020 URD</a>, p. 551 – 552)                  ‘Financing social entrepreneurship’ (<a href="#">2020 URD</a>, p. 552 – 553)                  ‘Increased support for renewable energy’ (<a href="#">2020 URD</a>, p. 595)                  ‘Ongoing efforts to save energy and improve energy efficiency in our operations’ (<a href="#">2020 URD</a>, p. 602)</p>
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	<p>BNP Paribas has implemented actions and programmes to jointly reduce greenhouse gas emissions (mainly caused by buildings energy consumptions and business travels) and use low-carbon electricity. At end of 2020, BNP Paribas had already gone further than its 2021 GHG emissions target (1.80 teqCO<sub>2</sub>/FTE, versus a target of 2.31). This good performance was impacted by the 2020 health crisis, but is also aligned with the actions undertaken in the long term to reduce GHG emissions at Group level. Besides, the Group offsets its residual emissions and has been carbon-neutral since 2017.</p> <p><u>Financial inclusion:</u> Amount of corporate financing contributing to the energy transition and to sectors considered as contributing directly to the achievement of UN SDGs (target: increase by EUR 10 billion per year on average over the 2019-2021 period) : See above.</p> <p>Support (financing, investments on behalf of the bank and third parties) to associations and Social and Solidarity Economy enterprises (target: EUR 6.3 at end 2021) :</p> <p>BNP Paribas achieved its goal of EUR 6.3 billion of support to associations and SSE business one year before due. Due to the specific context of the health crisis, 2020 was marked by intense work to support social enterprises that suffered from the latter (donations, granting of State-guaranteed loans, exceptional support to a “Covid-19 solidarity accelerator” to support crowdfunding campaigns, coaching sessions, hackathons...). BNP Paribas was also named “World’s Best Bank for Financial Inclusion” by Euromoney in 2020, an external acknowledgment of its position of leader in this field.</p>	
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	<p><u>Biodiversity:</u></p> <p>Amount of financing linked to criteria related to the protection of terrestrial biodiversity (target: EUR 3 billion at end 2025):</p> <p>This is a recently set target, upon which BNP Paribas will report in the course of the coming months, through its ESG disclosure.</p> <p>The progress made over the last 18 months towards achieving the aforementioned targets is described within section 2.2. Most of these targets were KPIs set as part of the 2019-2021 triannual plan, with targets to be achieved at the end of the year. As of end 2020, BNP Paribas was on track to reach or had already achieved the goals it has established for this plan.</p>	
<p><b>BNP Paribas statement on Process on Implementing Targets requirements:</b>                  The comprehensive, both at quantitative and qualitative levels, extra-financial disclosure published by the Group, fulfils the PRB requirements regarding Progress on Implementing Targets.</p>		



**Principle 3: Clients and Customers**

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

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

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

Protecting clients’ interests and supporting vulnerable customers:

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

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

See ‘Ethics of the highest standards’ ([2020 URD](#), p. 555)

‘The fight against tax evasion’ ([2020 URD](#), p. 555-556)

‘Protecting clients’ interests’ ([2020 URD](#), p. 556-558)

‘A development strategy built around financial and social performance’ ([2020 URD](#), p. 587)

‘Providing assistance to vulnerable customers’ ([2020 URD](#), p. 588-589)

[‘Code of Conduct’](#)

[‘Responsible Business Principles’](#)

‘Health crisis: exceptional mobilisation of BNP Paribas for its clients and society at large’ ([BNP Paribas and the exercise of its CSR](#), slide 20)

	<p>also to the prevention of over-indebtedness. For instance, the French Retail Banking has developed, with several members of “Companies for a More Inclusive Economy” association, the AXELLE platform for customers in difficulty, who can access to inclusive offers on essential products and services to reduce their spending constraints, and support with their job search. Another high profile example is the development of Nickel, a Group subsidiary providing an easy access to basic banking services to a public of (mostly) vulnerable customers. At end of 2020, 1.9 million accounts had been opened.</p> <p>As financial education has demonstrated its effectiveness in combating excessive indebtedness and encouraging economic growth, most Group entities deploy training programmes in several countries (Responsible Budget, Campus Services and Futuriamo platforms, notably).</p> <p><u>Complying with regulations:</u></p> <p>The BNP Paribas Group is dedicated to serving its customers. At the same time, the Group always needs to be conscious of the impact its actions can have on wider society.</p> <p>The BNP Paribas Group is committed to complying with all applicable laws for preventing criminal and terrorist activities, and to upholding international action that is conducted through the financial industry. The Group is also committed to upholding and protecting the integrity of markets. Anti-competitive behaviour is rejected and the Group is committed to building upon a culture of responsibility and integrity to better serve the interests of its customers.</p>	
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	<p>Moreover, compliance with all tax obligations is one of the BNP Paribas Group’s commitments in terms of economic, social, civic and environmental responsibility. The tax compliance of transactions intended to meet its needs or those of its clients is therefore a major objective of the Group’s governance, which, for this purpose, has defined principles and procedures applicable to all transactions in which the Group is a stakeholder. These elements are included in the BNP Paribas Group’s Tax code of conduct published in 2020. As stated herein, the Group takes the greatest care in ensuring the tax compliance of its clients and is prohibited from participating in transactions for the benefit of its clients that could lead to an undue tax advantage.</p> <p><u>COVID-19 response:</u></p> <p>In complement of these well-established policies, BNP Paribas also answered the needs of its clients during the COVID-19 crisis by a number of ad-hoc actions and programmes, for instance:</p> <ul style="list-style-type: none"> <li>• Payment deferrals and moratoriums</li> <li>• 69 000 applications were received for state guaranteed loans in particular for very small businesses and SMEs</li> <li>• BNP Paribas was joint lead manager for EUR 45.6 billion of “Covid-19 response bonds” as of the end of June 2020 and positions itself as one of the leaders in this market</li> <li>• The Group strengthened its support for Micro-Financial Institutions (MFIs) facing liquidity and solvency problems, and maintained the majority</li> </ul>	
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	<p>of its credit lines, while restructuring financing and accepting requests for a moratorium or relaxing financial covenants. The Group also deployed new loans for MFIs despite the crisis.</p> <ul style="list-style-type: none"> <li>• BNP Paribas Personal Finance deployed a system to support customers during the health crisis, including postponing maturities for individual customers , taking the pandemic risk into consideration in the contracts insuring loans, the wide deployment of digital solutions developed in recent years (in particular for electronic signatures).</li> </ul>	
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<p><b>3.2</b> Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities.</p>	<p>BNP Paribas has been encouraging sustainable practices from its clients and customers through various and complementary means.</p> <p><b>Encouraging sustainable practices:</b> Corporate clients are subjected to a comprehensive ESG risk management system, which ensure that the Group does not finance or invest in companies or projects that are not in line with its CSR Strategy and policies. Through frequent updates and strengthening of its tools (KYC questionnaires, screening grids...) and sector policies (agriculture, mining, defence, unconventional oil &amp; gas...), BNP Paribas also contributes to the evolution and improvement of its client sustainable performances.</p> <p>Complementary to this risk-driven approach, BNP Paribas is also keen to offer its clients innovative, sustainability-linked products and services, and is a major player in this field:</p> <ul style="list-style-type: none"> <li>• In 2020, BNP Paribas was ranked first provider of Sustainability-Linked Loans for the Europe, Middle East and Africa (EMEA) region by Dealogic at the end of 2020. In total, BNP Paribas participated in SLLs for an aggregate amount of EUR 109 billion in 2020, including EUR 9.4 billion directly underwritten by the Bank with major corporate clients.</li> <li>• In 2020, BNP Paribas was the second largest player in the green bond market (green bonds) according to Bloomberg, with EUR 10.8 billion as bookrunner for its clients.</li> <li>• BNP Paribas developed in 2020 a short-term investment offer: Sustainable Deposit. The</li> </ul>	<p>See ‘<b>Financing social entrepreneurship</b>’ (<a href="#">2020 URD</a>, p. 552)  ‘<b>Financing with a strong positive impact</b>’ (<a href="#">2020 URD</a>, p. 565)  ‘<b>A comprehensive ESG risk management system for products and services provided by the Group</b>’ (<a href="#">2020 URD</a>, p. 565)  ‘<b>Helping to finance the energy and environmental transition</b>’ (<a href="#">2020 URD</a>, p. 595-596)  ‘<b>Fully supporting corporate clients in their energy and environmental transition</b>’ (<a href="#">2020 URD</a>, p. 597-598)  ‘<b>Supporting our individual customers in reducing their energy consumption</b>’ (<a href="#">2020 URD</a>, p. 598-599)</p>
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	<p>approach is based on the existing methodology for measuring the contribution to the SDGs and has been reviewed favourably by the extra-financial rating agency V.E. The first Sustainable Deposit was signed in September 2020 with the Unilever Group.</p> <ul style="list-style-type: none"> <li>• Since 2015, BNP Paribas has launched 12 climate indices raising over EUR 4.15 billion (including EUR 1.4 billion in 2020). These solutions offer investors a financial return while enabling them to contribute to the energy transition.</li> </ul> <p>Small businesses and individuals can also benefit from tailored offers and services from BNP Paribas, in order to help them to adopt more sustainable practices and behaviours.</p> <p><u>Support for SMEs :</u></p> <ul style="list-style-type: none"> <li>• In France, French Retail Banking offers solutions to support all its corporate clients in the energy and environmental transition. A broad-based set of solutions, listed in a Green Book, was developed jointly with the Group’s other businesses (Arval and BNP Paribas Leasing Solutions) and the partner Économie D’Énergie (EDE), around three areas of action by corporate customers to reduce their energy consumption: real estate, transport and mobility, movable properties. A “Changetogreen.fr” programme has also been developed to help companies improve the energy efficiency of their buildings. As at end-2020, the entity’s support for the energy transition of French SMEs stood at EUR 3.1 billion. Lastly, French Retail Banking</li> </ul>	
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	<p>specifically supports energy transition players by providing them with a centre of expertise, the Green Desk, which already supports more than 1,000 clients.</p> <ul style="list-style-type: none"> <li>• In Belgium, through its “Sustainable Business Competence Centre” (SBCC), BNP Paribas Fortis provides expertise and support to its SME clients in order to design and finance infrastructure for the production of renewable energy or to improve the energy efficiency of their facilities. Its aim is to support companies in their transition towards a sustainable business model that addresses climate change.</li> <li>• In Poland, BNP Paribas Bank Polska, in partnership with the Polish development bank, implemented a government guarantee called BiznesMax to secure loans granted to SME for innovative environmental investments. The guarantee covers projects related to the energy efficiency of buildings, renewable energies, process efficiency, electric mobility and the circular economy.</li> </ul> <p><u>Support for individuals (retail banking support):</u></p> <ul style="list-style-type: none"> <li>• In France, to make the solutions offered to private individuals more visible and unified, BDDF has developed the Eco-solutions range, which includes: Mon Empreinte Carbone (My Carbon Footprint) on the mobile apps of MaBanque BNPP and Hello bank! to enable customers to estimate the carbon footprint of their daily expenses, and an offer of loans at</li> </ul>	
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	<p>preferential rates (eco-friendly car loan, Énergibio loan).</p> <ul style="list-style-type: none"> <li>• In the United States, Bank of the West launched a “1% for the Planet” checking account. It provides customers with a carbon monitoring tool allowing them to visualise the impact of each purchase made with their debit card. In addition, Bank of the West donates 1% of the net revenues of the account to non-profit environmental partners.</li> </ul> <p><u>Support for individuals (energy renovation of the house):</u></p> <ul style="list-style-type: none"> <li>• French Retail Banking has co-developed the “monprojetrenovation.com” website, which offers a complete programme, from energy diagnostics to identifying eligible subsidies and tax credits. In addition, it offers Énergibio loans at preferential rates (0% or 1%), dedicated to financing renovation work. In November 2020, the volume of Énergibio loans increased by almost 30% compared to 2019, with more than 2,000 loans.</li> <li>• In Belgium, BNP Paribas Fortis offers green energy loans at preferential rates to finance work to reduce household energy consumption. At the end of 2020, these green retail mortgages totalled EUR 3.75 billion.</li> <li>• In Poland, BNP Paribas Polska has been offering green home loans since September 2020, the rate of which is reduced by 0.1% if the property meets strict criteria for environmental</li> </ul>	
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	<p>certification and energy consumption per square meter.</p> <p><u>Support for individuals (consumer loans to finance more sustainable goods):</u></p> <ul style="list-style-type: none"> <li>• In France, an ecological car loan at a preferential rate of 1% is offered to customers for the purchase of an electric bicycle or a vehicle eligible for the ecological bonus or the State ecological subsidy. In addition, an online simulator allows customers to easily choose their used vehicle according to its CO2 emissions rate.</li> <li>• In Italy, a green loan at an attractive rate is offered to individuals to finance renewable energy installations, energy efficiency work or the purchase of hybrid or electric vehicles</li> </ul> <p><b><u>Enabling sustainable economic activities:</u></b></p> <p>BNP Paribas is a strong supporter of the energy transition, and is among the first financiers of renewable energies. The Group ranked second in financing renewable energy projects in the EMEA region and 4<sup>th</sup> worldwide (Dealogic ranking at the end of December 2020).</p> <p>The Group is also a long-time supporter of microfinance (since 1989) and social business. In 2020, total support for social enterprises and Microfinance institutions (“MFIs”) (financing, investments on its own behalf or on behalf of third parties) amounted to EUR 2.2 billion worldwide.</p>	
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**Principle 4: Stakeholders**

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

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

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

- Dialogue with the **employees** or employee representatives are described in the social pillar of BNP Paribas *Universal Registration Documents*. Employees may use the Company’s whistleblowing system.
- **Individual and small business clients** of all French Retail Banking entities have access to a complaint management system. Numerous entities provide their clients with the opportunity to use an independent ombudsman. The feedback channels thus opened allow the Group to take into account its clients’ requests for improvement, and to improve its policies and practices as a consequence.
- In the framework of its asset management activities, BNP Paribas Asset Management engages with **companies in which the entity invests** on ESG (environmental, social and governance) topics in order to preserve, or even

See ‘**BNP Paribas’ public positions’** ([2020 URD](#), p. 545-546)  
 ‘**Fostering dialogue with stakeholders’** ([2020 URD](#), p. 548-549)  
 ‘**How BNP Paribas listens to and takes into account the expectations of its stakeholders’**

	<p>enhance, the medium and long-term value of the investments made on behalf of its clients.</p> <ul style="list-style-type: none"> <li>• BNP Paribas regularly exchanges with its main <b>suppliers</b>, primarily through business reviews, information sessions and themed morning events. The Group also offers them a redress procedure in case of difficulties. In France, an internal mediator of the Group, appointed in accordance with the commitments of the BNP Paribas Responsible Procurement Charter and independent of the Group Strategic Sourcing function, can be contacted by any supplier in the event of a dispute.</li> <li>• BNP Paribas presents its CSR strategy to <b>investors</b> several times a year and regularly informs <b>extra-financial analysts</b>.</li> <li>• The Group has defined a policy and a management process for its relations with <b>advocacy NGOs</b>, in order to ensure a constructive, coordinated and productive dialogue with them. As part of its ongoing dialogue with stakeholders, BNP Paribas had 109 different exchanges with NGOs throughout the world in 2020, against 83 exchanges in 2019.</li> <li>• In order to better identify <b>civil society's expectations</b> when making its strategy evolve, BNP Paribas has developed a decision-making tool to guide its actions and anticipate future challenges: the "Corporate Engagement Barometer".</li> </ul>	
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	<ul style="list-style-type: none"> <li>• With regard to <b>regulatory organisations, governments and parliamentarians</b>, in November 2012, BNP Paribas adopted a “Charter for responsible representation with respect to the public authorities”. In 2017, BNP Paribas was registered in the digital register of lobbyists, managed by the Haute Autorité pour la Transparence de la Vie Publique (HATVP, High Authority for Transparency in Public Life). In February 2014, the Group signed the joint declaration on transparency in lobbying, introduced by Transparency International France, then in May 2019 its revised version, thus renewing the commitments made in 2014 as a follow-up to the provisions of the Sapin 2 law on representation of interests. The <a href="#">dedicated website</a> of its Public Affairs France Department details its work in the area of responsible representation. The Group’s public positions concerning banking and financial regulations are also available on its <a href="#">website</a>.</li> </ul> <p>The stakeholder mapping and BNP Paribas’ dialogue initiatives with each stakeholder are described in detail in the document “How BNP Paribas listens to and takes into account the expectations of its stakeholders”.</p> <p>Moreover, BNP Paribas also engages with society on sustainability issues through its participation and membership in a number of business initiatives strategic coalitions of active markets on CSR topics, with top level representatives :</p> <ul style="list-style-type: none"> <li>• Jean-Laurent Bonnafé, Chief Executive Officer of the BNP Paribas Group, is Chairman of the</li> </ul>	
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	<p>Entreprises pour l'Environnement think tank (EpE brings together more than 50 companies);</p> <ul style="list-style-type: none"> <li>• Antoine Sire, Head of Company Engagement at the BNP Paribas Group, co-chairs the informal working group tasked with preparing the work of the Task Force on Nature-related Financial Disclosure (TNFD);</li> <li>• Laurence Pessez, CSR Director of the BNP Paribas Group, sits on the Banking Board of the Principles for Responsible Banking of the UNEP FI (PRB);</li> <li>• Jane Ambachtsheer, Global Head of Sustainability at BNP Paribas Asset Management, and Mark Lewis, Chief Sustainability Strategist at BNP Paribas Asset Management, are members of the Task Force on Climate-related Financial Disclosures (TCFD).</li> </ul>	
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**Principle 5: Governance & Culture**

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

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

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

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

See ‘The Board of Directors’ ([2020 URD](#), p. 47)  
 ‘CSR, taken to the highest level in the organisation’ ([2020 URD](#), p. 548)  
 ‘A comprehensive ESG risk management system for products and services provided by the Group’ ([2020 URD](#), p. 565)  
 ‘Financing and investment activities’ ([2020 URD](#), p. 617)



	<p>divisions, business lines, networks, departments and subsidiaries in order to facilitate the roll-out of the CSR policy across the whole Group. In total, more than 170 people spend all or a majority of their time on CSR matters within BNP Paribas. They can also call upon the expertise of nearly 400 contributors on specific topics such as direct environmental impacts, microfinance and even financing and investment policies.</p> <ul style="list-style-type: none"> <li>• For the analysis of environmental, social and governance (ESG) risks, the CSR Department relies on the various businesses, which constitute the first line of defence. The Group CSR Function supports businesses in the most complex analyses, providing its thematic and industry expertise. The Risk Management Function acts as a second line of defence for CSR assessments as part of the credit and investment decision-making process</li> </ul> <p>The PRB implementation will also benefit from the comprehensive ESG framework devised, expanded and regularly strengthened by BNP Paribas towards the management of its extra-financial performance. Regarding the financing and investment activities of the Group, this framework is notably based on :</p> <ul style="list-style-type: none"> <li>• The development of financing and investment policies to regulate sectors with high ESG risks. These policies, which are available on the Group’s website, are updated according to regulatory changes, their expected changes, and reports from the operational teams of the Group’s businesses;</li> </ul>	
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	<ul style="list-style-type: none"> <li>• The respect of the Equator Principles for major industrial and infrastructure projects. BNP Paribas has been a signatory to the Equator Principles since 2008: they aim to avoid, reduce, mitigate or offset the negative impacts of large industrial or infrastructure projects on communities, ecosystems or the climate;</li> <li>• The integration of ESG criteria into the “Know Your Customer” process (KYC);</li> <li>• A progressive integration of ESG criteria into lending and rating policies;</li> <li>• The development and use of tools to manage and monitor such risks, such as specific questionnaires for activities that have salient risks;</li> <li>• Training on ESG risk management systems for Financing business lines and Control functions;</li> <li>• An operational control plan</li> </ul>	
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<p><b>5.2 Describe</b> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Responsibility and compliance culture are a strength and a driving force of BNP Paribas. It expected from all the Group employees to abide by these principles at all time, as stated in BNP Paribas Code of Conduct. The fostering of a culture of responsible banking among the Group employees is notably built on:</p> <ul style="list-style-type: none"> <li>• General awareness of the tenets of the Code of Conduct. Mandatory online training in the Code of conduct was delivered in 2016, and has continued since then for new hires.</li> <li>• Comprehensive training programmes, with special care for matters of ethics and conduct, as demonstrated by the inclusion of a related KPI within the Group CSR Dashboard. As examples of the high rate of completion, in 2020 :             <ul style="list-style-type: none"> <li>○ 97% of the Group’s employees completed the online training on “International sanctions and embargoes”.</li> <li>○ The “anti-corruption” training for the most exposed employees, i.e.27,000 employees, was carried out, reaching 95.9%.</li> <li>○ Regarding competition law, 96% of the Group’s employees (not accounting for exempted individuals) passed the “Competition Law and You” training at the end of 2020.</li> <li>○ 99.8% of the Group’s employees took the “Know Your Data” (KYD) training as part of the Compliance training</li> </ul> </li> </ul>	<p>See ‘<b>Remuneration of Executive Management</b>’ (<a href="#">2020 URD</a>, p. 76-77)  ‘<b>The CSR Policy Management Dashboard</b>’ (<a href="#">2020 URD</a>, p. 545)  ‘<b>Ethics of the highest standards</b>’ (<a href="#">2020 URD</a>, p. 555)  ‘<b>Reinforcement of the group’s ESG risks management system</b>’ (<a href="#">2020 URD</a>, p. 565)  ‘<b>A socially responsible, fair and competitive compensation policy</b>’ (<a href="#">2020 URD</a>, p. 578-579)  ‘<b>BNP Paribas is committed to respecting human rights</b>’ (<a href="#">2020 URD</a>, p. 590)  ‘<a href="#">Code of Conduct</a>’</p>
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	<p>programme (compared to 91.3% in 2019).</p> <ul style="list-style-type: none"> <li>○ 90.7% of employees in the European Economic Area completed the “Personal Data Protection” training in 2020 (compared to 87% in 2018).</li> </ul> <p>More generally, training of the workforce is a priority of the Group. The proportion of employees who completed at least two training courses during the previous 12 months is thus a KPI of the BNP Paribas’ CSR Dashboard, with a target of at least 90% by the end of 2021. Trainings and e-learnings dedicated to the ESG commitments, policies and tools implemented by the Group are regularly offered to the employees tasked with their operational monitoring (as well as being generally freely available on the Group’s intranet). Since 2012, more than 35,000 employees have taken e-learning modules on the sectoral policies, and since 2016, over 12,000 employees have completed the ‘Business &amp; Human Rights’ e-learning.</p> <ul style="list-style-type: none"> <li>● BNP Paribas has a dedicated internal ethics alert (whistleblowing) system, based on dedicated communications channels, available to employees on the intranet. Every employee has the right to report ethics violations and the ethics alert policy guarantees employees exercising this right protection against the risk of retaliation for having launched an internal alert in good faith.</li> </ul>	
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	<ul style="list-style-type: none"> <li>• Integration of the results obtained on the CSR Dashboard’s KPIs in the retention-plan (GSIS) of the 7.700 top employees of the Group, as well as in the variable annual remuneration of the Executive Management.</li> <li>• Finally, BNP Paribas Executive and Senior Managers are regularly using their media platform and role of representatives in business initiatives and coalitions to discuss sustainability matters. For instance, Jean-Laurent Bonnafé, as President of EPE (Entreprises pour l’Environnement – <i>Companies for the Environment</i>), called for the environment to be put at the center of the economic recovery in <i>Le Monde</i> in May 2020.</li> </ul>	
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<p><b>5.2 Governance Structure for Implementation of the Principles:</b></p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> <li>a) target-setting and actions to achieve targets set</li> <li>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</li> </ul>	<p>BNP Paribas has undertaken numerous commitments, and developed robust policies and mechanisms to ensure they are consistently applied. The Principles for Responsible Banking of the United Nations, and the commitments that are attached to them, thus benefit from the advanced and extended governance structure and control mechanisms BNP Paribas has put in place to address and monitor extra financial matters with all due diligence and seriousness. Please see the description of the CSR governance structure of BNP Paribas above.</p> <p>The Group regularly reviews the commitments it has undertaken, in order to monitor progress and where needed, adjust its actions towards the achievement of its goals.</p> <p>The Company Engagement Direction created in 2017 has been specifically tasked with defining and implementing commitments concerning economic growth, expansion, environment and energy transition, social inclusion and local development, diversity and promotion of human rights, all subjects considered significant impact areas by the PRB.</p> <p>More generally, the General Inspection, a specific, fully independent function, is responsible for periodic control, and as such, performs internal audits and contributes to the protection of the Group by independently acting as its third line of defence on all Group entities and in all areas. The General Inspection specifically reviewed the public commitments undertaken by the Group, and issued an updated procedures at the end of its work.</p>	<p>See ‘Key players in internal control’ (<a href="#">2020 URD</a>, p. 107-109)</p> <p>‘Our corporate social responsibility strategy (CSR)’ (<a href="#">2020 URD</a>, p. 544)</p>
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**BNP Paribas statement on Governance Structure requirements:**  
 BNP Paribas CSR governance is well suited to the implementation of the PRB within the Group.

**Principle 6: Transparency & Accountability**

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

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

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

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

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

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

**Principle 1 (Alignment):**

BNP Paribas has taken measures to align its strategy with the achievement of SDGs and Paris Agreement. On this specific matter, as a Katowice bank, the Group collaborated in the adaptation of the PACTA methodology for the measure of the alignment of portfolios of five high-carbon sectors (fossil fuel extraction, electricity production, transport, steel and cement). In 2020, two documents were published:

- a global methodological framework detailing the fundamental principles of PACTA;
- an application document, co-authored by the Katowice banks, which proposes methodological improvements to ensure that the indicators elected promote the transition of the sectors studied and operational feedback to help other banks measure their alignment.

See ‘**Environmental, social and governance risk management**’ ([2020 URD](#), p. 113)  
 ‘**BNP Paribas’ public positions**’ ([2020 URD](#), p. 545-546)  
 ‘**CSR, taken to the highest level in the organisation**’ ([2020 URD](#), p. 548)  
 ‘**Fostering dialogue with stakeholders**’ ([2020 URD](#), p. 548)  
 ‘**Contributing to the united nations Sustainable Development Goals (SDGs)**’ ([2020 URD](#), p. 551)  
 ‘**Ethics of the highest standard**’ ([2020 URD](#), p. 555-556)  
 ‘**Strengthening sectoral CSR climate policies**’ ([2020 URD](#), p. 560-561)  
 ‘**Measures to combat deforestation and protect biodiversity**’ ([2020 URD](#), p. 564)  
 ‘**Reinforcement of the Group’s ESG risks management system**’ ([2020 URD](#), p. 565)  
 ‘**BNP Paribas is committed to respecting human rights**’ ([2020 URD](#), p. 590)  
 ‘**Ocean conservation, a must for BNP Paribas**’ ([2020 URD](#), p. 601)  
 ‘**Summary of the management of climate-related issues**’ ([2020 URD](#), p. 608-614)  
 ‘**Grenelle II Table of concordance, GRI, ISO 26000, Global Compact, Sustainable Development Goals, Principles for Responsible Banking**’ ([2020 URD](#), p. 627-631)  
 ‘[2019 TCFD Report](#)’

	<p>BNP Paribas supports and implements the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and published its first TCFD report in May 2020. A summary of the management of climate-related issues was included in the 2020 URD of the Group.</p> <p><b>Principle 2 (Impact &amp; Target Setting):</b></p> <p>In 2020, BNP Paribas announced a strategy for a complete exit from the thermal coal value chain by 2030 in the European Union and OECD countries, and by 2040 in the rest of the world. The mining extraction, dedicated infrastructure and electricity production sectors are directly impacted and the corresponding financing and investment policies were updated in consequence.</p> <p>In 2020, the Group extended its Unconventional Oil &amp; Gas policy to two geographical regions that are particularly sensitive from the climate point of view, biodiversity and indigenous populations, with the exclusion of financing and investment in oil and gas projects located in the Arctic National Wildlife Refuge, and excluding seaborne oil exports from the Esmeraldas region in Ecuador for its trading activities. To help combat deforestation, particularly in Brazil, BNP Paribas has strengthened its agriculture policy by introducing specific criteria for clients producing or buying beef or soy from the Amazon and Cerrado in Brazil. The Group is encouraging them to become "zero-deforestation" and to transparently demonstrate their progress towards reaching full traceability (direct and indirect) in beef and soy supply by 2025.</p>	<p><u><a href="#">‘Mobilising the financial sector towards COP26’</a></u></p>
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	<p><b>Principle 3 (Customers &amp; Clients):</b></p> <p>BNP Paribas increased its offer of innovative, sustainable products and services, to new geographical areas and new sectors. In particular, customers were proposed green bonds and sustainability linked loans (SLL) related to circular economy and biodiversity. The amount of “green” SLL (ie with only environmental criteria) directly underwritten by the Bank nearly doubled between 2019 (EUR 2.2 billion) and 2020 (EUR 3.8).</p> <p>In order to offer its large corporate clients short-term investment solutions in line with the SDGs, BNP Paribas developed in 2020 a short-term investment offer: Sustainable Deposit. The approach is based on the existing methodology for measuring the contribution to the SDGs and has been reviewed favourably by the extra-financial rating agency V.E. The first Sustainable Deposit was signed in September 2020 with the Unilever Group.</p> <p>BNP Paribas issued its Tax Code of Conduct in 2020. It is intended to inform its stakeholders about the Group’s tax practices. Throughout the world, these principles are reflected in the payment of a significant contribution to the public finances of the various countries in which the Bank operates.</p> <p><b>Principle 4 (Stakeholders) :</b></p> <p>Under the climate leadership of HRH The Prince of Wales, BNP Paribas CEO Jean-Laurent Bonnafé with 11 other global banking executives announced in February 2021 the <a href="#">creation of the Financial Services Task Force</a> (FSTF), a progressive industry group</p>	
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	<p>launched by the Sustainable Markets Initiative (SMI). It will focus on reducing carbon emissions to define a credible transition pathway for banks to move towards a low carbon economy, increase private investment into sustainable infrastructure projects, and develop climate solutions including evolving carbon markets.</p> <p>Antoine Sire, Head of Company Engagement at the BNP Paribas Group, became co-chair of the informal working group tasked with preparing the work of the Task Force on Nature-related Financial Disclosure (TNFD) in October 2020.</p> <p>Laurence Pessez, CSR Director of the BNP Paribas Group, sits on the Banking Board of the Principles for Responsible Banking of the UNEP FI (PRB);</p> <p>In 2020, BNP Paribas supported the launch of the voluntary certification Green Marine Europe, as a member of the development committee for the Surfrider Foundation Europe.</p> <p>As part of its ongoing dialogue with stakeholders, BNP Paribas had 109 different exchanges with NGOs throughout the world in 2020, against 83 exchanges in 2019.</p> <p><b>Principle 5 (Governance &amp; Culture) :</b></p> <p>In 2020, BNP Paribas strengthened its ESG system by rolling out a multi-year programme (the ESG Action Plan) under the joint responsibility of the Head of Corporate Commitment and the Head of Risk. This programme aims to both define the Group's ESG</p>	
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	<p>standards and to develop tools to analyse the Group’s performance at customer and loan portfolio level.</p> <p>BNP Paribas CSR network substantially grew between 2019 (130 FTEs) and 2020 (170 FTEs), and the number of internal experts on specific extra-financial subjects, such as direct environmental impacts, microfinance and financing and investment policies, also increases steeply (300 FTEs in 2019, 400 in 2020).</p> <p>Trainings on ESG-related issues were delivered to a large and growing audience of employees. For instance, 12 digital sessions were organised in 2020 to strengthen understanding of ESG risks and the associated management tools and 668 people from sales and RISK teams were thus trained on these subjects. Besides, the e-learning on Business &amp; Human Rights has been completed by over 12.000 employees at end of 2020, versus 7.000 at the end of 2019.</p> <p><b>Principle 6 (Transparency &amp; Accountability):</b></p> <p>BNP Paribas integrated the Principles for Responsible Banking in its extra-financial disclosures from the onset of the initiative, as one of the standards included in the concordance table of its URDs (starting from 2018 URD).</p> <p>BNP Paribas published its Tax Code of Conduct in 2020, and released its first TCFD report, providing extra information to all interested stakeholders on the aforementioned subjects.</p> <p>Besides, in order to improve comparability and transparency vis-à-vis their external stakeholders based on common standards, BNP Paribas, as</p>	
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	<p>Katowice bank, shared tools to measure the alignment of their portfolio with the objectives of the Paris Agreement through the publications of two methodological documents in 2020.</p> <p>BNP Paribas also voluntarily reported on the level of achievement of the commitments it took as part of the Act4Nature Initiative in its 2020 URD.</p>	
<p><b>Paribas statement on the Progress on Implementing the PRB requirements:</b>                  BNP Paribas has been striving to report transparently on the implementation of its CSR Strategy and policies, through a number of public documents whose number, coverage and detail of information provided have steadily increased. The Group considers that it has fulfilled the requirements regarding Progress on Implementing the PRBs, and will pursue its efforts in this way, in a logic of continuous improvement, in the months and years to come.</p>		