

# 2020 CLIMATE CHANGE INFORMATION REQUEST - CARBON DISCLOSURE PROJECT



**BNP PARIBAS**

The bank  
for a changing  
world

## C0. Introduction

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### C0.1

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

BNP Paribas is Europe's leading provider of banking and financial services. It operates in 71 countries and has nearly 199,000 employees, including over 151,000 in Europe.

BNP Paribas holds key positions in its 2 main activities: "**Retail Banking & services**" and "**Corporate & Institutional Banking**".

**Retail Banking and Services** encompasses :

- **Domestic Markets** which comprises the Group's 4 retail banking networks in Europe and 4 specialized business lines.

The 4 retail banking networks are French Retail Banking (FRB) in France, BNL banca commerciale (BNL bc) in Italy, BNP Paribas Fortis in Belgium and BGL BNP Paribas in Luxembourg.

The 4 specialized business lines are: Arval (mobility and vehicle leasing for corporates and individuals); BNP Paribas Leasing Solutions (professional equipment leasing and financing solutions); BNP Paribas Personal Investors (online savings and brokerage); and Nickel (alternative banking services).

- **International Financial Services** which comprises diversified, complementary activities such as Insurance, Wealth Management, Real Estate, or Asset Management services. Note that International Retail Banking also encompasses the Group's retail banks in 15 non Euro-zone countries, including Bank of the West in the United States, TEB in Turkey, Ukrsibbank in Ukraine, BMCI in Morocco and BNP Paribas Bank Polska in Poland.

**Corporate and Institutional Banking (CIB)** is a global provider of financial solutions to corporate and institutional clients. Across capital markets, securities services, financing, treasury and financial advisory, this activity aims to connect the financial needs of corporate clients with the investments of institutional investors.

In 2019, €180 billion of financing and investment was dedicated to companies active in the achievement of the UN's 17 SDGs.

The Group's fundamental drivers are:

- Risk diversification: The diversity of our businesses and geographic regions allows us to improve our risk profile by varying exposure.
- Cross-business cooperation: Our model is based on strong cooperation across activities and business lines. Cross revenues make up 20% of revenue.
- Innovation: We use new technologies and strengthen our collaboration with new players in order to improve our operational efficiency and develop new solutions.
- Engagement: A major actor in financing the real economy, the bank has strong commitments in terms of corporate social responsibility.

***BNP Paribas SA is the parent company of BNP Paribas Group.***

#### **Financial Ratings:**

- On 5 April 2019, Standard & Poor's upgraded the long-term rating of BNP Paribas from A to A+, with a stable outlook.
- On 6 June 2019, Fitch upgraded the long-term rating of BNP Paribas from A+ to AA-, and the short-term rating of BNP Paribas from F1 to F1+, with a stable outlook.
- On 9 December 2019, Moody's confirmed the long-term rating of BNP Paribas at Aa3 with a stable outlook.
- On 12 July 2019, DBRS confirmed the long-term rating of BNP Paribas at AA (low) with a stable outlook.

#### **Environmental commitments:**

BNP Paribas has been highly engaged in the fight against climate change since 2011, with the ambition of aligning its businesses with the goals of Paris agreement.

- Renewable energy financing reached €15.9 billion; BNP Paribas ranked No.2 in terms of renewable energy financing in the the EMEA region and No.4 worldwide(Dealogic ranking end-2019). In addition, BNP Paribas structured and placed €9.8 billion in green bonds at the end of 2019.

- On the investment side, the Group launched 10 climate indices, raising more than €750 million in 2019 and the green funds managed by BNP Paribas Asset Management (primarily invested in alternative energies and energy efficiency) totalled €11.6 billion in AuM at 31 December 2019.

## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	janvier 1 2019	décembre 31 2019	Yes	3 years

## C0.3

**(C0.3) Select the countries/areas for which you will be supplying data.**

Belgium  
Brazil  
Canada  
China, Hong Kong Special Administrative Region  
France  
Germany  
India  
Italy  
Japan  
Luxembourg  
Morocco  
Poland  
Portugal  
Singapore  
Spain  
Switzerland  
Turkey  
Ukraine  
United Kingdom of Great Britain and Northern Ireland  
United States of America

## 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 organizational activities does your organization undertake?**

Bank lending (Bank)  
Investing (Asset manager)  
Investing (Asset owner)  
Insurance underwriting (Insurance company)

## 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(s)	Please explain
Board-level committee	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-related issues. The members are independent directors with expertise in corporate governance, some deal with CSR issues professionally. The CGEN has encouraged the Group to make strong commitments to manage climate-related risks and opportunities, in various ways: reducing support for the coal sector, strengthening the Group's climate goals, etc. In 2018, the Committee examined the materiality matrix identifying the 21 most important non-financial risks for the Bank's stakeholders, with climate change and the energy transition sitting near the top of the list. In 2019, CGEN examined the Group's social and responsibility report and proposed some amendments, which was then approved by the Board of Directors.
Board-level committee	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. 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. 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. In 2019, the CCIRC examined the strategic report on the energy transition prepared by the specialised engineers of the Industry Research Department of the Risk Function.
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 climate change strategy. In 2017, the CEO delegated the responsibility of the Group's climate strategy to the Director of the Company Engagement (a member of the Group Executive Committee). Note that a member of each entity's Executive Committee is in charge of ensuring that CSR considerations are incorporated in the entity's strategy. In 2019, the Group's CEO announced publicly that BNP Paribas will discontinue funding of any projects in the coal industry by 2030 in the European Union (this criterion has been extended to the OECD in 2020) and by 2040 in the rest of the world. In addition, the Group raised its funding target for the renewable energy sector to €18 billion by 2021.

**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	Reviewing and guiding strategy	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our bank lending activities Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our insurance underwriting activities	The Board of directors determines BNP Paribas' strategy and objectives, 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. 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 monitor the CSR dashboard (consisting of 13 KPIs, of which two are related to energy/climate) 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.

**C1.2**

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities 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	More frequently than quarterly

**C1.2a**

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

As reaffirmed in the 2017 update of "BNP Paribas Commitments for the Environment" by the Group CSR, combatting climate change is a priority focus that is declined in commitments towards responsible business, our direct impacts and our commitment to raise awareness.

The Head of CSR (Chief Sustainability Officer) directly reports to the Director of the Company Engagement Department (a member of the Group Executive Committee). The Head of CSR defines the climate strategy with the Director of the Company Engagement and coordinates the implementation of the CSR policy of the Group.

Head of CSR reports directly to Executive Committee at least once a year to present its yearly achievements and may also present specific subjects on request. Head of CSR also reports to the Board once a year. Head of CSR presents the Group's CSR strategy and environmental commitments to the shareholders in the General Assembly annually.

The assignments and responsibilities of the CSR function are clearly defined in a directive from the Executive Management. The CSR team managed by the Head of CSR (Chief Sustainability Officer) is structured as follow:

- Investments and financing with a positive impact
- Management of extra-financial risks (including climate related risks)
- CSR stakeholder dialogue (including environmental NGOs) and human rights
- Environment and energy Transition
- Microfinance and Social Entrepreneurship
- Communication

Note that the Management of extra-financial risks team is tasked with identifying environmental risks, including climate-related one, liable to have an impact on the Group's business relations, and defining sectoral policies aimed at limiting the Environmental, Social and Governance (ESG) risks to which BNP Paribas is exposed. The Environment and Energy Transition team, created in 2018, is in charge of helping all the business lines seize the business opportunities associated with the climate and the energy transition. It works continuously with the Functions and the business lines throughout the Group to develop such opportunities.

The CSR team is based on a network created in 2012, which operates in the divisions, business lines, networks, departments and subsidiaries in order to facilitate the application of the CSR policy across the whole Group. It meets quarterly within the Group's CSR Committee, chaired by the Head of the function. In total, over 130 people spend all or a majority of their time on CSR matters within BNP Paribas. They can also call upon the expertise of nearly 300 contributors on specific topics such as climate issues, direct environmental impacts, energy transition, microfinance and financing and investment policies.

In 2018, a significant decision was taken by the Group. Risk Group was given responsibility for the second line of defense on ESG risks. This project led to the formalization of guiding principles to develop the framework processes and governance of credit committees in order to include ESG risks in assessing the Group's clients. The missions entrusted to Risk started in January 2019, while continuing with the necessary adjustments throughout 2019, as well as training of the first and second lines on these risks for effective implementation, including climate risks.

Finally, please note that 2 committees at the Group level regularly review ESG risks:

- Group Supervisory and Control Committee (GSCC) is chaired by the CEO and includes COO, the Heads of the Compliance, RISK, LEGAL and General Inspection Functions. It validates financing and investment policies and contributes to the organization of the control functions and the consistency between them and to ensure their overall consistency.

- General Management Credit Committee (CCDG) is the Group's highest authority concerning credit and counterparty risks. It recently updated procedure specifies CCDG will review all issues surrounding the acceptability of risks including ethics and CSR.

### 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	

### 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	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	For the CEO and the COO, 10% of their annual variable remuneration is linked to the Group's CSR performance based on a multi-criteria holistic assessment. This remuneration structure includes three weighted criteria, each at 3.33%: (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) alignment with key staff: achievement of the three-year CSR objectives set for the Group's key employees in the retention plan that expired during the year (basket of 9 indicators)
Chief Operating Officer (COO)	Monetary reward	Emissions reduction target	For the CEO and the COO, 10% of their annual variable remuneration is linked to the Group's CSR performance based on a multi-criteria holistic assessment. This remuneration structure includes three weighted criteria, each at 3.33%: (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) alignment with key staff: achievement of the three-year CSR objectives set for the Group's key employees in the retention plan that expired during the year (basket of 9 indicators)
Corporate executive team	Monetary reward	Emissions reduction target	The Group's Executive Committee and Board of Directors review the achievement of the 13 CSR key performance indicators (KPI) annually. Nine of KPIs are used to calculate the 3-year loyalty plan, known as the Global Sustainability and Incentives Scheme (GSIS), making up 20% of attribution criteria. Two of the criteria are directly related to energy/climate: (i) Amount of renewable energy financing (ii) Greenhouse gas emissions in teqCO2/FTE
All employees	Monetary reward	Emissions reduction target	For profit-sharing schemes within the Group, CSR criteria are included for the definition of the allocated amounts. -For BNP Paribas SA, the incentive agreement signed for a three-year period in 2019 has three components, with one relating to CSR based on paper consumption per employee, with a target already met in 2019. In accordance with the government scheme, BNP Paribas SA decided in December 2019 to pay a one-off €450 bonus to all employees earning total compensation of less than three times the minimum wage in France, for a total amount of around €10 million. - At BNP Paribas Fortis in Belgium, part of the variable compensation known as "collective" compensation is linked to CSR Goals such as customer satisfaction, promoting diversity, improvement of well-being in the workplace, risk awareness and compliance and the reduction of the Bank's negative impact on the environment. The 2019 objectives were met, and a total of €23.1 million was paid to all employees. - In Luxembourg, the Bank paid non-managerial employees an incentive premium with respect to 2018, which amounted to nearly €3.7 million.

**C-FS1.4**

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

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as an investment option for all plans offered	Considering that companies with good ESG performance are more likely to create long-term financial value, reduce risks and contribute to achieving sustainable development goals, we incorporate ESG principles including climate change as an investment option for all plans offered. In 2019, the Group's overall support for social enterprises (including financing, own investments and third-party investments) amounted to €1.9 billion worldwide, of which 46 % were employee savings plans. For microfinance, the Group's overall support exceeded €357 million, of which 10 % were employee savings.

**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	1	Climate driven risks are assessed by a specialized team within Risk Group. Depending on the nature of the risk and the Group's exposure to it, time horizons are defined. As a financial institution, visibility into the future is limited, due to the fluctuations of the markets and the uncertainty of variables in the financial sector. Moreover, a central ESG risks management team of 5 people (within the CSR head office) ensures that the Bank's activities are run with a rigorous climate approach (regulation, opportunities, sector policies).
Medium-term	1	8	Climate driven risks are assessed by a specialized team within Risk Group. Depending on the nature of the risk and the Group's exposure to it, time horizons are defined. As a financial institution, visibility into the future is limited, due to the fluctuations of the markets and the uncertainty of variables in the financial sectors. Moreover, a central ESG risks management team of 5 people (within the CSR head office) ensures that the Bank's activities are run with a rigorous climate approach (regulation, opportunities, sector policies, Equator Principles). In 2017, the Group joined UNEP FI's initiative for banks to adopt the recommendations made by the Task Force on Climate-Related Financial Disclosure (TCFD) in order to establish a common stress testing methodology for medium and long term climate change-related risks (transition risks and physical risks) up to 2050. In 2018, studies were conducted by Risk Group, CSR team and industry research team to identify the industries most vulnerable to transition risks. In 2019, the Group conducted several studies to assess the resilience of its loan books and asset management business to climate-related risks (as disclosed in C3.1b).
Long-term	8	30	Climate driven risks are assessed by a specialized team within Risk Group. Depending on the nature of the risk and the Group's exposure to it, time horizons are defined. As a financial institution, visibility into the future is limited, due to the fluctuations of the markets and the uncertainty of variables in the financial sectors. BNP Paribas is involved in long term projects: infrastructure, energy, transportation. The analysis of climate related risks is made on the same time scale of these projects, and is aligned with the financial and legal risks time horizons. In 2019, the Group conducted a study to evaluate the exposure of its top clients to physical climate risks, by crossing data on the localisation of their physical assets and vulnerability maps (hydric stress, typhoons, floods...)

**C2.1b**

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

To BNP Paribas, the most significant risks are those related to our investment and lending portfolio. Therefore, we consider substantive financial impact as the significant risks we are exposed to, via our clients. These risks mainly affect our profits from Corporate and Institutional Banking.

## C2.2

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

#### 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

•Identification: BNP Paribas has a crisis committee to coordinate risks identification and crisis management plans which take to account that countries in climate vulnerable regions are particularly at stake of physical risks. A Business impact analysis is conducted on each business line and its attached activities to determine events causing a disruption. Key drivers of business interruption are: unavailability of premises, of people, of IT, of suppliers. In addition, a specialized team within the support function line ITP technologies and processes, is in charge of insurance for own account. •Assessment: Business recovery plan is an integral part of the Business Continuity Plan (BCP), which sets the Business Recovery Time Objectives (BRTO), has to be respected in case of major disruption. We are also leveraging on internal expertise to create our own physical risks assessment tool, and analyzing risk incidents in order to continuously improve the control system. •Management: The Group aims to become carbon neutral within its own operations and has achieved the target since 2017 based on a 3-step approach: reduction of carbon footprint associated with its operations, the use of low-carbon electricity wherever possible and compensation of residual emissions via carbon offsetting scheme. The monitoring and management of environmental targets is ensured via the detailed environmental reporting. This comprises around 50 indicators (e.g. energy consumption, business travel, water, waste, paper) and covers the 20 countries representing 90% of the total FTE of the Group. The CSR team at the head office provides feedback and guidance to enable each entity to make continuous improvement in reducing the environmental impacts. Furthermore, BNPP is a world leader in the banking/insurance sector for Environmental Management System with 22 separate ISO 14001 certificates in 2019. Our facility managers, especially in France and Belgium, have developed a robust strategy to reduce and optimise energy consumption in buildings. • An example of how these processes have been applied to physical risk: The Group is present in certain climate areas (e.g. US Coast, Japan, India, Hong Kong, Guinea, French West Indies and Brazil) and recognizes that the increasing severity of extreme weather events such as cyclones and floods in addition to the raising water level in these areas could potentially disrupt our operation and cause financial loss. Our operation risk management systems takes into account the physical risk. We have a comprehensive business continuity plan with recovery time objectives; local entity adapt the plan to the specificities of each country. Our average operational losses (2011-2019) due to the damage to physical assets accounted for 1%, while the business disruption and system failures accounted for 3% (p436 of Registration Document).

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#### 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 remit, the Global Strategic Sourcing (GSS) Function, responsible for overseeing Group purchases, incorporates ESG criteria in its supplier relations at multiple levels: •Identification: The deployment of an ESG risk map within the GSS team: this identifies purchasing categories that are at high risk for 13 types of ethical issues (corruption, data protection, etc.), environmental issues (pollution, biodiversity, GHG emissions, etc.) and social issues (human rights, working conditions, discrimination, etc.). •Assessment: Through provider ESG assessments, conducted during the request for proposal process. These assessments, based on ESG questionnaires (which, in accordance with sourcing standards, account for 5% of the score), include the provider's confirmation that it adheres to the principles of the BNP Paribas Sustainable Sourcing Charter (or its local equivalent). 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: GSS has 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. In 2019, the Group spent approximately €10.6 billion in sourcing, conducted 2,500 ESG assessments on suppliers (compared with 2,300 in 2018), and nearly 1,200 suppliers signed the Sustainable Sourcing Charter. Finally, as part of our Green Company for Employees programme, BNP Paribas is committed to abolishing petrochemical sourced single-used plastics. In France, we removed single-use plastic items from supply catalogues in 2019. Our range of promotional merchandise is also being overhauled to eliminate single-use plastic.

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#### Value chain stage(s) covered

Downstream

#### 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

•Identification & Assessment: The CSR Function and the Risk Function work together to identify and manage climate-related risks. The CSR Function identifies climate-related risks and opportunities by maintaining a dialogue with external stakeholders, and particularly the scientific community, and with Group clients. The Risk Function, in its role as the Group's contact with banking industry regulators and supervisors, takes note of the climate-related risks reported by these authorities. The business lines, working directly with clients, serve as the first line of defence and, as such, are directly involved in the identification and analysis of climate-related risks and opportunities. In 2019 and with the help of external specialists, the Group conducted an assessment of the physical risks posed by a sample of clients in its loan portfolio. The pilot study was conducted on the nine sectors most exposed to physical risks, by taking the top 10 clients in terms of credit exposure in each sector. On a scale from 1 to 100, the final score was 42, i.e. below average and thus presenting a low risk profile (p28-29 of TCFD report 2019). •Management: As the second line of defence against ESG risks, the Risk Function continued its efforts in 2019 to adapt the framework, processes and governance of Credit Committees to include systematically an ESG risk analysis (including climate and energy-related risks) incurred by the Group's non-financial corporate clients. Implementation of this new organisational structure has been launched in the Group's main corporate business lines. Moreover, over the course of 2019, the Group ramped up its ESG risk management training initiatives targeting its finance business lines and control functions (RISK, Compliance). In addition to e-learning modules on sectoral policies, available in eight languages, 12 interactive sessions (including methodology reviews and case studies) were organised to help employees improve their understanding and grasp of existing tools. 657 members of the sales and RISK teams (including Senior Credit Officers) completed training sessions led or co-led by the Group CSR Function. Since 2012, over 46,600 employees have taken e-learning classes on CSR finance and investment policies for different sectors. Lastly, in 2019, the Group CSR function was solicited for an expert opinion on the risk analysis of the ESG risks associated with 2,340 complex or high-risk transactions (finance, on boarding, export services, etc.) versus 1,627 transactions last year in 2018. •An example of how these processes have been applied to transitional risk: The International Maritime Organization aims to reduce shipping's GHG emissions by at least 50% by 2050, in comparison with 2008. There has been new international and national regulations for addressing GHG and air pollutants emissions from ships, with many ships out of commission during the modernization process. In 2019, the Group's shipping gross exposure was EUR 19.7 billion (i.e. 1.2% of the Group's on and off-balance sheet exposures), while doubtful loans represent 5% of Group exposure to the Shipping sector. To mitigate transition risk posed by clients, the Group remains diversified. No sector makes up more than 11% of total corporate lending or more than 5% of total lending at 31 December 2019. Furthermore, the Group has pledged EUR 1 billion to finance the environmental transition of vessels by 2025, for example by supporting dual-fuel liquefied natural gas (LNG) motorisation projects. Lastly, the Group signed the Poseidon Principles, which promote decarbonization in the shipping industry by incorporating climate considerations into banking portfolios and credit decisions and will provide tools to measure and manage the CO2 intensities of shipping financing portfolios based on a common methodology for all signatory banks.

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## C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<b>**Risk type:</b> Policy and legal (increased pricing of GHG emissions + Enhanced regulations on emissions reporting) <b>**Relevance:</b> The Group is exposed to changes in environmental regulations through its clients, mainly those active in carbon intensive sectors. The Group is mostly present in countries committed to the Paris Agreement, which is translated into local and regional efforts to reach the 2°C objective, via the Nationally Determined Contributions. The legislative landscape therefore changes rapidly to orientate the industries performance towards low carbon economy. For instance, the Group is implemented in many countries in the European Union, bound by the EU legislation and country level laws: 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. <b>**Inclusion:</b> BNP Paribas is aware of the challenges emerging from bold and forward looking strategies to transition to a low carbon economy, gradually phasing out coal and oil energy, strictly regulating the polluting industries, implementing carbon trading schemes. Therefore, we have an established set of sectoral policies, on the most risky sectors and the most controversial industries: coal, mining, palm oil, agriculture, wood pulp, unconventional oil and gas, nuclear, and defense. 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.
Emerging regulation	Relevant, always included	<b>**Risk type:</b> Policy and legal (increased pricing of GHG emissions + Enhanced regulations on emissions reporting) <b>**Relevance:</b> The Group keeps a close watch on the legislative landscape, constantly evolving. For instance, on 28 November 2018, the EU Commission presented its "strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy by 2050". The strategy is currently in debate at different levels of the EU. <b>**Inclusion:</b> BNP Paribas is aware of the challenges emerging with bold and forward looking strategies to transition to a low carbon economy, by gradually phasing out coal and unconventional oil and gas energy, strictly regulating the polluting industries, implementing carbon trading schemes. Therefore, we have an established set of sectoral policies, on the most risky sectors and the most controversial of industries: coal, palm oil, agriculture, wood pulp, unconventional oil and gas, nuclear, mining and defense. The Group has also a strong commitment to cease funding coal mining projects, coal-fired power plants and companies related to these sectors without a diversification strategy, BNP Paribas stopped supporting companies and infrastructure projects whose principal activity is dedicated to the exploration, production and exportation of shale oil, shale gas, tar sands, oil and gas in the Arctic zone. These commitments apply to the Group's existing clients who, as a consequence in some cases, will no longer be supported. For example, 418 companies were placed on the exclusion and monitoring list in 2019 because of the Groups sector-specific energy policies. BNP Paribas is also involved at the UE level on the european commission working on the sustainable finance taxonomy.
Technology	Relevant, always included	<b>**Risk type:</b> Costs to transition to lower emission technologies. <b>**Relevance:</b> Through our financing portfolio, we are exposed to technology changes that may affect the business models of our clients or present new opportunities for the market. 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. Carbon Capture and Storage technologies, even if still immature, can lead to a profound shift in the sectors where we invest. <b>**Inclusion:</b> 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 because of the variety and complexity of sectors and companies where we are involved. We are also aware of the evolving market of start ups and technologies serving energy efficiency and energy transition purposes, and we are engaged as a financial supporter to innovative clients.
Legal	Relevant, always included	<b>**Risk type:</b> Exposure to litigation <b>**Relevance:</b> This risk is linked to our compliance and our client's compliance to regulations and due diligence principles. <b>**Inclusion:</b> 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. Note that the Framework of environmental and social risks was expanded in 2018 to meet the French law on the duty of care of parent companies and of companies using sub-contractors. This subject is managed by both Legal Group and CSR Group.
Market	Relevant, always included	<b>**Risk type:</b> Changing customer behavior <b>**Relevance:</b> 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. For instance, the market of Social Responsible Investment registered a 25% growth between 2014 and 2016, and reached 1000 Billion euros in France alone, end of 2017. The market for green bonds is also rapidly expanding. <b>**Inclusion:</b> To alleviate this risk, the Group has been an early player in the sustainable bonds market (3rd largest global player, all currencies taken together, in 2019). BNP Paribas is also deploying new solutions for green debt for corporate, renewable energy financing and advisory and specialized solutions through its different business lines: green leasing solutions, green real estate, green car leasing with ARVAL. Regarding our individuals and SMEs customers, our retail banking marketing services implemented green pack offers in different countries (France, Belgium, Luxembourg, Ukraine, Turkey, Morocco, United States...) to allow those customers to finance their specific investment in home energy efficiency, electric vehicles, self energy production.
Reputation	Relevant, always included	<b>**Risk type:</b> Increased stakeholder concern or negative stakeholder feedback. <b>**Relevance:</b> 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. <b>**Inclusion:</b> 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 reputation risks for our Group's in engaging with clients disrespectful of due diligence rules and good business practices; Deals and transactions are also reviewed using the equator principles for large industrial and infrastructure projects. Moreover, we pay 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. We also have a close dialogue with NGOs and investors. In 2019, BNP Paribas had 83 exchanges with advocacy NGOs and met 37 SRI investors at least once in France, UK, Sweden and Norway.
Acute physical	Relevant, always included	<b>**Risk type:</b> Increased severity of extreme weather events such as cyclones and floods <b>**Relevance:</b> The Group is 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, Guinea, French West Indies and Brazil. European sites are also 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. <b>**Inclusion:</b> 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.
Chronic physical	Relevant, always included	<b>**Risk type:</b> Changes in precipitation patterns and extreme variability of weather patterns. <b>**Relevance:</b> 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 plants (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. For example, EDF's hydropower production fell by 16.4% over the first nine months of 2017 compared to 2016 (EDF is the producer of electricity in France). Changes in water resources could also impact the functioning of nuclear power plants, water can not be used to cool the power plant if temperature exceeds a certain threshold. <b>**Inclusion:</b> A study is conducted with a consultancy firm to map the physical assets of our top clients and assess their exposure to physical risks.

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	Please explain
Bank lending (Bank)	Yes	The CSR Function and the Risk Function work together to identify and manage climate-related risks. The CSR Function identifies climate-related risks and opportunities by maintaining a dialogue with external stakeholders, and particularly the scientific community, and with Group clients. The Risk Function, in its role as the Group's contact with banking industry regulators and supervisors, takes note of the climate-related risks reported by these authorities. The business lines, working directly with clients, serve as the first line of defence and, as such, are directly involved in the identification and analysis of climate-related risks and opportunities. In 2019 and with the help of external specialists, the Group conducted an assessment of the physical risks posed by a sample of clients in its loan portfolio. The pilot study was conducted on the nine sectors most exposed to physical risks, by taking the top 10 clients in terms of credit exposure in each sector. On a scale from 1 to 100, the final score was 42, i.e. below average and thus presenting a low risk profile. (p28-29 of TCFD report 2019). As the second line of defence against ESG risks, the Risk Function continued its efforts in 2019 to adapt the framework, processes and governance of Credit Committees to include systemically an ESG risk analysis (including climate and energy-related risks) incurred by the Group's non-financial corporate clients. Implementation of this new organisational structure has been launched in the Group's main corporate business lines. Over the course of 2019, BNP Paribas has also ramped up its ESG risk management training initiatives targeting its finance business lines and control functions (RISK, Compliance). In addition to e-learning modules on sectoral policies (available in eight languages), 12 interactive sessions (including methodology reviews and case studies) were organised to help employees improve their understanding and grasp of existing tools. 657 members of the sales and RISK teams (including Senior Credit Officers) completed training sessions led or co-led by the Group CSR Function. Since 2012, over 46,600 employees have taken e-learning classes on CSR finance and investment policies for different sectors.
Investing (Asset manager)	Yes	In line with its ambition of becoming a top-tier asset manager in sustainable investment, BNP Paribas Asset Management made big additions to resources of its Sustainability Centre, adding 15 new staff (since mid-May 2018) for a total of 25 multi-disciplinary ESG specialists. The experts of its Sustainability Centre conduct research on market trends, focusing in particular on the energy transition and climate change. These in-house analyses, supported by third-party data, allow its investment teams to better identify and assess areas of risk or opportunity. More than 45 ESG Champions exist within investment teams to help promote sustainable investment and to liaise with the Sustainability Centre. In 2019, the Global Head of Sustainability Research at BNP Paribas Asset Management published a study that provides a critical analysis of the transition risk potentially facing the oil & gas industry.
Investing (Asset owner)	Yes	BNP Paribas Cardif applies the best-in-class sector approach and excludes securities with the lowest ESG ratings (last three deciles). After that, a carbon transition filter is used to assess companies' energy transition strategy and to exclude companies with the lowest-scoring. Through this work, BNP Paribas Cardif reduces the carbon intensity of its directly-held securities portfolios (equities and corporate bonds). Moreover, BNP Paribas Cardif analyses the climate risk exposure of its asset portfolio. In 2019, it emerged that 79% of the corporate clients in its portfolio fit into the least-exposed decile. It also revealed that its portfolio is more exposed to fires, heatwaves and water stress than the other climate hazards (and remains very limited anyhow). This analysis enables the identification of companies to be monitored more closely, in which case their climate strategies are carefully observed during the next several non-financial performance assessment campaigns.
Insurance underwriting (Insurance company)	Not applicable	BNP Paribas Cardif's two main products are life insurance and credit protection insurance.
Other products and services, please specify	Not applicable	

**C-FS2.2c**

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

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Qualitative and quantitative	BNP Paribas has been integrating climate-related risks in its risk management system, and it is centred on: • the General Credit Policy expanded in 2014 to include CSR clauses; • 22 specific credit and rating policies now containing ESG criteria, including some climate-related criteria; • establishment of sectoral policies governing its businesses in sectors involving major energy and climate-related issues (e.g. mining industry, unconventional hydrocarbons and palm oil production, paper pulp production, agriculture). These sectoral policies define a set of rules and procedures relating to financial products or services supplied by BNP Paribas entities for a given economic sector. Based on the results of complementary due diligence, BNP Paribas reserves its right to request additional requirements or decline its involvement even if the mandatory requirements are met. • respect for the Equator Principles for major industrial and infrastructure projects; • the development and use of risk management oversight tools (such as questionnaires for activities that have prominent risks), including a generic control plan At the end of 2019, the Group's exclusion list and monitoring list for managing ESG risks included 1,087 legal entities (943 excluded and 144 under monitoring), compared with 992 legal entities at the end of 2018. In 2019, the Group's CSR teams were asked to give an expert opinion in the assessment of ESG risks for 2,340 complex and/or sensitive transactions related in particular to financing, new accounts, export support, and other matters, compared to 1,627 transactions the previous year.
Investing (Asset manager)	Majority of the portfolio	Qualitative and quantitative	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 Paris Agreement, BNPP AM evaluates climate risks and opportunities as part of the research process and calculates the carbon footprint of its portfolios. BNPP AM also implemented an enhanced coal investment policy (effective from 1 January 2020), and perform physical risk assessments on a certain number of investments.
Investing (Asset owner)	Majority of the portfolio	Qualitative and quantitative	BNP Paribas Cardif applies the best-in-class sector approach and excludes securities with the lowest ESG ratings (last three deciles). After that, a carbon transition filter is used to assess companies' energy transition strategy and to exclude companies with the lowest-scoring. Through this work, BNP Paribas Cardif reduces the carbon intensity of its directly-held securities portfolios (equities and corporate bonds). It should also be noted that ESG criteria were applied to 85% of the EUR 123 billion of assets under management in the general fund at end-2019 (compared with 80% at end-2018). Moreover, in 2019, BNP Paribas Cardif called on a specialist external firm to analyse the physical risk exposure of its directly-owned corporate assets. The analysis looked at seven climate events liable to impact the businesses of portfolio companies: fires, cold waves, heat waves, water stress, coastal and inland floods, and hurricanes. Trends in these seven climate events were analysed over the long term, in accordance with a high climate change scenario. It reveals that 79% of portfolio companies have a physical risk score in the lowest decile. The portfolio's exposure is lower than the benchmark index. It also reveals that the portfolio is more exposed to fires, heatwaves and water stress than to the four other climate hazards (and remains very limited anyhow). Lastly, BNP Paribas Cardif has significantly increased its socially responsible Investments. For example: at the end of 2019, its Italian subsidiary had a total of EUR 838 million in green and social bonds (+52% in one year) to finance renewable energy, water management and responsible production projects.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

**C-FS2.2d**

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Majority of the portfolio	BNP Paribas strives for the bank's business activities not to lead to increased water scarcity or water pollution, notably in regions where this resource is particularly exposed. To benefit from any of the Group's financial services, our clients in the agriculture and mining sectors are expected to have a water management plan with measures to minimize water use and monitor impacts on water availability for other users, particularly in water stressed areas, as well as measures to manage their effluents to minimize water pollution. In 2019, the Group made new engagements towards ocean conservation. On the one hand, BNP Paribas is setting up criteria to frame its funding for activities that are sensitive for the ocean biodiversity. These activities include maritime transportation industry, wild-caught fisheries and aquaculture, offshore natural resources extracting activities, marine renewable energies as well as land-based activities in relation to the ocean (e.g. agriculture sector, mining sector). On the other hand, the Group is active in supporting initiatives that contribute to a sustainable economy that is respectful of people and marine ecosystems. In the maritime transportation sector, BNP Paribas has pledged €1 billion to finance the ecological transition of vessels by 2025, for example by supporting dual-fuel Liquefied Natural Gas (LNG) propulsion projects.
Investing (Asset manager)	Yes	Majority of the portfolio	BNP Paribas Asset Management (BNPP AM) started a natural capital assessment of its portfolios in 2017, leveraging on the work of the Natural Capital Coalition. It started by focusing its assessment on water, other natural capital assessments (soil, biodiversity and forests) are already underway. Indeed, BNPP AM has two key targets to improve the water and forest footprints of its portfolios. Regarding the water target, BNPP AM is committed to improve the water efficiency of portfolios, in particular in water-stressed areas, as well as to measure and disclose the water footprint of its portfolios. In addition, BNPP AM encourages water-intensive sector companies operating in water-stressed areas to significantly improve their water efficiency while ensuring water access to local communities.
Investing (Asset owner)	Yes	Majority of the portfolio	• Risks: BNP Paribas Cardif is working to integrate climate issues in its investment policy. With this in mind, BNP Paribas Cardif called on a specialist external firm to analyse the physical risk exposure of its directly owned corporate assets (methodology and key findings disclosed in C-FS2.2c). It revealed that its assets in Western United States and in Europe are more vulnerable to water stress than other regions of the world (for details, p52 of its Sustainable Investment Report 2019). • Opportunities: In 2019, BNP Paribas Cardif invested in the "BNP Paribas Aqua fund", which targets companies specialising in water management (infrastructure and treatment).
Insurance underwriting (Insurance company)	Not applicable	<Not Applicable>	BNP Paribas Cardif's two main products are life insurance and credit protection insurance.
Other products and services, please specify	Not applicable	<Not Applicable>	

**C-FS2.2e**

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Majority of the portfolio	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, pulp and paper and mining 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.
Investing (Asset manager)	Yes	Majority of the portfolio	BNP Paribas Asset Management (BNPP AM) started a natural capital assessment of its portfolios in 2017, leveraging on the work of the Natural Capital Coalition. It started by focusing its assessment on water, other natural capital assessments (soil, biodiversity and forests) are already underway. Indeed, BNPP AM has two key targets to improve the water and forest footprints of its portfolios. In line with its commitment to support global efforts to halve forest loss by 2020 and end forest loss by 2030, BNPP AM has undertaken to ask relevant companies in its portfolios to comply with: i) No Deforestation, No Peat and No Exploitation (NDPE) commitments by 2020 for agricultural commodities (palm oil, soy, paper, timber and beef products) ; ii) NDPE commitments by 2030 from non-agricultural sectors (mining, metals, infrastructure, etc.).
Investing (Asset owner)	Yes	Majority of the portfolio	• Risks: BNP Paribas Cardif is working to integrate climate issues in its investment policy. With this in mind, BNP Paribas Cardif called on a specialist external firm to analyse the physical risk exposure of its directly owned corporate assets (methodology and key findings disclosed in C-FS2.2c). It revealed that its assets with exposure to fire risks are mainly located in the United States. (For details, p52 of its Sustainable Investment Report 2019) • Opportunities: BNP Paribas Cardif is accelerating its investments in sustainable projects. With respect to the forests, BNP Paribas Cardif has invested in the "Theam Quant Equity Europe Climate Carbon Offset Plan fund", in which the residual carbon footprint is offset on a quarterly basis by the purchase of verified carbon credits issued by the Kasigau Corridor REDD + Project in Kenya. This project protects more than 200,000 hectares of threatened Kenyan forest, together securing the migration corridor between the Tsavo East and Tsavo West National Parks. In addition, BNP Paribas Cardif increased its investment in the "Land Degradation Neutrality fund" in 2019. This fund is managed by Mirova with the support of the UN, the European Investment Bank, and the French Development Agency. Its purpose is to protect and develop arable land, mainly in emerging countries. This entails financing sustainable land-management projects (organic farming, reforestation, etc.) and supporting local communities.
Insurance underwriting (Insurance company)	Not applicable	<Not Applicable>	BNP Paribas Cardif's two main products are life insurance and credit protection insurance.
Other products and services, please specify	Not applicable	<Not Applicable>	

**C-FS2.2f**

**(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?**

	We request climate-related information	Please explain
Bank lending (Bank)	Yes	BNP Paribas has launched multiple initiatives to integrate climate risks into its risk management system (as disclosed in C-FS2.2c). In particular, 22 specific credit and rating policies now contain ESG criteria, including some climate-related criteria. In addition, as part of Know Your Client processes, its business lines conduct CSR screening for all corporate clients active in one of the 10 sectors (as defined by the CSR screening procedure). The purpose is to identify clients that present an ESG risk profile that may warrant additional due diligence to be performed, and in some cases by engaging with the clients. Where applicable, CSR Function review the assessment made by the business line. In 2019, the Group CSR function was solicited for an expert opinion in the assessment of ESG risks for 2,340 complex and/or sensitive transactions related in particular to financing, new accounts, export support, and other matters, compared to 1,627 transactions the previous year.
Investing (Asset manager)	Yes	In line with its climate change strategy, BNP Paribas Asset Management adapted its Governance and Proxy voting Policy. It stipulates that: • We will vote "abstain" on the financial statements, discharge or director elections when the company does not report properly on its carbon footprint (scope 1 and 2), does not communicate, or does not want to engage with us in relation to its business strategy to mitigate and adapt to climate change. • We will vote in favour of value-enhancing resolutions which ask companies to reduce their greenhouse gas emissions in alignment with a target maximum 2°C global warming and will also file resolutions asking them to stop lobbying against any policy designed to achieve this. • We will indicate, in advance, a willingness to vote in favour of resolutions requesting disclosure on low-carbon compliant business plans.
Investing (Asset owner)	Yes	For the non-financial analysis of its investments, BNP Paribas Cardif collects specific ESG data (including climate-related information when relevant) for each asset class. It then analyses this data and includes it in the filtering processes for the investment universe. In addition, before integrating a new vehicle within the united-linked vehicle range, BNP Paribas Cardif questions the asset management company on ESG-Climate issues via a due diligence questionnaire.
Insurance underwriting (Insurance company)	Not applicable	BNP Paribas Cardif's two main products are life insurance and credit protection insurance.
Other products and services, please specify	Not applicable	

**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**

Carbon pricing mechanisms
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**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 71 countries and is subject to local and regional regulations, including carbon taxation. In Europe, where the Group is most active, we are 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.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

4600000

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

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

### 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 a carbon tax of €10 / tCO<sub>2</sub> had to be paid by the Group worldwide; if the Group's GHG emissions remained at their 2019 level (whereas they actually drop continuously), i.e. 461 ktepCO<sub>2</sub>; then the Group would have to pay carbon taxes for an amount of €4.6 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, 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

6200000

### Description of response and explanation of cost calculation

To alleviate the risks driven by a change in carbon taxation, the Group takes action by reducing its direct emissions. BNP Paribas has committed in 2015 to cut its GHG emissions by 25 % in 2020 compared to 2012. In 2019, the Group exceeded that goal by reaching a 27.8% of reduction. This was possible thanks to many initiatives carried on a Group level. Three main strategies were implemented: the deployment of energy efficiency projects in buildings, the purchase of low carbon electricity wherever the market offers such alternatives and the production on site of electricity and heat, via pv panels and cogeneration units in some of the Group's buildings (mainly in Belgium, Italy and Luxembourg). The Group has 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 20 countries where the Group is present, accounting for 90% 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 are verified by independent auditors. The CSR team also manages Group level strategies to implement reduction measures. \*\*\*Explanation of cost calculation: carbon risk management costs include the investment required for the implementation of reduction measures, per say the wages of employees involved in energy reduction projects, investment in retrofitting of buildings for energy efficiency, investment in energy production equipment, and the purchase of green certificates for low carbon electricity.

### Comment

### Identifier

Risk 2

### Where in the value chain does the risk driver occur?

Downstream

### Risk type & Primary climate-related risk driver

Mandates on and regulation of existing products and services
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### 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. Clients in the Asia-Pacific region also face emerging regulations on carbon trading. 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 pack 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. In 2019, our shipping gross exposure was EUR 19.7 billion (i.e. 1.2% of the Group's on and off-balance sheet exposures), while doubtful loans represent 5% of Group exposure to the Shipping sector.

### Time horizon

Medium-term

### Likelihood

Very 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)

985000000

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

<Not Applicable>

### Potential financial impact figure – maximum (currency)

<Not Applicable>

### 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. In 2019, our shipping gross exposure was EUR 19.7 billion (i.e. 1.2% of the Group's on and off-balance sheet exposures), while doubtful loans represent 5% of Group exposure to the Shipping sector. To calculate the maximum potential financial impact linked to the shipping sector, we multiply our shipping gross exposure by the percentage of doubtful loan: EUR 19.7 billion \* 5% = EUR 985 millions

### Cost of response to risk

760450

### Description of response and explanation of cost calculation

In accordance with our commitment to finance the energy sector in line with the 2°C scenario of the International Energy Agency, we have significantly reduced support for

fossil fuels: coal, unconventional oil and gas. In 2018, we therefore 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. 418 companies worldwide were placed on the exclusion and monitoring' list in 2019 because of the Group's sector-specific energy policies. Consequently, the electricity mix and energy mix that we finance is less than the world mix. To mitigate the risks posed by clients, the Group remains diverse. No sector makes up more than 11% of total corporate lending or more than 5% of total lending at 31 December 2019. For the maritime sector, we pledged EUR 1 billion to finance the environmental transition of vessels by 2025, for example by supporting dual-fuel liquefied natural gas (LNG) motorisation projects. In addition, we signed the Poseidon Principles, which promote decarbonization in the shipping industry by incorporating climate considerations into banking portfolios and credit decisions and will provide tools to measure and manage the CO2 intensities of shipping financing portfolios based on a common methodology for all signatory banks. \*\*\*Explanation of cost calculation: the cost of management includes at least the wages of people involved in risk management at the Group level and the cost of data acquisition from external partners. As a financial institution, we are not able to quantify more accurately the management costs related to our clients.

**Comment**

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Enhanced emissions-reporting obligations
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**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**

Regulations that demand the disclosure of data to authorities and/or to the public may result in increased operational costs for BNP Paribas. The risk related to emission reporting obligations is exacerbated by the adoption by different countries of multiple and occasionally diverging legal or regulatory requirements. For instance, in France, in the process of the "Grenelle de l'environnement II" law, entities of the Group with more than 500 employees in France had to release a GHG emission reporting on scopes 1 and 2 before the 31st December 2012, and will have to update it at least every four years. This law has been reinforced by the article 173 of the Energy Transition Act that obliges assets owners to measure and publish the carbon footprint of their portfolio.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

50000

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

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Adding a country to the environmental Group reporting results in additional costs of round 50k€ which include wages of Group and local staff, IT costs (Enablon licenses & training) and statutory auditors verification.

**Cost of response to risk**

53650

**Description of response and explanation of cost calculation**

To anticipate the changes on reporting regulations in countries where the Group is implemented, local CSR teams are given more and more independence to allow each entity to adapt its reporting in coherence with domestic legislation. Regarding the new obligation for Asset Owners and managers to report on carbon footprint of their portfolio (art 173 of the Energy Transition Law), BNP Paribas Asset Management has already committed to do so through the signature of the Montreal Carbon Pledge in May 2015. BNP Paribas Asset Management measures and publicly discloses the carbon content of its placement funds. BNP Paribas Group has also been reporting on its emissions in compliance with Article 173 of the french law. The Group has 22 ISO 14001 certifications, covering retail banking and business lines of Arval and Real Estate, which makes BNP Paribas the world leader in the banking/insurance sector for environmental management systems. Moreover, the Group is increasingly shifting to low-carbon electricity with the purchase of green certificates wherever the market allows this option for procurement teams. These certificates are transferred to the CSR team in Paris to ensure transparency and traceability of the Group's efforts. \*\*\*Explanation of cost calculation: the cost of management includes the budget allocated to publish mandatory reports on carbon footprint, answers to extra financial notation agencies, services acquired from external agencies and consultants for specific missions such as strategic watch or benchmark studies.

**Comment**

**Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Transitioning to lower emissions technology
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**Primary potential financial impact**

Increased capital expenditures

**Climate risk type mapped to traditional financial services industry risk classification**

Policy and legal risk

**Company-specific description**

Transitioning to energy efficient buildings is part of the Group's strategy to reduce its direct emissions from imported energy. Many countries where the Group is present develop regulatory frameworks to progress on energy efficiency ratios. In France for example, where the Group is headquartered, we are bound by the "tertiary decree", which fixes an objective of 40% reduction in building's energy consumption in the tertiary sector. All buildings of the tertiary sector are obliged to implement reduction strategies to comply with this regulation. This decree is still in debate but gives signals on the risks we face from emerging regulations. Our French Facility Manager, IMEX, has conducted retrofitting projects and energy reduction measures in the Group's buildings. Local facility managers in the other countries where the Group is present, are also progressing towards the Group's Target of 25% reduction of emissions in 2020. This is mainly achieved through the installation of lower emissions technologies. For example, facility managers in Italy, Luxembourg and Belgium have invested in electricity production units from co-generation and pv panels installed in office buildings. Moreover, in terms of Green IT, BNP Paribas is seeking to virtualize servers and work stations in order to share resources and to reduce the associated electricity and cooling consumption. It also installs servers in cooled bays with confined cooled aisles to further optimize ventilation.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

75000

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

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

In the french context, failure to respect the rules of construction is an offense punishable by criminal penalties. The penalties can go up to a fine of 45 000 €, raised to 75 000 €. This is applicable to the non respect of the law in one building.

**Cost of response to risk**

12147923

**Description of response and explanation of cost calculation**

Our French Facility Manager, IMEX, has conducted retrofitting projects and energy reduction measures in the Group's buildings. Local facility managers in the other countries where the Group is present, are also progressing towards the Group's Target of 25% reduction of emissions in 2020. In 2019, the Group exceeded that goal by reaching a 27.8% of reduction. This is mainly achieved through the installation of lower emissions technologies. For example, facility managers in Italy, Luxembourg and Belgium have invested in electricity production units from co-generation and pv panels installed in office buildings. Moreover, in terms of Green IT, BNP Paribas is seeking to virtualize servers and work stations in order to share resources and to reduce the associated electricity and cooling consumption. It also installs servers in cooled bays with confined cooled aisles to further optimize ventilation. \*\*\*Explanation of cost calculation: we take into account the total cost of energy efficiency projects in the Group's buildings, carried by facility management teams across the Group.

**Comment****Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Substitution of existing products and services with lower emissions options
---

**Primary potential financial impact**

Increased capital expenditures

**Climate risk type mapped to traditional financial services industry risk classification**

Market risk

**Company-specific description**

Arval is the BNP Paribas subsidiary specialising in full service vehicle leasing and mobility. It offers corporate clients, their employees and individuals, customised solutions that optimise their mobility. In 2019, Arval managed a total leased fleet of nearly 1.3 million vehicles in the 27 countries where it operates. BNP Paribas Leasing Solutions offers corporates and small business clients leasing and finance solutions for equipment for business use and help its clients to grow sustainably. In 2019, BNP Paribas Leasing Solutions financed over 346,000 projects totalling EUR 14.1 billion. Its total outstandings under management at the end of December 2019 amounted to EUR 34 billion. Along with Leasing Solutions and Arval, BNP Paribas is number 2 in corporate leasing in Europe. The main risk for BNP Paribas is a potential loss of market share if our subsidiaries do not adapt their business models to meet customers' demands for environmentally sustainable products and new environmental regulations. For example, the national Assembly adopted a new law on clean mobility, with a clear ambition to multiply by 5 the number of electric vehicles in use. The creation of low emission zones is also an objective of many municipalities. Other countries in the European Union are also engaging in rigorous plans to phase out the use of fossil fuel based vehicles and promote the use of clean vehicles. In addition, technological disruptions are expected to change the landscape of mobility in cities.

**Time horizon**

Medium-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

2809146684

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

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

As explained above, the financial impact of this climate risk is related to a loss of market share. To compute our potential financial impact, we consider a stagnation in the revenues of Arval and Leasing Solutions, to illustrate that they will not be able to attract new clients if their business models don't evolve. In 2018, BNP Paribas leasing solutions financed over 357,000 projects totaling EUR 13.5 billion. Its total outstandings under management at the end of December 2018 amounted to €32.1 billion. The financing outstanding of Leasing Solution were up by 8.7% compared to 2017. To calculate the risk, we consider that this growth was not reached. For Arval, the financed fleet grew by 7.7% in 2018 compared to 2017. Applying the same logic, we consider that this growth was not achieved.

**Cost of response to risk**

812500000

**Description of response and explanation of cost calculation**

Arval is developing new offers to encourage customers to use low-carbon vehicles with: SMaRT (Sustainable Mobility and Responsibility Targets): an innovative offer that enables fleet managers to define and implement their energy transition strategies, in particular by deploying alternative mobility solutions; Arval also has a new green mobility offer developed in partnership with ENGIE to simplify access to electric vehicles for companies, communities and individuals. For the price of a month's rent, this integrated offer includes the rental of an electric vehicle as well as charging point installation and maintenance. It also includes a "green energy" option, making it innovative and unique in its market. BNP Paribas Leasing Solutions offers a range of services relating to the leasing of low-carbon vehicles, such as natural gas powered lorries, support for customers regarding their economic and environmental performance. It has also developed a specific solution for sustainable mobility by financing electric vehicle charging point. In terms of IT: Starting from 2019, the new joint venture of BNP Paribas Leasing Solutions and 3StepIT, BNP Paribas 3 Step IT, offers companies an end-to-end service for managing their technological equipment at each stage of its life cycle. \*\*\*Explanation of cost calculation: at end-2019, Arval's inventory of hybrid and electric cars totalled around €1.3 billion, an increase of more than 60% from end-2018. The cost of management is attributed to the purchase of hybrid and electric vehicles by Arval (i.e. €1.3 billion / 1.6 = €812.5 million)

**Comment****Identifier**

Risk 6

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

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 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, we face risks related to our clients increased awareness of sustainability issues and the negative feedback from NGOs and notation agencies. Second, we face 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.

**Time horizon**

Medium-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)**

16500000000

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

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;



#### 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 2019 (i.e. € 66 billion) = €16.5 billion.

#### Cost of response to risk

800000

#### 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. The dialogue has a three-fold objective: to anticipate trends in business lines and improve products and services, to optimise risk management, and to find innovative solutions. Climate and energy issues are addressed in different forums and channels of stakeholder dialogue, for example: i. BNP Paribas presents its CSR strategy to Socially Responsible Investment (SRI) investors several times a year, while also regularly notifies non-financial analysts. In 2019, the Bank met with 37 different SRI investors at least once in France, the UK, Sweden and Norway. ii. 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 2019, 83 different discussions were held with advocacy NGOs around the world. 63% of the topics addressed involved climate-related risks and opportunities (climate, coal, fossil infrastructures, deforestation, etc.). \*\*\*Explanation of cost calculation: cost of management includes at least the wages of people involved in the CSR Function who manage the Group CSR policy and meet various stakeholders.

#### Comment

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#### Identifier

Risk 7

#### Where in the value chain does the risk driver occur?

Downstream

#### Risk type & Primary climate-related risk driver

Changes in precipitation patterns and extreme variability in weather patterns
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#### Primary potential financial impact

Increased credit risk

#### Climate risk type mapped to traditional financial services industry risk classification

Credit risk

#### Company-specific description

The most significant physical risk from climate change is our client's exposure to changing precipitation patterns and extreme variability of weather events, implying water availability issues. Climate Change has an impact on the viability of power production projects. It affects the performance of power plants (for example hydro energy). For example, EDF's hydropower production fell by 16.4% over the first nine months of 2017 compared to 2016 (EDF is the producer of electricity in France). Financial implications are calculated using the Group's exposure to hydropower, to which we apply a potential loss of production (estimated at 20%).

#### 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)

704793778

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

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

To estimate the financial risk of the changing precipitation patterns, we calculate our financial loss caused by a drop of production in the hydro power generation (-20%). It illustrates our clients inability to pay back their loan in expected terms.

#### Cost of response to risk

760450

#### Description of response and explanation of cost calculation

The cost of management includes at least the wages of people involved in risk management at the Group level and the cost of data acquisition from external partners. As a financial institution, we are not able to quantify more accurately the management costs related to our clients.

#### Comment

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#### Identifier

Risk 8

#### Where in the value chain does the risk driver occur?

Direct operations

#### Risk type & Primary climate-related risk driver

**Primary potential financial impact**

Other, please specify (Inability to do business)

**Climate risk type mapped to traditional financial services industry risk classification**

Operational risk

**Company-specific description**

The Group is present in certain sensitive climate areas (e.g. US Coast, Japan, India, Hong Kong, Guinea, French West Indies and Brazil) and recognizes that the increasing severity of extreme weather events such as cyclones and floods in addition to the raising water level in these areas could potentially disrupt our operation and cause financial loss. 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 and working hours loss.

**Time horizon**

Medium-term

**Likelihood**

Unlikely

**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)**

20000000

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

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

Inability to do business would lead to a loss of income of several million euros to the Group, depending on the size of the impact and the region concerned. Regarding our Activity Continuity Plan, risks are estimated to be around 20 M€ within the 4 next years.

**Cost of response to risk**

85000000

**Description of response and explanation of cost calculation**

Our operation risk management systems takes into account the physical risk. We have a comprehensive business continuity plan with recovery time objectives; local entity adapt the plan to the specificities of each country. We are also leveraging on internal expertise to create our own physical risks assessment tool, and analyzing risk incidents in order to continuously improve the control system.

**Comment**

Explanation of cost calculation: Cost of management includes at least the wages of people involved in establishing and maintaining our Continuity Activity and Recovery Plans. Monitoring the ACP including Business and IT continuity and investing in the mitigation measures requires round 85M€ / year, based on a detailed study on all Group entities done in 2018.

## 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?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Move to more efficient buildings

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

New measures and policies are taken worldwide to reduce energy consumption from buildings, especially in the European Union where studies suggest that there is a cost-effective final energy savings potential of up to 40% by 2030 to which all energy consumption sectors need to contribute in different proportions. Potential for energy savings is important in the banking sector because of energy consumption in branches, offices and data centers running non-stop. Moreover, energy efficiency is an effective option to reach emission reduction targets and achievable through behavioural change and buildings renovation. In France, the "tertiary decree" came into effect in 2020, which

imposes a reduction of the energy consumption of the French tertiary park by 40% in 2030 compared to 2012 levels. BNP Paribas is taking advantage of the legislation and the advances in energy efficiency technology to implement retrofitting actions in buildings and tackle the issue of energy consumption in data centers. Energy consumption from the Group's buildings represents more than 70% of total emissions on its operational scope. Energy efficiency measures have great potential for reducing emissions and energy costs, thus improving the Group's resilience to rising energy prices and preventing the value of real estate assets from declining.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

589880

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

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Included in the energy efficiency savings are the renewable heat produced on site and consumed, the renewable district heat consumption, the renewable electricity produced on site and directly consumed. To calculate the annual energy efficiency savings, our energy consumption from these sources (5 898 800 kWh in 2019) is multiplied by a unit cost of €0.1/kWh.

**Cost to realize opportunity**

12147923

**Strategy to realize opportunity and explanation of cost calculation**

Our facility managers carry energy efficiency projects in the Group's buildings, especially the big offices and data centers where consumption is higher and renovation is cost effective. For instance, BNP Paribas Fortis (Belgium), an important subsidiary of BNP Paribas and second country in term of economic activity of the Group after France, launched in 2017 the construction of its new headquarter Montagne du Parc in Brussels. The new design of the buildings solves problems such as lighting issues, the poor ratio of usable to total floor space, combined with outdated technical facilities. The operational aspects of the building embody the concept of sustainability by optimising the use of technology, lowering energy consumption, optimising maintenance. One example of the sustainable approach is the Seasonal Thermal Energy Storage (STES) concept for supplying energy for the building's thermal management. Water stored in a huge 14,000m<sup>3</sup> tank located in the basement is used for thermal transfers for both heating and cooling purposes. With this new system, future energy consumption in the new building will be 7 times lower compared with the old building. In addition, our facility manager in France (IMEX) has implemented 13 projects and 4 more are in progress to monitor energy consumption in the Group's buildings in France. IMEX is also strengthening its strategy to reduce energy consumption from data centers, by installing servers in cooled aisles for lower consumption. Note also that in France, a vast program to replace fuel tanks with gas/electric boilers was already carried out a few years ago on all our sites. It was already part of our environmental approach, IMEX was in support of the ISO 14001 certification of BDDF Accueil & Services (concept agencies) obtained in 2008. To date, a very small minority of our sites is still equipped with fuel tanks (1% of the total area of the park). For these sites, the replacement did not take place for various reasons: real estate master plan, condominium, recent equipment, etc. and is done on an opportunity basis (for example, as part of maintenance planning/work requirements). Regarding our office buildings and Datacenter, the fuel tanks present concern only the operation of the Electrogene Groups (back up), none is intended to operate for heating. To calculate the cost to realize this opportunity, we take into account the total budget of energy efficiency projects within BNP Paribas.

**Comment****Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

Considering our position as Europe's leading bank and one of the top financial institutions in the world, we are bound to provide our customers with new offers for products and services with low emission options. Our clients (corporate, investors, individuals) are increasingly interested in sustainable financing and investing solutions. For example, corporates need investment and financing for renewable energy project; investors are more attentive to the ESG performance of funds; individuals apply loans for energy efficiency projects and green vehicles. The banking sector needs to adapt by diversifying the offers, putting the emphasis on ESG criteria and developing new tools for sustainability assessment. This is an opportunity for BNP Paribas to strengthen its position in the sustainable finance field, increase the attractiveness of our products and take part in the global effort of steering financial flows towards a low carbon economy, in compliance with the Paris Agreement.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

18000000000

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

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

We consider that the shift to low carbon economy offers new opportunities for the financial sector such as new possibilities for financing. BNP Paribas has been committed to invest and finance projects driving the achievement of the SDGs. These business streams allow us to respond to emerging needs from clients, and address new categories of customers and new project financing options. At end 2019, total financing contributing to the energy transition and the SDGs (loans to companies belonging to business sectors considered as directly contributing to achieving the SDGs) was €180 billion (compared with €168 billion in 2018).

**Cost to realize opportunity**

7119649

**Strategy to realize opportunity and explanation of cost calculation**

Developing low carbon products is part of our ambition to establish sustainability at the core of our business while abiding by the Group's risk and profitability criteria. These products generate positive environmental and social impact and contribute to the achievement of the SDGs. Therefore, the Group continually expands the range of sustainable products. For corporates, we structured and placed €9.8 billion in green bonds at the end of 2019. For investors, since 2015, we have launched 10 climate indices raising over €2.75 billion (including €750 million in 2019). To seize the opportunity, we have a dedicated program for sustainable finance within our Corporate and Institutional Banking division. The program is cross products and covers bonds and loans indices, derivatives, supply chain management and asset servicing and investment analytics. Around 500 people are involved in the program across the Group and the business lines. Moreover, our asset management subsidiary BNP Paribas Asset Management made big additions to resources of its Sustainability Centre, adding 15 new staff (since mid-May 2018) for a total of 25 multi-disciplinary ESG specialists. The experts of its Sustainability Centre conduct research on market trends, focusing in particular on the energy transition and climate change. These in-house analyses, supported by third-party data, allow its investment teams to better identify and assess areas of risk or opportunity. The cost to realize opportunity includes at least the wages of people involved in the Sustainable Finance Program and similar programs across the Group, to promote the creation of business opportunities from low emission products and services.

**Comment****Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Access to new markets

**Primary potential financial impact**

Increased diversification of financial assets

**Company-specific description**

The most representative example of the green finance dynamic is the rapidly growing market of sustainable bonds. The total amount of labelled Sustainable Bonds (including green bonds) issued since 2007 is ~ USD equivalent 566.3bn (as of 12-Apr-2019). The total issuance in 2019 currently stands at ~USD equivalent 63.6 bn compared to the same period last year. approx. USD equivalent 37.3bn (+71.9%), as of 19 April 2019. 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. In 2017, the Green Bond issues for which the Group acted as lead manager totaled €5.5 billion. The Group was thus in the top three players worldwide in euros in the green bonds market, a position that we had planned to achieve by 2018. 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**

Short-term

**Likelihood**

Very 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)**

9800000000

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

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

At the end of 2019, BNP Paribas structured and placed €9.8 billion in green bonds.

**Cost to realize opportunity**

3000000

**Strategy to realize opportunity and explanation of cost calculation**

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). At the end of 2019, BNP Paribas structured and placed €9.8 billion in green bonds. This includes participating in i) the first sovereign green bond issued in Latin America (specifically Chile) for €1.3 billion, which will serve among other things to finance renewable energy and environmental protection projects, and ii) Apple's inaugural green bond for €2 billion, which will be used to reduce its global carbon footprint and develop the use of more sustainable materials in its products and processes. 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. Cost of management includes operational costs of specialized teams and experts throughout the Group.

## Comment

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### Identifier

Opp4

### Where in the value chain does the opportunity occur?

Downstream

### Opportunity type

Products and services

### Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

### Primary potential financial impact

Increased revenues resulting from increased demand for products and services

### Company-specific description

The demand for Diesel vehicles is expected to be replaced by a growing interest in electric and hybrid vehicles. Studies show that in 2017, global sales of electric cars crossed the threshold of 1 million units (1.1 million). In 2016 the rate of sales growth slowed compared with 2015, but sales picked up in 2017, registering a year-on-year increase of 54% (compared with 38% in 2016) (Source: Global EV outlook /IEA). The uptake of electric vehicles is still largely driven by the policy environment. The ten leading countries in electric vehicle adoption all have a range of policies in place to promote this tendency. (Source : Global EV outlook 2018 by the OECD and IEA). Rising fuel prices and the withdrawal of subsidies on fuel are additional factors that contribute to the flourishing of the market. In addition, more companies are engaging in global initiatives to switch their car fleet to electric or hybrid, such as EV 100 and EV30. The Corporate Vehicle Observatory's recent release of the 2018 barometer shows that 59% of companies making CO2 emissions a priority in their car policies. In this context, Arval, the subsidiary of BNP Paribas specialized in vehicle leasing, has to take into account changes in the mobility sector and in the preferences of its customers and benefit from the opportunities offered by the market, through governmental incentives. In 2018, Arval defined its products and services for the energy and environmental transition. In 2019, Arval introduced these new products and services to market.

### Time horizon

Medium-term

### Likelihood

Likely

### Magnitude of impact

Low

### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

### Potential financial impact figure (currency)

360972677

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

<Not Applicable>

### Potential financial impact figure – maximum (currency)

<Not Applicable>

### Explanation of financial impact figure

We consider a growth of Arval's business by 69% if the whole vehicle fleet is switched to electric. This is in line with projections about sells in the electric vehicles market by 2050. These prediction emanate from a study by "Morgan Stanley". Arval revenues in 2018 were €213,593,000.

### Cost to realize opportunity

812500000

### Strategy to realize opportunity and explanation of cost calculation

In line with the Corporate Vehicle Observatory's recent release of the 2018 barometer results, with 59% of companies making CO2 emissions a priority in their car policies, Arval has developed an offer to satisfy the changing needs of fleet managers. Arval announced the launch of an innovative approach called SMaRT - Sustainable Mobility and Responsibility Targets. This new 5 phase methodology is used to help clients define and implement their fleet energy transition strategy. This approach is part of Arval's promise to deliver objective added value expertise to its clients at a time where making fleets greener is key. The SMaRT approach makes sure to take into account: the changing attitudes towards "new" energies such as hybrid and electric vehicles, the progressive integration of CSR objectives into fleet strategies, the rising interest in alternative mobility services, the deployment of telematics based services (especially in large businesses). Arval is the first lessor in the industry to proactively offer such a structured and pragmatic approach, whilst ensuring that the implementation is duly supported with the current processes and existing digital tools. This tool is part of Arval's global strategy, to improve its car fleet and the attractiveness of its services: Arval's Electric Vehicle Offer includes a wide range of offers covering the whole electric vehicle ecosystem (integrated electric payment solution, digital services), attractive pricing, trial periods. In Belgium, for example, Arval partnered with energy supplier Engie to set up Numobi, an integrated electric vehicle leasing service. This provides a complete package, covered by a monthly subscription, for businesses and individuals who opt for electric mobility. It consists of the long-term lease of an electric car, a charging point installed at home and at work, a charging card, maintenance and insurance via lease finance. Explanation of cost calculation: at end-2019, Arval's inventory of hybrid and electric cars totalled around EUR 1.3 billion, an increase of more than 60% from end-2018. The cost of management is attributed to the purchase of hybrid and electric vehicles by Arval (i.e. EUR 1.3 billion / 1.6 = EUR 812.5 million)

## Comment

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### Identifier

Opp5

### Where in the value chain does the opportunity occur?

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

Green loans to individuals: The fight against climate change has created opportunities for the Bank because a low carbon economy requires large investments, especially in circular economy, recycling, water infrastructure, in addition to renewable energy, sustainable mobility and energy efficiency. The Bank is developing new processes and new products, to answer the emerging needs to finance low carbon economy and to accelerate the transition of all sectors. For all our clients, from households to large corporates, and including investors. All businesses of the Bank have worked on the identification of these opportunities. In addition to our access to new markets of green bonds and loans to enterprises, we provide financing solutions for our clients in the retail banking. Innovation in financial mechanisms is key to achieve cost effective financing of energy efficiency projects for individuals and contribute to the national trends in reducing energy consumption from residential and commercial buildings. This field is rapidly growing, driven by regulatory frameworks and national strategies to improve energy efficiency.

**Time horizon**

Short-term

**Likelihood**

Very 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)**

1200000000

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

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

For this opportunity n°5, we only consider the business activity of Domofinance program, in partnership with EDF. Domofinance financed 41,250 projects in 2019. Outstanding credits amounted to over €1.2 billion.

**Cost to realize opportunity**

900000

**Strategy to realize opportunity and explanation of cost calculation**

To answer to increasing demand from households for credits for energy efficiency projects, the Group via BNP Paribas Personal Finance entered a partnership with EDF (French electricity provider) in 2003 to provide a wide range of financing solutions: Solutions distributed by its construction professional partners in the form of loans subsidized by EDF, Zero interest ecological loans, renovation loans. Domofinance's ambition is to contribute to the energy transition in France by offering individuals low rate financing solutions subsidized by EDF to undertake energy renovation work in their homes. Domofinance is 55% owned by BNPP Personal Finance. Elsewhere in Europe, BNP Paribas Personal Finance has developed similar partnerships and products, for example with Innogy in Poland, where 10,000 installations were financed in 2019. Moreover, the retail markets of the BNPP (Belgium, France, Luxembourg and Italy) have developed specific offers with discounted loan rate for electric vehicles, energy efficiency renovations, and rooftop solar energy production. Regarding the calculation of the cost associated to the opportunity, it is the cost of wages that has been considered here, adding the cost of the people dedicated to these deals and projects, or the prorata of the people. In total, it is representing 900,000 euros.

**Comment**

**Identifier**

Opp6

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Access to new markets

**Primary potential financial impact**

Increased diversification of financial assets

**Company-specific description**

Sustainable Loans to corporates: The Sustainable Loan facilities are tailor made approaches to accompany clients at global or project level in their sustainability journeys. There has been a growing interest in the sustainable loan market, with a strong development in number and volume of transactions in recent years. BNP Paribas is a key player in this market with offers adapted to specific needs and circumstances of the client and its sector, while ensuring marketability within the loan market. (i) Sustainability linked loans are typically for liquidity or general corporate purpose and incorporate a pricing mechanism linked to the sustainability performance of the client (in addition to any financial ratio or credit rating, as the case may be). It is targeted to companies with a strong sustainability agenda across a wide range of industries. In 2019, the Loan Markets Association (LMA) created the Sustainability-Linked Loans Principles, following the Green Loan Principles published in 2018. Developed by a working group of financial institutions, including BNP Paribas, the LMA's Principles aim to promote, through the development of the product and the market best practice, the development of sustainable finance more generally. (ii) Green Loans are structured as term loans and based on the Green Bond Principles. Green Loans are a complement or an alternative to Green Bonds while integrating more flexible features and are targeted to companies with a strong sustainability strategy and eligible sustainable projects of sufficient size to justify a dedicated financing or tranche. These sustainable loans offer our clients 4 main benefits: an opportunity to demonstrate their sustainability commitments to their external and internal stakeholder, alignment of their sustainability agenda with their financing, benefit from positive exposure and potential financial cost savings.

**Time horizon**

Short-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)**

620000000

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

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

At end-2019, BNP Paribas had issued €6.2 billion in SLLs, nearly one-third of which are exclusively linked to environmental metrics (i.e. just over €2 billion).

**Cost to realize opportunity**

3000000

**Strategy to realize opportunity and explanation of cost calculation**

BNP Paribas has been active in the new and fast-growing market of Sustainability Linked Loans (SLLs), increasingly associated with the energy transition and the fight against climate change. With an SLL, the interest rates paid by the borrowing company are linked to the achievement of sustainable development targets, and particularly those related to the environment and climate: rates are lowered if the company reaches its targets and increased otherwise. At end-2019, BNP Paribas had issued €6.2 billion in SLLs, nearly one-third of which are exclusively linked to environmental metrics (i.e. just over €2 billion). For example, a €2 billion green credit line was syndicated for Belgian chemicals firm Solvay. The cost of the loan is associated with a GHG emissions reduction target of 1 million metric tons by 2025. In addition, a €750 million SLL was syndicated for Finnish forest industry company UPM. The interest rate on the loan is tied to two key performance indicators: (i) achieving a net positive impact on biodiversity in UPM's Finnish forests; (ii) reducing CO2 emissions generated from purchased fuel and electricity 65% by 2030 (compared to 2015 levels), in accordance with UPM's commitment to aligning its business with the 1.5°C climate scenario. According to the Dealogic ranking, BNP Paribas was No. 2 worldwide in terms of green loans in 2019. Cost of management includes operational costs of specialized teams and experts throughout the Group.

**Comment****Identifier**

Opp7

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

Green leasing solutions for professional equipment: More and more companies show interest in acquiring professional equipment aligned with their objectives to reduce energy consumption or their emissions from vehicle fleets. Two types of assets are concerned with green leasing: - Logistics: for equipment and vehicles in agriculture, construction and public works, as well as transport and materials handling. - Technology: For office equipment, IT hardware and software, telecommunications and specialized technologies (medical, security and audio visual) Through green Leasing solutions, customers can anticipate, adapt to regulations and foster innovation. They acquire efficient equipment that helps them improve their energy efficiency and reduce costs. This influences greatly their emission pathways and strengthens their image and the message they give to customers and stakeholder. The financial sector has to take advantage of these new needs. BNP Paribas, through Leasing Solutions, our subsidiary specialized in leasing services to professionals, created a range of offers to accompany customers in their energy transition goals.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

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

8000000

**Potential financial impact figure – maximum (currency)**

25000000

**Explanation of financial impact figure**

This estimated range of financial impact corresponds to the business opportunities available for BNP Paribas Leasing Solutions in the period of 2017-2020, based on past recordings on the leasing contracts of equipment to clients willing to improve their energy efficiency (solar panels, cogeneration units, LED..) Our estimations only concern the countries where we have the highest leasing activity. We are refining our methodology to estimate the financial impact of green products of BNP Paribas Leasing

Solution and the potential opportunities, by strengthening communication of CSR team with BNP Paribas Leasing Solution and implementing a sound tracking system of green contracts, covering more ranges of services, profiles of clients and countries.

**Cost to realize opportunity**

300000

**Strategy to realize opportunity and explanation of cost calculation**

In France, BNP Paribas Leasing Solutions offers a range of services relating to the leasing of low-carbon vehicles (e.g. natural gas- powered lorries), support for customers regarding their economic and environmental performance, LEDs with a long-term leasing offer and "green real estate leasing" to encourage clients to select energy efficient buildings. Finance products have also been developed for new types of equipment such as electric vehicle charging points and exoskeletons. Lastly, 2019 also saw the creation of BNP Paribas 3 Step IT, which offers companies an end-to-end service for managing their technological equipment at each stage of its life cycle. This circular economy model means that 97% of equipment can be reconditioned and then resold at the end of the contract. The remaining 3% is recycled responsibly. This joint venture has been awarded the "Solar Impulse Efficient Solutions" label from the Solar Impulse Foundation. Cost of management includes operational costs of specialized teams and experts throughout the Group.

**Comment**

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**Identifier**

Opp8

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Access to new markets

**Primary potential financial impact**

Increased diversification of financial assets

**Company-specific description**

Renewable energy financing and financing advisory: An essential pillar of the transition to low carbon economy is developing renewable energy, and in the long run ensuring a shift of our energy systems towards clean energy sources. Installed capacity has grown significantly, in parallel with policy changes. In contrast, fossil fuel based energy sources are at risk of becoming stranded assets. This offers financial institutions an opportunity to take part in project financing in renewable energy. According to the International Renewable Energy Agency (IRENA), private sources provide the bulk of renewable energy investment globally. Conventional debt and equity are the most prominent financing instruments. BNP Paribas takes part in renewable energy projects by providing financing to companies or issuing Green Bonds for the use of proceeds in the development of renewable projects. We are also an active advisor for renewable energy projects.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**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)**

18000000000

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

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The financial impact is related to the Group's financing target for the renewable energy sector. At end-2019, loans to the renewable energy sector amounted to €15 billion. The Group raised its target for the sector to €18 billion by the end of 2021 (versus €15 billion at the end of 2020)

**Cost to realize opportunity**

300000

**Strategy to realize opportunity and explanation of cost calculation**

In 2015, BNP Paribas set a goal of doubling the amount allocated to renewable energy finance by 2020 (compared to 2015 levels), which meant reaching a goal of €15 billion by 2020. The Group exceeded that goal as of 2018. At end-2019, loans to the renewable energy sector totalled €15.9 billion. The Group raised its target for the sector to €18 billion by end-2021. For offshore wind projects: the Bank leads high profile advisory and arranges mandates in UK, Belgium, Germany, The Netherlands and France. For solar energy: The Group invests in all solar related technologies (PV, CSP..) and has a strong presence in Europe (Spain, Italy, France) and the Middle East (UAE) For onshore wind: Beyond 50 projects financed in Europe since 1998. Other renewables: we are at the forefront of advising and arranging innovative financing for power assets (eg: smart meter financing) In 2019, BNP Paribas ranked No. 2 in terms of renewable energy financing in the EMEA region and No. 4 worldwide (Dealogic ranking as at end- 2019). In particular, the Group served as financial advisor and underwriter to consortium Éolien Maritime France for its inaugural French offshore wind farm project, which will involve 80 wind turbines boasting power generation capacity of 480 MW (enough to cover 20% of energy requirements in the department) for a total investment of €2 billion. Cost of management includes operational costs of specialized teams and experts throughout the Group.

**Comment**

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**Identifier**

Opp9

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

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Markets

**Primary climate-related opportunity driver**

Access to new markets

**Primary potential financial impact**

Increased revenues through access to new and emerging markets

**Company-specific description**

Carbon trading : Carbon trading is considered as a key mechanism to reduce emissions. Regional and international markets were created and comforted by the Paris Agreement in 2015. The Article 6 of the Agreement stipulates that: Parties should be allowed to use international trading of emission allowances to help achieve reduction targets and a framework for common robust accounting rules should be established. As a cap-and-trade scheme, carbon trading is key to support industries transition to low emission technologies and lowering the cost of reducing emissions, by enabling exchange of emission units between low emitters and high emitters, while keeping the emissions of the market under a fixed cap. This market offers financial institutions a new form of trading and is expected to benefit from traders expertise. On the other hand, the international efforts to meet the climate goals could not be met if carbon sinks such as forests are not created or sustained. We thus saw an opportunity in entering the market of voluntary carbon credits. As a first step, we engaged in carbon compensation via voluntary emission reductions to offset residual emissions from our operations.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

38000000

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

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The financial impact figure corresponds to our target in trading carbon credits through ClimateSeed and the team specialized in carbon trading.

**Cost to realize opportunity**

1200000

**Strategy to realize opportunity and explanation of cost calculation**

BNP Paribas has been a carbon credit trader in the market since 2005. A dedicated team of traders provide a diverse range of carbon optimisation strategies and are primary participants in the EU allowances auction. The team advises companies on the feasibility of project financing solutions, sets up financing structures and accompany the client during the whole project life. Our main intervention is on three levels: - Carbon financing solutions: includes options, indexed based sales, emissions repurchase structures, price hedging based on cross commodities and involvement in the Clean Development Mechanism that provides emission reduction projects. - Voluntary Emissions Reductions: BNP Paribas also offers clients voluntary carbon offsets. They can be sold in the secondary market to help clients contribute towards emissions reduction and promote biodiversity. This includes carbon offsets in the context of REDD+ projects, which contribute to the enhancement of forest carbon stocks, along with community development and job creation in sensitive regions of the world. - In 2018, BNP Paribas Securites Services launched "Climate Seed" a platform allowing companies to offset their emissions using carbon voluntary emission reduction. Explanation of cost calculation: Cost to realize opportunity includes at least the contribution of BNP Paribas to the capital of Climate Seed. Note that ClimateSeed is 100% owned by BNP Paribas.

**Comment**

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**Identifier**

Opp10

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development of new products or services through R&D and innovation

**Primary potential financial impact**

Increased revenues through access to new and emerging markets

**Company-specific description**

Support to innovative start-ups in the energy transition Energy transition requires developing more efficient and new technologies. Indeed, many scenarios for meeting the climate goals rely on technological disruption and a substantial change in the available industrial techniques. Financial institutions have a role in providing funding for start-ups in the preliminary steps of products development and in scaling up innovative technologies. In fact, one of the main drivers of low carbon transition is the drop in the cost of low carbon technologies. R&D and innovation also offer an interesting return on investment, because transition to low carbon economy is inevitable and the pathway to achieve climate goals heavily depends on a change of the market abandoning high emission technologies and replacing them with low emissions ones.

**Time horizon**

Short-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)**

100000000

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

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

For BNP Paribas, making the energy transition happen also means supporting the development of innovative technologies. To that end, the Group made a commitment in late 2015 to invest €100 million by 2020 in young innovative companies in the ecological and energy transition sector and to help them grow.

**Cost to realize opportunity**

4880000

**Strategy to realize opportunity and explanation of cost calculation**

For BNP Paribas, making the energy transition happen also means supporting the development of innovative technologies. To that end, the Group made a commitment in late 2015 to invest €100 million by 2020 in young innovative companies in the ecological and energy transition sector and to help them grow. At end-2019, the Group had invested in three investment funds and 10 startups specialising in the ecological and energy transition, including Sierra Energy, which transforms any type of waste into energy without combustion, and EkWateur, a French green renewable energy provider (electricity and biomethane) serving individuals and local authorities. The Group also assists ecological and energy transition start-ups with their IPOs. In 2019, specialised subsidiary Portzamparc BNP Paribas helped multiple companies in the sector launch their IPOs, such as Hoffmann Green Cement Technologies (founded in 2014, produces very low-carbon cement) and BoostHeat (specialising in efficient and sustainable heating solutions). Explanation of cost calculation: In 2018, the BNP Paribas Foundation budget for environmental research was €4.88 million, of which €3.47 million for supporting environmental research projects and €1.21 million for promoting public awareness.

**Comment**

**C3. Business Strategy**

**C3.1**

**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

**C3.1a**

**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative and quantitative

**C3.1b**

**(C3.1b) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenarios and models applied	Details
RCP 2.6	The Group's objective is to reduce GHG emissions in teqCO2/FTE by 25% by 2020 compared to 2012. In 2019, the Group's GHG emissions are reduced by 27.7% versus 2012, exceeding its reduction target one year ahead. It illustrates the strong commitment of the Group to reduce its direct impact. This target is in line with the RCP 2.6 scenario of IPCC. Moreover, note that, BNP Paribas has joined the Science Based Targets Initiative: a think tank working to develop methodologies enabling companies to define and follow GHG emissions reduction objectives that are consistent with the 2°C scenario defined by climate science. The Science Based Targets Initiative has not released any method enabling companies from the financial sector to set up intensive emissions targets. However, using the Sectoral Decarbonization Approach and the tool provided by the Science Based Target Initiative, we can consider that under the hypothesis of a 10% reduction of the Group's total square meters at the horizon of 2020, this target is consistent with a science-based target.
IEA Sustainable development scenario	In accordance with the Katowice Commitment signed in 2018 and the Collective Commitment to Climate Action adopted in September 2019 under the aegis of UNEP FI, the Group has undertaken to develop tools to align its loan book with the goals of the Paris Agreement. Accordingly, as of 2019, BNP Paribas uses the methodology developed, on a sector-by-sector basis, by the think tank "2 Degrees Investing Initiative", to calculate the loan book's profile at various maturity dates for five high-carbon sectors (extraction of fossil fuels, electricity generation, transport, steel production and cement production). The method, tailored to each sector, employs benchmark scenarios used and developed by independent organisations such as the International Energy Agency (IEA). For electricity generation, extraction of fossil fuels and the automotive sector, the approach is based on the energy mix or technology mix. For aviation, maritime transport, cement and steel, carbon emissions intensities are analysed. Initial tests of the methodology involved a significant percentage of clients in each sector (more than 80% of outstanding loans). As a result, BNP Paribas has an overview of the loan book, with a benchmark scenario at a given date, in addition to the projection for that same portfolio five years later. The loan book will be made increasingly compatible with the Paris Agreement scenario through dynamic management of the loan book itself and through external technological developments. The Group is focusing its efforts on not only improving the percentage and quality of client coverage, but also gaining a better understanding of projected trends in each sector. The results of these efforts will serve to develop sector strategies and measure their impacts on the alignment of the loan book with the Paris Agreement goals.

**C3.1d**

**(C3.1d) 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	Since 2011, BNP Paribas has put climate change as the priority focus of its efforts, given its position in the financing of global economy, particularly in the energy sector. Accordingly, BNP Paribas has significantly reduced its support for fossil fuels: coal, unconventional oil and gas. In late 2017, the Group adopted a global finance policy applicable to the exploration, manufacture and transport of unconventional hydrocarbons. In 2019, the Group announced a complete exit from the use of coal in electricity production by 2030 in the European Union (extended to the OECD in 2020) and by 2040 in the rest of the world (in line with the IEA SDS scenario). To work towards its gradual exit goal, BNP Paribas will step up its dialogue with corporate clients using coal to generate part of their electricity, in order to determine to what extent their projections are aligned with the Group's exit goals by geographic area. As a result of making this commitment, BNP Paribas has excluded 124 corporations in the coal mining and coal-based power generation sectors. Note that the Group has 9 sector policies, ensuring that associated ESG issues are taken into account in all investment or financing in sensitive sectors such as coal fired power generation, unconventional Oil & Gas, palm oil, wood pulp, agriculture. In general, the Group is continually expanding its range of sustainable products and services across its business lines and countries of operation for a transition to a low-carbon economy. The Group exceeded the goal of doubling the amount allocated to renewable energy finance by 2020 (compared to 2015 level) in 2018 and subsequently raised the target to €18 billion by the end of 2021. Lastly, BNP Paribas contributes to the collective development of climate risk methodologies: (i) BNP Paribas is participating actively in pilot programmes, organised by the regulatory authorities and central banks (e.g. Bank of England, ACPR in France), that aim at assessing bank resilience to climate risks. (ii) In partnership with external organisations, BNP Paribas is helping to develop methods to manage the exposure of loan books and investment portfolios to climate risks.
Supply chain and/or value chain	Yes	Within the Group Purchasing Department, a structure dedicated to Responsible Purchasing based on a network of around 50 correspondents covers all ESG topics including climate-related risks. ESG assessments, which are based on ESG questionnaires (of which Purchases standards account for at least 5% of the score) are increasingly carried out during selection. In 2019, we carried out 2 500 ESG supplier assessments compared with 2 300 in 2018. As part of our Green Company for Employees programme, we committed to abolishing petrochemical sourced single-used plastics. In France, we removed single-use plastic items from supply catalogues in 2019. Disposable and plastic beverage and catering containers and accessories have already been removed from company cafeterias and restaurants in many cities and countries, e.g. France, Hong Kong, Brazil, London and New York. Our range of promotional merchandise is also being overhauled to eliminate single-use plastic.
Investment in R&D	Yes	In late 2015 the Group pledged to invest €100 million of its own funds by 2020 in innovative start-ups in the energy and ecological transition sector. By the end of 2019, the Group committed €56 million of its own funds to invest in 10 start-ups specialising in the energy and ecological transition and in three investment funds. In addition, the Group supports scientific research programmes in the fields of climate change and biodiversity through two corporate philanthropy programmes: (i) Launched in 2010 by the BNP Paribas Foundation, the Climate & Biodiversity Initiative has already provided €18 million for 27 research projects. The nine winning projects of its fourth call for projects focused on the various issues linked to the interactions between climate and biodiversity, such as the impact of melting glaciers on global biodiversity, the resilience of coastal ecosystems to extreme weather events, and the reforestation of disturbed ecosystems; (ii) In 2019, BNP Paribas maintained its commitment to the One Planet Fellowship programme. With a five-year grant of USD 15 million, this philanthropy programme is supported by the BNP Paribas and Bill & Melinda Gates Foundations, the European Commission and the International Development Research Centre (IDRC, Canada). It is run by AWARD (ICRAF, Kenya) and the Agropolis Foundation. Its ambition is to form an intergenerational network of researchers, future leaders in the fight against and adaptation to – climate change in Africa.
Operations	Yes	The Group's objective is to reduce GHG emissions (teqCO <sub>2</sub> /FTE) by 25% by 2020 compared to 2012. In 2019, the Group's GHG emissions are reduced by 27.7% versus 2012, exceeding its reduction target one year ahead. Note that 74% of these emissions are due to the energy consumption of buildings including IT and 26% to business travel. In terms of energy consumption, our facility managers have developed a rigorous strategy to reduce energy consumption in buildings. These measures include: auditing of energy equipment and performance in buildings; shifting to new energy efficient buildings wherever possible; deployment of new technologies in buildings and data centers for better energy use and management. In addition, we are increasingly turning to low-carbon electricity in all countries where this is possible. In 2019, the share of low carbon electricity as a whole was 72%. Renewable electricity accounted for 35% of the Group's total electricity bill in 2019 compared to 32% in 2018. In terms of business travel, we updated our Travel policy in 2018. This policy encourages employees to give preference to web and videoconferencing instead of traveling as well as to train instead of airplane whenever possible. We are also improving the Group's owned or leased fleet, by shifting from diesel to hybrid or electric vehicles. We also offsets residual GHG emissions generated during the previous year for the Group as a whole through three projects (as disclosed in C11.2a). Thanks to these actions described above – reducing energy consumption, using clean energy and offsetting residual emissions - since 2017, BNP Paribas has been carbon-neutral within its operations. Note: the GHG emissions reduction objectives are taken into account in the long-term remuneration plan of the 7,330 key employees (as disclosed in C1.3a).

**C3.1e**

**(C3.1e) 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	**Revenues: BNP Paribas seizes opportunities related to energy issues and carbon requirements, which has a positive impact on its revenues. The energy transition generates multiple opportunities as new players, models and partnerships arise, needing the backing of financial institutions in their development. BNP Paribas is vigilant in identifying and capturing climate-related opportunities for the benefit of all clients. The Group has a renewable energy financing target to €18 billion by 2021. **Operating costs: Carbon taxes have been introduced in energy prices in some countries and will notably be enhanced by UE directive. National and regional strategies call for a general improvement of the building's energy performance; This may lead to an increase in energy expenses, which is estimated at € 4.6 million annually (as disclosed in C2.3a Risk 1). However, BNP Paribas considers that energy efficiency measures have great potential for reducing emissions and energy costs, thus improving the Group's resilience to rising energy prices and preventing the value of real estate assets from declining. The Group seizes energy-saving opportunities in its scope of operations (energy consumption in Group buildings represents more than 70% of total emissions on its operational scope). In 2019, initiatives to reduce our operational scope emissions achieved cost avoidance of approximately €11 million. **Capital expenditures / capital allocation: Risk of confronting a changing consumer behavior towards "greener" financial products is managed by the integration of ESG criteria into credit and savings products and by promoting SRI fund. As part of its Global Sustainability Strategy, BNP Paribas Asset Management continued to develop its range of responsible products and services for both individual customers and institutional investors. It uses its expertise to invest in sectors and companies which contribute to a sustainable economy, by investing in the energy transition, environmental compliance, equality and inclusive growth. In 2019, BNP Paribas Asset Management was ranked No. 1 in France for SRI labelled assets under management (20% of the €138 billion of assets under management are labelled assets), and No.2 by number of funds (with 34 funds out of 321). Furthermore, BNP Paribas Wealth Management continued to roll out its SRI offering in particular by extending its sustainable product and service offering. In 2019, SRI assets reached €4.9 billion, representing growth of 36% since 2011. **Acquisitions and divestments: In late 2017, the Group adopted a global finance policy applicable to the exploration, manufacture and transport of unconventional hydrocarbons. Accordingly, the Group discontinued the funding of a number of energy coportaions in the United States (financial impact €100 million). In 2019, BNP Paribas committed to reduce its thermal coal exposure to zero by 2030 in OECD countries, and by 2040 in the rest of the world in line with the IEA SDS scenario. As a result of making this commitment, BNP Paribas has excluded 124 corporations in the coal mining and coal-based power generation sectors. In addition, the GHG emissions criteria have been tightened in its sectoral policies as well as specific credit policies. A total of 418 companies were placed on the blacklist or watchlist in 2019. **Access to capital: In 2019, BNP Paribas structured and placed €9.8 billion in green bonds. All of the proceeds are then used for the refinancing of existing renewable energies, clean transportation, green buildings and smart energy projects. **Assets: 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, we have established processes in our facilities to ensure continuity of our activities and a quick recovery when a disruption is inevitable. The damage to physical assets accounted for 1% of our average operational losses (2011-2019). **Liabilities: BNP Paribas plays an active role in financing the energy transition as underwriter and lead-manager of sustainable bonds. In 2019, BNP Paribas issued its third Green Bond. This was also BNP Paribas' largest green bond issuance to date at €750mn, pricing with a coupon of 1.125% and maturing in 2024. Final demand was over €3bn at reoffer. All proceeds were allocated to Renewable energies and Mass and Public transportation.

**C3.1f**

**(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

C-FS3.2

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.2a

(C-FS3.2a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy Risk policy Engagement policy	Majority of the portfolio	(i) Credit and Risk Policy BNP Paribas's climate-related risk management system is part of its overall risk supervision approach and is centred on: • The General Credit Policy, expanded in 2014 to include CSR clauses; • 22 specific credit and rating policies now containing ESG criteria, including some climate-related criteria; • establishment of finance and investment policies ("sectoral policies") governing its businesses in sectors involving major energy and climate related issues (e.g. coal-based electricity generation, mining industry, palm oil production, paper pulp production, agriculture and unconventional hydrocarbons). All these policies are published on the Group website. • Observation of the Equator Principles in the conduct of major manufacturing and infrastructure projects; • Development and use of risk management and oversight tools (including questionnaires for business operations subject to prominent risks and a general control plan); • CSR metrics included in the BNP Paribas "Risk Appetite Statement", established in line with the values informing its behaviour and risk culture. (ii) Engagement policy BNP Paribas and its asset management subsidiaries have engaged an intensive dialogue with its clients and its investees, especially in the energy sector, addressing ways to gradually coverage towards a low-carbon economy. For example: In 2019, the Group elected to discontinue financing power generation companies in Poland, given that their power mix is highly dependent on coal and the Bank found, after a two-year commitment, that they had no intention of changing their strategy. It then terminated its relations with nearly 10 different Polish companies involved in coal.
Investing (Asset manager)	Engagement policy Sustainable/Responsible Investment Policy Investment policy/strategy Proxy voting policy	Majority of the portfolio	(i) Investment policy/strategy: In 2019, BNPP AM announced a more restrictive coal policy which applies to all open ended funds and will become the standard for dedicated mandates (effective from 1 January 2020). As of 2020, BNPP AM no longer invests in companies generating more than 10% of their revenue from thermal coal operations and/or for which thermal coal represents 1% or more of their total global production. Electricity producers with a carbon intensity exceeding the global average of 491 gCO2e/kWh in 2017 will also be ruled out. (ii) Sustainable Responsible Investment Policy: BNPP AM has identified a number of opportunities into product development related to green funds, thematic funds and SRI funds in general and especially related to climate change. In 2019, BNPP AM was ranked No. 1 in France for SRI labelled assets under management (20% of the EUR 138 billion of assets under management are labelled assets), and No.2 by number of funds (with 34 funds out of 321). Moreover, its green funds, primarily invested in alternative energies and energy efficiency, totalled €11.6 billion in AuM at end-2019. (iii) Engagement policy: In 2019, BNPP AM made it a priority to engage with portfolio companies about transitioning to low-carbon electricity generation, and bringing their lobbying practices into compliance with Paris Agreement goals. Regarding its stricter coal policy (effective from 1 January 2020), BNPP AM committed to conduct analysis and engagement to encourage companies that are close to the threshold to improve their decarbonisation targets and to monitor their performances annually. Moreover, as an active member of Climate Action 100+, BNPP AM has conducted a dialogue with with corporations ranked among the top 100 GHG emissions emitters, encouraging them to publicly commit to take greater action on climate change and implement business strategies to achieve net zero emissions by 2050 at the latest. (iv) Proxy voting policy: BNPP AM has adapted its voting policy, and reserves the right to abstain from voting to approve financial statements, or the discharge or re-election of directors, in any company that does not adequately report on its CO2 emissions and climate strategy. In 2019, BNPP AM opposed 61 resolutions at 16 General Shareholders' Meetings (vs. 16 times at 12 AGMs in 2018), primarily for climate change reasons. Moreover, BNPP AM uses its voting rights to encourage the adoption of pro-energy transition resolutions.
Investing (Asset owner)	Engagement policy Sustainable/Responsible Investment Policy Proxy voting policy	Majority of the portfolio	(i) Engagement policy: BNP Paribas Cardif questions the asset management companies about their SRI practices and their levels of integration of ESG criteria and analysing their shareholder involvement policies (using the PRI assessment). Moreover, BNP Paribas Cardif has reinforced its voting participation. In 2019, BNP Paribas Cardif voted during 97% of the general meetings of the companies present in its General Fund in 2109 (vs. 85% in 2018). Lastly, BNP Paribas Cardif actively takes part in market initiatives, and sustainable development and ESG-Climate working groups (French Insurance Federation, ACPR, etc.). (ii) Responsible Investment policy/strategy: In addition to applying the Group's sectoral policies and carrying out ESG analyses, BNP Paribas Cardif launched a carbon rating that scores companies for their carbon emissions in absolute value terms (as reported in the CDP), with scores ranging from "A" (emissions < 100 ktCO2e) to "D" (emissions > 10 MtCO2e). The energy transition strategies of companies with a score of "C" or "D" are also rated (from 0 to 100) according to three criteria: relevance of energy transition policies, consistency of policy deployment, and effectiveness. This low-carbon filter helps to reduce the carbon intensity of its directly-held securities portfolios (equities and corporate bonds). BNP Paribas Cardif integrates ESG criteria into its investment processes. At end-2019, ESG criteria were applied to 85% of the EUR 123 billion of assets under management in the general fund (vs 80% at end-2018). Moreover, with €3.7 billion in green investments at the end of 2019, BNP Paribas Cardif contributes more each year to the energy and environmental transition. For example, in 2019, BNP Paribas Cardif's outstandings for green bonds in Luxembourg and Italy significantly increased compared to 2018, by 59% and 52% respectively.
Insurance underwriting (Insurance company)	Please select	Please select	
Other products and services, please specify	Please select	Please select	

C-FS3.2b

**(C-FS3.2b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.**

Type of exclusion policy	Portfolio	Application	Description
Coal	Bank lending Insurance underwriting Investing (Asset manager)	New business/investment for new projects	The coal-fired power generation policy, updated in July 2020, sets the following criteria: • Coverage : -Coal-Fired Power Plant (CFPP) projects: construction of a Coal-Fired Power Plant, as well as expansion and/or upgrading of existing CFPP seeking lifetime extension or capacity increase. -Power Generation (PG) Companies: companies involved in the power generation sector that own or operate one or more coal fired power plants (CFPPs), including subsidiaries of diversified business groups • On Project finance: BNP Paribas no longer finances new CFPP projects wherever they are located, including brownfield retrofit CFPP projects seeking lifetime extension or capacity increase. • On Corporate finance: BNP Paribas will only provide financial products and services to power generation companies that meet, among others, the following requirements: Having a strategy to reduce coal power generation in its mix under a regularly monitored plan including a timeline, resulting in a thermal coal exit by 2030 in the EU and OECD countries, and by 2040 in the rest of the world; Not adding operational CFPP capacity to their power portfolio (irrespective of other capacity that could be dismantled and/ or sold ), etc. • Moreover, for new clients: BNP Paribas will not accept any new client who derives more than 25% of its revenues from coal-fired power generation; who has not planned a strategy to exit from its coal power generation capacities in line with BNPP deadline; and/or who is planning to add CFPP capacity to its power portfolio. • On Asset Management activities: BNP Paribas Asset Management will only invest in power generation companies whose intensity from power generation is below the 2017 global average of 491 gCO2/kWh, and which follow a Paris-compliant trajectory for the sector, as determined by the International Energy Agency (IEA) in its Sustainable Development Scenario (SDS) For details, please refer to our financing and investment policies ( <a href="https://group.bnpparibas/en/financing-investment-policies">https://group.bnpparibas/en/financing-investment-policies</a> ).
Oil & gas	Bank lending Insurance underwriting Investing (Asset manager)	New business/investment for new projects	Under the present policy, unconventional oil and gas resources cover shale oil or gas, oil sands as well as oil and gas resources located in the Arctic region. • Grounds for exclusion for unconventional oil and gas projects: - Exploration and Production of unconventional oil and gas resources ; - Pipelines transporting a significant volume of unconventional oil and gas; - LNG export terminals supplied by a significant volume of unconventional gas. • Grounds for exclusion for companies involved in unconventional oil and gas: - Exploration and production companies for which unconventional oil and gas represent a significant part of their total reserves; - Diversified companies for which unconventional oil and gas exploration and production represent a significant share of their total revenues; - Trading companies for which unconventional oil and gas resources represent a significant part of their business; - Companies that own or operate pipelines or LNG export terminals supplied with a significant volume of unconventional oil and gas. For details, please refer to our financing and investment policies ( <a href="https://group.bnpparibas/en/financing-investment-policies">https://group.bnpparibas/en/financing-investment-policies</a> ).
Other, please specify (Mining)	Bank lending Insurance underwriting Investing (Asset manager)	New business/investment for new projects	The Mining policy sets the following criteria: • Coverage : - Mining projects: greenfield and/or expansion of existing projects, covering the following phases: mine planning and development (including dedicated infrastructures located within the mining area), operation, on-site processing of extracted ores, mine closure and rehabilitation. - Mining companies: companies, groups or joint-ventures owning mining assets (which represent a significant share of their total assets) and which are involved in exploration, development or operation of such mining assets • Policy update in 2015 for coal mining: BNP Paribas stopped financing coal mining activities, whether project or company financing, unless they have put in place an energy diversification strategy. • Policy update in 2017 for coal mining: BNP Paribas will not initiate new commercial relationships with clients that derive over 50% of their revenue from coal. • Grounds for exclusion for projects: - Located on protected areas or in countries under financial sanctions or in conflict area; - Use of child or forced labor or do not respect Health and Safety requirements as defined in the ILO Conventions; - Do not include a site reclamation plan or cannot provide a health and safety management plan and track record; - Extract asbestos, artisanal or small-scale mining activities, Appalachian MTR projects or use riverine or shallow marine tailings disposal • Grounds for exclusion for mining companies: - Have their headquarters located in countries under financial sanctions or cannot disclose information on their performance related to water use, waste, GHG emissions and land reclamation; - Use child or forced labour as defined in the ILO Conventions or cannot provide a track record regarding health and safety at company level; - Are involved in asbestos extraction or significant producers of coal extracted from Appalachian MTR operations

**C-FS3.3**

**(C-FS3.3) Are climate-related issues factored into your external asset manager selection process?**

Yes, for all assets managed externally

**C-FS3.3a**

**(C-FS3.3a) How are climate-related issues factored into your external asset manager selection process?**

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Review asset manager's climate-related policies Preference for asset managers with an offering of low-carbon products Preference for asset managers with an offering of climate-resilient products Assessment of asset manager's climate-related performance (e.g. active ownership, proxy voting records, under-weighting in high impact activities)	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.

**C4. Targets and performance**

**C4.1**

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

Intensity 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

**Year target was set**

2015

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (location-based)

**Intensity metric**

Metric tons CO2e per unit FTE employee

**Base year**

2012

**Intensity figure in base year (metric tons CO2e per unit of activity)**

2.43

**% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

100

**Target year**

2020

**Targeted reduction from base year (%)**

25

**Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]**

1.8225

**% change anticipated in absolute Scope 1+2 emissions**

25

**% change anticipated in absolute Scope 3 emissions**

25

**Intensity figure in reporting year (metric tons CO2e per unit of activity)**

1.72089

**% of target achieved [auto-calculated]**

116.725925925926

**Target status in reporting year**

Achieved

**Is this a science-based target?**

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

**Please explain (including target coverage)**

Each year, BNP Paribas measures and publishes its operational GHG emissions, by converting the energy used in its buildings and in business travel into metric tons of CO2 equivalent (teqCO2, including the six GHG defined in the Kyoto Protocol). These data are collected from 20 countries where the Group has the largest number of employees (90% of FTE) and therefore the greatest environmental impact. The results are extrapolated across the entire Group. The Group's objective is to reduce GHG emissions in teqCO2/FTE by 25% by 2020 compared to 2012. In 2019, the Group emitted 2.43 teqCO2/FTE, which represents a reduction of 5.3% versus 2018, or 27.7% versus 2012, exceeding its reduction target one year ahead. The Science Based Targets Initiative has not released any method enabling companies from the financial sector to set up some intensive emissions targets. However, using the Sectoral Decarbonization Approach and the tool provided by the 'Sciencebased Targets' initiative, we can assess that under the hypothesis of a 10% reduction of the Group's total square meters at the horizon of 2020, this target is consistent with a science-based target.

**Target reference number**

Int 2

**Year target was set**

2015

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3: Business travel

**Intensity metric**

Metric tons CO2e per unit FTE employee

**Base year**

2012

**Intensity figure in base year (metric tons CO2e per unit of activity)**

0.78

**% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

100

**Target year**

2020

**Targeted reduction from base year (%)**

25

**Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]**

0.585

**% change anticipated in absolute Scope 1+2 emissions**

25

**% change anticipated in absolute Scope 3 emissions**

25

**Intensity figure in reporting year (metric tons CO2e per unit of activity)**

0.5991

**% of target achieved [auto-calculated]**

92.7692307692308

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

**Please explain (including target coverage)**

Each year, BNP Paribas measures and publishes its operational GHG emissions, by converting the energy used in its buildings and in business travel into metric tons of CO2 equivalent (teqCO2, including the six GHG defined in the Kyoto Protocol). These data are collected from 20 countries where the Group has the largest number of employees (90% of FTE) and therefore the greatest environmental impact. The results are extrapolated across the entire Group. The Group's objective is to reduce GHG emissions in teqCO2/FTE by 25% by 2020 compared to 2012. In 2019, the Group emitted 2.43 teqCO2/FTE, which represents a reduction of 5.3% versus 2018, or 27.7% versus 2012, exceeding its reduction target one year ahead. As for the business travel, 830 million km were travelled or 4,175 km/FTE versus 4,759 km/FTE in 2018; i.e. a year-on-year decrease of 12.3%. The Science Based Targets Initiative has not released any method enabling companies from the financial sector to set up some intensive emissions targets. However, using the Sectoral Decarbonization Approach and the tool provided by the 'Sciencebased Targets' initiative, we can assess that under the hypothesis of a 10% reduction of the Group's total square meters at the horizon of 2020, this target is consistent with a science-based target.

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C4.2

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

Other climate-related target(s)

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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**

2015

**Target coverage**

Business activity

**Target type: absolute or intensity**

Absolute

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

Other, please specify (Financing for renewable energies in billion euros)
---

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2015

**Figure or percentage in base year**

6.9

**Target year**

2020

**Figure or percentage in target year**

15

**Figure or percentage in reporting year**

15.9

**% of target achieved [auto-calculated]**

111.11111111111111

**Target status in reporting year**

Achieved

**Is this target part of an emissions target?**

It is a financing target for renewable energies in billion euros.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

In 2015, BNP Paribas set a goal of doubling the amount allocated to renewable energy finance by 2020 (compared to 2015 levels), which meant reaching a goal of €15 billion by 2020. The Group exceeded that goal as of 2018. At end-2019, loans to the renewable energy sector totalled €15.9 billion. The Group has raised its target for the sector to €18 billion by end-2021. BNP Paribas ranked No.2 in terms of renewable energy financing in the EMEA region and No.4 worldwide (Dealogic ranking as at end-2019).

**Target reference number**

Oth 2

**Year target was set**

2014

**Target coverage**

Business activity

**Target type: absolute or intensity**

Intensity

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

Other, please specify (gCO2/kWh financed by the Group)

**Target denominator (intensity targets only)**

KWh

**Base year**

2014

**Figure or percentage in base year**

400

**Target year**

2040

**Figure or percentage in target year**

81

**Figure or percentage in reporting year**

299

**% of target achieved [auto-calculated]**

31.6614420062696

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Part of the Group's target to reduce exposure to coal industry.

**Is this target part of an overarching initiative?**

Other, please specify (IEA SDS scenario)

**Please explain (including target coverage)**

The carbon content of each kWh financed by the Group stood at 299 gCO2e in 2018, versus a global average of 476 gCO2e. In line with the Paris Agreement, BNP Paribas is committed to reducing the kWh carbon content financed as rapidly as the world average, which is due to fall under the IEA SDS scenario (i.e. 81gCO2e/kWh by 2040).

**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 CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	
To be implemented*	3	6651
Implementation commenced*	7	15520
Implemented*	60	133025
Not to be implemented	2	

**C4.3b**



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

**Initiative category & Initiative type**

Solar PV
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**Estimated annual CO2e savings (metric tonnes CO2e)**

1143

**Scope(s)**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

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

387823

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

724812

**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. New eco-sustainable buildings were launched, for instance : 1) "Orizzonte Europa" building in Rome (Italy) has a photovoltaic field that is able to produce about 50% of the energy needs necessary for air conditioning 2) BNP Paribas' building in Kirchberg (Luxembourg) reduces its energy needs through bioclimatic design and improvement of quality of the walls and integrates solar panels for the production of heat and electricity. In 2019, BNP Paribas buildings produced electricity and directly consumed it in 5 countries (compared to 3 in 2018): Belgium 399 MWh, Brazil 101 MWh, Italy 1164 MWh, Luxembourg 2172 MWh and Morocco 40 MWh . Moreover, BNP Paribas' buildings produced renewable electricity that was sold back to the grid in 2 countries: Italy 423 MWh and France 14 MWh. Annual CO2e savings are based on the annual energy production of installations and national emissions factors of average mix (Source : IEA).

**Initiative category & Initiative type**

Other, please specify (Renewable electricity purchased with green certificates)
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**Estimated annual CO2e savings (metric tonnes CO2e)**

133232

**Scope(s)**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

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

0

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

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

<1 year

**Comment**

The estimated lifetime of the initiative is one year because it relies on energy suppliers and their contracts. We consider that energy purchased with green certificates is at the same price of energy from the mix grid. Therefore there are no cost savings or investment cost. As part of the carbon neutrality program, the Group committed to progressively increase the use of low-carbon electricity for all its needs and to reach 100% of low carbon power in all countries where the market provides such offer. The local procurement teams or the local facility management teams should ensure that power purchase will be switched to low carbon electricity as soon as possible. In 2019, renewable electricity accounted for 35% of the Group's total electricity bill in 2019 compared to 32% in 2018. It came either from the purchase of renewable electricity certificates, or from the direct consumption of renewable energy produced by the Group's buildings.

**Initiative category & Initiative type**

Other, please specify (Mobility)
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**Estimated annual CO2e savings (metric tonnes CO2e)**

20410

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

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

10423030

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

1114507

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

<1 year

**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, 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. The investment includes at least the wages of people involved within the Group, the annual hosting and maintenance of the environmental reporting tool Enablon, and the cost of the CUBE 2020 participation. Estimated lifetime initiative is less than a year : climate change employee awareness campaigns have to be implemented frequently to become effective.

**C4.3c**

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

Method	Comment
Internal price on carbon	BNP Paribas has decided to factor climate change considerations related to energy transition into its rating methodology for the projects and companies which it finances: the use of an internal carbon audit will be gradually systematised in order to account for changes brought about by energy transition and the related risks in its financing decisions. In 2017 a methodology was developed, based on a carbon price assumption of between 25 and 40 dollars per tonne of equivalent CO2. In 2017, BNP Paribas pilot tested the impact of an internal carbon price on the gross operating margin of the customers in its loan portfolio. The goal was to evaluate their resilience to the energy transition, to measure and steer carbon risks in the Group's loan book. This test was conducted on a sample of customers operating in the eight industries that emit the most greenhouse gases (mining, power generation, oil & gas, transport, real estate, agrifood, cement, and steel), and included a qualitative analysis of their carbon risks. Throughout 2018, these analyses, which were carried out during annual reviews, primarily in the North America and Europe, were to be extended to the rest of the world to widen the sample, refine the methods, and measure the impact of a carbon price on the Group's customers.
Compliance with regulatory requirements/standards	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. In 2019, 22 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). Overall 76,000 employees work in offices covered by environmental management systems Also note that 100% of BNP Paribas Real Estate's production in commercial property benefits from certifications or labels such as BBC, HQE, BREEAM, DGNB, LEED, etc.
Internal incentives/recognition programs	As disclosed in C1.3a.
Dedicated budget for other emissions reduction activities	Group CSR implements and manages emission reduction initiatives, with the assistance of more than 130 employees in 20 countries representing 90% 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. Two priority actions were launched in 2019, with the publication of two dedicated policies: one concerning the campaign to abolish petrochemical sourced single-used plastics, the other the promotion of sustainable mobility.
Employee engagement	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. 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. 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: - 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. In 2018, BNP Paribas launched the "Green company for employees" program, which aims to step up the reduction in the Company's direct environmental impact, by drawing on employee contributions, particularly concerning two priority issues: the fight against plastic and the promotion of green mobility.
Dedicated budget for energy efficiency	BNP Paribas has dedicated a budget for projects aiming to improve energy efficiency of buildings. This is under the responsibility of facility management teams, in charge of identifying judicious projects and the necessary budgets. These initiatives are reported back to CSR Group to keep a close watch on the Group's efforts in energy performance.

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

**C4.5a**

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Group of products

**Description of product/Group of products**

Financing and advising for renewable energy projects allows power and utilities companies to implement renewable energy infrastructures, thus reducing the GHG emission factor of average mix-electricity in the concerned countries. With total credit authorizations of around EUR 15.9 billion at end-2019, BNP Paribas provides significant support to the renewable energy sector. The Group raised its financing target for the sector to EUR 18 billion by the end of 2021 (versus EUR 15 billion at end-2020).

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Low-Carbon Investment (LCI) Registry Taxonomy

**% revenue from low carbon product(s) in the reporting year**

39.3

**% of total portfolio value**

**Asset classes/ product types**

Corporate Loans
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**Comment**

We consider the Group's authorizations in the power and utilities sector. The total credit risk exposure to the utilities sector was EUR 40.5 billion at the end of 2019 (see page 335 of the registration document) and the authorization on the renewable energy sector was EUR 15.9 billion at the same date. Therefore,  $15.9/40.5 = 39.3\%$

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**C5. Emissions methodology**

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**C5.1**

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## **(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

### **Scope 1**

#### **Base year start**

janvier 1 2012

#### **Base year end**

décembre 31 2012

#### **Base year emissions (metric tons CO2e)**

70319

#### **Comment**

BNP Paribas reports on its GHG emissions in the "2019 Universal registration document and annual financial report" on page 565. 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. To determine scope 1 GHG emissions, GHG protocol / ISO 14064-1 is applied. Every year, The Group conducts a global environmental campaign to collect data from 20 countries where the Group is most active. The selected countries for the environmental campaign represent 90 % of the Group's FTE and economic activity. 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**

janvier 1 2012

#### **Base year end**

décembre 31 2012

#### **Base year emissions (metric tons CO2e)**

388323

#### **Comment**

BNP Paribas reports on its GHG emissions in the "2019 Universal registration document and annual financial report" on page 565. 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 20 countries where the Group is most active. The selected countries for the environmental campaign represent 90 % of the Group's FTE and economic activity. 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**

janvier 1 2016

#### **Base year end**

décembre 31 2016

#### **Base year emissions (metric tons CO2e)**

255540

#### **Comment**

We started calculating scope 2 emission in a market based approach in 2016. BNP Paribas does not publicly disclose Scope 2 market based GHG emissions and hasn't set any target on its Scope 2 market-based GHG emissions. However, 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. Thereby, it was significant to calculate in intern our Scope 2 emissions in a market based approach. Scope 2 emissions (market based) = District heat + district cold + Electricity from residual mix - electricity produced on site and sold back to the grid. The CSR team is finalizing a Group's policy on green certificates. It urges local procurement teams or local facility management teams to ensure that power purchase will be switched to low carbon electricity as soon as possible. BNP Paribas considers countries under the 100gCO2/kWh (location based) emitted threshold as low-carbon electricity countries. Therefore, everywhere apart from Switzerland (electricity's footprint is 24gCO2/kWh) and France (64gCO2/kWh), entities will have to purchase low carbon electricity. Our environmental data, including Green certificates, is verified and validated annually by independent auditors.

## **C5.2**

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### **(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Bilan Carbone

Defra Voluntary 2017 Reporting Guidelines

ISO 14064-1

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

## **C6. Emissions data**

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### **C6.1**

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**(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)**

61187

**Start date**

janvier 1 2019

**End date**

décembre 31 2019

**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 the Group's breakdown of total emissions by scope, Scope 1 represents 13.27%. In 2019, our Scope 1 emissions decreased by 1.55% (absolute figure) compared to 2018.

**Past year 1**

**Gross global Scope 1 emissions (metric tons CO2e)**

62149

**Start date**

janvier 1 2018

**End date**

décembre 31 2018

**Comment**

**Past year 2**

**Gross global Scope 1 emissions (metric tons CO2e)**

65423

**Start date**

janvier 1 2017

**End date**

décembre 31 2017

**Comment**

**Past year 3**

**Gross global Scope 1 emissions (metric tons CO2e)**

62450

**Start date**

janvier 1 2016

**End date**

décembre 31 2016

**Comment**

**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 a location-based method and following the GHG Protocol. We used this method to set up the Group's objective of -25% of GHG emissions in 2020. 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 is finalizing 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

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

**Reporting year**

**Scope 2, location-based**

280789

**Scope 2, market-based (if applicable)**

159788

**Start date**

janvier 1 2019

**End date**

décembre 31 2019

**Comment**

In 2019, Scope 2 market-based emissions decreased by 13% compared to 2018, which highlights our increased purchased of renewable electricity with green certificates offers in markets where such offer exists. Please refer to the section C8 Energy for more detail about our consumption of low carbon electricity.

**Past year 1**

**Scope 2, location-based**

288902

**Scope 2, market-based (if applicable)**

183092

**Start date**

janvier 1 2018

**End date**

décembre 31 2018

**Comment**

**Past year 2**

**Scope 2, location-based**

300970

**Scope 2, market-based (if applicable)**

214030

**Start date**

janvier 1 2017

**End date**

décembre 31 2017

**Comment**

**Past year 3**

**Scope 2, location-based**

322381

**Scope 2, market-based (if applicable)**

255540

**Start date**

janvier 1 2016

**End date**

décembre 31 2016

**Comment**

## C6.4

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

No

## C6.5

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**(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

### Metric tonnes CO2e

15640

### Emissions calculation methodology

For now, the calculation of the emissions of this category was only done on 100 % of our paper consumption. The data includes paper used internally, paper for customer relationship purposes (letters, bank statements, etc.) and other types of paper: envelopes, cheque books, etc. In 2019, 17,018 tons of paper were consumed. An average Emission Factor was selected (awaiting to improve this methodology): 0.919 kgCO2e/kg of paper from ADEME Base Carbone®. Hence emissions due to paper consumption: 17,018 x 0.919 = 15,640

### 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 was only done on 100 % of our paper consumption. The Group has already deployed internal policies and quantified objectives for 2020. In 2017, the Group's commitment to reduce paper consumption per employee by 30% in 2020 compared to 2012 was achieved and reviewed to a 43% reduction objective in 2020. The paper policy also aims to bring to 80% in 2020 the share of responsibly sourced paper (from recycling or sustainable managed forests, i.e. more than 50% recycled or PEFC or FSC labelled). In 2019, 72% of paper was from responsible sources, compared with 62.5% in 2018. \*\*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 particular 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

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### 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

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### 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 1,399 GWH in 2019. \*\*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

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### 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, calculated

### Metric tonnes CO2e

3855

### Emissions calculation methodology

The majority of waste generated by BNP Paribas is common waste, similar to household waste. In 2019, 21 % of waste is recycled. We estimated the GHG emissions of the remaining 79% waste (26,784t) from the amount of GHG produced during their end-of-life processing in line with the European average: 38% to landfill, 20% incinerated, 24% recycled and 18% to composting. The use of these figures is justified by the fact that half of the 20 monitored countries are members of the EU. By subtracting the part for recycling and readjusting these weights, the following end-of-life percentages are obtained for the non-recycled waste: 50.0% landfills, 26.3% incineration and 23.7% composting. Emission factors, based on ADEME documents for the accounting of emissions related to waste management, and using the calculations of GWP over 100 years made by the IPCC, are then assigned: landfill 47 kgCO2e/t, incineration 393 kgCO2e/t, composting 72 kgCO2e/t. Emissions due to waste = 26,784 t waste × [(0.5 × 47kgCO2e/t waste in landfill) + (0.263 × 393 kgCO2e/t waste incinerated) + (0.237 × 72kgCO2e/t waste composted)] = 3,855 tCO2e

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

100

### Please explain

Waste is one of the most challenging indicators to collect particularly in the retail banking industry with many branches. In the context of its actions to promote the circular economy, the Group committed to making progress each year on the amount of waste recycled by employees, mostly paper, and on the quality of data in this respect. In 2019, more reliable information concluded that 33,905 tonnes of waste were generated, or 170.5 kg/FTE. Note that 21% of the total volume of waste is recycled, or 26.7 kg/FTE. 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. Dismantling is only considered as a last resort, with a focus placed on maximising the recycling rate. \*\*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

### Metric tonnes CO2e

119055

### Emissions calculation methodology

Activity data are passenger km for rail and air travel and vehicle km for road travel: - Rail travel; - Road travel: long-term lease petrol, long-term lease diesel, long-term lease hybrid, personal vehicle; - Air travel: short haul ( $\leq 1\,000$  km) economy class, short haul business & 1st classes, long haul ( $> 1\,000$  km) economy class, long haul business & 1st classes. Emissions factors: - Rail travel: Country specific EFs from ADEME V6.11 were used where available. Elsewhere the rail EFs used were from WRI, GHG Emission Factors Compilation (Emission Factors from Cross-Sector Tools, version 1.2, September 2011); - Road travel: for France and Belgium, EF's from Arval's data were used with specific EFs for petrol, diesel and an average EF where engine type was unknown. Where available, country specific EFs were used from IEA (2009) - Average new vehicle on road, 2007 data. Elsewhere, EFs used are issued from DEFRA Guidelines GHG Conversions Factors - August 2011, with EFs for petrol, diesel and average engines. The EF for hybrid engines are issued by DEFRA. - Air Travel: EFs were taken from ADEME V6.11, with a distinction between short haul economy class, short haul business & 1st classes, long haul economy class, and long haul business & 1st classes. GWP values are from the IPCC (2007) AR4 Data quality is affected by uncertainties in data collection, extrapolation based on staff numbers for entities that are not included in reporting and inherent error in Emission Factors. Some country specific EFs are lacking for rail and road travel. In a limited number of cases engine types are unknown. Business travel data was externally audited by PwC and limited assurance was obtained. Activity data was expressed in km and then multiplied by the associated Emission Factor. All EFs were selected by the CSR team from internationally recognized sources (IEA, DEFRA, ADEME, WRI). Where possible EFs were selected on a country basis and as a principle, choices between possible EFs were conservative, favoring the higher EFs. Where detailed data on business use versus personal use for company cars was unavailable, a 50% business use was assumed, with only 50% of total km accounted for in company emissions.

### 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 2019, business travel emissions contribute to the Group's total emissions by 25.8% and thus represent the second major source of emissions after imported energy. In 2019, 830 million kilometers were travelled, it corresponds to 4,175 Km/FTE (of which 55.8% by air, 26.5% by road and 17.7% by rail) compared with 4,759 km/FTE in 2018; i.e. a year-on-year km/FTE decrease of 16.3%. This was due to the reduction of business trip by air, in addition to the increased use of web and videoconferencing. Indeed, new and more restrictive travel policies have been set up: they encourage employees to use public transport rather than their company vehicles, or to choose economy class over business class when travelling by plane.

## Employee commuting

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

For BNP Paribas, this category includes the transportation of employees between their homes and their worksites. \*\* Size: BNP Paribas had nearly 199,000 employees in 2019. \*\* 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. Lastly, a Green Friday was held in France to give employees cheap access to green cars and bikes and thus encourage sustainable mobility. \*\* 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

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### 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

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### 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

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### 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

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### 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

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### 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

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

This category is relevant for our 2 subsidiaries in leasing business: Arval for vehicle leasing and Leasing solutions for professional equipment leasing. However, measuring emissions from all our leased equipment is not yet feasible.

**Franchises****Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

**Please explain**

BNP Paribas' franchises represent a small part of its activity. Besides their surface is not significant compared to the approximately 7,5 million sq.m managed by BNP Paribas in 2019. Therefore, the operation of franchises is not a relevant source of scope 3.

**Other (upstream)****Evaluation status****Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

**Please explain****Other (downstream)****Evaluation status****Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

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

<Not Applicable>

**Please explain**

C6.10

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**(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**

0.000007668

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

341976

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

44597000000

**Scope 2 figure used**

Location-based

**% change from previous year**

7.13

**Direction of change**

Decreased

**Reason for change**

Gross global emissions for scope 1 and 2 decreased by 2.6%, while the revenue increased by 4.9% compared to previous year. The decrease in intensity is partly due to the Group's efforts to reduce the environmental footprint associated with its operations, through various initiatives such as energy saving, energy efficiency and use of low-carbon electricity. Moreover, since 2018, the Green Company for Employees (GC4E) programme has accelerated the reduction of all direct environmental impacts of the Group with the participation of all employees.

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**Intensity figure**

1.72

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

341976

**Metric denominator**

full time equivalent (FTE) employee

**Metric denominator: Unit total**

198816

**Scope 2 figure used**

Location-based

**% change from previous year**

0.57

**Direction of change**

Decreased

**Reason for change**

Gross global emissions for scope 1 and 2 decreased by 2.6%, while the FTE decreased by 1.9% compared to previous year. The decrease in intensity is partly due to the Group's efforts to reduce the environmental footprint associated with its operations, through various initiatives such as energy saving, energy efficiency and use of low-carbon electricity. Moreover, since 2018, the Green Company for Employees (GC4E) programme has accelerated the reduction of all direct environmental impacts of the Group with the participation of all employees.

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## C7. Emissions breakdowns

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### C7.9

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**(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

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### C7.9a

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**(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	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	23304	Decreased	9.4	Renewable electricity accounted for 35% of the Group's total electricity bill in 2019 compared to 32% in 2018. It came either from purchase of renewable electricity certificates, or from direct consumption of renewable energy produced by the Group's buildings. In 2019, the Group increased the purchase of renewable electricity certificates in subsidiaries, especially in the USA, UK and Portugal. Our scope 2 emission (market based) is reduced by 23 304 t eqCO2, and our total scope 1 and scope 2 (market-based) in the previous year was 248 515 t eqCO2, therefore we arrived at -9,4 % through $(-23\ 304/248\ 515)*100 = -9,4\ %$
Other emissions reduction activities	9075	Decreased	2.6	Each year, the Group redoubles its efforts to reduce the environmental footprint associated with its operations. In 2019, 9 075 tons of CO2e were reduced by our emissions reduction projects, and our total Scope 1 and Scope 2 emissions in the previous year was 351 050 t eqCO2, therefore we arrived at -2.6% through $(-9\ 075/351\ 050)*100 = -2.6\ %$ .
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

### 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?**

Market-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

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(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)	LHV (lower heating value)	0	20201	20201
Consumption of purchased or acquired electricity	<Not Applicable>	341438	641444	982882
Consumption of purchased or acquired heat	<Not Applicable>	2021	321459	323480
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	0	68539	68539
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	3878	<Not Applicable>	3878
Total energy consumption	<Not Applicable>	347337	1051644	1398981

## C9. Additional metrics

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### C9.1

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

**Description**

Waste

**Metric value**

33905

**Metric numerator**

Metric tonnes

**Metric denominator (intensity metric only)**

-

**% change from previous year**

20

**Direction of change**

Increased

**Please explain**

The total waste disposed increased by 20% compared to 2018. Note that waste data is harder to collect than other indicators because measurement is not always possible in office buildings and agencies. BNP Paribas is working on improving the number of sites where generated waste amounts are measured and the quality of the data reported on our reporting tool. As a financial institution, the main waste sources are: paper waste, IT equipment waste, furniture waste, plastic waste and food waste in company canteens. The reduction initiatives mainly target these sources. The group has an internal policy for waste management from operational activities. It encompasses the previous sources and is the result of a collaboration between CSR Delegation, Procurement Group and IMEX (entity in charge of managing the Group's building asset in France). Regarding the end-of-life of IT equipment, partnerships have been set up with bodies specialised in reconditioning this type of equipment in order to ensure a second life for the benefit of civil society. In cases where the end-of-life IT equipment cannot be reconditioned, it is entrusted to suppliers specialised in the recovery of components. In addition, since 2018 the Green Company for Employees (GC4E) programme has accelerated the reduction of all direct environmental impacts of BNP Paribas with the participation of all employees. One of its key focus area is to abolish petrochemical sourced single-used plastics. In France, for example, the Group removed single-use plastic items from supply catalogues in 2019. Disposable and plastic beverage and catering containers and accessories have already been removed from company cafeterias and restaurants in many cities and countries, e.g. France, Hong Kong, Brazil, London and New York. The Group's range of promotional merchandise is also being overhauled to eliminate single-use plastic.

**Description**

Other, please specify (Paper)

**Metric value**

14364

**Metric numerator**

Metric tonnes

**Metric denominator (intensity metric only)**

-

**% change from previous year**

13

**Direction of change**

Decreased

**Please explain**

The total paper consumption of the group was 14 364 tonnes in 2019. The Group was committed to reduce paper consumption per employee by 30 % in 2020, moving from 165kg/FTE in 2012 to 115kg/FTE in 2020. In 2017, this target was reached and exceeded with a record of 113kg/FTE. In 2018, a better reduction was registered, 97 kg/FTE. Therefore BNP Paribas reviewed the target to 94 kg/FTE for 2020. In 2019, the paper consumption was 86 kg/FTE. The second target is to increase the share of responsibly sourced paper to 80% paper by 2020 (from recycling or sustainably managed forests, i.e. more than 50% recycled or PEFC or FSC certified). In 2019, 72% of paper was sustainable, compared with 62.5% in 2018. The Group has a set a clear paper policy, setting the standards for the purchase of paper from responsible sources, echo – behaviors when it comes to paper consumption, and rules for paper waste management. Group policy is based on a triple bottom line: consume less, consume better, sort more. To improve the quality of the data, local managers are requested to systematically report all waste sorting, collection and recycling initiatives deployed within the Group. Sites which have not yet implemented such systems but which report substantial volumes of waste should seek to sign a contract with an effective and affordable waste management service provider.

**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**

BNPP\_Universal registration document and annual financial report 2019.pdf

**Page/ section reference**

7.9 Report by one of the Statutory Auditors, appointed as an independent third party, on the non-financial information statement included in the management report Page 586 - 588

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

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**C10.1b**

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**(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**

BNPP\_Universal registration document and annual financial report 2019.pdf

**Page/ section reference**

7.9 Report by one of the Statutory Auditors, appointed as an independent third party, on the non-financial information statement included in the management report Page 586 - 588

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

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**Scope 2 approach**

Scope 2 market-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**

BNPP\_Universal registration document and annual financial report 2019.pdf

**Page/ section reference**

7.9 Report by one of the Statutory Auditors, appointed as an independent third party, on the non-financial information statement included in the management report Page 586 - 588

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

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**C10.1c**

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**(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**

BNPP\_Universal registration document and annual financial report 2019.pdf

**Page/section reference**

7.9 Report by one of the Statutory Auditors, appointed as an independent third party, on the non-financial information statement included in the management report Page 586 - 588

**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	ISAE 3000	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 7.9 page 586-588) BNPP_Universal registration document and annual financial report 2019.pdf
C5. Emissions performance	Year on year emissions intensity figure	ISAE 3000	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 7.9 page 586-588) BNPP_Universal registration document and annual financial report 2019.pdf

**C11. Carbon pricing**

**C11.2**

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

**C11.2a**

**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

**Credit origination or credit purchase**

Credit purchase

**Project type**

Forests

**Project identification**

Each year, BNP Paribas offsets residual greenhouse gas emissions generated during the previous year for the Group as a whole. After taking into account the additional purchases of low-carbon electricity, these emissions amounted to 390,215 t<sub>eq</sub>CO<sub>2</sub> in 2018. In 2019, these emissions were offset via three projects: 1. the Kasigau project, which the Group has supported since 2017. This conservation and restoration programme, which covers 200,000 hectares of forest in Kenya and is managed by the NGO Wildlife Works, also funds access to healthcare, water and education for local inhabitants. 2. Drilling drinking water wells in Malawi, thereby reducing the logging of trees previously used as fuel for water sterilisation. Overseen by the NGO United Purpose Malawi WASH, the project tackles deforestation and thus dramatically improves people's lives. 3. Restoring and protecting tropical peat bogs covering more than 150,000 hectares of swamp forest in central Kalimantan of Indonesia. In addition to protecting more than 40 endangered species of fauna and flora, the project helps indigenous peoples fight the devastating forest fires that occur during the dry season.

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO<sub>2</sub>e)**

390215

**Number of credits (metric tonnes CO<sub>2</sub>e): Risk adjusted volume**

390215

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

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**C11.3**

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

Yes

**C11.3a**

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

**Objective for implementing an internal carbon price**

Identify and seize low-carbon opportunities

**GHG Scope**

Scope 1

Scope 2

Scope 3

**Application**

The internal price on carbon is applied at company-wide. In 2017 and 2018, BNP Paribas has developed an internal carbon price methodology. This internal carbon price is associated with a qualitative analysis about the governance, strategy, risk management and metrics and targets of the counterparty about transition risks (based on GHG Emissions and its impact on EBITDA in case of effective carbon tax of 40 EUR per ton). It has been tested on 8 sectors in Europe, Americas and Asia Pacific. We continue to develop and improve our methodology and to this end, the testing phase has been extended. Moreover, BNP Paribas keeps strengthening its carbon risk management.

**Actual price(s) used (Currency /metric ton)**

40

**Variance of price(s) used**

We use a price range between USD25 and USD40 per tonne of CO<sub>2</sub>. This carbon price is associated with a qualitative analysis about the governance, strategy, risk management and metrics & targets of the counterparty about transition risks.

**Type of internal carbon price**

Shadow price

**Impact & implication**

The goal of the test of a carbon price was to evaluate the resilience of our clients to the energy transition, to measure and steer carbon risks in the Group's loan book. This test was conducted on a sample of customers operating in the eight industries that emit the most greenhouse gases (mining, power generation, oil & gas, transport, real estate, agrifood, cement, and steel), and included a qualitative analysis of their carbon risks. Throughout 2018, these analyses, which were carried out during annual reviews, primarily in the North America and Europe, were extended to the other parts of the world to widen the sample, refine the methods, and measure the impact of a carbon price on the Group's customers.

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**C12. Engagement**

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**C12.1**

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

- Yes, our suppliers
- Yes, our customers
- Yes, our investee companies
- Yes, other partners in the value chain

**C12.1a**

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

**Type of engagement**

Compliance & onboarding

**Details of engagement**

Included climate change in supplier selection / management mechanism  
Code of conduct featuring climate change KPIs  
Climate change is integrated into supplier evaluation processes

**% of suppliers by number**

5

**% total procurement spend (direct and indirect)**

30

**% of supplier-related Scope 3 emissions as reported in C6.5**

100

**Rationale for the coverage of your engagement**

Group purchases amount to nearly EUR 10 billion in expenditures globally. BNP Paribas is developing balanced relations with its suppliers, in line with its commitments. As a French signatory to the Charter of Responsible Supplier Relations developed by the French Ministry of Economic and Financial Affairs' Inter-Business Mediation body, the Group is committed to traceability in the supplier selection process and information confidentiality. The Purchasing teams monitor the risks of mutual dependence with suppliers, and offer a dedicated appeal process within the Group Purchasing division, a "Responsible Purchasing" team supports Buyers and relies on some fifty correspondents around the world. Indeed, BNP Paribas and its various entities require its suppliers to share its conception of environmental responsibility. In particular, suppliers are asked to answer a questionnaire in order to evaluate their own environmental performance. For our scope of coverage, we track regular suppliers, around 40 000 and exclude "one shot" suppliers, difficult to engage and communicate with on a long term. We also focus on the big players and not the small contractors for punctual needs.

**Impact of engagement, including measures of success**

BNP Paribas pays special attention to the extra-financial issues (including climate related issues) of suppliers when analyzing tender offers, in accordance with the BNP Paribas Suppliers' CSR Charter which has been published in 2012 and updated in 2014: - standard contracts used by the purchasing teams include a clause on respect for the environment and for social practices; tender offers issued by Group Purchasing include CSR criteria. Thus, in 2019, 2 500 suppliers were given ESG assessments during calls-to-tender. Specific questionnaires were created for purchasing categories with strong environmental or social impacts, such as IT hardware, auto fleets, and consulting services. CSR assessments were also conducted with the support of third-party organisations for certain calls for tenders. After selection: we monitor the suppliers risk based on a procedure including the review of CSR criteria twice a year. Moreover, since 2015, the Groupwide program "Know your Supplier" is reinforcing the process by which internal buyers can identify and reduce the risks associated with our suppliers and our supply chain, and especially GHG related risks of our main providers of goods and services. As an example, the Group endeavours to reduce the energy consumption of its IT equipments, with a binding integration of energy criteria (Epeat and Energy Star) in tender invitations. The calls for tenders concerning the company car fleet have also integrated CSR criteria in the environmental issues specific to this category. Lastly, responsible paper is also promoted through the Groupwide paper policy "Consume less, consume better, sort more". An objective of reaching 80% of responsible paper was set for 2020. In 2019, 72% of paper used internally and externally was from verified responsible sources.

**Comment**

In 2019, 2 500 CSR evaluations of suppliers have been achieved by our procurement teams during the calls for tenders, including their strategy on reducing GHG emissions. By calculating the ratio of suppliers we engage with (2 000) and the total of our big and regular suppliers (40 000) we reach a 5% as a percentage of suppliers by number. By crossing this figure with the expenditures from each supplier, they represent around 30% of the Group's total spend. Also note that a revised version of the CSR questionnaires is planned. Its goal is to facilitate the process of assessing suppliers by entities lacking specific CSR expertise and it includes questions consistent with new regulations.

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**C12.1b**

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**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Share information about your products and relevant certification schemes (i.e. Energy STAR)

**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5**

80

**Portfolio coverage (total or outstanding)**

Majority of the portfolio

**Please explain the rationale for selecting this group of customers and scope of engagement**

BNP Paribas seeks to finance responsible projects which favour the protection of the climate. Through its various business lines, BNP Paribas offers products and services to its corporate and retail customers wishing to reduce their impact on climate. BNP Paribas engagements and policies to combat climate change are published on BNP Paribas' website and thus all our customers (100%) have access to it. Our corporate customers represent a significant source of our scope 3 emissions. Sharing information on our CSR strategies and our commitments will allow us to engage in a collective effort to reach our goals. For example, BNP Paribas institutional internet website

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(<https://group.bnpparibas>) communicates publicly a large number of news about many climate-related actions and initiatives. By selecting "Climate" in the search engine, more than 300 news are on line. In April 2019, a large 3 pages article presenting and explaining the transition energy strategy of BNP Paribas has been published in the monthly shareholders newsletter "Lettre aux actionnaires" sent to all our shareholders. See pages 7, 8 and 9 (in French) : <http://media.bnpparibas.com/fluidbook/Lettre-des-actionnaires-Avril-2020/#>

#### Impact of engagement, including measures of success

The Group has stepped up its support for individual clients and SMEs making the energy transition: • In 2019, French Retail Banking (BDDF) launched "Auto Écologiques" green car loans used by clients to buy cars eligible for the 2019 conversion bonus. A total of 1,057 Auto Écologiques loan were issued in 2019 amounting to €27 million. • BDDF also launched ÉnergiBio, a lower-rate consumer loan used to fund energy renovation projects. • In Belgium, BNP Paribas Fortis offers green mortgage loans to make homes more energy efficient (construction of new homes or renovations of existing homes), which amounted to €3.6 billion at end-2019. • In the United States, Bank of the West offers lower rates on certain home loans to promote energy efficiency renovations. • In Poland, BNPP Polska Bank and the European Investment Bank (EIB) have signed 4 agreements: - Project ELENA for Housing Associations: Grant dedicated to financing technical assistance for Housing Associations that want to invest in energy efficiency investments of the multifamily buildings. - Project ELENA for SME and MidCAPS: Grant dedicated to financing technical assistance for SMEs and MidCAPs that want to invest in energy efficiency investments of the commercial buildings. - PF4EE: Risk sharing facility covering new portfolio of loans granted to Individual Customers, Housing Associations and MicroFarmers for energy efficiency and RES investments. - BiznesMax Guarantee: Guarantee facility covering new portfolio of loans granted to SMEs for innovations, energy efficiency and RES investments.

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#### Type of engagement

Engagement & incentivization (changing customer behavior)

#### Details of engagement

Run an engagement campaign to educate customers about climate change

#### % of customers by number

100

#### % of customer - related Scope 3 emissions as reported in C6.5

80

#### Portfolio coverage (total or outstanding)

Majority of the portfolio

#### Please explain the rationale for selecting this group of customers and scope of engagement

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 2019, BNP Paribas met 37 SRI investors at least once in France, the UK, Sweden and Norway. In addition, BNP Paribas arranges more frequently specific meetings with its clients on the subject of the energy and environmental transition. In 2019, these types of events were held in 11 countries, bringing together 380 corporate and investment clients to hear Group speakers, client representatives or other public figures. The Group also convened more than 500 clients in Singapore for its 4th Sustainable Finance Forum (SFF) in Asia, and invited 80 clients to attend a seminar in Oslo, aiming to encourage clients to expedite the energy and ecological transition of their own business by showing them new technologies, such as carbon capture and the mass roll-out of electric vehicles. Lastly, BNP Paribas appointed Craig Neeson, award-winning film maker and the director of "A Plastic Ocean", as the "Global Sustainability Ambassador". This 3-year partnership aims to raise awareness of various environmental issues, such as ocean pollution and climate crisis. In 2019, Craig Neeson gave presentations at 12 events organised by BNP Paribas.

#### Impact of engagement, including measures of success

Measures of success include the growth of our sustainable investing products and services, for example: (i) At the end of 2019, our total financing contributing to the energy transition and the SDGs reached EUR 180 billion (compared with EUR 168 billion in 2018); (ii) In France, BNP Paribas Asset Management was ranked No.1 for SRI-labelled assets under management (20% of the EUR 138 billion of assets under management are labelled assets) and second by number of funds (with 34 funds out of 321); (iii) In Belgium, BNP Paribas Asset Management was also ranked No.1 by assets under management (EUR 54 billion labelled or 39% of total assets) and by number of funds (80 funds out of 320). (iv) BNP Paribas Wealth Management continued to roll out its SRI offering. In 2019, SRI assets reached EUR 14.9 billion, representing growth of 36% since 2011. Measure of success and impact of CLIMATE THE 360° EXHIBITION

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#### Type of engagement

Collaboration & innovation

#### Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

#### % of customers by number

100

#### % of customer - related Scope 3 emissions as reported in C6.5

80

#### Portfolio coverage (total or outstanding)

Minority of the portfolio

#### Please explain the rationale for selecting this group of customers and scope of engagement

For BNP Paribas, making the energy transition happen also means supporting the development of innovative technologies. To that end, the Group made a commitment in late 2015 to invest €100 million by 2020 in young innovative companies in the ecological and energy transition sector and to help them grow.

#### Impact of engagement, including measures of success

At end-2019, the Group had invested in three investment funds and 10 startups specialising in the ecological and energy transition, including Sierra Energy, which transforms any type of waste into energy without combustion, and EkWateur, a French green renewable energy provider (electricity and biomethane) serving individuals and local authorities. The Group also assists ecological and energy transition start-ups with their IPOs. In 2019, specialised subsidiary Portzamparc BNP Paribas helped multiple companies in the sector launch their IPOs, such as Hoffmann Green Cement Technologies (founded in 2014, produces very low-carbon cement) and BoostHeat (specialising in efficient and sustainable heating solutions).

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#### Type of engagement

Compliance & onboarding

#### Details of engagement

Climate change considerations are integrated into customer screening processes

#### % of customers by number

100

#### % of customer - related Scope 3 emissions as reported in C6.5

80

#### Portfolio coverage (total or outstanding)

Majority of the portfolio

#### Please explain the rationale for selecting this group of customers and scope of engagement

As the second line of defence against environmental, social and governance (ESG) risks, the Risk Function continued its efforts in 2019 to adapt the framework, processes and governance of Credit Committees to include systemically an ESG risk analysis (including climate and energy-related risks) incurred by the Group's non-financial corporate clients. Implementation of this new organisational structure has been launched in the Group's main corporate business lines. Since the Paris Agreement of November 2015, the BNP Paribas Group has launched multiple initiatives to integrate climate-risks in its risk management systems and promote the energy transition in line with the Paris Agreement. The Group's climate-related risk management system is part of its overall risk supervision approach and is centred on: • the General Credit Policy, expanded in 2014 to include CSR clauses; • 22 specific credit and rating policies now containing ESG criteria, including some climate-related criteria; • establishment of finance and investment policies ("sectoral policies") governing its businesses in sectors involving major energy and climate-related issues such as: o coal-based electricity generation; o mining industry; o palm oil production; o paper pulp production; o agriculture o unconventional hydrocarbons. These sectoral policies define a set of rules and procedures relating to financial products or services supplied by BNP Paribas entities for a given economic sector. These rules and procedures aim to respond to social and environmental problems in this sector and to establish guidelines for responsible conduct of the Bank's activities with this sector. All these policies are published on the Group website. This global framework has a strong influence on our customers environmental & social approach regarding their activities, their own customers and their suppliers.

#### Impact of engagement, including measures of success

In 2019, the Group CSR function was solicited for an expert opinion on the risk analysis of the ESG risks associated with 2,340 complex or high-risk transactions (finance, onboarding, export services, etc.) versus 1,627 transactions last year in 2018.

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#### Type of engagement

Information collection (understanding customer behavior)

#### Details of engagement

Collect climate change and carbon information from new customers as part of initial due diligence

#### % of customers by number

100

#### % of customer - related Scope 3 emissions as reported in C6.5

80

#### Portfolio coverage (total or outstanding)

Minority of the portfolio

#### Please explain the rationale for selecting this group of customers and scope of engagement

BNP Paribas Wealth Management developed an application called My Impact to invite its customers to define their expectations in the face of the challenges of sustainable development and allow their bank to make them discover solutions with a positive impact corresponding to their aspirations. Clients can act in favour of an ecosystem-friendly economy that benefits all individuals through investments that are responsible for impact investing or even philanthropy. As a result, they can choose to direct their financial investments towards supports that will help fight climate change if they wish.

#### Impact of engagement, including measures of success

With this application, BNP Paribas Wealth Management can better identify expectations and better understand the real motivation of its customers in term of positive impact. It is an important source of information to identify and understand Customer behaviour. And by this way, we can develop products and services climate-related oriented. <https://wealthmanagement.bnpparibas/en/what-we-do/positive-impact.html>

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#### Type of engagement

Education/information sharing

#### Details of engagement

Other, please specify (The Climate & Biodiversity Initiative of the BNP Paribas Foundation)

#### % of customers by number

100

#### % of customer - related Scope 3 emissions as reported in C6.5

80

#### Portfolio coverage (total or outstanding)

Majority of the portfolio

#### Please explain the rationale for selecting this group of customers and scope of engagement

1. Supporting research on climate change and biodiversity The BNP Paribas Foundation has been accompanying since 2010 many international research teams studying past climates, ocean acidification or permafrost thaw... For 10 years, the BNP Paribas Foundation has contributed significantly to supporting environmental research while involving the general public. Since the creation of its environmental program, the BNP Paribas Foundation has funded 27 research projects with a total budget of 18 million euros. 2. Raising awareness among internal and external stakeholders Thanks to the research projects supported by the BNP Paribas Foundation, awareness-raising activities are implemented every year, familiarizing the general public, BNP Paribas employees, clients and our partners with environmental issues. 3 examples : - Since 2015, the BNP Paribas Foundation has teamed up with Climate, 360 exhibition organized by the Cité des Sciences in partnership with the French Institute and UN Environment. So far, the show has toured in 17 countries where the Group is located. Tours and conferences are organized for the local staff and clients, and for schoolchildren and students. The exhibition is accessible here: <https://leblob.fr/en/climate-questions> - The Foundation also supports the Global Youth Video Competition to encourage the youth taking part in activities to fight climate change. The annual awards ceremony takes place each year at the COP organized by UNFCCC. - Moreover, marking the International Year of the Reef in 2018, the BNP Paribas Foundation funded the Reef Services project to better understand and predict the consequences of global warming on coral reefs and the services they provide. A web platform, Corals Matter, was created in collaboration with the Association of Science-Technology Centers (ASTC) to provide the general public with the tools and information needed to protect marine biodiversity.

#### Impact of engagement, including measures of success

One Group CSR indicator is related to the Climate & Biodiversity initiative: the "number of people made aware of climate issues by BNP Paribas in the 2016-2018 period". They refer to the general public, BNP Paribas employees, clients, and external partners. In 2019, approximately 86 000 persons were made aware of environmental issues related to climate change and biodiversity. Since the creation of its environmental program, the BNP Paribas Foundation has raised awareness on environmental issues among more than 400,000 people. Public sources : [https://invest.bnpparibas.com/sites/default/files/documents/ddr\\_2018\\_bnp\\_paribas\\_gb.pdf](https://invest.bnpparibas.com/sites/default/files/documents/ddr_2018_bnp_paribas_gb.pdf) (page 513) [https://invest.bnpparibas.com/sites/default/files/documents/bnp2019\\_urd\\_en\\_20\\_03\\_13.pdf](https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf) (page 566) <https://group.bnpparibas/en/group/bnp-paribas-foundation/environment>

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## C-FS12.1c

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

#### Type of engagement

Engagement & incentivization (changing investee behavior)

#### Details of engagement

Exercise active ownership

#### % of investees by number

100

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

100

#### Portfolio coverage

Majority of the portfolio

#### Rationale for the coverage of your engagement

BNP Paribas Asset Management aligns itself with the path set to reach the Paris Agreement goals, as determined by the IEA in its Sustainable Development Scenario (SDS), which calls for electricity producers to reduce their carbon intensity to 327 gCO<sub>2</sub>e/kWh by 2025. Accordingly, BNP Paribas Asset Management will require the companies it invests in to reduce their carbon intensity to an SDS-compatible rate between 2020 and 2025, excluding those who fail to do so. For a small number of companies that are very close to the threshold, BNP Paribas Asset Management conducts analysis and engagement to encourage these companies to improve their decarbonisation targets and these companies will be subject to annual monitoring. The ESG incorporation directives introduced by BNP Paribas Asset Management in 2019 also call for the carbon footprints of the firm's investment portfolios to be lower than the carbon footprint of the associated benchmark index (where applicable). As part of its Global Sustainability Strategy, BNP Paribas Asset Management committed to establish an in-depth dialogue with companies, for example, encouraging them to align their strategies with the Paris Agreement goals and improve their environmental footprint. As an active member of the Climate Action 100+ Initiative since 2017, BNP Paribas Asset Management regularly engages in dialogue with firms ranked among the world's top 100 greenhouse gas emitters to improve their climate change governance. In line with its climate change strategy, BNP Paribas Asset Management has also adapted its voting policy and reserves the right to abstain from approving the financial statements, the discharge or the re-election of directors of companies that do not sufficiently communicate their CO<sub>2</sub> and 2°C strategy. It should also be noted that BNP Paribas Asset Management uses its voting rights to encourage the adoption of pro-energy transition resolutions.

#### Impact of engagement, including measures of success

BNP Paribas Asset Management abstained 61 times at 16 General Meetings (compared with 16 abstentions in 12 companies in 2018), primarily for climate change reasons. In recent years, BNP Paribas Asset Management took part in the submission of climate resolutions at Exxon AGMs several times: (i) In 2016 and 2017, support of a resolution calling for Exxon to draft a report on the consequences of climate change for the company. The resolution was postponed in 2016, but the vote was held in 2017. (ii) In 2019 and 2020 co-filing of a shareholder proposal with other investors calling for Exxon to disclose short, medium and long-term GHG emissions targets aligned with the Paris Agreement goals. While relations with Exxon clearly highlight a number of challenges, the dialogue engaged with other companies has been more productive. For example, having conducted a meaningful dialogue with Repsol's upper management team for the last several years, in December 2019 Repsol announced an ambition to achieve net zero emissions by 2050, making it the first oil and gas company in the world to do so.

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## C12.1d

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### (C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

BNP Paribas has a commitment to advance awareness and share best environmental practices.

#### Support research and develop knowledge on climate change and biodiversity

- Launched in 2010 by the BNP Paribas Foundation, the Climate Initiative programme was expanded in 2019 to include biodiversity issues and has become the Climate & Biodiversity Initiative. It has already provided EUR 18 million for 27 research projects run by researchers, academics and engineers. Between 2020 and 2022, the BNP Paribas Foundation will showcase the nine winning projects of its fourth call for projects launched in 2019. This focused on various issues linked to the interactions between climate and biodiversity, such as the impact of melting glaciers on global biodiversity, the resilience of coastal ecosystems to extreme weather events, and the reforestation of disturbed ecosystems; <https://group.bnpparibas/en/news/meet-9-laureates-climate-biodiversity-initiative-bnp-paribas-foundation>
- In 2019, BNP Paribas maintained its commitment to the One Planet Fellowship programme. With a 5 year grant of USD 15 million, this philanthropy programme is supported by the BNP Paribas and Bill & Melinda Gates Foundations, the European Commission and the International Development Research Centre (IDRC, Canada). It is run by AWARD (ICRAF, Kenya) and the Agropolis Foundation. Its ambition is to form an intergenerational network of researchers, future leaders in the fight against – and adaptation to – climate change in Africa. In 2019, the One Planet Fellowship launched two calls for applications for up-and-coming researchers specialising in this area. In total, 45 winners from 12 African countries were chosen in the first of these calls for projects in 2019.

#### Promoting and sharing information on environmental issues

Thanks to the support of the BNP Paribas Foundation, CLIMATE THE 360° EXHIBITION created by the Cité des Sciences in Paris in partnership with the French Institute and UN Environment, has been taking visitors on a voyage across five continents since 2015. To date, this model has been rolled out in 17 countries where the Group operates. In early 2019, an updated version, incorporating the last scientific data, was presented at the new BNP Paribas site in the Paris region. It has been shown in the Czech Republic, Hungary, and even in the Middle East for the first time in October, in Bahrain.

#### Raising public awareness about preservation of the living world

A project to raise awareness about Coral Reef conservation which is currently under threat, has also been implemented by the BNP Paribas Foundation in collaboration with (among other organisations) the Association of Science-Technology Centers (ASTC): Coral matter, 2018. [www.coralsmatter.org](http://www.coralsmatter.org)

## C12.3

### (C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

## C12.3a

### (C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Climate finance	Support	One of the main issues about climate change is the financing of the energy transition toward a low carbon economy. BNP Paribas is committed to actively engage with regulators, policy makers and the scientific community to support the energy transition and pursues ongoing dialogue aimed at formulating policies and developing efficient financial market mechanisms to drive the energy transition and limit global warming as endorsed by the UN Paris Agreement. In 2014, several representatives from the Group were involved in discussions with the French Government following the "State conference on financing energy transition » held in June 2014. Discussion groups focused on SRI label, financing energy efficiency in housings, green bonds, carbon reporting, etc. In December 2016, the European Commission established a High-Level Expert Group (HLEG) on Sustainable Finance to advice on developing a comprehensive EU strategy on sustainable finance. BNP Paribas has participated to the HLEG's stakeholder survey on the sustainable finance interim report so that its feedbacks. In 2019, Entreprises pour l'Environnement (EpE), french association gathering the big french companies around environmental and climate issues, appointed the CEO of BNP Paribas as Chairman for a three-year term. 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 2018, a study was conducted by EpE to imagine France's future in 2050 under a carbon neutrality scenario.	BNP Paribas fully supports legislation on energy transition financing. The Group insisted on the current difficulty on long term financing due to current legislation on solvability and cash flows. Recently, a new legal obligation has been raised which obliges asset owners to measure and disclose carbon footprint of their portfolio. This new article also paves the way to "climate resilience stress test". Moreover, since January 2016, the idea of creating an SRI label for the financing of the energy transition has become a reality. After being part of the HLEG, in 2018 BNP Paribas, represented by the Head of Sustainability Research at BNP Paribas Asset Management, took part in the working group on sustainable finance composed of technical experts tasked to draw up a set of European standards for Sustainable Development. The different experts, drawn from business, the academic world, civil society and the investment community, came together to create a classification system to determine which types of activity are regarded as sustainable from an environmental point of view. Finally, please note that BNP Paribas also supports the Green Supporting Factor initiative of the French Banking Federation in order to accelerate the financing of green assets.
Other, please specify (International climate change agreement)	Support	BNP Paribas has been upholding AFEP, Cercle de l'Industrie and MEDEF's (French business-associations) position called "Business proposals in view of a 2015 international climate change agreement at COP 21 in Paris". The chairman of BNP Paribas signed these proposals. As a signatory, BNP Paribas strongly supported the adoption in November 2015 of the Paris agreement concluded at the COP21. This ambitious agreement reflects the long-term objective of limiting global warming below 2°C. It enhances an international level playing field and in particular: - guarantee comparable efforts from all major emitting economies, ensuring fair competition between economic players; - provide a long-term and predictable framework which encourages investments and scaling by business of efficient carbon reduction and adaptation technologies, in a cost effective way; - focus the future climate framework on the States' Intended Nationally Determined Contribution (INDCs), which should avoid competitive distortions, be coherent and detailed, in a five to ten-year term, and on fostering international cooperation; - establish a reliable monitoring, reporting and verification system. Following COP21, BNP Paribas decided to double its financing to renewable energy by 2020. Moreover, as a member of Institutional Investors Group on Climate Change (IIGCC), the CEO of BNP Paribas Investment Partners engaged with others CEO investors, is asking G7 finance ministers to support a global long-term emissions reduction goal as part of the Paris agreement. They therefore urged these ministers to support: 1. A long-term global emissions reduction goal in the Paris agreement; 2. The submission of short to medium-term national emissions pledges and country level action plans. While the Paris agreement only provided a framework for what has to be done to limit global warming to 1.5-2°C, the main objective of COP22 was to put some force behind the pledges made in Paris. The next step is to establish new procedures and mechanisms to achieve the objective. These include rules on how countries will communicate their efforts with regards to climate finance.	Regarding AFEP proposition for COP21: - Launching a constructive and lasting Business Dialogue convened by the COP Presidency, between the business community and governments; - Boosting investments in low-carbon business solutions and technologies; - Intensifying R&D, innovation and deployment of mature and breakthrough technologies; - The need of carbon pricing. Regarding IIGCC letter to G7 finance ministers: as set out in 2015 Global Investor Statement on Climate Change, the global investor community is clear on the need for strong action on climate change, including an ambitious global deal, carbon pricing and phasing out of fossil fuel subsidies. Regarding the Paris Green and Sustainable Finance Initiative: along with other banks, BNP Paribas is willing to establish a permanent working group dedicated to defining standards and best practices, in coordination with the public authorities.

## C12.3b

### (C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

## C12.3c

### (C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

#### Trade association

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

#### Is your position on climate change consistent with theirs?

Consistent

#### Please explain the trade association's position

Entreprises pour l'Environnement (EpE) 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.

**How have you influenced, or are you attempting to influence their position?**

In 2019, BNP Paribas Director and CEO Jean-Laurent Bonnafé 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 14 initiatives to be undertaken as soon as possible to achieve carbon neutrality in France by 2050.

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**Trade association**

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

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's 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.

**How have you influenced, or are you attempting to influence their position?**

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.

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**Trade association**

United Nations Global Compact ("Advanced" level)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's 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.

**How have you influenced, or are you attempting to influence their position?**

BNP Paribas is a committee member of the Global Compact France.

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**Trade association**

Roundtable on Sustainable Palm Oil (RSPO)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The RSPO was established in 2004 to transform the palm oil industry in collaboration with the global supply chain. Its goal is to promote the production and use of sustainable palm oil, for the planet, people, and prosperity. The second greenhouse gas working group of the RSPO was convened at the end of 2009 to establish a process so that all RSPO members can reduce GHG emissions via a voluntary mechanism consistent with the existing RSPO Principles & Criteria. This working group will also address issues of public policy and business strategies, in order to develop a process that will lead to meaningful and verifiable reductions in greenhouse gas emissions from the palm oil supply chain.

**How have you influenced, or are you attempting to influence their position?**

For the palm oil sector, BNP Paribas, a member of the RSPO since 2011, encourages industrial companies to join this initiative (or equivalent).

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**Trade association**

Institutional Investors Group on Climate Change (IIGCC)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The IIGCC was established in 2001 as a forum for collaboration between pension funds and other institutional investors to address the investment risks and opportunities associated with climate change. One of the IIGCC's Key Objectives is to advocate public policy and market solutions that ensure an orderly and efficient transition to a secure climate system which is consistent with long-term investment objectives. It emphasised for example the importance of long-term policy certainty for investors and the principles IIGCC believes should apply to the design of Phase II of the EU ETS. The IIGCC also aims at providing members with the knowledge and tools to assess the investment implications of climate change. To this end it worked to develop a series of sector-based disclosure frameworks, with the aim of encouraging companies to disclose data that is easier to use in investment analysis, is comparable between companies and is able to inform corporate engagement with companies. The IIGCC has been working with the Carbon Disclosure Project on how to incorporate the framework into CDP documents. The Enterprise program of the IIGCC was set up to determine the degree to which company strategies are aligned with the goals of the Paris Climate Agreement to keep a global temperature rise well below 2 degrees Celsius above pre-industrial levels. The working group focuses on companies in sectors with a major impact on climate change and seeks to build constructive and effective dialogue.

**How have you influenced, or are you attempting to influence their position?**

BNPP Asset Management is an active member of the IIGCC. For several years BNPP AM has maintained a regular dialogue with car manufacturers and European companies in the oil, power generation and mining sectors for the ESG-performance assessment of companies in which it invests, and with other IIGCC members as part of collective engagement processes. The Group's subsidiary in Asset Management seeks to ensure that companies in these sectors fully understand the challenges of climate change and actively help combat it. BNPP AM helped shape recommendations in the areas of governance, strategy, emissions management, public policy, transparency and stakeholder information. They are targeted at companies in these high-emission sectors as well as investors wishing to discuss climate issues.

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**Trade association**

International Sustainability Alliance (ISA)

**Is your position on climate change consistent with theirs?**



Consistent

**Please explain the trade association's position**

The International Sustainability Alliance (ISA) is a global network of leading corporate occupiers, property investors, developers and owners. Its aim is to bring together a worldwide membership of leading commercial organisations with substantial property interests, dedicated to achieving higher sustainability in the built environment.

**How have you influenced, or are you attempting to influence their position?**

The subsidiary BNP Paribas Real Estate is a founding member of the ISA.

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**Trade association**

France Green Building Council (France GBC), the French partner of the World Green Building Council (World GBC)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

France GBC is an association the object of which is to be a leading force at a national level, creating a dynamic that unites the Public and Private sectors in the service of the development of sustainable construction and renovation, but also to be the flag bearer of the French position abroad, and to contribute to the increasing and improving of what French companies have to offer.

**How have you influenced, or are you attempting to influence their position?**

The subsidiary BNP Paribas Real Estate is a Board member of the France GBC.

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**Trade association**

HQE association

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

HQE association is a French platform on sustainable building and planning created in 1996.

**How have you influenced, or are you attempting to influence their position?**

The subsidiary BNP Paribas Real Estate is a Board member of the HQE association.

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**Trade association**

Institut de la Performance Énergétique (IFPEB, French Institute for the building's energy performance)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The IFPEB is a member association of big companies, working together to understand, implement and foster all the operational aspects of Sustainable Construction, under a pure market perspective. The Institute acts through projects, pooled actions (methodological writings, intelligence, sharing information, building collaborative projects) or private actions (consulting).

**How have you influenced, or are you attempting to influence their position?**

The sustainable development director of the subsidiary BNP Paribas Real Estate is the IFPEB Board President.

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**Trade association**

Corporate Vehicle Observatory (CVO)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

CVO is an international research institution formed by all members of automotive market: producers, deliverers, fleet managers, insurers and government institutions representatives. CVO currently operates in 16 countries (Belgium, Brazil, Czech Republic, France, Germany, Greece, India, Italy, The Netherlands, Poland, Portugal, Russia, Spain, Switzerland, Turkey and the United Kingdom). Among other issues that are debated within this framework, CO2 emissions are handled through themes such as electric vehicle, ecodriving, biofuels, etc.

**How have you influenced, or are you attempting to influence their position?**

The subsidiary Arval (vehicle long-term leasing) is the founder of CVO.

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**Trade association**

Mouvement des entreprises de France (MEDEF, Movement of the Enterprises of France)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The MEDEF is the main French trade association. The MEDEF has notably been supportive of the implementation of mandatory GHG reporting in France.

**How have you influenced, or are you attempting to influence their position?**

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.

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**Trade association**

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

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's 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.

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**How have you influenced, or are you attempting to influence their position?**

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.

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**Trade association**

Banking Environment initiative

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The banks of the Banking Environment Initiative (BEI) are in alliance with the Consumer Goods Forum (CGF) to investigate what it would mean to align the banking industry's services with the CGF's 2010 resolution to mobilise resources within their respective businesses to help achieve zero net deforestation by 2020. The 'Soft Commodities' Compact is a unique, client-led initiative that aims to mobilise the banking industry to help transform soft commodity supply chains, thereby helping corporate clients to achieve zero net deforestation by 2020.

**How have you influenced, or are you attempting to influence their position?**

Although BNP Paribas is not a member of the Banking Environment Initiative, the Group is upholding the 'Soft Commodities' Compact since 2014.

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**Trade association**

United Nations Environment Programme – Finance Initiative (UNEP FI)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's 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.

**How have you influenced, or are you attempting to influence their position?**

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.

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**Trade association**

European Commission Action Plan on Sustainable Finance

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

THE EU commissions adopted in March 2018 an Action Plan to improve the implementation of ESG considerations in its financial policy and mobilize finance for sustainable growth.

**How have you influenced, or are you attempting to influence their position?**

BNPP AM has responded to the Commissions consultations on the various policy measures included in the EU road map, particularly advocating for: An inclusive understanding of sustainability risks, in particular systemic risks such as climate change Increasing mandatory corporate disclosure and for the endorsement of the TCFD recommendations by G20 countries.

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**Trade association**

The Hydrogen Council

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The Hydrogen Council brings together major global corporations in the energy, transport and industrial sectors. These companies share the same long-term vision: hydrogen can promote the energy and ecological transition. The Hydrogen Council seeks not only to accelerate investment in development and commercialisation in the hydrogen and fuel cell sector, but to encourage key stakeholders to increase their support for hydrogen in the future energy mix

**How have you influenced, or are you attempting to influence their position?**

Convinced that hydrogen generated from low-carbon energy has a key role to play, BNP Paribas officially joined the Hydrogen Council in early 2020 and is represented in this Council by a member of its Executive Committee.

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**Trade association**

Green Climate Fund

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Green Climate Fund is a global fund created by the 194 signatories to the UN Framework Convention on Climate Change (UNFCCC) in 2010. It aims to catalyse a flow of climate finance to invest in low-emission and climate-resilient development, driving a paradigm shift in the global response to climate change, and paying particular attention to the needs of societies that are highly vulnerable to its effects – in particular the Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African States.

**How have you influenced, or are you attempting to influence their position?**

In 2018, BNP Paribas became one of few GCF-accredited commercial banks, which are able to work closely with the Fund to help bolster its support for sustainable development. It also underlines the achievements of BNP Paribas' shift in strategy in recent years to focus on the financing of the energy transition and other sustainable projects.

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## C12.3d

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### (C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

## C12.3e

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### (C12.3e) Provide details of the other engagement activities that you undertake.

The Group engages with other Banks, institutional investors, industrial peers, to develop new mechanisms to finance energy transition:

In January 2014, a group of 13 banks, including BNP Paribas, signed a set of Green Bond Principles establishing voluntary guidelines to which the issuer should adhere. BNP Paribas, in partnership with industry peers, was very much involved in the development of these new standards - we were elected to the Executive Committee of the Green Bond Principles in 2016, and again in 2018 for the next two years.

In 2019, the Group was the 3rd largest global player, all currencies taken together, on the green bond market according to Dealogic. The total value of the green bonds placed in 2019 was EUR 9.8 billion, including :

- the first sovereign green bond in Latin America (Chile) for EUR 1.3 billion, which will be partly used to finance renewable energy and environmental protection projects;
- Apple's inaugural EUR 2 billion green bond, which will be used to reduce Apple's overall carbon footprint and to develop the use of more sustainable materials in its products and processes

Moreover, the Bank launched ten climate indices, which raised more than EUR 750 million in 2019. BNP Paribas Asset Management's green funds, which are mainly invested in alternative energy and energy efficiency had EUR 11.6 billion in assets under management as of 31 December 2019.

## C12.3f

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### (C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Being on the Board of trade associations or providing funding beyond membership ensures the Group that its opinion about climate change is taken into account by the trade associations. Moreover, the high hierarchy level of the CSR function, which deals with climate change issues, ensures that indirect activities of the Group that influence policy (trade associations, direct engagement, etc.) are consistent with the overall climate change strategy.

Concerning the funding of organizations to produce public work on climate change, the research projects supported by the Climate & Biodiversity Initiative have been previously selected with the support of a Scientific Committee (including five external experts in the climate field). It ensures that the indirect activities of the Group which influence policy through research organizations are consistent with the overall climate change strategy.

Finally, note that in 2012 the BNP Paribas Group also adopted a "[Charter for responsible representation with respect to the public authorities](#)", which applies to all the Group's employees. It comprises a set of fundamental commitments in terms of integrity, transparency, social responsibility and respect for the major universal democratic values. By virtue of this charter, the Group has undertaken to publish on its website its key public positions on banking and financial regulation.

## C12.4

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### (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

BNPP\_Universal registration document and annual financial report 2019.pdf

#### Page/Section reference

BNP Paribas's Universal registration document and annual financial report 2019 (please see chapter7 p511-588) : [https://invest.bnpparibas.com/sites/default/files/documents/bnp2019\\_urd\\_en\\_20\\_03\\_13.pdf](https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf)

#### Content elements

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets

Other metrics

**Comment**

The Chapter 7 of this document is the main source of detailed information about BNP Paribas strategy, policy and initiatives concerning the economic, social, civic and environmental responsibility.

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**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

BNPP\_TCFD Report 2019.pdf

**Page/Section reference**

BNP Paribas's first TCFD report: [https://group.bnpparibas/uploads/file/bnpparibas\\_tcf\\_d\\_report\\_en.pdf](https://group.bnpparibas/uploads/file/bnpparibas_tcf_d_report_en.pdf)

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

The preparation of this inaugural TCFD report is included in a wider work of assessment and management of BNP Paribas' climate-related risks and opportunities. It proved: • in terms of internal awareness: consulting the various internal stakeholders on climate-related risks and opportunities, then having their feedback validated by Management, are invaluable learning opportunities, giving a better understanding of the risks involved and convincing the different entities to seize available opportunities; • in terms of risk analysis: by analysing different scenarios, we gain a semi-quantitative understanding of climate-related risks and opportunities, allowing to define more organised corrective measures aimed at improving the company's resilience; • the methodology framework provided by the TCFD provides an excellent foundation for engaging in constructive dialogue with Group clients and companies in which the Group invests on climate-related risks and opportunities and how they plan to make their transition to a model compatible with the Paris Agreement goals; • lastly, the Group would like for the exercise in transparency that is the disclosure of information in line with TCFD recommendations to generate feedback from its stakeholders and productive communication on these vital issues.

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**Publication**

In other regulatory filings

**Status**

Complete

**Attach the document**

BNPP Asset Management\_Global sustainability strategy 2019.pdf

**Page/Section reference**

The 2019 sustainability report of BNP Paribas Asset Management: <https://fr.zone-secure.net/20591/1214204/#page=1>

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets

**Comment**

Sustainability is at the heart of BNP Paribas Asset Management's strategy and investment decision-making process, and our goal is to make an active contribution to the energy transition, environmental protection and the promotion of equality and inclusive growth. Our aim is to achieve long-term sustainable investment returns for our clients. We published our Global Sustainability Strategy in March 2019, which sets out our ambition, our three-year roadmap and the five-pillar approach we use to define and implement sustainable investment.

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**Publication**

In other regulatory filings

**Status**

Complete

**Attach the document**

BNPP Cardif\_Responsible investment strategy 2019.pdf

**Page/Section reference**

The 2019 Responsible Investment Strategy report of BNP Paribas Cardif: [https://www.bnpparibascardif.com/documents/274024/274155/2019\\_RapportLTE\\_EN.pdf/0bc482d7-3c4e-7b4d-2116-f197d8ec730a?t=1595241008936](https://www.bnpparibascardif.com/documents/274024/274155/2019_RapportLTE_EN.pdf/0bc482d7-3c4e-7b4d-2116-f197d8ec730a?t=1595241008936)

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

BNP Paribas Cardif's Responsible Investment Strategy is structured around three main commitments: (i) including non-financial criteria in investment processes and shareholder engagement; (ii) taking action to combat climate change; (iii) expanding our positive-impact investments.

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

BNP Paribas and ocean protection.pdf

**Page/Section reference**

BNP Paribas's public position on the Ocean (p1 - 8): [https://group.bnpparibas/uploads/file/ocean\\_cspublicposition\\_bnpparibas.pdf](https://group.bnpparibas/uploads/file/ocean_cspublicposition_bnpparibas.pdf)

**Content elements**

Strategy

**Comment**

In 2019, BNP Paribas took a public position on the Ocean, summarising the actions it has already taken and making new commitments towards ocean conservation. The Group intends to be actively involved in Ocean conservation, firstly, by providing funding for activities that are sensitive from the point of view of ocean biodiversity and, secondly, by being proactive in supporting initiatives that contribute to a sustainable economy which is respectful of people and marine ecosystems.

**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

BNPP\_Corporate Philanthropy Report 2019.pdf

**Page/Section reference**

The 2019 activity report of BNP Paribas Foundation, please see Chapter 2 Environment (p13 - 20) : <http://media.bnpparibas.com/fluidbook/BNPP-Corporate-Philanthropy-Report-2019/#/page/0>

**Content elements**

Other metrics

**Comment**

Since 2010, the BNP Paribas Foundation has granted €18 million in financing to 27 environmental research projects, and has raised awareness among nearly 400,000 people regarding climate change issues.

## C-FS12.5

### (C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Equator Principles Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking Other, please specify (Global Reporting Initiative V4; ISO26000; Principles of the UN Global Compact, Sustainable Development Goals(SDG))	See the Table of concordance, p581 - 585 of Registration Document
Industry initiative	Principles for Responsible Investment (PRI) UNEP FI Principles for Responsible Banking Banking Environment Initiative Climate Action 100+ Institutional Investors Group on Climate Change (IIGCC) Science-Based Targets Initiative for Financial Institutions (SBTI-FI) Soft Commodities' Compact Transition Pathway Initiative UNEP FI Portfolio Decarbonization Coalition	
Commitment	Montreal Pledge Other, please specify	Amongst BNP Paribas' environmental commitments: - the Montréal Carbon Pledge; - the Portfolio Decarbonisation Coalition; - the Banking Environment Initiative (BEI) and its Soft Commodities Compact; - the Institutional Investors Group on Climate Change; - the Transition Pathway Initiative; - the Roundtable on Sustainable Palm Oil (RSPO); - the Science Based Target initiative; - the Breakthrough Energy Coalition; - the Task Force on Climate-related Financial Disclosures (TCFD); - the Katowice Agreement; - the Act4nature initiative; - the Afep's commitments to the circular economy; - Medef's Business Climate Pledge.

## C14. Portfolio Impact

### C-FS14.1

**(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)**

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	
Investing (Asset manager)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	
Investing (Asset owner)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	
Insurance underwriting (Insurance company)	Not applicable	<Not Applicable>	
Other products and services, please specify	Not applicable	<Not Applicable>	

**C-FS14.1a****(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)****Category 15 (Investments)****Evaluation status**

Not relevant, explanation provided

**Scope 3 portfolio emissions (metric tons CO2e)**

&lt;Not Applicable&gt;

**Portfolio coverage**

&lt;Not Applicable&gt;

**Percentage calculated using data obtained from client/investees**

&lt;Not Applicable&gt;

**Emissions calculation methodology**

&lt;Not Applicable&gt;

**Please explain**

BNP Paribas does not calculate the total amount of emissions financed by the Group via its lending activities, but instead takes a sector approach, for several reasons: • The current methodologies used to calculate financed emissions are subject to major uncertainty (estimated at around 60% depending on the methodology, according to tests performed on samples from our loan book); • The amount of emissions financed by the Group is not a relevant metric for the purpose of managing the loan book as a whole. The main purpose of calculating these emissions is to highlight that certain sectors, in certain countries, generate high GHG emissions (something determined by other means for a long time now). However, as a full-service bank, the objective for BNP Paribas is to continue financing all sectors of the economy (aside from certain duly identified sectors for which it has been determined that a transition compatible with the Paris Agreement goals is not possible), while working within each sector to encourage its clients to make a transition compatible with the Paris Agreement. In order to keep moving forward with this commitment, the Group is contributing to the development of other methodologies, while continuing to finance any economic sector in transition. The Group has undertaken to align its loan books with the goal of Paris Agreement, and tested the methodology developed by the think tank "2 Degrees Investing Initiative" in 2019 (as disclosed in C-FS14.3a). For the purpose of measuring its indirect emissions, BNP Paribas has since 2014 communicated the breakdown of primary energy mix (fossil fuel extraction) and secondary energy mix (electricity generation) financed and has committed to ensuring they evolve in line with the 2°C scenario of the IEA (as disclosed in C-FS14.1b).

**C-FS14.1b****(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)****Metric type**

(Portfolio) carbon footprint

**Metric unit**

Other, please specify (g CO2 / kWh)

**Scope 3 portfolio metric**

299

**Portfolio coverage**

More than 90% but less than or equal to 100%

**Percentage calculated using data obtained from clients/investees**

0

**Calculation methodology**

The reported figure represents the emissions from our financed energy mix. We use our database to extract our exposures to clients in the power energy sector, we then cross our exposures with the energy production outputs of these clients, and then apply emission factors of each energy source. Note that we use public data disclosed by our clients about their production performance in their annual reports.

**Please explain**

In the context of measuring its indirect emissions (scope 3), BNP Paribas has since 2014 communicated the breakdown of primary energy mix (fossil fuel extraction) and secondary energy mix (electricity generation) financed and has committed to ensuring they evolve in line with the 2°C scenario of the IEA. In line with the Paris Agreement, BNP Paribas is committed to reducing the kWh carbon content financed as rapidly as the world average is due to fall under the IEA SDS scenario (i.e. 81g of CO2/kWh by 2040). With 46.7% fossil sources (gas, coal and oil) and 31% renewable sources (hydro, wind, solar and other renewables), the electricity mix financed by BNP Paribas in 2019 has a lower average carbon footprint than that of the world mix, which consisted of 64% fossil sources and 26% renewable sources in 2018. The kWh carbon content financed by the Group is 299g of CO2, compared with the world average of 476g in 2018. Following the implementation of progressively more stringent financing policies, the percentage of coal in the mix has fallen significantly, and is on track to hit zero by 2030 in the OECD and by 2040 in the rest of the world, i.e. ahead of schedule relative to the IEA's SDS. Looking at the primary energy mix financed by the Group, the percentage of coal in the mix has steadily dropped since 2017, thanks to the implementation of the coal policy, and only made up 2.4% of the primary mix in 2019. On a forward-looking basis, BNP Paribas also keeps track of its energy mixes over the longer term through 2050.

## C-FS14.2

### (C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	Yes, by asset class Yes, by industry	

## C-FS14.2a

### (C-FS14.2a) Break down your organization's Scope 3 portfolio impact by asset class.

Asset class	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Other, please specify (Directly-held corporate assets(equities and bonds) )	(Portfolio) carbon footprint	CO2e/\$M revenue	102	Previously, BNP Paribas Cardif measured the average intensity of the absolute carbon emissions for each company compared to its revenue according to Scopes 1 and 2. This measurement is expressed in tonnes of CO2 equivalent per million euros of revenue weighted according to its share in the portfolio. Following the recommendations of the European standards, BNP Paribas Cardif supplemented this method with the "Enterprise Value" metric in 2019. Both selected metrics (i.e. revenue and enterprise value) indicated that the carbon intensity of the corporate equity and bond portfolios decreased. 1. Carbon intensity compared to revenue, scopes 1 + 2: The carbon intensity as at 31 December 2019 was estimated at 102 teqCO2/M€(revenue), compared to 127 teqCO2/€M(revenue) at 31 December 2018 i.e. a 20% decrease. As a comparison, the carbon intensity of the benchmark index, the Stoxx600 + IBOXX Euro Corporate Overall, is estimated at 220 teqCO2/€M(revenue) at the same date compared to 235 teqCO2/€M(revenue) at end 2018, or a decrease of 6.8%. 2. Carbon intensity compared to enterprise value (EV), scopes 1 and 2: The carbon intensity as at 31 December 2019 was estimated at 65 teqCO2/M€(EV), compared to 91 teqCO2/€M(EV) at 31 December 2018 i.e. a 29% decrease. As a comparison, the carbon intensity of the benchmark composite index, the Stoxx600 + IBOXX Euro Corporate Overall, is estimated at 114 teqCO2/€M(EV) at the same date compared to 145 teqCO2/€M(EV) at the end of 2018, or a decrease of 21.3%.
Sovereign bonds	(Portfolio) carbon footprint	Other, please specify ( teqCO2/€M (GDP))	474	In 2019, BNP Paribas Cardif extended the measure of carbon intensity to Government bonds. The calculation methodology: The carbon intensity of these securities corresponds to the average greenhouse gases, expressed as CO2 equivalent, compared to the millions of euros in Gross Domestic Product generated. The calculation scope for the emissions factors in the emissions produced and the emissions imported. The emissions exported are not exempted from the emissions produced, so that the total GHG emissions of a country's economy are counted. The carbon intensity for Government bonds held by BNP Paribas Cardif is estimated at 31 December 2019 at 474 teqCO2/€M (GDP). As a comparison, the carbon intensity of the benchmark index (IBOXX Euro Eurozone Sovereign Overall QW1A) was 493 teqCO2/€M (GDP). These results reflect the efforts made by BNP Paribas Cardif in the nonfinancial analysis of Government bonds (p.28 of Responsible Investment Strategy 2019). Furthermore, the overweighting of France in the portfolio contributes to the good performance of this indicator.

## C-FS14.2b

### (C-FS14.2b) Break down your organization's Scope 3 portfolio impact by industry.

Industry	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Utilities	(Portfolio) carbon footprint	Other, please specify (g CO2 / kWh)	299	With 46.7% fossil sources (gas, coal and oil) and 31% renewable sources (hydro, wind, solar and other renewables), the electricity mix financed by BNP Paribas in 2019 has a lower average carbon footprint than that of the world mix, which consisted of 64% fossil sources and 26% renewable sources in 2018. The kWh carbon content financed by the Group is 299g of CO2, compared with the world average of 476g in 2018. In line with the Paris Agreement, BNP Paribas is committed to reducing the kWh carbon content financed as rapidly as the world average is due to fall under the IEA SDS scenario (i.e. 81g of CO2/kWh by 2040).
Energy	(Portfolio) carbon footprint	Percentage portfolio value	2.2	Thanks to the implementation of its Policy limiting the financing of coal extraction, the primary energy mix financed by BNP Paribas in 2019 had minimal exposure to coal (2.2%), which is the largest emitter of greenhouse gases.

## C-FS14.3

**(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?**

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	Yes	BNP Paribas' mission is to contribute to responsible and sustainable growth by financing the economy and advising clients according to the highest ethical standards. Since 2011, BNP Paribas has been strongly engaged in the fight against climate change and works to align its activity with the objectives set by the Paris Climate Agreement. BNP Paribas has therefore endeavoured to identify, analyse, and manage the climate-related risks and opportunities for the Group and its clients. By way of example, the Group is the only bank in the world to have announced (i) a time frame for complete thermal coal exit, (ii) have ceased financing unconventional oil and gas, and (iii) to be a leader in renewable energies at the same time.
Investing (Asset manager)	Yes	BNP Paribas Asset Management is committed to aligning its investment portfolios with the objectives of Paris Agreement, notably by reducing its exposure to fossil fuels while managing exposures in line with the well-below 2-degree world. In this context, BNP Paribas Asset Management made it a priority to engage with portfolio companies about transitioning to low-carbon electricity generation, introduced a stricter carbon policy (effective January 2020), made its flagship range of active funds, BNP Paribas Funds, 100% sustainable (All strategies in this range are now managed according to ESG criteria). In line with its strategy on climate change, BNP Paribas Asset Management has also adapted its voting policy and reserves the right to abstain from approving the financial statements, the discharge or the re-election of directors of companies that do not sufficiently communicate their CO2 and 2°C strategy. In 2019, BNP Paribas Asset Management abstained 61 times at 16 General Meetings (compared with 16 abstentions in 12 companies in 2018). Finally, BNP Paribas Asset Management has been a member of the Climate Action 100+ Initiative since 2017 and, as such, regularly engages in dialogue with firms ranked among the world's top 100 greenhouse gas emitters to improve their climate change governance.
Investing (Asset owner)	Yes	BNP Paribas Cardif is committed to decarbonising its assets by disengaging from coal by 2030 for the OECD and 2040 for the rest of the world. There has been an increase in dialogue regarding the energy transition with corporate clients and management company engagement, and voting participation has been stepped up. In addition, BNP Paribas Cardif includes climate issues in its investment policy. A carbon transition filter, included in the ESG analysis process, is used to assess companies' energy transition strategy. The investment universe excludes the lowest-scoring corporate clients. Through this work, BNP Paribas Cardif continues to reduce the carbon intensity of its directly-held securities portfolios (equities and corporate bonds). With €6.5 billion in 2019, BNP Paribas Cardif is growing its positive impact investment, and is committed to increasing it by €5 billion by the end of 2024. Thanks to the new European taxonomy, BNP Paribas Cardif has identified what share of its funds is green. The first results show a significant green share: 31.6% for equities and 17.5% for corporate bonds.
Insurance underwriting (Insurance company)	Not applicable	BNP Paribas Cardif's two main products are life insurance and credit protection insurance.
Other products and services, please specify	Not applicable	

**C-FS14.3a**

**(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?**

	We assess alignment	Please explain
Bank lending (Bank)	Yes, for some	In accordance with the Katowice Commitment signed in 2018 and the Collective Commitment to Climate Action adopted in September 2019 under the aegis of UNEP FI, the Group has undertaken to develop tools that can be used to align its loan book with the goals of the Paris Agreement. Accordingly, as of 2019, BNP Paribas uses the methodology developed, on a sector-by-sector basis, by the think tank "2 Degrees Investing Initiative", to calculate the loan book's profile at various maturity dates for five high-carbon sectors (extraction of fossil fuels, electricity generation, transport, steel production and cement production). The method, tailored to each sector, employs benchmark scenarios used and developed by independent organisations such as the International Energy Agency (IEA). For electricity generation, extraction of fossil fuels and the automotive sector, the approach is based on the energy mix or technology mix. For aviation, maritime transport, cement and steel, carbon emissions intensities are analysed. Initial tests of the methodology involved a significant percentage of clients in each sector (more than 80% of outstanding loans). As a result, BNP Paribas has an overview of the loan book, with a benchmark scenario at a given date, in addition to the projection for that same portfolio five years later. The loan book will be made increasingly compatible with the Paris Agreement scenario through dynamic management of the loan book itself and through external technological developments. The Group is focusing its efforts on not only improving the percentage and quality of client coverage, but also gaining a better understanding of projected trends in each sector. The results of these efforts will serve to develop sector strategies and measure their impacts on the alignment of the loan book with the Paris Agreement goals.
Investing (Asset manager)	Yes, for some	BNP Paribas Asset Management aligns itself with the path set to reach the Paris Agreement goals, as determined by the IEA in its Sustainable Development Scenario (SDS). This scenario calls for electricity producers to reduce their carbon intensity to 327 gCO2e/kWh by 2025. Accordingly, BNP Paribas Asset Management will require the companies it invests in to reduce their carbon intensity to an SDS-compatible rate between 2020 and 2025, excluding those who fail to do so. For a small number of companies that are very close to the threshold, BNP Paribas Asset Management conducts analysis and engagement to encourage these companies to improve their decarbonisation targets and these companies will be subject to annual monitoring. The ESG incorporation directives introduced by BNP Paribas Asset Management in 2019 also call for the carbon footprints of the firm's investment portfolios to be lower than the carbon footprint of the associated benchmark index (where applicable).
Investing (Asset owner)	Yes, for some	Since 2017, BNP Paribas Cardif has published information on the alignment of its directly-owned equity and corporate bond portfolios with the climate goals set out in the Paris Agreement. Because there is no established methodology for measuring the temperature of portfolios in line with market standards and approved by the financial supervisors, BNP Paribas Cardif uses two methods generating different results: • Carbon Impact Analytics (CIA), performed using data provided by consulting firm Carbone 4 in conjunction with Mirova, employed for the third time in 2019; • Science Based 2°C Alignment (SB2A), performed by I Care & Consult, employed for the second time in 2019. BNP Paribas Cardif presents the results of both methods to foster discussion in the marketplace. By researching and assimilating new appropriate metrics, climate-related goals can be incorporated in long-term investment decisions. Both methods are predominantly based on the 2°C Scenario (2DS) promoted by the International Energy Agency. The climate performances of companies are analysed and compared to what they should be in a low-carbon scenario, and the performance gap is converted into an "temperature equivalent". (For details, please refer to its Responsible Investment Strategy 2019)
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable>
Other products and services, please specify	<Not Applicable >	<Not Applicable>

**C-FS14.3b**



**(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?**

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	Yes, for some	Our ambition is to align all of our activities with the Paris Agreement goals. Thus, we encourage our clients/investees to move towards higher standards of sustainability and to adopt the best international industry practices. Note that BNP Paribas has made a commitment to the Science-Based Target initiative (SBTi), and is participating in SBTi working groups to help develop a methodology for setting such targets for companies in the financial sector.
Investing (Asset manager)	Yes, for some	Our ambition is to align all of our activities with the Paris Agreement goals. Thus, we encourage our clients/investees to move towards higher standards of sustainability and to adopt the best international industry practices. Note that BNP Paribas has made a commitment to the Science-Based Target initiative (SBTi), and is participating in SBTi working groups to help develop a methodology for setting such targets for companies in the financial sector.
Investing (Asset owner)	Yes, for some	In 2020, using CDP data, BNP Paribas Cardif will send letters to encourage companies to develop greater transparency and better management of environmental issues.
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

**C15. 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.**

**C15.1**

**(C15.1) 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.**

14 companies (Accenture, Bristol-Myers Squibb, BT Group, CBRE Group, Inc., Cellnex Telecom SA, Deutsche Telekom AG, L'Oréal, MetLife, Inc., National Grid PLC, Naturgy Energy Group SA, NRG Energy Inc, Snam S.P.A, Stanley Black & Decker, Inc, Vodafone Group) asked BNP Paribas to answer the CDP Supply Chain program for the reporting year 2019. The following answer is provided by the Corporate Social Responsibility Delegation of the Group BNP Paribas.

**SC0.1**

**(SC0.1) What is your company's annual revenue for the stated reporting period?**

	Annual Revenue
Row 1	44597000000

**SC0.2**

**(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?**

Yes

**SC0.2a**

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	FR	0000131104

## 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.

**Requesting member**

Accenture

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO<sub>2</sub>e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

**Requesting member**

Bristol-Myers Squibb

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking

**Emissions in metric tonnes of CO<sub>2</sub>e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

**Requesting member**

BT Group

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO<sub>2</sub>e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

**Requesting member**

CBRE Group, Inc.

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO<sub>2</sub>e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

**Requesting member**

Cellnex Telecom SA

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO<sub>2</sub>e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

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**Requesting member**

Deutsche Telekom AG

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO<sub>2</sub>e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

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**Requesting member**

L'Oréal

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO<sub>2</sub>e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

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**Requesting member**

MetLife, Inc.

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

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**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO2e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

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**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

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**Requesting member**

National Grid PLC

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO2e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

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**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

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**Requesting member**

Naturgy Energy Group SA

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO2e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

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**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

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**Requesting member**

NRG Energy Inc

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO2e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

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**Requesting member**

Snam S.P.A

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO2e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

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**Requesting member**

Stanley Black & Decker, Inc.

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

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**Emissions in metric tonnes of CO2e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

**Requesting member**

Vodafone Group

**Scope of emissions**

Scope 1

**Allocation level**

Business unit (subsidiary company)

**Allocation level detail**

Corporate and Institutional Banking (CIB)

**Emissions in metric tonnes of CO2e**

0

**Uncertainty (±%)**

0

**Major sources of emissions**

Scope 1 direct emissions are related to burning fossil fuels such as natural gas, heating oil and oil to provide emergency power units in our buildings. Scope 2 emissions are indirect emissions from imported energy related to the consumption of electricity, district heat or district cold in our buildings. Scope 3 emissions are indirect emissions. We calculated and reported our Scope 3 related to business travel. It encompasses travel for business purposes by road, rail or air.

**Verified**

No

**Allocation method**

Other, please specify (weight of the requesting member among CIB's clients)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our allocation method consists in weighting CIB's greenhouse gas emissions by the proportion of requesting members among CIB's clients. According to this method, our operational emissions (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) due to services provided to the 14 requesting members were marginal (< 0.5%). More importantly, we have been carbon-neutral within our own scope of operations since 2017. As a result, we allocate zero emission to our requesting clients.

**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
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	We offer a wide range of products and services to our clients and the requesting members have access to all of them. To get more precision we would need an internal tool to track all kind of services used by our client, with the related time dedicated by our staff, their location, the travel they did to meet the clients expectations, etc.

**SC1.4**

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

## SC1.4b

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### (SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

Our operational emissions due to services provided to the requesting members are marginal (<0.5%) This percentage is insufficient to develop an allocation approach.

In addition, and as explained above, we are carbon-neutral within our operational scope (covering direct emissions, indirect emissions related to energy supply and indirect emission related to business travel) since 2017. Our clients could therefore consider that emissions from our services are offset and thus carbon neutral.

## SC2.1

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### (SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

#### Requesting member

Accenture

#### Group type of project

New product or service

#### Type of project

New product or service that reduces customers operational emissions

#### Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

#### Estimated timeframe for carbon reductions to be realized

0-1 year

#### Estimated lifetime CO2e savings

#### Estimated payback

0-1 year

#### Details of proposal

BNP Paribas supports corporate clients throughout their energy transition strategy. Our subsidiaries BNP Paribas Real Estate, BNP Paribas Leasing Solutions and Arval can engage with corporate clients on different projects that would allow them to improve energy efficiency of their buildings, shift to cleaner vehicles in their fleet or manage their IT devices more sustainably. • In 2019, BNP Paribas Real Estate, 100% of whose commercial real estate business has received environmental certification, was ranked 4th out of the Top 10 French low-carbon real estate developers, with five projects in the process of receiving or having already obtained BBKA certification attesting to the building's exemplary low-carbon performance. • BNP Paribas Leasing Solutions offers leasing and finance solutions for equipment for business use and help its clients to grow sustainably. Starting from 2019, the joint venture BNP Paribas 3 Step IT offers companies an end-to-end service for managing their technological equipment (mainly smartphones, tablets, PCs and laptops) at each stage of its life cycle. • Arval offers corporate clients, their employees and individuals customised solutions that optimise their mobility. In Belgium, for example, Arval partnered with energy supplier Engie to set up Numobi, an integrated electric vehicle leasing service. It consists of the long-term lease of an electric car, a charging point installed at home and at work, a charging card, maintenance and insurance. Note that at end-2019, Arval's inventory of hybrid and electric cars totalled around €1.3 billion, up by more than 60% from end-2018.

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#### Requesting member

Bristol-Myers Squibb

#### Group type of project

New product or service

#### Type of project

New product or service that reduces customers operational emissions

#### Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

#### Estimated timeframe for carbon reductions to be realized

0-1 year

#### Estimated lifetime CO2e savings

#### Estimated payback

0-1 year

#### Details of proposal

BNP Paribas supports corporate clients throughout their energy transition strategy. Our subsidiaries BNP Paribas Real Estate, BNP Paribas Leasing Solutions and Arval can engage with corporate clients on different projects that would allow them to improve energy efficiency of their buildings, shift to cleaner vehicles in their fleet or manage their IT devices more sustainably. • In 2019, BNP Paribas Real Estate, 100% of whose commercial real estate business has received environmental certification, was ranked 4th out of the Top 10 French low-carbon real estate developers, with five projects in the process of receiving or having already obtained BBKA certification attesting to the building's exemplary low-carbon performance. • BNP Paribas Leasing Solutions offers leasing and finance solutions for equipment for business use and help its clients to grow sustainably. Starting from 2019, the joint venture BNP Paribas 3 Step IT offers companies an end-to-end service for managing their technological equipment (mainly smartphones, tablets, PCs and laptops) at each stage of its life cycle. • Arval offers corporate clients, their employees and individuals customised solutions that optimise their mobility. In Belgium, for example, Arval partnered with energy supplier Engie to set up Numobi, an integrated electric vehicle leasing service. It consists of the long-term lease of an electric car, a charging point installed at home and at work, a charging card, maintenance and insurance. Note that at end-2019, Arval's inventory of hybrid and electric cars totalled around €1.3 billion, up by more than 60% from end-2018.

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#### Requesting member

BT Group



**Group type of project**

New product or service

**Type of project**

New product or service that reduces customers operational emissions

**Emissions targeted**

Actions to reduce customers' operational emissions (customer scope 1 & 2)

**Estimated timeframe for carbon reductions to be realized**

0-1 year

**Estimated lifetime CO2e savings****Estimated payback**

0-1 year

**Details of proposal**

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**Requesting member**

CBRE Group, Inc.

**Group type of project**

New product or service

**Type of project**

New product or service that reduces customers operational emissions

**Emissions targeted**

Actions to reduce customers' operational emissions (customer scope 1 & 2)

**Estimated timeframe for carbon reductions to be realized**

0-1 year

**Estimated lifetime CO2e savings****Estimated payback**

0-1 year

**Details of proposal**

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**Requesting member**

Cellnex Telecom SA

**Group type of project**

New product or service

**Type of project**

New product or service that reduces customers operational emissions

**Emissions targeted**

Actions to reduce customers' operational emissions (customer scope 1 & 2)

**Estimated timeframe for carbon reductions to be realized**

0-1 year

**Estimated lifetime CO2e savings****Estimated payback**

0-1 year

**Details of proposal**

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**Requesting member**

Deutsche Telekom AG

**Group type of project**

New product or service

**Type of project**

New product or service that reduces customers operational emissions

**Emissions targeted**

Actions to reduce customers' operational emissions (customer scope 1 & 2)

**Estimated timeframe for carbon reductions to be realized**

0-1 year

**Estimated lifetime CO2e savings**

**Estimated payback**

0-1 year

**Details of proposal**

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**Requesting member**

L'Oréal

**Group type of project**

New product or service

**Type of project**

New product or service that reduces customers operational emissions

**Emissions targeted**

Actions to reduce customers' operational emissions (customer scope 1 & 2)

**Estimated timeframe for carbon reductions to be realized**

0-1 year

**Estimated lifetime CO2e savings**

**Estimated payback**

0-1 year

**Details of proposal**

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**Requesting member**

MetLife, Inc.

**Group type of project**

New product or service

**Type of project**

New product or service that reduces customers operational emissions

**Emissions targeted**

Actions to reduce customers' operational emissions (customer scope 1 & 2)

**Estimated timeframe for carbon reductions to be realized**

0-1 year

**Estimated lifetime CO2e savings**

**Estimated payback**

0-1 year

#### Details of proposal

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#### Requesting member

National Grid PLC

#### Group type of project

New product or service

#### Type of project

New product or service that reduces customers operational emissions

#### Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

#### Estimated timeframe for carbon reductions to be realized

0-1 year

#### Estimated lifetime CO2e savings

#### Estimated payback

0-1 year

#### Details of proposal

BNP Paribas supports corporate clients throughout their energy transition strategy. Our subsidiaries BNP Paribas Real Estate, BNP Paribas Leasing Solutions and Arval can engage with corporate clients on different projects that would allow them to improve energy efficiency of their buildings, shift to cleaner vehicles in their fleet or manage their IT devices more sustainably. • In 2019, BNP Paribas Real Estate, 100% of whose commercial real estate business has received environmental certification, was ranked 4th out of the Top 10 French low-carbon real estate developers, with five projects in the process of receiving or having already obtained BBCA certification attesting to the building's exemplary low-carbon performance. • BNP Paribas Leasing Solutions offers leasing and finance solutions for equipment for business use and help its clients to grow sustainably. Starting from 2019, the joint venture BNP Paribas 3 Step IT offers companies an end-to-end service for managing their technological equipment (mainly smartphones, tablets, PCs and laptops) at each stage of its life cycle. • Arval offers corporate clients, their employees and individuals customised solutions that optimise their mobility. In Belgium, for example, Arval partnered with energy supplier Engie to set up Numobi, an integrated electric vehicle leasing service. It consists of the long-term lease of an electric car, a charging point installed at home and at work, a charging card, maintenance and insurance. Note that at end-2019, Arval's inventory of hybrid and electric cars totalled around €1.3 billion, up by more than 60% from end-2018.

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#### Requesting member

Naturgy Energy Group SA

#### Group type of project

New product or service

#### Type of project

New product or service that reduces customers operational emissions

#### Emissions targeted

Actions to reduce customers' operational emissions (customer scope 1 & 2)

#### Estimated timeframe for carbon reductions to be realized

0-1 year

#### Estimated lifetime CO2e savings

#### Estimated payback

0-1 year

#### Details of proposal

BNP Paribas supports corporate clients throughout their energy transition strategy. Our subsidiaries BNP Paribas Real Estate, BNP Paribas Leasing Solutions and Arval can engage with corporate clients on different projects that would allow them to improve energy efficiency of their buildings, shift to cleaner vehicles in their fleet or manage their IT devices more sustainably. • In 2019, BNP Paribas Real Estate, 100% of whose commercial real estate business has received environmental certification, was ranked 4th out of the Top 10 French low-carbon real estate developers, with five projects in the process of receiving or having already obtained BBCA certification attesting to the building's exemplary low-carbon performance. • BNP Paribas Leasing Solutions offers leasing and finance solutions for equipment for business use and help its clients to grow sustainably. Starting from 2019, the joint venture BNP Paribas 3 Step IT offers companies an end-to-end service for managing their technological equipment (mainly smartphones, tablets, PCs and laptops) at each stage of its life cycle. • Arval offers corporate clients, their employees and individuals customised solutions that optimise their mobility. In Belgium, for example, Arval partnered with energy supplier Engie to set up Numobi, an integrated electric vehicle leasing service. It consists of the long-term lease of an electric car, a charging point installed at home and at work, a charging card, maintenance and insurance. Note that at end-2019, Arval's inventory of hybrid and electric cars totalled around €1.3 billion, up by more than 60% from end-2018.

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#### Requesting member

NRG Energy Inc

#### Group type of project

New product or service

#### Type of project

New product or service that reduces customers operational emissions

**Emissions targeted**

Actions to reduce customers' operational emissions (customer scope 1 & 2)

**Estimated timeframe for carbon reductions to be realized**

0-1 year

**Estimated lifetime CO2e savings****Estimated payback**

0-1 year

**Details of proposal**

BNP Paribas supports corporate clients throughout their energy transition strategy. Our subsidiaries BNP Paribas Real Estate, BNP Paribas Leasing Solutions and Arval can engage with corporate clients on different projects that would allow them to improve energy efficiency of their buildings, shift to cleaner vehicles in their fleet or manage their IT devices more sustainably. • In 2019, BNP Paribas Real Estate, 100% of whose commercial real estate business has received environmental certification, was ranked 4th out of the Top 10 French low-carbon real estate developers, with five projects in the process of receiving or having already obtained BBKA certification attesting to the building's exemplary low-carbon performance. • BNP Paribas Leasing Solutions offers leasing and finance solutions for equipment for business use and help its clients to grow sustainably. Starting from 2019, the joint venture BNP Paribas 3 Step IT offers companies an end-to-end service for managing their technological equipment (mainly smartphones, tablets, PCs and laptops) at each stage of its life cycle. • Arval offers corporate clients, their employees and individuals customised solutions that optimise their mobility. In Belgium, for example, Arval partnered with energy supplier Engie to set up Numobi, an integrated electric vehicle leasing service. It consists of the long-term lease of an electric car, a charging point installed at home and at work, a charging card, maintenance and insurance. Note that at end-2019, Arval's inventory of hybrid and electric cars totalled around €1.3 billion, up by more than 60% from end-2018.

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**Requesting member**

Snam S.P.A

**Group type of project**

New product or service

**Type of project**

New product or service that reduces customers operational emissions

**Emissions targeted**

Actions to reduce customers' operational emissions (customer scope 1 & 2)

**Estimated timeframe for carbon reductions to be realized**

0-1 year

**Estimated lifetime CO2e savings****Estimated payback**

0-1 year

**Details of proposal**

BNP Paribas supports corporate clients throughout their energy transition strategy. Our subsidiaries BNP Paribas Real Estate, BNP Paribas Leasing Solutions and Arval can engage with corporate clients on different projects that would allow them to improve energy efficiency of their buildings, shift to cleaner vehicles in their fleet or manage their IT devices more sustainably. • In 2019, BNP Paribas Real Estate, 100% of whose commercial real estate business has received environmental certification, was ranked 4th out of the Top 10 French low-carbon real estate developers, with five projects in the process of receiving or having already obtained BBKA certification attesting to the building's exemplary low-carbon performance. • BNP Paribas Leasing Solutions offers leasing and finance solutions for equipment for business use and help its clients to grow sustainably. Starting from 2019, the joint venture BNP Paribas 3 Step IT offers companies an end-to-end service for managing their technological equipment (mainly smartphones, tablets, PCs and laptops) at each stage of its life cycle. • Arval offers corporate clients, their employees and individuals customised solutions that optimise their mobility. In Belgium, for example, Arval partnered with energy supplier Engie to set up Numobi, an integrated electric vehicle leasing service. It consists of the long-term lease of an electric car, a charging point installed at home and at work, a charging card, maintenance and insurance. Note that at end-2019, Arval's inventory of hybrid and electric cars totalled around €1.3 billion, up by more than 60% from end-2018.

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**Requesting member**

Stanley Black & Decker, Inc.

**Group type of project**

New product or service

**Type of project**

New product or service that reduces customers operational emissions

**Emissions targeted**

Actions to reduce customers' operational emissions (customer scope 1 & 2)

**Estimated timeframe for carbon reductions to be realized**

0-1 year

**Estimated lifetime CO2e savings****Estimated payback**

0-1 year

**Details of proposal**

BNP Paribas supports corporate clients throughout their energy transition strategy. Our subsidiaries BNP Paribas Real Estate, BNP Paribas Leasing Solutions and Arval can engage with corporate clients on different projects that would allow them to improve energy efficiency of their buildings, shift to cleaner vehicles in their fleet or manage their IT devices more sustainably. • In 2019, BNP Paribas Real Estate, 100% of whose commercial real estate business has received environmental certification, was ranked 4th out of the Top 10 French low-carbon real estate developers, with five projects in the process of receiving or having already obtained BBKA certification attesting to the building's exemplary low-carbon performance. • BNP Paribas Leasing Solutions offers leasing and finance solutions for equipment for business use and help its clients to grow sustainably. Starting from 2019, the joint venture BNP Paribas 3 Step IT offers companies an end-to-end service for managing their technological equipment (mainly smartphones, tablets, PCs and laptops) at each stage of its life cycle. • Arval offers corporate clients, their employees and individuals customised solutions that optimise their mobility. In Belgium, for example, Arval partnered with energy supplier Engie to set up Numobi, an integrated electric vehicle leasing service. It consists of the long-term lease of an electric car, a charging point installed at home and at work, a charging card, maintenance and insurance. Note that at end-2019, Arval's inventory of hybrid and electric cars totalled around €1.3 billion, up by more than 60% from end-2018.

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**Requesting member**

Vodafone Group

**Group type of project**

New product or service

**Type of project**

New product or service that reduces customers operational emissions

**Emissions targeted**

Actions to reduce customers' operational emissions (customer scope 1 &amp; 2)

**Estimated timeframe for carbon reductions to be realized**

0-1 year

**Estimated lifetime CO2e savings****Estimated payback**

0-1 year

**Details of proposal**

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**SC2.2****(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

No

**SC3.1****(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?**

No

**SC3.2****(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?**

No

**SC4.1****(SC4.1) Are you providing product level data for your organization's goods or services?**

No, I am not providing data

**Submit your response****In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

**Please confirm below**

I have read and accept the applicable Terms