

BNP Paribas announces a timeframe for a complete coal exit and raises its financing targets for renewable energies

- BNP Paribas has decided to cease all its financing related to the thermal coal sector in 2030 in the European Union, and worldwide by 2040.
- The Group is also strengthening its support for the development of renewable energies, with a new financing target of € 18 billion by 2021.

As a corporate bank, BNP Paribas has been supporting electricity producers through-out the world for decades. Facing the climate emergency, the Bank plans to encourage the transition of these players to a production model with the lowest possible CO₂ emissions. In 2015, BNP Paribas committed to accelerate the energy transition by aligning its financing and investment activities with the conclusions of the Paris agreement. Since then, the Bank has regularly changed its customer support policies and stopped financing for certain categories of companies that are not engaged in a transition.

As a result, at the end of 2015, BNP Paribas significantly strengthened its financing and investment criteria in the coal sector. In 2017, the Bank was the first to announce that it will cease financing activities for companies that derive most of their revenues from non-conventional hydrocarbons, measures that remain among the most advanced in the sector to date.

Resources released and commercial efforts are being redirected towards financing the players in transition and renewable energies. This strategy enables BNP Paribas to change its loan portfolio so that the Group becomes one of the world's leaders in financing renewable energy projects.

In line with this strategy to accelerate the energy transition, BNP Paribas is now announcing the reduction to zero of its exposure to thermal coal by 2030 in the countries of the European Union and worldwide by 2040.

While funding for new coal fired power plant projects has completely ceased since 2017, the policy has been strengthened with regard to general credits granted to electricity producers, some of whose production is still based on coal.

To achieve this objective, the Bank will intensify its dialogue with utilities who produce part of their electricity from coal to analyse the extent to which their evolution trajectory is compatible with the Group's exit objectives by geographic area. In particular, the bank will cease its relations with producers who plan new coal fired-power generation capabilities.

With these new commitments, BNP Paribas is achieving its goal of reducing by 85% between 2014 and 2040 the CO₂ intensity of its worldwide electricity mix currently financed, in line with the Sustainable Development Scenario (SDS) of the International Energy Agency (IEA). For the sake of transparency, the Group will continue to publish annually, as it has done since 2016, the breakdown by energy source of its financing to electricity generation worldwide. In 2018, the share of coal in the electricity mix of electricity companies financed by BNP Paribas fell below 20% for the first time, compared to 38% worldwide¹.

¹ 2017 worldwide mix. Source IEA.

In addition, BNP Paribas is setting new financing targets for renewable energies to accelerate their development.

In 2015, BNP Paribas announced its intention to double its financing for renewable energies and thus reach EUR 15 billion by 2020. As these financings reached EUR 15.4 billion at 31 December 2018 and therefore exceeded this initial target, BNP Paribas has defined a new financing target of EUR 18 billion by 2021.

According to the Dealogic ranking, over the first nine months of 2019, BNP Paribas ranked first among the banks to finance renewable energy projects in Europe, the Middle East and Africa. Over the same period, BNP Paribas was ranked 3rd in the world (with a total of 2.843 billion dollars in new project financing) and 3rd in Asia.

'Like all players in the economy and society whose objective is to contribute to the necessary transition to a lower carbon economic model, BNP Paribas has a role to play. As a bank, we have the opportunity, and the will, to participate in the acceleration of the energy transition by supporting our customers in this necessary transformation. To succeed, such a transition must be fair and balanced, taking into account the reality of the economic model and the daily needs of people around the world. These new commitments, which have clear objectives, mark a new stage in our objective of making a decisive contribution to the climate challenge.' said Jean Laurent Bonnafé, Director and Chief Executive Officer of BNP Paribas.

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About BNP Paribas

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 72 countries, with more than 202,000 employees, of which more than 154,000 in Europe. The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the European leader in consumer lending. BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

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