

# POSITIVE ENGAGEMENT

BNP PARIBAS GERMANY



COMPANY ENGAGEMENT GERMANY  
Frankfurt am Main, January 2023



**BNP PARIBAS**

The bank for a changing world

# The world is changing

## INCREASING SOCIETAL CONCERNS



- Climate change and loss of biodiversity
- Social inequality
- Geographical reorientation, migration and demographics
- Erosion of trust in multinationals, increasing trust in NGOs and direct channels

## LEADS TO COOPERATION



- Greater awareness and mobilization leading to better cooperation
- Governments, businesses and individuals working together on solutions



BNP Paribas Group's **CSR Policy** is aligned with the United Nations 17 Sustainable Development Goals (SDGs), which embody a „strategy for the planet“.



BNP Paribas is committed to increasing the **amount of credit** for companies and projects that contribute directly and transparently to the achievement of **sustainable development goals (SDGs)**. By the end of the third quarter of 2022, the figure had already been **more than €81 billion**.



**BNP PARIBAS**

The bank for a changing world

# Strong group with concrete commitments until 2025

Connecting our group strategy with the sustainable development goals





**€150 billion**  
Sustainable Loans

**€200 billion**  
Sustainable Bonds

**€300 billion**  
Sustainable Investments<sup>1</sup>

**ECONOMIC RESPONSIBILITY**

Financing the economy in an ethical way



**40%**  
share of women in senior management

**90%**  
share of employees with at least four training courses per year

**SOCIAL RESPONSIBILITY**

Developing and engaging our people responsibly




**6 million people**  
benefiting from inclusive financial products & services

**1 million hours**  
of paid leave for the social engagement of the employees<sup>2</sup>

**€200 million**  
in philanthropic funds

**CIVIC RESPONSIBILITY**

Being a positive agent for change



**€200 billion**  
supporting our customers in the transition to a lower carbon economy

**€4 billion**  
financing for biodiversity conservation

**ENVIRONMENTAL RESPONSIBILITY**

Combating climate change

<sup>1</sup> Assets under Management; <sup>2</sup> 1 million hours over 2 years



# How BNP Paribas lives Sustainability in Germany

## CPBS

With a focus on medium-sized companies and all private customers, the **Commercial, Personal Banking & Services** division offers **attractive standards – as well as demand-based optimized services** – and all of this to an increasing extent in a comprehensive, cooperative, inclusive and sustainable manner.

## CIB

The **Corporate and Institutional Banking (CIB)** division supports our clients in the **transition from a linear to a circular and therefore sustainable economy** and sustainable growth. We offer **strategic advice, access to comprehensive financing and transaction services** for the adaptation of supply chains and production models, and the **decarbonization of production and business processes**.

## IPS

The division **Investment & Protection Services** creates and implements **valuable and responsible investment solutions and services** for businesses, associations, NGOs, governments and institutions. Thereby the supply of sustainable products and services is growing.

## CSR

The CSR strategy of BNP Paribas is based on four pillars: **economy, employees, society and the environment**. In addition, our **sector policies** are regarded as a minimum standard for our business. CSR for us contains:

- **Corporate responsibility:** reduction of own resource consumption and corporate emissions through internal commitments
- **Supply chain due diligence**
- **Promoting social commitment** of our employees (**1MillionHours2Help**)
- **Philanthropic activity** to reduce inequalities



**BNP PARIBAS**

The bank for a changing world

# The sector policies act as cornerstones (1/2)



## Defense



The defense sector poses many risks due to the effects of weapons and a high risk of corruption. For this reason, BNP Paribas defined requirements for transparency, corporate structure and control mechanisms and demands them from the providers.



## Palm Oil



The constantly increasing palm oil production has a negative impact on local society, climate change and ecosystems. The policy requires companies to produce palm oil sustainably.



## Wood Pulp



The production of paper-based products poses challenges for the environment, biodiversity and water quality. BNP Paribas has established clear criteria for forestry and the production of wood pulp.



## Tobacco



The active and passive consumption of tobacco has devastating health, social and environmental consequences for humans. BNP Paribas has therefore stopped financing and investing in this sector.



## Coal-fired Power



Coal, as a large CO<sub>2</sub> emitter, is a key driver for climate change. BNP Paribas contributes to the reduction of CO<sub>2</sub> emissions by completely phasing out the financing of coal-fired power generation companies in OECD countries by 2030.



# The sector policies act as cornerstones (2/2)



## Agriculture



Agriculture, if not managed sustainably, has damaging effects on local communities, nature and climate. BNP Paribas' policy defines rules for biodiversity, environmental management, working conditions, health protection and food safety.



## Mining



The extraction of mineral resources entails risks for the environment and society. Our policy assesses projects according to their location and their impact on the population, air and water quality, biodiversity, health protection and transparency.



## Nuclear Energy



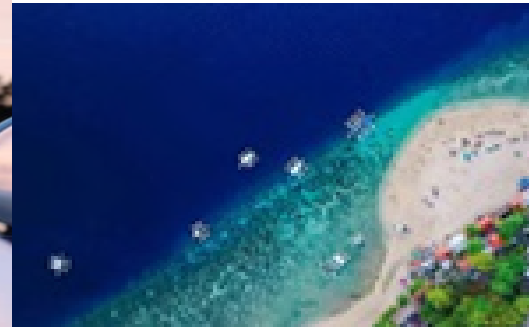
The nuclear industry is associated with numerous issues. With this policy, BNP Paribas aims to ensure that environmental and social concerns are taken into account in the context of nuclear energy.



## Unconventional Oil & Gas Industry



The production of shale oil and gas as well as oil and gas in the Arctic can have a major impact on the environment. This is why BNP Paribas sets very strict rules for companies, transport by pipelines, export ports and trade.



## Other Topics



BNP Paribas published position papers on protecting the oceans, as well as the application of the Equator Principles and a list of exclusions for goods & activities such as driftnets, asbestos fibers or PCBs. The protection of biodiversity was also defined as a core issue. BNP Paribas was one of the first banks to put biodiversity into concrete terms through its own publications.





# Economic Responsibility (1/2)

**Goal 2025:** Supporting our customers in **adapting** and switching to a **low-carbon economy** with **sustainable loans of €200 billion**

## Mobility Transition in 5 Steps

Arval Consulting supports customers with the innovative SMaRT-Method\*. This enables customers to plan and implement the energy transition in their vehicle fleet.

\*Sustainable Mobility and Responsibility Targets



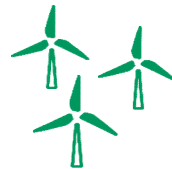
## Sustainable Infrastructure

Financing of a European network of electricity charging stations set up by **Ionity**, a joint venture of three German and one US car manufacturer.



## Financing decarbonization

BNP Paribas supported **Covestro** in issuing its **first green bond in 2022**. Covestro wants to use **€500 million** in its emission's revenues **for sustainable corporate projects**, such as the decarbonization of production processes, the expansion of renewable energies, the promotion of a circular economy and similar projects.



## Green Buildings for Sustainable Cities

BNP Paribas Real Estate offers a variety of services for sustainable office buildings, from consulting to property management. The Signaris Office Building in Frankfurt was labelled with the DGNB\* Gold Certificate. In March 2021, BNP Paribas Real Estate published their first ever sustainability code according to the German Sustainability Code (Deutscher Nachhaltigkeitskodex, DNK).

**BNP Paribas REIM** aims to have at least 90% of open funds\*\* classified as "sustainable" (Articles 8 and 9) under the EU Regulation on Sustainability Disclosures in the Financial Services Sector (SFDR) by 2025.

\*German Sustainable Building Council; \*\*Pooled funds for private and institutional investors; excluding funds traded exclusively on secondary markets



## Sustainable Investments

BNP Paribas Asset Management (BNPPAM) focuses all of its investment strategies on responsible investing and actively **contributes to the energy transition, environmental protection and the promotion of equality and inclusive growth**.

The focus is always on generating long-term and sustainable investment returns for the client. As of January 2023, **80%** of the assets of the BNPPAM Public Funds are classified as **Art. 8 or 9 according to the Sustainable Finance Disclosure Regulation**. BNPPAM aims to manage **€300 billion of AuM** in Article 8 or 9 SFDR public funds by 2025.



# Economic Responsibility (2/2)

**Goal:** Reducing the negative impact of our business on the environment and society, while promoting and **generating positive impacts on the environment and society**

## Green & Sustainable Finance Cluster Germany (GSFCG)

BNP Paribas is a sponsor and member of GSFCG, which bundles expertise related to finance and risk. It serves as a central point of contact for sustainability and climate-relevant issues – not only for the financial sector.



## Sustainability-Linked Share Buyback

At the end of 2022, GEA Group AG closed a share buyback program worth a total of €300 million with support from BNP Paribas. As the first German listed company, GEA **combined the second tranche of the share buyback with a sustainability initiative**. GEA entered into a partnership with the Hamburg-based non-profit organization "Viva con Agua" for 3 years. The non-profit organization promotes access to clean drinking water. **GEA will use part of the guaranteed outperformance of the share buyback program and donate €250,000 for a rainwater collection plant, which will, among other things, enable three schools and thus 1,000 children in Tanzania to access clean drinking water.**



## Sustainability-Linked Bonds

In 2022, BNP Paribas accompanied **Südzucker** on its issuance debut for a **€400 million sustainability-linked bond**. The cost of interest increases for Südzucker if they do not reach the target of 32% savings in scope 1+2 emissions (compared to 2018) by 2026.

Also in 2022, BNP Paribas supported **Henkel** in issuing a **€650 million sustainability-linked bond**. Here again, the cost of the remuneration for Henkel increases with a failure to achieve the set **CO<sub>2</sub> reduction targets**, as well as in the event of a failure of the desired **recycling rate of plastic in production**.



## Circular Economy

In 2020, **BNP Paribas 3StepIT**, a joint venture between BNP Paribas Leasing Solutions and the Finnish 3StepIT, started in Germany. The **offering includes individual financing and lifecycle management solutions based on the principles of the Circular Economy. 98% of the returned IT devices are reused** after a thorough and safe reprocessing.





# Social Responsibility for Employees

**Goal:** Promotion of our employees through continuous further training opportunities, for example through the Sustainability Academy for all employees, which was introduced in 2022

## Job & Family

Certification of all German entities of BNP Paribas by the Hertie Stiftung for initiatives reconciling work and family life. In addition, a cooperation with the pme family service (child care) and WDS.eldercare (care for elderly).



## Diversity

Diversity with a holistic approach: every type of visible or invisible diversity is taken into consideration. BNP Paribas signed the German Charta of Diversity in 2017.



## Training

Around 77% of employees completed at least four further training courses in 2022. **In total, 3.6 million hours were spent on training** at BNP Paribas worldwide in 2021. One of the focal points is sustainability training. The GTS 2025 goals also include increasing the proportion of employees who have completed at least four training courses to >90%.



## Jamais Sans Elles

Following an international initiative by the BNP Paribas Group, all German Executive Committee members have committed themselves to **not participate in events if there is no woman among three or more guests on the panel.**

jamais  
sans  
elles

## Women in Management - WIP

WIP stands for the **Women's Impact Program**. Through a targeted promotion of women, the proportion of women in management positions will increase. For Germany, this means an increase to **40% of women in senior management positions and more than 30% in the executive committee by 2025.**



# Civic Responsibility



**Goal 2025: 1 million hours of charitable commitment for social purposes by BNP Paribas employees in Germany over 2 years - as of Q2 2022 (2021+2022): 752,304 hours**

## BNP Paribas Foundation

... supports projects in Germany for children and young adults who have to overcome obstacles, with a focus on education, solidarity, environment and culture. More than 80.000 people have already benefited from the funding. With Help2Help, the BNP Paribas Foundation honors the voluntary commitment of employees in non-profit organizations and supports them financially. The focus is on social projects for disadvantaged people.



## Sustainable Procurement

Suppliers must commit to social, ecological and ethical values and principles: For example, appropriate payment, occupational and environmental protection and the exclusion of child labor in the supply chain.



## Inclusive financial products

More than 3 million customers in France, Spain, Portugal and Belgium already benefit from an account with Nickel that is accessible to everyone – regardless of income, nationality or banking history. Starting in 2023, Nickel also wants to offer its accounts in Germany.



## Rescue & Recover Fund

With the Rescue & Recover Fund, BNP Paribas initiates numerous fundraising campaigns in the event of disasters, thereby doubling the donations made by employees. In the 10 years of its existence, the fund has donated more than €13 million to four NGO partners, including the "Red Cross" and "Doctors Without Borders". In 2022, for example, more than €5 million was raised for those affected by the war in Ukraine.



## Corporate Volunteering

BNP Paribas aims to volunteer more than 1 million hours<sup>1</sup> worldwide each year. In Germany, too, colleagues are committed to helping disadvantaged people in a variety of ways, e.g. as part of various mentoring programs, social days, knowledge transfer to non-profit organizations or financial education for disadvantaged young people. In 2022, more than 14,000 volunteer hours were collected in Germany.



<sup>1</sup> 1 million hours over 2 years



**BNP PARIBAS**

The bank for a changing world

# Environmental Responsibility

**Goal 2025:** Sustainable financing totaling **€4 billion** for companies that want to **protect biodiversity** on land and in water

## Low-carbon Transition Group

BNP Paribas founded the Low-Carbon Transition Group at the end of 2021. 250 dedicated colleagues support customers in the transition to a more sustainable and climate-friendly economy.



## Trees are Life

Colleagues from different locations all over Germany regularly take part in tree planting campaigns with "Drinking Water Forest e.V."



## Exit from coal financing

BNP Paribas is increasing its commitment to renewable energies and withdrawing from financing + investments in areas that are particularly sensitive to the environment, e.g. from financing coal-fired power generation by 2030 in OECD countries and by 2040 worldwide.



## Green Mobility

The CO<sub>2</sub> emissions per employee are continuously being reduced. The main factors contributing to this are the reduction in business trips and the choice of environmentally friendly means of transport (job bike, job ticket). For a number of years, BNP Paribas has been motivating people to use bicycles through various campaigns – and not just to get to work..



## Green Company for Employees

The aim of the initiative is to reduce the direct impact of BNP Paribas on the environment by promoting the sustainable commitment of employees and their ecological actions. This is achieved in part through shared group commitments and identification of the most important and impactful initiatives for employees.





# Examples of participation in global sustainability initiatives



By joining the Net-Zero Banking Alliance in 2021, BNP Paribas is aligning its loan and investment portfolios with the goals of the Paris Climate Agreement. The goal is global CO<sub>2</sub>-neutrality by 2050 and 2045 for Germany.



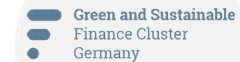
BNP Paribas Asset Management, Cardif and Securities Services are among the signatories to the PRI. This obliges them to consider the aspects of environment, society and corporate governance (ESG) in all investment activities.



The FNG is the professional association for sustainable investments in Germany, Austria, Liechtenstein and Switzerland. It represents over 200 members who are committed to more sustainability. These include banks, rating agencies, financial consultancies, scientific institutions and private members.



The purpose of the H2Global Foundation is to promote the protection of the environment and the climate. This will be achieved by fostering the production and use of green hydrogen and other climate-neutral energy carriers (climate-neutral or defossilized energy carriers) at national and international level.



BNP Paribas was a founding member in 2018. The goals are to bundle and strengthen financial market expertise in the area of sustainability and to develop solid approaches to promoting the sustainability of international and national financial markets.



# Recognitions & Awards

## BNP Paribas has received multiple awards for sustainability, e.g.

### Euromoney Awards 2022

- World's Best Bank in Sustainable Finance
- Western Europe's Best Bank for Sustainable Finance
- Latin America's Best Bank for Sustainable Finance
- World's Best Bank for ESG data and technology

### Euromoney Awards 2021

- World's Best Bank in Sustainable Finance
- World's Best Bank for ESG data and technology
- Western Europe's Best Bank for Sustainable Finance

### Environmental Finance – Awards 2022

- Lead manager of the year, sustainability-linked bonds
- Lead manager of the year, social bonds – financial institutions
- Loan structurer / arranger / coordinator of the year

### Environmental Finance – Awards 2021

- Lead manager of the year, social bonds - bank
- Lead manager of the year, sustainability bonds – sovereigns
- Loan structurer / arranger / coordinator of the year

### Further Awards

- European bank with the best climate strategy (ShareAction, 2020)
- Best Investment Bank for Sustainable FIG Financing, Sustainability-Linked Loans and Social Bonds (The Banker, 2020)
- For the **7<sup>th</sup> time** in a row part of the "Global 100 Most Sustainable Corporations" of the Canadian magazine "Corporate Knights" for the **7<sup>th</sup> time** in a row, **No. 1** of the French and **No. 2** of the European banks (2021)

## BNP Paribas comes out in the top group in many sustainability ratings, e.g.

- S&P ESG: 84 / 100 – and thus among the front runners
- V.E: 71 / 100 – and thus No. 1 among “diversified banks” in Europe and thus No. 1 among “diversified banks” in Europe
- Ecovadis: 72 / 100
- CDP Climate Change Score: A-
- MSCI ESG: AA – and is therefore one of the leading banks



## ... and is represented in numerous sustainability indices, e.g.

- Dow Jones Sustainability Indices World / Europe
- FTSE4GOOD Global Index
- Vigeo Eiris World 120, Eurozone 120, Europe 120 und France 20



## Appendix





# Involvement in global sustainability initiatives (examples)



With the accession to the Net-Zero Banking Alliance in 2021, BNP Paribas is targeting credit and investment portfolios to the objectives of the Paris Climate Agreement. The target is global CO<sub>2</sub> neutrality by 2050 and 2045 for Germany.



BNP Paribas Asset Management, Cardif und Securities Services are among the signatories of the UN financial initiative PRI. They have committed to consider ecological, social and governance aspects (ESG) in all investment activities.



The FNG is the professional association for sustainable investments in Germany, Austria, Liechtenstein and Switzerland, representing more than 200 members who are committed to more sustainability. These include banks, credit rating agencies, financial advisory services, scientific institutions + private members.



The purpose of the H2Global Foundation is to promote the protection of the environment and the climate. This will be achieved by fostering the production and use of green hydrogen and other climate-neutral energy carriers (climate-neutral or defossilized energy carriers) at national and international level.



BNP Paribas was a founding member in 2018. The objectives are to consolidate and strengthen financial market expertise in the field of sustainability and to develop sound approaches to promote the sustainability of international and national financial markets.



United Nations Global Compact



Institutional Investors on Climate Change – IIGCC



United Nations Women's Empowerment Principles



Roundtable on Sustainable Palm Oil



Equator Principles



Global Impact Investing Network



act4nature international



ILO Business Charter on Disability



Carbon Pricing Leadership Coalition



Value Balancing Alliance



**BNP PARIBAS**

The bank for a changing world