

# SUSTAINABILITY SOLUTIONS WITH BNP PARIBAS

Leading the way  
reinventing finance  
for a better future

CORPORATE AND  
INSTITUTIONAL  
BANKING APRIL 2020



**BNP PARIBAS**

The bank  
for a changing  
world

# Table of contents

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## **Ambition, Achievements and Commitments**

### **Sustainable Financing Solutions**

- 01\_Sustainable Bonds
- 02\_Sustainable Loans
- 03\_Renewable Energy Financing & Advisory
- 04\_Supply Chain Management
- 05\_Export Finance for Sustainable Assets
- 06\_Green Leasing Solutions
- 07\_Green & Sustainable Real Estate
- 08\_Green & Sustainable Mobility

### **Sustainable Investing Solutions**

- 01\_ Responsible Indices
- 02\_ Sustainable Equity-Linked Bonds
- 03\_ Sustainable Funds

### **Sustainable Hedging Solutions**

- 01\_Carbon Offsetting: Markets Hedging and trading

# Redefining finance to accelerate sustainability

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**Constance Chalchat**  
Head of Company Engagement,  
BNP Paribas CIB



We now recognise that environmental and social issues shape the global economy. As the bank for a changing world, BNP Paribas' mission is to contribute towards responsible and sustainable growth through financing the economy and supporting our clients to address fundamental challenges. Our role as a bank sitting at the centre of the economy means we have a responsibility to connect those who have capital with those who need it, whilst collectively serving our clients to create a positive impact on society.

We are a leader in sustainable finance, offering innovative financial solutions for corporates and institutional investors, many of them included in this document, with the aim of accelerating sustainable development. The United Nations Sustainable Development Goals (SDGs) – with their broad coverage of issues from inequality and education, to climate action and biodiversity – provide a strong roadmap for the private sector to tackle the world's global issues while ensuring their organisations' long-term commercial sustainability. Leading by example and embedding the UN SDGs at the core of our strategy, model and culture, BNP Paribas has integrated sustainability across its business and solutions offering, ultimately defining our company purpose.

On the environmental agenda, BNP Paribas has taken meaningful action on climate change driving towards the targets of the Paris Agreement, with a progressive approach to sector policies, product innovation and direct lending as a leader in renewable energy financing. We have scaled up our efforts in several areas over the last year, and our approach engages clients in the transition to a low carbon economy through developing market-leading solutions. Social issues remain equally important for our clients, particularly in a world now forever changed by COVID-19, and BNP Paribas has further embedded social impact into sustainable finance solutions throughout our product offering.

BNP Paribas also plays an active role in guiding the financial industry and clients through partnerships with world-leading experts and organisations across the globe. It is through these collaborations, combined with the unified purpose of our people and the broad variety of our sustainable finance offerings you find in this document, that we believe we can accelerate the journey of our clients to a more sustainable future, and a better outcome for society.

# Ambition, Achievements and Commitments

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# BNP Paribas Ambition

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**We innovate in order to be a leader in sustainable finance.**

At BNP Paribas, we want to be a long-term partner for our clients. We want to support their projects, manage their investments and savings, and through insurance protect people, their goods and property. We offer secure, sound and innovative financial solutions to individuals, professional clients, corporates and institutional investors while striving to address the fundamental challenges of today with regard to the environment, local development and social inclusion. By doing so, ensure that ethics and our commitment to economic, social, civic and environmental responsibility are integrated into our business operations. This commitment is reflected in our organisation and the procedures and policies governing our activities.

For several years BNP Paribas has paid particular attention to ensuring that its activity has a positive impact on the world around it, both in terms of the Group's own functioning and the products and solutions offered to clients by all business lines. **We are engaged with our clients to create a better future.**



**Jean-Laurent Bonnafé**  
Director and CEO  
BNP Paribas



Contributing to a better future means supporting important projects for the future. It also means putting in place strict rules so that we don't finance activity having a negative impact on the environment, public health or human rights.



**Yann Gérardin**  
Head of BNP Paribas  
Corporate & Institutional  
Banking



At BNP Paribas, we are putting sustainability at the heart of our business model, and under the guiding framework of the United Nations Sustainable Development Goals and the COP 21 Paris Agreement, aim to be the Bank for building a better society.



## The economy

### Financing the economy in an ethical manner

Investments and financing with a positive impact

Ethics of the highest standard

Systematic integration and management of environmental, social, and governance risks



## Our people

### Developing and engaging our people responsibly

Promotion of diversity and inclusion in the workplace

A good place to work and responsible employment management

A learning company supporting dynamic career management



## The community

### Being a positive agent for change

Products and services that are widely accessible

Combat social exclusion and support human rights

Corporate philanthropy policy focused on the arts, solidarity and the environment



## The environment

### Combating climate change

Partnering with our clients in the transition to a low carbon economy

Reduce the environmental impact of our operations

Advance awareness and sharing of best environmental practices

# Commitment to support the 17 UN SDGs



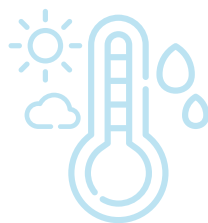
## Products with a positive impact

BNP Paribas develops products and services that contribute to a greener, more sustainable economy while abiding by the Group's risk and profitability criteria. These products generate positive environmental, economic and social impacts and as such contribute to the achievement of the SDGs. At end-2019, total financing provided by BNP Paribas to companies of the energy transition and sectors considered as contributing directly to the achievement of the SDGs amounted to €180 billion (compared to €168 billion at end-2018).



## Protection of human rights and the biosphere

BNP Paribas has developed a robust environmental and social risk management framework to strictly manage its environmental and social risks in order to control the impacts of its customers' activities. This is why BNP Paribas has signed in 2019 the Collective Commitment to Climate Action, thereby committing to aligning its loan portfolio to reflect and finance a low-carbon economy, and maintain global warming at a level considerably below 2°C, and closer to 1.5°C.



## Climate

BNP Paribas has made financing the energy transition a top priority of its CSR strategy. The taken measure apply to both its own footprint and its clients' activities. As part of this initiative, BNP Paribas became carbon neutral in 2017 and is committed to supporting its customers' moves toward a low-carbon economy. The Group has revised upward its objective of financing of renewable energies to reach €18 billion by 2021, having already reached €15.9 at end-2019.





## Financial inclusion

The Group has set a goal of making its financial products accessible to as many people as possible in order to promote economic development. One step it has taken is to support (financing, investments on behalf of the bank and third parties) to associations and Social and Solidarity Economy enterprises, including microfinance. This support has reached €6.2 billion at end-2019.



## Ethics

Adherence to the most rigorous ethical standards is a prerequisite for BNP Paribas. All employees must abide by current laws and regulations, but they are also expected to go beyond them by ensuring that all their decisions are imbued with the highest standards of ethical responsibility. In 2019, already 95.4% of employees have undertaken training on these ethics topics (exceeding the target of 95%).



## Diversity and training

The Group's HR2020 strategy aims to offer all employees a career that suits their skills and aspirations. The goal is to foster individual growth, while stressing respect for differences. In 2020, the proportion of women occupying senior management positions will be increased to 30% from 27%, the initial 2017 target.





# BNP Paribas Commitments

MAINTAIN A SHARE  
OF AT LEAST

**15%** of our corporate loans to companies contributing strictly to the achievements of the UN SDGs

INVEST

**€100M**

in **energy efficiency** and **cleantech start-ups** by 2020



**COMPLETELY STOP**

our financing of the

**COAL INDUSTRY**

by 2030 in OECD countries and by 2040 globally

CONTINUE TO INTEGRATE A

**STRINGENT**

**ESG** RISK  
MANAGEMENT

framework, applying **9 CSR policies** (e.g. Agriculture, Coal-fired power generation, Defence, Mining, Nuclear, Palm Oil, Wood Pulp, Unconventional Oil & Gas, Tobacco\* and a Position Paper on Oceans).

\*exclusion policy for companies which have a majority of their activity dedicated to tobacco.

CONTRIBUTE TO A BELOW

**2°C**  
**SCENARIO**

international commitments and more than double our **financing** to the **Renewable Energy** sector from €6.9 billion in 2014 to **€18 billion** by 2021

**IDENTIFY MODELS FOR MORE INCLUSIVE GROWTH,**  
by joining the **Business for Inclusive Growth (B4IG)**, a coalition launched by the **OECD**

TARGET A

**ZERO-NET**

**DEFORESTATION POLICY**

through our financing decisions

Support **€6.3bn** via **microfinance and social enterprises** by 2021

# BNP Paribas Achievements

Since the landmark international climate change agreement was signed following the UN Conference of the Parties (COP21), BNP Paribas has made an even greater commitment to financing the energy transition by mobilising all resources available to it. In this way we will continue to make progress as a responsible bank. Recent achievements in this space include:

**As of end 2019,**  
BNP Paribas had EUR 180 billion dedicated to the financing of the energy transition

—  
and the achievement of the United Nations Sustainable Development Goals

In early 2019, BNP Paribas announced the launch of three **new Social Impact Bonds** in France, for which we are the only bank to play the dual role of structurer and investor.

**BNP Paribas signed up to the Collective Commitment to Climate Action**, thereby committing itself to aligning its loan portfolio to reflect and finance a low-carbon economy, and maintain global warming at a level considerably below 2°C, and closer to 1.5°C.




**BNP Paribas already issued 4 Green Bonds:**  
November 2019  
February 2019  
April 2018  
November 2016

Climate Week NYC 2019 saw the official launch of the **Principles for Responsible Banking**, founded in 2018 by around 30 banks **including BNP Paribas**.

# External recognition of BNP Paribas Sustainability commitments and achievements

Leading independent extra-financial rating agencies and news agents recognize BNP Paribas as a top bank for sustainability.

## Strong extra-financing ratings

 <p>No. 1 European bank in the ranking; Solicited rating: A1+; Overall score of <b>70/100</b> (2019)</p>	 <p>Overall score of <b>77/100</b> (2019)</p>	 <p>Overall score of <b>79/100</b> (2019)</p>
 <p>No. 2 / 250 banks in the "Commercial Banks &amp; Capital Markets" sector (C+) in 2019</p>	 <p><b>Rated A</b> - in the Carbon Disclosure Project 2019</p>	 <p><b>"A" score</b> in MSC ESG Ratings 2019</p>
	 <p>Top 2% of the most responsible suppliers in the world, with a rating of <b>68/100 (gold level)</b></p>	 <p>No. 1 European bank on the management of climate-related risks and opportunities in 2020</p>

## Prestigious sustainable awards and rankings

 <p><b>Loan Structurer / Arranger / Coordinator of the Year Lead Manager of the Year for Corporate Green Bonds</b></p>	 <p><b>Most innovative Investment Bank:</b> - Of the Year - For Climate Change and Sustainability - From Western Europe - For Bonds</p>	 <p><b>Most ESG Responsible International Bank Global 2019</b></p>	 <p><b>Lead manager of the year, green bonds - sovereign Lead manager of the year, sustainability bonds - bank Award for innovation - bond structure</b></p>
 <p><b>World's Best Bank for Corporate Responsibility</b></p>	 <p><b>World's best bank for Sustainable Finance</b></p>	 <p><b>First French bank and third worldwide in the 2020 "100 Most Sustainable Corporations"</b></p>	 <p><b>FI that has made a significant contribution to sustainability</b></p>
			 <p><b>Global Performance Trophy</b></p>

## Member of leading sustainability indices

 <p><b>World &amp; Europe</b></p>	 <p><b>Diversity and Inclusion Index</b></p>	 <p><b>Bloomberg Gender-Equality Index</b></p>	 <p><b>EURONEXT vigeoEiris</b></p> <p>Listed in Euronext Vigeo World 120, Europe 120 and France 20</p>
 <p><b>STOXX ESG LEADERS INDICES</b></p>	 <p><b>PAXO ellevate</b></p>	 <p><b>FTSE4Good</b></p>	 <p><b>100 SUSTAINABILITY STOCK INDEX powered by Sustainalytics</b></p>

# sustainable product range

Across its product range, BNP Paribas offers solutions that adapt to the bank's commitments and to evolving client needs.



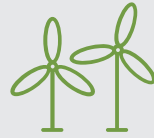
## Adapting business model to sustainability

- Green M&A
- Asset Valuation



## Carbon price hedging, carbon offset

- Verified Carbon Emissions Offset
- Carbon Emissions Trading Schemes



## Reducing carbon footprint or improving resource efficiency

- Renewable Energy Financing
- Sustainability Linked Loans & Green Loans
- Green, Sustainable, Transition, KPI Linked & Social Impact Bonds
- Equity-Linked Green Bonds
- Green Securitization
- Wind Power Futures
- Green Export Finance
- Green Deposit
- Green Leasing Solutions
- Green & Sustainable Car Leasing
- Green Real Estate



## Asset management

- Responsible Equity Indices
- Responsible Funds



## Investing in startups

- €100M in energy transition startups



## Risk Management

- ESG Reporting analytics tools

The remaining pages will provide an overview on some of the specific solutions that BNP Paribas is offering its clients.

# Sustainable Financing solutions

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- 01. Sustainable Bonds
- 02. Sustainable Loans
- 03. Renewable Energy Financing and Advisory
- 04. Supply Chain Management

- 05. Export Finance for Sustainable Assets
- 06. Green Leasing Solutions
- 07. Green & Sustainable Real Estate
- 08. Green & Sustainable Mobility



Sustainable Financing Solutions

# Sustainable Bonds

# 01.



# Sustainable Bonds — an overview

Sustainable Bonds are debt securities where proceeds are invested in projects with environmental and/or social benefits. Market participants are largely finding common ground on three basic requirements:



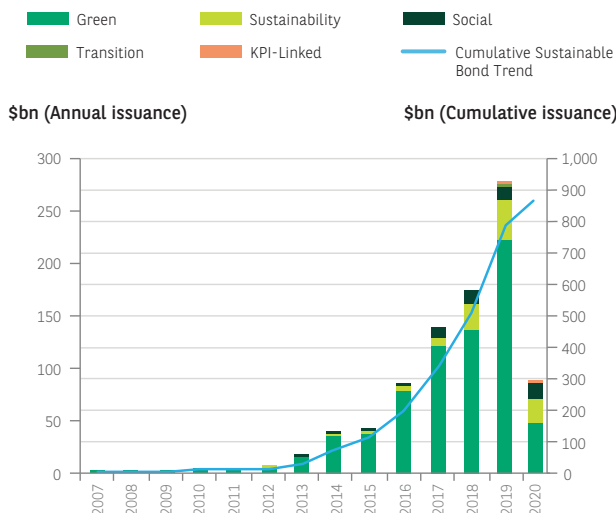
The market distinguishes ‘Green Bonds’ as those used to finance projects with specific environmental benefits, ‘Social Bonds’ as those where funds are used to finance projects with a clear social impact, and ‘Sustainability Bonds’ as those which combine both social and environmental projects. Since 2019, the market has seen the emergence of ‘Transition Bond’ issuances to finance projects to facilitate the transition towards the low-carbon economy for the most-carbon intensive issuers.

Outside of the Use Of Proceeds format, issuers have also started coming to the Sustainable Bond market issuing structures such as ‘KPI/Sustainability-Linked Bonds’ (inspired by structures used in the SLL market) where the coupon is linked to the ESG performance of the issuer.

## The importance of Sustainable Bonds for our clients

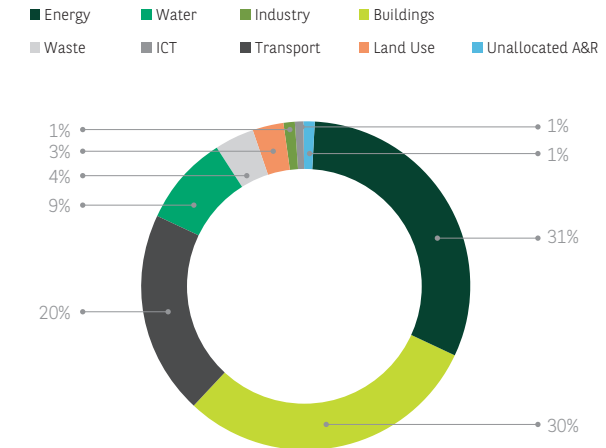
Sustainable Bonds are of rapidly growing importance for our clients, as evidenced by demand for such bonds continuing to be met by an almost exponentially rising supply. Similarly, Environmental Finance reported that funds that are dedicated to Green Bonds witnessed an impressive surge in inflows through 2019, culminating in three funds exceeding USD 1 billion of AuM and overall green funds’ AuM being close to USD 10 billion, up from USD 6 billion in 2018<sup>1</sup>.

### Global Sustainable Issuance by Currency



Source: Bloomberg, BNP Paribas, as of 12-Apr-2020

### Use of Sustainable Bond proceeds by sector (%)



Source: Climate Bonds Initiative February 2020

The total cumulative amount of labelled Sustainable Bonds issued since 2007 is ~USD equiv. 864bn (as of 10 Apr 2020).

<sup>1</sup> Environmental Finance (04 March 2020)

# The Green Bond and Social Bond Principles

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.

Since the January 2014 signing of these Principles, issuance of Green Bonds has significantly increased. In response to market feedback, the Green Bond Principles are updated annually, with the latest version being updated on June 2018.

The 2017 update introduced Social Bond Principles - which replaces the Guidance for Issuers of Social Bonds issued in June 2016 by the Green Bond Principles - and Sustainability Bond Guidelines (SBGs). The 2018 Social Bond Principles include further explanation on the definition of target populations.

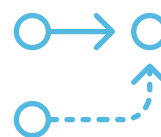
The Sustainability Bond Guidelines have been published to address issuance focusing on both green and social use of proceeds and confirm the relevance of the Principles in this context.

## The Green/Social Bond Principles — 4 main areas of focus



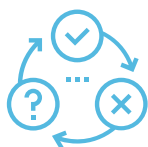
### Use of Proceeds

The eligible green/social projects should be declared at the outset, and provide clear environmental/social benefits, which will be assessed and, where feasible, quantified by the issuer. Examples of eligible green social projects categories are set out in the Principles.



### Management of Proceeds

The proceeds should be segregated, or otherwise tracked by the issuer, in a process that should be clearly and publicly disclosed. Information should be made available on eligible instruments in which any unallocated proceeds may be invested. Third party verification of the internal tracking method is desirable.



### Process for Evaluation and Selection

The issuer should outline the decision making process by which it selected its eligible projects, the related eligibility criteria, and the environmental/social objectives.



### Reporting

The issuer should report at least annually on use of proceeds until full allocation, or in the event of new development thereafter. Quantitative performance indicators are recommended (achieved vs estimated, where feasible)



## Use of Proceeds Bonds

The Sustainable Bond market is one of the primary drivers behind more sustainable growth and has expanded significantly in the past few years (2019 Sustainable Bond supply attained USD eq. 274bn, or a 60% increase vs 2018). BNP Paribas plays a leading role in the Sustainable Bond market, focusing on channeling responsible investments towards the financing of the energy transition.

### What are Green Bonds?

A debt security where proceeds are invested in projects with environmental benefits. The issuance of Green Bonds follows the guidelines recommended in the Green Bond Principles, which can be found on page 22 of this brochure.

#### BNP Paribas (Nov 19)

BNP Paribas came to the Sustainable Bond Market with their fourth Green Bond transaction, which was their third in Senior non-preferred (NPS) format. The bank priced a EUR750mn 6.5NC5.5 Green NPS notes for a coupon of 0.5%.

This was its second Green Bond NPS offering of the year, following the EUR 750mn 5yr transaction issued by BNP Paribas in February 2019 and was also the first EUR Green callable NPS issuance from a European bank.

In accordance with BNP Paribas Group's policy to contribute to energy transition solutions and in line with the Green Bond Principles, BNP Paribas has identified sectors with a positive impact on the environment within its Green bond Framework that it updated in November 2019.

#### Select BNP Paribas Green Bond Transactions

 <p><b>BNP Paribas</b> EUR 750,000,000 0.500% due 2026 Nov 2019</p>	 <p><b>Apple</b> EUR 1,000,000,000 0.000% due 2025 EUR 1,000,000,000 0.500% due 2031 Nov 2019</p>	 <p><b>Ireland</b> EUR 2,000,000,000 Tap 1.350% due 2031 Oct 2019</p>
 <p><b>KfW</b> USD 2,000,000,000 1.750% due 2029 Sep 2019</p>	 <p><b>Chile</b> USD 1,418,357,000 3.5% due 2050 June 2019</p>	 <p><b>Société du Grand Paris</b> SGP EUR 2,000,000,000 1.125% due 2034 Mar 2019</p>

### What are Social Bonds?

A debt security where proceeds are invested in projects with social benefits for a targeted population. The issuance of Social Bonds follows the guidelines recommended in the Social Bond Principles.

#### CAFFIL (Feb 19)

Caisse Française de Financement Local (CAFFIL) is owned by SFIL which is the public development bank dedicated to the financing of French local authorities investments and large credit exports, strategic segments of the French economy. CAFFIL is its dedicated public sector covered bond issuer.

In January 2019, CAFFIL announced its inaugural EUR benchmark Social Covered Bond. The EUR 1bn issuance was the subject of outstanding investor demand, eventually being priced in February with a coupon of 0.500% and a maturity in 2027.

The proceeds of the transaction will be used to finance and/or refinance in whole or in part, the Health Loan Portfolio as defined in the SFIL Group's Social Note Framework.

#### Select BNP Paribas Social Bond Transactions

 <p><b>Korea Housing Finance Corp</b> EUR 1,000,000,000 0.010% due 2025 Jan 2020</p>	 <p><b>Shriram Transport</b> USD 500,000,000 5.100% due 2023 Jan 2020</p>	 <p><b>Korea Housing Finance Corp</b> EUR 500,000,000 0.100% due 2024 Jun 2019</p>
 <p><b>CAFFIL</b> EUR 1,000,000,000 0.500% due 2027 Feb 2019</p>	 <p><b>NWB Bank</b> EUR 1,000,000,000 0.625% due 2029 Jan 2019</p>	 <p><b>NWB Bank</b> EUR 1,000,000,000 0.125% due 2023 Sep 2018</p>

## What are Sustainability Bonds?

A debt security where proceeds are invested in projects with green and social benefits. The issuance of Sustainability Bonds follows the Sustainability Bond guidelines.

### Région Wallonne (Apr 19)

Région Wallonne entered the Sustainable Capital Markets for the first time in April 2019, issuing a EUR 1bn dual-tranche Senior Unsecured Sustainability Bond. The first tranche was a EUR 500mn note pricing with a coupon of 0.250% and maturing in 2026, whilst the second tranche was of an equal size but was priced with a coupon of 1.250% and maturing in 2034.

BNP Paribas acted as Sustainable Structuring Advisor and Joint Bookrunner on the transaction.

The proceeds of the transaction will finance or refinance Green and Social eligible expenditures within Région Wallonne's Sustainability Bond Framework.

### Select BNP Paribas Sustainability Bond Transactions

 <b>ANZ</b> EUR 1,000,000,000 0.500% due 2026 T2 Nov 2019	 <b>Bank of Montreal</b> USD 500,000,000 2.050% due 2022 Oct 2019	 <b>Korea Gas Corp</b> USD 500,000,000 2.875% due 2029 July 2019
 <b>Caisse des Dépôts</b> EUR 500,000,000 0.000% due 2024 June 2019	 <b>Ahold Delhaize</b> EUR 600,000,000 0.250% due 2025 June 2019	 <b>Région Wallonne</b> EUR 500,000,000 0.250% due 2026 EUR 500,000,000 1.250% due 2034 Apr 2019

## What are Transition Bonds?

A debt security from issuers in the most carbon-intensive industries/activities where proceeds are invested in projects to facilitate the transition towards the low-carbon economy.

### Cadent (Mar 20)

Cadent is the largest regulated gas distribution network in the UK (as of Sept-19), managing a network of more than 131,000km miles of pipes which transport gas to 11 million customers in the UK.

In March, it successfully priced a €500m Senior Unsecured Transition Bond transaction, with a coupon of 0.750% and maturity in 2032. The transaction marked Cadent's first return to the public EUR market since its debut (as National Grid Gas) in 2016. This was only the second European Benchmark transition bond following SNAM's BNPP led debut last year. This transition bond sets out an ambitious decarbonisation path, whilst supporting the UK's national green finance and policy strategy.

The bond's proceeds will be used to (re)finance eligible projects as set out in Cadent's Transition Bond Framework: this includes projects facilitating the integration of hydrogen as aligned to the TEG proposal for an EU Sustainable Finance Taxonomy.

### Snam (Feb 19)

Founded in 1941, Snam is the European leader in the construction and integrated management of natural gas infrastructure and it is first in Europe by transport network and natural gas storage capacity. Snam fosters sustainable mobility, and invests in biomethane and innovative technologies to increase the use of renewable gas as a key resource for the green economy.

In February, Snam successfully launched the first European Climate Action Bond, pricing a new long 6-year EUR500mn Eurobond with a coupon of 1.250% and consolidating their key role in the energy transition of Europe. The issuance followed the presentation of Snam's Climate Action Bond Framework via a pan-European no-deal roadshow, the excellent attendance of which confirmed the growing investor focus on climate issues and widespread awareness of the central role of gas as a transition fuel.

The net proceeds will be used to finance and/or refinance Carbon & Emission Reduction Projects, Renewable Energy Projects, Energy Efficiency Projects and/or Green Development Projects.

## KPI-Linked Bonds

KPI-Linked bonds are the newest development in the Sustainable Bond market, having only been structured for the first time within the last few months. Unlike Use of Proceeds Bonds, the funds raised from transactions of this nature are not bound to be spent on specific categories of projects. Instead, issuers are incentivised to aid the energy transition with the cost of such financing being linked to a sustainability KPI.

### What are KPI-Linked Bonds?

A debt security with general corporate purposes (GCP) use of proceeds but for which the financial conditions of the bond are dependent on an ESG KPI which will be reviewed one-off or periodically. In case the KPI target is not achieved, the financial conditions of the bond change, e.g. coupon steps up by a certain number of bps.

#### Enel (Sep 19)

Enel is a multinational energy company and one of the world's leading integrated electricity and gas operators, with operations in 34 countries across five continents. With almost 73 million end users around the world, Enel has the biggest customer base among its European competitors, and they are one of Europe's leading energy companies by installed capacity and reported EBITDA.

In September, Enel successfully printed its inaugural USD 1.5bn General Purpose Sustainable Development Goals Linked Bond, pricing with a coupon of 2.650% and maturing in 2024. This bond is the first ever KPI-linked bond and represents a significant milestone in the evolution of thematic, sustainable debt finance.

Enel has made a commitment to bond investors that it will achieve the embedded KPI – to increase its percentage of renewable energy installed capacity to at least 55% (from 46% as of H1 2019) – by 2021. If the KPI will not be achieved, the issuer will accept a 25 basis points increase in the coupon of the notes.

#### Enel (Oct 19)

In October, Enel successfully priced a KPI-linked triple-tranche EUR transaction, consisting of EUR 1bn long 4-year, EUR 1bn long 7-year, and EUR 500m 15-year notes, priced with coupons of 0.000%, 0.375%, and 1.125%, respectively. The transaction represents the 1st KPI-linked bond ever issued in the Eurobond market – and is the 2nd KPI-linked bond issuance by Enel.

The long 4-year and long 7-year tranches are tagged to UN SDG 7 (“Affordable and clean energy”), with the same KPI target as Enel's preceding September issuance. The second KPI, related to the 15yr tranche, is tagged to UN SDG 13 (“Climate Change”); Enel's target is for its Scope 1 GHG emissions to be equal to or below 125 g/kWheq as of 31 December 2030. This represents a commitment to a 70% reduction in Enel's Scope 1 GHG emissions per kWh by 2030, compared to 2017. Both KPIs will be externally verified (EY will verify the first KPI, and DNV will verify the second KPI) and will be included as an interest-rate provision in the terms and conditions of the Bond.

### What are KPI-Linked SSDs?

A Schuldschein in which there is a sustainability coupon step-up / step-down mechanism embedded, that shall be triggered when the sustainability rating of the issuer moves lower or higher than pre-determined thresholds, thus raising or lowering the cost of financing for the issuer.

#### Lenzing (Nov 19) - SSD

Lenzing AG, headquartered in Austria, is one of the world's leading manufacturers of wood-based cellulose fibers, and has six fiber production sites across three continents (Europe, North America, and Asia). In 2019, it became one of the first companies worldwide to launch an ESG-linked Schuldschein with maturities of 5, 7, and 10 years, as well as longer tenors at request, with the intention to raise a minimum of EUR 200mn. Due to strong investor interest, the final transaction size of approximately EUR 500mn far exceeded the EUR 200mn minimum targeted by Lenzing.

Lenzing's MSCI sustainability rating was upgraded in the year preceding the transaction from “BBB” to “A”, driven by measures to mitigate the risk of water shortages. The step-up / step-down mechanism is to be triggered when the MSCI rating is lower than “A” (+2.5bps) or higher than “A” (-2.5bps). Interest savings achieved by improving the ESG rating are donated to a charitable purpose. The proceeds will be used for general corporate purposes.

## Green Asset Backed Securities (ABS)

Asset Back Securities (ABS) can enable the provision of additional capital to finance the energy transition. A securitisation can be defined as green when the underlying cash flows relate to low-carbon and climate-resilient assets or where the proceeds from the deal are earmarked to invest in low-carbon assets.

A Green ABS follows the same Green Bond Principles, i.e. the 4 core elements of the Green Bond Principles, completed by an external review.

### Examples of Green ABS

#### TLFF (2018)

BNP Paribas have priced the USD 95m debut international market and USD sustainability bond offering. Proceeds will finance a sustainable rubber plantation on heavily degraded land in the Jambi and East Kalimantan provinces of Indonesia.

#### Solar Mosaic (2018, 2017, 2016)

BNP Paribas have priced USD 681m for Mosaic over 2016, 2017 and 2018. The ABS is secured by a pool of loans made to consumers to finance the purchase and installation of solar energy systems and related items and services on or at their residence. (BNP Paribas as bookrunner of the deal).

#### Toyota (2014)

BNP Paribas have priced USD 1.75Bn allocated to Toyota Motor Credit Corporation. Proceeds from the ABS went to fund a pool of leases and loans for low-carbon Toyota vehicles, which include hybrid models like the Toyota Prius. Toyota's first Green ABS financed the purchase of 39,900 vehicles. (BNP Paribas as co-manager of the deal).

## Green/Sustainable Schuldschein and EuroPP

For many years Schuldschein (SSD) and EuroPP have been part of the financing toolkit in Germany and Europe. The full spectrum of issuer types can utilise these markets as a way of accessing finance from a different investor base compared to the public bond market.

Green and Social Schuldschein and EuroPP instruments are debt securities, with proceeds used to finance projects and/or assets promoting positive impact on the environment and society. These sustainable products follow the same 4 core pillars of the Green and Social Bond Principles.

### Examples of Green/Sustainable Schuldschein and EuroPP

#### Mann+Hummell (Oct 2019) - SSD

Leading global expert for filtration solutions and development partner and original equipment supplier to the international automotive and mechanical engineering industries.

Proceeds are to be used in projects that have a positive impact on climate and environmental protection such as renewable energies, energy efficiency, electric drives, compression efficiency, water efficiency, air filtration, and environmental protection.

#### Compagnie de Phalsbourg (Mar 19) - Euro PP

Founded in 1989 by Philippe Journo, Compagnie de Phalsbourg (CDP) has become the #1 private French real estate Group. Although it is predominantly present in France, the Group has recently expanded its international reach, through projects in Spain, Portugal, and the US.

In March, Compagnie de Phalsbourg completed its first Green Euro PP 5-year transaction for €112m. The proceeds of this transaction will be used for (re)financing commercial, hotel, retail or mixed Green Buildings in France and in Europe. BNPP acted as Green Co-Structuring Advisor.

## BNP Paribas: a Reference in the Sustainable Bond Markets

BNP Paribas continued to be entrusted by clients to support them in issuing debt within the Sustainable Bond markets in 2019, as shown by its strong performance in the league tables. Indeed, the bank ranked third by apportioned deal value within the overall Sustainable Bonds market, being involved in over USD 10 billion equivalent worth of transactions. An equally high ranking was achieved in the Green Bonds market – which constitutes the vast majority of the Sustainable Bonds market – as BNP Paribas was involved in over USD 7.7 billion equivalent worth of transactions.

Such a strong performance did not go unnoticed, as BNP Paribas was the recipient of various prestigious awards, such as being named 'Lead Manager of the Year – Corporate Green Bonds 2020' by Environmental Finance.

### 2019 Sustainable Bonds Ranking

Rank	Bookrunner	Deal Value USD eq. (m)	No. Tranches	%
1	HSBC	13,610.56	76	7.82
2	Credit Agricole	12,152.18	69	6.98
<b>3</b>	<b>BNP Paribas</b>	<b>10,006.92</b>	<b>60</b>	<b>5.75</b>
4	BofA Securities	9,976.00	50	5.73
5	JPMorgan	8,379.65	49	4.82
6	Citi	8,343.94	51	4.79
7	Barclays	6,603.25	33	3.79
8	Societe Generale	6,346.78	37	3.65
9	ING	5,870.86	40	3.37
10	Goldman Sachs	5,153.61	24	2.96

Source: Dealogic – Sustainable Bonds (Corp/FIG/SSA) 1st Jan 2019 – 31st December 2019, League table; self-led deals and non-benchmark deals (USD≤500mn) excluded

### 2019 Green Bonds Ranking

Rank	Bookrunner	Deal Value USD eq. (m)	No. Tranches	%
1	HSBC	8,792.31	49	6.85
2	Credit Agricole	8,671.59	49	6.75
<b>3</b>	<b>BNP Paribas</b>	<b>7,721.92</b>	<b>43</b>	<b>6.02</b>
4	BofA Securities	6,248.35	31	4.87
5	JPMorgan	5,991.12	36	4.67
6	Citi	5,988.48	33	4.66
7	Societe Generale	4,825.56	28	3.76
8	Barclays	4,817.65	25	3.75
9	ING	3,977.20	29	3.10
10	Goldman Sachs	3,841.16	19	2.99

Source: Dealogic – Green Bonds (Corp/FIG/SSA) 1st Jan 2019 – 31st December 2019, League table; self-led deals and non-benchmark deals (USD≤500mn) excluded



Lead manager of the year, green bonds – corporate



Lead manager of the Year, green bonds – sovereign



Lead manager of the year, sustainability bonds – bank



Award of innovation – bond structure



Lead manager of the Year, green bonds – corporate



The Banker  
Investment Banking  
Awards 2019

Most Innovative Investment  
Bank for Climate Change and  
Sustainability

Sustainable Financing Solutions

02.

# Sustainable Loans



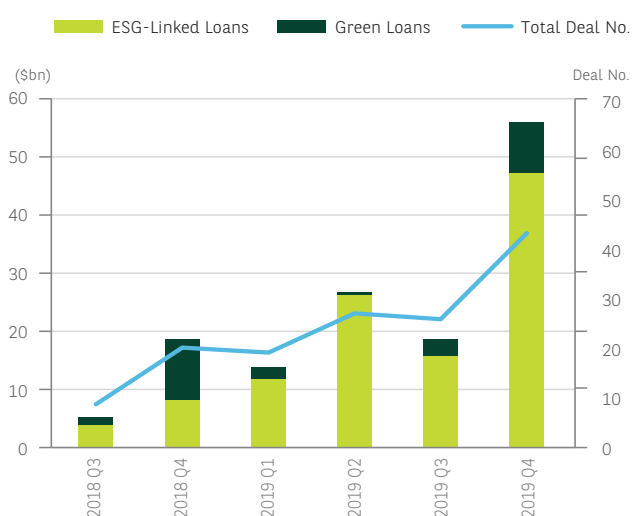
# Sustainable Loans — an overview

## What is a Sustainable Loan?

The Sustainable Loan facilities are tailor made approaches to accompany clients at a corporate 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 2019 and a continuing growth expected in 2020.

With the aim of promoting the sound development of the products and market best practices, as key aspects of a responsible approach towards sustainable finance, BNP Paribas actively contributes to the Loan Market Association working group in charge of the definition of the Green Loan Principles and Sustainability Linked Loan Principles.

EMEA ESG - Linked and Green Syndicated Loans



EMEA ESG-Linked Loans Volume by Lead Bank - FY 2019

Ranks	Lead Bank	Vol. \$m	SC Deal No. <sup>(1)</sup>	%Share
1	<b>BNP Paribas</b>	<b>9,580</b>	<b>16</b>	<b>9.4</b>
2	Credit Agricole CIB	6,248	4	6.2
3	SG Corporate & Investment Banking	5,076	1	5.0
4	UniCredit	4,988	-	4.9
5	Santander	4,585	3	4.5
6	HSBC	4,572	-	4.5
7	Citi	4,322	2	4.3
8	ING	4,293	6	4.2
9	Natixis	4,067	10	4.0
10	Barclays	3,290	3	3.2
<b>TOTAL</b>				<b>100.00</b>

Source: Dealogic Limited 2020 -Global Sustainable Finance Loan Rankings-Full Year 2019

## Sustainability Linked Loans (SLLs)

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), that can be either by defining internal KPIs to be achieved, or by improving its extra-financial rating. It is targeted to companies with a strong sustainability agenda (with further upside potential) across a wide range of industries. The general features of these facilities are in line with market practices in corporate lending.

BNP Paribas provides a range of innovative solutions to integrate sustainability within financing solutions, adapting to specific needs and circumstances of the client's ESG materiality matrix and benchmarks of its sector, while ensuring marketability within the loan market.

BNP Paribas has reached a #1 position for ESG-Linked Loans in the EMEA region both in number of deals and volume (as confirmed by Dealogic for 2019FY), with an unparalleled reach in a booming market. The bank has supported SLLs for clients across a range of sectors and sizes, including large corps and mid-caps. This has included structuring several innovative SLLs targeting Green House Gas reduction, Childcare, Education and ratings KPIs.

## Green Loans

Are structured as term loans and based on the Green Loan Principles (aligned with 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. Moreover, Green Loans present the advantage for companies - who would not necessarily have access to the bonds market - to rely on the Green Bonds Principles to attract capital for specific sustainable projects.

# Sustainable Loans

## An overview on Sustainability linked Loan transactions

### UPM (Mar-20)

UPM has become one of the first companies to tie its credit line to the commitment of keeping the global temperature rising under the 1.5°C.

Margin is tied to two KPIs:

- The achievement of a net positive impact on biodiversity in UPM's own forests in Finland, according to UPM's Biodiversity Index;
- A 65% reduction of CO2 emissions from fuels and purchased electricity by 2030 from 2015 levels, in line with UPM's commitment to UN Business Ambition for 1.5°C.

### Másmóvil (May-19)

In line with investors increasing focus and requirements for Environmental, Social, and Governance (ESG) focus, Másmóvil, being advised by BNP Paribas as sole Sustainability Coordinator, was the first borrower in Europe to incorporate ESG criteria into a leveraged loan package.

This transaction marks as well the first time ever an S&P ESG Evaluation was linked to a sustainable loan. The €100mn revolving credit facility and €150mn capex line, include a ratchet on the loans' interest that either, steps up if the ESG rating deteriorates, or steps down if the rating improves.

 EUR 800,000,000 Mar 2020	 EUR 750,000,000 Mar 2020	 GBP 100,000,000 Feb 2020	 EUR 1,400,000,000 Feb 2020	 USD 550,000,000 Feb 2020	 EUR 30,000,000 Jan 2020	 GBP 120,000,000 Jan 2020
 EUR 1,500,000,000 Dec 2019	 USD 1,750,000,000 Dec 2019	 N/A Dec 2019	 EUR 600,000,000 Dec 2019	 EUR 4,000,000,000 Dec 2019	 EUR 1,300,000,000 Sep 2019	 GBP 75,000,000 Aug 2019

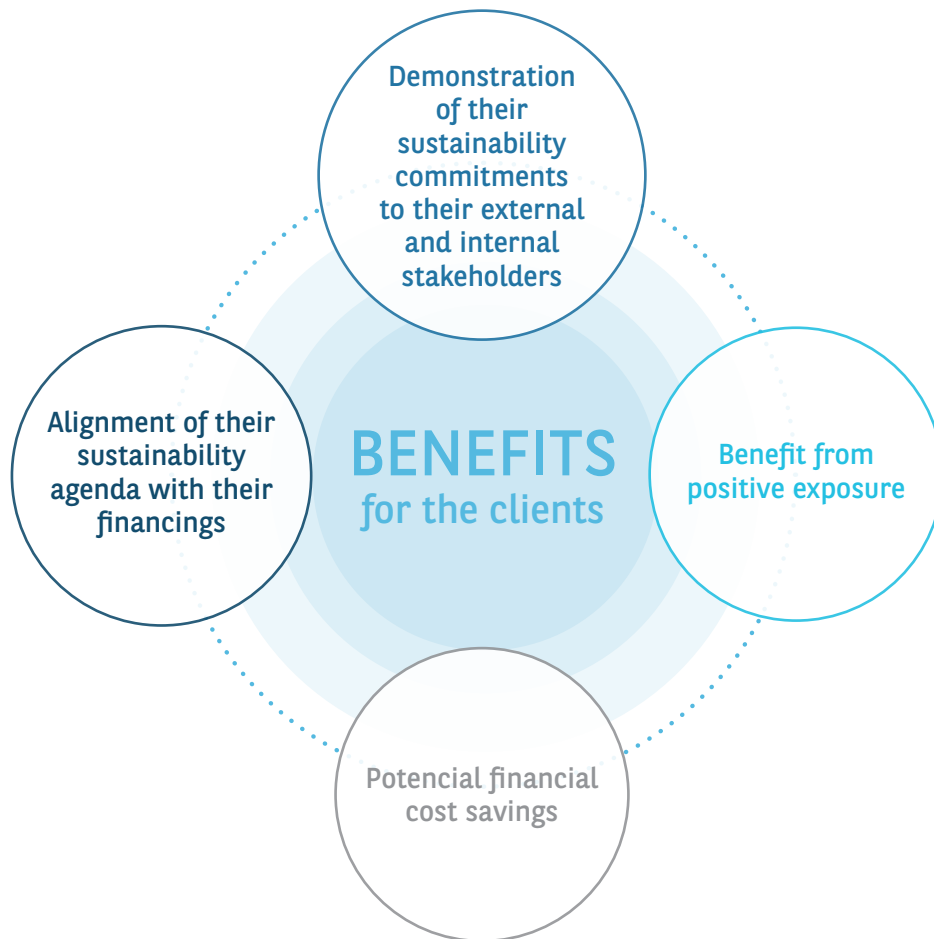
## Looking at key Green Loan transactions

### ICBC (Jun-19)

This transaction marks the first ever Green Loan Principles compliant loan facility for a Chinese Bank. The loan highlights ICBC's commitment to further supporting the green economy transition and the development of Green Finance globally. The loan will be used for green projects, in line with the Green Finance Framework, financed by ICBC, London Branch.

 USD 47,700,000 Dec 2019	 HKD 3,600,000,000 Sep 2019	 USD 400,000,000 Jun 2019	 TWD 2,500,000,000 Jun 2019	 EUR 66,500,000 May 2019	 GBP 553,000,000 Dec 2018	 EUR 160,000,000 Dec 2018
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## The Green Loan Principles

In alignment with the Green Bond principles, the Loan Market Association (LMA) and the Asia Pacific Loan Market Association (APLMA) issued the Green Loan Principles in March 2018 (with an update in last December, involving the Loan Syndications & Trading Association (LSTA)). These principles establish voluntary guidelines to which the issuer should adhere, focusing on four main areas:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting

## The Sustainability Linked Loan Principles

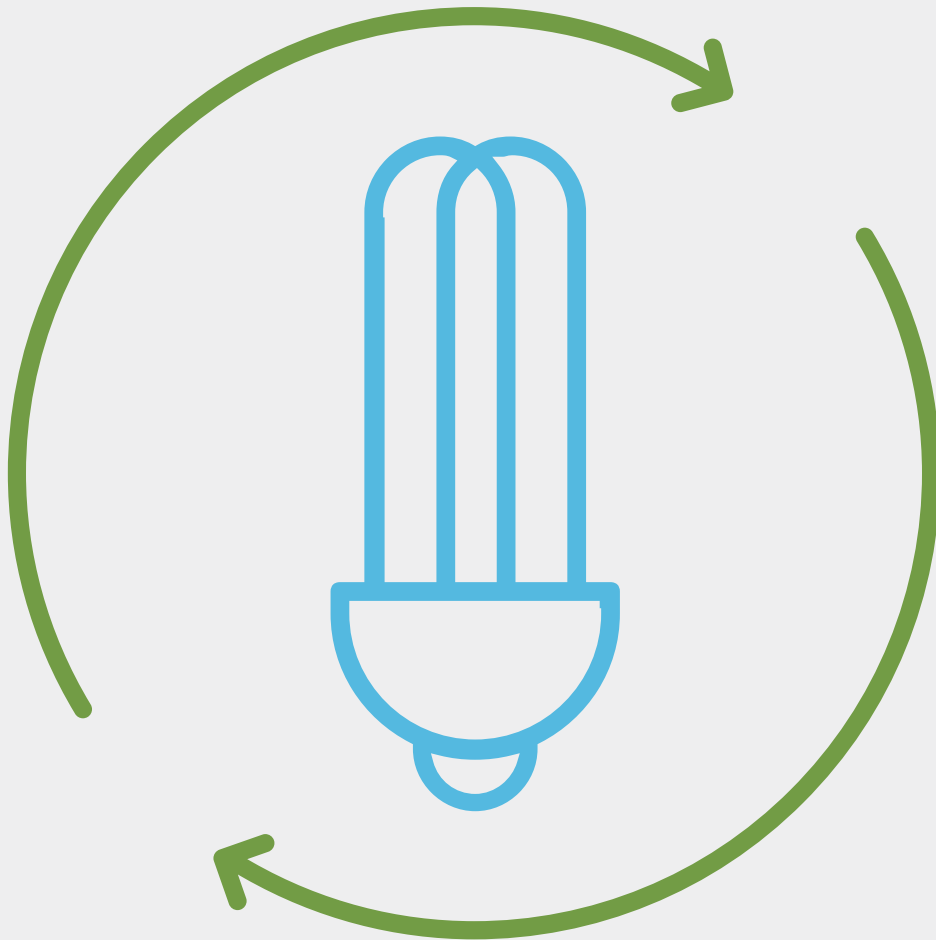
In March 2019, the LMA, APLMA and LSTA issued the Sustainability Linked Loan Principles, setting out a framework to enable all market participants to clearly understand the characteristics of this type of loan, based around four core components:

- Relationship to borrower's CSR strategy
- Target setting: measuring the sustainability of the borrower
- Reporting
- Review

Sustainable Financing Solutions

# Renewable Energy Financing & Advisory

03



# Renewable Projects Financing and Financing Advisory

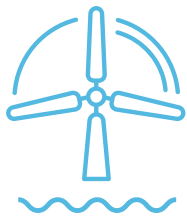
## Longstanding origination expertise in renewables financing

In 2015, BNP Paribas agreed to more than double the financing resources allocated to the renewable energy sector, from €6.9bn in 2014 to €15bn in 2020, and this objective was reached two years in advance. At the same time BNP Paribas took steps to strengthen its policies for the management of carbon risk and made a commitment to invest €100m by 2020 in start-up companies working to develop solutions in areas such as energy storage and smart grids.

As a key player in renewable energy financing and with long-standing origination expertise and a strong transaction pipeline, the bank is well positioned to offer institutional investors direct access to financing renewable energy projects through loan syndication and project bonds.

BNP Paribas has been active in project financing for renewable energy since 1999. The cumulative capacity of renewable energy projects in which BNP Paribas ERI acted as a lender in 2018 reached more than 6,6GW in the EMEA region. As at end 2019, BNP Paribas ERI commitments in the power sector in the EMEA region were over €4.7bn, of which around 95% were from solar, onshore wind and offshore wind sectors.

## CREDENTIALIALS



### Offshore wind

**FRANCE**  
—  
2019

**PARC DU BANC DE GUÉRENDE**  
€2.3bn financing of 480MW

Financial Advisor, Underwriter, MLA and Hedge Coordinator

**UK**  
—  
2019

**NAERT NA GAOITHE**  
c. £2.3bn Financing of 448MW Greenfield Offshore Wind

MLA, Account Bank and Hedging Bank

**BELGIUM**  
—  
2018

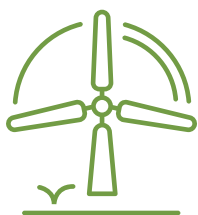
**SEAMADE**  
487.5MW Offshore Wind farm

MLA, Hedge Provider, EBL Provider and Agent

**GERMANY**  
—  
2018

**PROJECT MERKUR**  
396MW Offshore Wind farm Refinancing

MLA, Hedging and Account Bank



### Onshore wind

**FRANCE, SPAIN, PORTUGAL, GERMANY AND BELGIUM**  
—  
2019

**PROJECT MISTRAL**  
€1.316m financing of a 1.138MW wind portfolio

Bookrunner, MLA and Hedging Bank

**SPAIN**  
—  
2019

**PROJECT ALFRED**  
€402m acquisition financing of a 419.2MW wind portfolio

MLA, Hedge Coordinator & Hedge Provider

**FRANCE**  
—  
2019

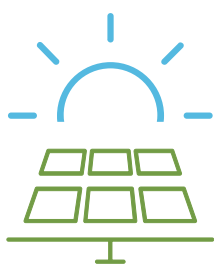
**PROJECT IMPALA**  
Portfolio of operating and under construction assets (106 MW)

Sole underwriter, MLA, Hedging Bank, Agent and Account Bank

**ITALY**  
—  
2019

**ORTIGIA POWER 51**  
183MW PV/Wind Portfolio - €425m acquisition and credit facilities

MLA and Hedging Bank



### Solar

**SPAIN**  
—  
2020

**PROJECT SIX**  
€211m refinancing of a 53MW solar PV portfolio

Sole UW Bank & Bookrunner, MLA, Sole Hedge Coordinator Agent & Account Bank

**FRANCE**  
—  
2019

**PHOENIX V**  
€809m Solar Portfolio refinancing

Underwriter, MLA, Hedging and Account Bank

**ITALY**  
—  
2019

**EF VEGA**  
118MW PV Portfolio €322m credit facilities

MLA and Hedging Bank

**UAE**  
—  
2017

**SWEIHAN PV PROJECT**  
1.17MW ground mounted solar photovoltaic plant

MLA, Hedging Bank and Insurance Bank

# Sustainable M&A

BNP Paribas has adopted a strategy encompassing all businesses in order to help finance the energy transition. M&A (Mergers and acquisitions) advisory is part of that strategy and aims to help enterprises committing to actions that will help address issues that affect positively the environment and society, in case of legal consolidation of entities (mergers) or acquisitions.

## WHAT'S ON OFFER?




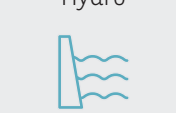


- Power & Renewables team at the core of energy transition transactions having advised on numerous transactions for decentralized generation, grid management and energy services.
- Constant interaction with all players in energy transition such as large utilities, transmission and distribution operators, independent renewable producers and power & gas suppliers, financial investors such as pension, infra, energy and sovereign funds, regulators and governments

## FY2011-2019 — Power & Utility (announced deals)

Rank	Advisors	Deal Value (\$ bn)	# of deals
1	Citi	188.3	81
2	Bank of America	116.7	40
3	<b>BNP Paribas</b>	<b>116.5</b>	<b>79</b>
4	Morgan Stanley	103.2	56
5	Barclays	90.9	50

Source: Dealogic, Thomson One

## RECENT CREDENTIALS

<p>Ongoing</p> <p><b>GERMANY</b> Wind/Solar</p>  <p>For the capital increase through a minority stake sale of</p> <p><b>BayWa r.e. renewable energy</b></p> <p><b>BayWa</b></p> <p>is being advised by</p> <p><b>BNP PARIBAS</b> CORPORATE &amp; INSTITUTIONAL BANKING</p>	<p>2019</p> <p><b>FRANCE</b> Wind/Solar</p>  <p>For the sale of a minority stake in an onshore wind and solar assets portfolio</p> <p><b>CRÉDIT AGRICOLE ASSURANCES</b></p> <p>was advised by</p> <p><b>BNP PARIBAS</b> CORPORATE &amp; INSTITUTIONAL BANKING</p>	<p>2019</p> <p><b>FRANCE</b> Wind</p>  <p>For the sale of a 50% stake in</p> <p><b>RENVICO RENEWABLE ENERGY</b></p> <p>France</p> <p>was advised by</p> <p><b>BNP PARIBAS</b> CORPORATE &amp; INSTITUTIONAL BANKING</p>	<p>2019</p> <p><b>PORTUGAL</b> Hydro</p>  <p>For the acquisition of a portfolio of 6 large hydro plants from EDP</p> <p><b>CRÉDIT AGRICOLE ASSURANCES</b></p> <p><b>ENGIE mirova</b> Responsible Investing</p> <p>was advised by</p> <p><b>BNP PARIBAS</b> CORPORATE &amp; INSTITUTIONAL BANKING</p>	<p>2019</p> <p><b>FRANCE</b> Wind/Solar</p>  <p>For the disposal of</p> <p><b>GRUPE VALECO</b> Producteur d'Énergies Renouvelables</p> <p>Valeco shareholders &amp;</p> <p><b>Caisse des Dépôts groupe</b></p> <p>was advised by</p> <p><b>BNP PARIBAS</b> CORPORATE &amp; INSTITUTIONAL BANKING</p>	<p>2018</p> <p><b>GERMANY</b> Power &amp; Utilities</p>  <p>For the acquisition of</p> <p><b>RWE</b> 's 76.8% stake in <b>innogy</b> via asset swap and the PTO for <b>innogy</b> 's shares</p> <p><b>e-on</b></p> <p>was advised by</p> <p><b>BNP PARIBAS</b> CORPORATE &amp; INSTITUTIONAL BANKING</p>
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 Sell-side advisory

Sustainable Financing Solutions

04.

# Supply Chain Management



# Supply Chain Management

Supply chains play a key role in the globalised economy and its management is a key topic for companies to be in position to adapt to a wide range of externalities that can affect positively their processes, costs and image.

Strengthening supply chains and mitigate, for example, associated social and environmental risks, enables:

## MANAGE RISKS

- Minimize business disruption for environmental, social or economical impacts
- Protect company's reputation and brand value

## CREATE SUSTAINABLE PRODUCT

- Meet customer expectations
- Meet business partners requirements
- Anticipate and adapt to evolving regulatory developments
- Foster innovation

## IMPROVE EFFICIENCY

- Reduce cost of material inputs, energy, transportation
- Create efficiency across supply chains

An increasing regulatory pressure around sustainability and traceability in supply advocates for **applying ESG policies towards suppliers**.

Within the supply chain management, BNP Paribas is a key partner in promoting best practices **aligning the impacts of the companies' strategy in sustainability with its financing terms** while improving direct/indirect businesses' processes in the chain.

## WHAT'S ON OFFER?

### AS A BUYER

#### • Optimization of your trade payables

A trade payables programme is designed to assist your suppliers by allowing the discounting, with BNP Paribas, of all invoices due from your company.

Such a programme typically supports your suppliers in managing their liquidity, notably in case of extension of the payment terms.

### AS A SUPPLIER

#### • Discounting of your trade receivables

Discounting of trade receivables is the monetization of trade receivables which results in a reduction of the supplier's DSO (Days Sales Outstanding). Thus BNP Paribas purchases, on a non-recourse basis, your trade receivables from your obligors.

## AWARDS & ACHIEVEMENTS:



Best customer implementation of a supply chain financing solution  
Green Supplier Credit Financing  
(February 2017)



Global Trade Review Best Deals of 2016 award for aligning Puma's supplychain with sustainability goals



Global Bank of the year for financial supply chain management

Sustainable Financing Solutions

# Export Finance for Sustainable Assets

05



# Export Finance for Sustainable Assets

Export Finance for Sustainable Assets BNP Paribas' Export Finance team, as a leader in its market, has been focusing on contributing to sustainable economic and social developments. It has played a key role in originating and financing renewable projects and other green assets as well as SDG aligned assets. Several transactions involving Export Finance solutions are compliant with Green Bond Principles and benefited from BNP Paribas' Green Bond Program. Our commitment to sustainability is also demonstrated by the GTR accolade 2019 "Financial Institution that has made a significant contribution to sustainability".

## WHAT'S ON OFFER?

- A unique medium-to-long-term financing solution to real economy, benefiting from credit enhancement programs made available by Export Credit Agencies (ECAs), Private Risk Insurers (PRIs) and/or Multilateral Finance Institutions (MFIs)
- Tailor-made transactions to finance the purchase of capital goods by a wide range of clients: general corporates, sovereign entities, financial institutions, special purpose companies for particular projects
- In support of diversified sectors, from Power Generation to Power Distribution, from Mass Transportation to Water infrastructures, thereby facilitating positive impact on the economy
- An enabler of key anchor for successful green deal originations through benefit from favourable OECD consensus regime for export credits in support of renewable energy, climate change mitigation, and water projects
- Green transactions benefiting from BNP Paribas Green Bond Program

Sustainable finance mechanisms (SLL, Green Loan Principles) can be plugged into our Export Finance solutions

- Leveraging on roughly 60+ dedicated Export Finance professionals, located across the globe to cover more than 20 ECAs, coupled with long-lasting relationships with major industry players

## EXPORT FINANCE IS COMPATIBLE WITH SEVERAL SUSTAINABLE FINANCE PRODUCTS

### GREEN/SOCIAL/SUSTAINABLE LOAN

Loans dedicated to projects eligible to green/social bond framework



### RENEWABLE ENERGY FINANCING

Origination, loan syndication & project bonds to finance renewable energy projects like solar and wind



### SUSTAINABILITY LINKED LOAN (SLL)

Loan with pricing mechanism linked to Company overall ESG Performance



## AWARDS



**2020 ARGENTINA**  
**YPF LUZ**

120MW Wind Farm RenovAr 2 -USD 145M  
Export Credit Facilities +DFI

**MLA, GLOBAL COORDINATOR**

**2019 TAIWAN**  
**Yunlin Wind**

640 MW Offshore Wind Farm  
EUR 2.2bn 18-year

**MLA, HEDGE PROVIDER**

**2019 IVORY COST**  
**Ministry of Economy & Finance**

USD 50M Buyer Credit Hospital Rehabilitation

**MLA & BPIFAE AGENT**

**2019 TAIWAN**  
**Formosa II**

376 MW Offshore Wind Farm  
EUR 1.5M 18-year

**MLA, GREEN ADVISOR, COORDINATION BANK, DOCUMENTATION AGENT**

**2018 SENEGAL**  
**Senelec**

Development strengthening & enhancing of electricity transportation and distribution

EUR 164M Export credit Facility

**MLA & FACILITY AGEN**



Sustainable Financing Solutions

06

# Green Leasing Solutions



# Green Leasing Solutions

BNP Paribas Leasing Solutions is the business specialized in leasing and rental solutions for professional equipment. Its CSR strategy operates under the “positive leasing” banner.

**The green asset financing solutions include:**

LED lighting, Refrigerated displays, Roof top HVAC solutions, Refrigeration compressor, Heat exchanger, Furnace, Power, Electric & Natural gas trucks, Cogeneration systems.

**The green solutions offer includes:**

Trucks fleet optimisation, printers park optimisation, used asset financing.

**The green business model includes:**

BNP 3Step IT Joint Venture: Directly to companies, we offer a complete life cycle management for IT assets (phones, computers, etc.); Leasing of new equipment, maintenance, collection of end of contract assets, refurbishing and selling to remarketing partners.

## Leasing and rental solutions for professionals



**CUSTOMERS OF THE  
BNP PARIBAS GROUP  
RETAIL BANKING  
NETWORK**



**Companies, entrepreneurs  
and self-employed  
professionals.**

A support for equipment and real estate investments via rental and finance solutions that are integrated into the overall BNP Paribas group offering.



**VENDOR PARTNERS**  
Manufacturers,  
distributors and  
resellers of professional  
equipment, and software  
publishers.



**Supporting partner sales  
development through finance  
solutions and add-on services  
for their customers.**

The “Vendor Program” is a focused approach based on long-term partnerships and market specialization.



**COMPANIES DIRECTLY**  
SMEs, Midcaps and  
international groups.



**Providing rental solutions  
with added services and fleet  
management for their IT parks  
or their fleet of industrial and  
commercial vehicles**

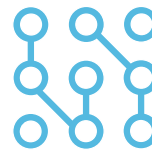
Flexible support via our Brand BNP Paribas Rental Solutions.

### TWO TYPES OF ASSETS:



**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).

Sustainable Financing Solutions

# 07 Green & Sustainable Real Estate



# Green and Sustainable Real Estate

At BNP Paribas Real Estate, sustainability and CSR are at the core of our activities. The CSR strategy is a **driver of innovation and performance for our clients, partners and employees. We aim at:**

- developing a responsible and innovative service offer; in an **ethical manner**.
- reducing the environmental impact of our activities and to make environmental quality of our products and services **a driver of economical and intangible performance**.
- Valuing the development and **commitment of our employees**.
- Being a committed real estate sector player and **supporting local initiatives**.

## SPECIAL OFFERS

### In Property Development:

- Development and redevelopment of office, residential and Mixed-use buildings and new districts 100% of office and residential buildings developed or refurbished are certified with well recognized environmental standards (HQE, BREEAM, DGNB, Osmoz, Well, Biodiversity...)
- Internet of Things (IoT): development of smart building and smart home innovative solutions.

### In Investment Management:

- A committed asset management policy: 15 sustainable actions set up to improve the quality of our portfolio
- A responsible investment strategy: creation of green investment vehicles
- **45,4%** of the AUM have a certification or a label (out of a CSR panel of 259 assets in France, Germany and Italy)
- **100%** of major building renovations are environmentally certified

### In Advisory:

- Identification and transaction of green assets for investors and corporate

- Valuation of green assets and portfolio
- Advise corporate and investors on CSR/ ESG real estate strategy

### In Property Management:

#### Environmental performance optimization in order to reduce the carbon footprint of real estate assets:

- Energy trading and management: audit of the energy performance of a building and optimization
- Environmental certification & labelling: analyze the assets' environmental specifications and obtain building certification to increase the economic and intangible value of the asset
- Energy transition : assist landlords and corporate clients to assess, lead and finance real estate energy transition
- Sustainable data reporting : monitor landlords and corporate sustainable datas to comply with the ESG reporting and to increase their sustainability awareness. (ie: GRESB)
- Advise on the deployment of circular economy, biodiversity, or green mobility action plans

## Real Estate business lines

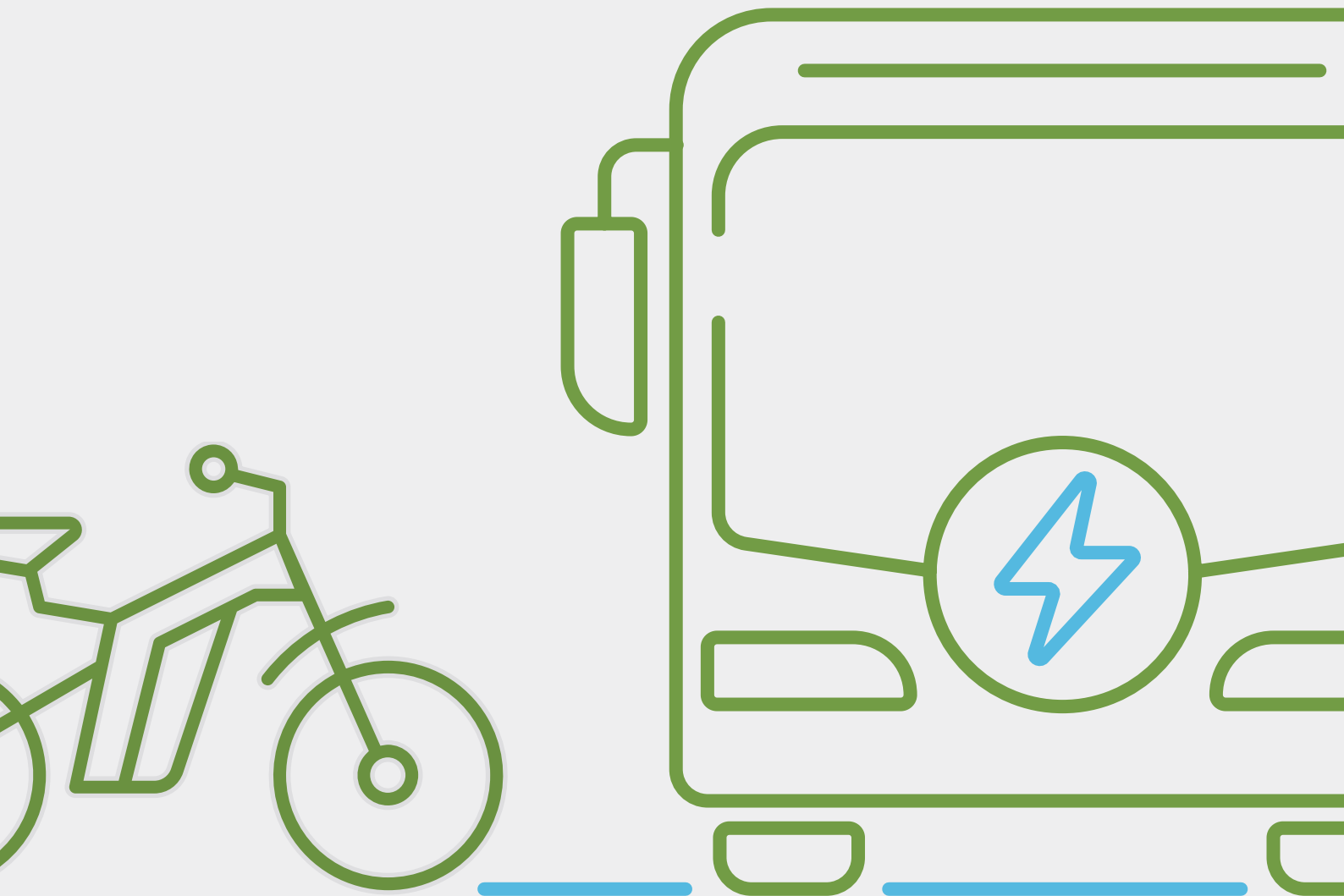


## Sustainability in Real Estate is about

- Reducing greenhouse gas emissions and optimizing energy consumption in the full life cycle vision (from the construction to the use/operation/refurbishment/demolition)
- Designing and developing reversible and flexible buildings that can be adapted to the evolutions of the uses during its life cycle on a long term scale
- Integrating IoT as a support to a sustainable use of the buildings
- Increasing the well being and performance of the occupiers, thanks to amenities, space planning, services, biodiversity and accessibility provided by the buildings

Sustainable Financing Solutions

# 08 Green & Sustainable Mobility



## ARVAL — Green & Sustainable Mobility

Major changes are currently occurring within our society and the mobility sector: mobility needs and solutions have never been so rich, the need to move around and connect with each other, in a sustainable and efficient way, has never been so intense, technological breakthroughs have transformed our world by making the advent of connected, electric and autonomous mobility a reality, usage prevails over ownership and more than ever, the level of awareness to preserve the environment is rising. To meet these current challenges, Arval believes its role goes beyond car leasing to offer its customers mobility solutions including the car. In line with BNP Paribas strategy, responsibility and purpose are more than ever Arval's True North as it strives to improve people's lives through personalised and sustainable journeys. In 2004, Arval was the first full-service leasing company to sign the United Nations Global Compact. In 2019, for the 4th year in a row, it was awarded the gold recognition level on the EcoVadis CSR platform, gaining two points vs. 2018 and rating it among the top 2% best companies of its industry.



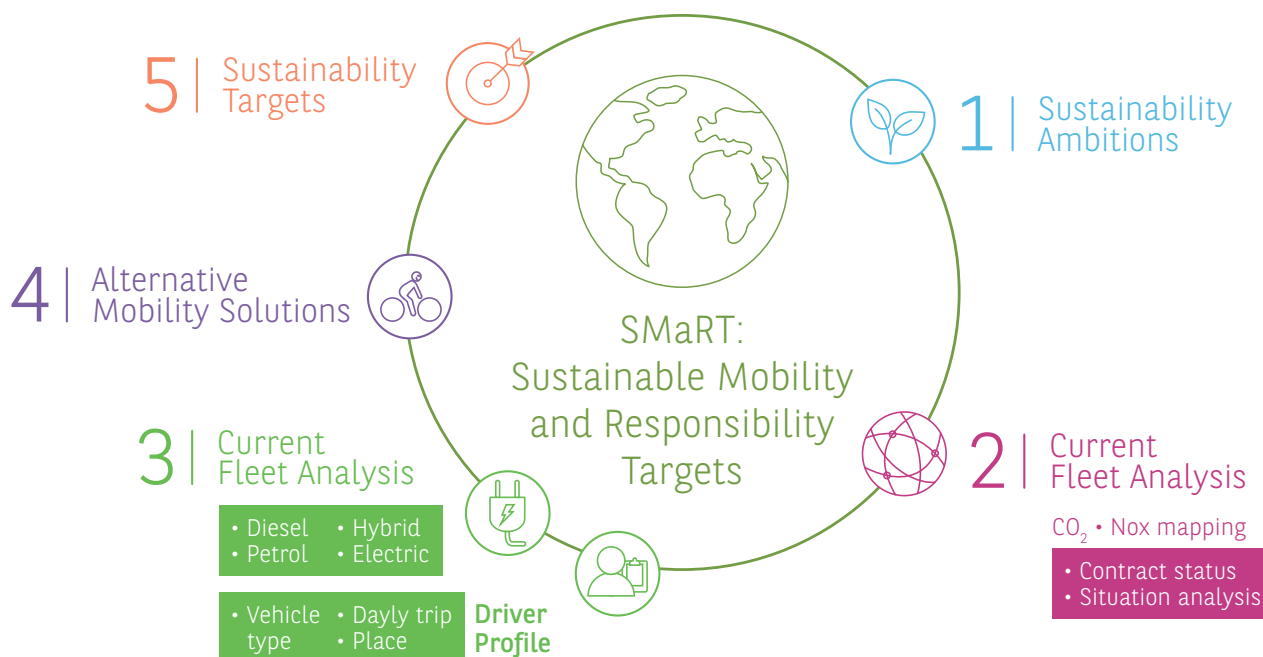
**ARVAL**  
BNP PARIBAS GROUP

Arval specialises in full service vehicle leasing and new mobility solutions, **leasing 1.3 million vehicles** globally by the end of December 2019. Every day, more than **7,000 Arval employees** in **30 countries** offer flexible solutions to make journeys seamless and sustainable for its customers, which range from large international corporates to smaller companies and individual retail clients.

### WHAT'S ON OFFER?

- Shared mobility solutions: car-sharing, bike-sharing, ride-sharing, autonomous shuttle.
- Advice and consultancy on the whole scope of Corporates' Global policy which includes electric (whole EV ecosystem thanks to strategic partnerships with energy providers and car manufacturers) and hybrid vehicles within the company car options;
- Fleet intelligence thanks to digital tools to reduce costs, increase efficiency and improve driver behavior:
- Monitors and benchmarks fuel efficiency including through driver performance
- CO2 emissions monitoring
- Fraud, accident, theft identification

## Arval SMaRT approach to support clients in their energy transition strategy



## Arval, a committed player of the changing mobility ecosystem

In response to the ways in which business transportation is rapidly changing, the Corporate Vehicle Observatory became the Arval Mobility Observatory in 2019, to provide independent research to understand and anticipate changes in the world of mobility. By joining the MaaS (Mobility-as-a-Service) Alliance in 2019 as well, Arval reaffirmed its willingness to build tomorrow's integrated mobility solutions together with partners.

## Embedding CSR in the range of products and services



### Car Policy

Enhancing Total Cost of Ownership through fleet analysis, vehicle selection advice and CO<sub>2</sub> reduction targets



### Sustainable Services and Solutions

Advice on choosing leasing services with embedded CSR, fleet optimisation through car sharing



### Driver Care

Eco and safety training, safety kits for drivers, safety and eco tips, eco smart apps



### Reporting and Offsetting

Regular reporting on fuel costs, CO<sub>2</sub> emissions and driver collisions, plus fleet and business reviews to advise customers on action plans and carbon offsetting

# Sustainable Investing solutions

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01. Responsible  
Indices

02. Sustainable  
Equity-Linked Bonds

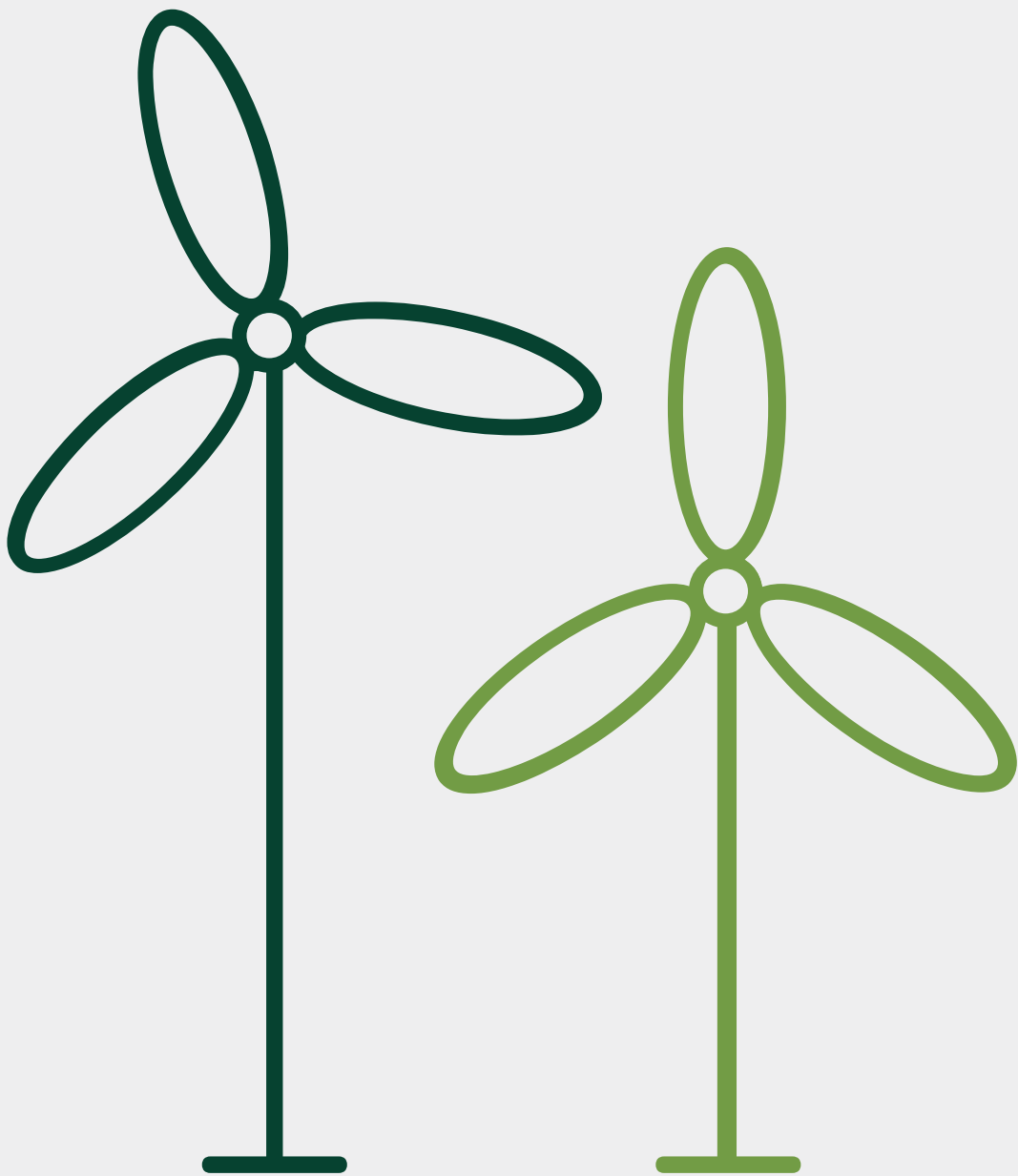
03. Sustainable  
Funds





Sustainable investing Solutions

# 01. Responsible Indices



# Responsible Indices

The investment industry and asset owners are gradually adjusting their portfolios to key sustainability issues, one of the most complex of which is climate change. BNP Paribas recognises the growing demand from investors to include Environmental, Social and Governance (ESG) criteria in their investments. Since 2013, the bank has launched a range of custom indices which are bound by sustainable principles. Working with a number of respected and leading rating agencies in the field of sustainable investment, including Vigeo Eiris, Forum Ethibel and oekom Research, BNP Paribas' teams have built robust performance engines with systematic stock selection based on both sustainable and financial criteria.

BNP Paribas' indices bring benefits to its clients across the world as they offer strong potential in terms of creating solutions which bring a financial return at the same time as meeting clients' ESG investment goals. The index range brings both transparency and good judgement to the market, and shows BNP Paribas' commitment to driving progress in sustainable & responsible investment solutions.

## Responsible Index Range — Highlights

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- Sponsored, calculated and published by Solactive and FTSE Russel (independent index providers), and BNP Paribas.

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- Using sustainable and financial filters to select stocks for inclusion

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- Designed in partnership with

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leading sustainable rating agencies including oekom, Vigeo Eiris and Forum Ethibel

- Meeting client demand for ethical investments

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- Combines strong equity

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performance with sustainable principles

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### Innovation

The Index Range combines BNP Paribas' structuring expertise with the independent analysis of sustainable ratings agencies such as oekom, Vigeo Eiris, Forum Ethibel as well as Solactive, the index calculator. The innovation lies in the combination of these two fields of excellence.



### Impact

Stocks within the indices are selected for inclusion based on rigorous criteria, using both financial and sustainability filters. Thus the indices actively direct funds towards financially stable companies which meet high sustainability standards. For clients this means they may potentially meet their financial targets, as well as their sustainable investing goals.



### Transformation

This Index range has the potential to transform the market by encouraging investors to choose sustainable investment targets and by directing funds towards companies which meet high responsibility standards. The expanding range makes it easy for investors to match their sustainable investment goals with potential for financial returns.

# Price Efficient SRI Indices

## EUROPE

### Ethical Europe Equity

50 European companies with high corporate social and environmental responsibility, as calculated by Vigeo-Eiris. Weighted according to underlying's volatility.

### Solactive Oekom Ethical Low Volatility

30 European companies which are fossil free and have high levels of corporate social and environmental responsibility, as calculated by Oekom. Low Volatility filter.

### Ethical Europe Climate Care

30 European companies with low carbon footprint and with a good energy transition strategy, as calculated by Vigeo-Eiris. High Dividend and Low Volatility filter.

### Solactive Sustainable Goals Europe MV

50 companies with a significant part of their activity dedicated to sustainable products or a leading sustainable behaviour in their sector, as calculated by Vigeo-Eiris.

### Solactive BrandFinance European Leaders Low risk 30 Index Ex-DA

30 European companies with a high brand value, comparably high dividend yield, calculated by BrandFinance. Low volatility and non-excessive sector concentration. Controversial activity filter.

### Euronext® France 40 / Euronext® Eurozone 50 Energy Transition Leaders EW Decrement 5%

40/50 French/Eurozone companies among the largest market capitalisations that have the best Energy Transition score, as calculated by Vigeo-Eiris. Index is equally-weighted, and a 5% synthetic dividend is subtracted from the performance.

### Euronext® France 40/ Euronext® Eurozone 40 ESG Leaders EW Decrement 5%

40 French/Eurozone companies among the 60 largest market capitalisations with the best ESG scores, as calculated by Vigeo-Eiris. Index is equally-weighted, and a 5% synthetic dividend is subtracted from the performance.

### Euronext® Benelux ESG Leaders 20 PR / Decrement 4.5%

20 companies among the largest market capitalisations in the Netherlands, Belgium and Luxembourg, with the best ESG scores, as calculated by Vigeo-Eiris. Inverse volatility weighting. For the decrement version, a 4.5% synthetic dividend is subtracted from the performance of the index.

### Euronext® France/Eurozone ESG Leaders Select 30/40 EW Decrement 5% Index

30 French / 40 Eurozone companies among the 60/80 largest market capitalisations with the best sector normalised ESG scores, as calculated by Vigeo-Eiris. Index is equally-weighted, and a 5% synthetic dividend is subtracted from the performance. United Nations Global Compact principles filter.

### Solactive ISS Europe Governance Select 50

Selection of 50 European companies according to their ISS (Institutional Shareholders Services) ESG Governance QualityScore (4 equally weighted criteria: Board Structure, Shareholder Rights, Compensation, and Audit Practices). Low Volatility, dividend payment and controversial activity filters.

## US

### Solactive SPG US Low Carbon Leaders

50 American companies with revenue-adjusted greenhouse gas emissions among the lowest 50% of their sector, as calculated by ISS Ethix.

**WORLD****Solactive Sustainable Development Goals World MV**

30 global companies with a significant part of their activity dedicated to sustainable products or a leading sustainable behaviour in their sector, as calculated by Vigeo-Eiris.

**Solactive Human Capital World Low Risk**

50 global companies that contribute to the Sustainable Development Goal (SDG) of Human Capital, as calculated by Vigeo Eiris.

**Nasdaq Yewno Global Innovative Tech Ex Disputable Activities ER**

100 global companies with the greatest market capitalization out of the most innovative companies in the Nasdaq Global Indices in six key technologies, as calculated by Yewno. The index filters companies dealing in controversial activities, and a 5% synthetic dividend is subtracted from the performance. Versions: USD (NYGITXDE), EUR (NYGITXEE).

**MSCI World Select Sustainable Mega Trends**

50 global companies that derive high percentages of their revenues from products or services addressing at least one of the major social and environmental challenges (as defined by the UN's SDGs). ESG screening provided by MSCI ESG Business Involvement Screening Research.

**Euronext Transatlantic ESG Leaders 60 EW Decrement 5%**

40 Eurozone and 20 US companies with the best ESG score (as calculated by Vigeo-Eiris) in a universe comprised of Eurozone 300 and 40 largest US companies in terms of free-float market capitalization. Equally weighted.

**SRI Indices – Risk Control****WORLD****BNP Paribas Global Renewable Energies**

Between 5 and 50 global companies that belong to a Renewable Energy sector.

**BNP Paribas Global Energy Efficiency**

Between 5 and 50 global companies with revenues linked to the energy efficiency industry.

**BNP Paribas Global Waste Management**

Between 5 and 50 global companies with revenues linked to the global waste management industry.

**BNP Paribas Global Water Management**

Between 5 and 50 global companies with revenues linked to the water management industry.

**BNP Paribas Global Water Management**

Between 5 and 50 global companies with revenues linked to the water management industry.

**SRI Indices – Delta 1****EUROPE****BNP Paribas Equity Europe Climate Care**

100+ European companies with high ESG standards and robust energy transition strategies, as calculated by Vigeo-Eiris. Final selection is the portfolio with the highest energy transition score with a financed carbon footprint 50% lower than its benchmark portfolio and an ex-ante tracking error below 5% against the STOXX Europe 600 Net Return EUR Index.

**WORLD****Solactive Sustainable Development Goals World**

50 global companies with a significant part of their activity dedicated to sustainable products or a leading sustainable behaviour in their sector. SDGs and Low Volatility filter. EUR, USD, SEK versions available. Companies are equal weighted.

**BNP Paribas Equity World Global Goals**

100+ global companies with high sustainable standards (ESG score, controversy screening, sustainable energy usage) as assessed by Vigeo-Eiris. Stock picking approach to ensure financial stability while controlling the tracking error versus the benchmark to 3%.

**BNP Paribas Equity World Global Goals**

100+ global companies with high sustainable standards (ESG score, controversy screening, sustainable energy usage) as assessed by Vigeo-Eiris. Stock picking approach to ensure financial stability while controlling the tracking error versus the benchmark to 3%.

Sustainable investing Solutions

# 02. Sustainable Equity-Linked Bonds



# Green Growth Bonds

A key achievement in the development of the responsible investing range for BNP Paribas was its partnership with the World Bank in issuing a series of Equity-linked Green Bonds; 'Green Growth Bonds' – pioneering solutions and the first of its kind in the market.

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. The benefits are clear – the World Bank's Green Growth Bonds finance worthy projects which help combat climate change and in addition they deliver an excellent potential for return through BNP Paribas' Ethical Equity Index.

## A success story across regions

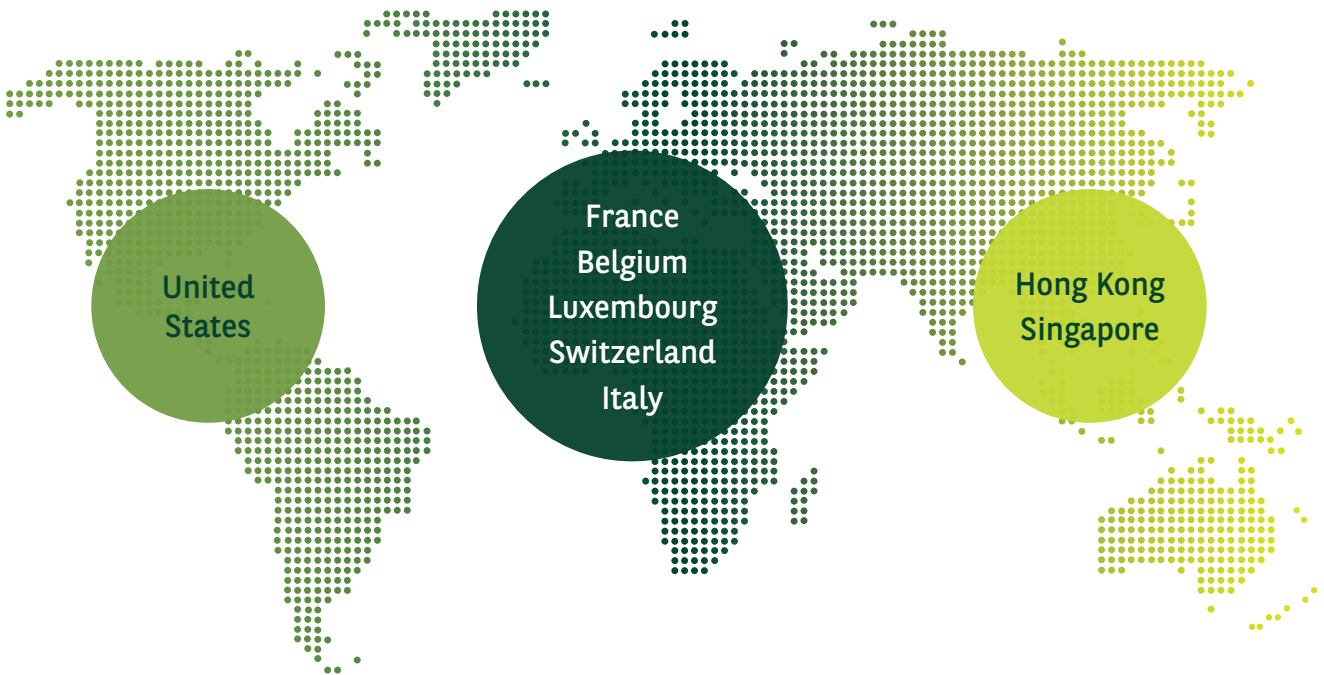
### Combating Climate Change

World Bank Green Growth Bonds direct funds towards projects with a positive climate impact



### Potential Financial Return

The Ethical Europe Equity Index has a strong performance, and responsible investment filters



**\$555m**

Over USD 555m raised since Aug 2014

**16**

World bank equity-linked green growth bonds issued

**3**

Successful across 3 regions: EMEA – Americas – Asia Pacific

*Source: BNP Paribas, December 2016*

The first Green Bond linked to the Ethical Europe Equity Index was issued in August 2014, a EUR 50 million private placement with BNP Paribas Cardif. Since then, a series of Green Growth Bonds have been issued-both institutional private placements as well as retail offerings, spanning across geographical regions and investor bases.

## Green Growth Bonds — overview

Green Growth Bonds allow investors to benefit from the potential growth of an equity index and, at the same time, support projects with a positive climate impact financed by the World Bank. The World Bank's Green Growth Bond has been designed to deliver three key objectives:

**Eco-citizenship:** bond proceeds are allocated by the World Bank to support projects aimed at addressing climate change.

**Peace of mind:** at maturity, investors are entitled to the repayment in US dollars of 100% of their original capital investment by the World Bank (Aaa/AAA). Moody's/Standard & Poor's (credit ratings as of March 2019).

**Return on capital:** at maturity, investors can potentially earn a redemption premium that is linked to a responsible equity index, made up of 30 European companies which are selected according to sustainability criteria defined by independent organisations.

## Green Growth Bonds are a combination of two unique elements:

### GREEN BONDS

World Bank Green Bonds offer investors an opportunity to support environmental solutions through a bond product that benefits from the triple-A credit strength of the World Bank. World Bank Green Bonds support the financing of projects in member countries that meet specific criteria for low carbon and climate resilient growth, seeking to mitigate climate change or help affected people adapt to it.

The types of eligible projects include renewable energy installations, energy efficiency projects, and new technologies in waste management and agriculture that reduce greenhouse gas emissions and help finance the transition to a low carbon economy. They also include financing for forest and watershed management, infrastructure to prevent climate-related flood damage, and build climate resilience.

### RESPONSIBLE EQUITY INDEX

World Bank's Green Growth Bonds are linked to the Ethical Europe Equity Index (the Index).

BNP Paribas structuring teams designed the Index to deliver long term performance and consists of 30 European stocks. Stocks are selected for inclusion based on an analysis by Vigeo Eiris, an independent and well-established ESG rating agency, and Forum Ethibel, an independent Belgian consulting agency that rates and audits sustainability, ethics, and social responsibility metrics of corporations.

The index is owned, calculated and managed by Solactive, a global index provider.

## Pioneering product

BNP Paribas' Green Growth Bonds are the first Green Bonds to link investment returns to the performance of stocks in the Ethical Europe Equity Index.

The index was designed by BNP Paribas initially for retail investors, yet it is also attracting interest from institutional investors seeking to enhance green-bond performance.

Benefits flow to both buyer and seller: bond issuers can diversify their funding by gaining access to equity investors; and buyers can invest in Green Bonds that offer equity-like returns.

The World Bank's Green Bonds finance worthy projects, while the equity portion delivers an excellent potential for return.

## Tera Neva® Climate Awareness Bond — overview

Tera Neva® is a Climate Awareness Bond, linked to the Ethical Europe Climate Care Equity Index and issued by the European Investment Bank. It is a sustainable investment solution which allows investors to align their financial objectives with their energy transition goals:

**Engagement:** The goal of the Tera Neva® initiative was to federate institutional investors around a financial product addressing climate change as Climate Awareness Bonds. Proceeds are dedicated to the financing of renewable energy and energy efficiency projects.

**Capital protection:** At maturity (13.5 years), investors are entitled to the repayment of 100% of their original capital investment by the European Investment Bank which carries the highest quality credit rating that can be achieved in the market (Fitch:AAA / Moody's:Aaa / Standard & Poors: AAA)\*.

**Potential return:** At maturity, in 4, 8 or 13.5 years, investors will receive a premium linked to the average performance of the Ethical Europe Climate Care Index. This Index aims at significantly reducing investors' carbon footprint. To achieve this, the Index selects 30 European stocks based on their carbon footprint and on the robustness of their energy transition strategy.

*\*Source: [http://www.eib.org/investor\\_relations/rating/index.htm](http://www.eib.org/investor_relations/rating/index.htm)*

## Tera Neva is a Responsible Investment solution which allows investors to align their financial objectives with their energy transition goals

### CLIMATE AWARENESS BOND - EIB

EIB was the first SSA borrower to issue an environmental-themed bond, the Climate Awareness Bond (CAB), in 2007. With the first CAB issue, the EIB pioneered the ring-fencing of proceeds in a dedicated liquidity portfolio.

- The funds are earmarked to match disbursements to EIB lending projects in the fields of renewable energy and energy efficiency
- EIB's action in these fields is based on strict project selection criteria and due diligence expertise
- EIB provides accountability on the allocations of CAB proceeds through regular reporting
- Investors have the opportunity to contribute to EIB's climate action, while enjoying the excellent credit quality of the EIB as an issuer

### ETHICAL EUROPE CLIMATE CARE INDEX

The Ethical Europe Climate Care Index aims at significantly reducing investors' carbon footprint. To achieve this, the Index selects companies based on their carbon footprint and, as a low carbon footprint today is not enough to combat climate change over the long term, on the robustness of their Energy transition strategy.

It is the first index to engage companies on their energy transition strategy.

The investment methodology is composed of 3 filters:

- ESG Compliance Filters (Vigeo Eiris)
- Climate Care Filters (Vigeo Eiris)
- Financial Filters (Solactive)



# Tera Neva® Climate Awareness Bond — engagement

## Commitment from institutional investors

The Tera Neva® initiative reflects investors' growing interest in combining financial performance with Responsible Investment. It shows investors' willingness to reduce the impact of their portfolio on climate change, finance energy efficient projects in Europe and beyond, and also to invest in companies with a robust energy transition strategy.

The initiative unites French Institutional Investors around a financial investment solution designed to meet their sustainable development goals as well as offering a potential attractive financial return.

ACMN VIE	CARAC	GENERALI	NATIXIS
AVIVA FRANCE	CNP	GROUPAMA	ASSURANCES
BNP PARIBAS	ASSURANCES	HSBC	PREVOIR
CARDIF	ERAFP	ASSURANCES	SURAVENIR

This group of institutional investors has invested a total amount of EUR 500m in Tera Neva®.



In 2007, the EIB pioneered Green Bond issuance with the launch of the first Climate Awareness Bond, and since then CAB issuance has reached almost EUR 11bn. CAB disbursements are earmarked to renewable energy and energy efficiency projects, allowing investors to contribute to the goal of limiting global warming to 2°C. **Tera Neva® enables investors to combine financial performance with climate conscious investing, and demonstrates our willingness to cater to investor demand for tailor-made climate finance products.**

**Bertrand de Mazières**

Director General of Finance at the EIB



# The SDGs Everyone Initiative

In March 2017, the World Bank (International Bank for Reconstruction and Development, IBRD) and BNP Paribas partnered to promote the United Nations Sustainable Development Goals (SDGs) through an investment solution. The World Bank has issued bonds that for the first time directly link returns to the performance of companies advancing global development priorities set out in the SDGs, including gender equality, health and sustainable infrastructure.

The equity-index linked bonds raised a total of EUR 163 million from institutional investors in France and Italy. The World Bank will use the proceeds to support the financing of projects that advance its goals of eliminating extreme poverty and boosting shared prosperity, and that are aligned with the SDGs.

The return on investment in the bonds is directly linked to the stock performance of companies included in the Solactive Sustainable Development Goals World Index.

The bonds were arranged by BNP Paribas as part of the “SDGs Everyone” initiative. Under the initiative, the World Bank will issue bonds that raise funding to support the financing of projects that support the SDGs, and investors benefit from the performance of companies included in the equity index. The initiative is an innovative solution and new financial model that supports the SDGs, as called for by the UN Secretary-General’s Financial Innovation Platform (FIP) launched in October 2016.

*Source: The World Bank, March 2017*



## Why invest with the World Bank?

IBRD’s\* AAA/Aaa rating is based on a solid financial structure, conservative financial policies and consistent performance, as well as support and capital backing from its shareholders.



### Safety

- Issuing debt since 1947; triple-A rating for almost 60 years
- Strong balance sheet as result of prudent financial policies
- Recognized preferred creditor status
  - Funds only extended to sovereigns and for sovereign-guaranteed projects



### Development Mandate

- Provides financial solutions for sustainable and socially equitable economic development to end poverty and increase income equality
- All bonds fund the World Bank’s sustainable programs aimed at achieving a positive social and/or environmental impact



### Buyback Program

- World Bank buys back its own bonds through dealers
  - Operational for over two decades including during the 2008-2009 financial crisis, with average volumes of approx. \$2 billion annually over the last 5 years
- Confidential execution as requested

*\* International Bank for Reconstruction and Development (IBRD, called “World Bank”) is rated AAA/Aaa based on its capital, reserves and prudent financial policies. Source: World Bank, 2016.*

Sustainable investing Solutions

# 03 Sustainable Funds



# Sustainable + Funds – BNP Paribas as a key player in SRI

SRI (Sustainable & Responsible Investment) is a type of investment that aims to reconcile financial return with a social and environmental impact, by financing companies and public entities that contribute to sustainable development, regardless of their sector of activity. By influencing the actions and governance of these organisations, SRI promotes a responsible economy.

BNP Paribas Asset Management’s offering includes a broad range of SRI products to meet the needs of clients who are keen to combine return potential and making a positive impact on the environment and society. Our added value (applied to all our investment processes )

## 4 Pillars of sustainable investment



In addition with more than 17 years of experience in sustainable and responsible investment, we provide a full range of SRI investment solutions that cover several asset classes. Our range of SRI funds includes equity, fixed income, balanced and alternative investment strategies. They are available as open-ended funds or dedicated mandates, tailored to meet the specific needs of institutional clients.

### Enhanced ESG

Favour companies that demonstrate superior social and environmental responsibility (e.g. human resources, climate change) while implementing robust corporate governance practices (e.g. share-holders rights).

### Environmental Thematic

Target products and services linked to environmental challenges (Energy Efficiency, Renewable Energy, Buildings...)  
Portfolios are focusing on activities providing concrete solutions to these challenges.

### Social Thematic

Target products and services linked to Social challenges (Ageing population, urbanisation, healthcare, Access to Food...)  
Portfolios are focusing on activities providing concrete solutions to sustainable development.

### Impact Investing

Funds that invest with the intention to contribute to measurable positive social, economic and environmental impact alongside financial returns.

## Transversal approaches with Mixed Assets funds and Indexed and Structured funds, based on one common sustainability research

### AWARDS & ACHIEVEMENTS:



# What is the French SRI Label?

Created in 2016 by the French Ministry of Finance and Public Accounts, the SRI label aims to provide better visibility for investors on SRI funds. It also seeks to ensure that the fund management is based on strong methodologies with a high degree of transparency and quality information.

The specific criteria to qualify for the SRI label cover are:

The fund's objective relating to the integration of ESG criteria (Environmental, Social and Governance)

The methodology implemented by the asset manager to analyse and rate the issuers

The integration of the ESG criteria during the portfolio construction phase and throughout the fund's life

Highlighted positive impact on the growth of a sustainable economy

## BNP Paribas asset management SRI product range

Sustainable Thematic Equity	Mixed Assets	Fixed Income & Money Market	Structured & Indexed	Real Assets
<ul style="list-style-type: none"> <li>• BNPP Euro-Multi Factor Equity</li> <li>• BNPP Actions Europe Responsable</li> <li>• BNPP Asia Ex-Japan Equity</li> <li>• BNPP Euro Valeurs Durables</li> <li>• BNPP Europe Multi-Factor Equity</li> <li>• BNPP Global Low Vol Equity</li> <li>• BNPP US Multi-Factor Equity</li> <li>• BNPP US Value Multi-Factor Equity</li> <li>• BNPP Global Multi-Factor Equity</li> <li>• BNPP Japan Multi-Factor Equity</li> <li>• BNPPF S-Fund Equity Emerging Markets</li> <li>• BNPPF S-Fund Equity Europe</li> <li>• BNPPF S-Fund Equity Japan</li> <li>• BNPPF S-Fund Equity USA</li> <li>• BNPP Europe Real Estate Securities</li> <li>• BNPPF S-Fund Equity Real Estate Europe Opportunity</li> <li>• BNPP Comfort Sustainable Equity World Plus</li> <li>• BNPP Multigestion ISR Actions Europe</li> <li>• BNPP Multigestion ISR Actions Monde</li> <li>• FundQuest EthisWorld</li> <li>• BNPP Aqua</li> <li>• BNPP Aqua (Lux)</li> <li>• BNPP Climate Impact</li> <li>• BNPP Développement Humain</li> <li>• BNPP Energy Transition</li> <li>• BNPP Global Environment</li> <li>• BNPP Green Tigers</li> <li>• BNPP Human Development</li> <li>• BNPP Immobilier Responsable</li> <li>• BNPP SMaRT Food</li> </ul>	<ul style="list-style-type: none"> <li>• BNPP B Pension Balanced</li> <li>• BNPP B Pension Growth</li> <li>• BNPP B Pension Stability</li> <li>• BNPP B Strategy Global Aggressive</li> <li>• BNPP B Strategy Global Conservative</li> <li>• BNPP B Strategy Global Dynamic</li> <li>• BNPP B Strategy Global Neutral</li> <li>• BNPP B Strategy Global Defensive</li> <li>• BNPP B Strategy Europe SRI Defensive</li> <li>• BNPP B Strategy Europe SRI Dynamic</li> <li>• BNPP B Strategy Europe SRI Neutral</li> <li>• BNPP Sustainable Multi-Asset Balanced</li> <li>• BNPP Sustainable Multi-Asset Growth</li> <li>• BNPP Sustainable Multi-Asset Stability</li> <li>• BNPPF Private Balanced SRI</li> <li>• BNPPF Private Defensive SRI</li> <li>• BNPPF Private Dynamic SRI</li> <li>• BNPP Green Business</li> <li>• BNPP Social Business France</li> </ul>	<ul style="list-style-type: none"> <li>• BNPP Euro Government Bond</li> <li>• BNPP Euro Multi-Factor Corporate Bond</li> <li>• BNPP Obli Etat</li> <li>• BNPP Obli Responsable</li> <li>• BNPP Sustainable Enhanced Bond 12M</li> <li>• BNPP Sustainable Euro Bond</li> <li>• BNPP Sustainable Euro Corporate Bond</li> <li>• BNPP Sustainable Global Corporate Bond</li> <li>• BNPP US Multi-Factor Corporate Bond</li> <li>• BNPPF S-Fund Bonds EUR</li> <li>• BNPPF S-Fund Bonds Opportunities</li> <li>• BNPPF S-Fund Bonds USD</li> <li>• Parworld Bond Nordic Investment Grade</li> <li>• BNPP MOIS ISR</li> <li>• BNPP Green Bond</li> </ul>	<ul style="list-style-type: none"> <li>• BNPP E. MSCI Emerging SRI S-Series 5% C.</li> <li>• BNPP E. MSCI EMU SRI S-Series 5% C.</li> <li>• BNPP E. MSCI Europe SRI S-Series 5% C.</li> <li>• BNPP E. MSCI Japan SRI S-Series 5% C.</li> <li>• BNPP E. MSCI USA SRI S-Series 5% C.</li> <li>• BNPP E. MSCI World SRI S-Series 5% C.</li> <li>• BNPP E. € Corp Bond SRI Fossil Free</li> <li>• BNPP E. € Corp Bond SRI Fossil Free 1-3Y</li> <li>• BNPP E. € Corp Bond SRI Fossil Free 3-5Y</li> <li>• BNPP E. JPM ESG EMBI GL Diversified Com.</li> <li>• BNPP Easy ECPI Circular Economy Leaders</li> <li>• BNPP Easy Low Carbon 100 Europe</li> <li>• BNPP E. FTSE EPRA/NAREIT Developed Europe ex UK Green</li> <li>• Theam Quant – World Climate Carbon Offset Plan</li> <li>• Theam Quant – Equity Europe Climate Care</li> <li>• Theam Quant – Equity World Global Goals</li> <li>• Theam Quant Europe Climate Carbon Offset Plan</li> </ul>	<ul style="list-style-type: none"> <li>• BNPP European Real Estate Debt Fund S.A. SICAV-RAIF</li> <li>• BNPP European Infra Debt fund</li> <li>• BNPP Green Business Impact</li> <li>• BNPP Social Business Impact France</li> </ul>

Thematic Transversal Best In Class ESG Integration+

# Sustainable Hedging solutions

## 01. Carbon Offsetting: Markets Hedging and Trading



Sustainable Hedging Solutions

# Carbon Offsetting: Markets Hedging and Trading

# 01.



## Expertise in carbon financing and trading

BNP Paribas entered the carbon rights trading market 10 years ago and now ranks in the group of top five financial institutions in terms of carbon trading and structuring, offering its clients a diverse array of products and services. Our carbon financing includes :

### Route to Market

European Union Emissions Allowances (EUAs), European Union Emission Aviation Allowances (EUAAAs), Certified Emissions Reductions (CERs), and Verified Emissions Reductions (VERs)

**Risk management** Forwards, Swaps, Options and Structuring solutions

**Financing solutions** Projects, Pre-Projects, and Inventory monetisation

**Cross Commodity Solutions** Energy

## Emissions trading in compliance markets

BNP Paribas has been one of the largest carbon credit traders in the market since 2005, and has a dedicated team of experienced traders who provide a diverse range of carbon optimisation strategies. BNP Paribas acts as a primary participant in EUA government auctions. The team advises corporate companies on the feasibility of project financing solutions, sets-up financing structures and can accompany the client in the monitoring of project life. Our credentials include:



## Voluntary Emissions Reduction — Carbon Offsetting

BNP Paribas also offers clients verified carbon offsets. These can be sold in the secondary market to help clients contribute towards emissions reduction and promote biodiversity. This includes Reducing Emissions from Deforestation and Forest Degradation (REDD+) carbon offsets, which go beyond deforestation and focus on the roles of wildlife conservation, community development and job creation as well as enhancement of forest carbon stocks. One of these projects, in which BNP Paribas is proud to participate, is the REDD+ Kasigau Corridor project.

### REDD+ Kasigau Corridor project

In 2011, this project became the world's first REDD+ project validated and verified under the Verified Carbon Standard and the Climate, Community and Biodiversity Standard.

- The project protects around 500,000 acres of highly threatened rainforest and since its inception it has created 400 jobs in the local community, including a sustainable charcoal programme that fosters entrepreneurship.
- The project won Best Offsetting Project in Environmental Finance's 8th annual Voluntary Carbon Market Rankings.



# Together

•————→ **we can**  
achieve the .....

## 17 Sustainable Development Goals

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**Our purpose is to detect and understand the changes which impact our customers and provide new solutions that enhance their business and sustainability journey.**

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We know that sustainability is the key driver for the 21<sup>st</sup> century.

Being a role model in sustainable finance, bridging financing between Corporates and Investors, and accompanying our clients in their sustainability journey through a strategic dialog, is our way to contribute to this new economic and societal paradigm.

While enabling you to achieve your targets, we help you securing sustainable long-term growth and new business models which create value for all stakeholders.

Beyond the business value of implementing a sustainable way of doing business, we believe as a responsible bank that it is the right thing to do for the long-term prosperity of the planet and its people.

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The bank  
for a changing  
world