

PRESS RELEASE

BNP Paribas joins the Net-Zero Banking Alliance launched by the UNEP

- In line with its commitments to fight climate change, BNP Paribas has joined the Net-Zero Banking Alliance (NZBA) launched today by the United Nations Environment Programme Finance Initiative (UNEP FI).
- This banking alliance is a decisive step in the mobilisation of the financial sector for climate. It is part of the Glasgow Financial Alliance for Net Zero chaired by Mark Carney ahead of COP26.

BNP Paribas has included the pursuit of positive environmental impacts in its 'company purpose' and intends to make sustainable finance a major driver of its next strategic plan. The Group is convinced that achieving the objectives of the Paris Agreement requires the mobilisation of the entire financial system.

In particular, since the signature of the Paris agreement in 2015, the Group has joined:

- UNEP's Collective Commitment to Climate Action in 2019, a group of banks working concretely to align their credit portfolio with the objectives of the Paris Agreement.
- the Financial Services Task Force of the Sustainable Market Initiative created by the Prince of Wales in February 2021, which brings together some of the largest US, UK and European banks determined to accelerate the transformation of their financing model to achieve the transition to a decarbonised economy. These banks finance a significant portion of economic activity and can therefore, through their credit and investment decisions, stimulate and support the transformation of companies.

The NZBA is hosted by the Collective Commitment to Climate Action and has been built in partnership with the Financial Services Task Force, which has naturally led BNP Paribas to join this alliance.

NZBA members commit to:

- Align greenhouse gas emissions arising from their credit and investment for own account activities with the path required to achieve carbon neutrality in 2050 (temperature increase limited to 1.5° C);
- Build on credible transition scenarios published by recognized bodies (IPCC, IEA);
- Focus on the most greenhouse gas emitting sectors and playing a key role in the transition to a carbon neutral economy;
- Set interim targets, no later than 2030;
- Annually publish their progress and the associated action plans.

BNP Paribas' accession to the NZBA is in line with its commitment made in the wake of COP21 in 2015 to align its credit portfolio with the objectives of the Paris Agreement.

- Between 2015 and 2020, the Group made a special effort to reduce its support for economic activities that are most damaging to the climate. In 2017, it stopped providing any new financial services to companies specialising in unconventional hydrocarbons (shale gas, etc.). In 2020, it stepped up its coal policy by immediately ceasing funding to companies developing new projects from this energy, and requiring remaining customers to have a timetable for **exiting thermal coal by 2030 in EU and OECD countries, and by 2040 in the rest of the world**, all along the value chain (coal mines, coal fired power plants and coal related infrastructure). This policy led BNP Paribas to put an end to its relationship with around half of the electricity companies that were its customers worldwide by 2020.
- Since December 2018, the group has begun work to align its credit portfolio with the objectives of the Paris Agreement. In September 2020, BNP Paribas and four other European banks published the first report on the application of the **PACTA methodology** to measure the alignment of their credit portfolios

with five highly carbonised sectors (fossil fuel extraction, power generation, transportation, steel and cement), accounting for about 75% of direct greenhouse gas emissions worldwide according to the IEA. While these sectors represent only a minority share of bank loans (for example, the oil and gas sector only accounts for 1.9% of BNP Paribas' credit portfolio), their transformation is a vital challenge in reducing greenhouse gas emissions. Regarding the energy sector, which is a priority for BNP Paribas in terms of the trajectory of its credit portfolio, a first roadmap from PACTA will be published shortly;

- These advances are included in the **TCFD report** (Task Force on Climate related Financial Disclosures report) published each year by BNP Paribas;
- In addition, BNP Paribas has been accelerating the financing of all activities that contribute to a decarbonised economy by setting ambitious - regularly exceeded - targets for financing renewable energies since 2015 and investing proactively in green tech. Moreover, BNP Paribas is one of the leading banks issuing green and sustainable bonds in the global market.

'The signing of a common net zero carbon commitment, with intermediate targets, is a decisive step in the financial sector's mobilisation in the defense of our climate. It sends a strong signal to all stakeholders, and provides a methodological basis for action, as well as a cultural lever for the environmental transition of banks and their customers. Since COP 21 in December 2015, BNP Paribas has committed to gradually aligning its credit portfolio with the objectives of the Paris Agreement. We began by disengaging from the most polluting activities like shale gas or coal and setting ourselves very ambitious targets for supporting green technologies. We are now mobilised to meet the broader challenge of systematically encouraging and supporting transformation for all our clients across all sectors of activity and in projects that are already underway. To do so, we are thoroughly evolving our processes, products and services, decision criteria and skills.'

Jean-Laurent Bonnafé, Director and Chief Executive Officer of BNP Paribas

About BNP Paribas

BNP Paribas is a leading bank in Europe with an international reach. It operates in 68 countries and has more than 193,000 employees, including nearly 148,000 in Europe. The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the European leader in consumer lending. BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

Press contact

Astrid Wernert - +33(0)7 62 52 36 41 – astrid.wernert@bnpparibas.com