From charity to positive impact business

Wilfried Remans
Geneva, 19 March 2019

BNP PARIBAS FORTIS

The bank for a changing world
Investors increasingly look at your ESG performance
Example: the oil majors

Investors push Exxon to list emissions targets in annual reports
Investors led by New York state and Church of England demand tougher climate action

Shell yields to investors by setting target on carbon footprint
Cutting emissions to be linked to executive pay in industry first
Banks increasingly look at your SDG impact
Example: the tobacco sector

The Tobacco-Free Finance Pledge is an initiative founded by Tobacco Free Portfolios and developed in collaboration with UNEP FI, PSI, PRI, AXA, BNP Paribas, Natixis and AMP Capital.
Regulation to accelerate capital towards sustainability
Regulation also translated in more climate-change lawsuits

Taking It to Court
Number of climate-change lawsuits filed each year

U.S.  Non-U.S.

Data: Sabin Center for Climate Change Law at Columbia Law School; Arnold & Porter; Grantham Research Institute on Climate Change and the Environment; graphic by Bloomberg QuickTake

BNP PARIBAS FORTIS  The bank for a changing world
Business is acknowledging environmental and social risks

### Top 5 Global Risks in Terms of Likelihood

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>Asset price collapse</td>
<td>Asset price collapse</td>
<td>Asset price collapse</td>
<td>Storms and cyclones</td>
<td>Severe income disparity</td>
<td>Severe income disparity</td>
<td>Income disparity</td>
<td>Interstate conflict with regional consequences</td>
<td>Large-scale involuntary migration</td>
<td>Extreme weather events</td>
<td>Extreme weather events</td>
<td></td>
</tr>
<tr>
<td>2nd</td>
<td>Middle East instability</td>
<td>Slowing Chinese economy (dP%)</td>
<td>Slowing Chinese economy (dP%)</td>
<td>Flooding</td>
<td>Chronic fiscal imbalances</td>
<td>Chronic fiscal imbalances</td>
<td>Extreme weather events</td>
<td>Extreme weather events</td>
<td>Extreme weather events</td>
<td>Extreme weather events</td>
<td>Extreme weather events</td>
<td></td>
</tr>
<tr>
<td>3rd</td>
<td>Failed and falling states</td>
<td>Chronic disease</td>
<td>Chronic disease</td>
<td>Corruption</td>
<td>Rising greenhouse gas emissions</td>
<td>Rising greenhouse gas emissions</td>
<td>Unemployment and underemployment</td>
<td>Failure of national governance</td>
<td>Failure of climate change mitigation and adaptation</td>
<td>Major natural disasters</td>
<td>Cyberattacks</td>
<td></td>
</tr>
<tr>
<td>4th</td>
<td>Oil and gas price spike</td>
<td>Global governance gaps</td>
<td>Fiscal crises</td>
<td>Biodiversity loss</td>
<td>Cyber attacks</td>
<td>Water supply crisis</td>
<td>Climate change</td>
<td>State collapse or crisis</td>
<td>Interstate conflict with regional consequences</td>
<td>Large-scale terrorist attacks</td>
<td>Data fraud or theft</td>
<td></td>
</tr>
<tr>
<td>5th</td>
<td>Chronic disease, developed world</td>
<td>Refranching from globalization (emerging)</td>
<td>Global governance gaps</td>
<td>Climate change</td>
<td>Water supply crises</td>
<td>Mismanagement of population ageing</td>
<td>Cyber attacks</td>
<td>High structural unemployment or underemployment</td>
<td>Major natural catastrophes</td>
<td>Massive incident of data fraud/thief</td>
<td>Failure of climate change mitigation and adaptation</td>
<td></td>
</tr>
</tbody>
</table>

### Top 5 Global Risks in Terms of Impact

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>Asset price collapse</td>
<td>Asset price collapse</td>
<td>Asset price collapse</td>
<td>Fiscal crises</td>
<td>Major systemic financial failure</td>
<td>Major systemic financial failure</td>
<td>Fiscal crises</td>
<td>Water crises</td>
<td>Failure of climate change mitigation and adaptation</td>
<td>Weapons of mass destruction</td>
<td>Weapons of mass destruction</td>
<td></td>
</tr>
<tr>
<td>2nd</td>
<td>Refranching from globalization (developed)</td>
<td>Refranching from globalization (developed)</td>
<td>Retranching from globalization (developed)</td>
<td>Climate change</td>
<td>Water supply crises</td>
<td>Water supply crises</td>
<td>Climate change</td>
<td>Rapid and massive spread of infectious diseases</td>
<td>Weapons of mass destruction</td>
<td>Extreme weather events</td>
<td>Extreme weather events</td>
<td></td>
</tr>
<tr>
<td>3rd</td>
<td>Slowing Chinese economy (dP%)</td>
<td>Oil and gas price spike</td>
<td>Oil price spikes</td>
<td>Geopolitical conflict</td>
<td>Food shortage crises</td>
<td>Chronic fiscal imbalances</td>
<td>Water crises</td>
<td>Weapons of mass destruction</td>
<td>Water crises</td>
<td>Natural disasters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4th</td>
<td>Oil and gas price spike</td>
<td>Chronic disease</td>
<td>Chronic disease</td>
<td>Asset price collapse</td>
<td>Chronic fiscal imbalances</td>
<td>Diffusion of weapons of mass destruction</td>
<td>Unemployment and underemployment</td>
<td>Interstate conflict with regional consequences</td>
<td>Large-scale involuntary migration</td>
<td>Major natural disasters</td>
<td>Failure of climate change mitigation and adaptation</td>
<td></td>
</tr>
<tr>
<td>5th</td>
<td>Pandemics</td>
<td>Fiscal crises</td>
<td>Fiscal crises</td>
<td>Extreme energy price volatility</td>
<td>Extreme volatility in energy and agriculture prices</td>
<td>Failure of climate change mitigation and adaptation</td>
<td>Critical information infrastructure breakdown</td>
<td>Failure of climate change mitigation and adaptation</td>
<td>Severe energy price shock</td>
<td>Failure of climate change mitigation and adaptation</td>
<td>Water crises</td>
<td></td>
</tr>
</tbody>
</table>

---

**BNP PARIBAS FORTIS**

The bank for a changing world
Example: the insurance sector

Insured losses worldwide

- Earthquake/tsunami
- Man-made disasters
- Weather-related catastrophes

Source: Swiss Re
Business can adapt to opportunities

**Estimated investment needs in key SDG sectors**

- $US (trillions)
  - Total annual investment needs: 4.0
  - Current annual investment: 1.4
  - Estimated annual investment gap:
    - Health: 2.6
    - Education: 0.3
    - Food security: 0.3
    - Climate change: 0.8
    - Infrastructure: 1.2

**Annual investment needs for sustainable development in the EU (EUR BN)**

- **Transport**: Current = 80, Required = 80
- **Water & Waste**: Current = 48, Required = 90
- **Energy**: Current = 130, Required = 100

---

**BNP PARIBAS FORTIS**
The bank for a changing world
A 2-sided revolution for you and your stakeholders

- Sea-level rise impact
- Land and sea side pollution
- Biodiversity loss
- Part of Mega-cities

- Water management expertise
- Waste & Clean energy facilities
- Potential for renewable energy
- Hubs of innovative & inclusive growth

BNP PARIBAS FORTIS
The bank for a changing world
ENGAGEMENT AT THE HEART OF OUR DEVELOPMENT PLAN

- Conduct an ambitious Corporate Social Responsibility policy
- Build the bank of the future by accelerating digital transformation
- Leverage the strength of the integrated and diversified business model
Level I

Solidarity
From climate research to university chairs

Climate & Biodiversity Initiative
Facing up the climate challenge with biodiversity

Improve our knowledge about climate change
- €12 million since 2010 for 10 international research projects

Antwerp University Chair on Transport, logistics and Ports (Prof. Christa Sys)
Workshop on Sustainability of the Maritime Supply Chain
Level II

Reduce negative impact of our activities
FINANCING WITHOUT DEGRADING

8 sector policies

- defense
- palm oil
- coal fired power generation
- mining
- agriculture
- nuclear energy
- oil sands
- wood pulp

Excluded goods and activities

BNP Paribas Says It Will Stop Funding for Tobacco Industry

BNP to cut links with shale and tar sands groups
BNP Paribas is carbon neutral since end 2017

1° Reducing our own emissions

2° Sourcing decarbonised power

- Renewal of sourcing contracts
- 100% decarbonised electricity in the group consumption

3° Offset our remaining emissions

- in partnership with providers whose offsetting offers respect rigorous environmental & social prerequisites

- BNPPF purchases 100% green electricity contract with Lampiris (TOTAL gas & power Belgium)

BNPPF takes numerous initiatives leading to

- lower energy consumption (kWh/FTE)
- less business travel (km/FTE)

Group will pay for the offset of the remaining emissions

Good Planet.org

The bank for a changing world
Level III

Increase positive impact of our activities
IN A CHANGING WORLD,
RESPONSIBLE INVESTMENT
SHOULD BE AN OBVIOUS CHOICE.
Integrating positive impact in corporate loans

Max Jadot • 1st
Chairman of the Executive Board and CEO at BNP Paribas Fortis

Sustainable financing is in our DNA. I am therefore proud that Solvay has mandated BNP Paribas Fortis to introduce a Positive Incentive Loan mechanism that supports Solvay’s ambitions in reducing greenhouse gas emissions. This innovative solution is a clear example of how we aim to serve our clients in terms of value creation.

Collaboration between banks and clients is key in driving the economy forward to a more sustainable future. Want to find out more? Click here (https://bnppf.be/Solvay) to read the press release of Solvay.
A leader in green bonds

The Green Bonds Revolution

The inaugural Kingdom of Belgium Green OLO

The Federal State’s commitment to finance the Belgian energy transition

The bank for a changing world
Acting to promote the transition to sustainable energy use

**Double** our financing in the renewable energies sector
**Target:** €15 billion by 2020

SUPPORT STARTUPS THAT INNOVATE SO AS TO ACCELERATE THE ENERGY TRANSITION.
Fund of EUR 100 million

**Make the investment funds** transparent on their carbon footprint

**Katowice commitment:** tests have started to bring the credit portfolio in line with the Paris Climate Agreement

*BNP PARIBAS FORTIS*

The bank for a changing world
We’re not yet perfect but we’re making progress every day!
Engagement strategy reflected in ratings, rankings and indices

**STRONG EXTRA-FINANCING RATINGS**

No. 1 French bank in the “diversified banks” sector (C Prime) in 2017

No. 2 / 250 banks in the “Commercial Banks & Capital Markets” sector (C Prime) in 2017

Rated A- in the Carbon Disclosure Project 2017

"A" score in MSCI ESG Ratings 2017

**OTHER SUSTAINABLE AWARDS AND RANKINGS**

BNP Paribas is part of 2019 ‘Global 100 Most Sustainable Corporations’ ranking (24th and first European bank)

‘Best Corporate Social Responsibility Banking Group Europe 2017’ in Global Banking & Finance Review’s ranking

‘World’s Best Bank For Sustainable Finance 2018’

Listed in Euronext Vigeo World 120, Europe 120 and France 20

BMCI maintains its presence in Euronext-Vigeo Eiris Ranking Emerging 70

**MEMBER OF SUSTAINABILITY INDICES**

Listed in Dow Jones Sustainability Indexes, World & Europe

Listed in Euronext Vigeo World 120, Europe 120 and France 20

FTSE4Good

PAX elevate

STOXX ESG Leaders Indices

Bloomberg Gender Equality Index
The international NGO network BankTrack recently published its annual report assessing banks’ policies regarding the financing of and investment in fossil energies. BNP Paribas came out on top of the list of 36 international banks assessed.

Even some NGOs recognise our efforts

The British NGO ShareAction recent reports — Banking on a Low-Carbon Future (2017) and Getting to Green (2018) — rank the Group as the most active European bank in this area.
Thank you for your attention!

More info or regional contact details:
Send a mail to: wilfried.remans@bnpparibasfortis.com