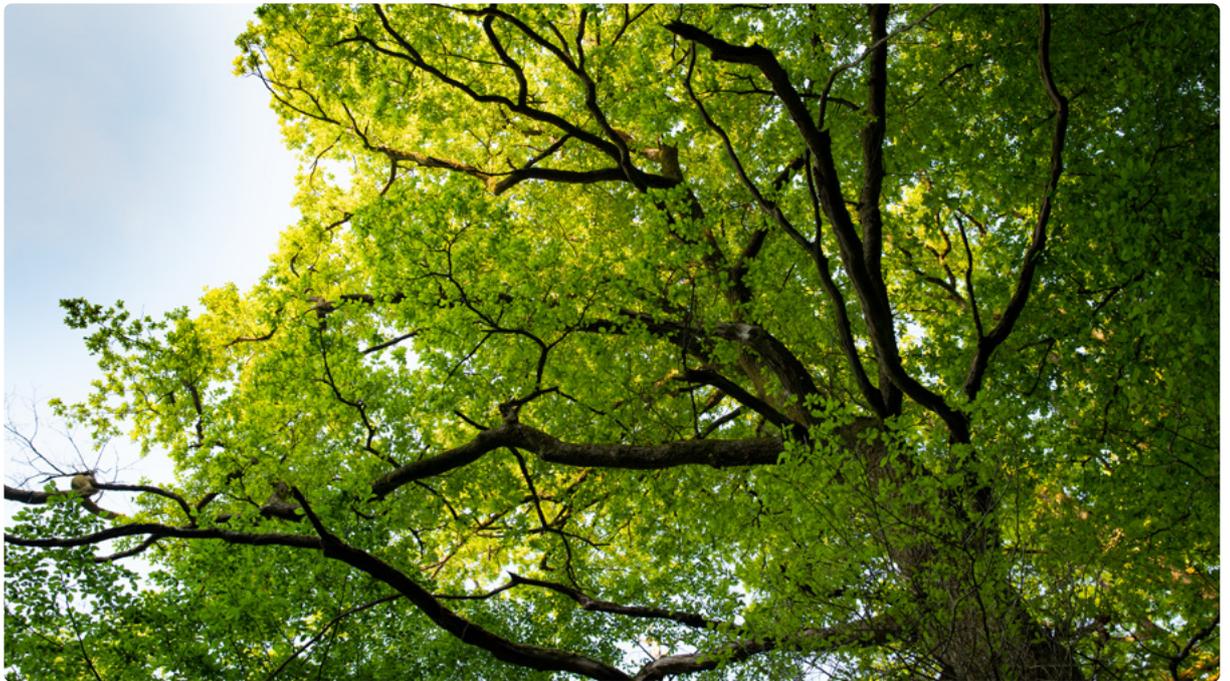


BNP Paribas


BNP PARIBAS


BNP Paribas is a French international finance group that organises its businesses into three main fields of activities: retail banking, investment and protection services and corporate institutional banking. The Group is convinced that biodiversity-related risks and opportunities are significant and has been committed to preserving biodiversity for several years. These efforts included early action in the fight against climate change, (itself a major pressure on biodiversity) and subsequently through actions more specific to nature-related issues.

As a financial institution with diversified businesses, BNP Paribas supports its customers and the companies in which the Group invests in their efforts to preserve biodiversity.

With nearly 200,000 employees, operating in nearly 70 countries, the Group also reduces its direct impact wherever it is established. BNP Paribas also supports R&D in the field of biodiversity, carries out awareness-raising actions among its internal and external stakeholders and joins forces with key players in targeted partnerships.

The Group actively participates in several coalitions that work on the major environmental and societal challenges confronting the world including biodiversity. In addition to act4nature and Entreprises pour l'Environnement (EpE), BNP Paribas is involved in the launch of the Natural Related Financial Disclosures Task Force (TNFD), the Cerrado Manifesto, as well as several local initiatives around the world.

‘ Collective action is needed to help protect our natural ecosystems and stop their degradation. BNP Paribas has already taken commitments to preserve biodiversity, but common and applicable standards are needed to leverage the power of finance for nature. The TNFD is key in convening market participants towards such standards. ’

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



Reducing client impacts

BNP Paribas has been working to gain a better understanding of and help reduce the negative impacts on biodiversity associated with the activities of its customers and the companies in which the Group invests. It does so through the inclusion, since 2012, of criteria relating to non-deforestation and biodiversity in the financing and investing policies that govern BNP Paribas' activities in sectors considered sensitive from a biodiversity point of view: agriculture (including cattle breeding and forestry), palm oil, paper pulp, agriculture and mining.

Supporting clients efforts

Beyond the criteria described above, BNP Paribas seeks to support its clients and investees in their efforts to preserve biodiversity. The Group therefore discusses these subjects with its clients and offers them a variety of products and services to facilitate and encourage their actions in this area including: financing tools with criteria related to biodiversity (eg green bonds and sustainability-linked loans etc) and voluntary carbon credits from projects implementing nature-based solutions (NBS).

Orienting investments towards preservation of biodiversity:

As an investor and asset manager, the Group ensures financial flows are progressively directed towards companies and activities that contribute to the achievement of the UN Sustainable Development Goals (SDGs), in particular to the preservation of aquatic (SDG 14) and terrestrial (SDG 15) biodiversity. This involves: directing savings towards funds that include investments in the protection of biodiversity, developing savings products for individuals which include investments in social enterprises fighting for the preservation of biodiversity; investing in funds directly linked to the preservation of biodiversity and developing equity funds targeting companies that have positive impacts on the preservation of the environment.

Develop innovative financing tools, combining public and private financing to promote agroecology and agroforestry in emerging countries:

Rural areas in emerging countries are particularly affected by climate change, deforestation and biodiversity loss. BNP Paribas accordingly develops innovative financing systems to facilitate the implementation of projects that tackle these problems. In conjunction with public and private partners, the Group develops programmes based on both public and private funding (blended finance) to support projects reconciling the preservation of biodiversity, mitigation and adaptation to climate change and support for local communities in emerging countries.

Preserve biodiversity at the Group's sites:

BNP Paribas' most significant impacts on biodiversity are those linked to its activities with its customers and with the companies in which the Group invests, however it also has direct impacts on biodiversity. Even though these direct impacts might be quantitatively less important than its indirect (financing related) impacts, action is considered important particularly as it this reflects the growing expectations of current and future employees.

Staff training

BNP Paribas has [launched an internal training programme](#) for all of its 200,000 employees worldwide to help raise their awareness of the environmental, financial and social issues resulting from climate change. Dubbed We Engage, there are six episodes in the training programme each of which includes a 10 min video and a quiz.

BNP Foundation

The BNP Paribas Foundation is also a powerful source of support for the Group's commitments, through research and raising awareness among the general public about the challenges of biodiversity. BNP Paribas Foundation has been funding research on climate change since 2010, through an international philanthropy program.

Climate change is also a major driver of biodiversity erosion, threatening the natural development of all our planet's ecosystems, as 11 of the 18 projects funded by the Foundation attest. Armed with that knowledge, the program is now called "[Climate & Biodiversity Initiative](#)".

Biodiversity Strategy

BNP Paribas has implemented financing and investment policies since 2012 governing its activities in given sectors considered as sensitive from a biodiversity point of view: agriculture (including cattle breeding and forestry), palm oil, paper pulp, mining, unconventional oil and gas. In 2017, the financing and investment policy on palm oil was strengthened to ask customers to commit to respecting the NDPE (No Deforestation, No Peat, No Exploitation) and HCS (High Carbon Stock Approach) approaches.

The Group has a range of sector policies on coal, shale-gas and tar sands aimed at protecting natural capital. In May 2020, BNP Paribas extended its coal exit policy to all OECD countries as part of its target to end the use of coal by its clients in the electric power sector by the end of 2030.

In May 2021 the Group published a Position on Biodiversity indicating that it intends to take action on the five direct factors of change which affect nature including:

- Changes in land and sea use: focusing on the fight against deforestation and the artificial use of soil;
- Excessive consumption of resources and the protection of the oceans (building on its 2019 position on ocean protection)
- Climate change: a priority for the Group since 2011;
- Pollution: acting in particular on pollution related to plastics and cigarette butts.

The Group has made several commitments related to the Position:

- Achieve a target of €3 billion in financing based on criteria linked to the protection of terrestrial biodiversity (positive impact loans, green bonds, etc) In 2019 and 2020, the Group participated in several Sustainability-Linked Loans and green bond issues including indicators and targets linked to biodiversity and more specifically to forest preservation.
- Build an investment package of €250 million by 2025 for start-ups mobilised in the ecological transition;
- Assess by 2025 all of its corporate customers on criteria linked to biodiversity;
- Dialogue with its clients active in raw materials and within sensitive countries by requiring them to demonstrate their commitment to combating deforestation;
- Deploy training programmes for its 199,000 employees;
- Dedicate €55 million euros of new investments to the protection and restoration of natural capital.

“ The degradation of biodiversity has multiple environmental, economic and human repercussions. Actors across our societies must contribute to protect ecosystems and resources. The movement can only be collective, international and deeply embedded in behaviour. That is why, within BNP Paribas, we are proactively announcing concrete actions to our customers, employees and partners and have decided to affirm the Group's commitments in a biodiversity position. In this context, coalitions like act4nature or future TNFD are key levers for greater integration of biodiversity challenges. ”

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

Business Unit Action

The various businesses that make up the Group take targeted action on issues material to their own activities.

BNP Paribas Asset Management (BNPP AM) has launched its biodiversity roadmap in May 2021 based on the six pillars of its approach to sustainability:

1. Integration of environmental, social & governance (ESG) considerations

- expanding the incorporation of biodiversity into its approach to ESG integration
- use of a variety of tools to understand its own dependencies and impacts, and analysis of its global assets under management (AUM) to understand its exposure to water and deforestation risks.

2. Stewardship

- expanding the incorporation of biodiversity in its voting and corporate engagements, and engagement with the industries having the greatest adverse impacts on biodiversity, with a core focus on deforestation and water issues.
- set expectations for corporations extending from board oversight of biodiversity impacts and dependencies to proactive lobbying for nature-positive public policies.
- continue to work to build a collaborative investor stewardship initiative to address biodiversity loss.
- continue to support shareholder proposals on climate, deforestation and other critical environmental issues.
- increasingly incorporate biodiversity considerations in public policy advocacy.

3. Responsible business conduct

- on an ongoing basis, enhance the assessment of biodiversity issues in its approach to responsible business conduct.

4. Forward-looking perspective

- continue undertake a number of collaborative projects to enhance the quality and availability of biodiversity data (eg CDP project, TNFD participation, investor statement on the need for biodiversity impact metrics, Iceberg Data Lab's Corporate Biodiversity footprint).
- continue to increase the understanding of biodiversity issues in the investment community.

5. Sustainable+ product line

- provide clients with a range of solutions targeted at solving biodiversity related challenges (eg Blue Economy ETF and Ecosystem Restoration funds).

6. 'Walking the talk' through corporate social responsibility (CSR)

- Manage the biodiversity impacts of its operations
- Educate colleagues and the industry about key environmental challenges (zero waste to landfill target, eliminate single-use plastic in offices, efforts towards encouraging nature-positive behavioural changes beyond the office)

“ The story of the biodiversity crisis is a story of value destruction on an unprecedented scale. We understand that this is about more than just money – life is material to us too – but the financial estimates alone are staggering, in terms of what we might lose and what we might gain if we change course now. We can, and we must, secure a better future for our clients and for society. ”

**Jane Ambachtsheer, Global Head of Sustainability,
BNP Paribas Asset Management**

BNPP AM has piloted the process involved in undertaking a biodiversity measurement using the Biodiversity Guidance accompanying the Natural Capital Protocol. The overarching aim of the pilot was to identify and assess the different measurement approaches available to financial institutions at the portfolio level. For this pilot, a mock portfolio of agribusinesses was used – the agriculture sector being chosen due to its known impacts and dependencies on biodiversity, and its alignment with BNPP AM’s prior work piloting a specific measurement approach (the Global Biodiversity Score).

The measurement approaches considered most applicable were identified as the Global Biodiversity Score (GBS), the Biodiversity Footprints for Financial Institutions (BFFI) and the LIFE Impact Index. Additional measurement approaches were assessed based on their ability to resolve the limitations of the primary approaches. These approaches included the Species Threat Abatement and Recovery (STAR) metric, the Biodiversity Impact Metric (BIM) and TRASE Tools.

The assessment of biodiversity measurement approaches revealed the importance of combining approaches to provide a robust biodiversity inclusive assessment, using a combination of approaches which will help address the information gaps currently associated with currently available approaches.

The integration of biodiversity has been part of BNP Paribas Real Estate’s CSR strategy since 2016 and has resulted in several new initiatives. In 2017, the company joined the Nature 2050 programme launched by CDC-Biodiversity to restore biodiversity and adapt territories to climate change.

A roadmap with operational tools is a tangible form of this charter, enabling employees, particularly in the Development, Investment Management and Property Management departments, to integrate biodiversity into the assets that BNP Paribas Real Estate designs, renovates, manages or occupies, with:

- A catalogue of solutions to integrate biodiversity in the design/renovation, construction and operational phases: install greenery in the building reconnecting it to its natural environment and facilitating contact with living organisms for occupants.
- A monitoring tool to assess the ecological potential of an existing site or building,
- Performance indicators to measure the progress of our actions

“ Our role in promoting biodiversity is part of a positive approach that goes beyond reducing our impacts. Our goal is to promote the development of biodiversity in real estate, to reconnect the urban environment with nature and to contribute to the building’s influence on its natural and human environment. It is through training, raising awareness among our employees, and involving our clients and partners – architects, landscape designers, ecologists and design consultants – that we will be able to make existing buildings and those under development more alive and contribute to making the city more desirable ”

Catherine Papillon, Head of Sustainable Development and CSR at BNP Paribas Real Estate

The Group is also working to develop circular economy approaches – notably through its subsidiary BNP Paribas Leasing Solutions – and is designing new sustainable finance tools that aim to index the cost of financing for biodiversity issues, such as sustainable equity linked loans and green bonds.

The campaign is being led by the [Institute of Chartered Accountants in England and Wales](#) alongside the [World Business Council for Sustainable Development](#), [IUCN](#) and [Oppla](#).



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