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BNP Paribas is accelerating its timeframe for a complete coal exit - BNP Paribas

4–5 minutes

- **BNP Paribas is expanding to all OECD countries its target to end the use of coal by its electricity-producing customers by the end of 2030.**
- **The Group will continue its commitment to put an end, in the near future, to relations with any customer developing new coal-based production capacity.**
- **BNP Paribas will no longer accept any new customers with a coal related revenue share of more than 25%.**
- **The implementation of this policy will quickly lead to a reduction of around half of the number of BNP Paribas corporate customers using coal for a share of their electricity generation.**

Since 2011, BNP Paribas has consistently tightened its funding criteria for coal-related activities, particularly the generation of electricity using coal.

Since 2017, BNP Paribas has not financed a single new coal-fired power-plant project anywhere in the world and does not advise on the purchase or sale of such assets. In 2019, the bank adopted cut-off dates (2030 for the European Union and 2040 for the rest of the world) beyond which its electricity-producing customers will no longer be able to use coal. In 2019, the share of coal in electricity generation already averaged less than 18% among BNP Paribas customers, compared to 38% for all global electricity companies [1].

At the same time, in 2017, the bank was the first of the world's 35 largest banks to cease dealings with shale-gas and tar-sands companies, and remains the bank with the broadest criteria, which includes transport infrastructure for unconventional oil and gas.

For several years, BNP Paribas has conducted a thorough review of its portfolio of electricity-producing customers in order to align its policy in this area with the objectives of the Paris Climate Agreement.

In line with these commitments, BNP Paribas is speeding up its timetable for a complete exit from coal:

- **BNP Paribas is expanding to all OECD countries its target to end the use of coal by its electricity-producing customers by the end of 2030.** The end date for coal use by its electricity-producing customers is now 2030 for the European Union and the OECD, and the commitment to end for the rest of the world in 2040 is maintained. The large majority of BNP Paribas' electricity-generation customer portfolio is located in the European Union and in the other OECD countries.
- **As of today BNP Paribas will not be accepting any new customers whose share of coal related revenue surpasses 25%**

  Furthermore, the Group will continue its commitment to end, in the near future, relations with any customer developing new coal-based production capacity.

  All these provisions concern both loans and financing through financial markets.

  After reviewing the portfolio, the implementation of this policy will quickly lead to a reduction of about half of the number of companies producing electricity from coal among BNP Paribas' customers.

  Customers who remain in the portfolio have a coal-exit trajectory compatible with the objectives of the Paris Agreement or ones that the Group believes likely to be aligned to it in the coming years. BNP Paribas' teams will ensure this alignment through constant dialogue with customers and will take the necessary decisions as and when needed.

  > *"For almost 10 years our policies have attested to our commitment to be a major international bank that is particularly advanced with regard to the energy transition. BNP Paribas is the first bank in the world that has set a coal-exit date, decided to end the financing of shale-gas and tar-sands specialists, and acquired a leading position in financing renewable-electricity projects. Beyond coal and unconventional hydrocarbons, we are putting in place innovative tools that will enable us to systematically introduce environmental criteria into our lending decisions and align our portfolio with the objectives of the Paris Agreement."* said **Jean-Laurent Bonnafé, Director and Chief Executive Officer of the BNP Paribas Group**.

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  [1] 2018 Global Mix. Source: IEA