

# A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

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## BNP PARIBAS' COMPANY PURPOSE AND CONSIDERATION OF SOCIAL AND ENVIRONMENTAL ISSUES

BNP Paribas' company purpose was adopted by the Board of directors at the end of 2019, and was published in early 2020.

### **"We are at the service of our clients and the world we live in.**

The BNP Paribas Group was formed by banks that have been deeply embedded in the European and global economies over the last 200 years. They have adapted to the challenges of their times and helped clients and other stakeholders during moments of great change.

BNP Paribas' mission is to contribute to responsible and sustainable growth by financing the economy and advising clients according to the highest ethical standards.

We offer secure, sound and innovative financial solutions to individuals, professional clients, enterprises and institutional investors while striving to address the fundamental challenges of today with regard to the environment, local development and social inclusion.

We are engaged with our clients to create a better future.

### **We are mobilising resources that have a positive impact.**

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.

Our employees aim to deliver services that have purpose and relevance for clients and the world around them. They do this most clearly through their daily mission in the Company but also through corporate volunteering.

We are working with stakeholders and have adopted social and environmental goals aligned with global standards such as the United Nations Sustainable Development Goals and those of the financial community such as the Principles for Responsible Banking and the Principles for Responsible Investment.

We 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.

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

We take action to support causes by bringing together financial solutions, stakeholder partnerships, employer and procurement initiatives, support for solidarity-based projects, philanthropy, volunteering and intrapreneurship programmes.

We are developing the tools to measure our environmental and social impact and we are focusing on actions that involve all employees.

**BNP Paribas. The bank for a changing world."**

## Summary

### HALFWAY THROUGH THE GTS 2025 STRATEGIC PLAN, 2023 CEMENTS BNP PARIBAS' POSITION AS A LEADER IN GREEN FINANCE

As a leading financial institution, BNP Paribas considers environmental, social and governance challenges to be a major focus of its business model and its social and environmental responsibility.

For over a decade, BNP Paribas has integrated environmental and social criteria into its financing and investment policies to direct its business model towards the support of the energy and ecological transition, by making pioneering commitments to restrict the financing of activities that are most harmful to the environment and the climate.

The Group has participated in numerous collective efforts to structure sustainable finance in line with the 2015 Paris Climate Agreement Goals.

BNP Paribas' Social and Environmental Responsibility (CSR) strategy is based on an in-depth analysis of its environmental, social and

governance (ESG) issues through a materiality matrix developed in consultation with its stakeholders<sup>(1)</sup>, backed by a scientific framework<sup>(2)</sup> and benchmark principles<sup>(3)</sup>. These environmental, social and governance issues are integrated at the heart of BNP Paribas' company purpose (see 7.1 *Strategy*).

This strategy allows it to consolidate a leading position in sustainable finance thanks to numerous solutions to support its clients' transition, including sustainable bonds, positive impact loans, sustainability-linked loans (SLL) and sustainability-linked bonds (SLB), socially responsible savings, inclusive financial offers, dedicated offers for energy efficiency home renovation, sustainable mobility offers, etc.

**In 2023, BNP Paribas was the world leader with USD 62.5 billion in ESG loans and bonds<sup>(4)</sup>.**

#### In 2023, BNP Paribas accelerated the shift from financing fossil fuels to low-carbon energy

At 30 September 2023, BNP Paribas' credit exposure to low-carbon energy production stood at EUR 32 billion (including EUR 28.8 billion for renewable energy), up EUR 3.8 billion in one year. This represents 65% of energy production-related credit exposure, and an increase of 10 points in one year. Faced with this momentum, the objective set in 2023 to reach at least EUR 40 billion in credit exposure to low-carbon energies representing 80% of outstanding energy production by 2030 was put forward two years, to the end of 2028. The new objective is now 90% by 2030.

Please note that this is a stock of loans granted over a number of years which customers will repay over a number of years. The major action taken from 2023 to accelerate new low-carbon loans and the

divestment of fossil fuels will make it possible to achieve the 2028 and 2030 objectives.

At the same time, the Group is continuing its trajectory of reducing financing for the sectors that emit the most greenhouse gases, with a EUR 1.4 billion decrease in its credit exposure for oil exploration-production, EUR 1 billion for gas exploration-production and EUR 3.1 billion for refining between the end of September 2022 and the end of September 2023.

The Group has amended its oil and gas policy: it no longer grants financing for the development of new oil or gas projects, regardless of the financing terms, nor to non-diversified players in oil exploration and production.

(1) See 7.6 EFPS and 7.7 Vigilance plan.

(2) Based primarily on publications by the IPCC (Intergovernmental Panel on Climate Change), the IPBES (Intergovernmental Science and Policy Platform on Biodiversity and Ecosystems) and the IEA (International Energy Agency).

(3) Based primarily on the United Nations Sustainable Development Goals and Guiding Principles on Business and Human Rights, and on the fundamental conventions of the ILO (International Labour Organization).

(4) Source: Dealogic.

Also in 2023, BNP Paribas modified its mining policy to exclude any project financing related to the extraction of metallurgical coal, in addition to its commitment to phase out thermal coal.

BNP Paribas Asset Management and BNP Paribas Cardif have also set decarbonisation targets for their investment portfolios and updated their environmental footprint measurement this year. Within the framework of their activities, they are engaging in dialogue on ESG issues with the corporate clients in which they invest, in order to preserve and improve the medium- and long-term value of investments made on behalf of third parties, and encourage the transition. BNP Paribas Asset Management encourages these corporate clients to make robust ESG commitments through their voting rights policies.

Through all of these actions, the Group is continuing its focus on the immense transformation effort that the entire economy must make.

### BNP PARIBAS IS ON TRACK TO ACHIEVE ITS SUSTAINABILITY OBJECTIVES UNDER THE GTS 2025 PLAN

Aware of the necessity to integrate its CSR strategy into its business model in order to achieve its ambitious environmental, social and governance targets, in 2022, the Group launched its 2025 strategic plan entitled GTS (*Growth, Technology, Sustainability*). The Sustainability component is built around three strategic areas to serve its clients and society:

- aligning the Group's portfolios with trajectories compatible with collective carbon neutrality by 2050: BNP Paribas has published **financed targets to reduce its emissions by 2030 for three new industrial sectors (steel, aluminium, cement) in its climate report<sup>(1)</sup>**. These are added to the objectives of the first three sectors (energy production, oil and gas, automotive). The 2023 results for a reduction in the intensities of financed greenhouse gas emissions are in line with the intermediate alignment objectives of the loan portfolio, which are part of a Net-Zero emissions trajectory for 2050;
- supporting clients in the transition to a sustainable and low-carbon economy is enabled by the ever-widening range of sustainable finance products. For the second consecutive year, **in 2023 BNP Paribas was the world leader in green bonds at USD 25.6 billion<sup>(2)</sup>**. This was made possible thanks to the expertise of its employees and in particular the 200 specialist bankers of the Low-Carbon Transition Group;
- strengthening an ESG culture, with a particular emphasis on the **ESG Assessment** roll-out for almost all of the Group's 3,000 largest corporate clients, and on increasing ESG knowledge in the Group thanks to the *Sustainability Academy*, which enabled more than 86,000 employees to take training courses on these topics in 2023.



### THE OBJECTIVES OF THE GTS 2025 PLAN ARE ROLLED OUT THROUGH QUANTITATIVE INDICATORS WITH OBJECTIVES FOR 2025

BNP Paribas has set its own specific targets in terms of sustainable finance that can be found within the 10 indicators of the Group's CSR dashboard. The monitoring of this CSR dashboard is carried out on an annual basis by the Group's Executive Committee and Board of directors. At the end of 2023, the Group can highlight results that are in line with its objectives (see 7.1 *Strategy*).

### A LEADER IN GREEN FINANCE, ENERGY AND THE ECOLOGICAL TRANSITION

In 2023, BNP Paribas consolidated its **leading position in ecological transition financing**. Examples include the following:

- in terms of the energy transition, BNP Paribas was a major player in the Baltic Power project in Poland. The loan of more than EUR 4.4 billion is enabling the construction of the first offshore wind farm in Polish waters: it includes 76 wind turbines that will provide renewable energy to more than 1.5 million households from 2026. This was the largest offshore wind project in Europe in 2023;
- in terms of mobility, BNP Paribas participated in the financing of AESC (Automotive Energy Supply Corporation), a Japanese company and world leader in the design and production of batteries, for the construction of a gigafactory in France costing more than EUR 800 million. The plan is for 9 GWh of batteries to power 200,000 Renault electric vehicles per year from 2025;

(1) [https://cdn-group.bnpparibas.com/uploads/file/bnp\\_paribas\\_2022\\_climate\\_report.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnp_paribas_2022_climate_report.pdf)

(2) Source: Dealogic.

- in terms of the circular economy, CPBF financed a foundry sand regeneration installation project reaching EUR 3.3 million. This innovative project will enable La Fonte Ardennaise, a major player in the foundry industry worldwide, to recycle 90% of black moulding sand, and thus save natural resources, stop the landfilling of sand waste and reduce CO<sub>2</sub> emissions by 20,000 t/year;
- the BNP Paribas Climate Impact Infrastructure Debt is a fund launched in 2023 which aims to raise EUR 500-750 million from institutional investors. With an initial investment from BNP Paribas Cardif, it will support projects working for the energy transition in Europe focused on renewable energy, clean mobility and the circular economy, including new sectors such as batteries, hydrogen and carbon capture.

### **Financing of innovative solutions and research**

BNP Paribas supports innovation in areas related to the ecological transition. Through its Ecological Transition Capital investment line, **at the end of 2023, BNP Paribas had already invested EUR 87.2 million in 12 innovative companies**, including CarbonWorks in France (CO<sub>2</sub> capture and recovery using microalgae) and Protix in the Netherlands (manufacturing for insect-based animal feed), and in eight funds.

In addition, the BNP Paribas Solar Impulse Venture fund invested in four innovative companies in 2023, including Hello Watt, which helps individuals reduce their carbon footprint through home renovations for energy efficiency.

BNP Paribas Asset Management acquired a majority stake in IWC (International Woodland Company), based in Denmark, which specialises in investment and advisory services for sustainable forestry, agriculture and natural ecosystems, as well as carbon credits and conservation projects.

At the end of 2023, a multi-year partnership was launched with the Naturalis Biodiversity Center, marking a new chapter in BNP Paribas' approach to protecting and restoring biodiversity. Bringing together more than 150 scientists, this institution is one of the main biodiversity knowledge and research centres in the world.

### **COMMITMENT TO SOCIETY AT THE HEART OF BNP PARIBAS' OBJECTIVES**

Three years after launching the very first impact bonds in France and in the European Union, BNP Paribas is crossing a second milestone with the BNP Paribas European Impact Bonds Fund 2, managed by BNP Paribas Asset Management and with a target size of EUR 70 million. Nine new impact bonds were launched in 2023 for a total amount of EUR 28 million, in which the fund invested EUR 13 million. These include the EUR 2.9 million impact bond operated by Andes, which aims to combat food waste and food insecurity on a large scale by recovering unsold food which does not meet standards.

With regard to impact investments, through its own budget of EUR 200 million or funds on behalf of third parties, the Group opts for direct equity investments in companies with a strong social and/or environmental impact. The 16 new investments (excluding reinvestments) made in 2023, for a total of nearly EUR 56 million, included the following:

- Ecov, a shared mobility operator in areas where public transport is limited or non-existent;
- Urbilog, an iconic player in digital accessibility for people with disabilities (visual, auditory, motor, specific cognitive disorders, etc.).

**2023 also marks the 30<sup>th</sup> year of the partnership between BNP Paribas and Adie** (Association for the Right to Economic Initiative), which was renewed for three years. Since 1993, EUR 192 million in cumulative financing has been granted by CPBF to its partner, supporting nearly 40,000 entrepreneurs, (of which 22% do not have a diploma, 32% are under 30 years old and 46% are women) with more than 47,000 micro-loans granted by Adie.

In addition, BNP Paribas **co-developed the first ISLF+** (inclusive & sustainability-linked financing) with its historical partners: Adie in France, PerMicro in Italy and *Banco da Família* in Brazil. In particular, they provide dedicated technical support and/or subsidised rates to these microfinance players, depending on the achievement of social, environmental and/or just transition objectives.

Attentive to the societal challenges of the countries in which it operates, and to disadvantaged populations in particular, BNP Paribas has continued its efforts in terms of financial inclusion. Nickel, a Group subsidiary present in five European countries, offers opening a bank account with an IBAN and a payment card. It allows everyone, including people without access to traditional banking services, to pay and be paid. **In 2023, Nickel reached nearly 3.7 million accounts**, and of the people helped: 77% have an income of less than EUR 1,500 per month; 30% are unemployed, without regular income or living on benefits; and 30% do not have their own address.

Lastly, the BNP Paribas Foundation has also reinforced its actions, notably with a budget of EUR 20 million from the funds supporting the share buyback programme operated by the Group. This amount was paid to more than 90 organisations working in three current priority areas: the fight against extreme poverty and violence against women, integrating disadvantaged people into society (supporting refugees, equal opportunities, integration into the workplace) and climate and biodiversity. For example, there has been support for *Les Restos du Cœur* in France and its German equivalent *Tafel*, for food banks in France and Belgium, for the Abbé Pierre Foundation, for the *Fédération nationale Solidarité Femmes* and expanding support to associations for disadvantaged neighborhoods from France into Italy, as well as support for the IUCN and The Transition Institute 1.5°.

## SUPPORTING OUR EMPLOYEES BY OFFERING THEM AN ENVIRONMENT AND PATHWAYS ADAPTED TO THEIR EXPECTATIONS

In 2023, against a complex economic and geopolitical backdrop, the Group continued its actions to:

- protect its employees by providing assistance wherever they may need it (Ukraine, Türkiye, Morocco, Middle East), and by deploying its prevention, health and well-being at work offer throughout the world through the *We Care* programme;
- widely promote its diversity and inclusion policy in all its areas, particularly during its *Inclusion Days*, which provided an opportunity to raise employee awareness on equal opportunities, prejudice, disability and financial inclusion, and measure employees' perception of these issues as part of the general *Conduct & Inclusion* survey re-run in 2023;
- reach the ambitious target in terms of gender equality of 37% women in senior management<sup>(1)</sup> in 2023;
- develop the skills of its employees, particularly in IT, Data, Digital, and Sustainable Finance jobs, while offering them career development opportunities within the Group notably during the *Career Days*.

The Group employee engagement score<sup>(2)</sup> measured around the themes of pride in belonging to the Group, adherence to the strategy and involvement in work reached a high level of nearly 85 out of 100 in 2023.

## THE GROUP'S CSR ACTIONS AND RESULTS ARE RATED POSITIVELY

The relevance, ambition and comprehensive nature of its CSR strategy have earned BNP Paribas several awards recognising its ambition and achievements:

- Euromoney **Best Bank for Sustainable Finance** in 2023;
- one of the best financial institutions in all extra-financial rating agency rankings, and an A rating from CDP for the first time in 2023. BNP Paribas is the only large diversified bank to be awarded this top rating (see 7.1 *Strategy*);
- **member of the Global 100 most sustainable companies in the world** prepared by Corporate Knights, for the 10<sup>th</sup> year running;
- **recognised for its commitments to combat deforestation** in the Forest500 2023 ranking by the NGO Global Canopy.

(1) The Group's Senior Management Position (SMP) population is composed of employees holding approximately 3,000 positions considered to have the most significant impact from a strategic, commercial, functional and expertise point of view.

(2) Measured from surveys carried out during 2023 by the Group's various business lines and entities, covering 86% of the Group's workforce at 31/12/2023, and for which 69% of the employees questioned responded.

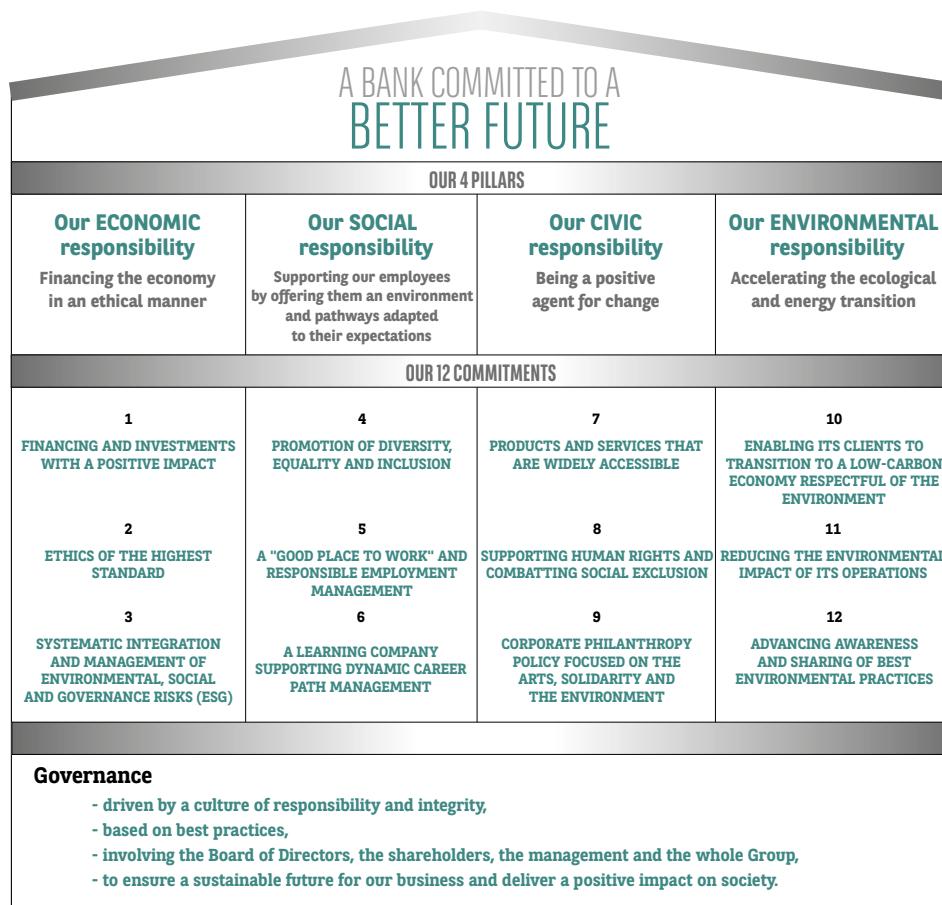
## 7.1 Strategy

### THE CORPORATE SOCIAL RESPONSIBILITY (CSR) STRATEGY

The Group's CSR strategy, in line with the 17 United Nations Sustainable Development Goals, consists of supporting all clients, individuals, companies and institutions in their transition to a carbon-neutral economy that makes reasonable use of the planet's resources, allows the inclusion of the most vulnerable and respects human rights.

It is structured around four pillars and 12 commitments that reflect the Bank's CSR challenges, as well as its concrete achievements. This

strategy, which is part of a process of continuous improvement, aims to contribute to building a more sustainable world while ensuring the Group's stability and performance. This ambition is reflected in the GTS 2025 strategic plan (*Growth, Technology, Sustainability*), of which Sustainability issues are one of the pillars. Its deployment involves all of the Group's business lines, networks, subsidiaries and countries, under the aegis of governance organised at the highest level of the Bank.



## THE CSR POLICY MANAGEMENT DASHBOARD

The GTS 2025 strategic plan defines quantified CSR objectives. The indicators were renewed at the beginning of the plan (2022) in order to reflect a higher ambition and cover broad areas: the energy transition, biodiversity, social inclusion, employee training, etc. which correspond to the four pillars of the aforementioned strategy. The scope of consolidated financial reporting and extra-financial reporting is the same.

The achievement of these CSR objectives determines the payment of 20% of the amount of the loyalty plan awarded in 2023 to more than 8,200 key Group employees (see *A competitive compensation policy*, Commitment 5). The achievement of the CSR objectives is also included for one third in the calculation of 15% of the variable compensation awarded for 2023 to the Group's corporate officers. These CSR objectives taken into account for corporate officers are those that correspond to the loyalty plan payments to the Group's key employees during the year (see chapter 2, *Compensation and benefits awarded to the Group's directors and corporate officers*).

| Pillar                           | Indicator  | 2022 Results                    | 2023 Results                    | 2025 Objectives |
|----------------------------------|--|---------------------------------|---------------------------------|-----------------|
| Our economic responsibility      | 1 Amount of sustainable loans (in billions of euros)   | 87                              | 117                             | 150             |
|                                  | 2 Amount of sustainable bonds (in billions of euros)   | 32                              | 67                              | 200             |
|                                  | 3 Amount of assets under management in open-ended funds distributed in Europe under article 8 & 9 according to the SFDR (in billions of euros) | 223                             | 254                             | 300             |
| Our social responsibility        | 4 Share of women among the SMP population ( <i>Senior Management Position</i> )  | 35.2%                           | 37.1%                           | 40%             |
|                                  | 5 Number of solidarity hours performed by employees over two rolling years (#1MillionHours2Help)   | 1,126,142<br>(in 2021 and 2022) | 1,268,515<br>(in 2022 and 2023) | 1,000,000       |
| Our civic responsibility         | 6 Share of employees who completed at least four training courses during the year  | 97.4%                           | 98.2%                           | 90%             |
|                                  | 7 Number of beneficiaries of products and services supporting financial inclusion (in millions)  | 3.3                             | 3.9                             | 6               |
|                                  | 8 Amount of the support enabling our clients to transition to a low-carbon economy (in billions of euros)                                      | 44                              | 104                             | 200             |
| Our environmental responsibility | 9 Amount of financing to companies contributing to protecting terrestrial and marine biodiversity (in billions of euros)                       | 1.8                             | 4.3                             | 4               |
|                                  | 10 Greenhouse gas emissions in teqCO2/FTE  | 1.65                            | 1.56                            | 1.85            |

### Dashboard definitions

**Amount of sustainable loans:** amount of loans at the end of 2023, drawn and undrawn, identified as sustainable by an internal classification system, granted by BNP Paribas to its clients. The Group's transaction classification principles are based on external market standards such as those of the Loan Market Association and the European Taxonomy in Europe.

**Amount of sustainable bonds:** cumulative amount at the end of the year of all types of bonds identified as sustainable according to the guidelines of the ICMA (International Capital Market Association) issued by corporate clients, financial institutions and sovereign clients, and arranged by BNP Paribas (total amount divided by the number of bookrunners).

**Amount of assets under management at year-end in open-ended funds distributed in Europe under articles 8 and 9, according to SFDR.** These are BNP Paribas Asset Management funds.

**Share of women among the SMP population:** the Group's Senior Management Position population is composed of employees holding approximately 3,000 positions considered to have the most significant impact from a strategic, commercial, functional and expertise point of view. The percentage is calculated on the basis of SMP positions occupied.

**Number of solidarity hours performed by employees:** as part of the #1MillionHours2Help programme including the long-term corporate volunteering set up under the Diversity and Inclusion Agreement in France.

**Share of employees who completed at least four training courses during the year:** including mandatory training such as compliance.

**Number of beneficiaries of products and services promoting financial inclusion:** number of Nickel accounts opened since the creation and number of beneficiaries of microloans distributed by microfinance institutions financed by the Group (*pro rata* of the financing) at the end of the year.

**Amount of support for our clients in the transition to a low-carbon economy:** cumulative amount at year-end of financial support identified as contributing to the transition to a low-carbon economy, according to an internal classification system. This amount covers part of the amounts of indicators 1 (sustainable loans) and 2 (sustainable bonds), as well as the financial support provided in some cases in the form of private placements, financial advice and IPOs.

**Amount of financing to corporate clients contributing to the protection of terrestrial and marine biodiversity:** cumulative amount at the end of the year of financial products and services (loans, bonds, etc.) that

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### Strategy

help protect terrestrial and marine biodiversity. The contribution to the protection of biodiversity is identified by an internal classification system<sup>(1)</sup>. This amount covers part of the amounts of indicators 1 (sustainable loans) and 2 (sustainable bonds).

**Greenhouse gas emissions in teqCO<sub>2</sub>/FTE (kWh buildings and business travel):** greenhouse gas emissions for scope 1 (direct emissions from the combustion of fossil fuels), scope 2 (indirect emissions from the purchase of energy) and, for a part of scope 3 (emissions related to employee business travel), in proportion to the number of Group employees (FTE).

### 2023 RESULTS

2023 was once again marked by geopolitical and economic events that negatively impacted economic activity. Despite this difficult backdrop, BNP Paribas is pursuing its ambitious economic, social, civic and environmental objectives, and is moving towards achieving the objectives of its CSR dashboard for 2022-2025, primarily due to its position as a leader in sustainable finance.

In a sustainable lending market (particularly sustainability-linked loans) which is down by around 30% year-over-year according to Dealogic, BNP Paribas is resilient and has maintained its 5<sup>th</sup> position worldwide for SLL according to (Dealogic). It has also succeeded in achieving strong growth in its specialised business lines, and home renovations for energy efficiency (indicator No. 1).

Despite the bond issue market suffering a sharp decline in 2022, and remaining low in volume in 2023, BNP Paribas confirmed its position as global and EMEA leader in sustainable bonds in 2023 according to Dealogic (indicator No. 2).

Thanks to positive inflows, the amount of assets under management in BNP Paribas Asset Management's open-ended funds distributed in Europe and classified under articles 8 and 9 of the SFDR regulation (indicator No. 3) increased by 14%, with 21 new funds launched in 2023.

On the three social objectives, the Group is perfectly in line with its 2025 objectives. The number of women in management is increasing, and has reached 37% of the SMP population (indicator No. 4). The million solidarity hours was exceeded by more than 25% thanks to employee engagement (indicator No. 5). Finally, the number of training courses completed exceeded the target and was even higher than last year, with 98% of employees having completed four training sessions (indicator No. 6).

The growth of Nickel, whose services are now available in Germany, meant that the large increase in the number of beneficiaries of products and services promoting financial inclusion was able to continue (indicator No. 7), with more than 700,000 new accounts opened. The number of microfinance institutions financed by the Group remains stable.

The indicator relating to support for clients in the transition to a low-carbon economy (indicator No. 8) has seen significant growth this year, given that the sector is dynamic and that a number of Group entities are better able to pinpoint energy transition projects. It continues to be fed by the work of the 200 specialised bankers in the Low-Carbon Transition Group.

The indicator relating to biodiversity (indicator No. 9) increased significantly this year thanks to better identification of biodiversity issues and associated indicators, in a year in which biodiversity became a focal point. For example, BNP Paribas has participated in SLLs with objectives relating to the protection of biodiversity, and participated in bond issues including the financing of actions aimed at preserving the quality of natural environments (see details in Commitment 10).

Lastly, the level of greenhouse gas emissions per employee in BNP Paribas' operating scope (Indicator No. 10) improved following the sale of Bank of the West, which was one of the Group's highest-emitting entities. On a like-for-like basis, this indicator is stable, reflecting the Group's efforts to continue to reduce its energy consumption (-15% on a like-for-like basis worldwide), despite a strong recovery in business travel.

### RESULTS ACKNOWLEDGED BY EXTRA-FINANCIAL RATING AGENCIES AND EXTERNAL STAKEHOLDERS

The following table displays the most recent evaluations from the main extra-financial rating agencies and the inclusion of BNP Paribas in the related extra-financial indexes. In 2023, the Group maintained its leading position in ratings, with scores well above the average for the banking sector.

| Rating agencies                                  | Rating (year of latest rating)    | Comments/Related indices  |
|--|-----------------------------------|---|
| FTSE Russell                                     | 4.4/5 (2023)                      | In the top 11% of the banking industry<br>FTSE4Good Global Index Series   |
| Moody's ESG                                      | 70/100 (2023)                     | Above-average for the sector and 2 <sup>nd</sup> in the Diversified banks category<br>Euronext-Vigeo Eiris: World 120, Europe 120, Euro 120 and France 20 |
| S&P Global (Corporate Sustainability Assessment) | 73/100 (2023)                     | In the top 4% of the banking industry (1% for the environment)<br>DJSI World – DJSI Europe  |
| MSCI   | AA (2023)                         | Above average for financial institutions<br>Leader in the environmental sector (10/10 compared to 5/10 for the sector average)                            |
| Sustainalytics                                   | Medium risk – 24.6/40 (Feb. 2024) | Above-average performance for the Banks sector and Diversified banks sub-sector   |
| ISS  | C + (2023)                        | Prime status, in the top 10% of Commercial Banks & Capital Market   |
| CDP  | A (2023)                          | On the A-list which covers the top 1.5% of companies according to the climate questionnaire rating  |

(1) Examples: implementation of more biodiversity-friendly practices in the upstream supply chains of agricultural commodities, increase in the share of agricultural commodities that do not contribute to deforestation, rehabilitation of quarries after use, etc.

More specifically, BNP Paribas' social responsibility actions are also recognised by extra-financial rating agencies, where the Group has obtained:

- a score of 74/100 on the social component of the Corporate Sustainability Assessment ranking by Standard & Poor's, placing it in the top 5%;
- a score of 70/100 on the social component of the Moody's ESG Solutions evaluation, in particular thanks to its anti-discrimination measures and the health and safety policies it has implemented. This rating places it among the best players in the European diversified banking industry, well above the sector average of 57/100;
- a score of 84/100 in the Workforce Disclosure Initiative (WDI) ranking, which places BNP Paribas well above the average for the Financials category (64/100).

Finally, since 2022, BNP Paribas has held the "Alliance" label, awarded in France by Afnor<sup>(1)</sup>. The Group is the first and only bank in France to have obtained this label, demonstrating its long-term commitment to gender equality and the fight against discrimination.

Other entities and specialised magazines have acknowledged the Group's improved CSR performance. Indeed, BNP Paribas:

- was named "Best bank for sustainable finance" in the world in 2023 for the third year running by Euromoney, the leading finance magazine<sup>(2)</sup>, and "ESG Financing House" by the Institutional Financing Review (IFR)<sup>(3)</sup>;
- is the only French bank in the 2024 ranking of the "Global 100 most sustainable companies" by the Canadian magazine Corporate Knights<sup>(4)</sup> where it appears for the 10<sup>th</sup> consecutive year;
- was used as an example by the NGO ShareAction in its 2023 report on green finance for having defined a renewable energy target in the production portfolio of the International Energy Agency (IEA), and an electric vehicle target for its automotive portfolio<sup>(5)</sup>;
- was recognised for its commitments to fight against deforestation by the NGO Global Canopy, which ranked BNP Paribas at the top of 150 financial institutions in its Forest500 ranking for 2023<sup>(6)</sup>.

## **A CSR STRATEGY IMPLEMENTED BY REINFORCED GOVERNANCE AND STRONG PUBLIC COMMITMENTS**

### **CSR TAKEN TO THE HIGHEST LEVEL IN THE ORGANISATION**

Thanks to the involvement of its 182,656 employees at the end of 2023 (in FTE) and its GTS 2025 strategic plan, for which one of the three pillars (S: Sustainability) is dedicated to incorporating environmental and social issues into all of the Group's activities, CSR continues to be a high priority for BNP Paribas.

#### **A strategy driven by management bodies**

The Board of directors determines BNP Paribas' business orientations and supervises their implementation by the Executive Management, taking the social and environmental challenges of BNP Paribas' activities into consideration. In particular, one of its committees, the Governance, Ethics, Nominations and CSR Committee (CGEN), specifically ensures the Group's contribution to sustainable and responsible economic development, primarily by financing the economy in an ethical manner, by promoting the development and commitment of employees, by protecting the environment and by combating climate change, and through the Group's positive commitment to society. In addition, the Internal Control, Risk and Compliance Committee (CCIRC) examines the main guidelines of the Group's risk policy, including those of a social and environmental nature,

based on the ESG risk measurements it receives. As such, the Board is regularly informed of the progress made in the implementation of the Group's CSR strategy. In 2023, it addressed ESG topics on 29 occasions, including the financing of the energy transition and BNP Paribas' net-zero trajectory, as well as the preliminary analyses of the corporate loan portfolio with regard to ESG risk factors.

Since 2021, three high-level sustainable finance committees have been working to strengthen the integration of these issues into the Group's strategy and within each entity:

- the Strategic Committee, under the direction of the Director and Chief Operating Officer, met five times in 2023 and made decisions on the Group's commitments to the alignment of loan portfolios for new sectors, and on updating of the Risk Appetite Statement or information on ESG pillar 3. A number of small, *ad hoc* meetings were also organised to discuss key issues such as NZBA targets and CSRD reporting changes;
- the Infrastructure Committee, under the direction of the Group Chief Operating Officer, met nine times to monitor the deployment of processes and reports related to sustainable finance, such as for example the ESG Assessment, at the methodological, normative and operational levels;

(1) Association française de normalisation (French Standardisation Organisation).

(2) <https://www.euromoney.com/article/2bpje7xcxrnl4ivixa9/awards/awards-for-excellence/the-worlds-best-bank-for-sustainable-finance-2023-bnp-paribas>.

(3) <https://www.ifre.com/story/4287643/esg-financing-house-bnp-paribas-vrzps73ggq>.

(4) <https://www.corporatenights.com/rankings/global-100-rankings/2024-global-100-rankings/the-20th-annual-global-100/>.

(5) <https://cdn2.assets-servd.host/shareaction-api/production/resources/reports/Green-Ambitions-Grey-Realities.pdf>.

(6) [https://forest500.org/sites/default/files/forest\\_500-2023\\_annual\\_report.pdf](https://forest500.org/sites/default/files/forest_500-2023_annual_report.pdf).

## A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

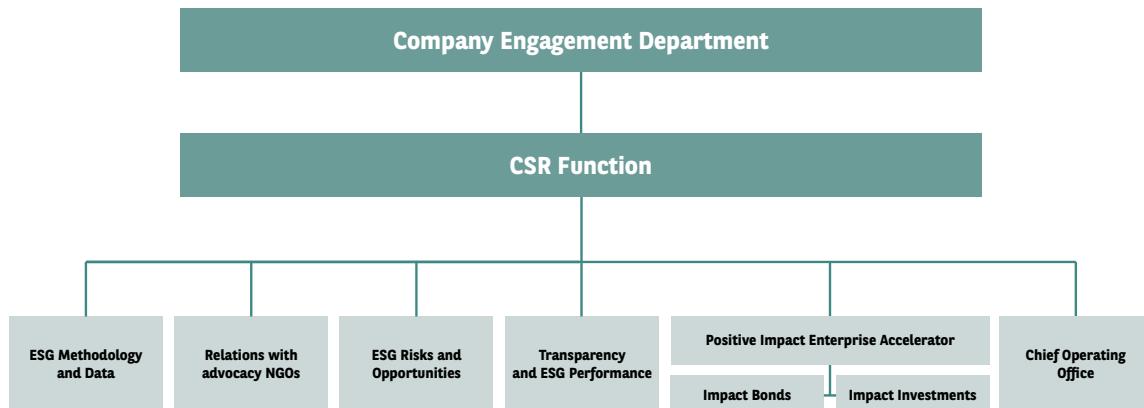
### Strategy

- the Regulatory Committee, chaired by the Group General Counsel and by the director of Corporate Engagement, met three times in 2023 to inform its members about the main regulations. In particular, the

concept of sustainable investment was addressed in the context of the SFDR regulation<sup>(1)</sup> and the French and European legal frameworks on the duty of care (CS3D<sup>(2)</sup>).

### A strategy supported and rolled out by a cross-functional CSR division

A dedicated department is responsible for managing the Group's CSR commitments, reporting to the Company Engagement Department and represented in the Group Executive Committee. At the Head Office, the CSR Department is structured as follows:



The CSR Department is based on a network which operates in the divisions, business lines, retail networks, departments and subsidiaries in order to facilitate the roll-out of the CSR policy across the entire Group. In total, more than 220 employees spend all or a majority of their time on CSR matters.

There are communities of ESG expertise within the Group and its entities to accelerate, streamline and industrialise the consideration of sustainable finance issues in BNP Paribas' activities. For example, the Low-Carbon Transition Group, formed in 2021, is composed of more than 200 fully dedicated bankers (target of 250 in 2025) bringing together several areas of expertise and specialists in the financing of the energy transition, whose mission is to support corporate clients in their decarbonisation. The BNP Paribas Asset Management Sustainability Center brings together 37 ESG specialists.

### BNP PARIBAS' PUBLIC POSITIONS

BNP Paribas' approach to corporate social responsibility (CSR) is framed by the thematic and sector-specific public positions it has adopted. With a presence in 63 countries, the Group acts within numerous working groups and platforms, in compliance with and for the operational implementation of numerous commitments. Thus, for example, BNP Paribas' actions follow the framework of the 10 principles for sustainable business transformation, as defined by the United Nations Global Compact.

### Sustainable finance initiatives

The Group actively participates in designing and implementing long-term social and environmental solutions within the framework of:

- the Principles for Responsible Banking (PRB);
- the Principles for Responsible Investment (PRI), for BNP Paribas Asset Management, BNP Paribas Real Estate Investment Management, BNP Paribas Cardif;
- the Equator Principles.

### Environmental and climate initiatives and commitments

Amongst BNP Paribas' environmental commitments:

- the Net-Zero Banking Alliance, Net-Zero Asset Owner Alliance (BNP Paribas Cardif) and Net-Zero Asset Managers Initiative (BNP Paribas Asset Management);
- the Institutional Investors Group on Climate Change (IIGCC);
- the Roundtable on Sustainable Palm Oil (RSPO);
- the act4nature initiative;
- the Poseidon Principles;
- the Sustainable Markets Initiative (SMI) Financial Services Task Force (FSTF).

**BNP Paribas is also involved in flagship social initiatives, including:**

- the *Collectif des entreprises pour une économie plus inclusive en France* (Business collective for a more inclusive economy in France);
- Business for Inclusive Growth (B4IG).

(1) SFDR: Sustainable Finance Disclosure Regulation.

(2) Corporate Sustainability Due Diligence Directive.

## **Voluntary commitments defined by BNP Paribas**

BNP Paribas has been committed for several years to going further in terms of CSR in several major sensitive sectors by setting itself additional obligations, through:

- its financing and investment policies in the following sectors: agriculture, defence, nuclear energy, coal energy, mining, palm oil, paper pulp, oil and gas<sup>(1)</sup>;
- its positions on ocean protection, the preservation of biodiversity and carbon credits;
- an exclusion list of specific goods and activities that the Group is unwilling to finance, such as tobacco, driftnets for fishing, asbestos fibre production, products containing polychlorinated biphenyls or trade in any species regulated by the CITES convention without the necessary permit<sup>(2)</sup>;
- monitoring and restriction lists grouping businesses which do not meet the Group's CSR requirements;
- a Declaration on Human Rights;
- an Anti-Corruption Policy;
- a Responsible Business Relations Charter;
- a charter for responsible representation with respect to the public authorities;
- a Responsible Purchasing Charter;
- a Tax Code of conduct.

## **Think tanks**

Several members of BNP Paribas' General Management as well as Group experts play an active role in strategic active marketplace coalitions on CSR topics, for example:

- Laurence Pessez, CSR Director at BNP Paribas Group, sits on the Banking Board of the Principles for Responsible Banking of the UNEP FI (PRB) and is also Vice-President of the European think tank, *Institut du développement durable et des relations internationales* (IDDRI);
- Jane Ambachtsheer, Head of Sustainability at BNP Paribas Asset Management, is a member of the Taskforce on Climate-related Financial Disclosure (TCFD);
- Sébastien Soleille, Head of Energy Transition and Environment, is a member of the Taskforce on Nature-related Financial Disclosures (TNFD).

## **FOSTERING DIALOGUE WITH STAKEHOLDERS**

Dialogue with stakeholders is at the heart of BNP Paribas' actions to promote social and environmental responsibility. This dialogue has a three-fold objective: anticipating change in our businesses developments and improving our products and services, optimising risk management, and finding innovative solutions which positively impact society.

■ Dialogue with the employees or employee representatives is described in the social pillar of this document (see *Strong Focus on Employees* and *High Quality Social Dialogue*, Commitment 5). Employees and external third parties may use the Company's whistleblowing system (see *The whistleblowing system*, Commitment 2).

■ Individual and small business clients of all of BNP Paribas' Commercial Banking entities have access to a complaint management system (see *Protecting customer interests*, Commitment 2). Numerous entities provide their clients with the opportunity to use an independent ombudsman.

■ In the framework of its asset management activities, BNP Paribas Asset Management engages with companies in which it invests on ESG topics in order to preserve, or even enhance, the medium and long-term value of the investments made on behalf of its clients. BNP Paribas Asset Management supports the ESG commitments of these companies through its voting rights policy (see *Integrating ESG criteria into assets management*, Commitment 3).

■ BNP Paribas regularly talks to its main suppliers primarily through business reviews, annual "Partners for Strategic Sourcing" events dedicated to the Group's key suppliers, and satisfaction surveys (SME Pact Barometer). The Group also offers them a redress procedure in case of difficulties (see *Ethics at the heart of supplier relations*, Commitment 2).

■ BNP Paribas presents its CSR strategy to investors several times a year and regularly keeps extra-financial analysts informed. The CSR Department talked about ESG topics 96 times with 77 different investors in 2023.

■ The Group pursues a policy and a management process for its relations with advocacy NGOs, in order to ensure a constructive dialogue with them. In 2023, BNP Paribas had 183 different exchanges with these NGOs throughout the world.

■ With regard to regulatory organisations, governments and parliamentarians, BNP Paribas adopted a "charter for responsible representation with respect to the public authorities" in 2012. This was completed in 2022 with a commitment to ensure that its public commitments relating to the environment and climate change are consistent, in particular its support for the Paris Agreement goals. The Bank is also registered in the digital register of lobbyists managed by the *Haute Autorité pour la transparence de la vie publique* (HATVP, High Authority for Transparency in Public Life), on the EU transparency register and now in Germany on the new *Bundestag Lobbyregister*. It is also registered in the United States with the Senate and the House of Representatives under the Lobbying Disclosure Act. Lastly, the Group follows the principles of the Transparency International France Joint Declaration on Transparency in Lobbying, signed in February 2014, and its revised version of May 2019, which takes into account the provisions of the Sapin 2 law on the representation of interests. The Group's main public positions on banking and financial regulations and its responsible representation practices are also available on the corporate website<sup>(3)</sup>.

(1) These policies can be found online: <https://group.bnpparibas/en/our-commitments/transitions/financing-and-investment-policies>.

(2) Convention on International Trade in Endangered Species of Wild Fauna and Flora.

(3) <https://group.bnpparibas/en/key-public-positions-banking-financial-regulation>.

## A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

Strategy

- The stakeholder mapping and BNP Paribas dialogue initiatives with each stakeholder are described in detail in the document "How BNP Paribas listens to and takes into account the expectations of its stakeholders<sup>(1)</sup>", available on the corporate website. A materiality matrix presenting the most important issues for the Group's internal and external stakeholders is also available (see *Vigilance plan*, section 7.7).

### CHANGES IN OUR EXTRA-FINANCIAL REPORTING INFORMATION

Section 5.11 *Environmental, social and governance risk* meets the regulatory requirements of Pillar 3 of the European Banking Authority.

In addition, the Green Asset Ratio (GAR) has been published for the first time this year, in section 7.9 *Aligned activities under the meaning of the European taxonomy* of this chapter.

(1) [https://cdn-group.bnpparibas.com/uploads/file/bnp\\_paribas\\_csr\\_dialogue\\_with\\_stakeholders\\_2024.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnp_paribas_csr_dialogue_with_stakeholders_2024.pdf)

## 7.2 Our economic responsibility: financing the economy in an ethical manner

BNP Paribas' primary mission is to meet its clients' needs, in particular by financing in a responsible manner the projects of individual clients and businesses, drivers of economic development and jobs' creation. Given its leading positions in financial services in the 63 countries in which it operates, the Group's financing capacity and the way it conducts its business can have a direct impact on local economies. Thus, aware of

its economic responsibility, BNP Paribas acts in coherence with its three commitments:

- **Commitment 1:** Financing and investments with a positive impact;
- **Commitment 2:** Ethics of the highest standard;
- **Commitment 3:** Systematic integration and management of environmental, social and governance risks (ESG).

### COMMITMENT 1: FINANCING AND INVESTMENTS WITH A POSITIVE IMPACT

#### OFFERING A WIDE RANGE OF SUSTAINABLE PRODUCTS

For several years, BNP Paribas has been developing a wide range of sustainable products linked to extra-financial indicators, intended for all its corporate clients, financial institutions and sovereigns such as:

■ sustainability-linked loans (SLL), and impact loans for which the interest rate is subsidised according to the achievement of CSR objectives. BNP Paribas was the world's fifth-largest SLL provider in 2023 at USD 16.2 billion<sup>(1)</sup>;

- sustainability-linked bonds;
- sustainable deposits and cross-currency sustainability linked swaps;
- ISLF+ (inclusive and sustainability-linked financing), sustainable inclusive financing based on the SLL model (see *Continued support for microfinance institutions*, Commitment 7).

The Group also supports its clients with sustainable bond issues, which include social bonds and green bonds, for which BNP Paribas is the world leader for the second year running with USD 25.6 billion in 2023<sup>(1)</sup>. Examples of green bonds are detailed in Commitment 10, *Supporting corporate clients in their energy and ecological transition*.

#### Examples of sustainable transactions in 2023

BNP Paribas Fortis acted as co-sustainability coordinator when negotiating a sustainability-linked loan of EUR 400 million for Renewi, a waste recycling and recovery company. The interest margin on the loan will depend on whether Renewi achieves the objectives it has set itself, namely, to recycle 75% of its waste by 2025 and to reduce its scopes 1 and 2 carbon emissions.

In 2023, the Republic of Slovenia issued its largest sustainable bond in the amount of EUR 1.25 billion. BNP Paribas took on the role of sole structuring advisor and joint lead manager for this transaction. In addition to green projects, funds will be allocated to social projects for access to essential services in education, healthcare and social inclusion.

In 2023, BNP Paribas co-developed the first ISLF+ (inclusive & sustainability-linked financing). They specifically enable microfinance players to receive dedicated technical support and subsidised rates based on the achievement of social, environmental and/or just transition objectives. The first three ISLF+ were signed with some of the Group's long-standing partners: Adie in France, PerMicro in Italy and Banco da Família in Brazil.

Launched in 2023, BNP Paribas Climate Impact Infrastructure Debt is a fund classified under article 9 of the SFDR which includes an initial investment by BNP Paribas Cardif. It aims to raise between EUR 500 and EUR 750 million from institutional investors. It will support projects working for the energy transition in Europe focused on renewable energy, clean mobility and the circular economy, including new sectors such as batteries, hydrogen and carbon capture.

(1) Source: Dealogic.

## A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

Our economic responsibility: financing the economy in an ethical manner

These operations contribute to the objectives set out in the CSR dashboard as part of the GTS plan (Growth, Technology, Sustainability) 2025 (see 7.1 *Strategy*), and specifically:

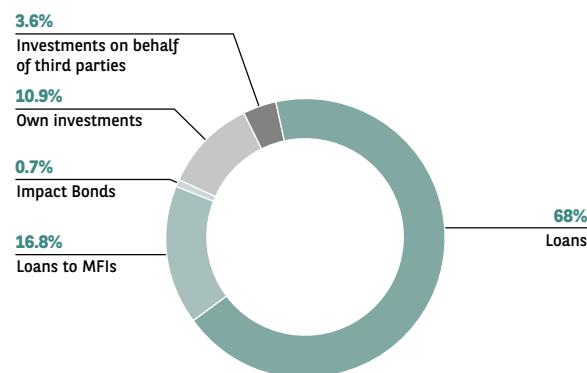
- **EUR 150 billion in sustainable loans (EUR 117 billion at the end of 2023);**
- **EUR 200 billion in sustainable bonds (EUR 67 billion at the end of 2023);**
- **EUR 300 billion in assets under management in open-ended funds distributed in Europe, articles 8 and 9 of the SFDR (EUR 254 billion at the end of 2023).**

BNP Paribas Personal Finance is a major player in the financing of individuals in Europe, operating in around 20 countries, under several trademarks including Cetelem, Findomestic, AlphaCredit and Cpay and covering nearly 23 million customers. At the end of 2023, sustainable finance (financial inclusion, the energy transition of housing, sustainable mobility and the circular economy) outstandings reached EUR 8.9 billion, *i.e.* 8% of its total outstandings. This includes financing of the energy transition of housing for the amount of EUR 4 billion.

### FINANCING IMPACT ENTREPRENEURSHIP

Thanks to their hybrid business model, impact enterprises aim to generate a strong positive social and/or environmental impact, while seeking economic sustainability. They may be start-ups or SMEs, associations, cooperatives or microfinance institutions (MFIs, see *Continued support for microfinance institutions*, Commitment 7), and work on various themes such as the circular economy, access to healthcare, child protection, professional integration and equal opportunities. Primarily in France, through the "Act For Impact" initiative, the Group supports impact entrepreneurship through bank financing at subsidised rates, impact bonds and capital investments.

#### ► THE GROUP'S COMMITMENT TO SUPPORT ENTREPRENEURSHIP FOR IMPACT AMOUNTS TO EUR 2 BILLION



The Group's support for impact entrepreneurship was stable overall compared to the previous year at an amount of EUR 2 billion, including support for the microfinance sector for EUR 345 million. The number of impact enterprises that have benefited from the Group's support continues to increase, from 3,170 in 2022 to 3,450 in 2023.

### Development of the Impact Bond activity

Impact Bonds are a financing tool based on a unique model of collaboration between the public, private and social and solidarity economy (SSE) sectors. They provide positive solutions for society or the environment that promote innovation in public policies with a limited cost for the State. In 2023, BNP Paribas continued the development and thematic diversification of Impact Bonds as an arranger and investor.

Three years after launching the very first Impact Bonds fund in France and the European Union, BNP Paribas launched a second edition, the BNP Paribas European Impact Bonds Fund 2, managed by BNP Paribas Asset Management. Three strategic investors have already committed to the creation of this fund alongside BNP Paribas: Banque des Territoires of the Caisse des Dépôts Group, the European Investment Fund and BNP Paribas Cardif. With a target size of EUR 70 million, this fund aims to change the scale of the Impact Bonds market in the European Union.

Nine new Impact Bonds were launched in 2023 for a total amount of EUR 28 million, in which the fund invested EUR 13 million. These include the EUR 2.9 million Impact Bond operated by Andes, which aims to combat food waste and food insecurity on a large scale by adding value to food that would otherwise go unsold and helping to diversify and improve the diet of food aid beneficiaries.

Since 2016, BNP Paribas has supported (as arranger or investor, often both) 24 Impact Bonds for a total amount of EUR 82 million, of which 18 are still active.

### Impact investments

This is a medium- or long-term investment strategy with the objective of financing concrete solutions that meet barely or poorly targeted social or environmental needs and generate a positive and quantifiable impact, with a financial return that may be lower than the market rate. This impact investments complies with the following criteria:

- intentionality: the explicit search for a positive social or environmental impact;
- additionality: the investor's commitment and contribution (financial or extra-financial) enable the financed company to maximise its positive impact;
- measurability: the measurement of the impact is based on the implementation of social or environmental objectives, the monitoring of results and a continuous assessment process.

In 2023, the Group continued to deploy its impact investments, *via* its own budget of EUR 200 million or its funds on behalf of third parties (such as the FCP BNP Paribas Social Business Impact France), by favouring direct equity investments in corporate clients with a strong social and/or environmental impact. 16 new investments (excluding reinvestments) were made for a total of EUR 56 million, including:

- Ecov, a shared mobility operator in areas where public transport is limited or absent, to promote mobility that is accessible to as many people as possible while avoiding CO<sub>2</sub> emissions;
- Urbilog, an iconic player in digital accessibility for people with disabilities (visual, auditory, motor, dys disorders, *etc.*).

## DESIGNING AND PROMOTING FUNDS WHICH INCLUDE SUSTAINABILITY CRITERIA

As part of the GTS 2025 strategic plan, BNP Paribas Asset Management aims to reach at least 90% of its assets under management in open-ended funds classified in categories 8 or 9 of the SFDR (Sustainable Finance Disclosure Regulation), *i.e.* EUR 300 billion. At the end of 2023, this proportion of 90% had been reached for assets of EUR 254 billion.

For several years, BNP Paribas Asset Management has broadened its range of investment solutions by focusing on corporate clients making a positive contribution to the transition to a more sustainable economy. Its sustainability-focused product offering is structured around two main ranges covering the main listed and unlisted asset classes. Solutions include:

■ **labelled funds:** products that adhere to one or more European sustainability labels such as general labels (SRI in France or Towards

Sustainability in Belgium), green label (Greenfin) or solidarity label (Finansol). The labelling processes are certified, which guarantees compliance with their specifications. In 2023, the SRI label was obtained for the ETF BNP Paribas Easy ECPI Circular Economy Leaders fund, and the Towards Sustainability label for BNP Paribas Emerging Climate Solutions and BNP Paribas Global Climate Solutions funds, created in 2022. Also in 2023, as the specifications of the Towards Sustainability and SRI labels have evolved, BNP Paribas Asset Management has acted to implement the new criteria as soon as they come into force (2024), in particular the one on the exclusion of fossil fuels.

In total, BNP Paribas Asset Management's labelled funds represented EUR 139.5 billion at the end of December 2023, *i.e.* nearly 26% of total assets under management;

■ **thematic sustainability solutions:** see *Enabling its clients to transition to a low-carbon economy*, Commitment 10.

|  | SRI label  | Greenfin   | Finansol   | Towards Sustainability   | FNG  | LuxFLAG ESG   | LuxFLAG Environment | Funds with at least one label | TOTAL LABELLED ASSETS (in millions of euros) |
|--|--|--|--|--|--|---|---------------------|-------------------------------|--|
|  |  |  |  |  |  |  |                     |                               |  |
| Shares   | 63   |  |  | 60   | 9  | 3   |                     | 94                            | 51,537                                       |
| Bonds  | 16   | 2  | 2  | 36   | 4  |   |                     | 36                            | 22,036                                       |
| Monetary   | 3  |  |  | 2  |  |   |                     | 3                             | 33,229                                       |
| Real estate funds  | 1  |  |  | 2  |  |   |                     | 2                             | 191  |
| Diversified  | 2  |  | 6  | 27   |  | 1   | 2                   | 36                            | 32,469                                       |
|  |  |  |  |  |  |   |                     |                               | <b>139,462</b>                               |

## TAILORED ADVICE AND SUPPORT: START-UPS AND INNOVATIVE COMPANIES

BNP Paribas channels all of the Bank's expert knowledge into serving innovative companies through strategic partnerships, raising of funds and adapted financing solutions.

In France, BNP Paribas has for several years developed recognised expertise and a strong commitment to the innovation ecosystem.

Under the "We Are Innovation" WAI label, 100 specialised account managers advise innovative companies of all sizes and provide them with financing, equity capitalisation, global fund-raising, IPOs or direct investment solutions through BNP Paribas Développement subsidiary. The vast majority of innovative companies are supported by BNP Paribas teams, *i.e.* 85% of the companies in the Next40, 78% of companies in the FrenchTech120 and 75% in the FrenchTech 2030.

## COMMITMENT 2: ETHICS OF THE HIGHEST STANDARD

The respect of the most rigorous ethical standards is a prerequisite at BNP Paribas. All Group employees are required to strictly respect all laws, rules and regulations in effect in all domains, as well as all professional standards that apply to their activities. In the event of conflict between the laws of a country and BNP Paribas' ethical rules, employees are required to respect local legislation while at the same time looking for ways to apply and respect internal ethical rules.

### ETHICS OF THE HIGHEST STANDARD

#### Code of conduct

The BNP Paribas Code of conduct, published in 2016 and enhanced in 2022, is translated into 20 languages and is published on the Group's website<sup>(1)</sup>. It covers the following topics:

- customer's interest;
- financial security;
- market integrity;
- conflicts of interests;
- professional ethics;
- respect for colleagues;
- protection of the Group;
- commitment to society;
- the fight against corruption and influence peddling.

A training course on all the topics of the Code of conduct (Conduct Journey) is mandatory for new employees in the Group, and every two years for all employees (see chapter 2 *Internal control*).

#### The whistleblowing system

All employees have the right to signal an alert.

Alert subjects include, but are not limited to:

- acts of corruption, influence peddling or any other infringement pertaining to probity;
- acts of fraud;
- professional behaviour contrary to the provisions on respect for persons;
- breaches of the rules of professional ethics;
- financial security breaches;
- anti-competitive practices;
- breaches of market integrity;
- breaches of the rules for the protection of customer interests;

- unauthorised disclosure of confidential information, theft or leaking of data;
- violations of human rights and fundamental freedoms, personal health and safety or the environment, committed by a Group entity, by a supplier or the subcontractor of a supplier, under a commercial relationship established with the Group or one of its entities;
- violations of the Group's policies regarding suppliers;
- violations of the Group's policies regarding the use of social media.

Deployed in all BNP Paribas entities, the whistleblowing system<sup>(2)</sup> is based on dedicated channels under the responsibility of "Compliance alert referents" and "Conduct HR referents, Respect for colleagues", who ensure that alerts are processed in compliance with confidentiality rules.

Initially open to the Group's employees, it has now been extended to certain external players and in particular to former Group employees, its suppliers and their subcontractors since December 2022, and can be accessed via the Group's website<sup>(3)</sup>.

The protection of whistleblowers against the risk of retaliation has been strengthened by the French law No. 2022-401 of 21 March 2022. Any person that needs to know of an alert during its processing is formally committed to respecting the confidentiality of the information relating to the whistleblowers and any person involved. In addition, the Group guarantees the protection of whistleblowers against the risk of retaliation, and any person considering themselves the victim of retaliation may issue an alert that will be dealt with according to the standards defined by the Human Resources Department. This protection applies regardless of the channel used by the whistleblower.

The whistleblowing system is presented in the mandatory Code of conduct training course.

Executive Management and the Board of directors are regularly informed of its use.

| Alerts                    | 2021 | 2022 | 2023 |
|---------------------------|------|------|------|
| Number of alerts received | 296  | 313  | 333  |

#### The fight against corruption, money laundering and the financing of terrorism

In all of its entities, BNP Paribas maintains mechanisms for detecting money laundering and terrorist financing operations, which are based on a set of standards and controls, on employee vigilance, maintained through mandatory training programmes, and on constantly evolving computerised tools. A strengthened system for the prevention and detection of corruption has also been generalised (see section *Compliance activity in 2023*, chapter 2).

(1) [https://cdn-group.bnpparibas.com/uploads/file/220204\\_bnpp\\_compliance\\_codeofconduct\\_2022\\_eng.pdf](https://cdn-group.bnpparibas.com/uploads/file/220204_bnpp_compliance_codeofconduct_2022_eng.pdf)

(2) *Summary of the system* – BNP Paribas' whistleblowing procedure. ([https://cdn-group.bnpparibas.com/uploads/file/summary\\_of\\_bnpparibas\\_wb\\_framework\\_eng\\_june\\_2022.pdf](https://cdn-group.bnpparibas.com/uploads/file/summary_of_bnpparibas_wb_framework_eng_june_2022.pdf))

(3) *Whistleblowing framework* (<https://group.bnpparibas/en/direct-access/whistleblowing>).

## The fight against tax evasion

Compliance with all tax obligations is one of the Group's commitments in terms of economic and civic responsibility. The tax compliance of operations intended to meet its needs or those of its clients is thus a major objective of its governance. To this end, principles and procedures have been defined and are applicable to all operations in which the Group is involved. These items are included in the BNP Paribas Tax Code of conduct<sup>(1)</sup> the last updated version of which was published in June 2023.

The Group's fiscally responsible behaviour is reflected in the fair contribution it makes to the revenues of the countries or territories in which it operates.

Each year, the Group is fully transparent by publishing a table presenting, country by country, net banking revenue, workforce and income, as well as corporate income tax paid (see section 8.6 *Information on locations and businesses for 2023*).

### The Group's tax principles

The decisions taken by BNP Paribas are guided by the will to meet the needs of the real economy, and not by tax considerations.

The choice of location results from the Group's will to provide its customers with the best possible service. BNP Paribas entities have real economic substance.

In all the jurisdictions in which it operates, the Group undertakes to comply not only with the letter but also with the spirit of the tax laws and fiscal regulations in force. The Group ensures compliance with tax rules pursuant to treaties, laws and regulations, as well as the payment of all corresponding taxes whatsoever.

The transfer pricing policy applicable to intra-group cross-border transactions excludes any search for tax optimisation.

All around the world, BNP Paribas seeks to establish and maintain a cooperative relationship with tax authorities.

The Group takes the greatest care in ensuring the tax compliance of its clients.

BNP Paribas ensures the proper application of all provisions governing withholding taxes as well as the transfer of these funds to the budgets of the countries or territories concerned.

The Group also ensures the quality and completeness of information it transmits automatically, on request, or spontaneously, to public authorities.

## Amount of taxes and levies paid by BNP Paribas

Globally, the amount of taxes and levies owed by BNP Paribas reached EUR 6.8 billion in 2023. In France, the Group paid taxes and levies of EUR 2.1 billion in respect of the same year.

■ complaints are handled promptly and rigorously.

The protection of clients' interests is the subject of trainings for the employees concerned, in particular the teams in charge of customer relations and management.

Compliance with the Code of conduct and the clients' interest protection policy is verified by all internal control players: the business lines as the first line of defence, Compliance and General Inspection as the second and third lines respectively.

These rules are translated into concrete practices deployed in all Group business lines and entities, depending on their specific characteristics:

- dialogue with consumer associations and other stakeholders is encouraged to gather their opinions on new ways to improve the protection of clients' interests;
- approval procedures for new products and services include the protection of clients' interests;
- questionnaires to identify needs and the situation of clients are gradually being enriched with environmental, social and governance (ESG) criteria, in order to integrate their preferences in the context of advice and portfolio management;
- compensation of sales teams is structured so as not to encourage operations that would be contrary to clients' interests.

## PROTECTING CLIENT'S INTERESTS

Protecting clients' interests is a major concern for the Group. For this reason, it has chosen to place this issue at the heart of its Code of conduct and has set up a dedicated expert group within Compliance Function.

### A global Group-wide policy

The clients' interest protection policy defines the rules of organisation and conduct that must be applied throughout the relationship with the client and at all stages of the product and service life cycle, in order to ensure that:

- products and services offered to clients meet their needs and situation;
- information provided to clients is clear and honest, and enables them to make informed decisions;
- conflicts of interest are managed in such a way as to favour the interests of the clients and not those of the Group, its employees or its partners;

(1) <https://invest.bnpparibas/en/document/code-of-tax-conduct>.

## A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

Our economic responsibility: financing the economy in an ethical manner

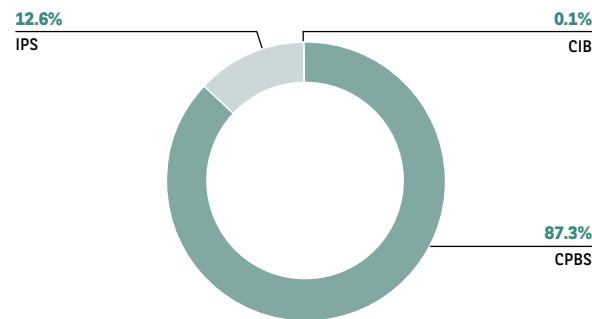
For Commercial & Personal Banking in France (CPBF), for example, the variable compensation system for sales teams is structured around four aspects of its job, illustrating the performance that is expected from the employee: the quality of the customer relationship, commercial development, the management of risks and compliance, as well as management (for the employees concerned). In Belgium, part of the collective variable compensation is linked to the achievement of several objectives, including client satisfaction (NPS – Net Promoter Score).

### Complaints management and mediation

The processing of complaints is a key element of the client interest protection policy, and is subject to specific operational procedures. The complaints statistics are an indicator monitored at Group level.

|   | 2021  | 2022  | 2023 |
|---|-------|-------|------|
| Number of complaints received<br>(in thousands) | 1,161 | 1,150 | 975  |

#### ► BREAKDOWN OF COMPLAINTS (2023)



The nature of the activity is the dominant factor and explains the preponderance of retail activities in these statistics.

- BNP Paribas Personal Finance deploys a system for handling customer complaints in all its entities with a specific governance that brings together all the players concerned in order to implement the necessary corrective actions, and qualitative analyses to identify the causes. Thus, the entire "Termination" process, for example, has been revised from pre-sale to litigation, to better meet customers' expectations.
- At BNP Paribas Cardif in France, complaints analysis is used to prepare a formal document. This is presented to the "Complaints and Customer Voice" committee, which meets at least once a year. It aims to share quantitative and qualitative analyses of complaints and how they have evolved. In addition, an annual document entitled "Claims report", listing the volumes, complaints, causes and action plans by major product range, is distributed annually within the Company.

Many Group entities offer the services of independent mediators who can be used by customers. In France, Italy and Belgium, customers contact the national ombudsman services organised by the relevant regulatory bodies.

- BNP Paribas Personal Finance uses external ombudsmen in most countries. In France, an independent ombudsman studies the requests and provides proposed responses.
- Since 2022, BNP Paribas Cardif in France has strengthened its relationship with the Insurance Ombudsman in order to take into account the mediator's perspective on the cases that customers submit to it. In 2023, the continuous improvement of this system continued by identifying the causes of each complaint in the database.

### Monitoring customer satisfaction to better meet customer needs and interests

Measuring customer satisfaction enables product and service offerings to be adapted to their requests, in order to always best serve their interests by analysing their complaints and areas of dissatisfaction. At CPBF, a centre of expertise called Voices provides continuous improvement to serve both customers and employees. The cross-functional missions of Voices are to promote the methodology of the NPS and NPE (Net Promoter Employee) standards, as well as the methodology for redefining priority pathways. A team of experts listens to and analyses feedback from both customers and employees in order to detect the main causes of dissatisfaction. Another team of experts supports the business lines and redefines pathways as well as defining and deploying continuous improvement loops. In 2023, Voices collected more than 1.2 million customer feedback items (Retail Banking, Private Banking and corporate), and more than 4,000 employee feedback items. 15 priority pathways have also been redefined since 2022, including 8 in 2023, and 14 continuous improvement loops active at the end of 2023.

### The Advocacy programme and the Net Promoter System

At the level of the BNP Paribas Group, monitoring of customer satisfaction is part of the Advocacy programme, rolled out since 2017, in order to listen to the voice of customers and employees throughout the relationship with them and improve their experience. Thus, customer expectations and perceptions are better understood and the Group's decisions are guided at all levels (strategy, offering, distribution, customer experience, etc.).

The programme is adapted to any types of customers, and is rolled out by the "Client & Employee Advocacy" teams through the Net Promoter Score (NPS) methodology, which measures the level of recommendation of BNP Paribas customers and compares it with competitors each year.

The Group's objective is to ensure that these entities improve their rankings year-on-year in comparison with their competitors in the countries in which they are based. The NPS covers all domestic and EM (Europe-Mediterranean) markets within the CPBS division, as well as all the business lines and countries of the IPS division.

In 2023, in the four Domestic Markets (France, Belgium, Italy and Luxembourg), 7 million e-mail surveys were sent to customers to collect their feedback, with a return rate of 8%. In addition, nearly 800,000 feedback items were collected via live surveys on digital channels (pop-in, pop-up).

Regarding the Group's market positioning:

- of the Group's 26 banking entities, 65% had an NPS score at or above the average for their market in 2023 (vs 50% in 2018). This year's progress is mainly based on business clients:
  - CPBF consolidated its evident progress with business clients (+39 points since 2018) and more specifically with SME clients (+18 points since 2018) and large companies (+16 points since 2018); TEB (Türk Ekonomi Bankası) is one of the leading banks with business clients; BNL (Banca Nazionale del Lavoro) has become a leader among SMEs and large corporate clients (with respectively +19 points and +34 points since 2018),
  - in Commercial & Personal Banking: Hello bank! returned to its highest level (+15 points since 2017) and TEB retained its third place in Türkiye. In addition, it has become easier to contact an advisor at CPBF (call acceptance rate: +7 points in one year) and at BNP Paribas Fortis (+9 points in one year),
  - in Private Banking: BNP Paribas Fortis Wealth Management is the leader among private banks in Belgium for the fourth consecutive year;
- BNP Paribas Personal Finance has ensured that the Customer voice and service excellence is prioritised in operational excellence and strategy. The CES (Customer Effort Score) is now equal to the NPS (Net Promoter Score) as a key performance indicator to improve the customer journey. A shared reference framework called the Experience System has been set up to help countries define strategic challenges in terms of customer experience. Areas for improvement include better consideration of "relationship" paths, more emotion in interactions or even more efficient digital technology;
- BNP Paribas Cardif has included a customer NPS target in its 2025 strategic plan for all the countries in which it operates. Systematic listening and in-depth analysis of customer needs and expectations are thus deployed at the service of the continuous improvement of insurance solutions and the customer journey. With this in mind, BNP Paribas Cardif in France deployed a Close The Loop system in 2023, which involves making further contact with customers who responded to a satisfaction survey, with their prior agreement, to directly gain a more in-depth understanding of which factors are causes of customer satisfaction and dissatisfaction.

## ETHICS AT THE HEART OF SUPPLIER RELATIONS

In 2023, the Group's purchases amounted to around EUR 10 billion excluding tax in expenditure globally. BNP Paribas strives to develop balanced relationships with its suppliers, a desire reflected in its Sustainable Sourcing Charter<sup>(1)</sup> which details the commitments applicable to both the Group and its suppliers. In addition, the Group holds the label "*Relations fournisseurs et achats responsables*" (the Responsible Supplier Relations and Procurement label), the first and only label awarded by the French public authorities. It recognises French companies or public entities that have demonstrated sustainable and balanced relationships with their suppliers.

In addition, the Procurement division abides by strict ethical principles, in order to manage the risks of mutual dependency, adapt its practices to allow small and medium-size suppliers to compete in its call for tenders and implement processes for faster payment of supplier invoices.

The Group offers its suppliers an remedy for any problems. In France, an internal ombudsman, appointed in accordance with the commitments of the BNP Paribas Sustainable Sourcing Charter and independent of the Procurement & Performance (P&P) function, can be contacted by any supplier in the event of a dispute with a view to resolving it (contact details can be found online on BNP Paribas' website). 10 referrals were recorded in 2023.

Finally, in France, under its Diversity & Inclusion policy, the Group undertakes a committed policy to develop its business relations with suppliers working with vulnerable and disabled employees and those isolated from work (STPA<sup>(2)</sup> and SIAE<sup>(3)</sup>). BNP Paribas SA's agreement in France on the employment, professional integration and retention of people with disabilities includes the objective of reaching EUR 2 million in revenue excluding tax by 2025 with the STPA. This agreement was renewed for a period of three years (2023-2025), and approved by the French Ministry of Labour. This commitment to diversity in procurement is gradually being extended to the entire social entrepreneurship sector. The BNP Paribas Group, part of the *Collectif d'Entreprises pour une économie plus inclusive* (Business collective for a more inclusive economy)<sup>(4)</sup>, aims to increase its inclusive purchases in France by 30% by 2025 (from STPAs and SIAEs), compared to 2022.

(1) [https://cdn-group.bnpparibas.com/uploads/file/sustainable\\_sourcing\\_charter\\_eng.pdf](https://cdn-group.bnpparibas.com/uploads/file/sustainable_sourcing_charter_eng.pdf)

(2) Sheltered and adapted work sector.

(3) Integration through economic activity sector.

(4) <https://www.collectif-economie-plus-inclusive.fr>

## COMMITMENT 3: SYSTEMATIC INTEGRATION AND MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS (ESG)

### A COMPREHENSIVE ESG RISK MANAGEMENT APPROACH

BNP Paribas is continually strengthening its system for managing ESG risks that may affect its business activities. Initially, this system focused on the most sensitive sectors from an ESG point of view, by developing sectoral policies. It is now more comprehensive, covering all sectors of the economy in which the Group has customers and clients, in particular through the development of sectoral ESG Assessment questionnaires.

#### Binding financing and investment policies

As part of the implementation of its strategy to combat climate change and align its activities with an objective to contribute to carbon neutrality by 2050, BNP Paribas has developed ESG policies covering, currently, eight major sectors<sup>(1)</sup>, both at the level of projects and corporate clients. They also address fundamental issues such as human rights and biodiversity, and apply to all of the Group's activities. Sectoral policies are regularly adapted to better take into account the new challenges of the sectors covered by being more ambitious.

The Group ensures that the companies and projects it finances comply with the criteria set out in its policies throughout the year. Sectoral policies are monitored, in the same way as all Group policies, as part of the three lines of defence structure (see section 2.4 *Internal control*): the implementation and first-level controls are the responsibility of the business lines, the second-level permanent control is the responsibility of the control functions, and the RISK Function in particular (when it comes to credit processes), and periodic control is the responsibility of the Audit Function and the General Inspection, as a third line of defence.

#### Respect of the Equator Principles in project financing

As a signatory to the Equator Principles alongside 135 other financial institutions worldwide, and in its role as a financial service provider and advisor, BNP Paribas works with its clients to identify, assess, and manage the risks and environmental and social impacts linked with major industrial and infrastructure projects. According to these principles, the negative impacts of these projects on communities, ecosystems or the climate must be avoided or minimised, mitigated and/or offset. Projects graded A present significant risks and systematically involve an external review; those graded B present more limited risks; and those graded C present minimal or no risks.

|  | 2021 | 2022 | 2023 |
|--|------|------|------|
| Number of transactions concerned in the year | 17   | 15   | 29   |
| Number of grade A transactions in the year   | 3    | 2    | 6    |
| Number of grade B transactions in the year   | 13   | 11   | 23   |
| Number of grade C transactions in the year   | 1    | 2    | 0    |

#### An internal ESG performance and risk assessment tool: ESG Assessment

Gradually developed and then rolled out since 2021, the ESG Assessment has become the preferred tool for monitoring the ESG performance and associated risks of the Group's corporate clients. The ESG Assessment covers the environmental (climate and biodiversity), social (health and safety at work and impact on communities) and governance (business ethics) dimensions through numerous questions divided according to these five themes. It is supplemented by an analysis of controversies affecting clients. The assessment is a systematic ESG analysis that applies as part of the credit process, and is being rolled out in the KYC (Know Your Customer) system. Thus, like other criteria (financial, strategic), ESG criteria are taken into account in the assessment of the counterparty's credit profile. The ESG Assessment, therefore, enables BNP Paribas to deepen and document its ESG knowledge of clients. The ESG Assessment also assesses clients' compliance with the Bank's sectoral policies, as well as the maturity of their ESG strategy and its implementation.

The questionnaires developed in this context are specific to each sector in order to better integrate the challenges and issues specific to related activities. Aware that ESG issues are changing rapidly, the Group plans to adjust these questionnaires, as necessary, taking into account regulatory changes and feedback from clients and relationship managers (RMs), the RISK and CSR teams.

19 sectoral questionnaires (with several sub-sectors) were rolled out in 2023, to assess the maturity of its corporate clients in terms of ESG risks. More than 3,000 analyses of very large and large corporate clients were carried out at the end of 2023, covering almost all of our clients in these segments.

This assessment tool has been adapted for medium-sized corporate customers (companies with revenue in excess of EUR 50 million) and financial institutions, with a target of covering customers in these segments by the end of 2024.

(1) <https://group.bnpparibas/en/our-commitments/transitions/financing-and-investment-policies>.

## IMPLEMENTATION OF FINANCING AND INVESTMENT POLICIES

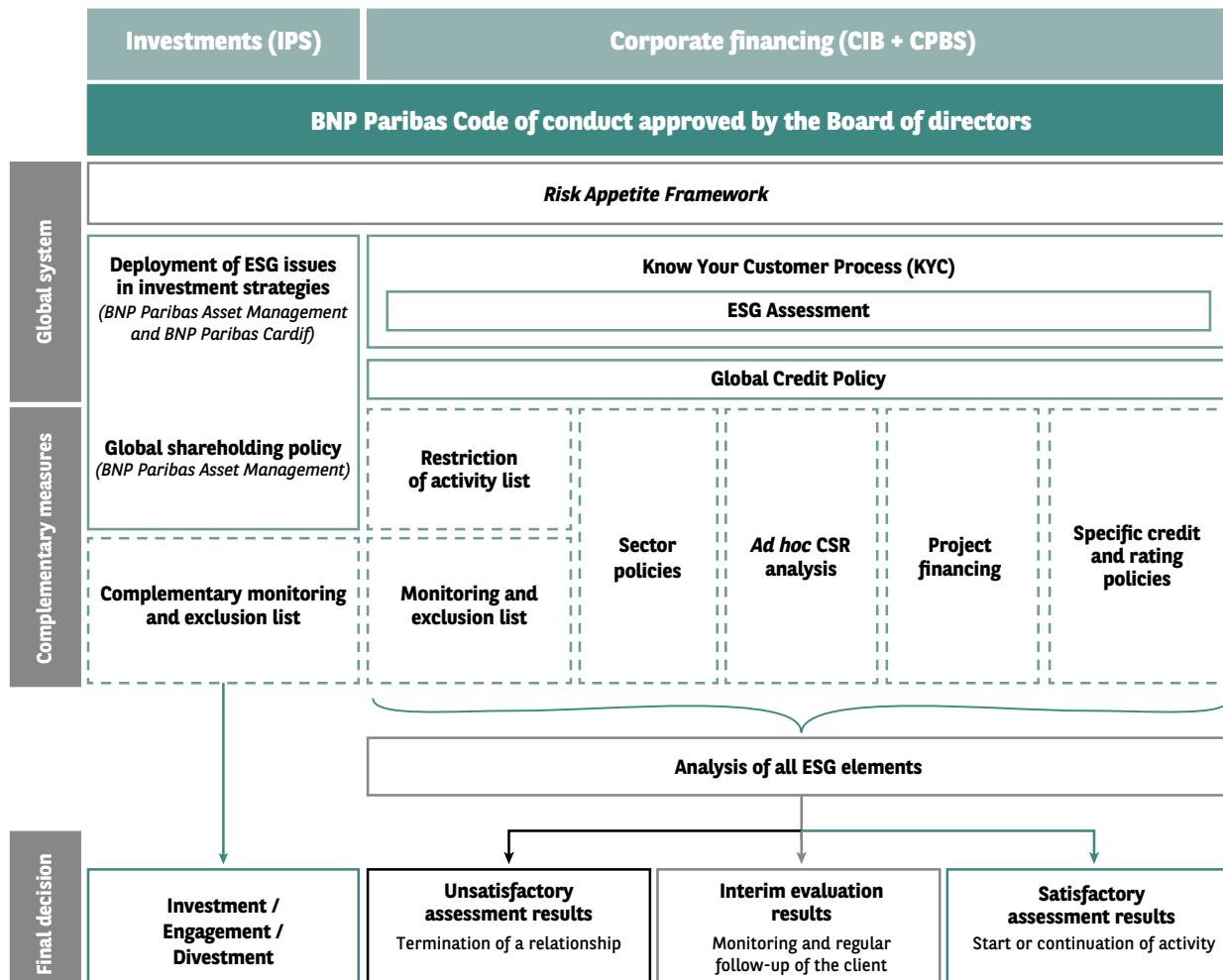
### Restriction of activity lists

In order to identify the companies presenting the highest environmental and social risks, in addition to financing and investment policies, the Group manages activity restriction lists according to the level of ESG risks observed. At end 2023, these lists included 1,718 companies, including 86 under monitoring and 1,432 under restrictions. Those under monitoring are subject to engagement measures by the Group, in order to monitor that they make lasting changes to their practices and reduce their ESG risks, and that they are aligned with the Group's policies and objectives. The Group prohibits any financing or investment with companies subject to restrictions.

BNP Paribas has also drawn up an exclusion list<sup>(1)</sup> for certain goods and activities that the Group does not wish to finance, such as tobacco, driftnets, the production of asbestos fibres, products containing PCBs (polychlorinated biphenyls), or trade in any species regulated by the CITES convention.

These lists, implemented at the level of legal entities and groups, are periodically updated using data supplied by clients and external sources, and by analysing the key controversies involving corporate clients accused of serious violations of respect for the environment or human rights. The implementation of clients' exit strategies or amounts invested is regularly monitored internally.

**The overall ESG Risk Management system is therefore evolving and can be represented as follows:**



The detail of this table appears in the Group Vigilance plan (see 7.7 Vigilance plan).

(1) [https://cdn-group.bnpparibas.com/uploads/file/bnpparibas\\_csr\\_exclusion\\_list.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnpparibas_csr_exclusion_list.pdf)

## A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

Our economic responsibility: financing the economy in an ethical manner

### Quantitative information and vision of the ESG risk portfolio according to European regulations

Information on the portfolios is published in accordance with the rules prescribed by the European Banking Authority (EBA). This information is detailed in section 5.11 *Environmental, social and governance risk* and in section 7.9 *Aligned activities within the meaning of the european taxonomy*.

### OTHER ESG RISK MANAGEMENT TOOLS

#### Integration of ESG criteria into supply chain management

The Group expects its suppliers to conduct their activities in compliance with its environmental, social and governance requirements (see *Ethics at the heart of relationship with suppliers*, Commitment 2). Within its scope of operations, the Procurement & Performance (P&P) business line applies ESG criteria at several different levels:

- at the central level, with the inclusion of a central ESG risk mapping relating to the products or services purchased. This mapping helps identify high-risk purchasing categories according to 13 issues related to ethics (corruption, data protection, etc.), environmental (pollution, biodiversity, greenhouse gases, etc.) and social issues (human rights, working conditions, discrimination, etc.);
- through ESG assessments of suppliers, carried out through onboarding processes and in the context of calls for tenders. Internal purchasing standards provide for a minimum 15% weighting of CSR criteria during calls for tenders. In France, this system was enhanced in 2023 by using information from the Ecovadis platform for the ESG assessment of suppliers.

Finally, a significant effort was also devoted to employee training (475 people worldwide trained in CSR criteria, and more than 150 in inclusive purchasing).

In total, at the end of 2023, 5,312 supplier ESG assessments had been carried out, and 1,287 suppliers had signed the Group's Sustainable Sourcing Charter<sup>(1)</sup>.

#### Integrating ESG criteria into asset management

BNP Paribas Asset Management strengthened its commitment to the Paris Agreement by signing the Net Zero Asset Manager (NZAM) initiative<sup>(2)</sup>. Its net zero roadmap covers investment activities, voting and

engagement activities, and operations and is based on 10 commitments including:

- reducing the carbon footprint of its investments;
- aligning investments with the objective of carbon neutrality;
- increasing sector-specific investments in environmental and climate solutions;
- voting in favour of climate action by corporate clients at Annual General Meetings and engaging in dialogue with corporate clients on carbon neutrality;
- reducing the operational carbon footprint.

As part of its membership of the Net Zero Asset Owner Alliance (NZAOA), BNP Paribas Cardif has made commitments that meet the four pillars identified by the alliance<sup>(3)</sup>:

- measure the alignment of investment portfolios with the Paris Agreement and reduce its carbon footprint;
- set decarbonisation targets for the sectors that emit the most greenhouse gases;
- develop investments related to the climate transition;
- talk to companies and asset managers to encourage them to implement a climate strategy consistent with the Paris Agreement.

BNP Paribas Asset Management and BNP Paribas Cardif implement their ESG strategies, which include, among other things, the application of the Group's sector policies. Thus:

- BNP Paribas Asset Management's Global Sustainability strategy, launched in 2019 and updated at the beginning of 2024<sup>(4)</sup>, details the way in which ESG issues are deployed in investment strategies. It is based on the exclusion of certain sectors, engagement and dialogue with invested companies (stewardship) as well as responsible business conduct and a long-term perspective;
- in 2023, 95% of BNP Paribas Cardif's general assets in euros in France were subject to an ESG analysis.

In order to promote best ESG practices within the companies in which the asset management company and its clients have invested, BNP Paribas Asset Management systematically exercises its voting rights as a shareholder, voting this year at 1,931 Annual General Meetings. BNP Paribas Asset Management abstained or opposed about 36% of these resolutions (33% in 2022). It supported 88% of shareholder proposals on climate change and 96% of shareholder proposals on social issues. In 2023, BNP Paribas Asset Management objected to 1,521 resolutions proposed by 271 companies due to environmental or biodiversity-related considerations. Finally, BNP Paribas Asset Management ranked second in Point of No Returns 2023<sup>(5)</sup> ShareAction on the responsible investment practices of the 77 largest asset managers in the world.

(1) Number of suppliers in the portfolio that have signed the BNP Paribas Sustainable Sourcing Charter. New indicator defined in 2023.

It is based on the number of suppliers in the priority monitoring quadrant of the supplier portfolio, i.e. the sensitive suppliers list that had signed up to the BNP Paribas Sustainable Sourcing Charter at the end of 2023.

This list is composed of "Active suppliers with a level of risk that could have a negative impact on BNP Paribas in the following categories":

- suppliers of sensitive outsourcing services;
- sensitive external suppliers;
- high-risk suppliers from a Compliance perspective;
- sensitive suppliers identified for onboarding;
- suppliers for whom a risk triggering event occurs during the contract life cycle.

(2) <https://viewpoint.bnpparibas-am.com/10-commitments-to-net-zero/>.

(3) [www.bnpparibascardif.com/en/article/-/article/net-zero-asset-owner-alliance-bnp-paribas-cardif-pursues-and-expands-its-commitments](https://www.bnpparibascardif.com/en/article/-/article/net-zero-asset-owner-alliance-bnp-paribas-cardif-pursues-and-expands-its-commitments).

(4) <https://mediaroom-fr.bnpparibas-am.com/download-pdf/659ed788fd25cc0c0b051cc6>.

(5) [https://cdn2.assets-servd.host/shareaction-api/production/resources/reports/Point-of-No>Returns\\_2023-General-Findings\\_2023-03-01-115320\\_htgw.pdf](https://cdn2.assets-servd.host/shareaction-api/production/resources/reports/Point-of-No>Returns_2023-General-Findings_2023-03-01-115320_htgw.pdf).

BNP Paribas Asset Management and BNP Paribas Cardif use collaborative dialogue (working groups or coalitions whose members cooperate to act jointly with companies) to encourage improvements in practices. For example, these two entities are members of the Climate Action 100+ Initiative<sup>(1)</sup> and, as such, regularly engage in dialogue with companies ranked among the world's top greenhouse gas emitters to improve their climate change governance and strategy. BNP Paribas Asset Management is also a founding member of Nature Action 100<sup>(2)</sup>.

### Operational control plan

In order to verify the strict application of ESG risk management tools, BNP Paribas has rolled out a CSR operational control plan which establishes a continuous improvement process. This control plan, linked to the application of sectoral policies, exclusion and monitoring lists, and questionnaires on the duty of care, is applied to the business lines and functions (see *Our systems' controls* in section 7.7 *Vigilance plan*).

## ALIGNMENT OF THE LOAN PORTFOLIO WITH THE OBJECTIVE OF A NET ZERO WORLD BY 2025

### A strong acceleration in the switch to low-carbon energy sources

In 2020, BNP Paribas announced its total exit from the thermal coal value chain by 2030 in the European Union and OECD (Organisation for Economic Cooperation and Development) countries, and by 2040 in the rest of the world. In 2023, aware of the impact of metallurgical coal on CO<sub>2</sub> emissions, the Group amended its mining policy to exclude any project financing related to its extraction.

In addition, BNP Paribas decided to massively reduce its financing to the oil and gas sector. For several years now, it no longer finances projects related to unconventional oil and gas, and oil and gas activities located in areas that are particularly sensitive in terms of biodiversity (the Arctic and the Amazon). In addition, **BNP Paribas no longer grants financing for the development of new oil or gas projects, regardless of the financing terms**, and terminates, on a scheduled basis, the financing granted to independent oil companies intended to support oil production (loans granted to companies or financing of reserve based lending), thus drastically reducing its exposure to fossil fuels.

**In 2028, at least 80% of BNP Paribas' credit exposure to energy production will be focused on low-carbon energies, and at least 90% in 2030.**  
At the end of September 2023, credit exposure to low-carbon energy represented EUR 32 billion, *i.e.* 65% of financing for energy production.

### Partnerships and loan portfolio measurement and alignment methodologies

BNP Paribas has committed to aligning its activities with the objectives of the Paris Agreement, then financing a carbon neutral world by 2050. In this context, the Group has joined various initiatives and coalitions, including the Net Zero Banking Alliance (NZBA), through which the Group has committed to applying its alignment strategy to the sectors that emit the most greenhouse gases.

In 2023, BNP Paribas published its Climate report<sup>(3)</sup> in which the stages of the loan portfolio alignment are presented in detail. In particular, this report explains what data is used, details of the calculation methodologies, including the calculation of the alignment trajectory and the strategy implemented by the Group, and specifies the methods for managing the portfolio. It also covers an update of the three sectors published in 2022 in the report Climate Analytics and Alignment<sup>(4)</sup> (power

generation, oil and gas, and automotive) as well as three new sectors: steel, aluminium and cement.

Given the relative weight of each sector in the Group's credit exposure, on average the results at the end of 2023 are in line with BNP Paribas' ambition to finance a carbon neutral economy by 2050.

### Power generation: a loan portfolio aligned with the netzero 2050 objectives

The electricity mix is representative of the Group's client base as 99% of credit exposures to electricity producer clients are taken into account in this calculation. It shows a less carbon-intensive loan portfolio, that is more oriented towards renewable energies both in 2023 and by 2025 when compared to the IEA's Net Zero 2050 scenario.

### ► ELECTRICITY MIX CALCULATED BY CAPACITY

|                     | 2020 | 2021 | 2022 | 2023 | 2025 Objectives |
|---------------------|------|------|------|------|-----------------|
| Share of renewables | 57%  | 62%  | 60%  | 65%  | > 66%           |
| Share of coal       | 10%  | 8%   | 7%   | 5%   | < 5%            |

(1) <https://www.climateaction100.org>

(2) <https://www.natureaction100.org>

(3) [https://group.bnpparibas/uploads/file/bnp\\_paribas\\_2022\\_climate\\_report.pdf](https://group.bnpparibas/uploads/file/bnp_paribas_2022_climate_report.pdf)

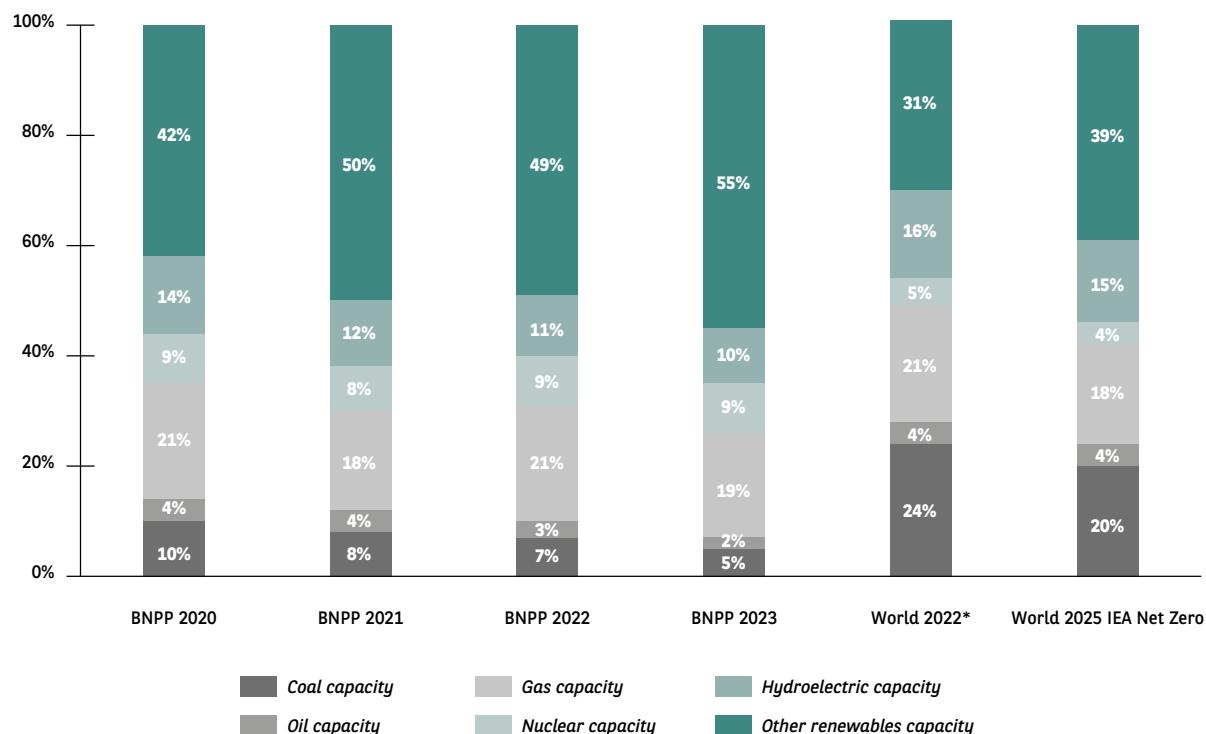
(4) [https://group.bnpparibas/uploads/file/bnpp\\_climateanalytics\\_alignmentreport\\_final.pdf](https://group.bnpparibas/uploads/file/bnpp_climateanalytics_alignmentreport_final.pdf)

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At 31 December 2023, low-carbon capacities (i.e. renewable and nuclear) increased compared to 2022 (from 69% to 74%), while coal and oil capacities were collectively down by three points (10% to 7%). This reduction is notably linked to the implementation of the Group's commitment to fully exit the coal value chain by 2030 for Europe and the OECD countries and 2040 for the rest of the world, and to our clients' investments in renewable capacity.

### ► BNP PARIBAS' ELECTRICITY MIX BY CAPACITY COMPARED TO GLOBAL ELECTRICITY MIX



\* Published in the IEA World Energy Outlook (WEO) 2023.

At 31 December 2023, the emission intensity of electricity portfolio amounted to 148 gCO<sub>2</sub>/kWh compared to 179 gCO<sub>2</sub>/kWh at 31 December 2022. This reduction is due to a decrease in the share of coal and oil in the electricity mix of our clients (these two energy sources being the highest

CO<sub>2</sub> emitters), the growth in the financing of renewable projects and the updating of client data. The CO<sub>2</sub> intensity of the portfolio at 31 December 2023 and projected in 2025 is significantly lower than the global average and the IEA's Net Zero 2050 scenario by 2025.

### ► PORTFOLIO EMISSIONS INTENSITY FOR ELECTRICITY PRODUCTION

| Emission intensity in gCO <sub>2</sub> /kWh         | 2020 | 2021 | 2022 | 2023 | 2025  |
|---|------|------|------|------|-------|
| BNP Paribas   | 208  | 182  | 179  | 148  | ≤ 146 |
| Global Average and Net Zero IEA projection for 2025 | 518  | 512  | 507  | 471  | 397   |

### The fossil fuel extraction sector

At 31 December 2023, BNP Paribas has significantly exceeded its initial 2025 targets (compared to the end of 2020) for reducing its credit exposure to oil and gas exploration and production activities.

### ► CREDIT EXPOSURE TO OIL AND GAS EXPLORATION-PRODUCTION

|   | At 31 December 2022 | At 31 December 2023 | At 31 December 2025 |
|---|---------------------|---------------------|---------------------|
| Credit exposure, oil exploration and production         | -15%                | -43%                | Target of -25%      |
| Credit exposure, oil and gas exploration and production | -12%                | -37%                | Target of -12%      |

These objectives were strengthened in January 2023 to aim for an 80% reduction in financing for oil exploration-production by the end of 2030 (compared to 30 September 2022) and a 30% reduction in gas exploration-production over the same period. The Group is on track to reach them with a total 37% drop in oil and gas credit exposure between 30 September 2022 and 31 December 2023.

► **CREDIT EXPOSURE TO OIL AND GAS EXPLORATION-PRODUCTION**

| In billions of euros                            | At<br>30 September<br>2022 | At<br>31 December<br>2022 | At<br>30 September<br>2023 | At<br>31 December<br>2023 | Change |
|---|----------------------------|---------------------------|----------------------------|---------------------------|--------|
| Credit exposure, oil exploration and production | 5.0                        | 4.4                       | 3.6                        | 3                         | -40%   |
| Credit exposure, gas exploration and production | 5.3                        | 4.6                       | 4.3                        | 3.5                       | -34%   |

The carbon intensity of the oil and gas portfolio, calculated by combining exploration-production, refining and final use, was 67 gCO<sub>2</sub>eq/MJ at the end of December 2023, a very slight improvement year-on-year (-0.4 gCO<sub>2</sub>eq/MJ).

► **LOAN PORTFOLIO EMISSIONS INTENSITY FOR OIL AND GAS**

|   | 2020 | 2022 | 2023 | 2025 Objectives |
|---|------|------|------|-----------------|
| Emissions intensity in gCO <sub>2</sub> eq/MJ | 68   | 67   | 67   | ≤ 61            |

More broadly, the transition to a low-carbon economy also relies on the development of low-carbon energy financing (see the box at the beginning of this section).

**The automotive sector**

Since 2022, BNP Paribas has calculated each year the share of electrified vehicles<sup>(1)</sup> for its portfolio and the emission intensity measured in grams of CO<sub>2</sub> per kilometre in WLTP standard<sup>(2)</sup>, focusing on "tank-to-wheel"

emissions. Financing related to this activity includes all financing dedicated to automotive manufacturers and their financing captives, for light vehicles only.

► **LOAN PORTFOLIO EMISSIONS INTENSITY FOR AUTOMOTIVE**

|   | 2020 | 2021 | 2022 | 2023 | 2025 Objectives |
|---|------|------|------|------|-----------------|
| Share of electrified vehicles                         | 4%   | 7%   | 14%  | 15%  | ≥ 25%           |
| Emissions intensity<br>in gCO <sub>2</sub> /km (WLTP) | 183  | 176  | 167  | 151  | ≤ 137           |

The share of electric vehicles continues to grow, albeit at a slower pace due to slower growth in demand, while emissions intensity is decreasing thanks to the combined effect of the increase in the rate of electric vehicles and the reduction in average emissions from internal combustion engine cars.

**The steel sector**

Since 2023, BNP Paribas has calculated the intensity of its clients' emissions in the (crude) steel sector annually for its loan portfolio, measured in tonnes of CO<sub>2</sub> per tonne of primary crude steel (made from iron ore) and secondary crude steel (made from recycled steel). The measure includes direct emissions (scope 1), energy purchases (scope 2) and purchases of

partially processed raw materials (partial scope 3) for non-fully-integrated players. The preparation of commodities and the manufacture of cast iron and steel are also taken into account in the value chain. Upstream activities (iron extraction) and downstream activities (finishing, for example) are excluded.

► **PORTFOLIO EMISSIONS INTENSITY FOR STEEL**

|   | 2022 | 2023 | 2030 Objectives |
|---|------|------|-----------------|
| Emissions intensity in tonnes of CO <sub>2</sub> per tonne of steel | 1.6  | 1.5  | ≤ 1.2           |

The results at the end of 2023 show that the BNP Paribas portfolio is in line with the target set, and the IEA's NZE 2050 scenario of 1.2 tCO<sub>2</sub>/tonne of steel by 2030.

(1) Electrified vehicles: plug-in hybrid vehicles, battery electric vehicles, vehicles equipped with fuel cells.

(2) WLTP: Worldwide Harmonized Light Vehicle Test Procedures defined by the United Nations Economic Commission for Europe.

## A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

Our economic responsibility: financing the economy in an ethical manner

### The aluminium sector

Since 2023, BNP Paribas has been calculating its clients' emission intensity in the aluminium sector annually, measured in tonnes of CO<sub>2</sub> equivalent per tonne of primary aluminium (made from bauxite). The measurement includes direct emissions (Scope 1) and emissions from

purchased (Scope 2) for the manufacture of aluminium (electrolysis). Upstream activities (bauxite extraction), alumina manufacturing and downstream activities (e.g. extrusion) are excluded.

#### ► LOAN PORTFOLIO EMISSIONS INTENSITY FOR ALUMINIUM

|  | 2022 | 2023 | 2030 Objectives |
|--|------|------|-----------------|
| Emissions intensity in tonnes of CO <sub>2</sub> eq per tonne of aluminium | 6.2  | 5.8  | ≤ 5.6           |

The results at the end of 2023 show that the BNP Paribas portfolio is in line with the defined objective and displays an intensity significantly lower than the 1.5°C 2050 scenario of the IAI<sup>(1)</sup> based on the IEA NZE 2050 scenario, with 8.9 tCO<sub>2</sub>eq/tonne of aluminium in 2030.

### The cement sector

Since 2023, BNP Paribas has been calculating its loan portfolio emissions intensity for its clients in the cement sector annually, measured in tonnes of CO<sub>2</sub> per tonne of cementitious product. The measurement includes gross direct emissions (scope 1) and purchased energy emissions (Scope 2). The gross direct emissions include emissions of alternative fuels and exclude those related to biomass. The segment of the value chain under

consideration is cement production. Upstream activities (extraction of raw materials) and downstream activities (e.g. concrete production) are excluded. Based on latest available client data, the portfolio's emission intensity at the end of 2022 was 0.64 tCO<sub>2</sub>/tonne of cementitious product, in line with the defined target. The data are available later than for the other sectors because they are taken from client's annual reports.

#### ► LOAN PORTFOLIO EMISSIONS INTENSITY FOR CEMENT

|  | 2021 | 2022 | 2030 Objectives |
|--|------|------|-----------------|
| Emissions intensity in tonnes of CO <sub>2</sub> per tonne of cementitious product | 0.67 | 0.64 | ≤ 0.51          |

### Maritime transport

BNP Paribas has measured the carbon intensity of its portfolio in the field of maritime transport for the fourth year running, according to the Poseidon Principles<sup>(2)</sup>. The new strategy of the International Maritime Organization (IMO) announced in July 2023 provides for "minimum" objectives as well as more ambitious or "striving" objectives, thus

implying two possible trajectories. At 31 December 2022, the alignment score for the maritime transport loan portfolio was:

- 3.6% above the alignment score according to the initial trajectory (before revision in 2023);
- 27.2% above the IMO Minimum Trajectory;
- 32% above the IMO Striving Trajectory.

(1) IAI: International Aluminium Institute.

(2) <https://www.poseidonprinciples.org/finance/>.

## 7.3 Our social responsibility: supporting our employees by offering them an environment and pathways adapted to their expectations

As part of the *Growth, Technology, Sustainability* 2025 (GTS) strategic plan presented by the Group in February 2022, which places people at the heart of its priorities, in 2023 Human Resources continued to implement the ambitions of the *People Strategy* within the Group's business lines and functions, around three pillars: **Ethics and Inclusion, Employee Experience, and Human Capital**.

Faced with the current major societal, environmental and technological challenges, BNP Paribas has a greater responsibility than ever to support its clients in their transitions towards solutions that are both sustainable and practical. Meeting these challenges requires the commitment of all employees in all of the Group's business lines and functions.

To this end, the Human Resources function plays a key role in rolling out people-focused ambitions.

The Group Human Resources Director leads the Company's social responsibility towards its employees, in particular in terms of:

- working conditions (health and safety at work, organisation of work, social dialogue and collective agreements, freedom of association, social protection and work-life balance);
- fair treatment and opportunity for all (equal treatment, fair and equitable compensation, diversity and inclusion, training and skills development, anti-harassment and discrimination);
- respect for labour rights.

She is a member of the Group Executive Committee. She reports regularly on the *People Strategy* and its implementation to the Governance, Ethics, Nominations and CSR Committee (CGEN) and the Board of directors. She also sits on the Board of directors' Remuneration Committee.

With more than 4,000 employees worldwide, the Human Resources function uses its structure and governance (including the bimonthly Executive Committee meeting with the Group managers of the function and the HR managers of the main business lines and territories) to disseminate and deploy its *People Strategy*, while listening to employees and partnering with the business lines in order to ensure that their own strategy is implemented. The People Strategy continues to be deployed in line with the objectives set for 2025.

In 2023, against a complex economic and geopolitical backdrop, the Group continued its actions to:

- protect its employees by providing assistance wherever they may need it (Ukraine, Türkiye, Morocco, Middle East), and by deploying its prevention, health and well-being at work offer throughout the world through the *We Care* programme;
- widely promote its diversity and inclusion policy in all its areas, particularly during its *Inclusion Days*, which provided an opportunity to raise employee awareness on equal opportunities, prejudice, disability and financial inclusion, and measure employees' perception of these issues as part of the general *Conduct & Inclusion* survey re-run in 2023;
- reach the ambitious target in terms of gender equality of 37% women in senior management<sup>(1)</sup> in 2023;
- develop the skills of its employees, particularly in IT, Data, Digital, and Sustainable Finance jobs, while offering them career development opportunities within the Group notably during the *Career Days*.

This enabled the Group to be recognised as Top Employer Europe in 2023 for the tenth year running. In addition, employees themselves helped to promote the Group as an employer during the #UnexpectedJobs campaign. BNP Paribas continues to rank first in the banking and insurance sector in France, according to the 2023 Ranking of preferred companies for students and young graduates produced by Epoka/Harris Interactive.

BNP Paribas' actions in terms of social responsibility are also recognised by extra-financial rating agencies (see chapter 7.1 *Strategy*).

Finally, since 2022, BNP Paribas renewed its "Diversity" and "Professional equality" labels brought together under an "Alliance" label awarded in France by Afnor (*Association Française de Normalisation* – French standardisation organisation). The Group is the first and only bank in France to have obtained this double label for the past four years, demonstrating its long-term commitment to gender equality and the fight against discrimination.

(1) The Group's Senior Management Position (SMP) population is composed of employees holding approximately 3,000 positions considered to have the most significant impact from a strategic, commercial, functional and expertise point of view.

## OUR EMPLOYEES AROUND THE WORLD

### ► CHANGES IN GROUP WORKFORCE

|  | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2022     | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2023     | Change 2023/2022 |
|--|--------------------|----------------------|----------------|--------------------|----------------------|----------------|------------------|
| <b>Workforce (physical headcounts)</b>         | <b>94,678</b>      | <b>102,422</b>       | <b>197,157</b> | <b>90,873</b>      | <b>95,289</b>        | <b>186,162</b> | <b>-6%</b>       |
| Of which PTC <sup>(2)</sup>                    | 92,710             | 99,331               | 192,096        | 89,146             | 92,653               | 181,799        | -5%              |
| Of which FTC <sup>(3)</sup>                    | 1,968              | 3,091                | 5,061          | 1,727              | 2,636                | 4,363          | -14%             |
| <b>Workforce (FTE)<sup>(4)</sup></b>           | <b>93,969</b>      | <b>99,090</b>        | <b>193,122</b> | <b>90,241</b>      | <b>92,415</b>        | <b>182,656</b> | <b>-5%</b>       |
| Of which PTC <sup>(2)</sup>                    | 92,037             | 96,047               | 188,144        | 88,541             | 89,820               | 178,360        | -5%              |
| Of which FTC <sup>(3)</sup>                    | 1,933              | 3,043                | 4,977          | 1,700              | 2,596                | 4,296          | -14%             |
| <b>Workforce (financial FTE)<sup>(5)</sup></b> | <b>91,090</b>      | <b>94,195</b>        | <b>185,467</b> | <b>87,624</b>      | <b>87,755</b>        | <b>175,498</b> | <b>-5%</b>       |

(1) This breakdown takes into account employees whose gender has been completed in the HR tools.

(2) Permanent-term contract.

(3) Fixed-term contract.

(4) Full-time equivalent workforce of entities for which the Group holds an HR management mandate: workforce pro-rated to their contractual working time, with all figures rounded to the nearest whole number.

(5) Full-time equivalent workforce of fully consolidated entities (see chapter 8 Income statement items and workforce by country).

At the end of 2023, the Group was established in 63<sup>(1)</sup> countries (65 countries in 2022). The 5.4% decrease in workforce (in FTE) compared to 2022 is mainly due to the sales of Bank of the West in the United States, the BNP Paribas Personal Finance business line in Bulgaria and the Europe-Mediterranean entities in Ivory Coast and Senegal. The workforce remains stable on a like-for-like basis (-0.1% compared to 2022).

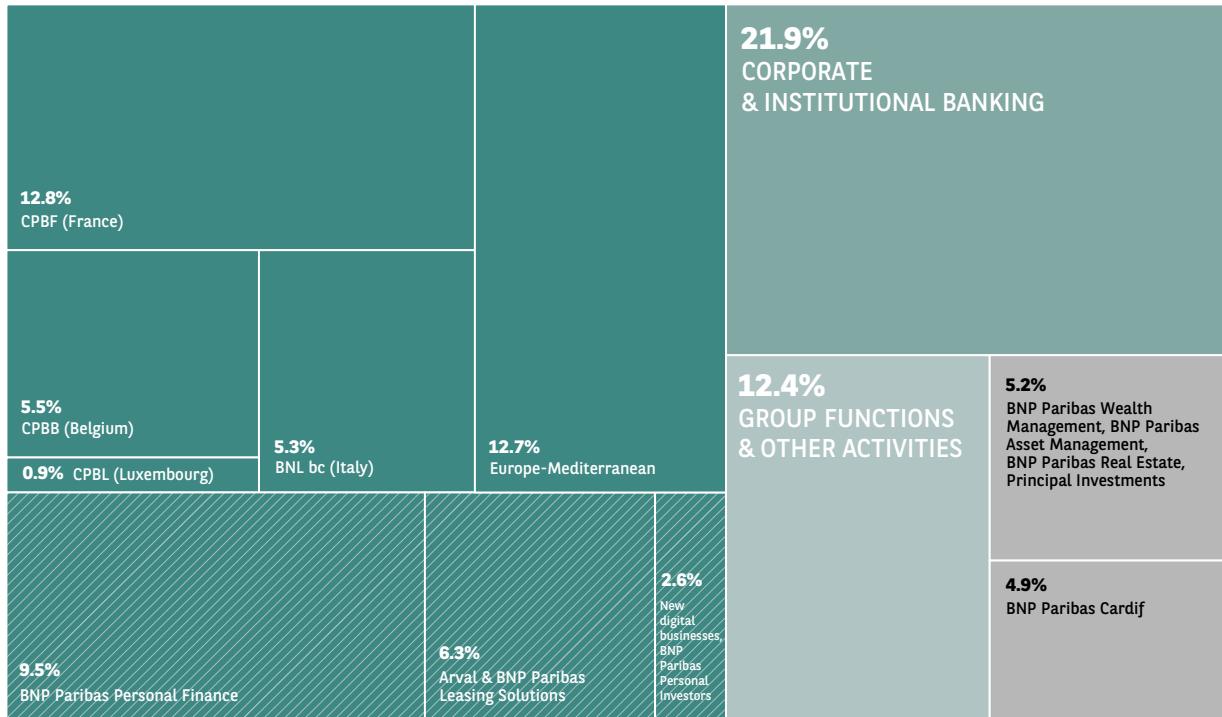
### ► WORKFORCE IN FTE BY GEOGRAPHICAL AREA AND GENDER AT 31/12/2023

|                                     | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2022     | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2023     |
|-------------------------------------|--------------------|----------------------|----------------|--------------------|----------------------|----------------|
| France                              | 25,600             | 30,536               | 56,136         | 25,596             | 30,114               | 55,710         |
| Italy                               | 8,104              | 7,998                | 16,102         | 8,008              | 7,923                | 15,931         |
| Belgium                             | 6,437              | 6,410                | 12,847         | 6,363              | 6,369                | 12,732         |
| Luxembourg                          | 1,905              | 1,668                | 3,573          | 1,881              | 1,671                | 3,552          |
| <b>Total domestic markets</b>       | <b>42,047</b>      | <b>46,612</b>        | <b>88,659</b>  | <b>41,849</b>      | <b>46,076</b>        | <b>87,924</b>  |
| Europe (excluding domestic markets) | 27,215             | 31,274               | 58,490         | 27,516             | 30,610               | 58,127         |
| <b>Total Europe</b>                 | <b>69,261</b>      | <b>77,886</b>        | <b>147,149</b> | <b>69,365</b>      | <b>76,686</b>        | <b>146,051</b> |
| Asia-Pacific                        | 12,263             | 7,960                | 20,263         | 12,894             | 8,454                | 21,348         |
| Africa                              | 2,892              | 4,053                | 6,952          | 2,272              | 3,388                | 5,661          |
| North America                       | 6,728              | 6,859                | 13,598         | 3,104              | 1,742                | 4,846          |
| South America                       | 2,500              | 2,153                | 4,656          | 2,281              | 1,982                | 4,263          |
| Middle East                         | 325                | 179                  | 504            | 325                | 163                  | 488            |
| <b>Rest of the world</b>            | <b>24,708</b>      | <b>21,203</b>        | <b>45,973</b>  | <b>20,876</b>      | <b>15,729</b>        | <b>36,605</b>  |
| <b>TOTAL</b>                        | <b>93,969</b>      | <b>99,090</b>        | <b>193,122</b> | <b>90,241</b>      | <b>92,415</b>        | <b>182,656</b> |

(1) This breakdown takes into account employees whose gender has been completed in the HR tools.

(1) The Group left Senegal and Ivory Coast.

► WORKFORCE IN FTE BY BUSINESS LINE AT 31/12/2023



**55.6% CPBS<sup>(1)</sup>**

**10.1% IPS<sup>(2)</sup>**

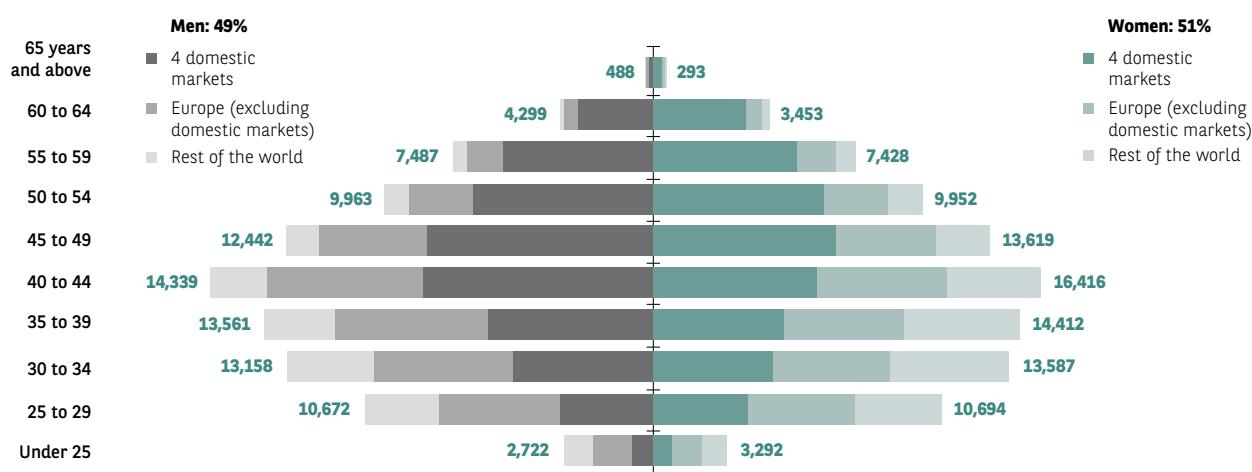
■ COMMERCIAL & PERSONAL BANKING (37.2%)

■ SPECIALISED BUSINESSES (18.4%)

(1) CPBS: Commercial, Personal Banking & Services.

(2) IPS: Investment & Protection Services.

► WORKFORCE (PHYSICAL HEADCOUNTS) BY AGE, GENDER AND GEOGRAPHICAL AREA AT 31/12/2023



This breakdown takes into account 98% of the Group workforce (permanent + fixed-term contracts) whose age and gender are completed in the HR tools and which is composed of a total of 186,162 employees in physical headcounts.

In 2023, the overall average age is 41.8 years (41.7 in 2022): 42 years for men and 41.7 years for women. In 2023, the average seniority in the Group is 12.1 years (11.7 in 2022): 11.4 years for men and 12.6 years for women.

## A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

Our social responsibility: supporting our employees by offering them an environment and pathways adapted to their expectations

### ► PART-TIME WORKFORCE (PHYSICAL HEADCOUNTS) BY GENDER

|                                      | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2022    | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2023    |
|--------------------------------------|--------------------|----------------------|---------------|--------------------|----------------------|---------------|
| <b>Number of part-time employees</b> | <b>1,950</b>       | <b>13,017</b>        | <b>14,970</b> | <b>1,748</b>       | <b>11,366</b>        | <b>13,114</b> |
| Of which part-time at 80% or more    | 1,222              | 8,803                | 10,026        | 1,194              | 7,892                | 9,086         |
| % by gender of part-time employees   | 13%                | 87%                  |               | 13%                | 87%                  |               |

(1) Physical workforce taking into account 98% of the Group's workforce, for which the gender and part-time status have been completed in the HR tools.

In 2023, 13,114 employees worked part-time, representing 7% of the Group's workforce (8% in 2022). 69% of them work part-time at 80% or more (67% in 2022). Globally, 2% of men and 12% of women work part-time.

### Changes in workforce

### ► RECRUITMENTS (PERMANENT CONTRACTS) BY GENDER AND GEOGRAPHICAL AREA

|                                     | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2022    | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2023                  |
|-------------------------------------|--------------------|----------------------|---------------|--------------------|----------------------|-----------------------------|
| France                              | 2,724              | 2,624                | 5,348         | 2,196              | 1,930                | 4,126                       |
| Domestic markets (excluding France) | 1,193              | 872                  | 2,065         | 928                | 765                  | 1,693                       |
| Europe (excluding domestic markets) | 4,942              | 5,280                | 10,223        | 4,000              | 4,697                | 8,698                       |
| Rest of the world                   | 6,169              | 4,969                | 11,256        | 3,600              | 2,727                | 6,327                       |
| <b>TOTAL</b>                        | <b>15,028</b>      | <b>13,745</b>        | <b>28,892</b> | <b>10,724</b>      | <b>10,119</b>        | <b>20,844<sup>(2)</sup></b> |

(1) This breakdown (in physical headcounts) takes into account employees whose gender has been completed in the HR tools.

(2) Recruitments (permanent contracts) in FTE: 20,774.

In 2023, the Group recruited 20,844 employees on permanent contracts worldwide (-27.9% compared to 2022, stable compared to 2021), including 4,126 in France. With 70% of the hires in Europe (61% in 2022), BNP Paribas reaffirms its status as a leading European bank. For the sixth year running, France is the leading recruiting country with 19.8% of the total, followed by India (15.7%), Portugal (9.1%), Türkiye (8.7%) and United Kingdom (5.3%).

### ► DEPARTURES (PERMANENT CONTRACTS) BY GENDER AND REASON

|  | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2022    | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2023                  |
|--|--------------------|----------------------|---------------|--------------------|----------------------|-----------------------------|
| Retirement/early retirement                      | 902                | 943                  | 1,845         | 1,114              | 1,182                | 2,296                       |
| Resignation                                      | 8,741              | 7,797                | 16,549        | 5,588              | 5,093                | 10,681                      |
| Dismissals                                       | 773                | 791                  | 1,564         | 715                | 627                  | 1,342                       |
| Mutually agreed departures                       | 651                | 1,083                | 1,734         | 500                | 821                  | 1,321                       |
| Assisted departure plans                         | 314                | 433                  | 747           | 265                | 265                  | 530                         |
| Other ends of permanent contracts <sup>(2)</sup> | 1,592              | 1,433                | 3,028         | 1,728              | 1,633                | 3,402                       |
| <b>TOTAL</b>                                     | <b>12,973</b>      | <b>12,480</b>        | <b>25,467</b> | <b>9,910</b>       | <b>9,621</b>         | <b>19,572<sup>(3)</sup></b> |

(1) This breakdown (in physical headcounts) takes into account employees whose gender has been completed in the HR tools.

(2) Of which end of trial period, death, unspecified.

(3) Departures from permanent contracts in FTE: 19,291.

The fall in departures in 2023 (-23%) is mainly due to a general decrease in resignations, particularly in India, slightly offset by an increase in retirement mainly in Türkiye due to a change in local legislation. Of the 19,572 departures in 2023, more than 5,600 were in the domestic markets (6,700 in 2022), including more than 3,800 in France (nearly 4,500 in 2022), more than 8,300 in the rest of Europe (9,000 in 2022) and more than 5,600 in the rest of the world (nearly 9,700 in 2022).

► **DEPARTURE RATE BY GENDER**

|   | Men   | Women | Total 2022 | Men   | Women | Total 2023 |
|---|-------|-------|------------|-------|-------|------------|
| Departure rate (physical headcounts) <sup>(1)</sup> | 13.7% | 12.1% | 12.9%      | 11.1% | 10.3% | 10.7%      |
| Departure rate (FTE)                                | 13.7% | 12.3% | 13.0%      | 11.1% | 10.4% | 10.8%      |
| Voluntary departure rate (FTE) <sup>(2)</sup>       | 9.8%  | 8.6%  | 9.2%       | 6.8%  | 6.4%  | 6.6%       |
| France  | 5.1%  | 4.0%  | 4.5%       | 3.7%  | 2.6%  | 3.1%       |
| Domestic markets (excluding France)                 | 4.3%  | 3.6%  | 3.9%       | 4.1%  | 2.9%  | 3.5%       |
| Europe (excluding domestic markets)                 | 10.9% | 12.1% | 11.5%      | 8.1%  | 10.0% | 9.1%       |
| Rest of the world                                   | 18.8% | 16.3% | 17.7%      | 11.2% | 10.9% | 11.1%      |

(1) Departure rate, based on permanent contracts: (Number of departures in year N)/(Average number of employees in year N).

(2) Voluntary departure rate, based on permanent contracts: (Number of resignations in year N + Number of mutually agreed departures in year N)/(Average number of employees in year N).

The fall in the departure rate, calculated on a like-for-like basis, is mainly due to the decrease in voluntary departures, particularly in India.

► **INTERNAL MOBILITIES BY GENDER AND GEOGRAPHICAL AREA<sup>(1)</sup>**

|                                     | Men <sup>(2)</sup> | Women <sup>(2)</sup> | Total 2022    | Men <sup>(2)</sup> | Women <sup>(2)</sup> | Total 2023    |
|-------------------------------------|--------------------|----------------------|---------------|--------------------|----------------------|---------------|
| France                              | 4,275              | 6,177                | 10,452        | 3,538              | 4,736                | 8,274         |
| Domestic markets (excluding France) | 2,207              | 2,217                | 4,424         | 2,738              | 2,417                | 5,155         |
| Europe (excluding domestic markets) | 2,778              | 3,135                | 5,913         | 2,627              | 2,902                | 5,529         |
| Rest of the world                   | 2,232              | 1,890                | 4,122         | 1,860              | 1,423                | 3,283         |
| <b>TOTAL</b>                        | <b>11,492</b>      | <b>13,419</b>        | <b>24,911</b> | <b>10,763</b>      | <b>11,478</b>        | <b>22,241</b> |

(1) Changes in the assignment and/or standard position of employees on permanent contracts. Changes related to reorganisations are not considered as mobilities.

(2) This breakdown (in physical headcounts) takes into account employees whose gender has been completed in the HR tools.

**Absenteeism**

The Group's absenteeism rate<sup>(1)</sup> is calculated for 61 countries<sup>(2)</sup> and includes illness, work-related accidents and occupational illness, excluding commuting accidents and other authorised absences.

|                                     | 2022                      |  | 2023                      |  |
|-------------------------------------|---------------------------|--|---------------------------|--|
|                                     | Absenteeism rate          | Maternity, Paternity, Adoption, Parental leave | Absenteeism rate          | Maternity, Paternity, Adoption, Parental leave |
| France                              | 5.0%                      | 1.9%   | 4.6%                      | 1.6%   |
| Domestic markets (excluding France) | 5.5%                      | 1.3%   | 4.9%                      | 1.3%   |
| Europe (excluding domestic markets) | 2.7%                      | 3.8%   | 2.6%                      | 3.2%   |
| Rest of the world                   | 1.4%                      | 1.2%   | 1.1%                      | 1.3%   |
| <b>TOTAL</b>                        | <b>3.6%<sup>(1)</sup></b> | <b>2.2%</b>                                    | <b>3.4%<sup>(1)</sup></b> | <b>2.0%</b>                                    |

(1) 99% of the absenteeism rate is related to illness in 2022 and 2023.

(1) The absenteeism rate is based on the number of days of absence (paid and unpaid) calculated according to the local method used by each entity. The days of absence, all reported on a number of calendar days, are consolidated on a Group common basis, and the calculated rate depends on the average number of employees (paid and unpaid).

(2) The Group HR teams manage a social reporting process with entities in 61 countries (the "Social Reporting Entities") to collect data not available in the information systems, representing 93% of the workforce in FTE managed at 31/12/2023, hereinafter referred to as the "Social Reporting Workforce".

## Work-related accidents

|                                     | 2022         |            |                            | 2023         |            |                            |
|-------------------------------------|--------------|------------|----------------------------|--------------|------------|----------------------------|
|                                     | Work-related | Commuting  | Total                      | Work-related | Commuting  | Total                      |
| France                              | 251          | 333        | 584                        | 266          | 311        | 577                        |
| Domestic markets (excluding France) | 150          | 175        | 325                        | 70           | 198        | 268                        |
| Europe (excluding domestic markets) | 112          | 102        | 214                        | 158          | 134        | 292                        |
| Rest of the world                   | 85           | 56         | 141                        | 70           | 63         | 133                        |
| <b>TOTAL</b>                        | <b>598</b>   | <b>666</b> | <b>1,264<sup>(1)</sup></b> | <b>564</b>   | <b>706</b> | <b>1,270<sup>(1)</sup></b> |

(1) Including one fatal accident in 2022 and three fatal accidents in 2023.

The frequency rate<sup>(1)</sup> for work-related accidents amounts to 1.07 and increases to 2.41 if commuting accidents are added (2.3 in 2022). The severity rate<sup>(2)</sup> is 0.05 excluding commuting accidents, and 0.09 if days lost due to commuting accidents are added (0.08 in 2022).

## COMMITMENT 4: PROMOTION OF DIVERSITY, EQUALITY AND INCLUSION

Commitment 4 is at the heart of the "Ethics and Inclusion" pillar of the *People Strategy*, the purpose of which is to ensure that our teams are united around a shared culture of ethics and inclusion, and to encourage respect, non-discrimination and exemplarity in our actions. This commitment is monitored through various channels, of which the **Group CSR dashboard indicator which is the share of women in Senior Management Positions** (see 7.1 *Strategy*).

### A SOLID FRAMEWORK, A MULTI-ACTOR COMMITMENT

#### Effective and cross-functional Diversity & Inclusion governance with a constant commitment of Executive Management

The Group Head of Diversity, Equality and Inclusion reports to the Group Head of Human Resources, and is a member of the HR Executive Committee and of the Executive Committee for Company Engagement. The Global Diversity and Inclusion Committee is made up of 40 members from throughout the Group. It meets twice a year and is rolled out at the country, business line and function levels. In 2023, this community was extended to Nickel and the Consulting & Transformation function.

Promoting diversity and inclusion also requires the mobilisation and active support of Executive Management. The personal commitment of the Group Chief Executive Officer is also regularly recognised with regard to the gender balance in jobs, the greater representation of women on governing bodies, and the inclusion of LGBT+ people (Lesbian, Gay, Bisexual and Transgender).

#### An inclusive framework, all over the world

Since the signature of the first Diversity Agreement within BNP Paribas SA in 2004, the mechanisms have been enhanced with each renegotiation to cover all stages of employees' career paths.

After coming into force on 1 October 2020 for four years, the 5<sup>th</sup> Diversity and Inclusion Agreement within BNP Paribas SA in France remains valid.

The Group's companies in France take the same proactive approach to defining initiatives to promote diversity as part of social dialogue. Agreements have been signed in this area: professional gender equality, integration and job retention of employees with disabilities, employment of seniors, and the situation of employees holding employee representative mandates in the context of negotiations on trade union rights. This negotiated approach is periodically renewed in order to track progress, as well as updating and setting new quantified targets.

The 2014 European Agreement on gender equality includes all the key elements of the Group's policy in this area.

These agreements are supplemented by the signing of numerous commitments such as the United Nations Women's Empowerment Principles (WEP) (2011), the charter of the International Labour Organization and Disability Network (2016) and the United Nations LGBT Standards (2017).

(1) The frequency rate corresponds to the number of accidents per one million hours.

(2) The severity rate corresponds to the number of days lost per 1,000 hours.

## **Diverse and active employee networks, constantly growing and promoting social well-being**

Internal employee networks offering a space for cross-functional (multi-entity, multi-country, *etc.*) and informal discussions are key players in promoting diversity, inclusion and social well-being. They are both a source of information and a source of innovation. They are continuing to grow and develop synergies. For the past three years, a "World Networks Day" has been held during the *Inclusion Days* (see below).

Thousands of employees took part in events organised throughout 2023 in 32 countries<sup>(1)</sup> around themes as varied as gender equality, sexual orientation, generational inclusion, parenting, ethnocultural origins and disability. In addition, the Group's web of networks continues to expand: in 2023, the Pride Poland network was created, marking the presence of Pride in more than 30 countries across the Group, and Mixcity networks were created in the Nordic countries, Colombia and Morocco, increasing the number of Mixcity networks to 27.

## **PROMOTING AN INCLUSIVE CULTURE**

### **Training and developing**

All entities<sup>(1)</sup> offer training and awareness-raising actions on the fight against discrimination and the promotion of diversity and inclusion. Some countries and entities systematically include diversity awareness modules in their manager training courses, such as at CPBF, BNP Paribas Fortis, CIB Asia-Pacific and the Group IT function. In addition, the HR teams deploy specific training to the teams responsible for recruitment and to hiring managers.

Moreover, several inclusive personal development and leadership programmes focus on women's career paths<sup>(2)</sup>.

Three markers show that all employees are concerned by inclusion:

- in order to raise awareness among all Group employees, mandatory *Conduct Journey* training was enhanced in 2023 through a module entitled "Diversity, Equality & Inclusion" dedicated to non-discrimination, addressing unconscious bias and stereotypes through practical cases of situations that may affect colleagues or candidates during the recruitment process. The Group provides awareness-raising programmes on stereotypes and unconscious bias for 96% of employees<sup>(1)</sup> in the Group;
- as a result of the Group's work on promoting inclusion culture, more than 3,000 employees (*i.e.* three times more than in 2022) spontaneously checked the "Diversity, Equity & Inclusion" skill in their *About Me* profile, which is included in the Group skills catalogue;

- as a responsible employer, since 2014, BNP Paribas has been using the structured interview method, which is a more objective and reliable recruitment method. All French recruitment teams and managers are also trained on bias and stereotypes.

### **Communicating and raising awareness among employees and managers**

Awareness-raising campaigns are continuing and are based on a wide range of formats (interactive conferences, round tables, podcasts and screenings) in order to attract more employees either face-to-face, online, or through replays.

In 2023, Diversity and Inclusion Week was reinvented to become *Inclusion Days*. For more than two weeks, the HR Diversity, Volunteering, BNP Paribas Foundation, Engagement teams and employee networks highlighted the following themes: gender equality, prejudices & stereotypes, role models, equal opportunities, mentoring, disability and financial inclusion.

The first edition of this new format in around 30 countries, including France, was a great success with more than 200 solidarity events and actions organised, bringing together nearly 17,000 employees.

Four new episodes were added to the "In My Shoes" podcast series on the theme of Diversity and Inclusion, which has now been listened to more than 22,500 times.

### **The *Conduct & Inclusion 2023* survey: maintaining broad employee support for the Group's Diversity & Inclusion policy**

After an initial survey conducted in 2021, the 2023 edition of this consultation with all Group employees remains very positive, with stable results and an overall favourable opinion rate of 83% on the Inclusion component of the survey. Employees were keen to get involved with this second edition: out of the 175,000 employees surveyed<sup>(3)</sup>, more than 90,000 responded, *i.e.* a participation rate of 52% (compared to 43% in 2021). More than 60,000 *verbatim* statements were collected, including more than 25,000 on the Inclusion component.

Two factors show that inclusion is now fully embedded into the Group's culture:

- 87% of respondents agreed with "being able to be yourself at work without worrying about how you will be accepted";
- the vast majority of respondents state that they represent one or more diversity groups, and they are the most positive about the actions carried out by the Group. This option offered to respondents is considered an innovative practice in France and in several countries.

On the Conduct component, the results show a high level of employee approval of the values and behaviours defined in the Code of conduct. In addition, 93% of respondents state that they have "a good knowledge" of the channels which they can use to report alerts.

(1) Of the social reporting campaign.

(2) For example: "She Leads" (Portugal), "Women Leadership Program" (Canada and Switzerland), "Women Up" (Poland), "Mentoring Program" (BNP Paribas Fortis), "ALL Equal" (BNP Paribas Cardif), "Boost Her Career" (CPBF), "Women's Impact Programme" (Germany) and "Women in Action" (Arval).

(3) Employees on permanent contracts for more than three months.

The main lessons of this survey were shared with the Governance, Ethics, Nominations and CSR Committee (CGEN), and the results will be subject to an in-depth analysis, in order to adapt action plans locally if needed.

## OUTSTANDING ACTIONS IN THE AREA OF PROFESSIONAL EQUALITY

### Gender equality targets at all levels: strong ambitions for 2025

The Group has set itself ambitious gender equality targets: by 2025, 40% women on the Group Executive Committee (ExCo), G100<sup>(1)</sup>, Leaders for Change<sup>(2)</sup> and Senior Management Positions<sup>(3)</sup> (SMP), as well as 50% women among the Leaders for Tomorrow ("Talents<sup>(4)</sup>").

Significant progress has already been noted in 2023. By way of illustration, among the 92 members of the G100, the Group has 35 women in management positions in the Group's strategic business lines such as CPBF in France, BNL in Italy, BNP Paribas Cardif, BNP Paribas Personal Finance, BNP Paribas Leasing Solutions, in country management (Spain, United Kingdom, Switzerland, Canada, Australia) and in the Executive Management of BGL BNP Paribas in Luxembourg. Women are also Heads of the Human Resources, Compliance, CSR and Communication Departments. Six women are also members of the Group Executive Committee.

In 2023, the ambitious level of 37% women in Senior Management Positions was achieved thanks to the actions of Executive Committee members and the active involvement of HR teams through eight cross-functional projects<sup>(5)</sup>.

In addition, nearly 40% of the Group's managers are women, and around one-third of managers of managers (middle management) are women.

### ➤ PERCENTAGE OF WOMEN AT ALL LEVELS OF THE ORGANISATION

|                                    | 31/12/2022  | 31/12/2023  | 2025 Objectives |
|------------------------------------|---|---|-----------------|
| Board of directors                 | 8 women out of 15 members, including one elected by employees and one representing employee shareholders <sup>(1)</sup> | 6 women out of 13 members, including one elected by employees and one representing employee shareholders <sup>(1)</sup> |                 |
| Executive Committee                | 33% (6/18)  | 33% (6/18)  | 40%             |
| G100                               | 37%   | 38%   | 40%             |
| Leadership for Change (Top 500)    | 32%   | 34%   | 40%             |
| <b>Senior Management Positions</b> | <b>35%<sup>(2)</sup></b>  | <b>37%<sup>(2)</sup></b>  | <b>40%</b>      |
| Talents – Leaders for Tomorrow     | 50%   | 52%   | 50%             |
| Top                                | 46%   | 51%   | 50%             |
| Advanced                           | 48%   | 50%   | 50%             |
| Emerging                           | 52%   | 53%   | 50%             |

(1) 50% in 2022 and 40% in 2023 according to the rules of the Copé-Zimmermann law. This ratio is calculated by excluding the three directors representing the employees or the employee shareholders. This information complies with the requirements of article L.22-10-10 2° of the French Commercial Code relating to the balanced representation of women and men on the committee established, where appropriate, by Executive Management to assist it regularly in the performance of its general duties and on the results in terms of gender diversity in the top 10% of positions with the highest responsibilities.

(2) Indicator monitored in the Group's CSR dashboard.

(1) The G100 represents around a hundred people, corporate officers and senior managers holding key responsibilities within the Group. The members of the G100 include, among others, the Heads of the operating divisions, of the major business lines, of Commercial Banking networks, of Group Functions, of geographical areas and of strategic countries in which the Group is present.

(2) The Leaders for Change (Lfc) population is composed of the members of the main Group-level cross-functional Executive Committees considered as making a major contribution to its operations and its development.

(3) This rate is calculated based on the number of women holding SMP positions as a proportion of the total number of SMP positions filled at 31/12/2023 (based on 100% of the Group's SMP workforce).

(4) The Leaders for Tomorrow (Lft) programme includes women and men who have a unique combination of skills, experiences, motivations and personal attributes ("Leadership Profile"), which the Group considers necessary to drive transformation in the future.

(5) In particular, a quarterly dashboard shared within the Group Executive Committee and awareness-raising actions dedicated to managers of SMP: "Being an inclusive leader".

In France, the "Rixain" law of 24 December 2021 includes several measures to improve gender equality in companies, by requiring gender-balanced representation among senior managers and members of the governing bodies of large companies. The objectives set by law are to be achieved gradually: 30% by 1 March 2026 and 40% by 1 March 2029. BNP Paribas SA published the following overview<sup>(1)</sup> of women and men for 2023:

- population of senior executives corresponding to BNP Paribas SA's G100: 43% women and 57% men;
- members of the governing bodies corresponding to the BNP Paribas Group Executive Committee: 33% women and 67% men.

### **New Group commitments as part of the Generation Equality Forum**

In order to accelerate this movement towards gender balance at all levels of the company, BNP Paribas is continuing and expanding its actions by partnering with the Generation Equality Forum, the global assembly for gender equality, organised by UN Women.

Since 2021, by becoming a member of the two coalitions below, by 2026, the Group has committed to the following:

- "gender-based violence": to develop, strengthen and internationalise its actions and systems for its employees who are victims, to work alongside the members of the OneInThreeWomen network to convince at least 50 private sector organisations to get involved and better support their customers who are victims of economic abuse, in particular by raising awareness among its advisors and building on its Nickel services;
- "technology and innovation for gender equality": to be among the champions in the recruitment and percentage of women in IT professions, to help associations supporting women in technology and innovation and to continue its financial commitment and advocacy for the Agrifed programme<sup>(2)</sup>.

### **Developing and spotlighting women's career paths**

In line with the GTS 2025 plan and in accordance with the Group's desire to promote the career paths of women, BNP Paribas is committed to gender diversity in structurally unbalanced business lines, particularly in terms of recruitment and retention.

With regard to capital markets activities within Corporate and Investment Banking, the action plan focuses on pre-recruitment and recruitment, on specific groups and their succession, and on development programmes.

With regard to the IT business lines, the Group aims to be among the champions in recruitment and boosting the percentage of women in this sector. Since 2020, the Group has continued to develop its global diversity programme for IT professions, entitled Women in IT.

The ambition of Women in IT is based on the following quantitative objectives for 2025 within the Group IT function: to achieve 32% women, through hires and departures of women in these roles, and to achieve 50% women in LfT populations.

2023 was marked by new actions, with:

- increased action by IT Departments and the appointment of operational points of contact within the activity;
- the continuation and expansion of training programmes and reskilling developed by the Group for women (see *A learning company supporting dynamic career path management*, Commitment 6);
- close links with the Women & Girls in Tech initiative, to strengthen ties and the presence of women in all Tech business lines and proactive sourcing actions to broaden the female recruitment pool;
- the effective implementation of partnerships with eight associations benefiting from the budget of EUR 1.1 million over three years.

Thus, at the end of 2023, the Group's IT function has nearly 30.3% women.

A pioneer among CAC 40 companies and the financial sector by signing the #JamaisSansElles Charter in 2019, BNP Paribas continues to strengthen its action, and now has more than 700 signatories (of which 70% men), from management bodies in 24 countries that undertake not to participate in public events or panels with at least three speakers that do not include the presence of at least one woman. In June 2023, BNP Paribas Leasing Solutions' senior management team joined the community of signatories. BNP Paribas remains the company with the largest number of signatories of #JamaisSansElles in France and around the world.

### **Fight against gender-based violence and its impacts at work**

BNP Paribas has been a member of OneInThreeWomen, the first European network of companies committed to combatting violence against women, since 2018, and joined the network's Executive Committee on 1 January 2021. Domestic violence inevitably impacts professional life, and is a factor of inequality at work and an obstacle to gender equality. The OneInThreeWomen network aims to equip employers to raise awareness and better support female employees who have been victims. The network continues to strengthen its awareness-raising system (e-learning available in eight languages, podcast series, etc.) and in 2023, it welcomed 15 new companies as signatories to the OneInThreeWomen Charter.

After the launch of the intranet page accessible to all employees worldwide (bringing together resources, testimonials from female victims and key contacts on the subject of violence), on 25 November 2023, the International Day for the Elimination of Violence Against Women, the Group strengthened its commitment to the fight against domestic economic abuse.

(1) Percentage based on attendance during the year in question.

(2) Since 2018, the Group has been associated with the Agrifed programme in line with the UN Sustainable Development Goals, whose aim is to promote and strengthen food security in Senegal by promoting female entrepreneurship.

In France, BNP Paribas joined the #StOpE (Stop everyday sexism in the workplace) initiative from its creation in 2018, by signing an undertaking comprising eight principles. This collective now includes 199 member organisations.

The fight against sexism is the subject of numerous actions within the Group. BNP Paribas took part in the second edition of the survey on everyday sexism in the workplace, alongside 14 other member organisations of #StOpE. As in the first edition in 2021, nearly 12,000 employees based in France responded to the 2023 questionnaire. While sexism is still a reality in the eyes of different generations, it is beginning to recede and the company's action is widely recognised. At the same time, the awareness-raising e-learning module on "Preventing and combatting everyday sexism in the workplace", available to all Group employees, has been taken by more than 9,800 employees in France since its launch.

### 360° parenting and work-life balance

The Group implements numerous actions to promote gender equality around 360° parenting. The 11<sup>th</sup> Parenthood Week event in France was attended by more than 2,200 employees, and organised around thematic events such as adolescence, early childhood, family and intergenerational solidarity, and carers.

In addition, business lines and countries are developing their own systems. For example: BNP Paribas Cardif supports both carers and young parents; BNL is rolling out workshops for new parents; in Germany and Austria, the Group has gained its first certification following the "Work and Family" audit, highlighting the robustness and effectiveness of its systems in terms of work-life balance and supporting parenthood. At the same time, childcare assistance, either in the form of financial assistance or childcare, is offered by entities covering nearly 80% of the workforce<sup>(1)</sup>. In addition, more than 85% of the entities<sup>(1)</sup> grant adopting couples and/or same-sex couples parental leave rights similar to maternity and paternity leave. Nearly three quarters of entities<sup>(1)</sup> encourage their employees to take their paternity leave (second parent) through communication and awareness-raising actions.

In addition, in July 2023, BNP Paribas signed an agreement with the French Ministry of the Armed Forces in France reaffirming its commitment to employees who are in the operational reserve. In addition to the legal provisions, BNP Paribas maintains full pay for reservists for up to 10 working days per calendar year, so that they can fully commit to their civic duty.

## CONSTANT PROGRESS, PIONEERING INITIATIVES FOR GREATER DIVERSITY

### Promoting the employment and insertion of people with disabilities

#### ► NUMBER OF EMPLOYEES RECOGNISED AS HAVING A DISABILITY<sup>(1)</sup>

|                                     | Employees with disabilities |                      | Of which hires |            |
|-------------------------------------|-----------------------------|----------------------|----------------|------------|
|                                     | 2022                        | 2023                 | 2022           | 2023       |
| France                              | 2,882 <sup>(2)</sup>        | 3,106 <sup>(3)</sup> | 73             | 74         |
| Domestic markets (excluding France) | 828                         | 907                  | 24             | 40         |
| Europe (excluding domestic markets) | 976                         | 978                  | 59             | 69         |
| Rest of the world                   | 265                         | 119                  | 34             | 52         |
| <b>TOTAL</b>                        | <b>4,951<sup>(4)</sup></b>  | <b>5,110</b>         | <b>190</b>     | <b>235</b> |

(1) Workforce (physical headcounts) out of 93% of the Group's workforce (permanent + fixed-term contracts).

(2) The definitive results for 2022 known in June 2023 for France amount to 2,882 compared to 2,876 declared in February 2023.

(3) As the annual declaration is postponed to March 2024, the data communicated for France in 2023 are not definitive.

(4) 4,571 Full-Time Equivalents worldwide.

At 31 December 2023, there were 5,110 employees with disabilities in 28 countries, representing a Group employment rate of employees with disabilities of 2.7% compared to the total workforce<sup>(2)</sup>, up compared to the previous year (2.5% in 2022).

In France, as part of the renewal of the Disability Agreement for three years (2023-2025), BNP Paribas SA has recruited 57 disabled candidates. More than 2,000 job retention and nearly 200 awareness-raising actions were also carried out in 2023. The direct employment rate of employees with disabilities rose to 5.3% in 2022<sup>(3)</sup>, from 5.4% in 2021.

In accordance with the International Labour Organisation's Business and Disability Charter, BNP Paribas carries out numerous actions, notably in Germany with the My Ability programme that offers coaching and training to facilitate access to employment. Several other business lines also stand out for their systems promoting better inclusion of people with disabilities in the workplace, such as BNP Paribas Cardif and BNP Paribas Canada.

(1) Of the social reporting campaign.

(2) In 2023, the employment rate in entities that report that they specifically monitor the number of employees with disabilities in their workforce is approximately 3%.

(3) The 2023 rate will only be available in 2024.

In addition, to better reconcile long-term illness and work, BNP Paribas Fortis is launching a dedicated coaching programme, and BNP Paribas Personal Finance is a signatory of the Cancer@work Charter.

Designed by a Group employee affected by a hidden disability and with the support in 2022 of People'sLab4Good<sup>(1)</sup>, the immersive game "Disability Strikes Back" is part of the disability awareness programme, which primarily raises awareness of hidden disabilities<sup>(2)</sup>. It was rolled out across the Group throughout 2023 to help people with disabilities to cope, and to raise awareness among people who do not consider themselves as concerned. In 2023, this innovative approach impacted nearly 3,500 employees based in 11 countries.

Finally, in France, the first edition of the public-speaking contest dedicated to the theme of disability received 139 applications across the business lines.

### **Diversity of social and ethnocultural origins: strong and targeted actions**

With 168 nationalities present within the Group, including 15<sup>(3)</sup> within the G100, BNP Paribas has been working for several years to promote diversity of origins and gender equity.

In March 2023, the Group continued its partnership with the International Day for the Elimination of Racial Discrimination. This year, employees were able to take part in an unprecedented conference in the presence of Makaziwe Mandela, daughter of Nelson Mandela and Chairperson of the "House of Mandela".

In France, following the Diversity and Inclusion Index experiment in 2022, BNP Paribas SA commissioned a consulting firm to conduct a qualitative survey in the form of 60 individual, confidential and anonymous interviews on the subject of actual or perceived ethnocultural origin. This survey was also carried out by BNP Paribas Personal Finance.

In addition, around 15 internal professional networks (including HOLA, Latamigos and CulturALL) have developed and actively contributed to raising awareness and promoting diversity of origins in several countries (Brazil, United States of America, Canada, France, Belgium, United Kingdom, Portugal and the Nordics).

### **LGBT+: international engagement and reach, pioneering initiatives**

During the 5<sup>th</sup> edition of the "LGBT+ role models and allies at work" initiative organised by L'Autre Cercle in France in 2023, with its English counterpart OUTstanding, the Group once again distinguished itself this year with two employees being nominated for awards in the categories of "LGBT+ Leaders Role Models" and "Ally Leaders Role Models".

On the International Day Against Homophobia, Transphobia and Biphobia<sup>(4)</sup>, the Group reiterated its commitments to the inclusion of LGBT+ people, with a focus on gender identity and transidentity. At its conference jointly organised with Pride France on the theme of "Sexual orientation and gender identity: why is it a corporate issue", Nickel was able to highlight its "True name" feature, allowing the account holder to choose their first name, surname and title.

More broadly, many initiatives were held to mark this day. During *Inclusion Days* in India, support for LGBT+ people was illustrated this year by organising a pride walk bringing together more than 1,200 employees, as well as an awareness-raising session and group workshops producing posters in LGBT+ colours.

### **Age diversity, to promote generational inclusion**

Intergenerational issues are also the subject of conferences and workshops every year, notably during the *Inclusion Days*.

In France, the Group is stepping up its actions in favour of generational inclusion, and in 2022 signed a Commitment Act. It has since been joined by nearly 50 signatory organisations. This act is broken down into 10 key commitments around recruitment, training, job retention, support for career development, well-being at work, retirement and raising awareness of age-related stereotypes. An action plan based on these 10 commitments was drawn up in 2023, and will be rolled out in 2024.

Within the Group, mainly in Europe, innovative inclusive programmes and initiatives are being developed. In Italy, at BNL, the Senior Experts Network project enables an effective transfer of knowledge between generations, while promoting the skills and knowledge of the most experienced employees. In Portugal, the Build to Shift development programme is dedicated to employees with more than 15 years of experience, to create a common platform of knowledge shaping the banking sector and the associated working environment.

Within BNP Paribas SA in France, the Diversity and Inclusion agreement allows 150 employees to benefit from the end-of-career corporate volunteering scheme, while broadening the circle of partner associations (see *Corporate volunteering and other solidarity activities*, Commitment 5).

### **RESPECT FOR HUMAN RIGHTS AND CODE OF CONDUCT**

#### **Promoting and respecting human rights**

In its Code of conduct, the Group has, in particular, committed itself to promoting the respect for human rights in its sphere of influence and to treat all employees in a dignified manner. Forced labour is prohibited within the Group.

BNP Paribas carries out an annual review of countries that are classed as very high-risk in terms of human rights<sup>(5)</sup> (see chapter 7.7 *Vigilance plan*). The Group did not identify any employees under the age of 18 at 31/12/2023.

(1) Group intrapreneurship programme.

(2) 80% of disabilities are hidden disabilities.

(3) Including French.

(4) IDAHOT: International Day Against Homophobia, Biphobia, and Transphobia.

(5) Source: Verisk Maplecroft (Human Rights Risk Index) identifies 22 very high-risk countries and 90 high-risk countries.

### **“Respect for People” policy: preventing discrimination, harassment and violence at work and dealing with inappropriate behaviour**

In order to strengthen the culture of compliance, a target relating to compliance with the Code of conduct, rules and regulations was assigned to all Group employees in early 2023. Any breach of these principles, including respect for people, must be formalised by the manager as part of the employee's annual performance review.

In addition, the Group's “Respect for People” policy was strengthened and fully rolled out worldwide in 2023:

- the entities have implemented the rules defined at Group level locally in terms of respect for people. The principles defined for the entire Group are directly applicable and may therefore be more protective than local regulations;
- approximately 150 employees were appointed as HR Conduct “Respect for People” Contacts. As they are responsible for handling alerts relating to behaviour which breaches the policy, they were trained in their new roles, which involve a high level of expertise and impartiality;

- workshops were held to raise awareness among managers and HR teams on the importance of respect for people, the detection of worrying signs in teams, and reporting and formalising alerts;
- in order to facilitate the collection and handling of alerts, a common tool for all Group entities has been selected, which will be rolled out to all employees in 2024.

Thus, at Group level, 347 “respect for people” alerts were recorded in 2022, and 587 in 2023. As soon as the analysis of the alert and the investigations carried out, if necessary, established inappropriate behaviour or situations requiring action, appropriate measures were taken, mainly individual, including disciplinary measures and/or support measures. In the event of disciplinary measures, the entire range of sanctions in force in the relevant setting is used. The vast majority of alerts resulted in measures, including 74 sanctions in 2022 (including 23 dismissals) and 101 in 2023 (including 22 dismissals).

## **COMMITMENT 5: “A GOOD PLACE TO WORK” AND RESPONSIBLE EMPLOYMENT MANAGEMENT**

Commitment 5 is included in the “Employee Experience” pillar of the *People Strategy*, the objective of which is to strengthen the attention paid to employees by offering them an experience adapted to their expectations, in particular through new ways of working in an agile environment. **The Group CSR dashboard indicator on this commitment is the number of solidarity hours performed by employees (#1MillionHours2Help)** (see section 7.1 *Strategy*).

### **STRONG FOCUS ON EMPLOYEES**

#### **A solid framework for people safety and strong mobilisation in crisis situations**

All Group employees as well as anyone else who is present at a Group site (subcontractors, clients, customers, visitors, etc.) benefit from a reference corpus on the safety of people and property, which was subject to an external audit in 2021. It establishes the fundamental principles of security (with regard to risks related to intentional or malicious acts likely to harm people or the Group's assets and activities), safety (with regard to natural and climatic events, or related to the technological environments of our sites likely to harm people or the Group's assets and activities), business continuity and crisis management. This framework, approved by the Group's Executive Management, is rolled out country by country by local management.

The functions within the Group in charge of safety and security organise the basic measures intended to protect the integrity of BNP Paribas' activities, resources and interests against safety and security measures affecting the Group, through a constant risk analysis approach. Health and safety conditions at each site comply with the regulations applicable in the various countries. Given the nature of the Group's activities, the risks related to the Group's health and safety are relatively low (see *Work-related accidents, Our employees around the world*). However, each entity may implement specific provisions locally in line with local HR policies.

Employees receive assistance with their business travels. In France, they receive 24/7 telephone support with an external service provider following traumatic events (attacks, climate events).

In 2023, the Group and the HR function continued to take action to help employees in all crisis situations.

HR teams pursued strong support for Ukraine in 2023, notably through the continued provision of housing and the payment of housing allowance, as well as the allocation of substantial catering subsidies. HR also continued to support UkrSibbank employees with their internal mobilities (61 international transfers were completed). Employees continue to receive psychological support from a company specialising in psycho-social risks.

Following the earthquake in Türkiye in February 2023, the TEB Crisis Committee was called upon to prioritise help for those affected. 587 employees and members of their families were evacuated and relocated, and a psychological support platform was immediately set up with

239 consultations led by psychologists experienced in managing post-traumatic stress. Survival equipment was delivered to the affected regions.

The Group provided widespread psychological support to its employees *via* a dedicated crisis line in regions and countries experiencing crisis situations, in particular in Türkiye, in Morocco following the powerful earthquake that struck in September 2023, and following events in the Middle East. It has also either provided donations directly or collected around the world *via* the Rescue & Recover Fund, for the benefit of NGO partners or associations in support of local people affected (see chapter 7.4 *Our civic responsibility: being a positive agent for change*).

### **Continuation and reinforcement of the We Care programme**

In 2022, the BNP Paribas Group launched a global programme – *We Care* – dealing with health and well-being at work. This programme is supported by a regular global governance under the sponsorship of the Group Human Resources Director, and a community of 30 ambassadors in the Group's regions and entities.

The *We Care* programme offers workplace health and well-being based around three pillars:

1. basic social benefits and insurance for all employees in the Group, including life insurance, incapacity insurance, disability insurance and health insurance, minimum maternity and paternity leaves;
2. health priorities defined at Group level and directly in line with the banking activity: combatting psycho-social risks and combatting the risks associated with a sedentary lifestyle;
3. a package of support with social, emotional, physical and financial well-being.

### **Employee benefits relating to social protection as a common base**

In addition to the legal and contractual arrangements, according to the regulations and practices of the countries in which the Group operates, employees may benefit from supplementary social protection and/or health insurance.

In accordance with the Global agreement, at the end of 2023, all of the Group's employees receive social protection in terms of health expenses coverage, incapacity/disability and life insurance, as well as social protection in terms of maternity leave, paternity leave and flexible days.

Depending on the situation, this coverage comes either from a government plan, an insurance plan, or a combination of both. Particularly attentive to the protection of employee health, in accordance with its regulatory environment, each business/country determines what coverage is provided, the specific applicability conditions and the terms of financing.

In France, the Group offers comprehensive supplementary social protection coverage through mandatory employee health insurance schemes, incapacity/disability protection insurance, and life insurance, enabling employees to adapt their level of protection to their personal situation.

Furthermore, flexible employee benefits enable employees to select, to a certain extent, their level of coverage from a range of benefits offered aiming at long-term employability and offering sustainable choices. These benefits are available in particular at BNL in Italy, at BNP Paribas Fortis in Belgium and at BNP Paribas in the United Kingdom.

The Group ensures that employees have access to information relating to employee benefits, offers and other schemes provided to them by the Group's various entities.

### **A solid occupational health framework, focusing on mental health and combatting sedentary lifestyle**

In line with the *We Care* programme, 84% of Group employees<sup>(1)</sup> are covered by an Employee Assistance Programme enabling them to better manage their mental health on a daily basis and in the case of traumatic events (attacks, climate events, etc.). In France, the Occupational Health and Prevention Service supports the HR line and managers by opening an external psychological assistance hotline in the case of serious events within a team (death of an employee, assault, robbery, etc.).

The European agreement on preventing stress in the workplace, signed in January 2017, outlines the principles and common framework and also stipulates the means to be implemented (information, awareness-raising, evaluation, training, support, communication).

Worldwide, almost all employees benefit from training initiatives related to the prevention of stress at work, some specifically dedicated to managers, others accessible to all employees.

In France and Luxembourg, regular training is offered to employees and managers to help them with their mental health and with improving their stress management. The employee engagement rate is measured each year in Pulse surveys. This rate is analysed by entity and country and is the subject of action plans.

In France, BNP Paribas measures the level of stress and well-being of its employees, through a regular survey. The rates measured in 2023, which are an improvement on the previous two years, show the positive impact of the action plans put in place (training, transparent sharing of organisational changes, professional development opportunities, etc.).

In line with the health priority related to the risk of a sedentary lifestyle:

- ergonomic advice and measures to improve the working environment, prevent occupational risks or musculoskeletal disorders are offered to almost all employees<sup>(2)</sup>;
- entities covering 93% of the workforce<sup>(2)</sup> also offer health awareness campaigns, which include information and prevention actions on various topics such as nutrition, sleep, addictions, women's health and physical activities.

Finally, BNP Paribas signed up to the "Working with cancer" commitment in early 2023, with the aim of being more open when talking about cancer, and providing empathetic and caring support for employees and teams affected by the disease.

(1) Based on reporting covering 91% of the Group's workforce.

(2) Of the social reporting campaign.

## A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

Our social responsibility: supporting our employees by offering them an environment and pathways adapted to their expectations

### An offer focused on social, emotional, physical and financial well-being

Well-being is the final pillar of the *We Care* programme, and has been defined around four main areas: social, emotional, physical and financial well-being.

There are a number of initiatives throughout the Group, and the inventories launched in 2022 are now being analysed. Action in the Asia-Pacific region intended for Singapore employees under the Energise banner aims to improve health and well-being around four pillars: physical well-being, social well-being, mental well-being and financial well-being.

Some programmes even include certifications as is the case in Germany with the *Beruf & Family* audit accreditation or in the UK with the Well-being certification.

With regard to the provisions planned at Group level, in particular for carers, the Global agreement provides for the possibility for employees to take up to five flexible days per year for personal convenience. Nearly two-thirds of the workforce<sup>(1)</sup> are covered by a specific policy for carers. In addition there are other highly innovative initiatives, such as the Tilia mobile app (developed in intrapreneurship), offered by certain Group entities which provides personal support, features and a useful information space for carers and those receiving care.

In France, in the BNP Paribas SA entity, the Group has implemented a set of measures to support employees who are carers, in particular an agreement on the donation of days of leave to employees helping a seriously ill child or spouse, awareness-raising actions (communication, regular group events, practical guides, group discussions with a psychologist), as well as training and partnerships with experts and discussion groups.

The *We Care* programme is reflected in HR processes with the implementation of a Health and Well-being component in performance reviews, and guides offered to managers and HR to support them and propose language elements to address these topics with their teams.

Regular communications are made to all Group employees on topics as varied as disconnecting from work before the summer, Pink October, walking challenges and solidarity runs.

In France, all employees are monitored by an Occupational Health and Prevention Service (OHPs) and benefit from a social assistance service. This service has implemented numerous occupational health prevention actions: Covid and flu vaccination campaigns, diabetes and cardiovascular risk screening workshops, consultations for sleep-related conditions, smoking cessation consultations, diet consultations, workshops on first aid in the event of a life-threatening emergency and breast cancer screening workshops.

To protect the mental health of Group employees in France, a psychological assistance system gives employees access to permanent listening and psychological support in the event of professional or personal difficulties. In addition, an occupational psychologist has been recruited to support employees individually and in groups, and HR staff, particularly in the event of transformation of entities. All these measures have been supported by communication materials, particularly on hybrid work, on the use of digital tools and on mental health in companies.

### TRANSFORMING WORKING PRACTICES AND MAINTAINING THE STRONG CORPORATE CULTURE

#### Smart Working and team project

BNP Paribas aims to continue to develop its working methods based on a model of trust, autonomy and collaboration. This is evidenced by the Group France Agreement on remote working signed in July 2021, and supplemented by an amendment in May 2023 covering more than 90% of the Group's workforce in France, as well as the European Remote Working Charter, which covers all countries within the scope of the European Works Council (22 countries). Developed on the basis of the experience acquired during the health crisis, the analysis of market practices and above all, feedback from employees and managers, *Smart Working* integrates four dimensions:

- working methods: the Group continued its discussions on new ways of working<sup>(2)</sup> in order to better respond to the challenges of employee attractiveness, retention and engagement, while maintaining a sense of community and a sense of belonging to the company. The locations, eligibility, equipment and compensation conditions have been extended. The working hours and remote working arrangements have been opened up to ensure the development of remote working, taking into account the diversity of activities and employee expectations. At the end of December 2023, 72% of employees in France were working remotely (on average two days a week) and around 75% of employees in Europe (on average two days a week);
- workspaces: the hybrid organisation of the teams, the emphasis on collaborative work and its real estate strategy have led the Group to change the configuration of its office spaces to give more meaning to work on site;
- digital tools: the constant development and adaptation of collaborative tools, applications or IT equipment allowing flexible and hybrid collaborative work;
- *People care*: the Group continues to support its employees towards a hybrid way of working by adapting managerial practices ("Managing in a hybrid environment" module available in French, and in English from the start of 2024) and developing preventive actions around employee health and well-being (maintaining social link, combatting physical inactivity and digital fatigue with a disconnection alert message after 10.5 hours of remote connection within Europe, work-life balance).

#### Agile transformation at scale, progress report

In order to respond more effectively to the challenges of our environment, since 2020, the Group has chosen Agile at scale as a priority driver to meet three major challenges: "Faster" - delivering value to the clients and customers as soon as possible; "Better" - meeting the needs of the clients, customers and users through quality products and services and innovative experiences; "Happier" - enabling employees to develop and perform in a respectful and positive work environment.

(1) Of the social reporting campaign.

(2) Balance between remote working and on-site presence, with a maximum of 50% remote working per employee for activities that allow it.

The Group is continuing to deploy the agile culture by communicating the 5 BNP Paribas agile values<sup>(1)</sup>, and training which aims to foster understanding this new working approach. In 2023, CPBS (Commercial, Personal Banking & Services) entities continued their journey of agile transformation at scale with nearly 108 Tribes<sup>(2)</sup> rolled out as well as 43 new Tribes in other functions (Risk, Compliance, HRM) and IPS (Investment & Protection Services) entities such as Wealth Management and Asset Management.

The "Agile Essentials" training module continues to be rolled out to all Group employees, providing widespread training on agile culture. Nearly 11,000 employees have completed or are in the process of completing the training module since it was created in 2021. In 2023, three new training courses were created to enable employees to strengthen their skills in key roles within the organisation, including Product Owner, Scrum Master and Agile Coach.

New agile job titles have been created (UX Designer and Product Manager) to complete the positioning offer and bring consistency to the administrative description of employees within Group systems.

### **The employee journey inspired by the customer experience**

In order to promote the Group's attractiveness, employee engagement and the retention of Talents, the Group has launched an initiative to improve the employee experience, mirroring the approach deployed to clients and customers over a number of years. HR teams have worked to produce a global reference framework for employee career paths, by listening to more than 300 employees around the world. This reference framework brings together 27 employee pathways structured around six macro-needs (including: onboarding, working environment and career management). The Group aims to improve the pathways that have the greatest impact on the experience and satisfaction of its employees.

### **Corporate volunteering and other solidarity activities**

The #1MillionHours2Help programme embodies the Group's ambition to do more for civil society (NGOs, associations) by promoting the skills of employees. Through this initiative, BNP Paribas aims to foster more sustainable, shared growth by allowing all employees to use working time to help charitable organisations build a more inclusive, eco-friendly world. In 2023, a total of 651,972 hours either during working hours or outside of working hours with compensatory leave<sup>(3)</sup> were carried out for solidarity actions in favour of civil society as part of the **#1MillionHours2Help programme, i.e. a total of more than 1.26 million hours<sup>(4)</sup> over two rolling years**, far exceeding the target of one million hours set by the Group.

Now integrated into the BNP Paribas SA Diversity and Inclusion Agreement in France, the corporate volunteering system was renewed for four years from 1 October 2020. The French subsidiaries BNP Paribas Personal Finance, BNP Paribas Leasing Solutions, BNP Paribas Cardif, BNP Paribas Asset Management, BNP Paribas Arbitrage (now BNP Paribas Financial Markets) and Arval have implemented similar systems since 2017. In 2023, 315 employees<sup>(5)</sup> (of whom 133 started during the year) were able to participate in work with general interest or public utility non-profit associations lasting 6 to 24 months.

### **HIGH-QUALITY SOCIAL DIALOGUE**

In 2023, 1,758 official meetings (2,167 in 2022) took place, including 1,105 in France, illustrating the richness of social dialogue. These meetings led to the signature, in 2023, of 306 corporate collective agreements within the Group (287 in 2022), of which 111 in France, 188 in the rest of Europe and 7 in the rest of the world, reflecting the high quality of collective bargaining.

### **Global agreement**

The BNP Paribas Global agreement, signed in 2018 with UNI Global Union<sup>(6)</sup>, was extended until 30 June 2024, with the aim of broadening the provisions of this global framework, particularly in terms of health and quality of life at work (see 7.7 *Vigilance plan*). An overall assessment of its implementation was presented on 10 October 2023 to the monitoring committee, composed of UNI Global Union representatives and Management representatives.

This assessment highlighted the strengthening of the global social framework: 100% of the workforce<sup>(7)</sup> can claim paid maternity leave for a minimum period of 14 weeks, incapacity/disability and life insurance, and healthcare coverage. Following the recommendations of the Global agreement, 53 countries covering 80% of the workforce<sup>(7)</sup> offer paid paternity leave of at least six days.

### **European Works Council and European social dialogue**

At the end of 2023, the European Works Council<sup>(8)</sup> (EWC) covered 22 countries and around 72% of the total workforce.

In 2023, the implementation of the GTS 2025 plan and the *People Strategy* were presented to the European Works Council. The Group's Diversity, Equality and Inclusion policy was also included on the agenda of the European Works Council meetings. The European Works Council contributes significantly to the implementation of the European Social Charter, including the European agreements on employment management (2012), gender equality (2014) and on stress prevention (2017), supplemented in 2021 by the Remote Working Charter.

(1) 5 fundamental BNP Paribas agile values: customer focus, openness, responsiveness, discipline and courage.

(2) A tribe is a grouping of autonomous multidisciplinary teams that work on one or more products and services, to maximise the value delivered to its customers.

(3) Number of hours declared in HR tools as part of the #1MillionHours2Help programme including the long-term corporate volunteering in application of the Diversity and Inclusion Agreement in France (permanent and fixed-term employees).

(4) Indicator monitored in the Group's CSR dashboard.

(5) On a like-for-like basis (long-term volunteering in the middle and end of their career) in 2022, 313 employees were able to get involved in these missions.

(6) Defining the fundamental rights and the global social foundation which applies to all Group employees.

(7) Of the social reporting campaign.

(8) European Works Council comprising the employee representatives from entities based in all countries within the European Economic Area, excluding entities that are not majority-owned.

The Remote Working Charter defines a common framework for the deployment and strengthening of remote working in the 22 countries covered by the BNP Paribas EWC for activities where this form of work organisation is possible. This framework may be supplemented, where appropriate, by agreements specific to Group companies in order to meet specific requirements.

### **Social dialogue in France**

In 2023, 111 collective agreements were signed (including amendments) within the BNP Paribas Group in France, including two Group-level agreements relating to remote working and Group-level negotiation procedures. 109 collective agreements were signed at Group company level, including 48 agreements related to compensation, employee savings and retirement savings. It should be noted that the Group's entities in France all renewed their SECs in 2023, excluding BNP Paribas Leasing Solutions and GAM, which had held their professional elections in 2022, given the expected duration of their term of office. In this respect, 33 agreements relating to professional elections were signed at Group company level. Finally, most of the mandatory annual negotiation meetings within the Group's entities in France, specifically covering compensation for 2024, began earlier than the schedules of previous years and ended at the end of November 2023.

### **Corporate social responsibility taken to the highest level in the organisation**

BNP Paribas SA's Central Social and Economic Committee (CSEC) and the SECs of the Group's French subsidiaries are regularly informed of the Group's CSR commitments.

In 2023, the Group's Head of Company Engagement confirmed to BNP Paribas SA's CSEC, in line with the presentation made in 2022 on the GTS 2025 plan, that we would accelerate our commitments to respond to the climate crisis.

### **Employment management**

BNP Paribas practises responsible employment management by anticipating changes necessary to maintain its economic performance, its capacity for development and therefore employment over time. It relies on dynamic internal mobility, a source of skills enhancement, supported by significant investments in training.

Employment is managed under collective agreements concluded at different levels: Global, European and French. In France, in 2022, the new Agreement signed on the management of employment and career paths was renewed, and strengthened the commitments made by the Group until 2026. In this context, the Group in France does not carry out any forced redundancies, favouring internal mobility and voluntary solutions for its projects impacting employment. In the other countries around the world, redundancies are exceptional, in line with the commitments of the European Agreement on employment management of 2012 (renewed by tacit agreement every three years) and with the "Employment management" section of the Global agreement of 2018.

In France, the Group's workforce also remained stable with a change in FTE of -0.8% (-0.4% excluding scope effect).

In Belgium, 2023 was marked by the implementation of the New Commercial Organisation plan from 1 January 2023, with this plan impacting the work content and/or positions in the organisation of nearly 4,500 employees. For the employees concerned, this approach enriches their career paths as well as providing new learning opportunities through training and change management. Following the merger with Bpost bank in January 2024, nearly 250 employees will join BNP Paribas Fortis. Their integration was prepared in detail, in consultation with employee representative bodies. This merger is one of the key elements of the GTS 2025 plan in Belgium.

In Poland, an agreement was signed with the trade unions concerning a social plan providing for the loss of a maximum of 800 jobs over the 2021-2023 period, aimed at supporting the company's industrial plan. This agreement integrates support measures including the reinforcement of internal mobility, the increase in benefits, the introduction of social protection guarantees and a voluntary departure plan. Within this framework, there were 86 departures in 2021, 262 in 2022 and 91 in 2023.

In Italy, BNL has set up two IT and back-office partnerships. These partnerships involve staff movements involving 820 positions, the terms of which are currently being set out.

In France, the BNP Paribas Personal Finance subsidiary has set up a plan to strengthen internal mobility and voluntary departures to support its transformation plan, which is necessary to restore its competitiveness regarding to the economic, regulatory and competitive backdrop. In this context, it plans to lose 950 roles, *i.e.* approximately 17% of the workforce by the end of 2024. Negotiations with the BNP Paribas Personal Finance trade unions led to the signing of a unanimous agreement in June 2023. They provide for support measures dedicated to voluntary departures from the company (maximum 691) and internal mobility in conjunction with the teams responsible for recruitment and internal mobility for France.

In addition, as part of its transformation plan, BNP Paribas Personal Finance initiated the disposal/run-off, depending on the entities, of four branches and one subsidiary in Eastern Europe, in compliance with the European Agreement on employment management. Measures dedicated to supporting employees have been rolled out, including mobility assistance within the Group in the country and region in question, outplacement for certain types of positions, departure conditions that are better than those provided for by the legislation of each country concerned, measures to support change and stress management, and health insurance extension periods where applicable.

### **A COMPETITIVE COMPENSATION POLICY**

BNP Paribas' compensation policy is founded upon principles of fairness, notably with regard to gender, and transparency, which are notably supported by a single annual compensation review process for all employees. The principles on the composition of compensation and its evolution are common throughout the Group and consistent with the objectives of risk management.

## A compensation policy that complies with regulations

The Group's compensation policy, which applies to all entities, aims to ensure consistency between the behaviours of employees whose professional activities have a significant impact on the Group's risk profile, and its long-term objectives in terms of risk management in accordance with CRD regulatory provision<sup>(1)</sup>. Since 2009, the implementation of this policy has helped to improve governance, identify employees that are Material Risk Takers (MRT), and to apply provisions on the award and terms of payment applicable to their variable compensation. The compensation policy and principles of employees identified as MRTs are published annually in a report posted on the BNP Paribas website<sup>(2)</sup>.

The compensation policy complies with laws, regulations (in particular European prudential regulations) and the requirements of regulators (ECB, FED, etc.), both at local and consolidated level, including in terms of minimum wages where they exist locally.

## A socially responsible, fair and competitive compensation policy

In the majority of the countries in which it operates, BNP Paribas applies a salary grid upon hiring as part of its recruitment process, as well as a market compensation review during the annual review process. The Group ensures that proposed salary levels are salaries appropriate with regard to the local standard of living and are consistent with local market practices (particularly with regard to local benchmarks).

This salary level is supplemented by a set of social benefits to which all Group employees have access according to the Global agreement.

Faced with the economic context, the Group endeavours to integrate specific local factors into the framework of the budgets allocated in terms of compensation, taking into account local government measures for each country/entity. The annual compensation review process has incorporated these elements, with particular attention paid to the first salary levels that may be most impacted by the current economic context. In France, following discussions within the framework of BNP Paribas SA's mandatory annual negotiations, a certain number of decisions were taken, in particular in terms of collective increases and exceptional bonuses.

Since 2019, BNP Paribas SA and its various entities in France have published their Gender Equality Index. The scores earned by the banking and insurance entities<sup>(3)</sup>, which represent more than 48,000 employees, are above the statutory minimum, demonstrating the Group's long-term

commitment to gender equality. All Group entities in the United Kingdom also publish their gender pay gap report<sup>(4)</sup>. BNP Paribas is continuing to increase its attention to equal treatment for all, particularly when it comes to gender equality. Since 2016, the consistent allocation of compensation between women and men has been monitored by indicators included in the annual compensation review process, for all the Group's business lines and functions, under the supervision of Executive Management.

For a number of years, measures are taken locally to reduce any pay gap between men and women. As part of 2022 mandatory annual negotiations of BNP Paribas SA in France, a budget of EUR 10 million to be divided equally in 2023 and 2024 was dedicated to the company's actions to promote gender equality in career paths and the promotion of women and to correct any discrepancies in annual compensation. Each year, the Group's other entities also have the option of requesting dedicated budgets as part of the budget discussions on the annual compensation review process. It should be noted that in 2023, more than 5% of women were promoted (change in classification) compared to less than 5% for men.

In addition, in 2023, the Group awarded more than 8,200 key employees<sup>(5)</sup> a loyalty plan (expiring in June 2026) called the Group Sustainability and Incentive Scheme (GSIS) the payment of which is subject to 20% of the initial award on achieving the objectives of the CSR criteria<sup>(6)</sup>, the rest is indexed to the Group's operating performance<sup>(7)</sup>.

## Social benefits relating to retirement and savings

The BNP Paribas Group has set up employee pension plans, the characteristics of which are defined according to local legislation as well as the HR practices and policies defined locally. These plans, set up and financed by the Group, supplement the mandatory and legal plans which the entities contribute to for employees. They can be of two different types (defined-benefit plans or defined-contribution plans), as presented in chapter 4 *Financial statements – Salaries and employee benefits*.

Over the past few years, the BNP Paribas Group has implemented a wide campaign of converting defined-benefit plans into defined-contribution plans.

In France, employees benefit from defined-contribution retirement savings schemes under the conditions set out in chapter 4 *Financial statements – Salaries and employee benefits*. Several other countries have set up defined-contribution pension plans (Belgium, Switzerland, Italy, etc.). In the United Kingdom and the United States, defined-benefit pension plans, closed to new entrants, co-exist with defined-contribution plans.

(1) European Directive CRD 5 of 20 May 2019, amending European Directive CRD 4 of 26 June 2013, as transposed into French law in the French Monetary and Financial Code, as well as Delegated Regulation 2021/923 on the criteria for identifying Material Risk Takers (MRTs) and the European Banking Authority guidelines on prudent compensation policies of 2 July 2021.

(2) <https://invest.bnpparibas/en/search/reports/documents/regulated-information> Publication date: before the Shareholders' Annual General Meeting.

(3) Gender equality index of the Group in France: [https://group.bnpparibas/uploads/file/index\\_egalite\\_hf\\_022023.pdf](https://group.bnpparibas/uploads/file/index_egalite_hf_022023.pdf) Scope: Entities with more than 1,000 employees.

(4) UK Gender Pay Gap Reports: <https://www.bnpparibas.co.uk/en/bnp-paribas-in-the-uk/legal-notice/gender-pay-gap-reports/>.

(5) Key employees: SMP, Talents or key local resources.

(6) For the 2020 plan, payable in 2023, the achievement of six out of the nine CSR criteria defined when the plan was allocated, triggered the payment of the amount initially allocated for CSR performance to the plan beneficiaries, in accordance with the plan's regulations.

(7) For employees subject to special regulatory frameworks, this loyalty scheme is adjusted in accordance with the CRD European Directive.

In France, employees are involved in the Group's performance through profit-sharing and incentive schemes.

In respect of the 2023 financial year, EUR 212.6 million will be distributed to the 63,668 beneficiaries of entities that are members of the Group profit-sharing agreement in France (compared with EUR 201 million to 63,264 beneficiaries in 2022). This amount, calculated on the basis of a special formula, is nearly 10 times higher than the legal formula.

With regard to incentive schemes, almost all Group employees in France (nearly 99%) were covered by an incentive agreement at the end of 2023. The incentive agreement between BNP Paribas SA and BNP Paribas Financial Markets (formerly BNP Paribas Arbitrage) links employees with the financial objectives defined as part of the GTS 2025 plan.

The amount distributed is based on three components:

- gross operating income based equally on that of the Group and that of CPBF;
- dividends and share buybacks for the purpose of redistributing earnings;
- a component based on two CSR criteria<sup>(1)</sup>.

It should be noted that the dividend component integrated from 2013 makes it possible to link employees to results in the same way as shareholders. Since its introduction more than ten years ago, a cumulative amount of EUR 440 million has been paid in respect of the dividend component in the calculation of incentive schemes, which is equivalent to nearly three years of incentives.

Under this agreement, an amount of EUR 164 million will be divided between 46,606 beneficiaries for 2023 (exactly the same amount as was distributed to 46,314 beneficiaries in 2022).

Elsewhere in the world, similar schemes exist. At BNP Paribas Fortis in Belgium, part of the so-called "collective" variable compensation is linked to the achievement of CSR objectives. The 2023 objectives were met, thus a total of EUR 23.3 million was paid to all employees. Similarly, in Luxembourg, in 2023, the Group's entities paid non-managerial employees an incentive bonus with respect to 2022, which amounted to nearly EUR 3.3 million.

In terms of collective savings, in France, the management offering to employees in the Group's savings schemes (PEE, PERECO and PERO) changed in early 2023. The expansion of the financial management offering negotiated with the representative trade unions has made it possible to introduce new investment vehicles incorporating ESG criteria, including SRI-certified funds<sup>(2)</sup>. This change also makes it possible to cover the different investor profiles, investment horizons, more risk levels, and to diversify the geographical areas of investment beyond the euro zone.

In addition, most of the Group's companies in France support employees' voluntary savings efforts through savings plans (PEE and PERECO) with a matching cumulative contribution of EUR 69 million paid in 2023.

## **COMMITMENT 6: A LEARNING COMPANY SUPPORTING DYNAMIC CAREER PATH MANAGEMENT**

Commitment 6 is included in the "Human Capital" pillar of the *People Strategy* whose objective is to anticipate and constantly adapt resources by continuing to recruit, promoting the mobility of talents and strengthening the development of their skills. The Group CSR dashboard indicator on Commitment 6 is the **share of employees who completed at least four training courses** (see 7.1 *Strategy*).

### **ATTRACTING CANDIDATES AND RETAINING EMPLOYEES**

#### **In 2023, BNP Paribas is still seen as a top employer**

For more than 25 years, the Top Employers Institute has certified the quality of candidate companies' Human Resources practices. To do this, it carries out an audit covering 20 topics. For the tenth consecutive year, BNP Paribas was awarded the "Top Employer Europe 2023" label by the Top Employers Institute with an overall score of 88.75%<sup>(3)</sup> thanks to the

certification of nine of the Group's European countries<sup>(4)</sup>. Other Group countries and entities<sup>(5)</sup> also benefit from the "Top Employer" certification.

France, for its part, has renewed its Happy Trainees survey of students who have had professional experience at BNP Paribas. 89% among them recommend the Group.

#### **Changing the perception of our jobs through the #UnexpectedJobs campaign**

The unprecedented and innovative #UnexpectedJobs campaign launched by the Group in 2023 aims to break down the clichés about banking jobs in order to strengthen our attractiveness as an employer, as well as employee engagement and pride in belonging. Thousands of employees from all BNP Paribas countries and activities have become ambassadors by showcasing their profession in an exciting and creative way. They have chosen job titles presented in an original way on LinkedIn, while explaining how these unusual titles reflect, in their opinion, the way in which they make a useful contribution to the Group's transformation, serving all of its clients and customers.

(1) An environmental criterion for the annual reduction of greenhouse gas emissions per employee and a societal criterion linked to the number of solidarity hours completed by employees.

(2) SRI: Socially responsible investment.

(3) The score of 88.75% obtained by BNP Paribas means that the Group applies at least 88.75% of best practices in the field of Human Resources.

(4) Belgium, France, Italy, Luxembourg, Poland, Türkiye, Spain, Portugal and Germany, which is certified Top Employer for the first year. It should be noted that Ukraine did not participate this year.

(5) Latin America (Argentina, Brazil, Colombia, Mexico), BNP Paribas Personal Finance (United Kingdom, Italy, Belgium, Spain, Portugal and South Africa and the Netherlands for the first year), Algeria as well as BNP Paribas Real Estate France.

In terms of results, this campaign had a major positive impact, with:

- more than 5,400 spontaneous posts viewed 14.7 million times;
- a quarter of French people between the ages of 18 and 55 said they had seen the campaign;
- a strong increase in views of the Group's job offers (+54% compared to 2022).

#UnexpectedJobs has since been nominated for the 2023 Digital HR Awards, Innovation category.

The second wave was launched in September 2023 in 10 countries, and many other local initiatives are being rolled out, such as the creation of an "#UnexpectedJobs generator" launched at Vivatech, and an #UnexpectedDay in Paris, at which 80 bankers were recruited in a single day.

### **Several initiatives to attract the best candidates**

To reinforce its attractiveness to candidates and employees, BNP Paribas is committed to a process of constantly improving its employer brand:

- the Employer Promise, updated in 2022 and structured around BNP Paribas' purpose as a leader in sustainable finance, promotes three main pillars: Sustainability & Impact, Development & Career Perspectives and a Good place to work. In 2023, it was rolled out in many countries and Group entities to bring consistency and clarity to the way in which BNP Paribas is positioned as an employer throughout the world;
- in conjunction with Universum, the Group renewed a study to measure the perception and effectiveness of its Employer Promise among more than 27,000 students from business schools in five major markets (France, Italy, Germany, Spain, and for the first year India). Although their priority expectations still relate to compensation, the benchmark for a future job and training, in 2023 the study noted a significant increase in expectations around work-life balance and job security. The Universum study allows to adjust the employer brand strategy at the level of the Group and the participating countries.

In France in 2023, the Group maintained its commitments to training and integrating young people by recruiting more than 2,500 new work-study students and more than 1,500 interns, along with nearly 300 on International Volunteer Programme (VIE) missions. Moreover, two-thirds of the offers offered on permanent contracts are accessible to young people entering the job market. In 2023, more than 19,000 employees under the age of 30, including all contract types, were recruited by the Group worldwide, of which 10,444 were under 25 (permanent, fixed-term contracts, work-study students, interns).

In September 2023, B-School by BNP Paribas completed its third start of the academic year scheme with 220 students preparing for their certifying training programmes in Paris, Lyon, Marseille, Bordeaux and Lille. Its range of certifications has been extended to those dedicated to business development with a BTS and Master's in addition to the Bachelor's. The school also welcomed its first class of students in Bac+5 Master's level 2 in IT Development, 52% of which were women.

In 2023, a new Graduate Programme marketing offer was created in order to capitalise on existing programmes and offer business school students a consistent global offer across the Group. This integrated offer is structured around three main themes in line with the Group's strategic priorities: (i) Investment and financing jobs, (ii) Tech & Transformation, and (iii) Jobs.

It proposes nine common principles specific to the Group's Graduate Programmes<sup>(1)</sup>. This offer clarifying the programmes, will help external candidates to better understand the specific nature of a Graduate Programme and what is involved.

### **Sustainable finance at the heart of the employee journey**

In line with the GTS 2025 plan, BNP Paribas is continuing its change management plan, with the aim of embedding and disseminating the sustainable finance culture throughout its employees' career journeys. This plan is based on the key moments of this journey, including recruitment, onboarding, performance assessments, mobility and training.

Particular attention is paid at the time of recruitment, via awareness-raising actions on the sustainable finance culture offered to employees responsible for recruitment.

The Group has also enhanced its skills catalogue with the sustainable finance theme, and a new professional Sustainability family was created to support the Group in its transformation.

In addition, employees have the opportunity to train and acquire new skills through the *Sustainability Academy*. At the end of 2023, more than 4,500 employees had declared a skill related to sustainable finance.

Finally, BNP Paribas has also updated the Management Principles common to the entire Group, by reaffirming the pivotal role of the manager as a relay for its sustainability strategy. During the 2023 annual performance review process, managers were encouraged to promote any employees' sustainability initiative.

### **A company that listens to its employees (Voice of Employees)**

In 2023, 71 relationship "Pulse" surveys were carried out in 57 of the Group's countries, with increasingly high participation rates of 71% on average. Nearly 176,000 Group employees were surveyed during this period. The Engagement/Management/Well-being and Cooperation/Operational Efficiency themes are those which occur most often now, and the sustainable finance theme is starting to appear more often.

The vast majority of surveys launched in 2023 by the Group's various business lines and entities<sup>(2)</sup> incorporated three common questions related to employee engagement, in particular pride in belonging to the Group, adherence to the strategy and involvement in work. The overall engagement score, based on a consolidation of all local engagement scores, reached a high level of 85 out of 100.

(1) (i) type of contract, (ii) length, (iii) years of experience, (iv) number of promotions per year, (v) desired turnover, (vi) networking opportunities, (vii) training opportunities, (viii) recruitment process and (ix) career management.

(2) Covering 86% of all Group employees at 31/12/2023.

## DEVELOPING SKILLS AND IMPROVING EMPLOYABILITY

### Skills management

The work that BNP Paribas does on defining, identifying and developing skills is an essential foundation for all of our actions, to develop each person's potential and commitment.

In 2023, 13 new business skills were created jointly with the entities, particularly in the Data, Risk, Finance and Budget and Insurance families.

In addition, since this year, employees, managers and HR have access to a new tool to identify the skills acquired and those that need to be developed. This tool now enables Group HR to measure soft skills and two families of business skills: sustainable finance and data. Thus, all employees can take ownership of their skills development and employability. Finally, they have the option of declaring their skills in the *About Me* Group tool, which allows HR teams to gain an in-depth knowledge of each employee's skills in real time. This mapping process has enabled us to fulfil our goal of creating a real employee journey by focusing on development, mobility and strengthening commitment.

### Anticipating the skills needs of the future

The skills anticipation exercise, also called Strategic Workforce Planning (SWP) is a joint approach between Human Resources and the business lines. Its aim is to identify, in advance, the skills needs required for the different business lines over the next three years in order to offer employees appropriate career paths (upskilling or reskilling), particularly towards the jobs with a shortage of workers and the skills of tomorrow.

More than 30 business lines and functions have been involved in this process. The work consists of interviewing members of the Executive Committees within the Group to understand their vision of the change or transformation of their scope/business. Translating this vision into skills makes it possible to create the jobs of the future or develop current jobs.

It then remains to compare the skills required over the next three years with those declared by employees in the same scope, in order to understand the skills gap. The results of the exercise thus give each business line and HR manager a clear view of the so-called sought-after jobs. Members of the Executive Committee have the necessary data to implement an action plan in order to reduce these gaps (mobility, employee development and retention of rare profiles).

In order to take account of the impact of artificial intelligence (AI) on our activities, an exercise was carried out in 2022 on the Data and AI jobs, and a second exercise is planned for 2024.

The report, entitled "The Evident AI Talent"<sup>(1)</sup> places BNP Paribas Group as the number 1 bank in Europe and 6<sup>th</sup> worldwide in terms of AI. Currently, 700 employees have a job fully dedicated to AI, and 5,744 employees have declared AI skills.

Skills anticipation exercises have also made it possible to create a new offer: "Internal Work-study contracts" for employees. This system allows employees to be promoted to a sought-after role by taking up their duties

immediately, combined with work-study training in their new job. The first promotions were implemented in 2023 for IT and Human Resources positions.

### On-the-job development: the importance of discussions between employees and managers

At the heart of career management and at the service of employees, managers and HR, the *About Me* platform aims to:

- identify the skills of all employees: in December 2023, approximately 134,000 employees at Group level (of which approximately 53% were women) declared their skills;
- help employees implement their development plan and pursue their professional development;
- streamline interactions between employees, managers and HR, thus promoting cross-functional mobility;
- carry out the annual performance review process.

The performance review process, which is systematic for all employees, is digitised and simplified in *About Me*: it starts at the beginning of the year with the definition of individual, collective and/or cross-functional objectives. These objectives must be clear, achievable, defined over time, measurable and relevant to the nature of the activity and the responsibility of the position. Feedback is provided over the course of the year to identify skills development needs and to enhance the Personal Development Plan.

The annual performance review is an important time for discussion between the employee and their manager: it enables them to assess the past year, to define development opportunities and to look ahead to the coming year. 96.6% of the Group's eligible employees receive a performance assessment in the *About Me* tool for 2023.

### Mobility: one of the major issues for the strategic plan, essential for employability and skills development

Mobility is embedded in the culture of BNP Paribas. It is an essential vector for developing on-the-job skills.

In total, the Group counted 22,241 mobilities in 2023 (down 11% compared to 2022) including 21% cross-functional mobilities<sup>(2)</sup> (stable compared to 2022). In France, 8,274 mobilities were made (down 21% compared to 2022), of which 25% were cross-functional mobilities (stable compared to 2022). Internal mobility is managed through an internal job market management tool covering almost all employees in the Group. Thus, in 2023, more than 25,000 ads were published in the Group tool, and more than 10,500 positions were filled through these advertisements.

In order to better meet the needs of the business lines/functions and the Group's transformation challenges, pooled centres of expertise in France, Portugal and India manage all of the Group's internal and external recruitments for all types of contracts. Thanks to their proximity to the business lines and their global and cross-functional vision of the internal job market, these teams strive to optimise the candidate mobility experience.

(1) *The Evident AI Talent Report June 2023, (evidentinsights.com)*.

(2) Internal Group inter-entity and inter-business mobilities.

## **Career Days: a key event dedicated to professional development**

After nine editions of the *Mobility Days*, and with a view to creating a 360° career event, in 2023, the Group launched the first edition of the *Career Days* for one month in 45 countries. This event, rolled out at Group level, provided an opportunity for each employee to gain a better understanding of the Group, its strategic challenges and opportunities for development.

It also allowed them to take stock of their skills, training and development needs, to work on their career projects, and for those who wish to go ahead, to start the mobility process with their manager. The hybrid or digital formats brought together more than 26,200 participants at more than 400 events around agile, data, tech, sustainable finance, diversity and inclusion. The enthusiasm of countries to offer international events (20 in 2023) as well as the centralised coordination system (20 conferences) led to a very high level of participant satisfaction.

### **Training offer**

#### ► TRAINING COURSES ATTENDED: AVERAGE RATE AND NUMBER OF HOURS<sup>(1)</sup>

|   | 2022         | 2023                       |
|---|--------------|----------------------------|
| Share of employees who completed at least one training course (including mandatory training courses)          | 98.4%        | 98.8%                      |
| <b>Share of employees who completed at least four training courses (including mandatory training courses)</b> | <b>97.4%</b> | <b>98.2%<sup>(2)</sup></b> |
| Average number of hours per employee  | 21.8h        | 24.2h                      |
| Average number of hours per employee (excluding mandatory training courses)                                   | 18.6h        | 19.8h                      |

(1) Only those training courses mentioned as "terminated" in 2023 are counted in the Group's My Development tool.

(2) Of which 51% are women, and nearly 24% are employees over the age of 50, demonstrating fair access to training regardless of gender or age. Indicator monitored in the Group's CSR dashboard.

#### ► TRAINING: OVERVIEW BY CONTENT<sup>(1)</sup>

|   | 2022 | 2023               |
|---|------|--------------------|
| Hard skills   | 52%  | 48% <sup>(2)</sup> |
| Risks & compliance  | 28%  | 35% <sup>(3)</sup> |
| Culture & awareness of the Group                                | 14%  | 13%                |
| Soft skills (including cross-functional and behavioural skills) | 6%   | 4%                 |

(1) Percentage of training actions by content out of all training courses attended in the Group (including mandatory training courses). An employee may attend several training sessions.

(2) Of which 20% on technology.

(3) Of which 80% mandatory training courses.

### **Forging a culture of continuous development**

The training strategy is based on two major pillars to support the GTS plan and the *People Strategy*: strengthening the learning culture and improving the training experience, in order to allow everyone to quickly and easily access the right resource at the right time.

Many entities have organised their own Learning festival to promote available offers (Corporate & Institutional Banking, BNP Paribas Personal Finance, Compliance, BNP Paribas Leasing Solutions and Arval) and some were linked to the Group major Learning moment, "Learn & Grow", during the *Career Days*. This first edition of a Group-level career event was organised based on a system that enabled entities and regions to deploy their own local promotion organisation. The common thread was the GTS plan, and more than 3,000 unique participants from 54 countries connected to one or more of the 19 sessions and conferences offered.

### **A development model by the academies to support the GTS 2025 plan**

The GTS 2025 plan has positioned *Technology* and *Sustainability* as pillars of the strategy.

Regarding *Technology*, the Group offers numerous training courses:

- the Digital, Data & Agile Academy (DDAA) continues to offer training courses to support skills development associated with the key roles of Digital, Data and Agile. 2023 was the opportunity to review the offer to incorporate the results and guidelines of the skills anticipation exercises, in particular on Data. Two new roles were created with the associated pathways, including those of Machine Learning Engineers and AI/ML Model Reviewer. The methods are also evolving with the introduction of cohorts of learners or internal work-study programmes in order to best help employees work towards new target positions. The internal work-study programme associated with the Reskilling Business Analyst training programme facilitated the mobility of 15 employees in 2023, 80% of whom were women.

The DDAA includes 42 upskilling courses, 17 reskilling courses and 38 reskilling boost courses. In 2023, there were 1,454 registrations for the DDAA programme, corresponding to 1,368 registered employees, of which 42% were women (the share of women among learners was 26% at the launch in 2018);

- the IT Academy is a portal launched by the Group IT function in early 2023, which centralises all training content on technologies open to all Group employees. It had nearly 41,000 visits in 2023;
- Data City is a collaborative platform launched in February 2023 around Data. It aims to meet the needs of the business lines by improving collaboration and simplifying access to content and tools. Since its launch, there were 13,700 unique users;
- the transformation hub *Bivwak!* also offers thematic packages and workshops in the fields of Data and new technologies;
- the sixth "Artificial Intelligence Summer School" permitted to bring together the Data Scientists, ML engineers, Analytics and IT Group communities for two full days of presentations, demonstrations and discussions on the latest progresses in Artificial Intelligence. The event was attended by more than 2,000 employees around the world;
- in Agile, three career paths to take new positions were created in 2023 (see *Agile transformation at scale, progress report*, Commitment 5).

To measure its technology skills development, the Group monitors these two indicators: the number of Group employees having completed at least 7 hours of training in the technological field reaches 9,948 in 2023 (16,546 in 2022), and the number of Group employees having completed at least 35 hours of training in the technological field reaches 1,385 in 2023 (1,088 in 2022).

Regarding *Sustainability*, the *Sustainability Academy*, launched at the end of 2022, materialises the Group's ambition to equip all its employees with the knowledge and skills necessary to achieve its objectives in terms of sustainable development and finance. Whatever their job, function or type of business activity, each employee can take ownership of the challenges of Sustainable Development and Finance and understand the Group's role and commitments on the five themes<sup>(1)</sup> of the "*Sustainability*" Pillar of the GTS 2025 plan, using the "*Common Base*" area. A "Specific Content" area provides access to the knowledge and techniques required for each scope of the Group's activity, to support the transition of its clients and customers. In 2023, more than 86,000 employees completed at least one *Sustainability Academy* training course, with an average of 1.7 hour of training per person.

The Group also supports the deployment of "*fresks*"<sup>(2)</sup>, which are collaborative workshops facilitating the transition to action. The fresks have raised awareness on climate and biodiversity issues among employees in more than 20 countries, the Executive Committees of entities and countries as well as shareholders. In 2023, more than 15,770 employees took part in these workshops.

## **Dedicated programmes strengthening the Group's culture at the highest level of the organisation**

As Group leaders (Top Executives (LfC), Senior Managers, Talents) are key to contributing to the success of the GTS 2025 plan, a global training offer is provided, particularly on sustainability topics.

The Leadership Corner is the space dedicated to this community built as an academy of rich and varied resources to strengthen the leadership culture, which includes:

- a webinar series *Preparing for Tomorrow*, observing from a leadership perspective, future trends in positive innovation technology and business development with positive impact;
- certification programmes: digital programmes co-built with Harvard in the field of *Smart Working*/hybrid management and new technologies and programmes with some major universities recognised around the world, in the field of transformation management;
- programmes to accelerate understanding of BNP Paribas' challenges and ambitions in terms of sustainable finance, adapted to each level of leadership.

To meet the ambitions of the GTS 2025 plan on the Sustainability component, the certifying training course on *Positive Impact Business* co-created by BNP Paribas and the University of Cambridge has again met with great success this year with the pioneers of positive impact. Over the past five years, it has provided hybrid training and certification to 500 pioneers in sustainable development, so that they can incorporate it into their customer discussions and solutions.

In addition, the *Shape The Future* programme launched in 2022 has continued to strengthen in 2023. The *Mastering Sustainable Finance* certification programme was built, launched and completed with a first cohort of 130 Top Executives. A second cohort of 150 Top Executives was launched in September 2023. At the same time, discussion and action workshops dedicated to the Executive Committees have been built and implemented, in partnership with Insead, with the aim of integrating positive impact into the business lines' revenue strategies.

## **News from the Talents programme "Leaders for Tomorrow"**

At the end of 2015, the Group launched the "*Leaders for Tomorrow*" initiative, aimed at identifying, developing and promoting high-potential employees in order to ensure the succession of the members of the Group's cross-functional Executive Committees for business, functions and regions (LfC).

These "*Leadership Talents*" are selected according to a rigorous Group process by their managers and HR managers on the basis of their skills, experience, sources of motivation and personal predisposition to become leaders. At the end of 2023, the programme brought together nearly 7,000 *Leadership Talents* belonging to the three levels (Emerging, Advanced or Top) through different business lines, functions and geography. More than 4,500 *Leadership Talents* of some 40 nationalities from all business lines/functions have benefited from dedicated support and development systems. In addition to Group offers grouped by theme (My Positive Impact, Me and Change, Me with my Team), initiatives are proposed locally by the business line or function.

(1) Circular economy, Transition to carbon neutrality, Biodiversity conservation, Social inclusion and the Development of sustainable savings, finance and investment.

(2) Climate, Biodiversity, Circular Economy and Mobility Fresks, and 2 tonnes workshop.

## 7.4 Our civic responsibility: being a positive agent for change

BNP Paribas' commitment to society is divided into three objectives:

- **Commitment 7:** Products and services that are widely accessible;
- **Commitment 8:** Supporting human rights and combatting social exclusion;
- **Commitment 9:** Corporate philanthropy policy focused on the arts, solidarity and the environment.

### COMMITMENT 7: PRODUCTS AND SERVICES THAT ARE WIDELY ACCESSIBLE

#### THE GROUP'S ACTION TO PROMOTE THE INCLUSION AND FINANCIAL HEALTH OF ITS CLIENTS

The Group has set a target to serve by 2025 6 million beneficiaries of products and services promoting financial inclusion (see section 7.1 *CSR policy management dashboard*), combining the number of Nickel accounts opened since its creation and the number of beneficiaries of microloans distributed by the microfinance institutions financed by the Group (*pro rata* to the financing). The strong development of the Nickel inclusive offer enabled the Group to **exceed 3.9 million inclusive product beneficiaries at the end of 2023**.

#### Continued support for microfinance institutions: EUR 345 million in 2023

For almost 35 years, BNP Paribas has been committed to inclusive finance by directly financing 86 microfinance institutions (MFIs) in 35 countries, for a cumulative amount of EUR 1.5 billion, through various initiatives including: direct financing to MFIs, investment in financial inclusion funds and the distribution of savings products dedicated to microfinance. BNP Paribas' support for microfinance has historically benefited nearly three million people since 1989, of which 84% are women.

At the end of 2023, this support reached EUR 345 million (up by EUR 13 million compared to last year), thereby directly financing 21 MFIs in 13 countries and indirectly more than 100 MFIs around the world, by investing in 14 dedicated funds benefiting nearly 260,000 people. New credit commitments were made to these institutions in 2023, particularly in countries where the Group has a significant presence, such as Morocco, India, Indonesia and Brazil.

The Group is very attentive to the social performance of its MFIs portfolio, which obtained a score of 78% when assessed by the SPI5 tool (Social Performance Indicator 5) of Cerise (a NGO), placing it well above the global average score of 61%.

#### 30 years of partnership with Adie to promote Entrepreneurship in France

2023 marks the 30<sup>th</sup> year of the partnership established between BNP Paribas and Adie (*Association pour le droit à l'initiative économique* – Association for the Right to Economic Initiative), which was renewed for three years.

This partnership helped to finance Adie's micro-loan portfolio and develop financial innovation with a strong social impact, including the first Impact Bond and the first ISLF+ (Inclusive Sustainability Linked Financing). The Group is proud to support ADIE whose beneficiaries for 50% have income below the poverty line, for 22% have no qualifications, for 32% are under the age of 30 and 46% are women.

Since 1993, CPBF has granted its partner EUR 192 million in total financing to support nearly 40,000 small businesses and refinance more than 47,000 Adie micro-loans.

#### Nickel, a powerful tool for financial inclusion

Nickel is a Group subsidiary present in five European countries. It allows everyone, including people who have been banned from banking, to unconditionally open an account with an IBAN and a payment card, and thus to pay and to be paid freely. In 2023, Nickel reached nearly 3.7 million customers, up by more than 700,000 in a year, of which 77% have an income of less than EUR 1,500 per month, 30% are unemployed, without regular income or living on benefits and 30% do not have a personal address. Nickel's first impact report – published in 2023 – shows convincing results achieved in terms of financial inclusion: 28% of its customers have opened their first current account. Of these newcomers to banking, 24% went on to find a job and 18% a home.

Since it was created, Nickel has collaborated with charitable organisations such as the French Red Cross, Crésus and Action Against Hunger. Nickel distributes its products through a network of more than 10,000 newsagents and points of sale in France, Belgium, Portugal, Spain and Germany.

## A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

Our civic responsibility: being a positive agent for change

### Support for vulnerable customers

The Group considers that the role of a responsible bank is to support its customers both financially and personally, even in the most difficult times. By way of example, CPBF systematically identifies its financially vulnerable customers and offers them a special banking offer, the Account Package (*Forfait de Compte*), to help them manage their expenses. These customers may also be supported by advisors trained in budgeting solutions to help with account management. Nearly 20% of those customers have signed up to this offer, and 40% of the customers monitored have not exceeded their agreed banking limits, as a consequence.

In early 2024, AXELLE, the CPBF's platform for vulnerable customers, was updated. It is now easier for them to find the help, advice and opportunities offered by partner associations, social enterprises and companies members of the French *Collectif des Entreprises pour une Economie plus Inclusive* (Business collective for a more inclusive economy), to better manage their budget. AXELLE is 100% free and anonymous.

Finally, financial education has proven to be effective in combatting over-indebtedness, promoting economic development and improving financial health. Hence, several Group entities are rolling out training programmes on this topic:

- BNP Paribas Personal Finance's "Responsible Budget" online platform is dedicated to young people, helping them to learn about key concepts of budget management, savings, loans and banking. In 2023, more than 59,000 young people received financial education through this platform, partnerships and webinars;
- in Italy, the tenth edition of BNP Paribas Personal Finance's Findomestic Camp was held in May 2023, closing the PerCorsi Young financial education programme, delivered this year to more than 46,000 students.

### TAKING CUSTOMERS' SPECIFIC NEEDS INTO ACCOUNT

BNP Paribas' role is to welcome its customers by providing them with structures, teams, products and services adapted to their specific situation. Whether supporting women-led small businesses, being accessible to people with disabilities or offering products adapted to a pivotal moment in life (childcare, studies, retirement, illness, etc.), each year the Group extends its customer support system in order to best meet their specific needs.

### Accelerating female entrepreneurship

The role of women in economic and social development is a major issue, which is why BNP Paribas has been involved in supporting female entrepreneurship and small women-led businesses for several years:

- in France, the ConnectHers programme helps women entrepreneurs to create and develop their projects, through the mobilization of a network of 300 referents, access to an ecosystem of partners, networking workshops and events (200 in 2023), acceleration and support programmes (70 women entrepreneurs supported in 2023). This programme was also rolled out by BGL BNP Paribas in Luxembourg in 2023 with workshops that hosted more than 200 people;
- in Ukraine, in 2023, Ukrsbank launched the Smart Lady programme, a commercial offer dedicated to female entrepreneurs by exempting

them from payment and cash handling fees. In addition, and for the fifth consecutive year, a series of seminars offered mentoring sessions to help women to set up and grow their businesses, even in war time.

### A range of offers tailored to various audiences

In order to best support its customers in their life projects, the Group's entities have developed offers adapted to each individual's specific needs.

Since 2019, BNL has developed a range of products dedicated to supporting families and young people, at preferential rates and without fees. They include: *Adottami* and *Nuovi Nati* to help new parents, *Futuriamo* and *Scuola Piu* to help students to continue their studies regardless of the cost, thanks to loans with a maximum term of 10 years, and *Arte & Cultura che passione* to allow more people to become art students, with loans from EUR 500 to EUR 5,000 over two years.

In 2023, BNP Paribas Personal Finance in France offered a long-term lease option to single-parent families, giving them easier access to cleaner vehicles (Crit'Air 0 or 1). While their temporary status prevents temporary workers from accessing traditional bank loans, BNP Paribas Personal Finance and the FASTT (*Fonds d'Action Sociale du Travail Temporaire* – Temporary Work Social Action Fund) have signed a partnership to give them access to a range of loan products designed especially for them, such as personal loans, loan repurchase solutions and adapted insurance pricing.

In France, in conjunction with associations hosted by *L'Ascenseur*, such as Article 1, BNP Paribas renewed its student loan without a guarantor scheme to facilitate access to higher education for scholarship holders. Between March 2021 and December 2023, nearly 1,800 students had benefited from this offer, for a total amount of EUR 19 million in loans.

In order to provide appropriate support for its senior customers, since 2021 BNL offers *Futuro Pensione* (Future Pension), for customers wishing to buy back three-month periods they spent studying, in military/civilian service or in professional training in order to bring forward their retirement, due to a job loss or a desire for early retirement.

### Improved accessibility for people with disabilities

BNP Paribas takes action to improve the accessibility of its products, services, documents and branches open to the public in all of its entities around the world. Thus, a regularly updated public accessibility register of CPBF branches is distributed to the branch network in order to accommodate people with disabilities under the best possible conditions.

In Italy, BNL since 2019 has a team of hearing-impaired advisors to support its hearing-impaired customers. Meanwhile, BNP Paribas Polska has launched a sign language translation service in all its customer centres, and has made its call-centers accessible to hearing-impaired people. Since the launch of this service in 2020, more than 1,500 calls assisted by an interpreter have been conducted.

In Belgium, 53% of BNP Paribas Fortis branches are accessible to people with reduced mobility. People with partial or complete blindness can receive all their account statements in Braille language free of charge and use ATMs equipped with voice recognition system. Hearing-impaired people have the possibility of being accompanied by sign language interpreters for all their appointments.

TEB has also improved the accessibility of its services for visually impaired or with reduced mobility customers, increasing the number of ATMs adapted for the visually impaired to 205, and those adapted for people with reduced mobility to 1,103 in 2023.

### Support for victims of financial domestic abuse

Active for several years in the fight against gender-based violence, BNP Paribas chose in 2023 to strengthen its approach regarding financial domestic abuse, a term designating acts aimed at maintaining dependency on household members or withholding their financial resources. The Group is committed to strengthening its support for customers affected by financial abuse, primarily by training its advisors to listen to and guide

victims. In addition, BNP Paribas Personal Finance took part in a coalition along with associations (*Solidarité Femmes, la Fondation des Femmes, Samusocial, etc.*) and public authorities to collaborate on the creation of awareness-raising videos on this topic.

### Support for sick patients

BNP Paribas Cardif promotes access to insurance in the event of aggravated health risks, and is continually boosting its offer to make it more inclusive. In France, adapted and specific pricing exists for people with certain conditions such as gestational diabetes, psychological disorders or Parkinson's disease. In 2023, this approach was extended to chronic inflammatory bowel diseases (IBD). BNP Paribas Cardif takes into account medical research and the improvement of treatment strategies to offer insurance coverage and pricing better suited to the situation of patients. In 2023, 99% of home loan insurance applications were accepted, thanks to the cover offered in the "Atout Emprunteur" (Borrower Insurance) policy marketed in BNP Paribas branches.

Finally, BNP Paribas Cardif France decided to support its most vulnerable customers by creating a social action fund. It aims to offer complementary financial assistance to customers who are in a vulnerable situation due to a serious health problem or an accident. This help is separate to policy cover and governed by a legal regulation that defines the eligibility conditions.

## COMMITMENT 8: SUPPORTING HUMAN RIGHTS AND COMBATTING SOCIAL EXCLUSION

### BNP PARIBAS IS COMMITTED TO RESPECTING HUMAN RIGHTS

#### Commitment at the highest level

BNP Paribas adheres to internationally-recognised human rights standards. This commitment is expressed at the highest level in the BNP Paribas Declaration on Human Rights<sup>(1)</sup>, signed by the Group's Executive Management and promoting the respect of these rights within BNP Paribas' sphere of influence. The Chairman of the Board of directors and the Group Chief Executive Officer also co-sign the statement on modern slavery and human trafficking that BNP Paribas publishes annually.

The Group supports the United Nations Guiding Principles on Business and Human Rights, as well as the OECD's Guidelines for Multinational Enterprises, in accordance with the "Protect, Respect and Remedy" framework. It has chosen to follow the recommendations of the United Nations Guiding Principles reporting framework.

BNP Paribas takes part in the annual meetings of several initiatives, associations and working groups dedicated to human rights, including *Entreprises pour les Droits de l'Homme* (EDH) and the Human Rights

Working Group of the French network of the Global Compact. In addition, BNP Paribas Asset Management is a member of the PRI (Principles for Responsible Investment) Advance initiative, bringing together investors committed to the advancement of human rights through their stewardship policy. Finally, in 2023, BNP Paribas Asset Management joined the Investors Against Slavery and Trafficking initiative, and is tackling modern slavery through this initiative in the Asia-Pacific region.

#### Awareness-raising and training

The Group focuses on employee training and awareness-raising, which are important components of its human rights risks management process. A "Human Rights and Business" training module, established in collaboration with EDH and available in eight languages, has been assigned since 2016 to Group employees tackling human rights issues as part of their professional missions.

Since 2016, more than 22,000 employees have completed this training. Lastly, a Business & Human Rights newsletter is sent monthly to Group employees working on human rights issues.

(1) Statement of BNP Paribas on Human Rights [https://cdn-group.bnpparibas.com/uploads/file/uk\\_declaration\\_bnp\\_sur\\_droit\\_de\\_l\\_homme.pdf](https://cdn-group.bnpparibas.com/uploads/file/uk_declaration_bnp_sur_droit_de_l_homme.pdf)

## **Management of “salient<sup>(1)</sup>” risks as part of the distribution of products and services**

BNP Paribas has identified two “salient” risks in the distribution of its products and services:

- non-discrimination in access to financial services;
- right to privacy (protection of clients’ personal data).

### **Non-discrimination in access to financial services**

The Group believes that sustainable economic development promotes wider access to fundamental rights, which is why it strives to contribute to the accessibility of financial services in the communities where it operates (see *Products and services that are widely accessible*, Commitment 7).

### **The right to privacy**

The protection of privacy remains an ethical priority for the Group, as evidenced by its inclusion in the Code of conduct. In 2023, BNP Paribas continued to reinforce and develop its global network of data protection specialists, integrated into all Group’s territories and businesses. Worldwide, job assignments to apply the principles of data confidentiality and increase personal data protection knowledge occupy more than 100 full-time equivalents (2<sup>nd</sup> line of defence).

Created in 2018 and reporting to the RISK Function, the Group Data Protection Office (GDPO) support, advise and supervise data protection activities, including the implementation of continuous development programmes for Data Protection project managers and correspondents, and to identify and deploy good practices.

During 2023, improved procedures and guidance were created. The tools developed by the Group have also been updated to reflect these improvements (see *Management of risks related to personal data protection* in 2.4 Internal Control).

### **Key tools**

Available to all employees, they cover:

- data protection risk assessment to identify and address data processing risks;
- reporting personal data breaches. Each employee can report any suspicious personal data breach for investigation<sup>(2)</sup>;
- the recording of personal data processing activities;
- evaluating the impact of data sharing.

These tools provide a single view on how the Group manages and assesses personal data protection.

In 2023, a Personal Data Protection Awareness module was completed by 96% of employees, boosting understanding of the Group’s commitment to data privacy, and their own data protection responsibilities. This e-learning module is taken by newcomers. All external teams with assignments for BNP Paribas and third parties are required to complete

a training module which covers data privacy standards and obligations. These trainings were completed by awareness campaigns during the year.

## **Management of “salient” risks of breaches in human rights in the Group’s financing and investment activities**

The activities of corporate clients may pose a risk to human rights, particularly in the area of workers’ rights, and have an impact on local communities.

The Group endeavours to identify, assess (due diligence process), monitor and encourage the improvement of the current and future performance of its clients operating in sensitive sectors, through the application of its investment and financing policies (see *Systematic integration and management of Environmental, social and governance risks (ESG)*, Commitment 3). The implementation of the ESG Assessment, an internal tool for assessing the maturity of the Group’s clients on five major ESG issues, including respect for human rights, continued in 2023. At the end of the year, all of the Group’s strategic clients had been covered by an ESG Assessment, and the rollout to other major corporate clients is ongoing.

To ensure that the existing system meets the requirements of the French Duty of Care, BNP Paribas set up a risk mapping of its clients taking into account both their business sectors and the countries they operate in. This tool covers human rights issues through the analysis of several criteria, such as child labour, forced labour, human trafficking and failure to respect the rights of local communities. These issues are weighted based on the sector and location. This mapping thus strengthens the ability of the business lines and functions concerned to implement the most appropriate in-depth vigilance measures (see section 7.7 *Vigilance plan*).

### **Workers’ rights**

The human rights criteria of financing and investment policies in sensitive sectors deal with issues related to workers’ rights in particular. In addition to child labour and forced labour, workers’ health and safety as well as freedom of association are assessed. These themes are also taken into account in the analysis of projects covered by the Equator Principles (see *Systematic integration and management of Environmental, social and governance risks (ESG)*, Commitment 3).

### **Rights of local communities**

Identified as another “salient” issue, the rights of local communities are at the heart of most controversies related to large industrial projects. Therefore, for its project finance activities, BNP Paribas encourages its clients to obtain the Free, Prior and Informed Consent (FPIC) of the local communities impacted by their projects. In addition, in the event that a project results in the relocation of neighbouring communities, a Relocation Action Plan (RAP) must be drawn up by the client in order to compensate the people affected.

(1) “Salient” is the term used by the drafters of the United Nations Guiding Principles Reporting Framework.

(2) In accordance with the General Data Protection Regulation (GDPR), customers can exercise their rights in order to control the use made of their personal data. See page Data protection at the corporate site (<https://group.bnpparibas/en/data-protection>)

As a signatory of the Equator Principles (EP) since 2008, BNP Paribas ensures that negative environmental and social impacts are avoided, and where applicable, remedied in its project financing activities. The application of the 4<sup>th</sup> version of the EP (2020), results in a better recognition of the United Nations Guiding Principles and an expanded use of certain standards recognised by the Equator Principles, such as the systematic use of FPIC in "designated countries", whereas previously it was only optional.

### Due diligences and dialogue

In the event of suspected or identified serious abuses of human rights by a BNP Paribas customer or a company in its portfolio, the Group conducts in-depth due diligences and discusses the matter with the company concerned (see *Systematic integration and management of Environmental, social and governance risks*, Commitment 3).

For example, in 2023, the construction of a road in Africa displaced local communities from their homes. One of the conditions for the financing was the elaboration and execution of a RAP, integrated with a Stakeholder Engagement Plan to ensure the involvement of the people affected in the discussions concerning the resettlement. BNP Paribas, with other lenders involved in the transaction, required an independent consultant to review and monitor the RAP implementation, which include site visits. Regular meetings are organized with the independent consultant and if needed with the client to discuss the implementation of the plan.

### COMBATTING SOCIAL EXCLUSION

As a committed and responsible organization, the fight against social exclusion is a priority for BNP Paribas, with two main areas of intervention: the integration of young people and support for local regions. The majority of these actions are carried by the Group's Foundation and described in Commitment 9 (*Corporate philanthropy policy focused on the arts, solidarity and the environment*).

The Group's active participation in the *Collectif d'entreprises pour une économie plus inclusive* (Group of Companies for a More Inclusive Economy) and Business for Inclusive Growth (B4IG) coalition also

contributes to this. In addition to these actions, BNP Paribas supports employee's skills-based volunteering to non-profit organisations involved in tackling social inclusion (see *A Good place to work and responsible employment management*, Commitment 5).

In France, the Group contributes to several major programmes that have a positive impact on the professional integration of young people excluded from employment due to their social, geographical or ethnocultural origins, and in this respect supports nearly 280 associations committed to this cause. In addition, BNP Paribas joined the government "One young person, one solution" (*Un jeune, une solution*) plan as soon as it was launched.

In addition, through the solidarity funds offered in its collective savings schemes (PEE, PERECO, PERO), BNP Paribas allows its employees to use their company savings to support 30 Social and Solidarity Economy organisations working in favor of vulnerable groups.

### **Projet Banlieues (Neighbourhoods Project) supports those working on the ground in France, and is being extended to Italy**

The *Projet Banlieues* aims to support associations operating in the priority city neighbourhoods (QPV), which work in multiple areas such as education, social and professional integration and strengthening social bonds among communities. Since 2006, EUR 32 million has been raised, including EUR 9.1 million dedicated to 1,200 local associations benefiting 1.2 million people in the priority neighbourhoods, and the rest to Adie, Afef, *Proxité* and *Entreprendre pour Apprendre*.

In 2023, *Projet Banlieues* supported 443 local associations spread over a large part of the territories covered by the CPBF branch network, including 153 new associations providing help to approximately 177,000 vulnerable people. Determined to take very concrete action in favour of social inclusion, in 2023, BNL launched an initiative mirroring *Projet Banlieues* in Italy, known as *Progetto IncluCity*. In close collaboration with local associations, it aims to create professional and cultural opportunities for young people from disadvantaged neighbourhoods in Milan, Padua, Prato, Rome and Naples.

## **COMMITMENT 9: CORPORATE PHILANTHROPY POLICY FOCUSED ON THE ARTS, SOLIDARITY AND THE ENVIRONMENT**

The BNP Paribas Foundation has been major and expert player in corporate philanthropy since 1984. It structures and coordinates the international development of the BNP Paribas Group's philanthropy everywhere the latter is present, as well as its 11 foundations and endowment funds around the world. Its focus is towards projects promoting solidarity, culture, and the environment.

In 2023, the BNP Paribas Group's philanthropy allocated more than EUR 90 million to public interest activities, of which more than EUR 30 million coming from exceptional donations:

- more than EUR 12 million allocated by TEB to support the victims of the earthquake that struck Türkiye;
- nearly EUR 3 million allocated by BMCI to help victims of the earthquake that hit Morocco;

■ EUR 20 million stemming from the share buyback programme were paid to more than 90 organisations working in three current priority areas<sup>(1)</sup>: the fight against extreme poverty and violence against women, integrating disadvantaged people into society (looking after refugees' welcome, equal opportunities, professional integration), the climate and biodiversity.

The remaining EUR 60 million (figure estimated at 1 February 2024), excluding exceptional support for extreme poverty, was divided into the following three areas of action: solidarity, culture and the environment.

(1) List can be consulted on the Group's website: <https://group.bnpparibas/en/news/more-than-30-million-euros-in-exceptional-donations-in-2023-to-address-urgent-needs>

## SOLIDARITY

### Responding to emergencies

#### Combatting extreme poverty

While the global economy is experiencing inflation that affects the most vulnerable groups, the Group's commitment to combatting extreme poverty amounts to nearly EUR 10 million worldwide over three years, primarily thanks to its share buyback programme in 2023. In France, EUR 3.5 million was dedicated to supporting people in food and housing emergencies with the help provided to the Group's partner associations, including *Restos du Cœur*, *Habitat & Humanisme* and Food Banks, amongst others.

#### Responding to natural and humanitarian disasters

The Rescue & Recover Fund makes it possible to react quickly and effectively worldwide in the event of a humanitarian or environmental disaster. The Fund collects donations from employees, CPBF customers and retirees who are members of the *Amicale des retraités* (Retired Employees Circle). The Group generally doubles the amount, or even triples it in exceptional cases, in order to finance the projects of four partner NGO: Doctors Without Borders, CARE, the French Red Cross and the International Fund for Animal Welfare (IFAW). In 11 years, more than EUR 15 million (including EUR 5 million for Ukraine in 2023) has been used to finance tangible actions on the ground benefiting more than 6 million people. Since it was created, the Rescue & Recover Fund has been associated with 45 campaigns in more than 30 countries around the world.

In 2023, the Rescue & Recover Fund took action to support two crises caused by destructive earthquakes: in Türkiye and Syria in February, and in Morocco in September. The annual Rescue & Recover Fund campaign also supported women, the first victims of poverty and violence, through a number of international development projects with our partner NGO. These projects received a total of nearly EUR 2.5 million from the Fund in 2023.

In 2023, the BNP Paribas Foundation and the Group received the *Grand Prix de la Philanthropie* awarded by the Ficade Group, in the "Emergency" category, thus recognising the importance of action within the Group and the variety of initiatives launched during severe humanitarian crises.

### Accelerating social inclusion

#### Refugee Programme: helping the integration of refugees

In 2023, BNP Paribas continued its sponsorship programme to promote the integration of refugees in Europe with the same objective: to enable refugees, minors as well as adults, to learn the language of the host country in order to better integrate, find professional training, resume studies, gain autonomy and find a job. To contribute to this, in 2023, the global philanthropy programme managed by the BNP Paribas Foundation provided nearly EUR 1.8 million to the programmes of 30 associations in 12 European countries<sup>(1)</sup>. In total, since 2015, EUR 17.3 million has been allocated to the aid and integration of refugees in Europe<sup>(2)</sup>.

#### Help2Help: Supporting employee engagement

Since 2003, the BNP Paribas Foundation has supported projects carried out by the Group's employees in France that are members of solidarity organizations on their personal time. In 2023, this Help2Help programme, rolled out in around 20 countries, supported projects from over 185 associations.

#### Whitaker Peace & Development Initiative: A first in France

Since 2018, BNP Paribas has supported the Whitaker Peace & Development Initiative NGO in its actions in South Africa, enabling young women and men from disadvantaged neighbourhoods to become ambassadors for peace and entrepreneurs in their communities, and improving access to information and communication technologies by giving them access to vocational training and scholarships.

In 2023, the Group supported the launch of the NGO's activity in France. A training centre was opened in Aubervilliers in a facility provided by BNP Paribas.

#### Encouraging equal opportunities through mentoring and other actions

Declared a major national cause in 2023, mentoring was already at the heart of the Group's and the Foundation's youth support actions, through various partnerships with pioneering associations which have specialised in supporting young people for the past 15 years. In 2023, more than 1,000 Group employees were mentors, making BNP Paribas the leading French company in terms of the number of mentors.

#### Supporting young people and vulnerable women

Taking stock of the issue of poverty amongst young people, the BNP Paribas Foundation continued its actions in this area around three main topics: access to education, poverty, and psychological trauma. It has thus supported partners and associations that work on the ground with the most vulnerable groups.

In 2023, the BNP Paribas Foundation reaffirmed its support for women, by partnering associations whose solidarity and awareness-raising actions help to combat gender-induced hardships, through access to healthcare, housing and basic necessities.

## CULTURE

Contemporary creation is at the heart of the BNP Paribas Foundation's cultural philanthropy programme. Engaged alongside many artists and the institutions hosting and featuring their works, the Foundation in particular supports contemporary dance, jazz and new circus arts. Its actions foster cultural transmission and thus resonate with the social programmes the Foundation also supports.

(1) Germany, Austria, Belgium, Spain, France, Greece, Italy, Luxembourg, Poland, Portugal, Switzerland, United Kingdom.

(2) And excluding emergency donations for Ukraine.

### Cultural transmission and access to it for all: a new commitment focus

Passing down, sharing an artistic heritage and musical knowhow are all levers that enable younger generations to succeed and move towards excellence while being supported and guided. The BNP Paribas Foundation has forged new partnerships in this area, for example with the hip-hop section of the Turgot high school. This class offers academic and artistic excellence unique in Europe, and is the only free training of this type within a public institution. It aims to integrate students from lower-income neighbourhoods, and break the spiral of academic failure through dance. Furthermore, the sale of fine art furniture from the BNP Paribas collection made it possible to support around 15 additional associations.

### Contemporary creation is at the heart of the BNP Paribas Foundation's cultural philanthropy programme

Committed to many artists and institutions, the Foundation continues its support for creativity by supporting new artists like the drummer, composer and producer Arnaud Dolmen, and the vocalist and musician Leila Martial. Both are symbolic choices, demonstrating the new direction of the BNP Paribas Foundation's cultural philanthropy, which aims to promote younger generations and female artists.

### THE ENVIRONMENT

See *Advancing awareness and sharing of best environmental practices*, Commitment 12.

## 7.5 Our environmental responsibility: accelerating the ecological and energy transition

The Group deploys its environmental responsibility in three priority areas:

- **Commitment 10:** Enabling its clients to transition to a low-carbon economy respectful of the environment;
- **Commitment 11:** Reducing the environmental impacts of its operations;
- **Commitment 12:** Advancing awareness and sharing of best environmental practices.

### COMMITMENT 10: ENABLING ITS CLIENTS TO TRANSITION TO A LOW-CARBON ECONOMY RESPECTFUL OF THE ENVIRONMENT

#### A STRONG AMBITION FOR THE TRANSITION TO A LOW-CARBON ECONOMY

As set out in Commitment 1 (*Financing and investments with a positive impact*), the Group supports its clients in the transition to a more sustainable economy. It has an **ambitious target for 2025: EUR 200 billion to support its clients in the transition to a low-carbon economy** (see section 7.1 *The CSR Policy Management Dashboard*). **The amount at the end of 2023 was EUR 104 billion.**

In terms of energy, BNP Paribas makes the following distinction:

- renewable energy, including wind and marine energy, photovoltaic solar energy, concentrated solar energy, hydroelectricity, geothermal energy, bioenergy (including biofuels except for first generation<sup>(1)</sup>);
- low-carbon energy, including renewable and nuclear energy sources. The scope of low-carbon energy could evolve according to technological progress to gradually go beyond the production of energy and include other steps in the value chain such as transport, storage or distribution of low-carbon energy.

(1) In the presentation of our energy exposures, this distinction is not made to date, which is why the amount of our exposure to biofuels is isolated.

**In 2023, BNP Paribas accelerated its financing to low-carbon energy.**

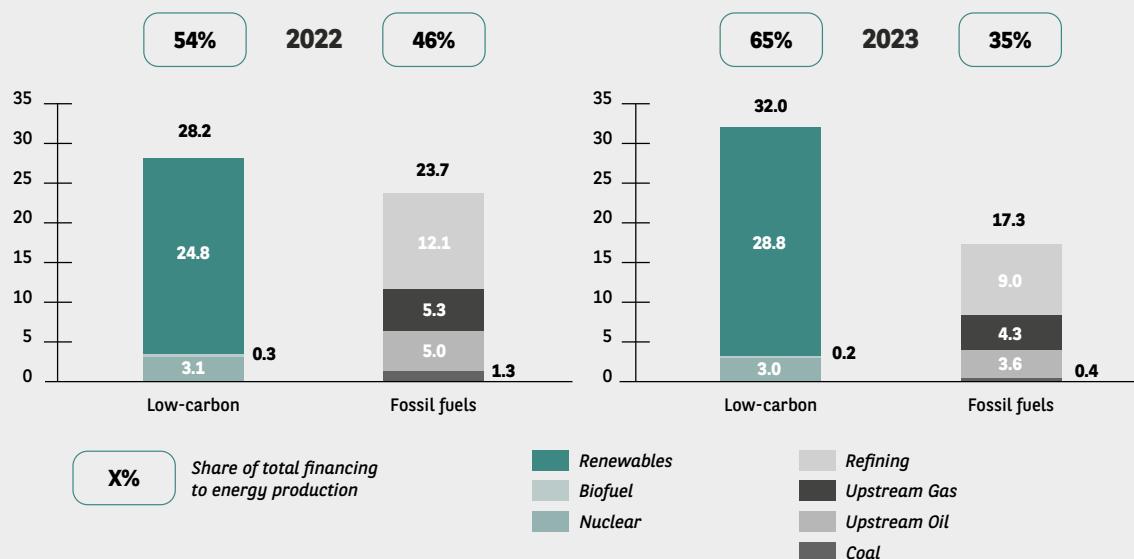
In January 2023, BNP Paribas set a 2030 target of EUR 40 billion of credit exposure to low-carbon energy, representing at least 80% of its credit exposure to energy production. It was nearly 55% at 30 September 2022.

At 30 September 2023, BNP Paribas' credit exposure to low-carbon energy production already represented EUR 32 billion (including EUR 28.8 billion for renewable energy sources), *i.e.* 65% of the Group's financing for energy production. Thus, in one year, BNP Paribas increased its credit exposure to renewable energy by EUR 3.8 billion, and its share of low-carbon energy in total energy financing is up by more than 10 points.

The commitment to achieve EUR 40 billion in credit exposure and 80% low-carbon energy in the Group's energy production financing has been brought forward to the end of 2028. The target for 2030 is now 90%.

**► EXPOSURE TO LOW-CARBON ENERGY AND FOSSIL FUELS**

Credit facilities + contingent liabilities + securities on balance sheet, in billions of euros, at 30 September 2022 and 30 September 2023



Please note that this is a stock of loans granted over the years, and which clients still repay over a number of years. The major action taken over the past few years to accelerate new low-carbon loans and the fossil fuel divestment makes it possible to achieve the 2028 and 2030 objectives.

**SUPPORTING CORPORATE CLIENTS IN THEIR ENERGY AND ECOLOGICAL TRANSITION**

Climate change, circular economy and preserving biodiversity have become systemic challenges for companies. The Group offers its clients support throughout their energy and ecological transition strategy, which may cover efforts to reduce their energy consumption, decarbonise it, reduce their greenhouse gas emissions, develop more circular business models and minimise their impact on biodiversity.

**The Low-Carbon Transition Group**

In 2021, BNP Paribas created the Low-Carbon Transition Group, a strong platform made up of 200 bankers at end-2023 (with a target of 250 specialist bankers by end-2025) dedicated to supporting international clients, companies and institutional investors in accelerating their transition to a sustainable and low-carbon economy. A continuum of banking and non-banking solutions, is therefore provided for the decarbonisation of the economy, and particularly the energy, mobility and industry sectors. In addition to renewable energy and the battery sector, this platform is

particularly attentive to future technology projects, specifically green hydrogen.

In addition, the Low-Carbon Transition for SMEs & MidCaps initiative supports SMEs and mid-sized companies in the transition to Net-Zero emissions<sup>(1)</sup> in the Group's five main Domestic Markets (France, Belgium, Italy, Luxembourg and Poland).

**Increased support for renewable energy**

BNP Paribas is strongly committed to increasing its financing for renewable energy. Among the concrete achievements in the renewable energy sector in 2023 worldwide, BNP Paribas jointly arranged financing for the renovation of three wind farms located in Hauts-de-France covering a total of 35 MW, operated by Kallista Energie, an independent renewable energy producer. The entire electricity production of these three wind farms, *i.e.* around 100 GWh per year, will be purchased by Groupement Les Mousquetaires, *via* its subsidiary Bonacieux Energies, over a period of 20 years. This is the second Corporate Power Purchase Agreement, following that of Lhyfe, one of the world leaders in green hydrogen.

(1) SMEs: small and medium-sized enterprises.

In Poland, BNP Paribas was a major player in the Baltic Power project led by Orlen and Northland Power. The loan of more than EUR 4.4 billion will enable the construction of the first offshore wind farm in Polish waters. This farm comprises 76 wind turbines that will provide renewable energy to more than 1.5 million households from 2026. This was the largest offshore wind project in Europe in 2023.

The Abu Dhabi company, Masdar, developer and operator of public utility renewable energy infrastructure, active in 40 countries and with a portfolio with a total capacity of 20 GW, issued USD 750 million in green bonds to finance the development of new renewable energy infrastructure around the world. It plans to expand its capacity to 100 GW of renewable energy by 2030. BNP Paribas acted as joint ESG structuring advisor on Masdar's Green Finance Framework, and as joint lead manager on this issue.

BNP Paribas was coordinating lead arranger and bookrunner for a USD 2.5 billion financing to support renewable energy generation projects from AES Corporation, an American company specialised in the energy sector. This credit facility will finance more than 3 GW of new clean energy construction (solar, wind and energy storage) in the United States over a 12-month period.

ReNew Power, a major Indian player in renewable electricity production, obtained a loan of USD 1 billion to finance a portfolio of wind and solar projects of 1.3 GW, backed up by batteries to provide an uninterrupted energy supply. It is the most significant financing for a round-the-clock renewable energy project in India. The energy produced will be sold to the Solar Energy Corporation of India (SECI). BNP Paribas played the role of lead arranger and hedge bank in this transaction. Hybrid projects of this nature, combining wind, solar and energy storage, make it possible to optimise land resources and grid infrastructure, while generating a reliable electricity supply day and night. The purpose of such projects is to play a key role in India's energy transition.

### **Development of more sustainable mobility**

In 2023, the "BNP Paribas Mobility" brought together all of the Group's mobility expertise to support its partners and serve its customers through infrastructure financing, support for players in the automotive sector, and the development of adapted offers for new players with large vehicle fleets, the creation of new mobility offers and services for companies and individual customers. To this end, BNP Paribas Mobility launched the integrated "Mobility4you" platform for individuals, which incorporates the carbon footprint and promotes soft mobility.

BNP Paribas played the key role of joint sustainability structuring coordinator during the successful placement of the first EUR 1.25 billion green bond for Stellantis, whose funds will be mainly dedicated to the design, development and manufacture of 100% electric vehicles and electric vehicles fuel cells.

AESC (Automotive Energy Supply Corporation), the world's leading Japanese company in the design and production of batteries, was financed for an amount of more than EUR 800 million for the planned construction of a gigafactory in France. During the first phase of this large-scale project, it is expected that 9 GWh of batteries will power 200,000 electric vehicles produced each year from 2025 by the manufacturer Renault. Through its role as mandated lead arranger, BNP Paribas is therefore helping accelerate the development of the sector in Europe.

ChargePoint, a major player in electric vehicle charging networks, has signed an international agreement with Arval to accelerate the transition to electric mobility for international companies, SMEs and individuals. This agreement will support fleet managers with a complete portfolio of e-mobility services (smart charging stations, digitisation, payment, assistance, etc.).

At the same time, Arval has set itself a target of 350,000 electric vehicles in 2025 and more generally of 700,000 electrified vehicles in its rental fleet, contributing to its target of reducing average CO<sub>2</sub> emissions per leased vehicle by 35% compared to 2020. In 2023, its fleet included more than 166,000 electric vehicles, an increase of 85% in one year, and 438,000 electrified vehicles.

In addition, around the world, Arval had nearly 20,000 users of alternative mobility solutions to private cars, such as car-sharing, mobility cards and bicycle rentals.

### **Deployment of circular economy**

In order to reduce the consumption of non-renewable raw materials and waste production, BNP Paribas continues to support the development of circular economy, which resulted in various achievements in 2023.

CPBF financed a foundry sand regeneration installation project for an amount of EUR 3.3 million, an innovative project enabling La Fonte Ardennaise, a major player in the foundry industry worldwide, to recycle 90% of black moulding sand, and thus save natural resources, stop the landfill of sand waste and reduce CO<sub>2</sub> emissions by 20,000 tonnes per year.

Brambles, a company in the logistics sector and a pioneer in the field of circular economy thanks to its model of sharing and reuse of goods, issued a green bond of EUR 500 million in March 2023 for which BNP Paribas was joint bookrunner. This is the first green bond issued by an Australian company exclusively dedicated to financing circular economy. It will reduce the use of natural resources, the production of waste and supply chain carbon emissions.

On the investment side, BNP Paribas Asset Management offers investors the BNP Paribas Easy EPCI Circular Economy Leaders fund, whose assets amounted to more than EUR 900 million at the end of 2023, demonstrating the strong appeal of this area for both individual and professional investors.

Circular economy also plays a role in the transport sector: "Arval car sharing" offers a digital solution for the reservation and pooled use of service vehicles between employees within their company, thus maximising the fleet usage rate, and optimising the number of vehicles actually needed and therefore their cost, with a reduction of up to 20% in the road fleet.

### **Responsible real estate for companies**

BNP Paribas was the advisor to Covivio, a French real estate management company, for the implementation of its Sustainable Bond Framework which enabled the issuance of green bonds or bonds backed by sustainable performance indicators. This framework enabled the successful placement of EUR 500 million in green bonds.

60% of a building's carbon footprint is related to construction materials. By forging a partnership with Materrup, a young French company that produces low-carbon construction materials based on uncalcined clay, BNP Paribas

Real Estate has an additional solution to achieve its carbon footprint reduction targets. In this context, five pilot programmes were launched in France representing 81,800 m<sup>2</sup> of floor space, or 700 housing units.

### **Promoting high-quality voluntary carbon credit markets**

BNP Paribas actively supports its customers and corporate clients in its investment portfolio in their carbon neutrality approach, by offering them products and services for energy efficiency and the decarbonisation of their activity, as well as carbon offsetting. To this end, the Group published its position on voluntary carbon credits in 2023<sup>(1)</sup>, in which it defines the general principles according to which BNP Paribas uses, supports, advises or sells voluntary carbon credits for its own use or that of its customers.

The robust and rigorous development of voluntary carbon credits has a role to play in the global transition to carbon neutrality, with a specific attention to several sensitive aspects: emission reduction actions should always be a priority over using carbon credits; the greenhouse gas reductions linked to these voluntary carbon credits should be effective and permanent; the projects generating carbon credits should also have positive impacts on biodiversity and local populations.

### **SUPPORTING ITS INDIVIDUAL CUSTOMERS IN REDUCING THEIR CARBON FOOTPRINT AND PARTICIPATING IN THE ENERGY TRANSITION**

#### **Support for energy-efficiency home renovation**

The energy footprint of housing is a major issue in the ecological transition. At the European level, in France, Belgium, Luxembourg, Italy and Poland, BNP Paribas is accelerating by offering dedicated solutions to its individual customers. These new "beyond banking" offers help decarbonise the residential real estate loan portfolio.

Thus, CPBF offers its customers "Energibio" for the financing of energy renovation. In Belgium, BNP Paribas Fortis offers energy loans and renovation loans to finance insulation work, and launched "HappyNest", which offers to rent a new energy-efficient building and then buy it a few years later. In Italy, BNL launched "Mutuo Green", a new green mortgage product with preferential interest rates for residential buildings of energy classes A and B.

Domofinance, created in 2003 at the initiative of EDF and BNP Paribas Personal Finance, is the only financial institution fully dedicated to financing energy renovation and home improvement works. Between 2004 and 2023, Domofinance financed nearly 800,000 loan applications. Since 2013, it has also financed the renovation of shared housing. Domofinance has outstanding loans of EUR 1.7 billion for energy renovation projects, including personal loans, loan with a professional and shared property loans.

The EIB Group (European Investment Bank and European Investment Fund) signed its first securitisation transaction with BNP Paribas Personal Finance. This enables the latter to free up equity for financing, over a three-year period, of EUR 627 million for home energy renovation and renewable energy projects for private individuals in France.

#### **Support for the purchase of less polluting vehicles and sustainable mobility**

BNP Paribas Personal Finance and Arval signed a pan-European partnership agreement with the automotive manufacturer ZEEKR, a subsidiary of the Geely group, to deploy a full range of services. The partnership will enable ZEEKR's end customers to access financing, leasing and insurance services covering all aspects of mobility.

In Germany, Arval is stepping up its cooperation with MG Motor by launching in 2023 a joint car subscription offer called "MG Auto Abo Powered by Arval". This offer allows individuals to benefit from a more flexible lease term with all the benefits of long-term lease with services (reduction of the financial risks associated with owning a vehicle, including services, insurance, etc.).

In France, to meet the expansion of bicycle use, BNP Paribas Personal Finance launched a new long-term rental offer for electric bicycles. The service is provided as a monthly subscription, with different cost levels depending on the bike, the options chosen and the length of the contract. Users can use a high-quality bike for a period of 24 or 36 months, which is covered by insurance (breakage, theft, etc.) and serviced annually by a professional.

### **CONTRIBUTING TO PROTECTING BIODIVERSITY**

"Natural capital and biodiversity" is one of the five priority areas of the Sustainability pillar in BNP Paribas' GTS 2025 strategic plan. One of the CSR Policy Management Dashboard indicators (see section 7.1 *CSR Policy Management Dashboard*) measures the amount of financing to companies contributing to the protection of terrestrial and marine biodiversity, with a target of EUR 4 billion by the end of 2025. The amount at the end of 2023 already exceeds the target with EUR 4.3 billion.

This year, BNP Paribas took part in SLLs with objectives relating to the protection of biodiversity, in particular with agri-food companies seeking to increase the traceability of their supply chain and the share of agricultural commodities not linked to deforestation (for example, through criteria on the quantity of imported soybeans not linked to deforestation). The Group has also participated in bond issues including the financing of actions aimed at preserving the quality of natural environments (maintaining 100% of primary forests, improving the quality of surface and groundwater, etc.).

#### **Financing and investment policies to limit impacts on biodiversity**

Since 2012, BNP Paribas has set up financing and investment policies<sup>(2)</sup> governing its activities in sectors considered sensitive from a biodiversity point of view, including agriculture (including livestock and forestry), palm oil, paper pulp, mining, oil and gas. In 2021, the Group strengthened its

(1) [https://cdn-group.bnpparibas.com/uploads/file/bnpparibas\\_csr\\_voluntary\\_carbon\\_credits\\_position.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnpparibas_csr_voluntary_carbon_credits_position.pdf)

(2) <https://group.bnpparibas/en/our-commitments/transitions/financing-and-investment-policies>

contribution to the fight against deforestation in the Amazon and Cerrado, by adopting new criteria for the beef and soybean sectors. In addition, in 2022, BNP Paribas announced that it would not finance any greenfield or brownfield oil and gas projects, nor any associated infrastructure, in the Amazon region or in the Arctic region.

In addition to these policies, in order to assess and contribute to reducing the impact of its customers on biodiversity, the Group includes questions relating to biodiversity in the sectoral questionnaires of the ESG Assessment (see *Systematic integration and management of Environmental, Social and Governance risks*, Commitment 3).

Moreover, BNP Paribas Asset Management is making progress in implementing its biodiversity roadmap<sup>(1)</sup>, in accordance with its new Global Sustainability Strategy 2023-2025<sup>(2)</sup>. In 2023, BNP Paribas Asset Management re-analysed the impact of its investments on biodiversity<sup>(3)</sup>, helping to identify commitment targets for its stewardship and asset management activities.

The analysis of the biodiversity footprint of investment portfolios (shares and corporate bonds) of BNP Paribas Cardif was published for the first time in 2022, renewed in 2023 and supplemented by a second measurement, using a complementary methodology<sup>(4)</sup>. The results show that the average dependency of portfolios on all ecosystem services is low.

## Positive actions for biodiversity

In parallel with these measures to manage the potential impacts of its activities on biodiversity, BNP Paribas incorporates the sustainable management of nature into its commercial activities. BNP Paribas Asset Management is thus expanding its sustainable investment offering, for example with the acquisition of a majority stake in the International Woodland Company (IWC), thus meeting the needs of investors who are increasingly diversifying in this market segment. Based in Denmark, IWC specialises in investment and advisory services for sustainable forestry, agriculture and natural ecosystems, as well as carbon credits and conservation projects.

BNP Paribas acted as joint lead manager and bookrunner in the combined EUR 1 billion green bond and SLB issued by Stora Enso, a Finnish company and one of the largest private forest owners in the world. Thanks to this green bond, the company has committed to more sustainable management of forests, energy, water and waste, as well as to increased pollution control.

## Support for the transition to more sustainable agriculture

In addition to its sectoral policy of responsible financing of the agricultural sector<sup>(5)</sup>, the Group is committed to developing products and services to promote the transition to more sustainable agriculture. Thus, the Group benefits from a centre of expertise for the agrifood sector known as BNP Paribas International Food & Agri, an entity of BNP Paribas Bank Polska, which all Group entities can use. The centre has developed the

"Agronomist.pl" platform, a toolbox for producers and agrifood companies, to support the agroecological transition with experts, including bankers and analysts, specialised in cooperation with agricultural producers and agrifood stakeholders. The aim is to develop and promote a harmonised set of measures for sustainable agriculture.

## ASSET MANAGEMENT FOR THE ENERGY AND ECOLOGICAL TRANSITION

### Funds to direct financial flows towards the energy and ecological transition

For several years, BNP Paribas Asset Management has broadened its range of investment solutions by focusing on corporate clients making a positive contribution to the transition to a more sustainable economy. Its sustainability-focused product offering is structured around two main ranges covering the main listed and unlisted asset classes. Solutions include certified funds (see *Designing and promoting funds which include sustainability criteria*, Commitment 1) and thematic solutions.

These thematic solutions enable private and institutional investors to access specific ecological transition themes (such as the energy transition, biodiversity and the circular economy), by focusing their investments on a universe of companies or projects whose products, services and/or transactions make a positive contribution. For example, BNP Paribas Energy Transition fund, launched in 2019 with assets of EUR 1.5 billion at the end of 2023, invests in companies that are committed to the energy transition, such as the production of renewable energy or energy technology and infrastructure. A large part of these themes is found in the range of BNP Paribas Asset Management Article 9 funds (within the meaning of the SFDR directive) representing EUR 20.1 billion in assets at the end of 2023.

### Exercising of voting rights and shareholder dialogue for the energy and ecological transition

BNP Paribas Asset Management strengthened its ESG voting guidelines<sup>(6)</sup>, with particular attention given to the climate and biodiversity. It now opposes the major resolutions of large companies in the sectors that emit the most greenhouse gases, which have not set themselves a carbon neutrality target by 2050. In terms of biodiversity, companies, and in particular those in sectors with a high potential impact on biodiversity, must now assess and report on their main impacts and dependencies on nature, particularly in terms of deforestation and water issues.

(1) <https://docfinder.bnpparibas-am.com/api/files/940B42EF-AFFF-4C89-8C32-D9BFBA72BF24>

(2) <https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>

(3) <https://docfinder.bnpparibas-am.com/api/files/3F133AE1-6792-438F-8786-2D3C39D04D35>

(4) For its legal entities Cardif Assurance Vie and Cardif Retraite:

[https://www.bnpparibascardif.com/documents/348001/348117/Rapport29LEC\\_Cardif\\_Retraite\\_300623\\_EN\\_.pdf/3bd08dd6-80e5-851c-9bcf-4033032f7b7a?t=1699438282616](https://www.bnpparibascardif.com/documents/348001/348117/Rapport29LEC_Cardif_Retraite_300623_EN_.pdf/3bd08dd6-80e5-851c-9bcf-4033032f7b7a?t=1699438282616) and  
[https://www.bnpparibascardif.com/documents/348001/348117/Rapport29LEC\\_Cardif\\_Ass\\_Vie\\_300623\\_EN\\_.pdf/46b6556b-b0ad-2e3d-5c9f-946e29b7de2b?t=1699438281806](https://www.bnpparibascardif.com/documents/348001/348117/Rapport29LEC_Cardif_Ass_Vie_300623_EN_.pdf/46b6556b-b0ad-2e3d-5c9f-946e29b7de2b?t=1699438281806)

(5) [https://cdn-group.bnpparibas.com/uploads/file/bnpparibas\\_csr\\_sector\\_policy\\_agriculture.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnpparibas_csr_sector_policy_agriculture.pdf)

(6) <https://www.bnpparibas-am.com/en/sustainability-bnpp-am/stewardship-future-maker-in-action/>

## FINANCING INNOVATIVE START-UPS TO ACCELERATE THE ECOLOGICAL TRANSITION

BNP Paribas has been supporting innovation in the areas of ecological transition by committing a total of EUR 250 million of equity since 2016 to support start-ups. At the end of 2023, through its Ecological Transition Capital investment line, BNP Paribas had already invested EUR 87.2 million in 12 innovative companies, including CarbonWorks in France (CO<sub>2</sub> capture and recovery using microalgae) and Protix in the Netherlands (insect factory for animal feed), and in eight funds, including Shift4Good, Clay Capital and Seaya Andromeda.

Within this same investment line, the SFDR Article 9 fund BNP Paribas Solar Impulse Venture, to which BNP Paribas committed EUR 75 million, completed a closing of EUR 131.2 million at the end of 2023. In 2023, this

fund invested in Hello Watt, which helps individuals reduce their carbon footprint through the energy renovation of their homes.

The Bank also supports start-ups by partnering with them on projects with high added value. TEB, a subsidiary of the Group in Türkiye, has joined forces with the German start-up Plan A to calculate CO<sub>2</sub> emissions for its clients in the Turkish textile and automotive sectors. In Poland, BNP Paribas Bank Polska invested in the start-up Envirly to offer their solution to the bank's MidCap customers in order to calculate their CO<sub>2</sub> emissions. Finally, BNP Paribas advised ChargePoly, a specialist in ultra-fast charging solutions for electric vehicles, on its raising of EUR 15 million in equity. BNP Paribas Leasing Solutions signed a partnership in France to develop its sales through adapted financing solutions.

## COMMITMENT 11: REDUCING THE ENVIRONMENTAL IMPACTS OF ITS OPERATIONS

The Group has set itself a target to reduce greenhouse gas emissions in its operational scope (scopes 1, 2 and business travel) to below 1.85 tonnes of CO<sub>2</sub> equivalent per FTE by 2025, down 25% compared to 2018. To achieve this, BNP Paribas strives first and foremost to reduce its greenhouse gas emissions by reducing energy consumption and using low-carbon energy. In addition, actions are carried out on impacts beyond greenhouse gas emissions including waste management and recycling, water consumption, mobility, responsible paper, etc. Finally, BNP Paribas also offsets its residual emissions by purchasing voluntary carbon credits. To deploy its commitment to reduce the environmental footprint related to its own operations, the Group uses the Green Company For Employees scheme, which puts employees at the heart of action.

### GREEN COMPANY FOR EMPLOYEES (GC4E): EMPLOYEE ENGAGEMENT WORLDWIDE

The Green Company for Employees programme accelerates the reduction of all of BNP Paribas' direct impacts on the environment, by assigning a central role to the participation of all employees. The priorities include the promotion of soft mobility by encouraging the sharing of journeys (carpooling) and vehicles (car-sharing, bicycle-sharing), monitoring digital footprints, the fight against single-use plastic, as well as the proposal for more sustainable food (responsible sourcing, food waste reduction, waste recovery). Particular emphasis is placed on raising the awareness of all Group employees, via dedicated thematic actions such as digital cleaning weeks, as well as training in environmental and climate issues.

With regard to IT management, the Group has set up the Sustainable IT programme. In this context, an internal "responsible digital" charter, built around 10 fundamental principles, was distributed to the entire IT sector worldwide and published in the Group's Procedures database which is accessible to all employees.

### STRENGTHENED EFFORTS TO REDUCE THE ENERGY CONSUMPTION OF OPERATIONS

The Group continued its efforts to continue to reduce its energy consumption, comply with the government's sobriety plan launched in France in 2022, deploy these principles internationally and to perpetuate this reduction over time. Thus, for the second consecutive year, very significant reduction in energy consumption was recorded, with a decrease of 26% in 2023 for the entire Group in absolute terms, which represent a decrease of 15% without taking into account the scope effect.

#### Robust and multi-use environmental indicators

The indicators monitored each year as part of environmental reporting allow the Group to accurately measure the change in its direct environmental impacts, to ensure effective management by reporting detailed data to the business lines and regions, and to implement appropriate policies and actions to further reduce BNP Paribas' operational environmental footprint.

The data required to calculate these indicators is collected annually for the Group's main regions in terms of number of employees (20 countries in 2023 covering more than 85% of full-time equivalents - FTE). The results obtained for this scope are then extrapolated to cover all of BNP Paribas. The period taken into account for the data collected covers 12 months from October (year-1) to September (year 0). The number of FTEs is officially determined by Group HR at 31 December of the year in question.

The measurement of the CO<sub>2</sub> emissions for the Group's operating scope is based on the reference methodology of the GHG Protocol. The following are taken into account: energy consumed (electricity, gas, fuel oil, district heating and cooling) in the buildings occupied by the Group, and the energy consumed in the means of transport used by employees for their business travel (excluding commuting) by car, train or plane. Only the combustion of fossil fuels is taken into account; the extraction and transportation of fuels are excluded from this calculation.

► **MAIN ENVIRONMENTAL INDICATORS AT 31 DECEMBER 2023**

| Indicators  | 2019 | 2020 | 2021 | 2022 | 2023  | 2025 Objectives                          |
|---|------|------|------|------|-------|--|
| Greenhouse gas emissions – scopes 1 and 2 and business travel (teqCO <sub>2</sub> /FTE) | 2.32 | 1.85 | 1.50 | 1.65 | 1.56  | ≤ 1.85                                   |
| Water consumption (m <sup>3</sup> /FTE)   | 21.8 | 15.8 | 18.2 | 10.7 | 10.39 | Qualitative improvement of the indicator |
| Paper consumption (kg paper/FTE)  | 86   | 58   | 49   | 44   | 39    | ≤ 70                                     |
| Share of sustainable paper (in %)   | 71.3 | 74.6 | 78.7 | 74.9 | 86.7  | ≥ 90                                     |
| Waste production (kg/FTE)   | 171  | 109  | 87   | 92.3 | 84    | Qualitative improvement of the indicator |

► **MAIN CONSUMPTION SITUATION AT 31 DECEMBER 2023**

| Total consumption/production           | 2019      | 2020      | 2021      | 2022      | 2023      |
|--|-----------|-----------|-----------|-----------|-----------|
| Energy consumption (in GWh)            | 1,399     | 1,209     | 1,171     | 1,123     | 830       |
| Water consumption (in m <sup>3</sup> ) | 4,339,270 | 3,058,462 | 3,453,976 | 2,072,981 | 1,897,531 |
| Paper consumption (in tonnes)          | 17,018    | 11,162    | 9,363     | 8,428     | 7,153     |
| Waste production (in tonnes)           | 33,905    | 21,085    | 16,451    | 17,771    | 15,260    |
| Share of recycled waste (in %)         | 21        | 31        | 34        | 26        | 39        |

Note: through its activities, the Group is not a significant source of noise pollution or any other specific industrial pollution.

**Use of low-carbon electricity**

To continue reducing its environmental impact, the Group has been increasing its share of low-carbon electricity for several years. In 2023, low-carbon electricity represented 79% of total electricity consumption. The share of renewable electricity represented 34.8%. This electricity came either from the purchase of renewable electricity certificates, or from the direct consumption of renewable energy produced by the Group's buildings. Renewable energy consumption accounted for 27.3% of total energy consumption (830 GWh in 2023).

This commitment is strengthened with the introduction of exclusively renewable electricity purchase contracts (Power Purchase Agreements or PPAs). After signing PPA contracts in Poland to cover 100% of its electricity supply and in the United Kingdom, France also signed a contract in 2023, which will eventually provide at least 25% of its electricity supply from photovoltaic sources.

These systems are allowing the Group to limit CO<sub>2</sub> emissions associated with its electricity consumption, a reduction recognised in the market-based approach<sup>(1)</sup>. Based on this approach, the CO<sub>2</sub> emissions amounted to 214,859 teqCO<sub>2</sub> in 2023, i.e. a reduction of 70,464 teqCO<sub>2</sub> over the year compared to the location-based calculation<sup>(2)</sup>.

**Numerous environmental and commitment certifications**

In 2023, 15 ISO 14001 environmental certifications were in progress at BNP Paribas, covering nearly 75,000 employees, i.e. 40% of its workforce, demonstrating the renewed commitment of the building management business lines (France, Belgium in particular), IT assets (France, Belgium, Italy and the United Kingdom), leasing (France), automotive (France, Germany, Belgium, Spain, Italy, Poland, Romania, Slovakia and the United Kingdom), housing and private finance.

In 2023, the Group is also ISO 50001 certified for its data centres in France, as well as for two BGL BNP Paribas buildings in Luxembourg. In addition, several Group entities also hold the Responsible Digital Label (*Agence Lucie*), while the purchasing department holds the Supplier Relations and Responsible Purchasing label (Corporate Mediation).

**GREENHOUSE GAS EMISSIONS IN THE OPERATIONAL SCOPE**

In 2023, the Group's total emissions in its operational scope (direct emissions (Scope 1), indirect emissions related to energy purchases (Scope 2) and indirect emissions related to business travel) amounted to 285,323 teqCO<sub>2</sub> (based on the location-based approach) down by 10% compared to 2022 (representing a reduction of 33,166 teqCO<sub>2</sub>), and 38% compared to 2019, the pre-Covid reference year. **They represent 1.56 teqCO<sub>2</sub> per FTE**, i.e. below the maximum target for 2025 which is set to 1.85 teqCO<sub>2</sub> per FTE. This indicator has benefited from the sale of Bank of the West, which was one of the Group's highest emitting entities.

(1) The Market-based approach quantifies Scope 2 greenhouse gas emissions based on the GHG emissions emitted by the producers from which the Group purchases the electricity it consumes. This makes it possible to take into account the Group's efforts to decarbonise its electricity via renewable energy purchase certificates or contracts. The Group uses it to calculate the quantity of tonnes of residual GHG emissions to offset with voluntary carbon credits.

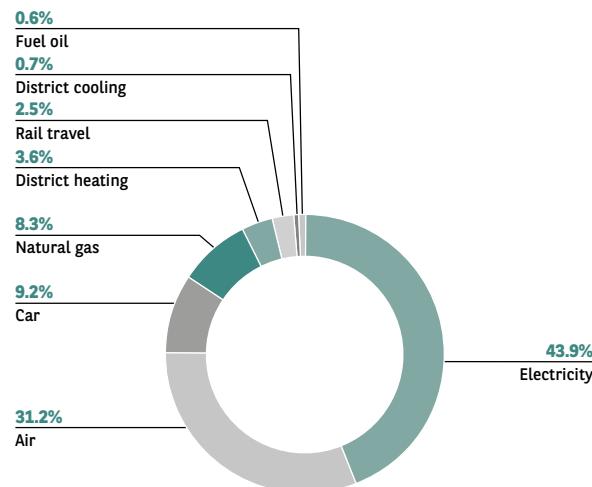
(2) The Location-based approach quantifies Scope 2 greenhouse gas emissions by taking into account the emission factors of the average mix of each country. The emissions factors used are taken from the International Energy Agency. The Group uses it to report tonnes of GHG emissions annually and to define the reduction target.

## A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

Our environmental responsibility: accelerating the ecological and energy transition

The results of the energy sobriety and building occupancy rationalisation plans contributed to a significant decrease in the share of buildings in the overall emissions, while at the same time, the share of travel continued to increase in 2023 following the resumption of travel after the health crisis.

### ► BREAKDOWN BY TYPE OF GREENHOUSE GAS EMISSIONS



57% of these emissions come from the energy consumption of buildings, and 43% from business trips. In more detail, the breakdown of the Group's greenhouse gas emissions in 2023 is as follows:

### ► BREAKDOWN OF THESE EMISSIONS BY SCOPE OF GHG/ISO PROTOCOL IN TEQCO<sub>2</sub>



## RESPONSIBLE REAL ESTATE INITIATIVES

### The Green Buildings programme of the Real Estate Department

The Group real estate operating function (IMEX) is a key player in reducing the environmental footprint of BNP Paribas' operating scope. As such, the Green Buildings programme implements a process to improve the operation and maintenance of its sites, thereby reducing the Group's environmental impact on a long-term basis. Programmes are also deployed to encourage waste sorting and recycling, the circular economy, water management, facilitate sustainable mobility and promote the purchase of sustainable and less energy-consuming equipment.

### The plan to reduce the carbon footprint of the real estate portfolio

This plan is broken down into three levers involving the business lines, the Group's employees and IMEX. The first lever involves the continuous improvement of the energy performance of buildings via a monitoring tool that centralises energy consumption data for 90% of the portfolio, enabling the monitoring of optimisation plans. The second lever is based on work and investment plans to modernise and improve the efficiency of facilities (heat pumps, LED lighting, façade insulation, roof repairs, etc.). Finally, raising employees' day-to-day awareness of how buildings are used (offices, bank branches, data centres) is one of the plan's major focuses.

These efforts have been rewarded each year in which BNP Paribas has taken part in the Cube competition organised by the IFPEB (French Institute for Building Performance) under the high patronage of the French Ministry of Ecological Transition. This competition rewards users

of commercial buildings who have saved the most energy over a year. In 2023, the Group registered 18 sites, including 15 in France.

## RESPONSIBLE CONSUMPTION

### Initiatives with our operational subcontractors

In France, the BPG (Business Partners Group) Department builds and operates shared service centres with its subcontractors for the various Group entities: logistics and transport platforms, vehicle fleet management, mobile telephony, document management (for example, industrial desktop publishing, etc.), management of banking AT (Automated Teller Machines). Operational efficiency, including the search for a reduction in environmental impacts, has made it possible to obtain the following results in 2023:

- the development of ATM recycling (47% of banknotes recycled) has made it possible to reduce the cash transport journey by 15% to 20% and therefore reduce the related CO<sub>2</sub> emissions;
- the complete overhaul of the road network, now 98% shared, has produced a cumulative fall in transport-related CO<sub>2</sub> emissions of 70%, i.e. a reduction of 130 tonnes of CO<sub>2</sub> emissions per month;
- BPG recovered nearly 5,000 phones at the end of the usage period (+50% compared to 2022). These phones are passed on to BNP Paribas 3 Step IT to be reconditioned or recycled;
- in 2023, the first declaration of greening the vehicle fleet was carried out for the Group in France. The result (27%) significantly exceeded the legal requirement for 2022 (10%). Ambitious objectives have also been defined to green the car fleet (50% low-emissions vehicles by 2025).

## Mandatory use of responsible paper since 2022

In order to contribute to the protection of forest ecosystems and biodiversity, the Group has been committed for many years to responsible paper purchasing (from recycled or sustainably managed forests, *i.e.* more than 50% recycled or PEFC or FSC certified). Since 2022, the purchase of responsible paper has become an obligation for all of the Group's business lines, except in the event of technical impossibility. This has made it possible to set an ambitious overall target for 2025 of 90% of responsible paper and 95% for the regions that consume the most paper. In 2023, 86.7% of the paper consumed by the Group met the responsible criteria detailed above.

## OFFSETTING RESIDUAL GREENHOUSE GAS EMISSIONS

Since 2017, BNP Paribas has purchased voluntary carbon credits annually for an amount equivalent to the residual greenhouse gas emissions emitted the previous year within its operating scope. These emissions

amounted to 241,855 tCO<sub>2</sub> in 2022 (market-based approach). The carbon credits purchased in 2023 come from four projects:

- the Kasigau project in Kenya, supported by the Group since 2017, is a programme to protect and restore 200,000 hectares of forest. Led by the NGO Wildlife Works, it also finances access to healthcare, water and education for local populations;
- in India, the project is based on a ten-year voluntary carbon offset programme as part of a partnership between BNP Paribas and the GoodPlanet Foundation, *via* the construction of 13,000 biodigesters. They provide four hours of gas daily, thus avoiding cooking over a wood fire and deforestation, as well as improving the living conditions of nearly 70,000 people;
- in Guatemala, hundreds of landowners including local communities have come together to protect nearly 60,000 hectares of forest by developing sustainable livelihoods, which restore rather than degrade the forest and create better living conditions for its inhabitants;
- the Qori Q'oncha programme in Peru is deploying improved wood-burning stoves in several regions of the country, which reduces the amount of wood used and reduces carbon emissions while removing noxious smoke from homes.

## COMMITMENT 12: ADVANCING AWARENESS AND SHARING OF BEST ENVIRONMENTAL PRACTICES

### SUPPORTING RESEARCH AND DEVELOPMENT ON CLIMATE CHANGE AND BIODIVERSITY

The purpose of this support is to better know and understand the interaction between climate change and the erosion of biodiversity, in order to identify the most appropriate solutions. Two BNP Paribas Foundation philanthropy programmes are working in this field:

- by 2025, the Climate & Biodiversity Initiative, launched in 2010, will already have supported 35 research projects, with more than 500 researchers, for an amount of EUR 24 million. Since 2022, eight new research projects, ranging from the study of underwater animal forests to the impacts of climate change in the African savannah or on coastal ecosystems, have been supported until 2025 with a dedicated budget of EUR 6 million;
- the One Planet Fellowship programme is operated by AWARD<sup>(1)</sup> and supported by the BNP Paribas and Bill & Melinda Gates Foundations, the European Commission and the International Development Research Centre (IDRC, Canada). Endowed with USD 20 million over five years, its ambition is to support African women in research, and create a community of African and European researchers working on climate change adaptation in the agricultural sector in Africa. To date, 270 scientists have benefited from the mentoring programme.

In 2023, the Group also strengthened its support for some of its partners such as the International Union for Conservation of Nature (IUCN), or by providing assistance to new entities such as The Transition Institute 1.5 launched by Mines Paris, Naturalis in the Netherlands (see box), or Business for Nature, within the framework of budgets accompanying its share buyback programme (see *Corporate philanthropy policy focused on the arts, solidarity and the environment*, Commitment 9).

At the end of 2023, a multi-year partnership was launched with the Naturalis Biodiversity Center, marking a new chapter in BNP Paribas' approach to protecting and restoring biodiversity. Bringing together more than 150 scientists, this institution is one of the main biodiversity knowledge and research centres in the world. This partnership has four objectives: education and awareness, research and data, financial innovation by accelerating the development of tools to direct more capital towards protecting and restoring biodiversity, and scientific measurement to guide project financing decisions.

(1) African Women in Agricultural Research and Development.

## RAISING AWARENESS AMONG INTERNAL AND EXTERNAL STAKEHOLDERS

### A network of internal experts and employee awareness

In order to accelerate the environmental and social transition, BNP Paribas launched the NEST (Network of Experts in Sustainability Transitions) at the end of 2021. This network is now composed of more than 700 experts from all BNP Paribas entities in areas such as the energy transition, the circular economy, biodiversity, social inclusion and sustainable finance. The objective of this international network is to strengthen and share expertise, by developing knowledge, supporting the Group's various entities and promoting internal ecosystems, in order to accelerate the transition of its employees, customers and clients. In 2023, NEST organized 25 internal webinars attended by more than 3,000 participants.

In addition, in November 2023, the Company Engagement Department and the RISK Department organised "48 Hours of Biodiversity". These two days of conferences and internal discussions highlighted the Group's major initiatives, common challenges, the words of external experts as well as training offers, and enabled participants to understand how BNP Paribas' business lines and functions incorporate biodiversity into their daily activities.

### The creation of informative content dedicated to the ecological transition

BNP Paribas regularly publishes information dedicated to the ecological transition for its employees and external stakeholders. Thus, in 2023, NEST distributed four newsletters (entitled "Perspectives") capitalising on the knowledge of more than 100 internal and external experts, with a special edition on the just transition based on a study conducted on 10,000 Europeans, which analyses the drivers of the energy transition as well as its social repercussions. In addition, since 2022 the Group has published a monthly newsletter on LinkedIn dedicated to the challenges of sustainable finance "Sustainable Finance at Scale" which is followed by nearly 420,000 subscribers. In 2023, the topics covered include the financial inclusion, the energy transition, the TNFD and the carbon credits.

### Raising client awareness through high-level presentations

In addition to communications dedicated to ESG, BNP Paribas also organises targeted events with its clients on the theme of the energy and ecological transition. In 2023, the Group offered its clients and customers a forum dedicated to ESG experts, which was an opportunity to discuss the challenges of Net-Zero emissions, ESG regulations, biodiversity and the circular economy. In addition, throughout September 2023, BNP Paribas organised the 8<sup>th</sup> edition of the Sustainable Future Forum (SFF), with events in more than 17 countries around the theme "The transition compass: going in the right direction?".

### Awareness-raising efforts for students and the general public

The second cohort of the ESSEC Business School "Talents for the Ecological Transition" chair was certified in 2023. Supported by BNP Paribas, this chair focuses on the themes of climate change and biodiversity, but also other themes essential to the ecological transition such as managing resources (water, air) and waste, energy and food, new forms of mobility, the regional transition and the impact of digital technology.

### The BNP Paribas Foundation and raising awareness among internal and external audiences

Alongside its support for research on climate change and the erosion of biodiversity, the BNP Paribas Foundation works to disseminate knowledge in various forms, including conferences (four conferences per year for employees), the creation of content for the general public (articles in *The Conversation* or *We Demain*) or by supporting exhibitions related to the theme, such as the *Bio-Inspirée* exhibition at the *Cité des sciences et de l'industrie*. All these actions carried out since 2010 have raised awareness among nearly one million people.

## TAKING AN ACTIVE ROLE IN PARTNERSHIPS AND COLLECTIVE INITIATIVES

In order to maximise the impact of the Group's actions for a massive and rapid transition, it is important that a large number of financial institutions engage in this movement. That is why BNP Paribas has chosen to initiate or play a leading role in coalitions that work to promote the United Nations sustainable development goals and the transition to a low-carbon economy.

### An active contribution to the Taskforce on Nature-related Financial Disclosures (TNFD)

Since 2020, BNP Paribas has been part of the initial design work of the TNFD with the co-Chairmanship of Antoine Sire, Head of Company Engagement, on the informal working group. Since its official launch in October 2021, BNP Paribas has been represented among the 40 members of the working group, by two experts from the Group. In 2023, the TNFD published its final recommendations on the reporting framework, thus taking a major step forward in the fight against biodiversity loss by creating a common language for companies, financial institutions and enabling better analysis, management and communication of nature-related dependencies, impacts, risks and opportunities.

## **Working to accelerate renewable energy within the *Cercle de Giverny***

As a partner of the *Cercle de Giverny* since 2020, BNP Paribas co-chaired the working group on renewable energy to increase their development in France for the benefit of regions, populations and companies. These discussions produced six very concrete proposals, which were reflected in an opinion co-signed with Boralex and presented primarily to the Ministry of Ecological Transition.

## **Participation in the work of *Entreprises pour l'Environnement* (EpE)**

Member of the committee and former Chairman of the EpE (*Entreprises pour l'Environnement*) association, Jean-Laurent Bonnafé, Director and Chief Executive Officer of BNP Paribas, helped to highlight and promote the actions and reports from the EpE association while public positions were being adopted. In 2023, EpE completed an ambitious study identifying the main 2030 challenges for achieving the carbon neutrality objective in France by 2050, and the priority actions to be taken to overcome these challenges.

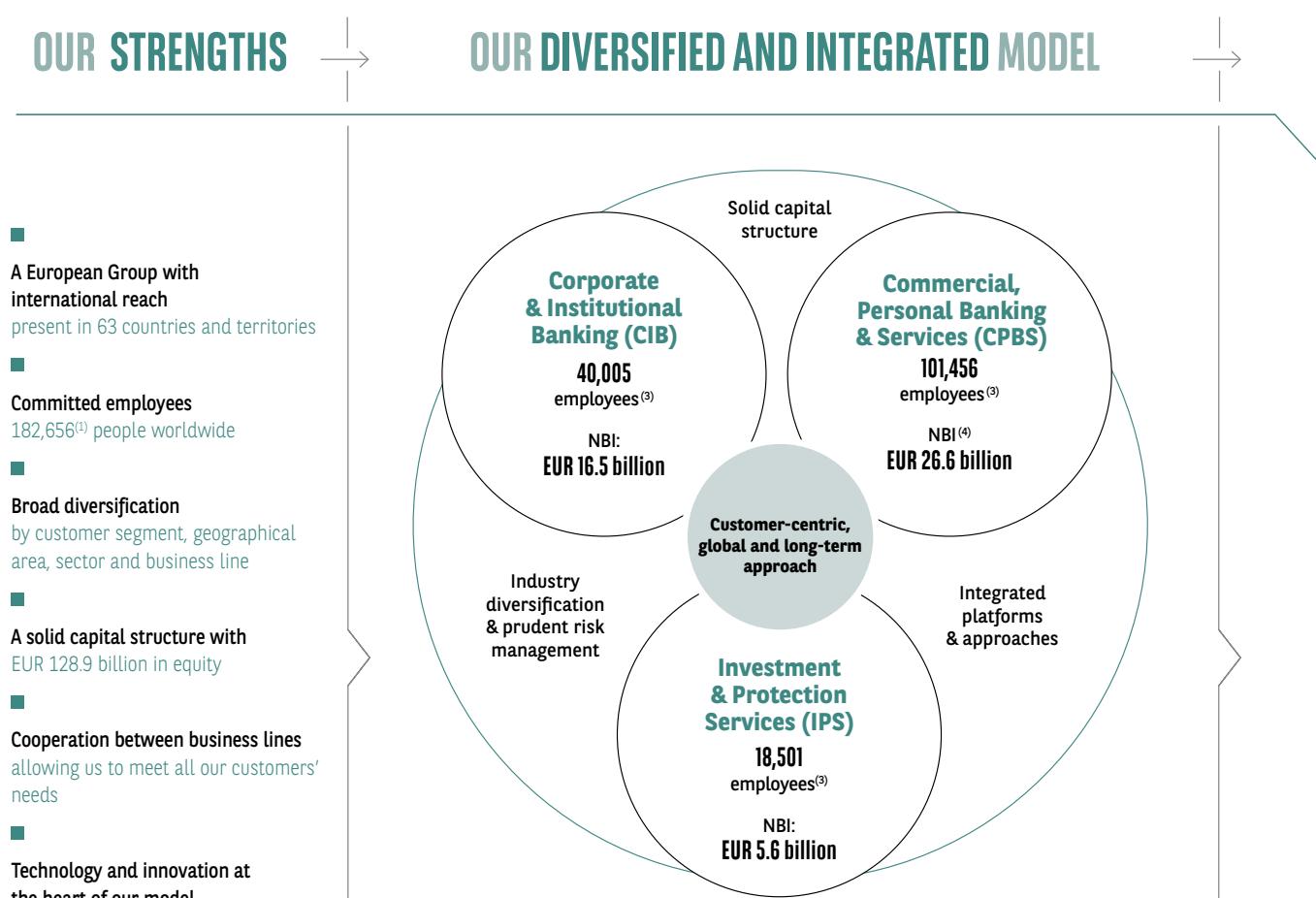
## **Other global and local partnerships**

BNP Paribas has also partnered with various stakeholders to raise awareness and promote solutions to climate and environmental challenges, including:

- being a founding member, with BNP Paribas Asset Management, of Nature Action 100 launched on the sidelines of the Montreal COP 15 on biodiversity, the first global investor engagement initiative calling on key companies to take urgent and necessary measures to protect and restore nature and ecosystems, and thus mitigate financial risks;
- actively contributing to the Hydrogen Council, which brings together nearly 150 international companies convinced that low-carbon hydrogen can be a key resource for the decarbonisation of industry and the energy system;
- being part of the Low-Carbon Building Initiative (LCBI), which brings together major European real estate players, and which in 2023 revealed the methodology for the first version of the LCBI Label, based on life cycle analysis, and the first Pan-European low-carbon label. The challenge is to adopt common practices and standards in Europe to measure the carbon footprint of buildings throughout their life cycle, and reduce it by half;
- participating in the Ambition4Circularity initiative, a platform that brings together the commitments made by member companies of the *Association française des entreprises privées* – AFEP (French Association of Private Companies) to promote circular economy.

## 7.6 Extra-financial performance statement

### A DIVERSIFIED AND INTEGRATED MODEL, CREATING VALUE



(1) This figure includes the employees of each of the three divisions presented opposite, as well as those of the central functions.  
 (2) Dealogic 2023: total ESG bonds (sustainable, green, social, sustainability-linked bonds) and ESG loans (green, social, ESG-linked loans/sustainability-linked loans). (3) Full time Equivalent figure (workforce pro-rated to their working hours) for permanent contracts and fixed-term contracts; unpaid absent employees are not included in workforce figure. (4) NBI: net banking income – For CPBS, NBI includes 100% of Private Banking in Commercial & Personal Banking (excluding PEL/CEL effect).

Thanks to the Group's solidity and the strength of its diversified and integrated model, BNP Paribas supports its clients, customers and society as a whole through its teams, resources and expertise. Its long-term commitment to them covers all phases of the economic cycle. By leveraging its leading business platforms and its unique position as a European leader, the Group creates value and supports the development of a sustainable economy.

## OUR SOLUTIONS

- Everyday banking
- Payments
- Advice
- Financing
- Investments
- Savings
- Protection

## CREATING VALUE

for all our stakeholders: customers, shareholders and investors, employees, partners and suppliers, local authorities, territories and civil society.

Promoting useful innovation for our customers  
(individuals, entrepreneurs, SMEs, large companies, institutional, associations)

Nickel :

**~3,7 million**  
accounts opened since its creation, in France, Spain, Belgium and Portugal, and launch in Germany in September 2023

**900 Application Programming Interfaces (APIs)**  
to achieve  
**700 million**  
transactions per month

**45% of cloud-based apps**

Promoting sustainable growth for the economy

**EUR 254 billion**

in assets managed by BNP Paribas Asset Management in open-ended funds distributed in Europe and classed as Article 8 or 9 under the SFDR regulation<sup>(5)</sup>

**EUR 32 billion**

credit exposure to low-carbon energy production<sup>(6)</sup> at the end of September 2023

**EUR 67 billion**

of sustainable bonds issued for client in 2022 and 2023<sup>(7)</sup>

Growing our contribution to society

More than **EUR 90 million**

budget for the Group's philanthropy in 2023 (including EUR 20 million stemming from the share buyback programme)

**EUR 6.8 billion**

in taxes and levies paid in 2023

**More than 1,000**

employees involved in mentoring

**1,268,515**  
**solidarity hours**

performed by employees in 2022 and 2023 (#1MillionHours2Help)

(5) Figure as of 31/12/2023: open funds distributed in Europe. The European Sustainable Finance Disclosure Regulation (SFDR) identifies funds according to their sustainability potential. The Article 8 classification concerns funds declaring that social and/or environmental criteria are taken into account. The Article 9 classification concerns funds with a sustainable investment objective. (6) Renewable, biofuel and nuclear. (7) Cumulative amount over the 2022-2023 period of all types of bonds identified as sustainable and arranged by BNP Paribas.

## ANALYSIS OF ISSUES, RISKS AND OPPORTUNITIES

Information requested pursuant to article R.225-105-1 of the French Commercial Code and Ordinance No. 2017-1180 relating to the publication of extra-financial information. The processes and responsibilities relating to the analysis, review and validation of non-financial risks are described in Commitment 3 *Systematic integration and management of Environmental, social and governance risks*. They are also described in the dedicated sections of chapter 5 *Risks and capital adequacy – Pillar 3*, which also deals with operational risks, including regulatory compliance risk.

BNP Paribas' business model is included in the preceding pages. In order to complete its materiality matrix, described by a graph<sup>(1)</sup>, BNP Paribas relied on an assessment of materiality criteria to classify approximately one hundred extra-financial subjects brought together in 21 themed issues based on their relevance to the Group's external and internal stakeholders. Carried out for the first time in 2018, this analysis was repeated in 2021 using a very similar methodology. It is based on an assessment of the importance for BNP Paribas of these 21 extra-financial issues from two points of view: on the one hand, that of BNP Paribas employees, on the other hand, that of its external stakeholders. The

internal perception is established by a survey to which more than 1,200 top management employees responded, while the external point of view is assessed by the importance of these issues in several databases: publications of ten of our main peers, more than 2,500 regulations applicable to our activities and locations, more than 20,000 industry press articles and more than 450 million tweets on social networks. The results of this study, presented in the graph indicated above, make it possible to distinguish three groups of issues: important, major and crucial. As part of the implementation of the Corporate Sustainability Reporting Directive, starting in 2024, the Group has begun to analyse and update its materiality issues.

As in 2018, data privacy and security, climate change and energy transition, and ethics and compliance, were categorized as crucial issues. Three other issues joined this category of crucial issues in 2021: human rights, responsible investments and financing, and business continuity. Together with the eight major challenges identified in the materiality matrix, they form the 14 most important challenges for BNP Paribas and are listed in the table below. The indicators, policies and associated due diligence are then further developed in the relevant chapters.

| Domain                 | Issue                               | Paragraph   | Policy   | Risks/Opportunities Description pages   | Indicator   | Pages (Paragraph; Indicator) |
|------------------------|-------------------------------------|---|--|---|---|------------------------------|
| Social                 | Fair and inclusive workplace        | Outstanding actions in the area of professional equality                | Global agreement   | Discrimination risks – 668  | Share of women among the SMP population ( <i>Senior Management Position</i> )                   | 639                          |
|                        | Employment practices                | Our employees around the world  | Global agreement<br>Code of conduct  | Risks of employee demotivation and increased absenteeism, psychosocial risks – 670          | Percentage of employees on permanent contracts within the Group                                 | 660                          |
|                        | Talent management                   | Developing skills and improving employability                           | Global agreement   | Loss of talent risk – 676   | Share of employees who completed at least four training courses during the year                 | 639                          |
| Civic                  | Transparent practices               | Protecting clients' interests   | Code of conduct, Group Policy on Protecting the Interests of clients and customers | Risks of discrimination for some customers and lack of sales information – 649              | Number of alerts received by the Group via the whistleblowing channel                           | 648                          |
|                        | Data privacy & security             | Cyber security and technological risk<br>Ethics of the highest standard | Code of conduct  | Legal risk<br>Reputational and operational risks: leaking, alteration or loss of data – 327 | Percentage of employees who completed the training on <i>Personal Data Protection Awareness</i> | 684                          |
| Social/<br>Environment | Responsible investing and financing | Financing and investments with a positive impact                        | Engagement manifesto   | Reputational risk and opportunity to limit societal and environmental risks – 327           | Amount of sustainable bonds   | 639                          |

(1) See 7.7 *Duty of care*.