

FUTURE OF MONEY

GLOBAL BANKS FUNDING CLIMATE CHANGE INTERVENTION EFFORTS

IMÈNE BEN REJEB-MZAH

Dubai, 6 May 2023



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AGENDA



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01

Introduction

climate emergency and green turnabout

02

Climate alignment approach

methodology for calculation & segmentation

03

Next steps

04

Q&A session

INTRODUCTION

CLIMATE EMERGENCY AND GREEN TURNABOUT

CLIMATE EMERGENCY

EXTREME WEATHER EVENTS BECOME MORE FREQUENT AND/OR MORE ACUTE DUE TO CLIMATE CHANGE



Each year in Bangladesh around 18% of the country is flooded, killing over 5,000 people and destroying more than seven million home



Oct 2020- Hundreds evacuated from villages hammered by flash flooding in southeast France



Dec 2021 - For three consecutive rainy seasons, the eastern Horn of Africa has experienced poor rainfall. Millions of African across parts of Kenya, Ethiopia and Somalia are now facing starvation.



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GREEN TURNABOUT

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Green ESG

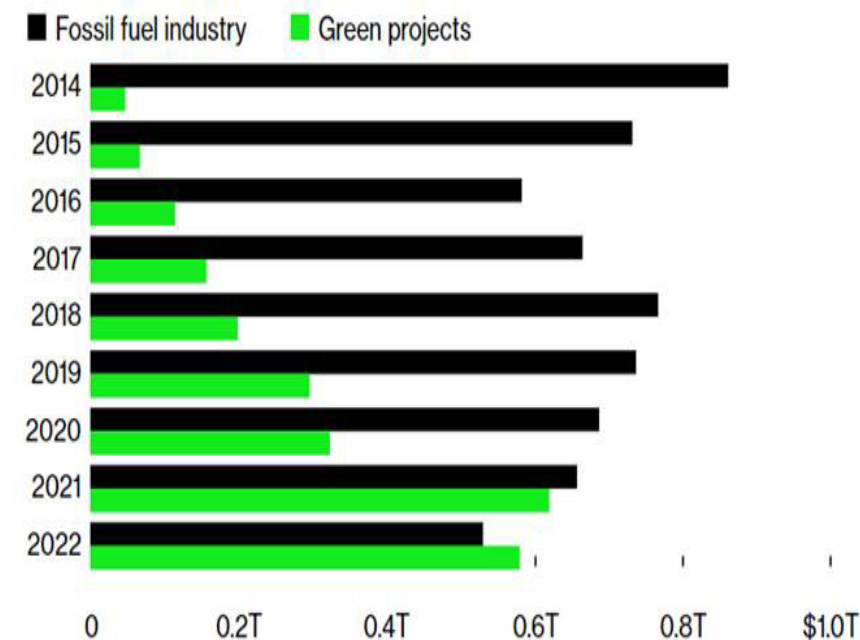
Green Lending Tops Fossil Fuel as Big Oil Gets Cash Elsewhere

For the first time, more money was raised in the debt markets for climate-friendly projects than for fossil-fuel companies. But there's a catch.



Photographer: Sean Gallup/Getty Images Europe

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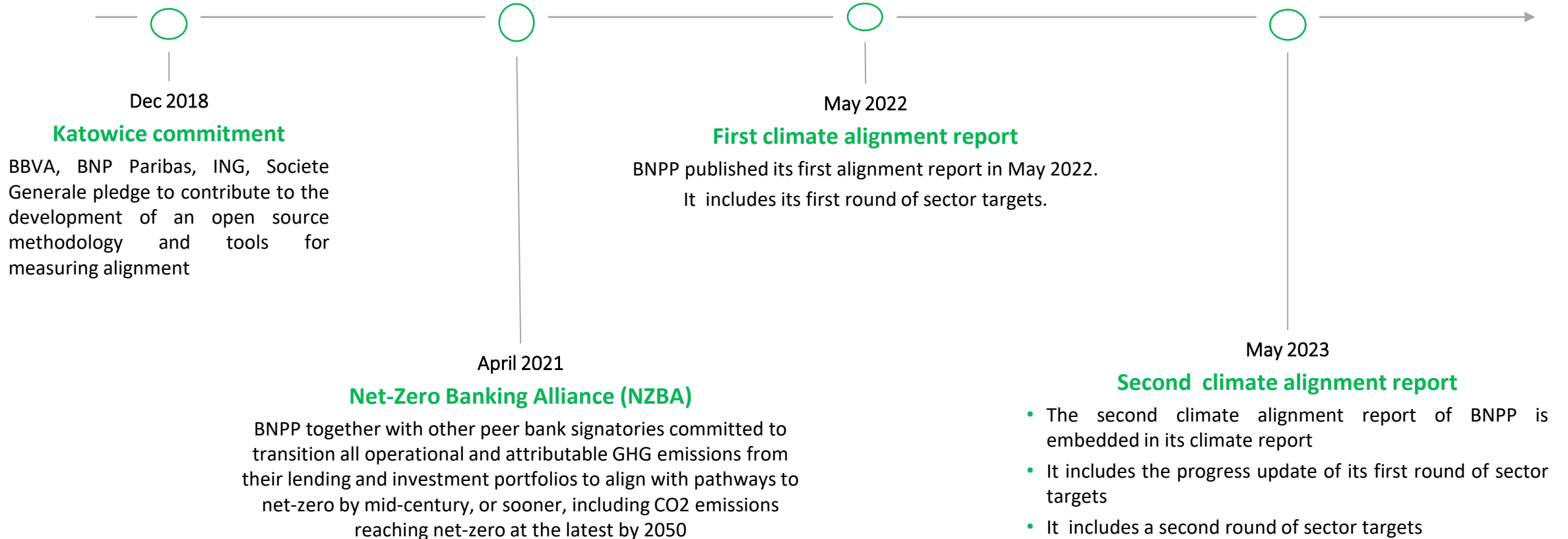
Source: Bloomberg League Tables

Green and fossil fuels debt markets financings



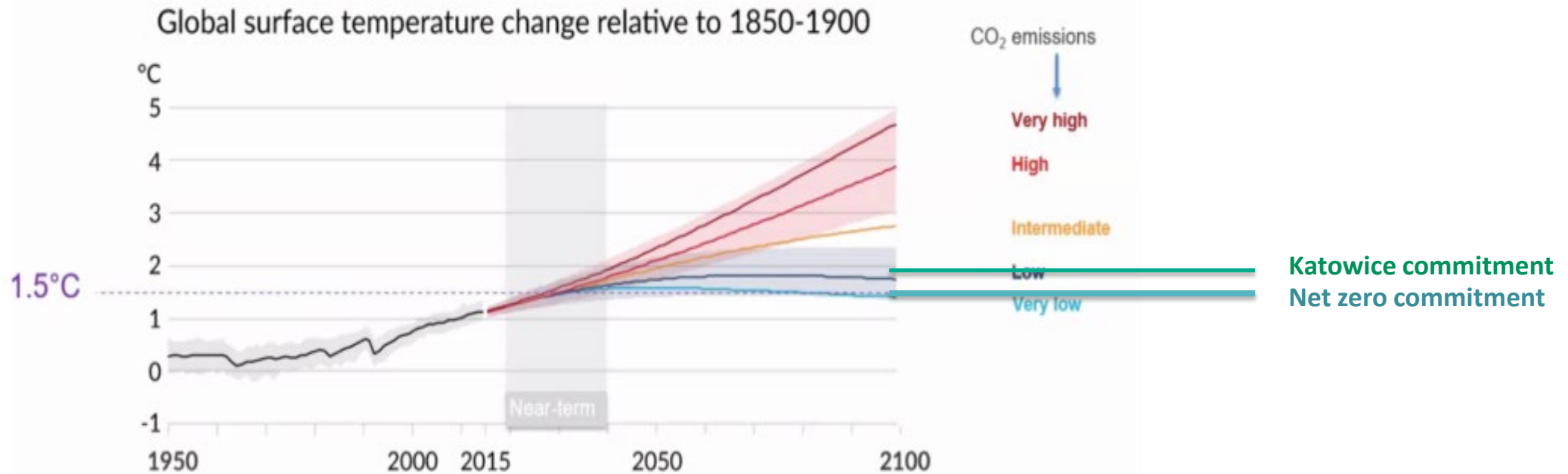
BNP PARIBAS CLIMATE JOURNEY

FINANCING ACTIVITIES CLIMATE COMMITMENT JOURNEY



FINANCING ACTIVITIES CLIMATE COMMITMENT JOURNEY

Global surface temperature will continue to increase until at least the mid-century under all emission scenarios considered



Source : IPCC



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NET-ZERO BANKING ALLIANCE | 8

Classification : Internal

NET ZERO BANKING ALLIANCE (NZBA) IN A NUTSHELL

129

Banks

41

Countries

41%

Of global banking assets

Source: United Nation Environment Program – Finance Initiative ([link](#))



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NET-ZERO BANKING ALLIANCE | 9

Classification : Internal

CLIMATE ALIGNMENT APPROACH

METHODOLOGY FOR
CALCULATION & SEGMENTATION

OUR APPROACH

Six sectors have been published in two rounds in 2022 and 2023

STEEL



ALUMINUM



CEMENT



POWER



AUTOMOTIVE



OIL&GAS



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75%

World Resources Institute, [link](#)

According to the **World Resources Institute**, the energy sector (power and fossil fuels) represents 75% of direct and indirect greenhouse gas emissions. In comparison, the power, oil & gas and automotive, sectors only represent c. 7% of BNP Paribas loan portfolio exposure (committed drawn and undrawn) as of 31/12/2021.

OUR APPROACH

A 4-step approach deployed at sector level...



METHODOLOGY DESIGN

- Sector diagnostic
- Connected to external working groups
- Key choices (e.g. metrics, emission scope)



TRAJECTORY COMPUT.

- Carbon exposure of BNP Paribas sector portfolios
- Based on external data on carbon emissions and client transition plans



ALIGNMENT STRATEGY

- Reference scenario choices
- Portfolio target setting
- Steering financial flows so that they stay on track with the end goal



PORTFOLIO MONITORING

- Monitoring and reporting (governance and arbitrage process)
- Regular methodology reassessment
- Client dialogue

NEXT STEPS

... while the 5 remaining sectors will be published in 2024



AVIATION



RESIDENTIAL
REAL ESTATE



SHIPPING



COMMERCIAL
REAL ESTATE



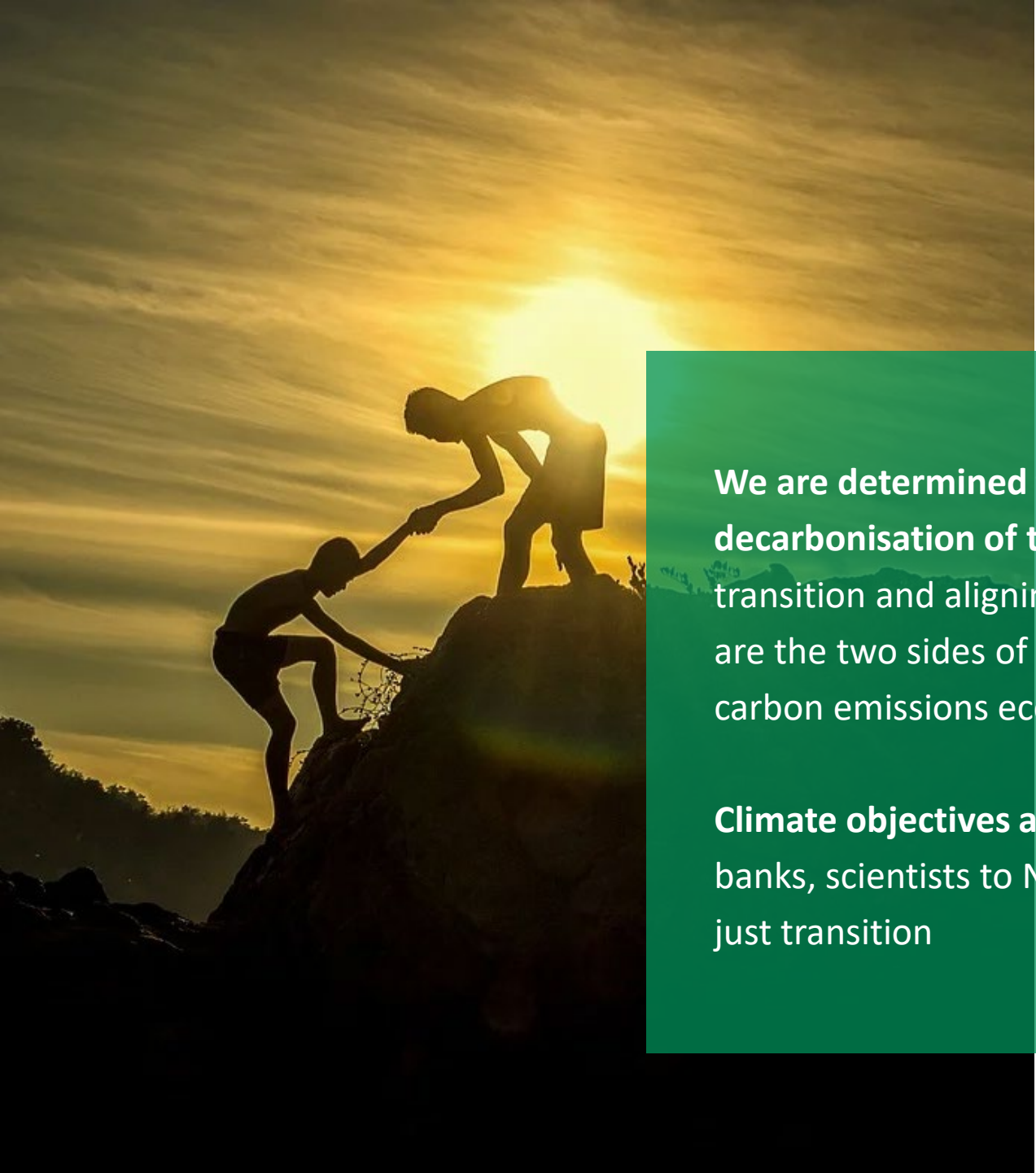
AGRICULTURE



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NEXT STEPS



We are determined to continue playing a leading role in the decarbonisation of the economy by actively supporting our clients in their transition and aligning our portfolio with our net-zero target by 2050. These are the two sides of the same coin: contributing to reaching a net-zero carbon emissions economy.

Climate objectives are vital for our future. Everyone — from businesses to banks, scientists to NGOs — must work together towards a successful and just transition



TO LEARN MORE
Climate Report

Q&A SESSION

APPENDIX

FIRST ROUND OF NET ZERO TARGETS OVERVIEW

Power Generation

>66%

vs. 57% in 2020

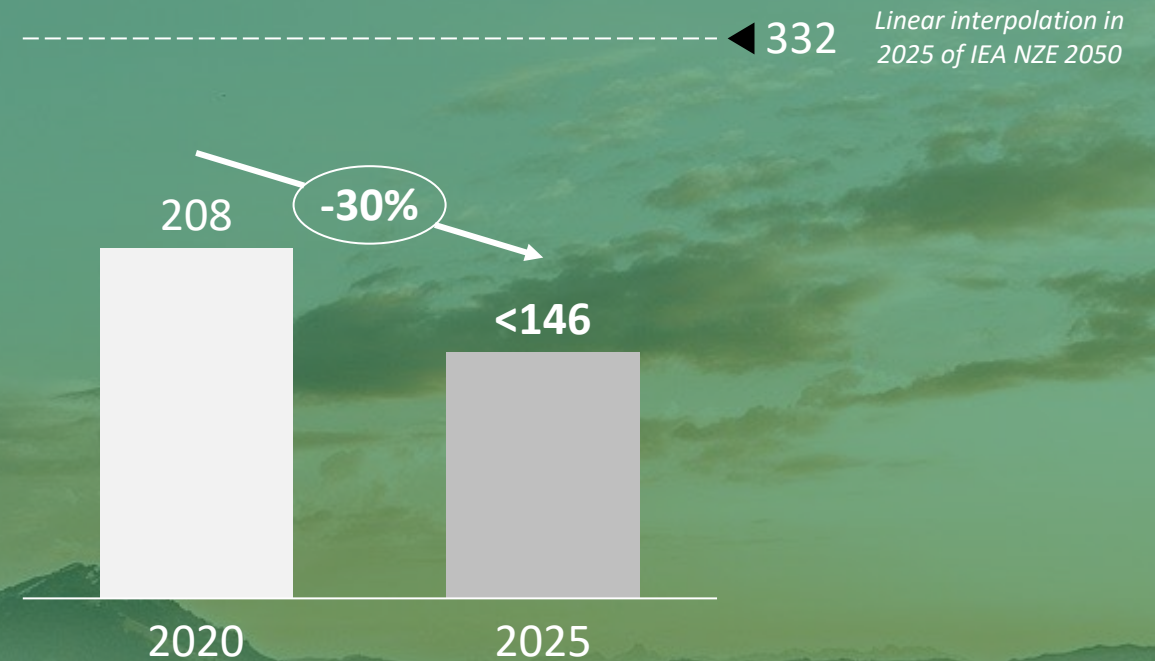
Share of renewable energy in our 2025 financed portfolio technology mix

<5%

vs. 10% in 2020

Share of coal in our 2025 financed portfolio technology mix

EMISSION INTENSITY in gCO₂/kWh



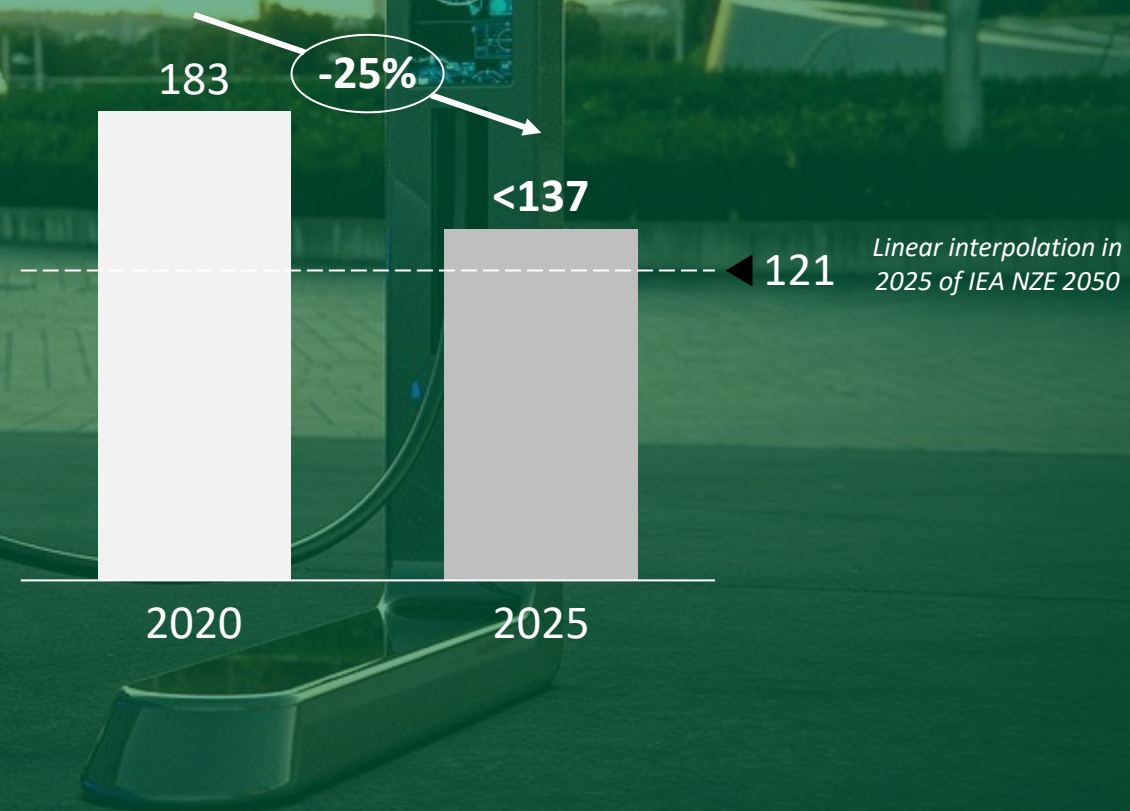
Automotive

>25%

vs. 4% in 2020

Share of electrified vehicles
 (Battery Electric Vehicle, Plug-in Hybrid Electric Vehicle, Fuel Cell Vehicle)
 in our 2025 financed portfolio powertrain mix

EMISSION INTENSITY in gCO₂/km (WLTP)



Oil & Gas

-25%

vs. 2020

2025 credit exposure
to upstream oil
production activities

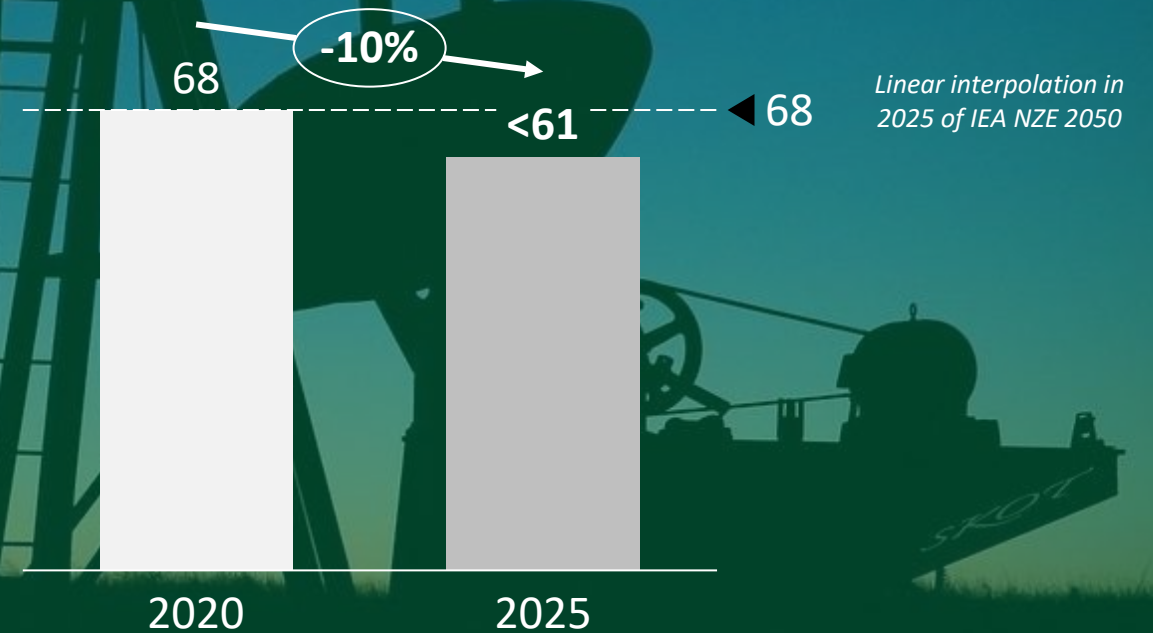
-12%

vs. 2020

2025 credit exposure
to upstream oil and gas
production activities

EMISSION INTENSITY in gCO₂e/MJ

Upstream O&G and Oil refining



Oil & Gas

-80%

vs. Q3 2022

2030 credit exposure
to upstream oil
production activities

-30%

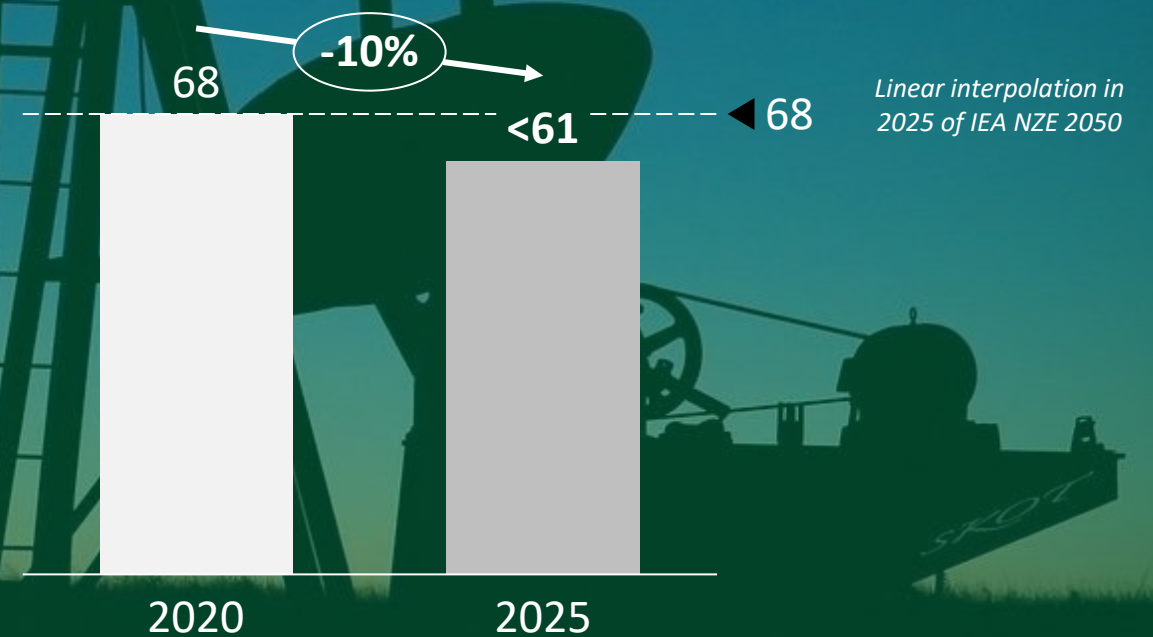
vs. Q3 2022

2030 credit exposure
to upstream gas
production activities

Jan 23' update

EMISSION INTENSITY in gCO₂e/MJ

Upstream O&G and Oil refining



THANK YOU merci
mèsitak **GRAZIE** chokrane
dhanyavad **ARIGATÔ** dziękuje
GRACIAS danke ευχαριστώ **NANDRI**
спасибо **MAHALO** teşekkür
ederim spas **JËRËJËF**