

BNP PARIBAS AND TCFD RECOMMENDATIONS

ASSESSING CLIMATE-RELATED RISKS AND OPPORTUNITIES TO
DRIVE BUSINESS

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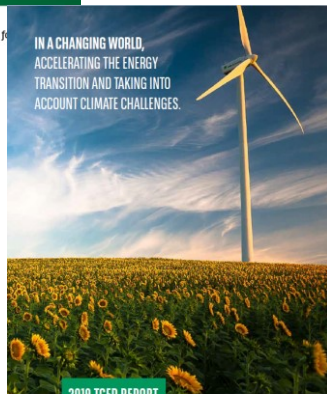
Annual TCFD reports



2019: Inclusion of TCFD-aligned disclosures in the annual report (for FY 2018)

2020-2022: Publication of a specific TCFD report

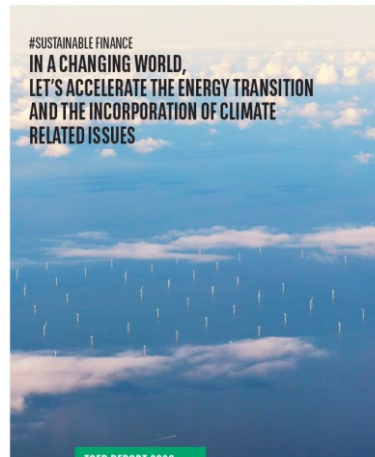
2023: Publication of a climate report, merging TCFD and NZBA disclosures



2019 TCFD REPORT



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TCFD REPORT 2020



2021 TCFD REPORT



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2022 climate report: "These progresses and commitments, alongside many others, are detailed in the current climate report, merging information that were included last year in our "Task Force on Climate-related Financial Disclosures" (TCFD) report1 and in our "Climate analytics and alignment" report2. Most of the financial data used here was published in our 2022 URD.



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TCFD recommendations

Recommendations and Supporting Recommended Disclosures

Governance

Disclose the organization's governance around climate-related risks and opportunities.

- a) Describe the board's oversight of climate-related risks and opportunities.
- b) Describe management's role in assessing and managing climate-related risks and opportunities.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

- a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
- c) Describe the resilience of the organization's strategy, taking **IEA's NZE scenario** climate-related scenarios, including a 2°C or lower scenario.

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

- a) Describe the organization's processes for identifying and assessing climate-related risks.
- b) Describe the organization's processes for managing climate-related risks.
- c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

- a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
- c) Describe the targets used by the organization to manage **NZBA** opportunities and performance against targets.



Main challenges in implementing TCFD recommendations

- **Internal communication:**
 - gathering information,
 - consolidating data,
 - sharing common vocabulary
- **Quantitative metrics and targets:**
 - Choosing the right metrics,
 - collecting and compiling robust and transparent data
- **Scenario analysis:**
 - Selecting relevant climate scenarios,
 - making these scenarios fit with the activity of the company



Main benefits from implementing TCFD recommendations

It must be kept in mind that it is an **iterative approach**: the TCFD reports can be used to provoke internal reactions, to reveal gaps and to initiate possible corrective actions.

Implementing TCFD recommendations is more and more expected by many investors and stakeholders. Furthermore, additional benefits are also important:

- **Internal awareness:** Stakeholder consultation and validation by management are strong levers of internal awareness, both to better understand risks and to convince to take advantage of opportunities;
- **Risk analysis:** Scenario analysis provides a semi-quantitative understanding of climate risks, and thus a more organized approach to corrective measures;
- **Communication:** As any publication of information in an annual report, it can be used to highlight the competitive advantages of the company (resilience, ability to seize opportunities ...).



In 2022 and early 2023, a phase of rapid acceleration on climate-related topics for BNP Paribas

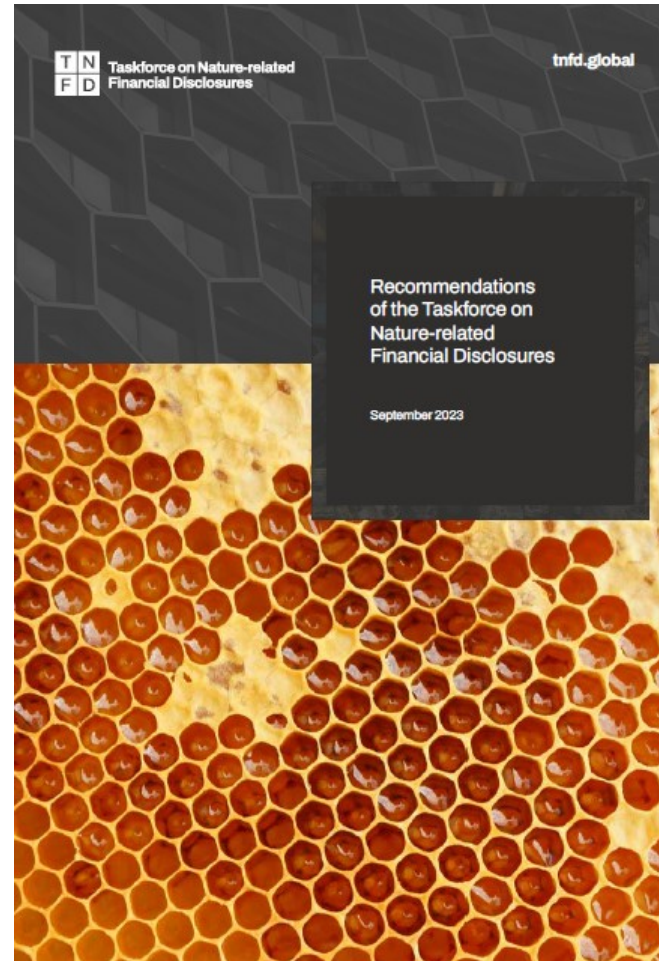
- **Pivoting towards financing low-carbon energy:** almost 55% of BNP Paribas' energy production financing was dedicated to financing low-carbon energy.
- **Climate alignment of credit portfolios (NZBA):** Publication of progress in the first 3 sectors (O&G, power, automotive) and of targets for 3 new sectors (steel, aluminum, cement).
- **Strong positions as shareholders.**
- Confirmation of **exit path from oil.**
- Publication of the 1st annual results of the CSR KPIs of the 2022-2025 strategic plan, inc. amount of support for the transition of corporate clients to a low-carbon economy (EUR 44 billion, vs. 2025 target of EUR 200 billion).
- Updating **charter on responsible representation** to refuse to be a member of organizations or lobbies are not aligned with the Paris agreement.
- Creation of the **Sustainability Academy** to offer all employees training, information and resources to learn and act in favor of the ecological transition.



What next?

Integrating better and better climate-related risks and opportunities into day-to-day activities (TCFD reporting is not an end in itself)

Integrating climate with other topics?



An aerial photograph of a vast tea plantation on rolling hills. The tea bushes are arranged in neat, curved rows that follow the contours of the land. In the background, the hills are shrouded in a soft, white mist, creating a sense of depth and tranquility. The overall color palette is dominated by various shades of green, from the vibrant green of the tea leaves to the pale green of the misty background.

THANK YOU

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