



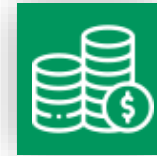
# BNP Paribas Bank Polska best practices

Jarosław Rot,  
Sustainability Area Executive Director,  
Chief Sustainability Officer

# Many challenges ahead



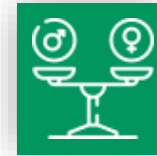
Global average temperature rise to even 3-4°C do 2100



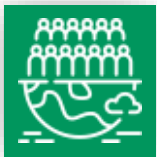
More than half of humanity lives on less than \$5.50 a day and **735 million people live in extreme poverty.**



The vertebrate population has **declined by 68%** since 1970



Even in the world's most developed economies, there are still **significant gender inequalities.**



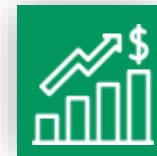
The world population is **projected to reach 9.8 billion in 2050** and 11.2 billion in 2100.



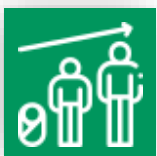
**1.3 billion tons of food are wasted every year, which is 1/3 of the world's food production,** while the malnutrition rate in 2021 was 9.9%



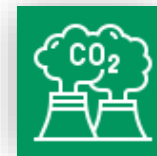
By 2050, more than **two-thirds of the world's population** (7 billion people) is expected to live in **urban areas.**



EU ETS prices: ~50-100+€ in 2030  
Trend: taking into account the carbon footprint in the cost of products, construction, transport, imports



Compared to 2017, it is expected that by 2050 the number of **people aged 60 and over will double, and by 2100 it will more than triple.**



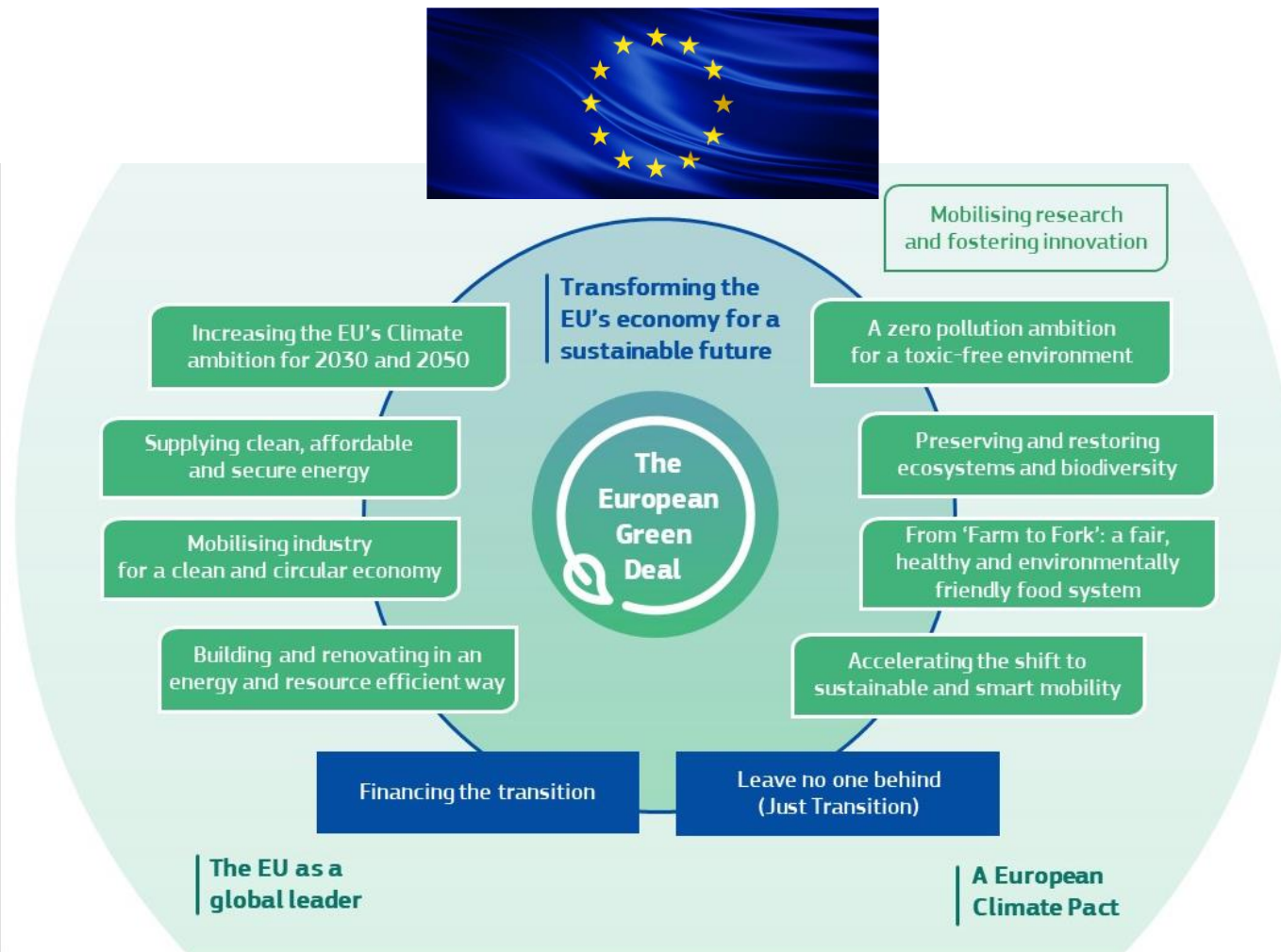
Improving air quality  
Reduction of emissions from buildings responsible for 38% of CO2 emissions in Poland

# Global answer: Paris Agreement, SDGs and European Green Deal

## PARIS AGREEMENT



### SUSTAINABLE DEVELOPMENT GOALS



# Complexity of ESG regulatory environment

- **NFRD – Non-Financial Reporting Directive** objective was to raise the transparency of the social and environmental information provided by undertakings in all sectors to a similarly high level across all Member States and to improve the disclosure of non-financial information by certain large undertakings, adopted in 2014.
- **CSRD – Corporate Sustainability Reporting Directive** requires all large companies and all listed companies (except listed micro-enterprises) to disclose information on what they see as the risks and opportunities arising from social and environmental issues, and on the impact of their activities on people and the environment. The part of CSRD are European Sustainability Reporting Standards (ESRS) reporting standards which cover the full range of environmental, social, and governance issues, including climate change, biodiversity and human rights. 12 covers full range of sustainability issues in about 1100 detail data points.
- **EU Taxonomy** – the European Commission regulation, classification rules which helps to direct investments to the economic activities most needed for the transition, in line with the European Green Deal objectives. The taxonomy is a classification system that defines criteria for economic activities that are aligned with a net zero trajectory by 2050 and the broader environmental goals other than climate. The EU taxonomy allows financial and non-financial companies to share a common definition of economic activities that can be considered environmentally sustainable, entered into force on 12th July 2020.
- **ESG III Pilar disclosures** – The Implementing Technical Standards (ITS) on Pillar 3 disclosures on Environmental, Social and Governance (ESG) risks propose comparable quantitative disclosures on climate-change-related transition and physical risks, including information on exposures towards carbon-related assets and assets subject to chronic and acute climate change events. They also include quantitative disclosures on institutions' mitigating actions supporting their counterparties in the transition to a carbon-neutral economy and in the adaptation to climate change. They include a Green Asset ratio (GAR), which identifies the institutions' assets financing activities that are environmentally sustainable according to the EU taxonomy, such as those consistent with the European Green Deal and the Paris agreement goals.
- **Net Banking Zero Alliance** - commitment and guidelines require banks to set 2030 and 2050 net-zero targets that align with no/low-overshoot 1.5°C transition pathways as specified by credible science-based climate scenarios. This includes all key sectors involved in extracting and supplying fossil fuels (coal mining, oil & gas) as well as most key sectors involved in demanding and consuming fossil fuels (power generation, transport, real estate, cement, steel, etc).

# Challenges of sustainable transformation for the business

## REGULATIONS AND STANDARDS

- European Green Deal
- EU taxonomy
- Non-financial reporting: CSRD and SFRD
- Support for decarbonization investments
- The EU ETS system



## SOCIETY

- Business ethics becoming important for the public.
- The inclusion of demands raised by civil society in new proposals of regulatory changes.



## INVESTORS AND FINANCIAL MARKETS

- Banks measure, report and adjust the impact of their portfolios in line with the Paris Agreement
- ESG risks in investment strategies
- ESG risks in credit scoring



## CUSTOMERS AND SUPPLIERS

- Growing consumer awareness and expectations
- Control of emissions throughout the supply chain
- ESG rating as a new important criterion when selecting suppliers and partners





# Opportunities and threats for sectors



Very high emissions/GDP: a threat, also to the competitive position



Where are we going: what goals, when and how do we want to achieve?



What after the carbon?



Mass construction and thermomodernization of zero-emission buildings.



How to stop **transport emissions growth**: electrification alone is not enough.



**Agricultural emissions**: technological challenges



**Decarbonizing industry**: many technologies still need to be commercialized



**Challenges and opportunities on the labor market**: new jobs in green sectors, migrations, silver economy

# Climate change as the most important risk according to business leaders

„Please estimate the likely impact (severity) of the following risks over a 10-year period“

1. Failure to mitigate climate change
2. Failure of climate-change adaptation
3. Natural disasters and extreme weather events
4. Biodiversity loss and ecosystem collapse
5. Large-scale involuntary migration
6. Natural resource crises
7. Erosion of social cohesion and societal polarization
8. Widespread cybercrime and cyber insecurity
9. Geoeconomic confrontation
10. Large-scale environmental damage incidents

RISK CATEGORIES:



Environmental



Societal

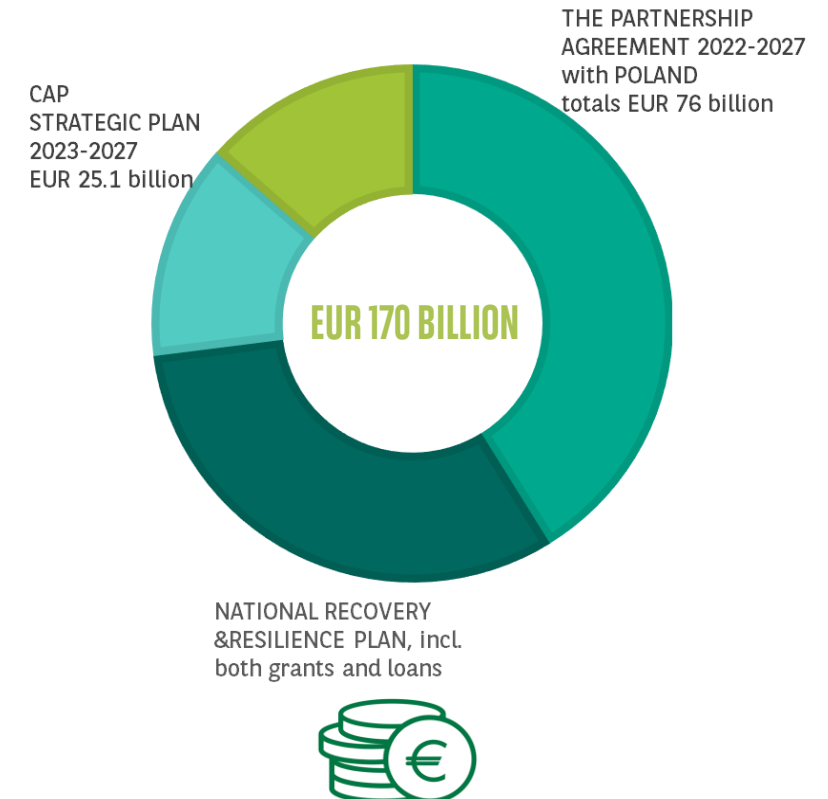
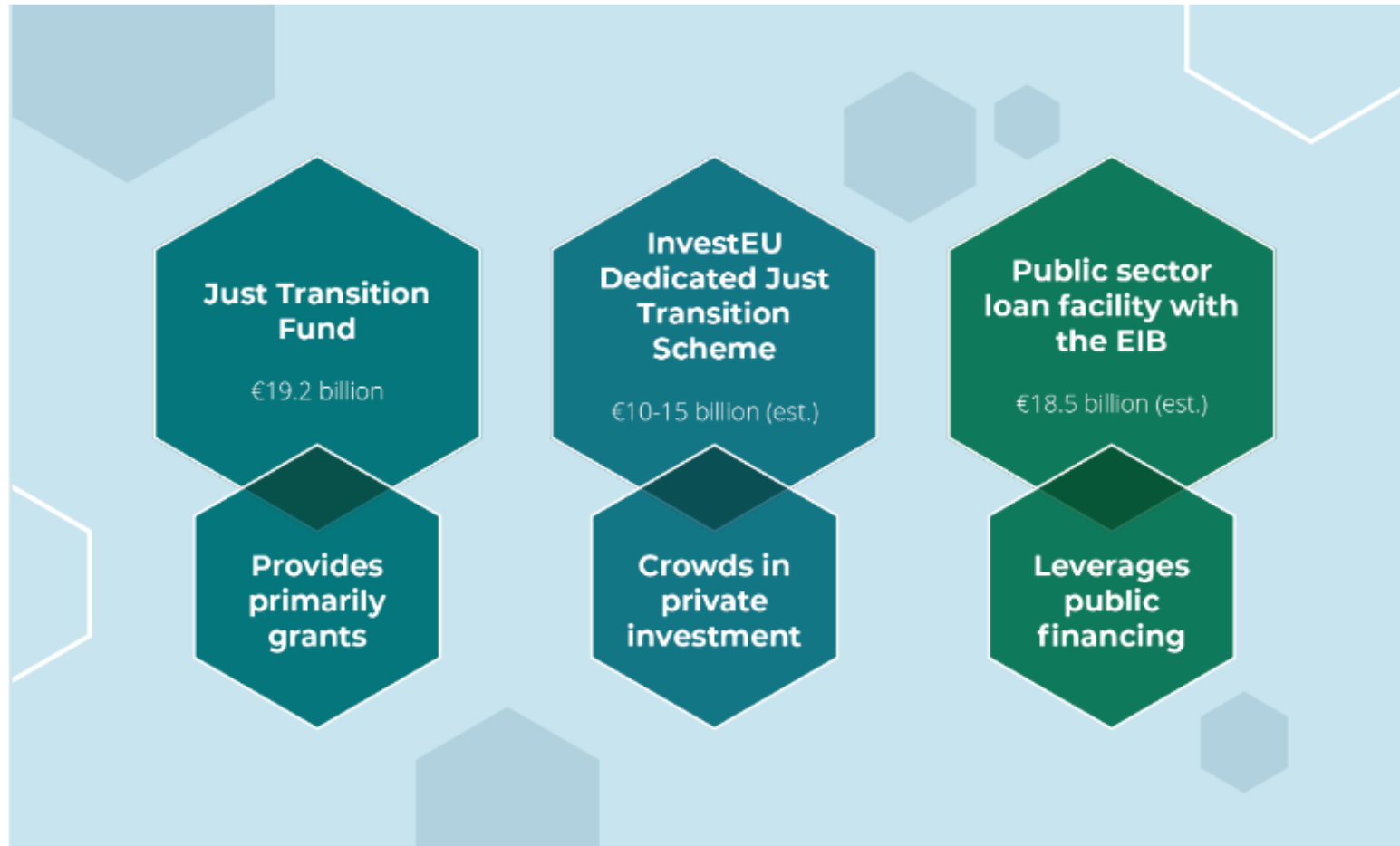


Geopolitical



Technological

# Just Transition Mechanism and EU funds dedicated for Poland





# Sustainability is at the centre of BNP Paribas strategy



Jean-Laurent Bonnafé, CEO BNP Paribas

*Our 2020 Business Development Plan will enable us to achieve our goal of being the European benchmark bank with global reach, the preferred long-term partner to our clients, and a participant in the economy that supports responsible, sustainable growth"*



Przemek Gdański, CEO BNP Paribas Bank Polska

*Sustainable development and our commitment to protecting the environment and surrounding are not only an element of our banks' DNA, but also part of our business perspective.*

Integrated business strategy of the Group and the Bank



GROWTH TECHNOLOGY SUSTAINABILITY

2025 STRATEGIC PLAN  
Growth • Technology • Sustainability



#POSITIVE  
LEADER IN SUSTAINABLE FINANCE

Participation in creating good practices



Signatory of the Equator Principles since 2008



Committee Member of the International Capital Markets Association on Green Bond / Social Bond / Sustainability-Linked Bond Principles



First bank trustee among the signatories of the UN Principles of Responsible Investment



Founding Member Principles for Responsible Banking



Member of the Net Zero Banking Alliance of the UNEP Finance Initiative

Risk framework integrating ESG factors

- Since 2010, BNP Paribas has integrated **Environmental, Social and Governance (ESG) factors** in its risk framework for all financing and investment across the Group
- ESG policies in vulnerable sectors
- Commitment for quitting coal in the energy sector by 2030 in OECD countries and by 2040 globally

Strong extra-financial ratings, including in Poland



10,2 – Low Risk  
The lowest ESG risk in Poland and in the industry



The best bank in Europe in 2019, 2020 i 2021

Global and local recognition of BNP Paribas



Euromoney Awards 2023  
The Best Bank in Sustainable Financing and other



Environmental Finance Awards 2023  
Best Sustainability Coordinator and others

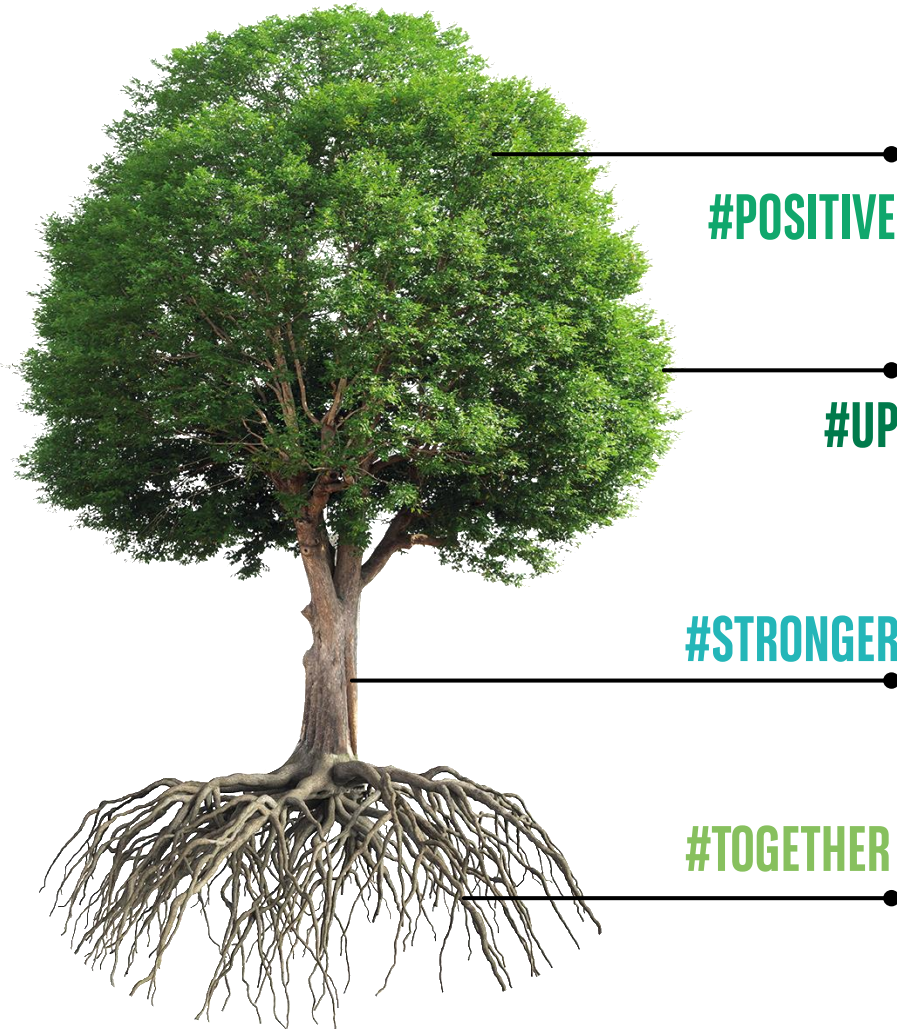


1st place in 2023, 2021, 2020 and 2019 in the Polish Ranking of Responsible Companies



Polityka CSR Leaves 2023 – Golden and Green Leaf

## Pillars and core of the strategy



**#POSITIVE**

### Strategic pillars

Responsible & trusted financial partner, supporting positive and sustainable development of Clients, businesses and the society. Guiding Clients in the world of digital and sustainable transformation

**#UP**

Offering high quality banking & beyond banking products & services, as a key to larger Client base in omnichannel world. Delivering excellent experience through personalized Customer journeys

**#STRONGER**

Global BNP Paribas Group strength & dynamic technological development, coupled with E2E process optimization as a backbone for organic growth and high Client satisfaction

**#TOGETHER**

People first: engaged & satisfied employees drive delighted Customers. Agile@Scale and new corporate culture allowing for diverse, inclusive work environment characterized by trust, courage & creativity

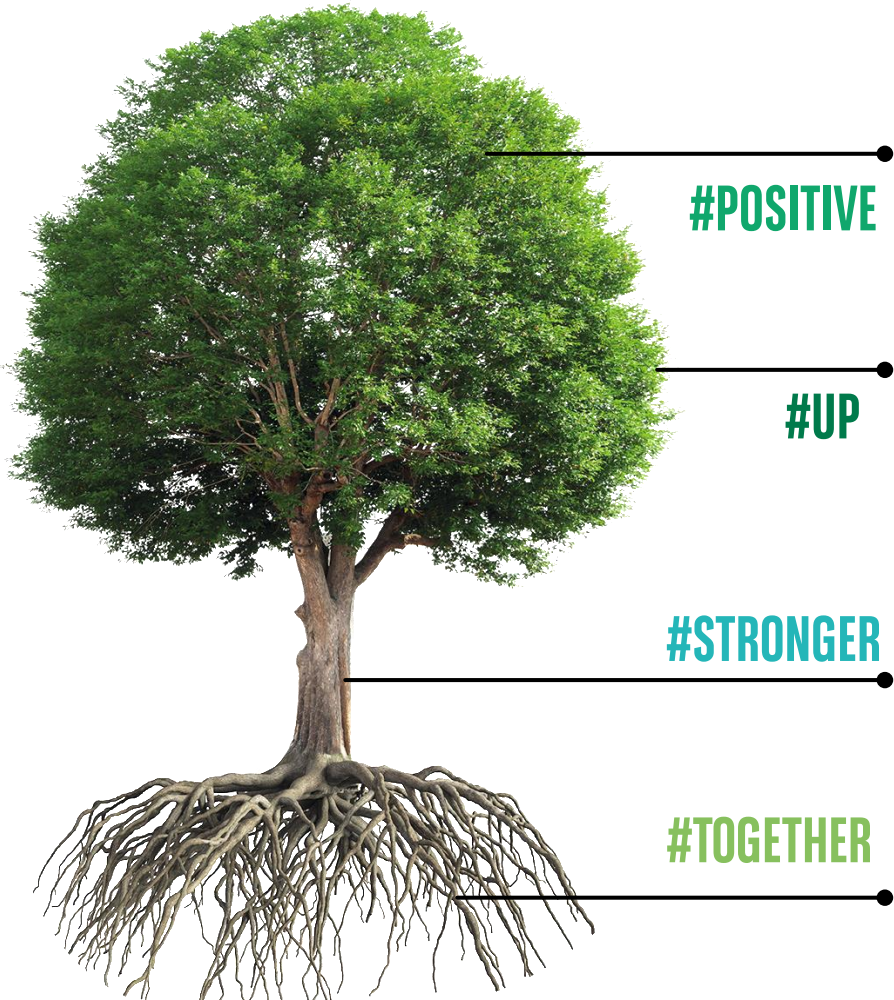
### How we understand "beyond"

Deliver a selection of convenient & tailored products & solutions that will exceed Customer expectations and market standards, while being at a forefront of sustainable transformation

**Challenge the status quo**  
**Question bank and market realities to deliver more**

Dynamic implementation of changes on a scale that goes beyond incremental development, creating a solid foundation for effective and efficient operations. Allow our employees to act to their potential, by setting up constructive and empowering work environment

# Key commitments at #POSITIVE pillar



#POSITIVE

#UP

#STRONGER

#TOGETHER

1

Leader in sustainable finance

Increase in the share of sustainable financing from 4.5% in 2021 to 10% in 2025 among the key goals

2

Responsibility, accessibility, transparency and strong ethical foundations

3

The BNP Paribas brand is permanently associated with care for the environment and matters important to society

4

A bank involved in the life of local communities

5

Efficiency in the use of resources and climate neutral operating activities





# #POSITIVE – our commitments (full ESG scope)

*We support our customers in green transformation and implement eco-changes in our operations.*

## GREEN PRODUCTS AND SERVICES

- Wide range of sustainable products and services (a.o. RES, photovoltaics, Clean Air, Green Mortgage)
- The value of sustainable financing as at 31.12.2022 was PLN 6.5 billion, representing 7.1% of total financing.
- Creation of a competence center for Energy Transformation

## RESPONSIBLE FINANCING

- CSR sectoral policies and ESG risk analysis
- Sustainable investment products
- Financing based on rating / ESG performance: Sustainability Linked Loan



## LIMITING THE ENVIRONMENTAL IMPACT OF OPERATIONS

- 100% electricity from RES
- Eco-improvements (plastic ban policy, paperless)
- Eco-fleet: 44% share of eco cars (2022)
- Reducing the carbon footprint of our operational activities (2022: -43% vs. 2019)

## EDUCATIONAL ACTIVITIES FOR EMPLOYEES AND EXTERNAL STAKEHOLDER

- The Bank of Green Changes educational campaign, to live and make business in harmony with the planet
- ESG Days
- Inspirational meetings, workshops, webinars and initiatives in partnership with expert organizations (e.g. BNP Paribas Green Film Festival with UN Global Compact Network Poland)
- Educational activities for our clients: Agronomist portal

# #POSITIVE – our commitments (full ESG scope)

*We reinforce employee well being , social engagement and a positive impact on our community*

## PRODUCTS WITH A POSITIVE SOCIAL IMPACT

- Offer for Ukrainian citizens with simplified procedures, special hotline and many free services
- Non-Profit Business Account. First offer on the market for social economy enterprises
- Little Mr/Ms Independent Account and "Mission: Independence" - combining the first steps in personal finance with financial education

## ACCESSIBILITY

- 123 Client Centers with "Barrier-free facility" certification;
- 94 branches with induction loops
- 857 connections with sign language interpreters
- 100% of branches with the OK SENIOR® quality certificate – as a first institution in Poland



## DIVERSITY AND INCLUSION

- Employee initiatives: Women Changing BNP Paribas (Kobiety Zmieniające BNP Paribas), WomenUp, Dad, you have got it in the Bank (Tato masz to jak w banku), Pride Poland
- Decalogue of Equal Treatment
- Actions to build awareness and increase employment of people with disabilities

## PARTNER OF LOCAL COMMUNITIES

- 110 Local Bank Ambassadors
- Employee volunteering "You can rely on me"
- Nobel Gift - largest employee volunteer program among all companies
- 16 years of the BNP Paribas Foundation activity for equal opportunities and strengthening education
  - Strategic partnership with Ocalenie Foundation
  - Class Scholarship Program since 2003
  - New online platform for the volunteering coordination – launched on 5 Sept 2022

# #POSITIVE – our commitments (full ESG scope)

*We build awareness among internal and external stakeholders on ESG as a strong foundation of sustainable business*

## MANAGEMENT OF ESG ASPECTS

- Sustainability Area and an cross organizational group supporting ESG initiatives: the Sustainability Community
- ESG risk management proficiency
- Best in class ESG data reporting practices
- Confirmed by exceptional [ESG rating score](#) (best among commercial banks in Poland)



## ETHICS AND COMPLIANCE

- Code of Conduct as the basis for all actions
- Acting in accordance with the Responsible Selling Declaration and actively countering misselling practices
- Simple language program
- Puls Biznesu "Ethical Company 2021" Award

## RESPONSIBLE SUPPLY CHAIN

- CSR evaluation of suppliers (CSR Declaration)



## MANAGEMENT EDUCATION FOR CLIMATE JUSTICE

- Main partner of the Chapter Zero Poland – a part of the Climate Governance Initiative, a program for developing supervisory and management bodies' competencies; chaired by Lucyna Stańczak-Wuczyńska – Chairwoman of the Bank's Supervisory Board.





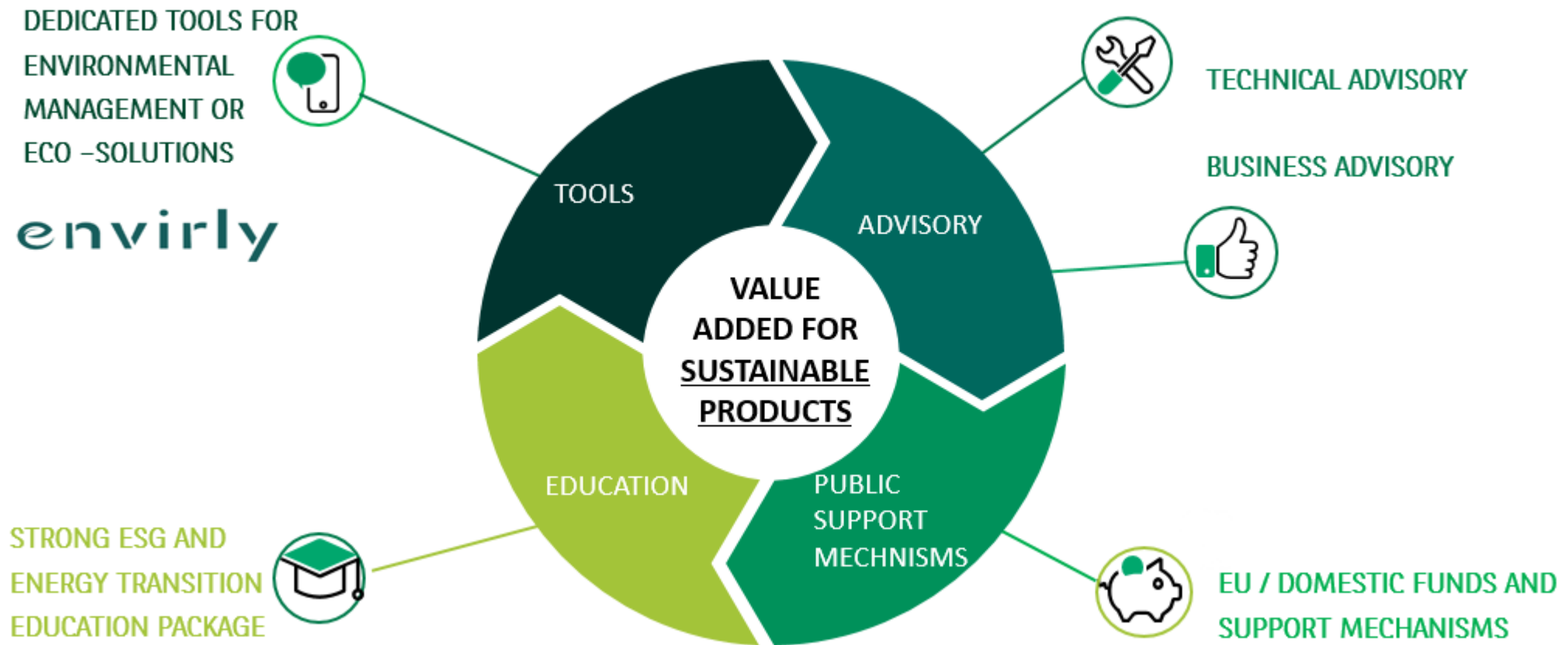
# We act in line with UN Sustainable Development Goals

	Noble Gift - Szlachetna Paczka		Social projects, grants, Agronomist		BEnEfiT, Dobrze, Good Kilometers		Class, Bakcyl, Mission Education
	Women changing BNP Paribas, Share the care		"Water - yes, plastic no" - eco education		Financing renewable energy sources (OZE)		Financing development of Polish economy
	Supporting strategic Clients' investments		Accessibility for Clients with disabilities, Diversity		Financing thermo-modernization		Supporting sustainability in the Food and Agro
	Bank of Green Changes, Eco-fleet, Coal exit		CSR Policies, Agro Conference, Nitrogen limitation		Bee Apiaries, Planting trees, Paperless		Ethics in finance initiatives, Responsible Sale Declaration



# Products summary (1/2)

*State-of-the-art financing offering – what’s on the top of regular product builds our competitive advantage*



# Products summary (2/2)

## ESG & SUSTAINABILITY EXPERTS TEAM



Education on **ESG trends, regulations, challenges and opportunities** for the business during bilateral meetings and workshops with Clients



Supporting Clients in process of **creating Green/Social/Sustainability-Linked Financing Framework**



Support in **setting up ambitious ESG strategy targets**



Preparing SME & Corpo Clients for **ESG reporting requirements (CSRD) and supply chain challenges** by promoting ESG linked products



Supporting Clients in their **contribution to UN Sustainable Development Goals**



Active **participation our Clients' dialogue processes** around non-financial reporting and ESG Strategy building



Monitoring actual ESG requirements and **constantly updating and growing Clients' awareness**

## ENERGY TRANSITION TECHNICAL EXPERTISE TEAM



Energy technical support for Clients

Support for RMs in mobilization of green investments (RES and EE)

Monitoring of energy market and support systems

Support in decision making process

### Sustainable Financing Framework

Public document confirming company's ESG goals in relations to the business strategy. Base for Sustainable Financing structure.

### Sustainability-Linked Loan

Sustainability-linked facility in which margin adjustment mechanism is linked to ESG KPIs of the borrower and ambitious Sustainable Performance Targets.

### ESG Rating-Linked Loan

ESG-linked facility in which margin adjustment mechanism is linked to the borrower's ESG rating improvement path.



UKRSIBBANK  
**SUSTAINABLE**  
Business Forum

**Thank You!**  
**Let's stay in contact.**

Jarosław Rot

Sustainability Area Executive Director, Chief Sustainability Officer at BNP Paribas Bank Polska S.A.

[Jaroslaw.Rot@bnpparibas.pl](mailto:Jaroslaw.Rot@bnpparibas.pl)

