



# SUSTAINABILITY AT SECURITIES SERVICES 2021



**BNP PARIBAS**

The bank  
for a changing  
world



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# 01.

## About Company Engagement and sustainability at BNP Paribas




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**At its core, sustainability is about acting responsibly today to protect the future.**

At BNP Paribas, sustainability covers our responsibilities towards society and the environment. This means that we look to maximise the positive potential impacts of our business whenever possible and reduce its potential negative impacts.

Our company purpose captures this succinctly:

 *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 have a dedicated department called Company Engagement that sets BNP Paribas' sustainability strategy. Company Engagement operates across the bank, and within various business lines, including Securities Services. Its remit includes setting a strategy for sustainable finance i.e. facilitating the development of the financial services products and solutions that our clients need in order to meet their sustainability goals.

This brochure gives an overview of the Company Engagement and sustainable finance for the Securities Services business of BNP Paribas.

02.

## Company Engagement strategy



The Securities Services business of BNP Paribas has an important role to play in helping its clients adopt and integrate ESG policies and demonstrate the value these can bring to an organisation.

The four pillars of our Company Engagement strategy outlined below brings this to life through our daily activities, and are aligned with the CSR pillars of BNP Paribas Group: Economy, Environment, Our People, and Community.

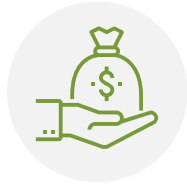
#### OUR COMPANY ENGAGEMENT STRATEGY:



# 03 Sustainability achievements







## CLIENTS

Range of sustainable finance solutions to support clients, and a commitment to embed a sustainable component into 80% of our products by 2025

Contributing to the industry's transition through primary research and ongoing thought leadership

Engagement with clients around sustainability topics



## COMMUNITIES

**Securities Services for Education** – a positive impact programme in support of climate change and education for young people:

- +29,000 beneficiaries across 11 countries in 2021

Range of positive impact initiatives in support of **local economies**, aimed at aiding social enterprises, skill development for shared job opportunity, and diversifying talent in the industry

Ongoing contribution to the Group's #1MillionHours2Help corporate volunteering programme a target of one million solidarity hours by 2025 (over two rolling years)



## STAFF

Strong focus by the Group on **diversity & inclusion**, including a target of 40% women in key talent populations

Alignment with the International Labour Organization (ILO) Disability Charter, including the re-launch of the **Securities Services for Disability** programme

Helping staff through the pandemic via a number of local initiatives, such as medical and wellbeing support

Implementation of a global remote working framework

Rollout of learning and development programmes across a range of sustainability topics, such as climate change and sustainable finance



## CORPORATE DECISION MAKING

Reduced the **environmental impact of our operations**:



20% reduction in Co2 emissions vs 2020



16% reduction of paper vs 2020



65% reduction in water usage vs 2020

Commitment to strengthen our responsible decision making process by incorporating ESG criteria into 100% of our key decision processes by 2025

ISO14001 compliant in a number of locations



# 04. Civil society and Covid-19



We cannot mention communities without referring to the civil society and the Covid-19 pandemic. Our response to the pandemic, and how we help our local communities and colleagues, is how we will judge ourselves in years to come.

#### IN RESPONSE TO COVID-19, BNP PARIBAS COMMITTED TO THE FOLLOWING:



Over  
**EUR 50 MILLION**  
emergency  
donations to many  
**hospitals worldwide**  
and to medical  
**research bodies**  
including the Pasteur  
Institute



Over  
**EUR 50 MILLION**  
investments to  
support **SMEs** and  
the **healthcare**  
**sector**



Assistance to the  
**most vulnerable**:  
donations to the  
Red Cross, Doctors  
without Borders, and  
food banks among  
other organisations



Support for  
**underprivileged**  
**youth** facing the  
digital divide:  
donations of  
approximately  
**2,000** computers,  
and digital keys



Participation in  
**solidarity funds**

#### SECURITIES SERVICES HAS TAKEN ADDITIONAL SOLIDARITY STEPS INCLUDING:



Supporting vulnerable groups  
through a number of global solidarity  
initiatives –ranging from meals to  
healthcare staff, to donations to food  
banks and hospitals



##### Supporting clients' Covid-19 response

Since the pandemic began, we have provided services for the issuance of a number of social and Covid-19 response bonds, as well as for the creation of several solidarity funds across markets and jurisdictions.

- **EU's €100bn SURE debt issuance programme** - largest ever social bond issuance aimed at mitigating the socio-economic consequences of the pandemic.
- **Bpifrance's Lac 1 fund** - taking strategic equity stakes in French companies.
- **MAPFRE's Compromiso Sanitario Fondo inversión fund** - helping hospitals in Madrid to finance their Covid-19 response.
- **Fondo Italiano d'Investimento's minority growth fund** - supporting the growth of Italian SMEs in sectors of excellence.

05

## Sustainable asset servicing solutions





To help our clients achieve their sustainable investing objectives, the Securities Services business of BNP Paribas has created a strategic framework covering the full spectrum of our sustainable finance offering.

This is centred around three core pillars:



**Supporting our clients' sustainable vehicles**



**Embedding ESG into our core solutions**



**Developing new ESG solutions**

## WHAT WE OFFER

### ESG DATA & REPORTING

As part of our ambition to help asset managers and investors access reliable ESG information and report on the sustainability of their investments, we have launched Manaos\* - an award winning 'plug and play' data marketplace seamlessly connecting clients with a wide range of third-party ESG data vendors and fintechs.

- Through Manaos, clients are able to store their fund data securely to obtain a comprehensive and transparent view of their investments.
- The platform also helps clients prepare for Sustainable Finance Disclosure Regulation (SFDR) requirements and navigate the shifting regulatory landscape, providing a wide range of indicators through its expanding universe of data vendors.



*Manaos is a BNP Paribas platform in a separate legal entity - 100% owned by BNP Paribas*

### INVESTMENT COMPLIANCE

- Screens and monitors client portfolios based on predefined ESG criteria.
- Ensures client has visibility and control when investing in a particular company, industry or country linked to social, environmental or ethical factors.
- Incorporates ESG benchmarks to monitor the investment universe of socially responsible companies.
- Automated alerts of compliance breaches enabling quick action and resolution for proprietary and investor ESG policies.

### SUSTAINABLE SECURITIES LENDING

- Agency and Principal lending solutions aligned with clients' ESG policies.
- Fully compliant with client fiduciary duty with the option to recall or restrict securities to protect voting rights.
- ESG requirements can also be applied to client collateral and counterparty selection policies.
- At the forefront of industry development – e.g. active involvement in ISLA\* ESG working groups.

*\*International Securities Lending Association*

## CLASS ACTIONS & PROXY VOTING

- Class action solution powered by our partner Class Action Claims Management (CACM) supporting any claims relating to ESG breaches.
- Proxy voting solution enabling clients to take an active part in the investee companies' strategic decisions by voting in general meetings on ESG policies.

## PRIVATE CAPITAL

- Fully integrated end-to-end service offering for private capital strategies – covering private equity & debt; fund of funds; infrastructure; and real estate.
- Knowledge and technical expertise to cover ESG funds, particularly for infrastructure (greenfield and brownfield projects).

### SUSTAINABLE FINANCING

Our uniquely integrated service offering across BNP Paribas CIB provides clients with a menu of financing options – spanning capital markets, and ESG-linked loans and credit facilities.

#### DEBT SOLUTIONS

- Integrated model between Global Markets and Securities Services to support 'use-of-proceeds' instruments such as green and social bonds– from origination to post trade services.
- Enhancing the flow of communication in the pre-issuance phase (simplification of onboarding and efficiency in the end to end documentation process).

#### SUSTAINABILITY-LINKED LOANS & CREDIT FACILITIES

- Flexible financing instruments to accelerate clients' sustainability strategies.
- Sustainability linked loans with adjusted pricing based on performance against ESG KPIs.
- Credit facilities particularly suited to bridge & capital call financing, and for working capital requirements.



# OUR CREDENTIALS

Our dedication to being the sustainable partner of choice is reflected in our leadership on key market initiatives, top tier extra financial ratings, and consistent recognition in industry awards.

## EXTRA FINANCIAL RATINGS

**AA**  
**MSCI**

**A1+**  
No.1 European Bank  
**V.E**

**#1/285\***  
Best-in-class  
**ISS ESG**

\*Top-rated in financials/commercials banks and capital markets sector

## COMMITMENTS & RECOGNITION

**NET ZERO  
BANKING  
ALLIANCE**  
Founding signatory (2021)

**PRINCIPLES FOR  
RESPONSIBLE  
BANKING**  
Founding signatory (2019)

**EUROMONEY  
AWARDS FOR  
EXCELLENCE**  
World's Best Bank for:  
Sustainable Finance (2021 & 2022)  
ESG Data & Technology (2021 & 2022)  
Financial Inclusion (2020)



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