

SUSTAINABILITY AT SECURITIES SERVICES

BNP PARIBAS
2023



BNP PARIBAS

The bank
for a changing
world

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and Sustainability at BNP Paribas

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Accelerating the sustainability transformation



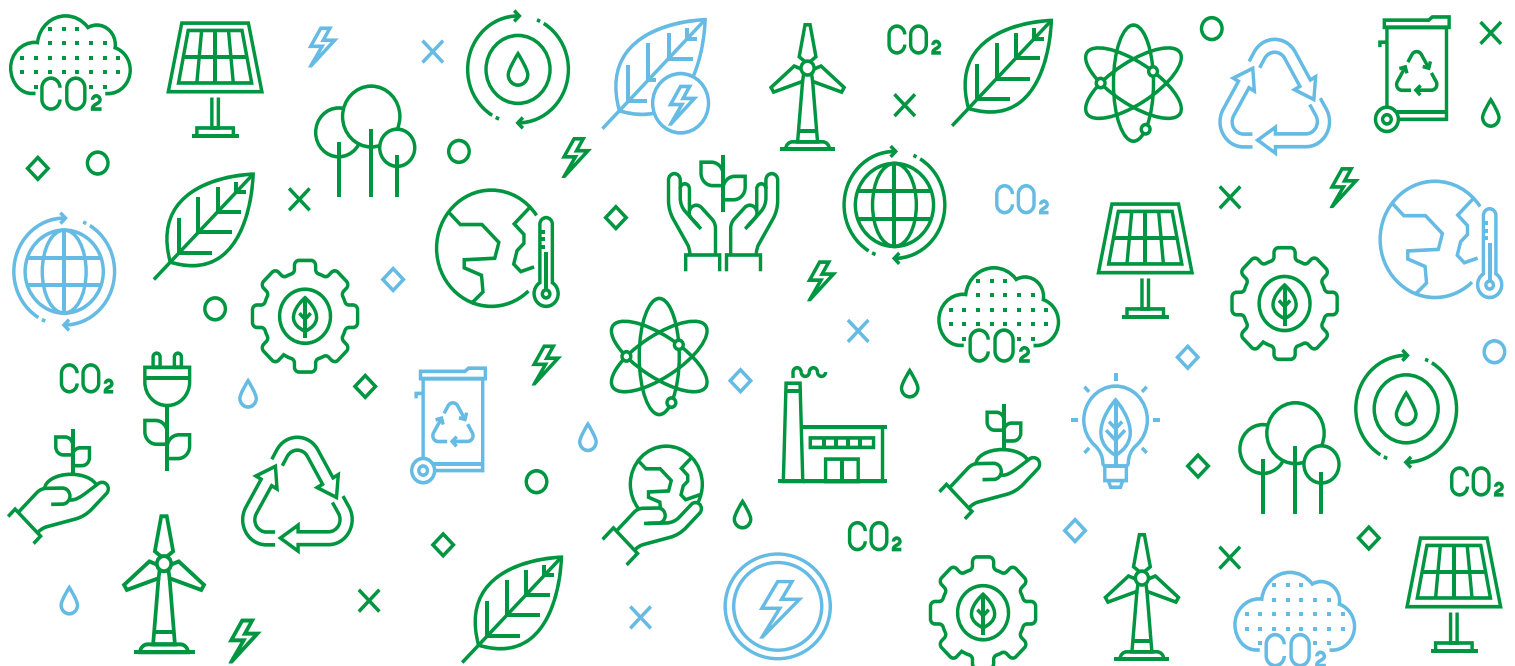
Lydie Vallese
Head of Company Engagement
& General Secretary for
Securities Services



As the Head of Company Engagement, I am delighted to introduce our sustainability brochure, which outlines our commitment to achieving a more sustainable future. As part of BNP Paribas' 2025 Growth, Sustainability and Technology strategic plan, we are scaling up our sustainable finance and CSR programmes to accelerate our clients' transition, as well as our own, to a more sustainable economy.

At our core, we believe that responsible asset servicing requires a holistic approach to sustainability, which includes considerations for environmental, social and governance factors. We are proud to be at the forefront of this movement, and we remain dedicated to playing our part in creating a better world for generations to come.

Our commitment to sustainability is reflected in every aspect of our business. From our investment decisions to our daily operations, we prioritise sustainability in all that we do. We work tirelessly to reduce our carbon footprint, promote diversity and inclusion, and support our local communities. We recognize that our success is inextricably linked to the health and wellbeing of the planet, and we are committed to doing our part to ensure that we leave a positive legacy for the future.



01.

About Company Engagement and Sustainability at BNP Paribas



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

Our ambition is to be ‘the leading positive-impact asset servicer and partner of choice for large financial institutions’. To support this goal, 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.

Our vision of sustainable asset services is threefold:

- **Trusted partner** and a positive-impact asset-servicer for financial institutions;
- **Transition accelerator**, supporting our clients in their sustainability journey and accelerating our sustainable finance offering;
- **Strategic connector**, developing joint solutions with the rest of the BNP Paribas Group.

This brochure gives an overview of Company Engagement and sustainable finance at Securities Services.



02.

Company Engagement strategy



Securities Services 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 the BNP Paribas Group: Economy, Environment, Our People, and Community.

OUR COMPANY ENGAGEMENT STRATEGY:

A trusted partner supporting sustainable and responsible finance

Engage clients on sustainability topics

Contribute to finance industry's transition via research and thought leadership, i.e. ESG Global Survey

Rollout of learning and development programmes across a range of sustainability topics

Equip and upskill client-facing teams

Implement a global remote working framework



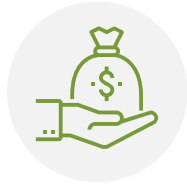
Contribute to a range of positive impact initiatives in support of local economies, aimed at assisting social enterprises, development of skill for shared job opportunities, and diversifying talent in the industry

Incorporate ESG criteria and risk assessment framework into our operational activity 100% by 2025 when engaging with our internal and external stakeholders and as part of our decision-making processes

Reduce the environmental footprint of our operations (e.g. paper and water usage and our carbon emissions)

03 Sustainability achievements





CLIENTS

—

Range of sustainable finance solutions to support clients such as Manaos, our investment data management platform and our ESG investment compliance offer

—

Contribute to the transition of the finance industry through research and thought leadership, i.e. ESG Global Survey



OUR PEOPLE

—

As with the Group's strong focus on diversity & inclusion, Securities Services reached the target of 50% women in key talent populations

—

Alignment with the International Labour Organization (ILO) Disability Charter

—

Over 3,500 people have been trained through learning and development programmes on sustainability topics



COMMUNITIES

—

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, such as recyclable cups in France

—

Contribute to #1MillionHours2Help programme, a BNP Paribas initiative which totaled 1,126,142* (in 2021 and 2022) of solidarity hours performed by employees (*figures take into consideration all BNP Paribas)



GOVERNANCE

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Risk: Our responsible decision making process incorporates ESG criteria into 44% of our key decision processes. A dedicated control plan and new assessment methodologies has been created and implemented to enhance the ESG-related risk management framework and to mitigate operational risk.

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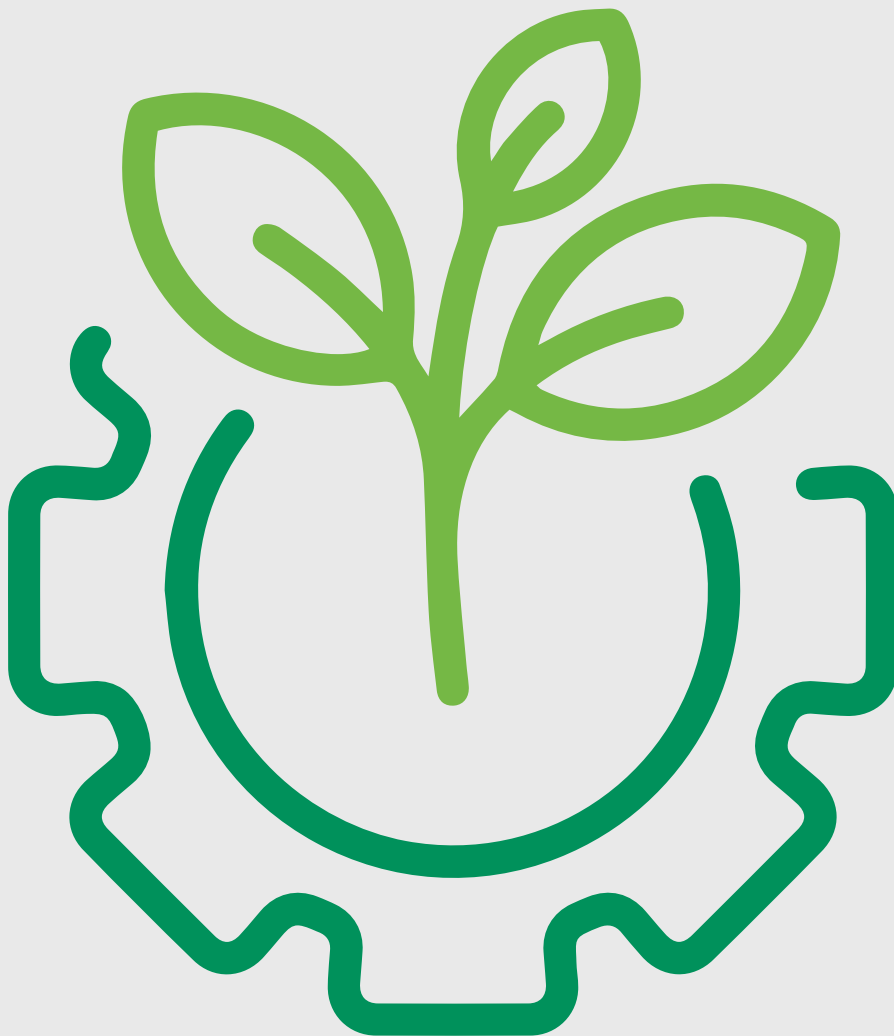
Environment: In 2022, BNP Paribas published its first Climate Analytics and [Alignment report](#)

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ISO 14001 compliant in a number of locations

04.

Sustainable asset servicing solutions



To support our clients in their sustainable journey, Securities Services has implemented a sustainable custodian go-to-market strategy that aims at:



Supporting our clients' sustainable vehicles



Embedding ESG into our core solutions



Developing new ESG solutions

WHAT WE OFFER

ESG REPORTING & ANALYTICS

Manaos, designed and incubated by Securities Services, assists institutional investors and asset managers in sourcing reliable data and reporting on the sustainability of their investments accurately and securely.

- Through the platform's data-exchange interface, investors and asset managers can get a comprehensive view of their portfolios and dive deep into all aspects of their investments.
- Manaos provides an open-architecture ESG marketplace, where investors can plug their portfolio data to leading ESG data and service providers, offering scoring capabilities both at portfolio-level and asset-level across a broad range of complimentary apps.
- [The platform](#) also helps clients comply with European regulation SFDR and to generate their EETs.



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*

PROXY VOTING & CLASS ACTION

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

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 and capital call financing, and for working capital requirements.



05

Awards and recognition



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
2022 & 2021

A1+

No.1 European Bank

MOODY'S ESG
SOLUTIONS
(formerly V.E) 2022 & 2021

#1/285*

Best-in-class

ISS
(ESG CORPORATE RATING)
2022 & 2021

*Top-rated in financial/commercial banks and capital markets sector

AWARDS & RECOGNITION



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