

The three ESG factors

- Each score is based on sector-specific indicators and common indicators.

Environment

The Environment score evaluates the company's environmental policy (greenhouse gas reduction programs, CO2 emission intensity, etc.).

Social

The Social score evaluates the relationship between the company and its stakeholders (unionization rate, anti-discrimination measures, employee turnover rate, etc.).

Governance

The Governance score evaluates the practices of the company and its managers (anti-corruption measures, treatment of whistleblowers, independence of the board of directors, etc.).

A synthetic ESG rating

- The ESG rating is a weighted average of the three previous scores (Environment, Social, Governance). To this average is applied a bonus or malus calculated from a qualitative study conducted by BNP Paribas.
- The weighting depends on the sector with a minimum weight of 10% for the Environment factor, 20% for the Social factor and 30% for the Governance factor.
- The qualitative study identifies all the elements not taken into account by the ESG indicators (such as the controversies that the company is facing).
- Following the qualitative analysis, a bonus or malus ranging from +30% to -30% is applied to the weighted average of the three factors, thus obtaining the synthetic ESG rating.

A regional and sectoral Clover ranking

Companies are then ranked by their ESG rating, according to their sector and geographical area, with companies rated in the same year.



Compliance with the principles of the UN Global Compact

- The UN Global Compact has established a list of 10 universal principles aimed at companies. These principles concern human rights, environmental protection, anti-corruption and labour rights.
- The mention "UN Global Compact - On watchlist" is added in the last column if the company has difficulties in complying with these principles.
- The mention "UN Global Compact - Breach of the Principles" is added when a company does not comply with one or more of these principles. The Clover ranking of these companies is therefore 0.

Identification of the carbon footprint

- For certain sensitive sectors (oil and gas, mining, utilities), BNP Paribas has set up criteria to identify companies with too significant carbon footprint.
- The mention "Carbon footprint - On watchlist" is added in the last column if the company has difficulties in meeting these criteria.
- The mention "Carbon footprint - Breach of principles" is added when a company does not meet these criteria. The Clover ranking of these companies is therefore 0.

BNP Paribas' CSR policy

Exclusion policies

- As part of its social and environmental responsibility strategy, BNP Paribas has decided to exclude certain activities and goods from its investment and financing activities.
- The activities concerned are the production or trade in controversial weapons, the production or trade in tobacco, the production, trade or use of drift nets over 2.5 km in length, the production of asbestos fibers, the production or trade in products containing PCBs (polychlorinated biphenyls), and the trade in species protected by the CITES.

Sector policies

- BNP Paribas has implemented policies governing its investment and financing activities in several sectors. To date, 9 sectors have been the subject of an in-depth analysis on the issues they raise - social or environmental -, the objectives to be achieved and the changes needed to achieve them.
- The sectors covered by these policies are defence, palm oil, wood pulp, nuclear energy, coal-fired power generation, agriculture, mining, unconventional oil and gas, and tobacco.