



Jean-Laurent Bonnafé
Chief Executive Officer
BNP Paribas

Paris, on March 11th, 2019

Subject: BNP Paribas' letter of response to Europe Beyond Coal's campaign

Dear Madam, dear Sir,

We acknowledge receipt of your email, and thank you for raising your concerns to us.

We have read it with the utmost attention, and therefore we would like to clarify certain facts so that you have a more precise idea of BNP Paribas' current efforts to support the energy transition worldwide.

BNP Paribas' goal in the energy sector is to help its clients accelerate their transition and gradually redirect part of the financial resources allocated to old energies towards renewable energies. In 2018, BNP Paribas' financing to renewable energies have already reached €15.4bn, and the Group thus outperformed its 2020 objective (€15bn).

BNP Paribas regularly revises its credit policies with a twofold approach: encouraging its teams around the world to finance the cleanest energies, whilst no longer supporting energies that emit the highest levels of greenhouse gases.

Indeed, BNP Paribas is committed to aligning the financing of the energy sector with the Paris Agreement, which aims to keep global warming below 2°C by the end of the century.

Therefore, the Group monitors the evolution of the share of fossil fuels within the energy and electricity mixes of its financing portfolio, on an annual basis, to ensure that it reduces as quickly as the world average in the IEA's SDS scenario.

One key point of this strategy is the monitoring of the coal sector as one of the most emitting sectors. In 2014, coal represented 23.5% of the electricity mix financed by the Group while, in 2018, it has fallen under 20% for the first time. It is thus much below the share of coal in the world electricity mix, which set at 38% in 2017¹. This shows how serious and effective our coal policies are.

BNP Paribas' strategy to contribute reducing the use of/reliance on coal worldwide consists in two axes:

- (1) No longer financing coal-fired power plants or coal mines projects in all countries;
- (2) Only supporting energy producers who reduce the share of coal in their mix and significantly diversify their activities.

¹ According to IEA's World Energy Outlook 2017.



This results in putting an end to our business relations with companies which are not engaged in the energy transition. For instance, in Australia we cut our support to coal production by 90% since 2015. In Poland, the attrition of our portfolio is real, and the concrete impact of our commitments on our credit exposure should show a steep decrease in the coming years. Finally, regarding RWE, you may know that this company is entering in a complete transformation process that should make it one of the key European players in the renewable energy sector, and we shall pay a close attention to their alignment with the German coal exit strategy.

More generally, as of end-2018, BNP Paribas excluded 857 companies from its financing and investment activities, and closely monitored the practices of 135 companies in the frame of its [financing and investment sector policies](#), including policies in the Coal-Power Generation and Coal Mining sectors.

You may now understand that we take this issue very seriously and that our strategy is to accompany companies which follow the path of the energy transition, even if their trajectory is not always linear.

In parallel to those commitments, BNP Paribas also decided to [cease its support](#) to companies involved in unconventional hydrocarbons, which derive a substantial share of their revenues from the following activities: shale oil, shale gas, oil sands, or natural gas in the Arctic. BNP Paribas was the first bank to announce such measures, which remain the most advanced in the financial sector to date.

Sincerely,

A handwritten signature in black ink, appearing to read 'JL Bonnafé'.

Jean-Laurent Bonnafé
Chief Executive Officer