

# BNP PARIBAS' CSR

## CATEGORY:

POLICY | RESEARCH | FIELD | CLIMATE | **BUSINESS**

## LOCATION/SCALE:

Global (International)

## IMPLEMENTING ORGANISATION:

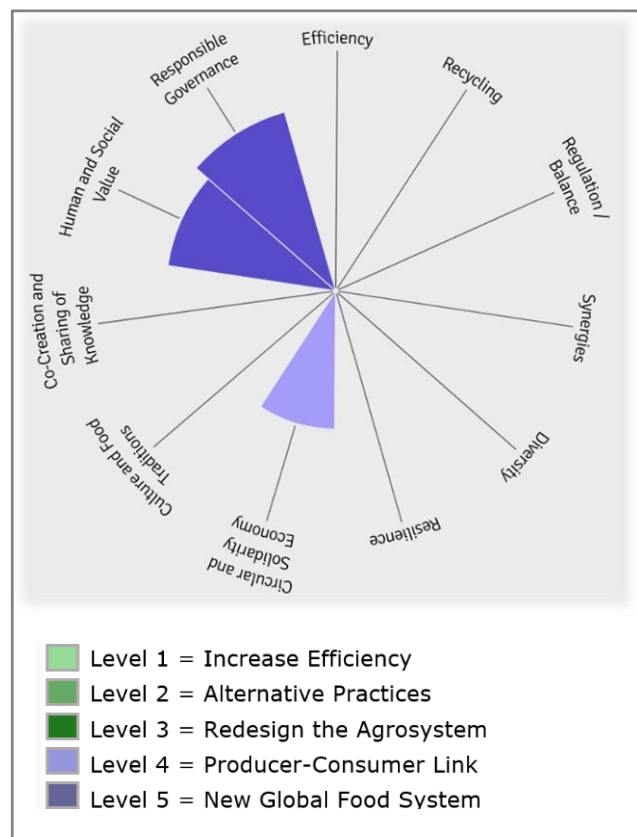
BNP Paribas S.A.

## PERIOD:

2000 - now

## IN A NUTSHELL

BNP Paribas, a French international banking group, is the world's 8th largest bank by total assets, with a presence in 72 countries. Since 2002, the bank's corporate social responsibility (CSR) approach allows them to take part in building a sustainable future while promoting the group's performance and stability. Many of the industries that require financing present major environmental, social and governance (ESG) challenges such as the palm oil and nuclear energy production or the current agriculture practices. BNP Paribas has aligned its CSR strategy with the 17 Sustainable Development Goals (SDG's). Furthermore, the bank realized that climate change is becoming the main driver of biodiversity erosion and therefore renamed one of its programs "Climate & Biodiversity Initiative". The program includes nine international new research projects, which are supported with six million euros and range from addressing knowledge gaps on biodiversity and associated ecosystem processes to the identification of tree species mixtures to optimize climate mitigation and adaptation. By devoting over USD 1,000 billion to responsible investments, the bank intends to generate a change to more sustainability in its overall asset portfolio. Internally, BNP Paribas became carbon neutral in 2017, after reducing its CO2 emissions and increasing its use of renewable energies. Moreover, BNP Paribas is the global leader in green bonds, a bond specifically earmarked to be used for climate and environmental projects. Besides the monetary interventions, BNP Paribas is actively leading awareness-raising activities, familiarizing the general public and their employees with environmental issues.



**Figure: Assessment of BNP Paribas on FAO Elements of Agroecology and Gliessman's five levels of food system change**

## CONTEXT

Although the demand for financing projects with a positive impact on the environment and society is growing among investors, most of these projects still have difficulties finding investors, as they are often viewed as risky investments. The gap between the multitude of projects with a positive impact that cannot be financed and the huge amount of capital available to global

investors, is called funding gap. According to the United Nations Environment Programme (UNEP), the funding gap amounts to USD 5000-7000 billion (half in developing countries only) in financing needed to achieve the SDGs in 2030.

## OBJECTIVE

Because agriculture is a key sector for the global economy, BNP Paribas has instituted a financing and investment policy dedicated to guiding activities of this industry. Besides their economic goals, the bank aims at fostering the dialogue between the banking world and local organizations in order to support cultural, social or environmental development.

## KEY INTERVENTIONS

### REGIONAL/NATIONAL LEVEL:

- Launched the Tropical Landscape Finance Facility (TLFF) in Indonesia with the aim to create a platform for issuing green loans using private capital to finance sustainable economic development for farmers and restore deteriorating agricultural landscapes
- Created a financing program model that is part of the Sustainable India Finance Facility (SIFF) which further finances the Zero Budget Natural Farming movement in India ([see Factsheet ZBNF](#))
- Increased access of small-scale farmers to climate adaptation finance by joining the coalition with UNEP in a project called Microfinance for Ecosystem-based Adaptation
- Created Climate Seed, a platform designed to allow organizations to offset their unavoidable greenhouse gas emissions by contributing to sustainable agriculture projects
- Encourage the renewable energy production from agricultural waste material by teaming up with the foundation Goodplanet, which aims to install 13,000 bio-digesters and improve the living conditions for nearly 70,000 people

## LESSONS LEARNED/CHALLENGES

Despite the banks' CSR actions, BNP Paribas has also been criticized in the past for its role in financing a range of "dirty" fossil fuel projects, involved in financing the exploration of oil sands and coal-fired power plants. NGO's and civil society organizations accused the bank of greenwashing its operations, demanding real actions to ensure that the banks' measures do not end up as empty promises. Consequently, the bank no longer finances activities related to the exploitation of shale gas, stopped renewing loans granted to businesses in the coal sector and refuses to support oil and gas drilling projects in the Arctic, all since 2015. In addition, the bank entered into a partnership with UNEP and Rabobank in order to set aside USD 11 billion to scale up and support agroecology and land use options.

## RELEVANT LINKS & REFERENCES

- Initiatives in sustainable agriculture on PNB Paribas' Homepage  
<https://bit.ly/32ODciW>
- Climate and biodiversity initiatives  
<https://group.bnpparibas/en/hottopics/climate-biodiversity-initiative/projects>
- Climate Seed Homepage  
<https://www.climateseed.com>



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