



**THE BNP PARIBAS  
CASE**      The trial of a  
changing world

**TAKING A FUNDER  
OF CLIMATE CHAOS  
TO COURT**

February 23 2023



**Les Amis  
de la Terre  
France**



**NOTRE  
AFFAIRE  
À TOUS**



**OXFAM**  
France

## PRESS CONTACTS

### Marion Cubizolles :

Friends of the Earth France  
[marion.cubizolles@amisdelaterre.org](mailto:marion.cubizolles@amisdelaterre.org)  
+33 (0)6 86 41 53 43

### Justine Ripoll :

Notre Affaire à Tous  
[justine.ripoll@notreaffaireatous.org](mailto:justine.ripoll@notreaffaireatous.org)  
+33 (0)6 42 21 37 67

### Marika Bekier :

Oxfam France  
[mbekier@oxfamfrance.org](mailto:mbekier@oxfamfrance.org)  
+33 (0)6 24 34 99 31

## THE ASSOCIATIONS WHICH ARE THE BNP PARIBAS CASE



**Les Amis  
de la Terre  
France**



The federation of Les Amis de la Terre France (Friends of the Earth France) is a non-profit organisation for the preservation of human rights and for the protection of the environment. The organisation is not affiliated with any political or religious institutions. Friends of the Earth France helped lay the foundations for the French environmental movement and for an organisation called Friends of the Earth International, with groups that count over two million members in 75 countries.

[www.amisdelaterre.org](http://www.amisdelaterre.org)  
📍 @amisdelaterre

### Authors :

Lorette Philippot (Friends of the Earth France), Alexandre Poidatz (Oxfam France), Justine Ripoll (Notre Affaire à Tous)

### Layout :

Basile Mesré-Barjon

### Royalty-free photos

Notre Affaire à Tous is an organisation which was formed in compliance with the French law of Associations (1901) in the summer of 2015. Its aim is to use the law as a weapon to protect wildlife, the environment and the climate. The association stems from the movement for the recognition of the crime of ecocide in international law. In order to condemn the most serious crimes against the environment, Notre Affaire à Tous aims to mobilize citizens so that human beings can be regarded as responsible for all living creatures.

[www.notreaffaireatous.org](http://www.notreaffaireatous.org)  
📍 @NotreAffaire

Oxfam France is an international organisation that draws on citizens' power for change to combat poverty. It operates in over 90 countries to find sustainable solutions to put an end to the injustices that are at the root of poverty.

[www.oxfamfrance.org](http://www.oxfamfrance.org)  
📍 @oxfamfrance

## AFFAIRE-BNP.FR



# ABOUT OUR ACTION

For years, Oxfam France, Friends of the Earth France and Notre Affaire à Tous have been raising awareness about the fundamental role the financial industry has been playing in the climate crisis. Their members have talked with banks to get them to stop financing the fossil fuel industry, and they denounced the governments' unwillingness to regulate the financial sector. The three organisations are now taking BNP Paribas to court for failing in its duty to take action on climate change.

The aim is to take legal action in order to force BNP to implement an effective climate policy and to immediately stop supporting the development of fossil fuels. **This is the first climate dispute in the world that is meant to force a commercial bank to comply with its legal duties. BNP needs to immediately stop banking on new oil and gas projects.**

People are already paying the price for climate disasters and for the energy crisis. It is about time we used our money to fund a sustainable future instead of relying on coal, oil and gas over the next decades.



**Its carbon footprint exceeds France's emissions<sup>1</sup>**

**1<sup>st</sup> European and 5<sup>th</sup> worldwide funder of the development of fossil fuels between 2016 and 2021<sup>2</sup>**

**1<sup>st</sup> global funder of 8 oil and gas majors, including Total, between 2016 and 2021<sup>3</sup>**





## ***HOW FINANCE IS DESTROYING THE CLIMATE***

By providing financial support to companies, individuals, local authorities and governments in France and abroad, banks allow these institutions to sustain and develop their activities in sectors that are either beneficial to the ecological and social transition or harmful to the climate, the environment and human rights.

The banks' impact on climate change stems from the main economic activities they carry out. They finance and invest in polluting companies. Banks wield substantial power because they can choose which companies to support. They inject money into them using financial instruments such as loans or by issuing new shares and bonds on behalf of these companies.

In addition to this financing\*, banks also support industries through another medium: investments\*. They buy shares and bonds that have already been issued by companies and exchanged on the financial markets. This creates a source of income for these companies. Banks are therefore at the heart of economic decisions: BNP's financial assets are worth as much as France's GDP.

Banks promote polluting projects by providing money to companies that develop fossil fuel projects.

- While researchers have identified 169 new carbon bombs (fossil fuel extraction projects that could individually emit more than 1 gigaton of CO<sub>2</sub><sup>4</sup>) around the world, the banking sector and BNP are still providing them with the money they need to grow, through direct or indirect means.
- In 2020, 88% of BNP's greenhouse gas emissions were caused by their investments in companies. The rest of their emissions were mostly linked to loans and investments in the public sector, and only marginally to money loaned to individuals. BNP's carbon footprint amounted to 749 million tons of CO<sub>2</sub> equivalent in 2020, which corresponds to a carbon footprint that exceeds France's territorial emissions<sup>5</sup>.

For terms that were marked with an \*, please refer to the glossary at the end of the article.



## ***THE BEGINNINGS OF A LAWSUIT***

The year 2022 has left its mark on people; it seems to have been a major turning point. It made people more aware of the devastating effects of global warming on our environment, our societies and our health. Last summer, people all over France and Europe suffered from the effects of climate change, which made itself felt through repeated heat waves, forest fires and droughts. Academic discourse on global warming has become much more concrete. The poorest populations are the first victims of these negative consequences. If we do not take action to combat climate change, 100 million people could fall into extreme poverty by 2030<sup>6</sup>. But the year 2022 is also the year of the outbreak of war in Ukraine; it marks the intensification of a major energy crisis, which might well herald serious social and human disasters, especially as winter sets in. This double-edged crisis sheds light on the serious consequences that can result from our decision to build our economic models on the use of fossil fuels.

In this state of emergency, supporting the development of new fossil fuel projects is making the climate crisis worse by making us even more dependent on these polluting resources: their escalating prices are the main cause of the current rise of inflation. Rising energy prices are not a short-term problem caused by the COVID-19 epidemic and the war in Ukraine: they are symptomatic of a systemic issue. We haven't managed to adequately anticipate the energy and climate crises and are not equipped to face their impact on our daily lives, especially with regards to financially vulnerable people.

Our societies' dependence on fossil fuels can be avoided: it is the result of several decisions. Public and private actors have to be held responsible for this situation. In order to make the ecological transition easier, we need to call to account the main contributors to the

climate crisis: the big companies, and more specifically the banks, which have benefited from fossil fuels for decades. Behind the fossil fuel industry's activities, the global banking sector has provided \$4,584 billion to coal, oil and gas since the Paris Agreement<sup>7</sup>. BNP Paribas' carbon footprint is among the highest in the world.

It has been seven years since a number of countries committed themselves to ensuring that financial flows are compatible with the objectives that were established during COP21 to limit global warming to 1.5°C. The financial system must change in order for us to face the extreme challenges caused by fossil fuels.

For years, Friends of the Earth France, Notre Affaire à Tous and Oxfam France have been raising awareness about the considerable impact of finance on the climate crisis. These organisations have to face banks' and governments' reluctance to take appropriate measures. They all refuse to regulate their destructive activities. Meanwhile, BNP is still supporting an industry that can only lead to an uncertain future, threatened by natural disasters and endless crises.

For these very reasons, our organisations are taking legal action to force BNP Paribas to comply with its legal obligations regarding climate change and to actively implement concrete and appropriate measures to limit its impact on global warming by reducing its financing to the coal, oil and gas industries. **We demand that the bank cease to support the development of fossil fuels** and adapt its activities in order to comply with the objectives established during the Paris Agreement to limit global warming to 1.5°C.



An offshore oil rig is shown at sea, with a large derrick structure and various cranes. The rig is labeled 'SEADRILL' and 'HEST ECLIPSE'. The background is a bright orange sky. The text is overlaid in white, bold, italicized font.

***BNP PARIBAS,  
A LEADER  
OF THE DEVELOPMENT  
OF FOSSIL FUELS***

# ENERGY AND CLIMATE CRISES: ENDING THE EXPANSION OF FOSSIL FUELS

Ending the development of fossil fuels, which are by far the main sources of greenhouse gas emissions, needs to be one of our top priorities to limit global warming to 1.5°C<sup>8</sup>. Let's compare the global carbon budget with the world's remaining exploitable reserves of coal, oil and gas. Many researchers, including those working for the IPCC, have shown that if we go ahead and finish exploiting the reserves that are already being mined and drilled, we will not manage to keep global warming below 1.5°C<sup>9</sup>. As a result, the fossil fuel industry, which is supported by banks, has already invested in more oil, gas and coal than can be used. In 2021, the International Energy Agency came to the conclusion that investing in the extraction of fossil fuels constitutes a breach of the Paris Agreement<sup>10</sup>.

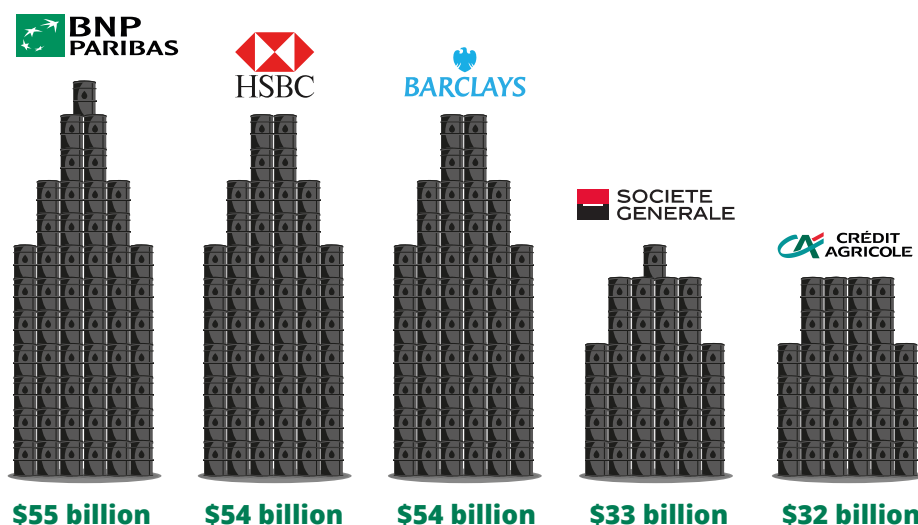
Very recently, at COP27, this scientific and institutional consensus was strengthened by the conclusions drawn by the UN High-Level Expert Group. They showed that *"non-state actors [including financial institutions] cannot claim to be net zero while continuing to build or invest in new fossil fuel supply"*<sup>11</sup>.

This state of emergency is striking at a time when our societies are suffering from their dependence on hydrocarbons and on the companies and governments that produce them.

## BNP PARIBAS CONTINUES TO SUPPORT OIL AND GAS GIANTS AND THEIR DESTRUCTIVE PROJECTS

BNP has become Europe's leading funder of the development of fossil fuels and the world's fifth largest one, with financing worth \$55 billion that were granted between 2016 and 2021<sup>12</sup>. The French bank is particularly active in a number of fast-developing sectors, despite their critical impact on the environment. For instance, BNP is the world's leading funder of Arctic and offshore oil and gas drilling, with financing that are worth respectively \$6 billion and \$36 billion between 2016 and 2021<sup>13</sup>.

BNP plays an important role in the expansion of fossil fuels because it massively supports the majors of the sector. It is the world's leading funder of eight European and American oil and gas giants: Total, Chevron, ExxonMobil, Shell, BP, ENI, Repsol, and Equinor. The bank financed for \$43 billion their fossil fuel activities between 2016 and 2021<sup>14</sup>. These groups are involved in more than 200 new fossil fuel projects which are expected to be approved by 2025<sup>15</sup>. These projects will have a dramatic impact on climate change. They are expected to produce 8.6 gigatons of CO<sub>2</sub>, which amounts to the lifetime emissions of 77 new coal-fired power plants<sup>16</sup>.



**BNP Paribas is the leading European funder of fossil fuel expansion between 2016 and 2021**





## **CLIMATE STRATEGY: BNP PARIBAS IS FAR OFF THE MARK**

Over the past few years, BNP has repeatedly been making announcements on new climate commitments. It has said it would comply with the Paris Agreement and achieve carbon neutrality by 2050; it has developed several sector-based policies aimed at limiting its support to fossil fuels. In spite of these announcements, the measures that were implemented are far too limited and will remain ineffective in the face of the climate emergency. We will analyse each of the following statements.

### **1. "BNP PARIBAS IS COMMITTED TO STAYING BELOW THE 1.5°C LIMIT"**

BNP states that, by joining the Net Zero Banking Alliance, it has committed itself to *"funding a carbon-neutral world by 2050, which means that the temperature increase should not exceed 1.5°C compared to the pre-industrial era"*<sup>17</sup>. BNP's statement is based on the IEA's Net Zero by 2050 (NZE) scenario.

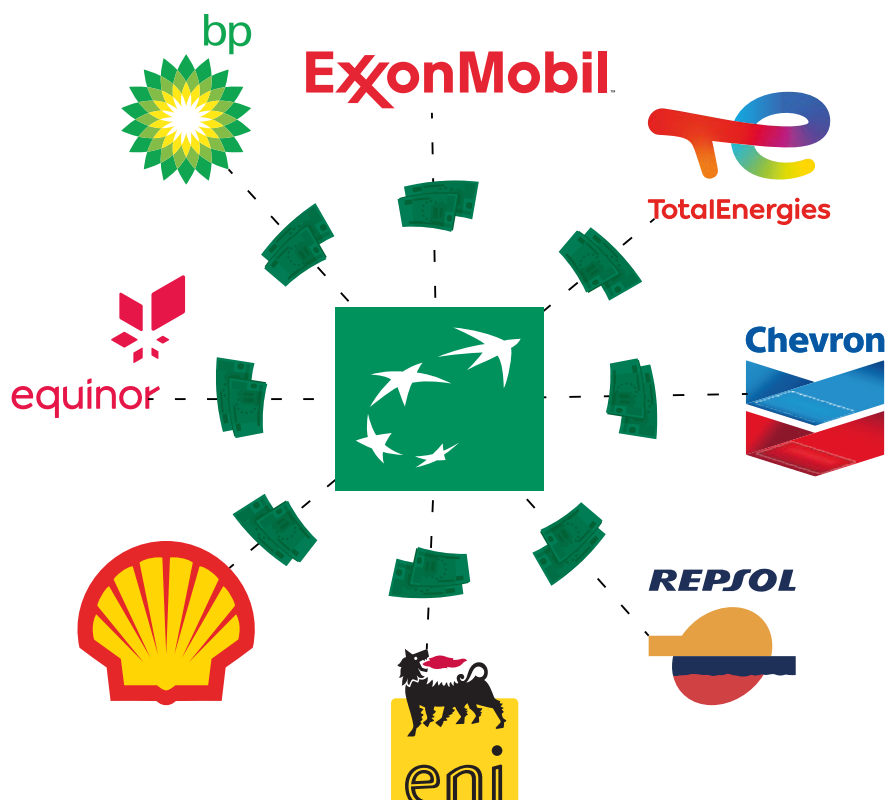
In reality, its current policies cannot guarantee successful results. The main issue with BNP's climate strategy is that it ignores a major problem related to the global carbon budget. Producing all the fossil fuel resources currently being exploited would already take us well beyond a 1.5°C temperature increase; exploiting new ones would be disastrous for our human societies on a planet with a disordered climate<sup>18</sup>. This is reflected in the IEA's NZE scenario<sup>19</sup>; BNP itself summarises the situation as follows: *"we no longer need to develop new fields"*<sup>20</sup>. Yet while the bank has said it would no longer support coal, it refuses to do the same for oil and gas; to date, it has not adopted any strict exclusion measures to limit its financing and investment in conventional oil and gas. BNP also claims to be asking its clients to align themselves with the 1.5°C objective, while letting them choose how to achieve that goal<sup>21</sup>. These criteria are artificial: they cannot lead to the end of fossil fuel expansion nor to the reduction of greenhouse gases.

### **2. "BNP PARIBAS HAS STOPPED SUPPORTING THE MOST ENVIRONMENTALLY DAMAGING HYDROCARBONS"**

BNP states that it excludes the non-conventional oil and gas industries.

In reality, these policies do not cover all sectors of the non-conventional fossil fuel industry. For example, BNP has excluded the highly sensitive ultra-deepwater offshore oil and gas sector from its definition of non-conventional hydrocarbons, which goes against the recommendations made by the Scientific and Expert Committee of the Sustainable Finance Observatory<sup>22</sup>. On the other hand, the bank has chosen exclusion thresholds with limited impacts by committing to stop supporting clients who devote over 10% of their activities to tar sands and shale oil and gas, as well as those who devote over 10% of their activities to Arctic oil and gas<sup>23</sup>. This threshold approach avoids the large «diversified» groups, including the oil and gas majors. Yet these companies benefit from very large supports from BNP, while also being among those most responsible for oil and gas expansion, especially in these unconventional sectors. One example illustrates the unavoidable loopholes of BNP's commitments: despite the policy on the Arctic it adopted in 2017, it remained





**BNP is the #1 global funder of the development of 8 big oil and gas companies between 2016 and 2021**

the world's leading funder of oil and gas in this region between 2016 and 2021, with almost \$6 billion of financing over that period.

**3. "BNP PARIBAS IS ABOUT TO STOP FINANCING OIL AND GAS"**

BNP stated that it will reduce its credit exposure\* to oil and gas exploration and production by 12% and its credit exposure to oil exploration and production by 25% by 2025 compared to 2020<sup>24</sup>.

In fact, this commitment is potentially misleading. Firstly, it only involves part of the hydrocarbon projects: some, like oil and gas pipelines and power plants, are not included. Secondly, the commitment only relates to the bank's loans: neither its investments on financial markets, nor its underwriting of new shares or bonds are subject to this objective, in spite of the fact that a large number of companies in the sector are increasingly being financed through bond issuance. Thirdly, by making a weaker commitment on oil and gas than on

oil alone, BNP is suggesting that it will make less of an effort, if any, in the gas sector. Lastly, their decision to use a percentage value as an indicator of change rather than an absolute value (i.e. in euros), is not insignificant. The bank can support oil and gas to a greater extent as long as it also increases its overall volume of loans, since the percentage value will falsely suggest that the emissions have been reduced.

**4. "BNP PARIBAS IS COMMITTED TO REDUCING ITS GREENHOUSE GAS EMISSIONS!"**

BNP stated that, between 2020 and 2025, it aims to reach a 30% decrease of the financed carbon emissions intensity in its power generation portfolio and a 10% decrease in its upstream oil and gas and refining portfolio<sup>25</sup>.

In reality, BNP has not set a clear goal covering all of its financial services to reduce its carbon footprint

- scopes 1, 2 and 3\*. It did not even set a short term goal. BNP's commitment only involves a decrease in the carbon intensity\* of part of its portfolio. In other words, BNP aims for a decrease in the level of greenhouse gas emissions for every euro granted in credit to the sectors mentioned, yet here, the only activities mentioned are credit activities. This does not guarantee an absolute reduction in emissions, which would be the only way of ensuring that greenhouse gas emissions are lowered and which would be a good way of taking effective action against global warming. The bank is associated with the Race to Zero initiative, which states that *«in most cases, absolute emissions targets are necessary to ensure real-world reductions»*<sup>26</sup>. This choice is

not insignificant. BNP is likely to congratulate itself on a reduction in this carbon intensity by adding renewable energy projects to its portfolio, while still granting loans to gas or oil-fired power stations. The same trick could be achieved by cutting ties with some shale oil companies while continuing to support oil and gas majors.

Please refer to the appendix for a closer look at three environmentally harmful projects.







## ***THE BNP LAWSUIT: THE BANK IS MISSING THE POINT***

On 24 January 2023, two days before the legal deadline by which BNP Paribas was to respond to the formal notice issued by Friends of the Earth France, Notre Affaire à Tous and Oxfam France, the French bank responded with announcements in the press<sup>27</sup> and then with an official letter addressed to the lawyers of the NGOs. BNP's reaction indicates that Europe's leading funder of fossil fuel development is rejecting our organisations' urgent request to stop supporting new oil and gas projects, even though this request is based on science and was recently reiterated by the United Nations' Secretary-General.

### ***LET'S BREAK DOWN THE BANK'S ANSWER IN FOUR POINTS:***

#### ***1. BNP IS OVERLOOKING SCIENCE***

In its official response to the formal notice, BNP Paribas shows no real willingness to help stopping the climate train. Faced with our request to stop financially supporting the development of fossil fuels (which is the most basic – and most urgent – measure BNP could possibly take to curb the serious risk its activities pose to human rights and to the environment), the bank simply does not address the climate question and avoids mentioning the scientific basis that underpins the organisations' demands. It completely ignores the carbon budget drawn up by the IPCC to help limit the global rise in temperature to 1.5°C, which serves as the basis for the recommendations of the IEA<sup>28</sup> and the UN<sup>29</sup> in this area. It relegates the scientific consensus to the background, as if to say “the planet can burn; we will not give up our activities”. Yet the attitude BNP needs to adopt as soon as possible should be to stop supporting companies that refuse to give up their investments in fossil fuels expansion.

#### ***2. BNP IS IGNORING ITS IMPORTANT RESPONSIBILITY AS A FUNDER OF THE CLIMATE CRISIS***

BNP Paribas is trying to play down the role its financing and investment activities have played in the worsening of climate change and to continue business as usual. This is a cynical and dangerous stance on the part of an institution that not only has a systemic responsibility — as the largest bank in the euro zone, it can have a true impact in either accelerating or slowing down the transition — but also a historical responsibility, having played a major role in building and maintaining Europe's (and the world's) dependence on fossil fuels, even as the serious consequences became undeniable.

### **3. BNP IS TRYING TO AVOID FACING ITS LEGAL OBLIGATIONS**

BNP is trying to avoid facing its legal obligations and refuses to implement appropriate measures. It is not fulfilling its duty to be vigilant when both legislators and the Constitutional Council have shown that to be its legal obligation. It deems its duty to be limited to the “influence” it has on its clients and claims to “select oil business partners according to their ability to switch to other energies through their investments and projects”. These weak commitments do not, by any stretch of the imagination, mitigate the bank’s responsibility in the climate crisis. BNP Paribas still supports Total, among many others, when 70% of its capital expenditure is still dedicated to hydrocarbons<sup>30</sup>. When dialogue with these expansionist clients doesn’t lead to credible changes within a reasonable timeframe given the level of emergency, such partners should be excluded. In the absence of such conditions, BNP’s assertions about its influence have absolutely no credibility.

### **4. BNP IS HIDING ITS UNWILLINGNESS TO TAKE ACTION RIGHT NOW BEHIND A NEW ANNOUNCEMENT**

A few hours before releasing its official reply to the formal notice, BNP Paribas announced to the press that it would reduce its outstanding financing for oil extraction and production by 80% by 2030, and by 30% for gas. It appears that BNP is still ignoring the need to stop investing in oil and gas right away. A loan granted to a fossil fuel project today will not necessarily appear on the bank’s books in 2030, yet it will continue polluting the environment well beyond that date. By then, it will be far too late to stay below a 1.5°C temperature increase. Furthermore, this commitment does not apply to the bank’s equity and bond issuance activities, which are key levers for the fossil fuel industry. BNP could, despite these targets, choose to keep some of its preferred clients, including the most aggressive fossil fuel expansionists. Lastly, the gas sector remains largely unaffected by these measures. In summary: this constitutes a tiny step toward recognising that it is necessary to stop funding hydrocarbons, but offers no adequate action to limit the damage done.





***BNP PARIBAS,  
SEE YOU IN COURT***





## ***THE LEGAL BASIS FOR THE CASE***

The collapse of the Rana Plaza textile factories in Bangladesh, which supplied many major international brands, highlighted the fact that multinational companies do not feel responsible for such catastrophes and showed that the victims' families cannot obtain redress. In reaction to this tragedy, and thanks to organisations and trade unions, French MPs adopted a law in 2017: **the law on the duty of vigilance of multinational companies**<sup>31</sup>.

This law applies to a number of **big French multinational companies**, including banks and other financial actors, and demands that they identify those among **their activities or the activities of their subsidiaries, main suppliers and subcontractors, both in France and abroad, that could pose a risk to human rights, to human health and safety, and to the environment**, and that they take action accordingly. Should those companies fail to comply within three months of receiving formal notice, the law allows any person to take legal action to force the company to comply with its obligations, and to demand that it adopt and implement the vigilance measures required to limit the risks and prevent serious harm.

On 26 October, Friends of the Earth France, Notre Affaire à Tous and Oxfam France issued a formal notice to BNP to adopt reasonable and appropriate climate vigilance measures, which should be integrated in a new vigilance plan and implemented in a timely manner. **In the absence of a satisfactory response from BNP - see analysis p.11 -, the associations turned to**

**the legal system and summoned the multinational company to appear before the Paris Court of Justice.**

### ***AN UNPRECEDENTED LEGAL CASE IN FRANCE AND AROUND THE WORLD***

For several years now, the law and more specifically court litigation, have become **powerful tools to ensure that the main actors in the climate crisis are held accountable and forced take action** to comply with the climate objectives set on an international, national and company level. Faced with the inertia of multinationals and the state's unwillingness to regulate their activities, civil society – which is made up of citizens and associations - is calling on the judicial power **to ensure that the law is respected and that there is a public debate on these issues, which are crucial to the future of our societies.**

The **Urgenda case in the Netherlands**<sup>32</sup>, a pioneer in the field<sup>33</sup>, as well as **l’Affaire du Siècle in France**<sup>34</sup>, have made it possible to have the State convicted for climate inaction and to acknowledge that it is illegal for the State not to implement measures that guarantee adequate compliance with its commitments on climate change.

Given the **predominant role of fossil fuels in the climate crisis**, companies in this sector have a crucial role to play and must comply with the law. Other



legal actions have paved the way for this endeavour: NGOs have asked **Total** to review its climate strategy in order to comply with the Paris Agreement<sup>35</sup>, and to end its false claims to carbon neutrality<sup>36</sup>. Following in the footsteps of the action taken against Shell in the Netherlands<sup>37</sup>, other calls for justice are rising all over the world to force these fossil fuel companies to comply with the Paris Agreement and to put an end to the damage done. Among the companies that are being targeted are Total and Perenco<sup>38</sup> in France, RWE in Germany<sup>39</sup> or the Chinese oil company PetroOriental in Ecuador<sup>40</sup>.

Moreover, **without financial support, these fossil fuel multinationals would not be able to develop new carbon bombs** and fuel our dependence on coal, oil and gas. This is why we have chosen to target BNP, a bank **that is guilty of some of the worst practices pertaining to fossil fuel development**, and which

already got called out in Brazil for supporting deforestation<sup>41</sup>. We mean to get BNP to comply with the law regarding its duty of vigilance; in doing so, we hope to spark public debate on the responsibility of banks, investors and insurers to combat climate change.

BNP has not complied with the law on the duty of vigilance within the three-month legal timeframe. Our associations are therefore taking legal action, **the first climate litigation in the world aiming at forcing a financial player to fulfil its legal obligations and to immediately stop supporting new oil and gas projects** that are incompatible with both the Paris Agreement and BNP's own commitments to achieve carbon neutrality by 2050 and to comply with the 1.5°C objective.

## ***OUR REQUESTS TO BNP PARIBAS***

- 1. A clear plan that is regularly updated and which presents, analyses and prioritises the serious risks which might result from BNP's activities in the fossil fuel sector.**
- 2. A concrete quantification of the impact of its activities on the risks identified, analysed and prioritised, including an exhaustive account of the greenhouse gas emissions** – in absolute value and covering scopes 1, 2 and 3 – emitted by BNP and by its clients, and an account of the flows and stocks – including the amounts and the shares - of financial services to fossil fuel companies.
- 3. Appropriate measures to prevent serious harm and to mitigate risks, in line with BNP Paribas' commitment to comply with the Paris Agreement objective to limit global warming to a 1.5°C increase, and to reach carbon neutrality by 2050, which include:**
  - putting an immediate end to their support of the companies that are responsible for the development** of new fossil fuel projects;
  - the adoption of a plan to exit the oil and gas sectors**, in alignment with scientific requirements to reduce fossil fuel production by 2030, with a final exit by 2050;
  - a shareholder policy that requires the companies that are active in the fossil fuel sector to refrain from developing new fossil fuel projects** and, if they fail to do so within a reasonable timeframe, to divest from these companies.
- 4. A mechanism for the periodic monitoring of the plan's implemented measures and for the regular assessment of their effectiveness.**
- 5. The establishment of an appropriate alert and reporting mechanism.**



## ***FRANCE AIMS TO EXCLUDE THE FINANCIAL SECTOR FROM THE EUROPEAN DIRECTIVE ON MULTINATIONAL COMPANIES' DUTY OF VIGILANCE***

**The historic adoption of a duty of vigilance law in France has inspired similar initiatives in Europe;** a notable example of this is a directive that is currently being negotiated and which should be adopted by the end of 2023. This is an opportunity to impose these new obligations on all European companies and to define, for the crucial decades to come, multinational companies' responsibility to prevent the irreversible damage their activities can cause to the environment and to human rights around the world, and to allow people to claim their rights more easily.

After the European Commission proposed its version of the directive in February 2022, the Council of the European Union voted on its own version of the text in early December 2022. **The ball is now in the court of the European Parliament**, whose committees are working on it ahead of the plenary vote in May 2023. After that, these three institutions will enter a phase of negotiations to come up with the most appropriate phrasing for the directive.

Though the subject may seem technical and distant, the multinationals, especially in France, know it: **the stakes are historic**. A 2021 report<sup>42</sup> already mentioned

the **relentless fight the multinationals' lobbies are waging** to weaken the proposed European directive and escape their responsibilities.

**Here is the latest suspicious development :** the text approved by the Council of the EU was considerably weakened<sup>43</sup> under pressure from France<sup>44</sup> in the last few weeks before the vote: it features numerous exclusions in the financial sector, and leaves it up to the States to decide whether or not to include the financial sector in the scope<sup>45</sup>. This position is not aligned with the results of recent votes both in the Parliament's committees and on the part of the European Commissioner for Justice<sup>46</sup>, which believes that if we are to meet our climate objectives, due diligence obligations must apply to this sector.

**The organisations that are behind the BNP Paribas case are all equally committed to making this European directive a major turning point** in the regulation of the activities of multinationals in Europe. They are determined to offer a counterpoint to the pressure exerted by the lobbying of the companies and federations that seek to evade their responsibilities.



# ***APPENDICES***



## ***SHEDDING LIGHT ON THREE HARMFUL PROJECTS***

BNP's favourite clients are spearheading concrete projects that threaten human rights, biodiversity and the climate, and which Friends of the Earth France and Notre Affaire à Tous have been denouncing for several years.

- ***TILENGA AND EACOP***  
***Uganda and Tanzania***

Total is spearheading the Tilenga project, which involves drilling over 400 wells, a third of which will be drilled in a highly sensitive protected natural area – the Murchison Falls Park – and building a 1,445 km-long heated mega-pipeline called EACOP to move oil from Uganda to the Tanzanian coast. This will lead 100,000 people to be partly or entirely expropriated and will lead to the emission of up to 34 million tons of CO<sub>2</sub> every year... The figures that reflect the impact of the dual project are terrifying<sup>47</sup>. On 15 September, the European Parliament adopted an emergency resolution denouncing the human rights violations and the major risks these projects are posing to the environment and the climate. French and Ugandan associations have also taken legal action against Total in 2019 to denounce human rights violations and to bring public attention to the irreversible damage of the Tilenga and EACOP<sup>48</sup> projects could cause to the environment. Although, in 2021, BNP promised it would not participate directly in the financing of EACOP<sup>49</sup>, the bank remains Total's 2<sup>nd</sup> largest funder<sup>50</sup>, and its asset management subsidiary BNP Paribas AM is one of its largest shareholders. In May 2022, BNP contributed to an \$8 billion loan to the French oil and gas giant<sup>51</sup> before voting in favour of its "climate plan" – an initiative that, ironically enough, provides for the development of numerous carbon bombs<sup>52</sup>.

- ***CORAL SOUTH FLNG, MOZAMBIQUE  
LNG AND ROVUMA LNG***  
***Mozambique***

In 2010 and in 2013, the ninth largest gas reserves in the world were discovered off the coast of Mozambique. As of 2017, the development of three gas extraction and export projects, led by three European and American oil and gas majors, has been accelerating. Meanwhile, this Eldorado quickly became a nightmare for the inhabitants of the region: the region has seen many instances of land grabbing, human rights violations, militarisation, and violence. Caught between insurgent attacks and retaliation by the army and by mercenaries, those who did not die or flee are now destitute<sup>53</sup>. It has been estimated that these three projects emit 49 times the annual greenhouse gas emissions of Mozambique<sup>54</sup>. Since 2017, BNP has been a major player in the financing of the first project, Coral South FLNG. While it did not grant a direct loan to the second project, Mozambique LNG, the latter is supported by BNP's client Total. Total had to suspend its project in 2021<sup>55</sup>, but the company now seems determined to relaunch it<sup>56</sup>. In the midst of this chaotic chain of events, ExxonMobil and ENI are planning yet another project, Rovuma LNG. It is of note that, between 2016 and 2021, BNP was the world's largest funder of these two companies<sup>57</sup>.

- ***LE HAVRE LNG TERMINAL***  
***France***

A product of Putin's war in Ukraine and the energy crisis in Europe, this project for the importation of liquefied natural gas (LNG) is said by the press to have been in the pipeline since March 2022, with operations scheduled to begin in September 2023. The floating terminal (FSRU) will be operated by Total and connected to a network managed by Engie; it will require the construction of a gas pipeline. Yet we do not actually need this project to deal with the energy crisis: several studies have shown that Europe will be able to do without Russian gas as soon as 2025, even if no new gas infrastructures are built<sup>58</sup>. If the project remains opaque, it will allow France, which is already the world's largest importer of LNG from the United States, to buy and transport even more shale gas<sup>59</sup>. The risks posed by this new terminal in Le Havre are carefully kept under wraps. The government has ensured that it will be granted numerous exemptions from environmental standards<sup>60</sup>. BNP is the world's 2nd largest funder of Total and Engie<sup>61</sup>, which are taking advantage of the crisis to further our society's dependence on fossil fuels. Their efforts are hindering the development of real solutions and pose a serious risk to the climate, the environment, and the health and safety of workers and residents.



# GLOSSARY

- **Credit exposure** : the exposure of the bank's credit portfolio to certain business sectors. Credits refer to all of the bank's outstanding loans. If the bank's loan portfolio has X% exposure to fossil fuels, this means that X% of the bank's outstanding loan volume is related to coal, oil and gas. But the methods used to calculate this exposure can vary between financial institutions and remains unclear in certain cases.
- **Financing** : this includes loans or the issuing of new shares and bonds - called underwriting - on behalf of companies. Loans include: project finance (dedicated support for certain projects carried out by one or more companies) and corporate finance (support for a company that does not target a particular activity).
- **Investments** : the purchase of shares and bonds that have already been issued and traded on the financial markets. It is also possible to look at all the shares and bonds held by a financial institution at a given time: this is the financial institution's investment portfolio.
- **Carbon intensity** : for a bank, carbon intensity is the average amount of emissions generated for every euro in outstanding credit – BNP calculates its intensity for loans only. Usually, carbon intensity is calculated on the basis of the total amount involved in financing activities, i.e. the money injected by the bank into the economy, via loans and other avenues. The method of calculation can vary between financial institutions and remains unclear in certain cases.
- **Scopes 1, 2, 3 of the carbon footprint** : the carbon footprint of a company is divided into scopes 1, 2 and 3. The emissions associated with a company's activity are divided into three categories called "scopes": scope 1 refers to the sources of emissions held by the company, while scope 2 includes emissions that have taken place "elsewhere" to purchase electricity or heat. Scope 3 identifies indirect emissions upstream and downstream of the company's activities. For a bank, scope 3 corresponds to the emissions associated with its financing and investment activities: the bank is partly responsible for the greenhouse gas emissions generated by its clients.



# NOTES

- 1 Oxfam France, 2021, [Banques et climat : le désaccord de Paris](#).
- 2 Rainforest Action Network, BankTrack, Indigenous Environmental Network, Oil Change International, Reclaim Finance, Sierra Club, Urgewald, March 2022. [Banking on Climate Chaos - Fossil Fuel Finance Report 2022](#).
- 3 Rainforest Action Network, BankTrack, Indigenous Environmental Network, Oil Change International, Reclaim Finance, Sierra Club, Urgewald, 2022, [Banking On Climate Chaos](#).
- 4 Kjell Kühne, Nils Bartsch, Ryan Driskell Tate, Julia Higson, André Habet, 2022. ["Carbon Bombs" - Mapping key fossil fuel projects](#).
- 5 According to a carbon footprint methodology (scopes 1, 2 and 3) conducted by Carbon4 Finance for Oxfam France, 2021. [Banques et climat : le désaccord de Paris](#).
- 6 World Bank, 2017. [Kristalina Georgieva: Le réchauffement pourrait générer 100 millions de pauvres supplémentaires d'ici 2030](#).
- 7 Rainforest Action Network, BankTrack, Indigenous Environmental Network, Oil Change International, Reclaim Finance, Sierra Club, Urgewald, March 2022. [Banking on Climate Chaos - Fossil Fuel Finance Report 2022](#).
- 8 IPCC, 2022. CO<sub>2</sub> emissions from fossil fuels account for about 64% of total anthropogenic greenhouse gas emissions and are by far the largest contributor to climate change. [WGI: The Physical Science Basis](#).
- 9 Oil Change International, May 2022. Big Oil Reality Check. IPCC, 2022. WGIII: Mitigation of Climate Change B.7.
- 10 International Energy Agency, 2021. [Net Zero by 2050](#).
- 11 UN High Level Expert Group (HLEG), November 2022. [Integrity matters : net zero commitments by businesses, financial institutions, cities and regions](#)
- 12 Rainforest Action Network, BankTrack, Indigenous Environmental Network, Oil Change International, Reclaim Finance, Sierra Club, Urgewald, March 2022, [Banking on Climate Chaos - Fossil Fuel Finance Report 2022](#). These financing volumes cover loan, equity, and bond transactions-excluding bilateral transactions-in which BNP was involved between 2016 and 2021, prorated by the recipient companies' share of fossil fuel business.
- 13 Ibid.
- 14 Rainforest Action Network, BankTrack, Indigenous Environmental Network, Oil Change International, Reclaim Finance, Sierra Club, Urgewald, March 2022. Based on financial data published in: [Banking on Climate Chaos - Fossil Fuel Finance Report 2022](#).
- 15 Oil Change International, May 2022, [Big Oil Reality Check](#).
- 16 Ibid.
- 17 BNP, DEU, 2022. [Universal Registration Document and Annual Financial Report 2021](#) p. 645
- 18 Olivier Bois von Kursk, Greg Muttit, The International Institute for Sustainable Development, 2022. [Lighting the Path: What IPCC energy pathways tell us about Paris-aligned policies and investments](#).
- 19 International Energy Agency, 2021. [Net Zero by 2050](#).
- 20 BNP, May 17, 2022. Response to the questions asked by Friends of the Earth France at the [Mixed General Assembly](#).
- 21 BNP, 2021. [Climate analytics and alignment report 2021](#).
- 22 The Committee includes in its definition of unconventional hydrocarbons: coalbed methane; oil and tight gas; oil shale and shale oil; shale gas and oil; oil from tar sands; extra-heavy crude oil; ultra-deep offshore oil and gas; and Arctic oil and gas fossil resources. Scientific Committee of the Sustainable Finance Observatory, September 2021. [Recommendations on alignment strategies of financial actors and on unconventional hydrocarbons](#).
- 23 This exclusion threshold also includes an exception, supposedly clear but in fact very vague, which could render this commitment meaningless. BNP states that "[t]hese criteria [...] will not apply to companies with the most dependable plans to transition to a net-zero economy by 2050, based on clear transition criteria such as: a public commitment to align with a 1.5°C strategy; interim targets; a coherent investment program to support its diversification strategy away from fossil fuel production; a measured and annually reported level of greenhouse gas emissions; and strong board leadership. BNP, 2022. Climate analytics and alignment report 2021 p. 34.
- 24 BNP, 2022. [Universal Registration Document and Annual Financial Report 2021](#) p. 644.
- 25 BNP, 2021. [Climate analytics and alignment report 2021](#), p. 9.
- 26 The "Race to Zero" campaign is an initiative of the United Nations Framework Convention on Climate Change, of which all investors, banks and insurers of the Glasgow Financial Alliance on Net Zero (GFANZ) are members, including BNP. The GFANZ requires that "all [its] members [...] must align with the Race to Zero criteria". bankTrack, 2022. [Strengthened Race to Zero criteria require GFANZ to support fossil fuels phase-out](#).
- 27 BNP Paribas, 24 January 2023. Press release ["BNP Paribas, leader affirmé du financement de la transition énergétique, engage une nouvelle étape de forte accélération"](#)
- 28 International Energy Agency, October 2021 and 2022. [World Energy Outlook 2021, World Energy Outlook 2022](#)
- 29 In its November 2022 report, The UN High Level Expert Group (HLEG) insisted on the fact that «there is no room for new investments in the fossil fuel supply». [UN High Level Expert Group \(HLEG\), novembre 2022. Integrity matters : net zero commitments by businesses, financial institutions, cities and regions](#).
- 30 Reclaim Finance, May 2022. [Assemblée générale de Total : les investisseurs toujours complices du chaos climatique](#).
- 31 Légifrance, Law of March 27, 2017. [Duty of Vigilance Act](#).



- 32 France 24, May 2021. [Pays-Bas : Shell condamné à réduire ses émissions de CO2 de 45 % d'ici 2030.](#)
- 33 Grantham Research Institute, September 2022. [Challenging government responses to climate change through framework litigation.](#)
- 34 L'Affaire du Siècle, 2018. [Official website.](#)
- 35 Notre Affaire à Tous, 2022. [CP Dérèglement climatique : Paris et New York interviennent dans l'action judiciaire contre TotalEnergies.](#)
- 36 Greenpeace France, March 2022. [Neutralité carbone et greenwashing : recours contre TotalEnergies pour publicité mensongère.](#)
- 37 Novethic, juin 2021. [Après la condamnation de Shell aux Pays-Bas, les litiges climatiques deviennent un vrai risque pour les entreprises.](#)
- 38 Friends of the Earth France and Sherpa, 2022. [Perenco sur le banc des accusés.](#)
- 39 Luciano Lliuya, 2015. [RWE AG.](#)
- 40 International Federation for Human Rights, 2021. [Changement climatique : les communautés locales demandent justice aux entreprises responsables.](#)
- 41 Notre Affaire à Tous, 17 octobre 2022. Press release. [Déforestation illégale, travail forcé et accaparement de territoires : BNP Paribas mis en garde par une organisation brésilienne](#)
- 42 Friends of the Earth France et al., 2021. [Tirées d'affaires ?](#)
- 43 FCRSE, 2022. Press release / [Directive européenne sur le devoir de vigilance : le Conseil de l'Union européenne approuve un texte affaibli par la France.](#)
- 44 EURACTIV, 2022. [EU member states fight over scope of due diligence directive.](#)
- 45 Friends of the Earth France, 2022. [Directive devoir de vigilance : sous pression de la France, le Conseil de l'UE adopte des exclusions massives pour le secteur financier.](#)
- 46 EURACTIV, 2022. [EU due diligence rules should include finance, Commissioner says.](#)
- 47 Friends of the Earth France and Survie, 2019. [Total in court.](#)
- 48 Friends of the Earth France, 2019. [Total, see you in court.](#)
- 49 Friends of the Earth France, 2021. [Trois banques françaises tournent le dos à Total.](#)
- 50 Rainforest Action Network, BankTrack, Indigenous Environmental Network, Oil Change International, Reclaim Finance, Sierra Club, Urgewald, March 2022. Based on [financial data](#) published in: [Banking on Climate Chaos - Fossil Fuel Finance Report 2022.](#)
- 51 Reclaim Finance, 2022. [12 banks lend \\$8 billion to oil and gas expansionist TotalEnergies.](#)
- 52 Reclaim Finance, 2022. [Revealed: which of TotalEnergies' shareholders are backing its fossil fuel expansion plans?.](#)
- 53 Friends of the Earth France, 2020. [De l'eldorado gazier au chaos.](#)
- 54 Ibid.
- 55 Friends of the Earth France, 2022. [Total abandonne ses responsabilités avec son annonce de force majeure sur le gaz du Mozambique.](#)
- 56 Le Figaro, 2022. [Le PDG de TotalEnergies au Mozambique pour relancer son projet gazier.](#)
- Africa Intelligence, janvier 2023. [Mozambique LNG : les Sud-Africains de WBHO, premiers bénéficiaires des contrats de TotalEnergies.](#)
- AfricaNews, novembre 2022. [Le Mozambique rouvre un port-clé dans la région gazière de Cabo Delgado.](#)
- 57 Rainforest Action Network, BankTrack, Indigenous Environmental Network, Oil Change International, Reclaim Finance, Sierra Club, Urgewald, March 2022. Based on [financial data](#) published in: [Banking on Climate Chaos - Fossil Fuel Finance Report 2022.](#)
- 58 Ember, 2022. [EU can stop Russian gas imports by 2025.](#) Artelys, 2022. [Does phasing-out Russian gas require new gas infrastructure?](#)
- 59 LNGPrime, 2022. [France continues to be top importer of US LNG.](#) The United States is now the world's largest exporter of LNG, and the leading alternative to Russian gas for Europe, thanks to its exploitation of shale gas. In July, France was the first destination of US LNG exports for the 5ème consecutive month | Friends of the Earth France, 2022. [Climat : Engie signe pour acheter du gaz de schiste jusqu'en 2041.](#) Since the start of the war in Ukraine, Engie has signed a new 15-year U.S. LNG purchase contract with Nextdecade in May 2022, after extending to 20 years a similar contract already in place with Cheniere. [Engie se tourne vers le gaz de schiste américain pour moins dépendre de la Russie.](#)
- 60 Friends of the Earth France, 2022. [PJL pouvoir d'achat : les députés votent pour plus de dépendance au gaz.](#) The law on purchasing power passed in the summer of 2022 allows environmental impact studies and public consultations to be ignored. The construction of the project may also begin before all procedural authorisations have been granted. In addition, the government published a new decree in late September to help reduce the risk of appeals targeting the future LNG terminal: one month's appeal period, no prior appeal, 10-month investigation, no appeal possible. See the [law](#) and the [decree](#) on Légifrance.
- The Conversation, January 2023. [Au Havre, un régime juridique sur-mesure pour le controversé terminal méthanier flottant.](#)
- 61 Rainforest Action Network, BankTrack, Indigenous Environmental Network, Oil Change International, Reclaim Finance, Sierra Club, Urgewald, March 2022. Based on [financial data](#) published in: [Banking on Climate Chaos - Fossil Fuel Finance Report 2022.](#)



# ***THE BNP PARIBAS CASE***

**The trial of a  
changing world**



**Les Amis  
de la Terre  
France**



**NOTRE  
AFFAIRE  
À TOUS**



**OXFAM  
France**