

DIRK DIGITAL ESG FORUMS WHAT THE BANKERS SEE



18 April 2023

Roger Barb



BNP PARIBAS

The bank for a changing world



2022



Bank for Sustainability

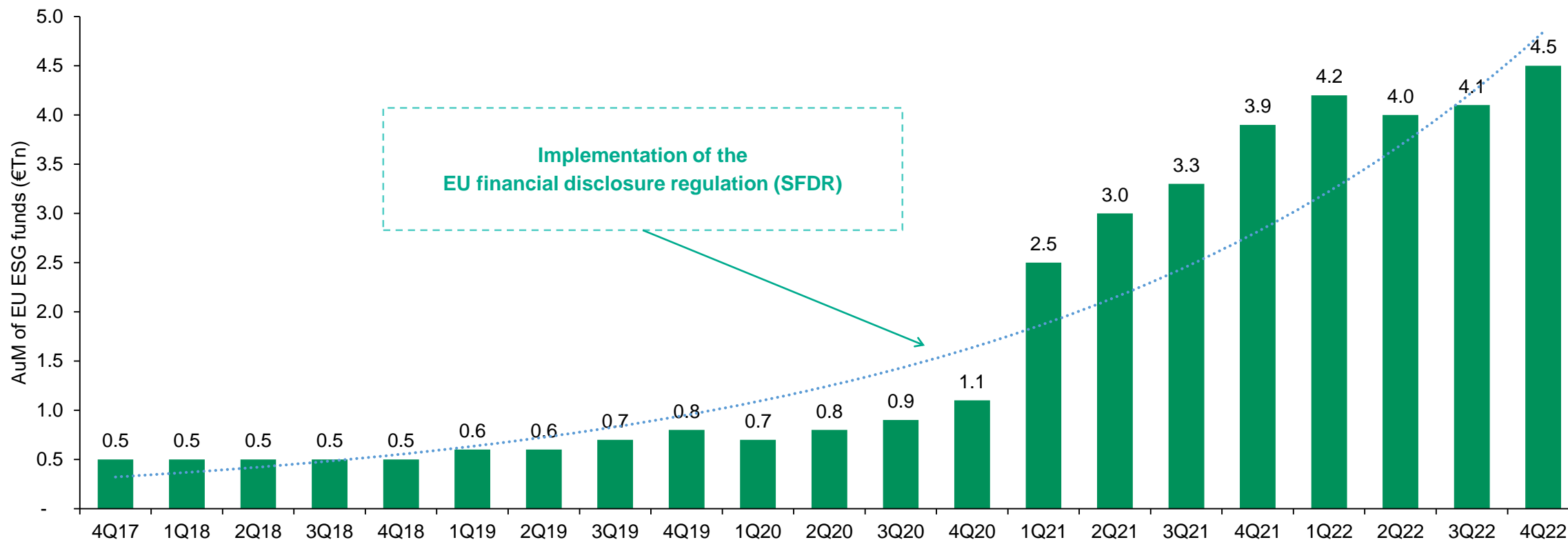


2022



Bank of the Year

ESG investments continuous growth



Source: BNP Paribas Exane



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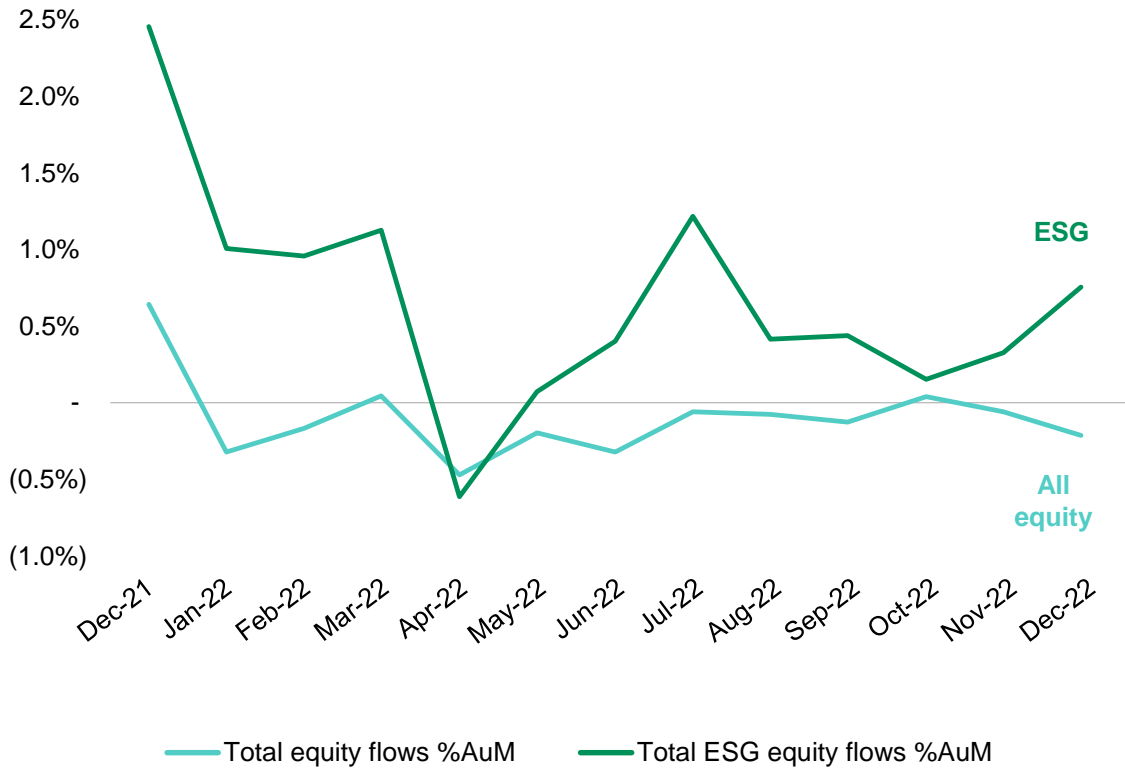
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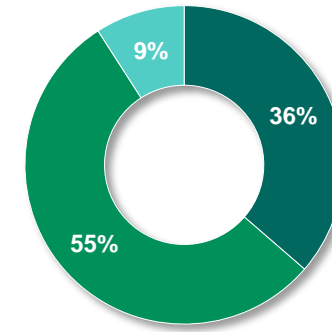
ESG (out)performance

Relative flows outperformance...



Source: BNP Paribas Exane and ESG ECM Survey in Feb. 23

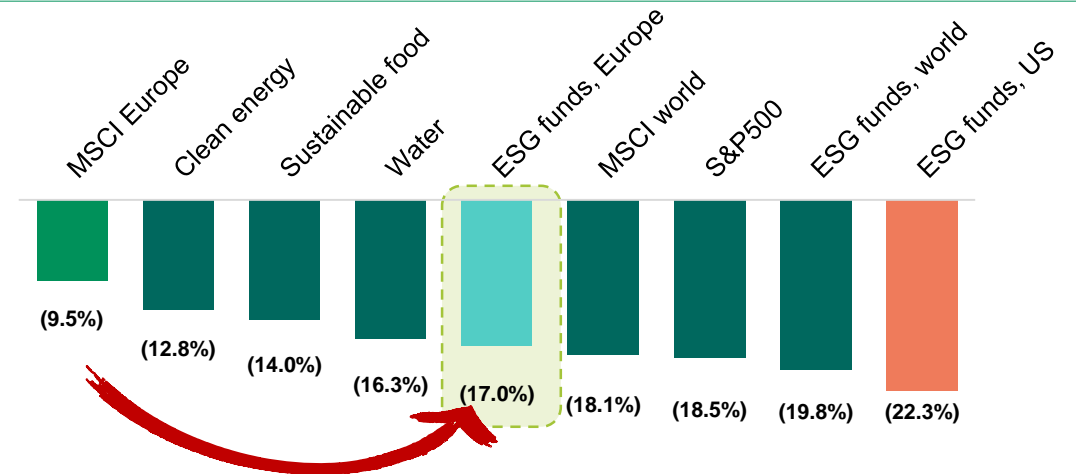
... and is expected to continue to grow...



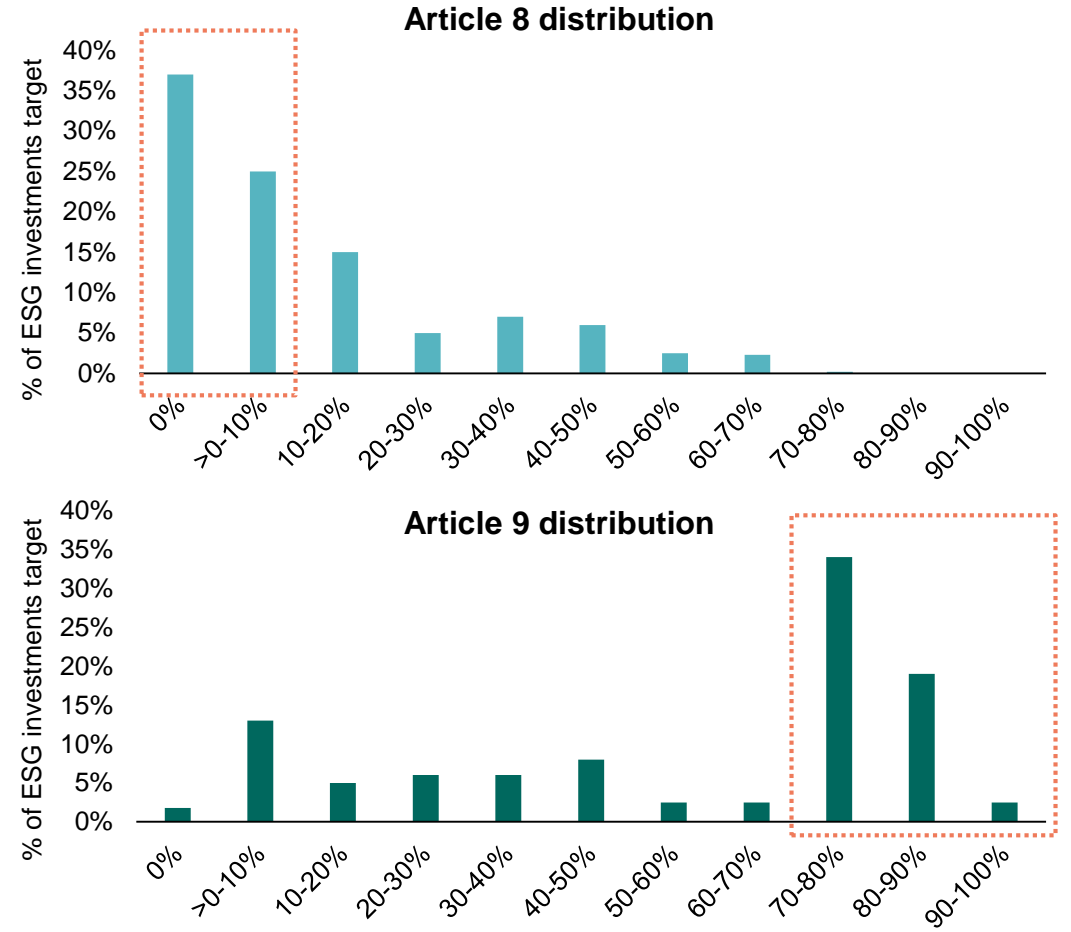
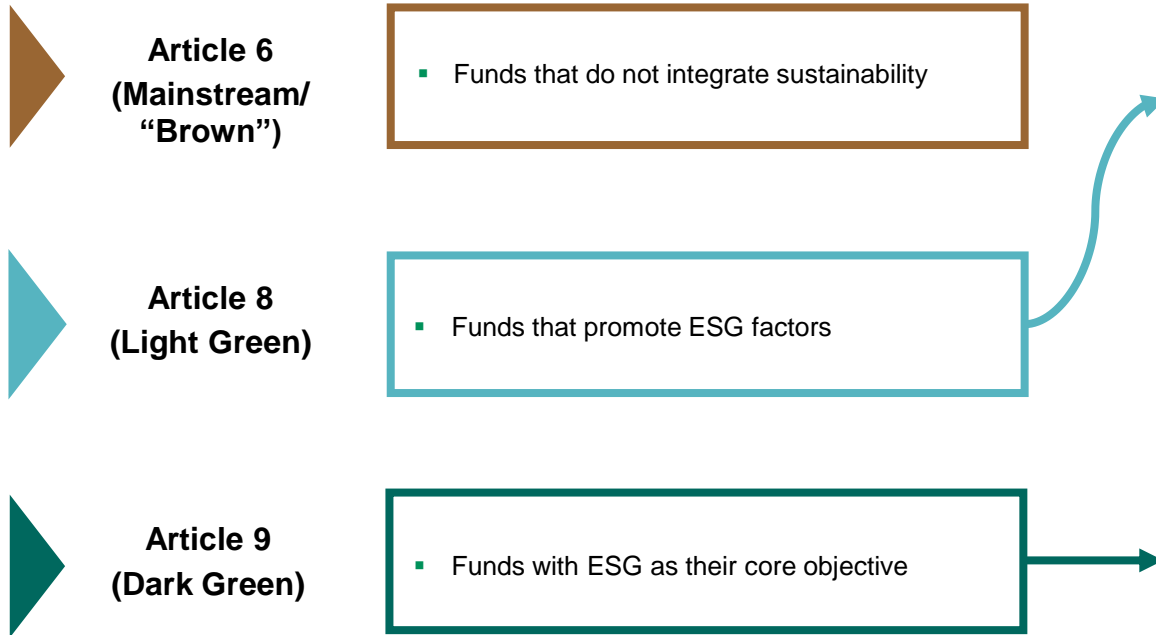
How do you expect your ESG AuM to evolve in the coming years (2023-2024)?

- Accelerate (>20%)
- Grow (5-20%)
- Stable (-5-5%)

... but $\alpha \neq$ ESG in 2022



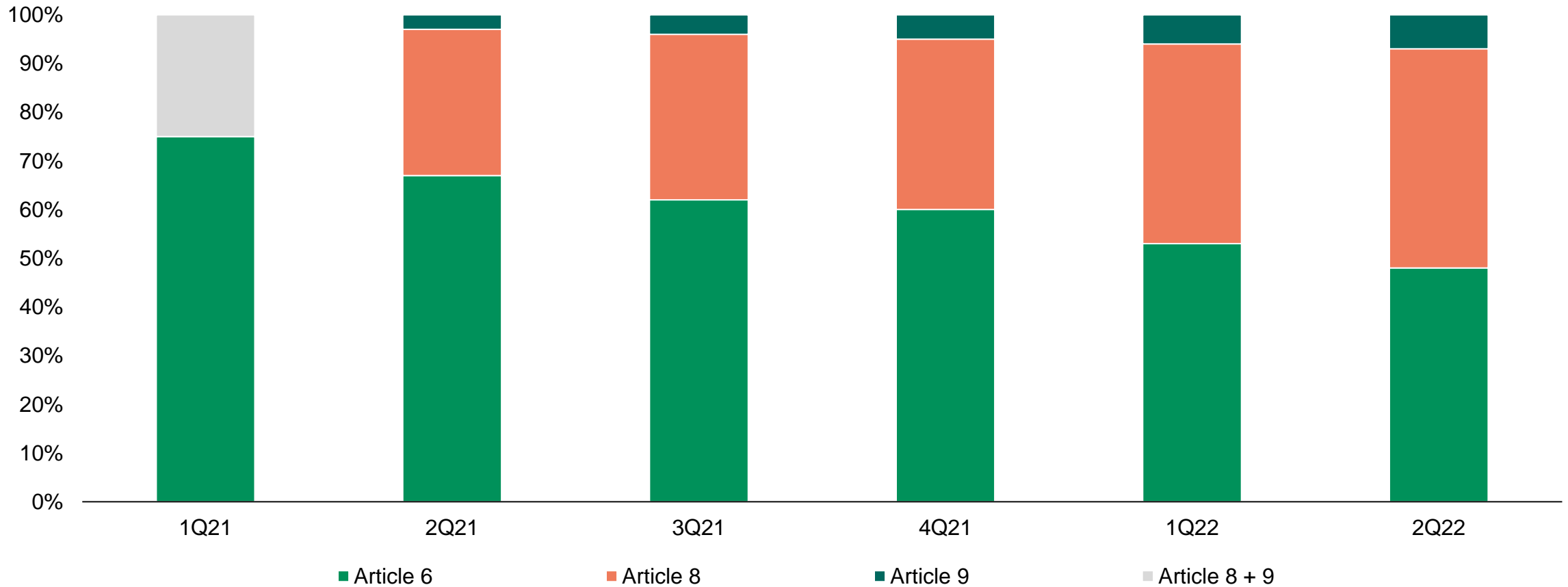
Articles 6, 8 and 9



Sources: Exane - ESG Regulation, Morningstar



>50% of EU funds now claim to be 'ESG'



Source: Morningstar report, Global Sustainable Fund Flows: Q4 2022 in Review, Jan.23

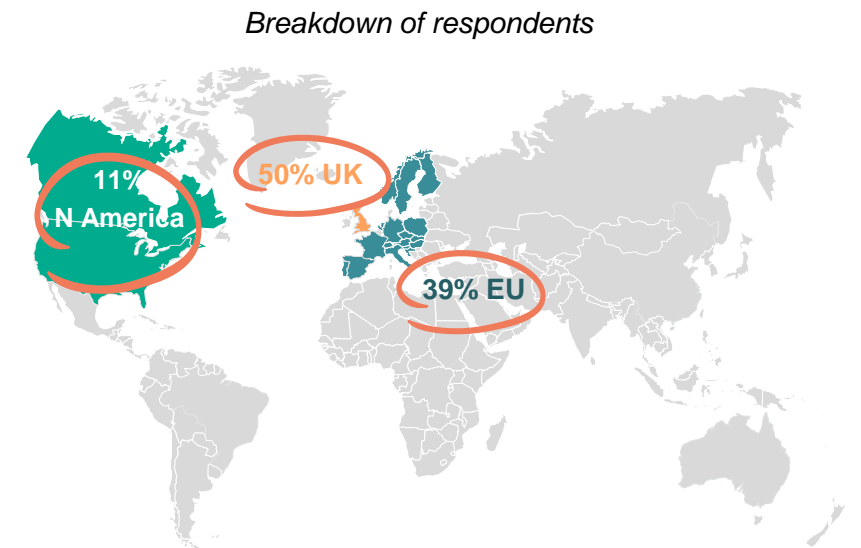


The investor perspective on ESG

1 90% of respondents include an ESG assessment as part of their investment process

2 41% of respondents see ESG as a risk

3 39 % of respondents see ESG as an opportunity



Source: BNP Paribas Exane ESG ECM Survey in Feb. 23



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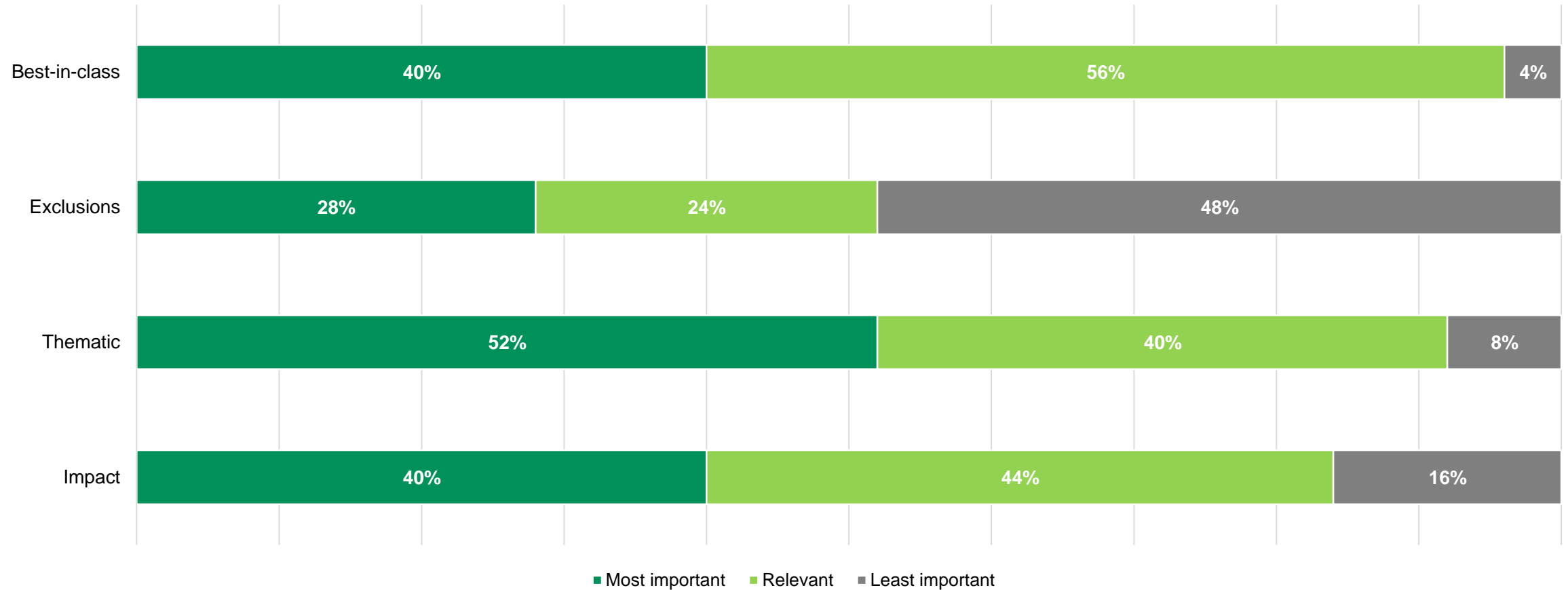
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ESG approaches

Exclusion now least widely applied



Source: BNP Paribas Exane ESG ECM Survey in Feb. 23



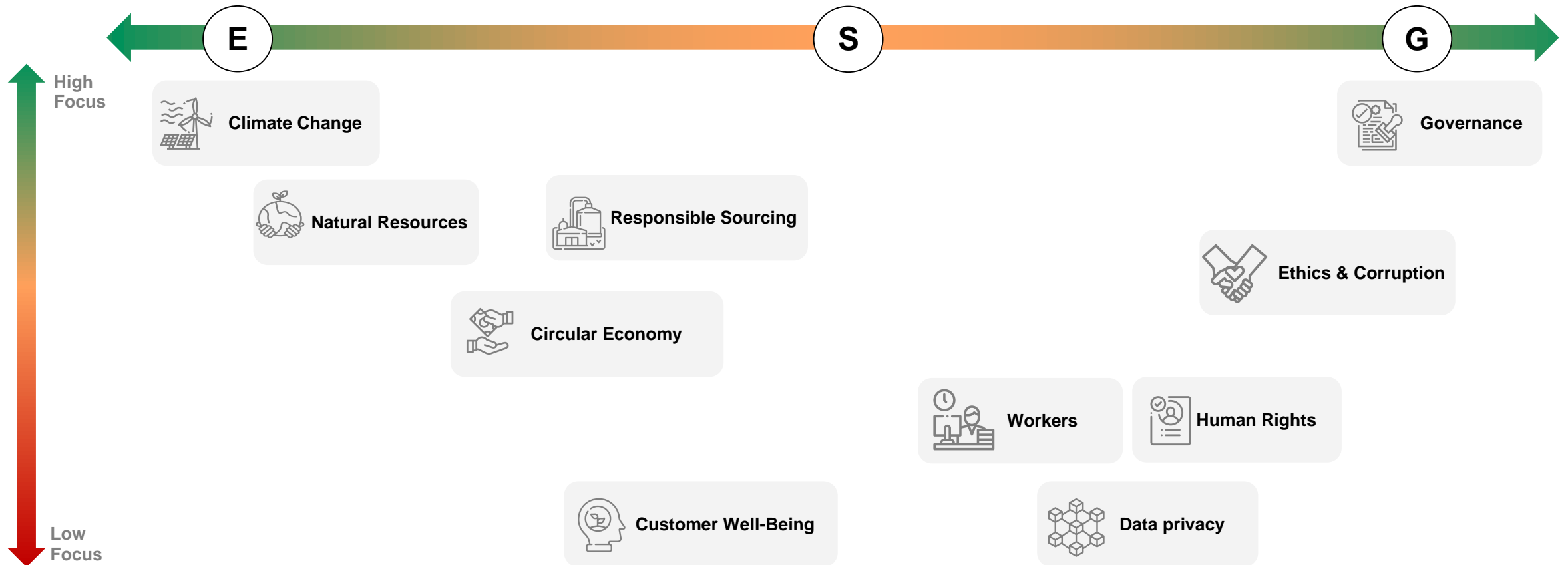
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Investor ESG questions



Source: "Questions received by companies from investors" from the BNP Paribas Exane ESG ECM Survey in Feb. 23



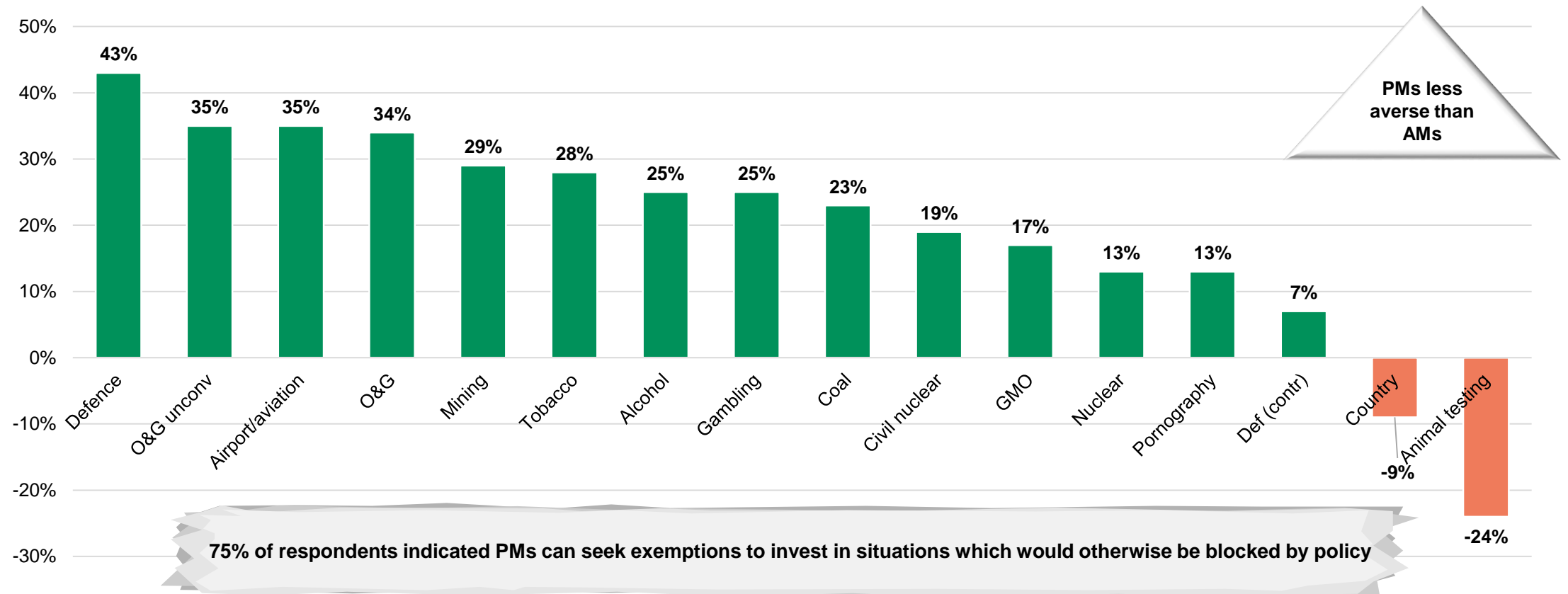
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Portfolio managers and asset managers alignment



Source: BNP Paribas Exane ESG ECM Survey in Feb. 23



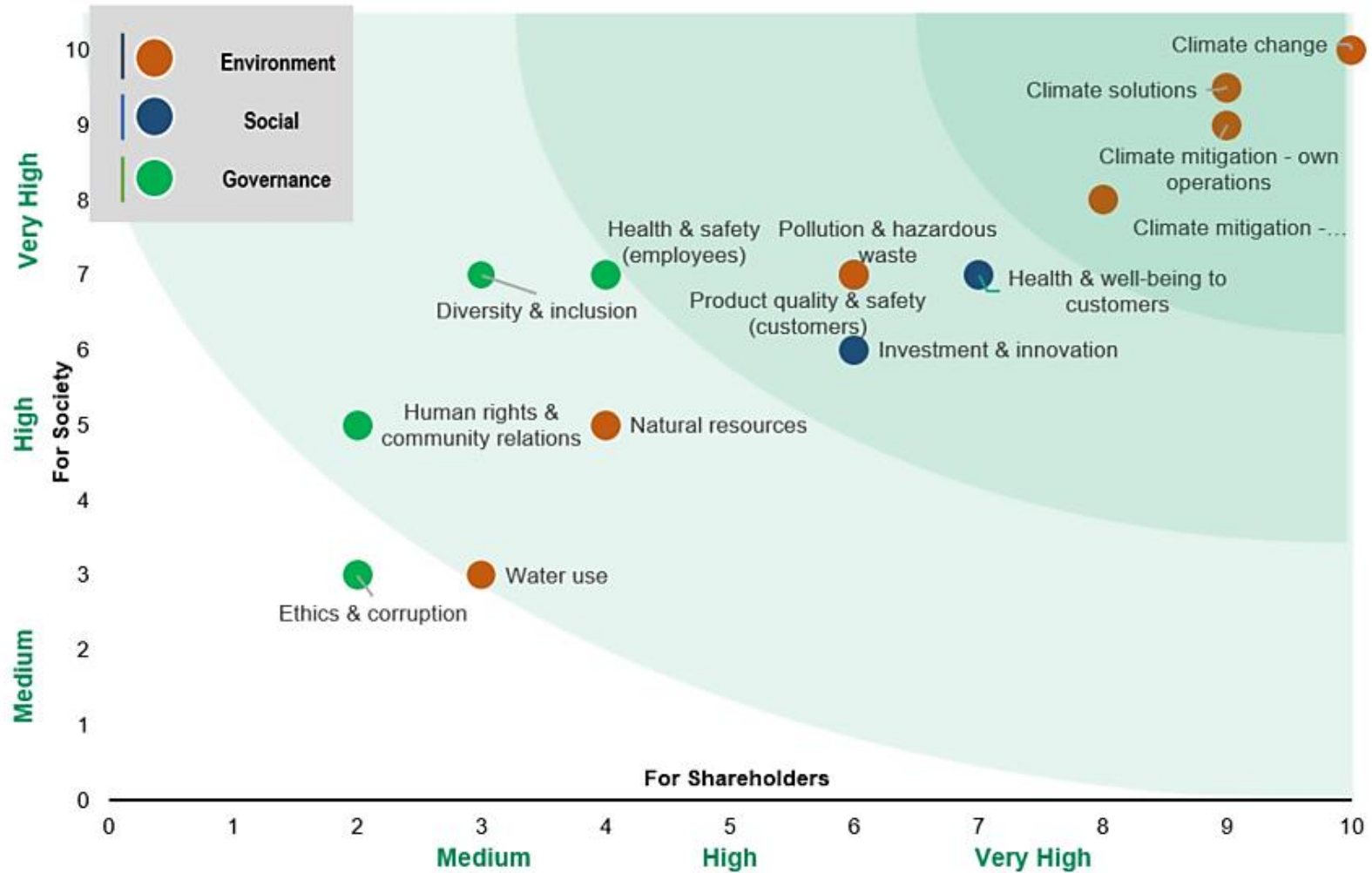
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Materiality map (chemicals)



Sources: BNP Paribas Exane



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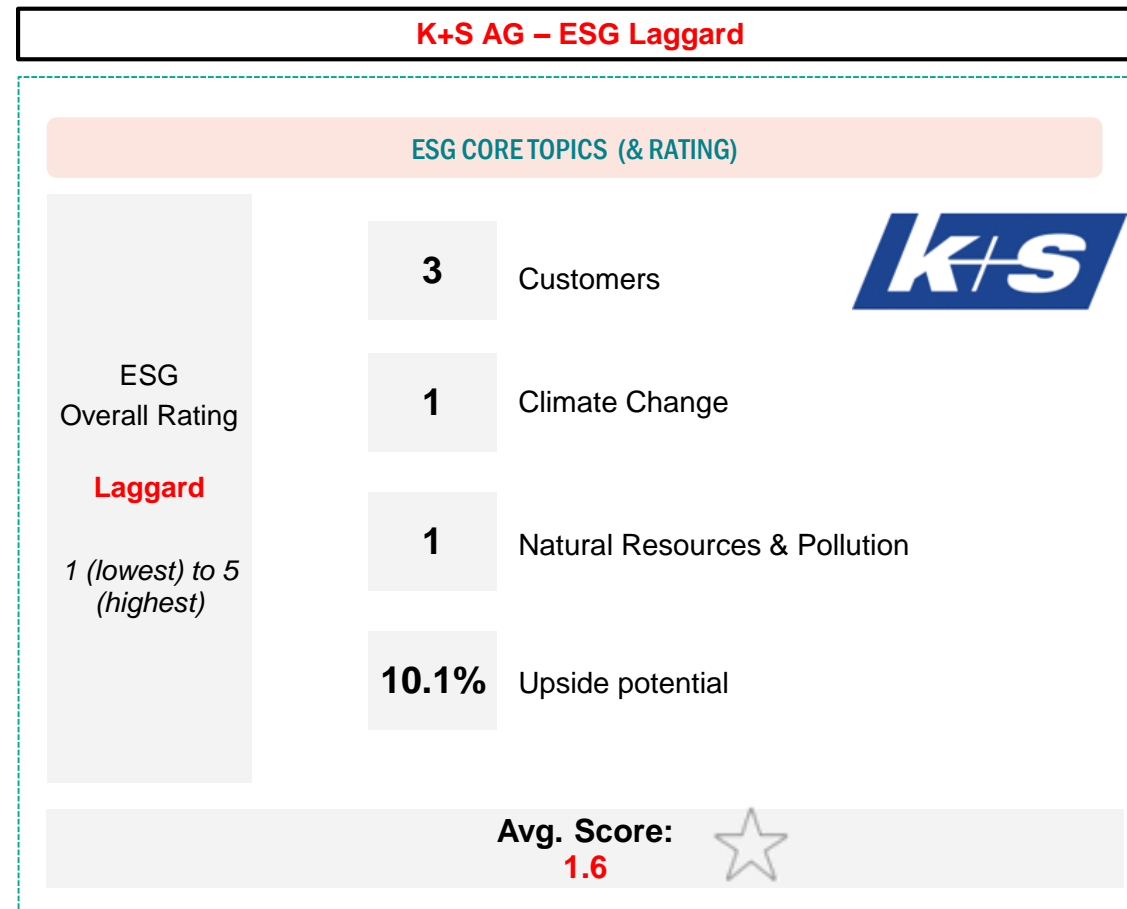
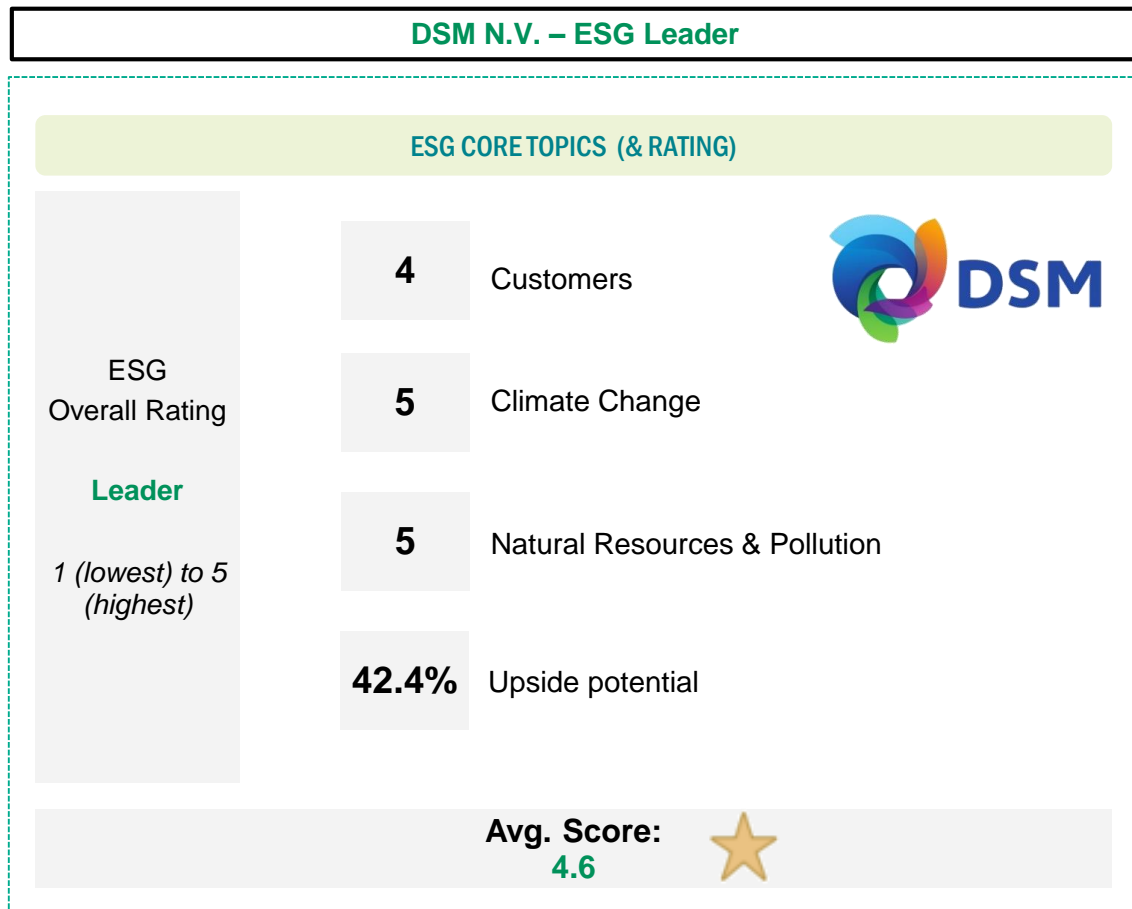
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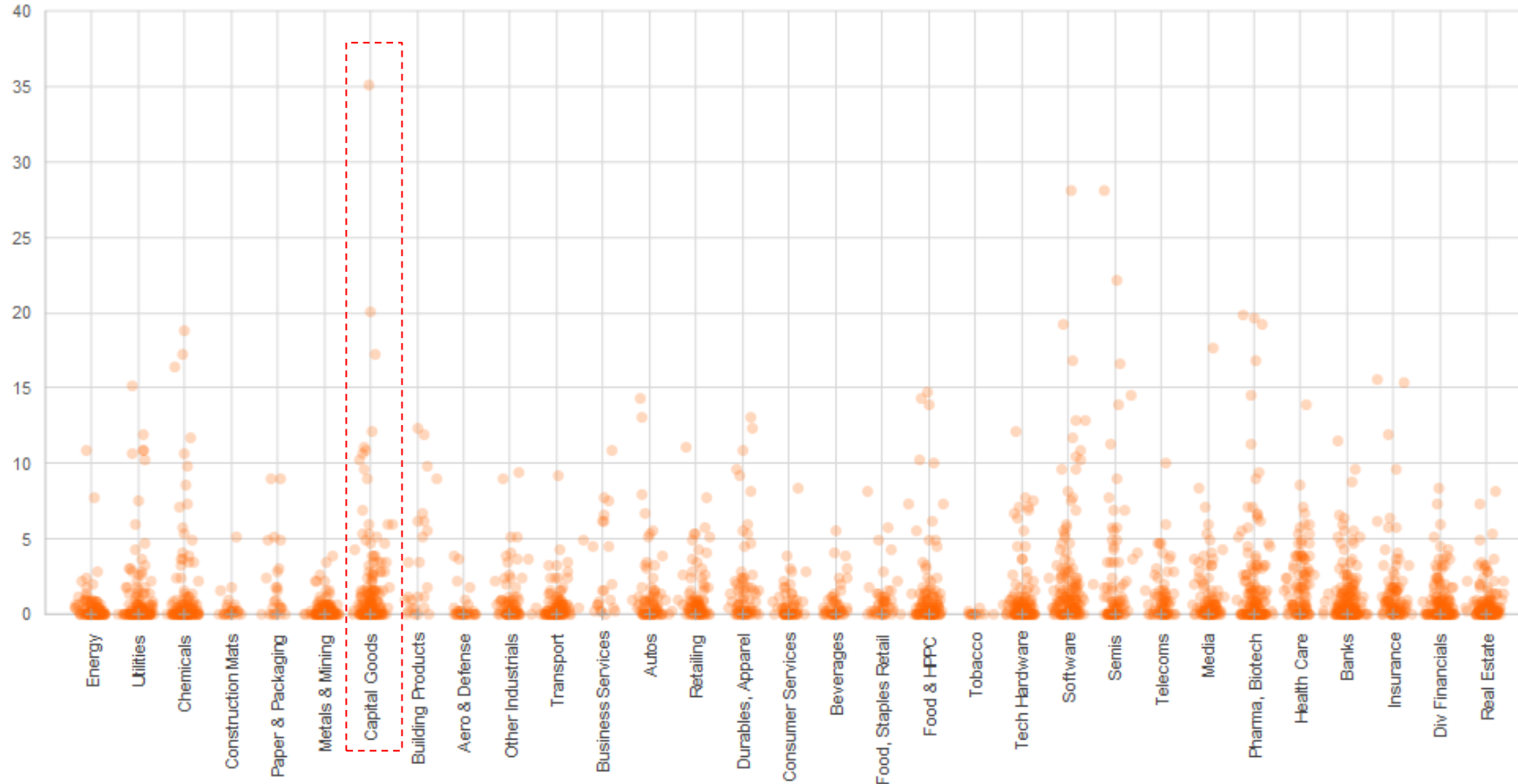
Leaders and laggards (chemicals)



Sources: BNP Paribas Exane

Tracking ESG ownership

ESG fund ownership by sector



Sources: BNP Paribas E



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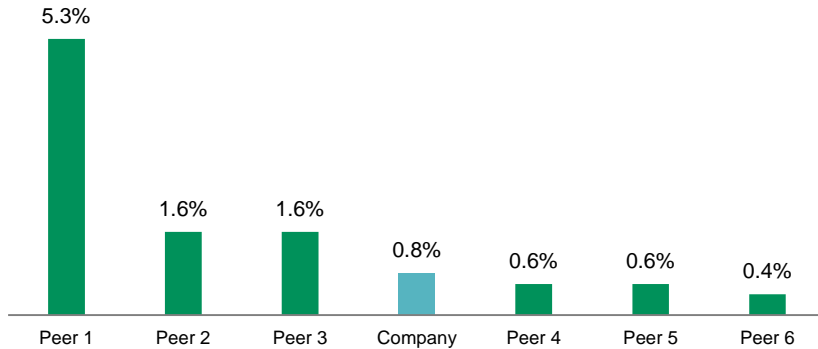
12

Investor targeting – bank case study (anon.)

1 Identify current ESG investors

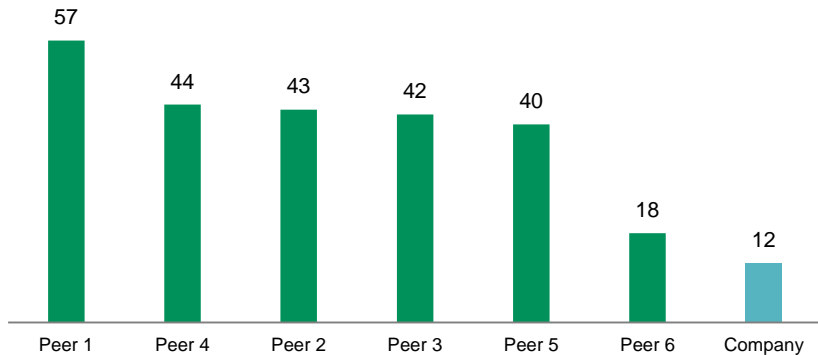
% of ESG funds holding the company and peers according to BNPP Exane analysis of ESG funds

The company is only held by 0.8% of ESG funds tracked by BNPP...



Number of Article 9 funds invested in key peers

...and is not widely held by the strictest Article 9 funds



2 Target relevant investor groups – focus on the gaps

Investor targeting based on disclosed investors

Current ESG investors in the company

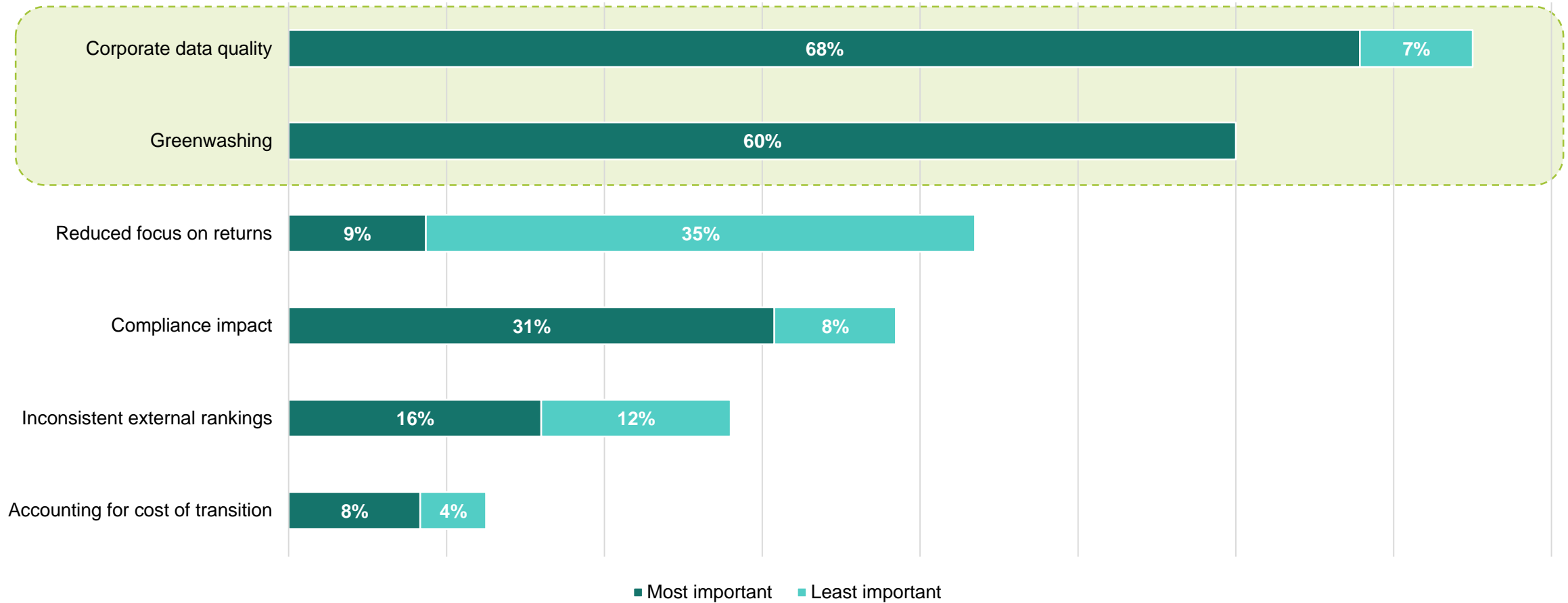
ESG Investors to Target

Largest Article 9 funds invested in peers and underweight the company

Largest ESG investors (Article 8 & 9) not invested in either peers or the company

BNPPE Investor tracker

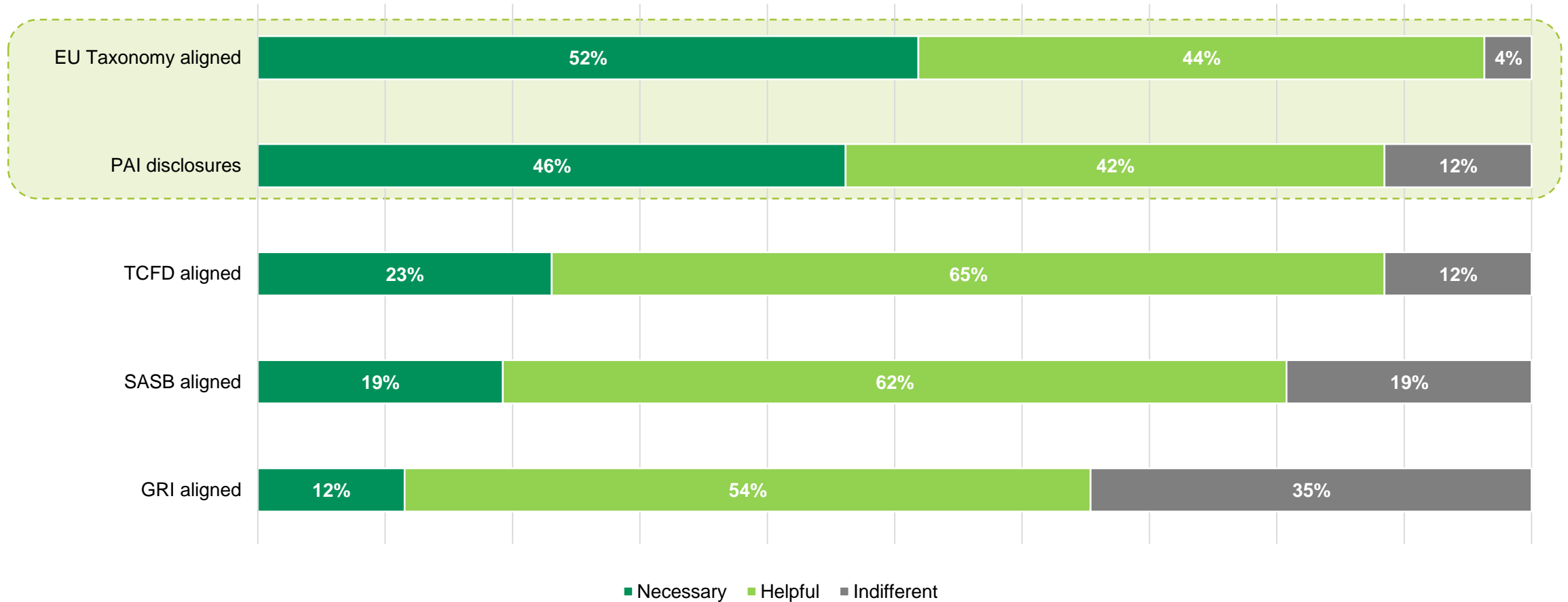
ESG concerns



Source: "What are your greatest concerns about ESG investing?" from the BNP Paribas Exane ESG ECM Survey in Feb. 23



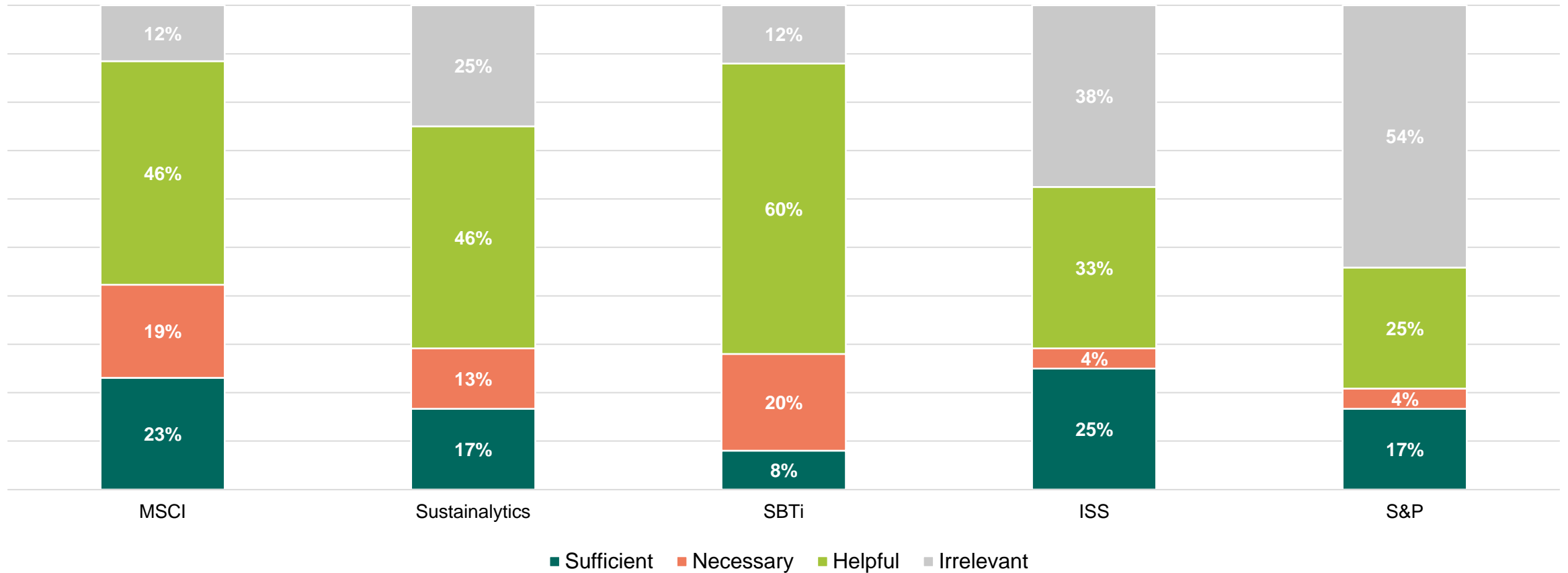
Disclosure frameworks



Source: Investor reporting framework preferences from the BNP Paribas Exane ESG ECM Survey in Feb. 23



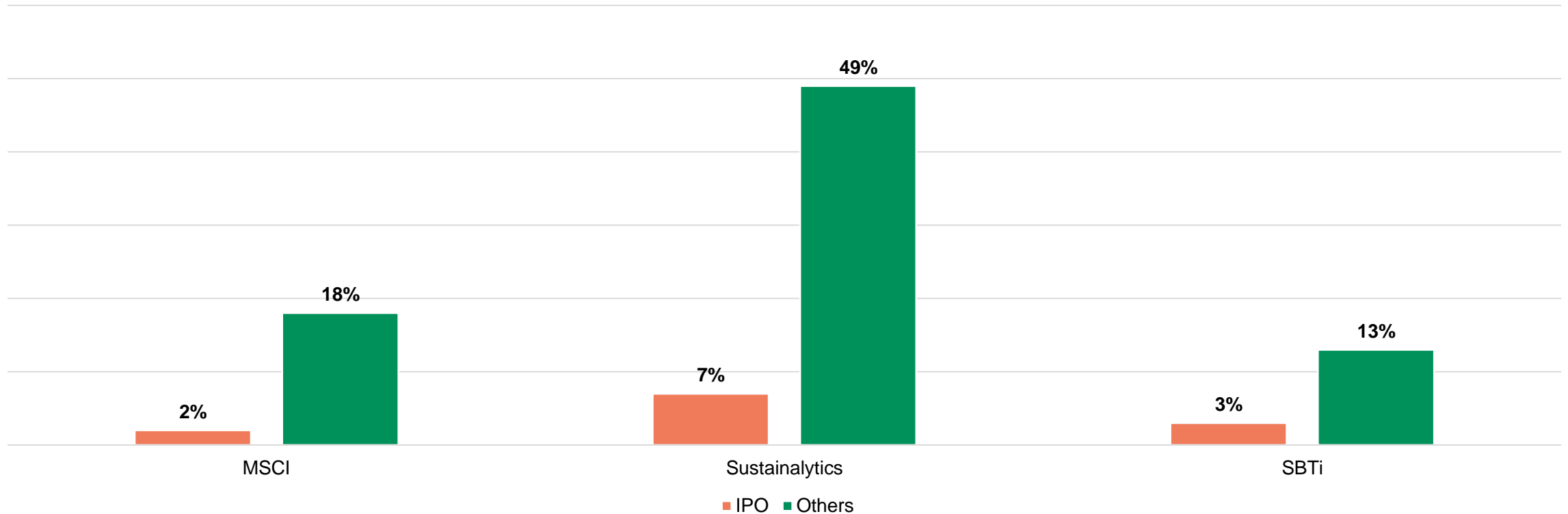
ESG ratings – investor focus



Source: BNP Paribas Exane ESG ECM Survey in Feb. 23



ESG ratings and ECM investing



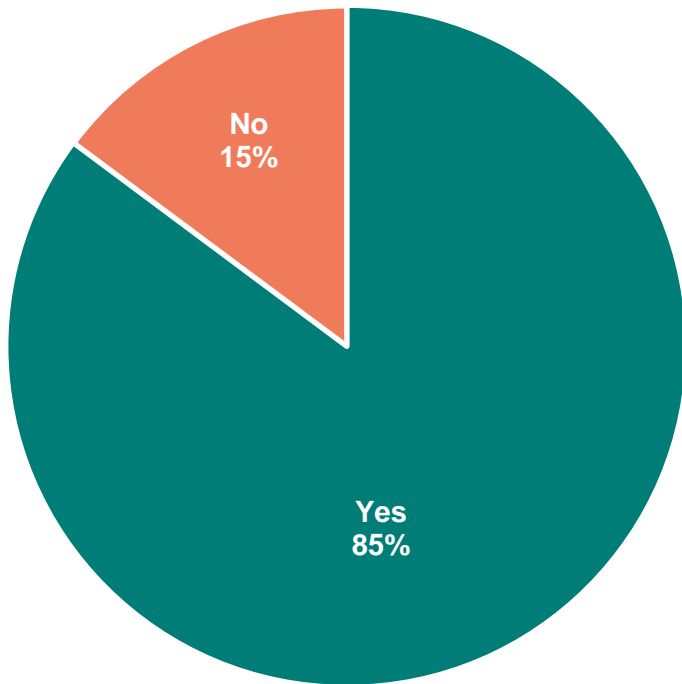
Note: Ratings Availability for EMEA ECM Deals (2021-YTD) with size >= EUR 100m

Dealogic as of 12/04/2023

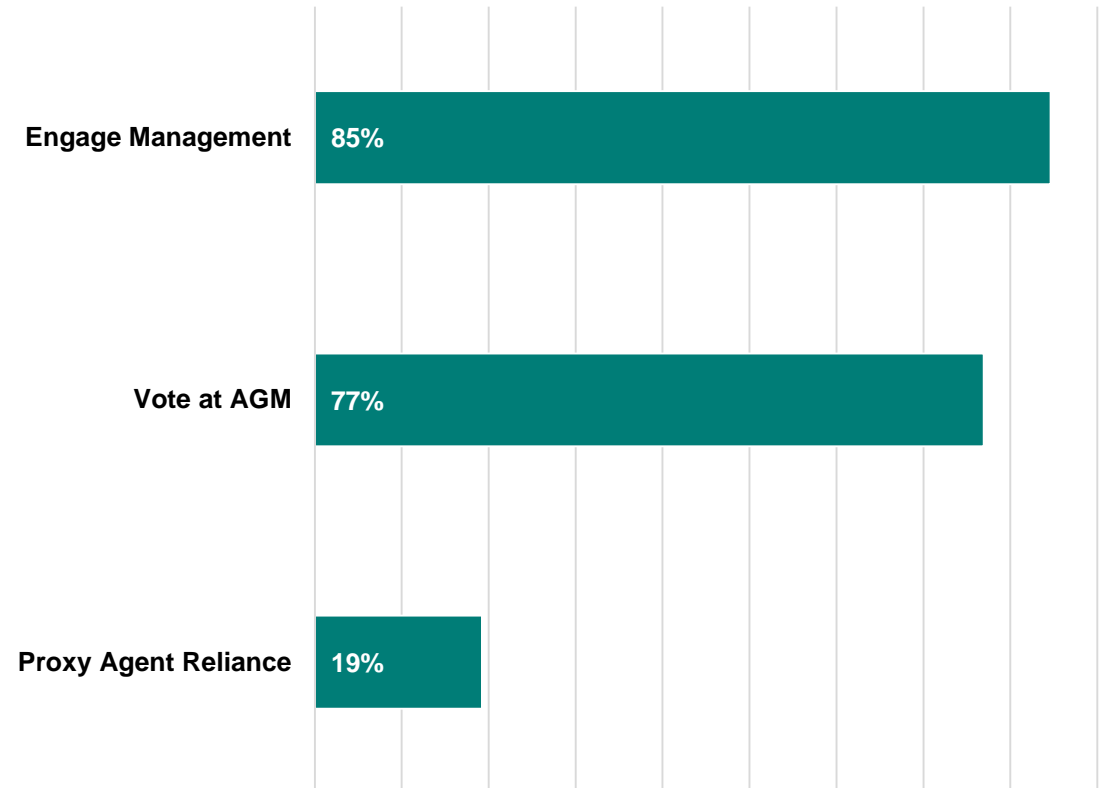


Investor engagement

Assist with ESG disclosures



How to engage

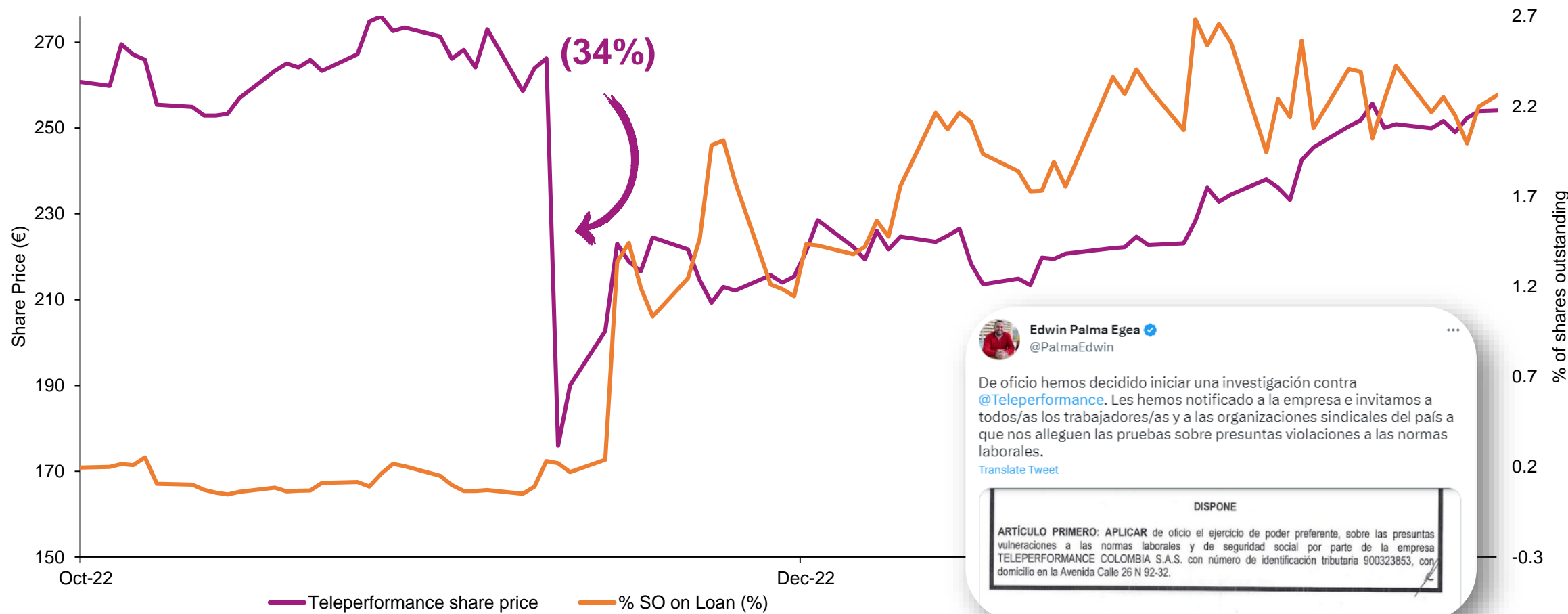


Source: BNP Paribas Exane ESG ECM Survey in Feb. 23



Teleperformance slumps 34% on report of Colombian labour probe

Short sellers, not ESG funds



Edwin Palma Egea @PalmaEdwin

De oficio hemos decidido iniciar una investigación contra @Teleperformance. Les hemos notificado a la empresa e invitamos a todos/as los trabajadores/as y a las organizaciones sindicales del país a que nos alleguen las pruebas sobre presuntas violaciones a las normas laborales.

Translate Tweet

DISPONE

ARTÍCULO PRIMERO: APLICAR de oficio el ejercicio de poder preferente, sobre las presuntas vulneraciones a las normas laborales y de seguridad social por parte de la empresa TELEPERFORMANCE COLOMBIA S.A.S. con número de identificación tributaria 900323853, con domicilio en la Avenida Calle 26 N 92-32.

Source: Bloomberg, Twitter, as of 05/04/2023

Key Themes for 2023 and beyond

Focus on impact – Ultimately, proving that you proactively support ESG (investor or issuer) counts!

06



01

Disclosure – Focus on substance over form

Substantiating net zero – Work still to be done!

05



02

Regulation & standards – Is the EU going too far?

Looking beyond climate mitigation – Important, but not the be all and end all when it comes to ESG

04



03

ESG data & ratings – Data quality in focus

Source: BNP Paribas Exane ESG ECM Survey in Feb. 23



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