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Hello On The Way! My name's Antoine Sire, and I'm Director of Corporate Engagement at the BNP Paribas Group. My professional career has mostly been in the banking sector, and mainly at BNP Paribas, where I first started working quite a long time ago now. That was in 1997 I first arrived as Director of Communications. At that time it was BNP.

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And then I worked on the BNP Paribas merger, including on creating the logo with the stars, that we still have today. I was Communications Director at the group for sixteen years, and then I left for a few years. At that time I had no plans to return, and I left to do a project that had nothing to do with the bank, which was writing a major history of the actresses of the golden age of Hollywood, published by Actes Sud, which did pretty well.

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And while I was working on that project, I did a bit of consulting on the side. I was working at a communications agency, and one day Jean-Laurent Bonnafé called me. He asked me if I'd finished my book yet. Was I happy with it, had it done alright, and I said yes, and he said to come and have breakfast at the bank, and so I went to see him.

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And so he said: Listen, people are getting more and more worried about the climate, about regions, about inequality. These are things that we really need to put right back at the heart of our activities. We'll probably need someone to deal with them full time. How would you like to be that person? I hadn't been expecting that, but of course when he made the proposal it was very hard to refuse, and so I accepted there and then.

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And so that was in 2017, about five and a half years ago, and so I came back to BNP Paribas for the second time, to manage corporate social engagement, meaning the bank's environmental and social projects. So if Jean-Laurent asked me to do this, I suppose it was partly because it's a project that has to involve the entire bank, and I was used to working in a very broad way with people at the bank.

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That was really part of my way of working: being in close contact with all our business lines and in all our countries. And it's also because really these are subjects that have always interested me, they've always fascinated me. So in terms of the societal impact, I first approached it from the social aspect. Because when the BNP Paribas merger happened, BNP and Paribas were both partners of Adie, which is a charitable bank that helps some 40,000

people every year in setting up their businesses, people who have been slightly distanced from the traditional banking system.

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Adie was then supported by BNP Paribas, and developed enormously with the support of BNP Paribas and also with the help of a lot of executives from the group volunteering their time. And then, in 2005, BNP Paribas became the leading private employer in Seine-Saint-Denis. And at the time the notorious suburban riots happened.

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And, well, it was an ecosystem that I knew quite well personally, and so I went to see our directors, and said that it was incredible that we were so strongly established in the politically-charged districts of the city, and that our presence could be something of an opportunity for those neighbourhoods. And so there again, that triggered a movement, that was quite important.

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And so since that time we've supported over 1,000 associations based in the politically-charged districts of the city. We implemented the Odyssée Jeunes project which sent some 50,000 young people from Seine-Saint-Denis on school trips, and we support charities working on equal opportunities, such as *Nos Quartiers ont du Talent*, whose pilot was created with employees of BNP Paribas Personal Finance.

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So we've really got a very strong presence in these areas. And then in 2010, I realised that environmental issues were also going to become increasingly important. It was still a bit of a new thing at the time, but environmental issues were probably going to become much more central than they had been in banking. And so we decided that we were going to start approaching the subject from a sponsorship angle, because it's often a way that allows us to use it as a pilot, before transformational subjects really come into the company's business.

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And so we created the *Climate Ton Biodiversity Initiative*, which we also established with the new director of CSR, who we had recruited at that time in 2010, and that was Laurence Pesez, who has played a very important role in constructing the group's environmental engagements. And so we went off in that direction, and of course we very quickly came into contact with scientists, people like Jean Jouzel, who helped us create the *Climate Ton*

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*Biodiversity Initiative*. All that allowed me to get much closer to environmental issues. and to understand the very important issues behind them, notably the climate aspect, and also the

issue of biodiversity, which we must never forget and that's very important. I think that with everything that relates to the transformation of ecology, you really have to reverse something.

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And you can see it, that's why biodiversity is really interesting, because you often see that when you return a space back to nature, and nature takes over again. So for the climate question, that's much more complicated, as there's inertia. But even there, it's actually about reversing a model. That means the last 200 years, it's not something all that recent.

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It has been accelerating because the world has grown much richer over the last 30 years. But in fact for the last 200 years we've had a model where we extract from nature without any reservations, with nothing to hold us back from exploiting nature. We really built our model on the idea that we could go deep into the earth to look for coal or look for oil, we had the ability to plough and irrigate fields, and everything was possible because nature was limitless.

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Ultimately it's that limitless world that Jean-Marc Jancovici talks about. That's a very fair vision, as we thought we could exploit nature infinitely. And so today we have to reverse that model, reverse that paradigm, and we understand that scarce resources are not just capital, they're not just labour.

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It's the key to all renewable energies, where you produce a lot from a little. We need to build wind turbines. And that extracts a little from nature. But once they're built, we're pretty much even. The circular economy is all about doing a lot more with less. When you produce a product, that you're going to build.

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That's going to extract from nature. But then, for example, you repair it, you recycle it, you put it back into operation, and you don't extract from nature a second time. And all of that means economic models that are different, and companies have to deal with them, they have to transform themselves. Banks finance the economy.

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BNP Paribas, often people have a somewhat fantastical view of banks. The banking business that revolves around the notion of credit. So you give loans to companies, and so for years we gave them loans to acquire equipment that allowed them to produce by extracting from nature.

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And now they have to transform their equipment in order to get equipment that extracts less from nature. And of course as financial bankers to large corporations, for 200 years we've lent a lot of money to the energy sector. Which is a lot, but no more than other sectors, as the energy sector only accounts for some 4% of the loans of BNP Paribas.

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So it's no more or no less than agribusiness, automotive, tourism. Every sector counts, and each sector represents a few percent. So that's how it is for energy, but it's only a few percent of BNP Paribas' accounts, but that's still a lot of money. In fact we have to transform the credit model.

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This has been carried out over several years: transforming it involves a bit of inertia, as we can't have lent you money in 2015, and then ask you to just give it back, that's not how loans work, it's on our balance sheet until it's paid off. At least the sum that still needs to be repaid. And so that's going to take a bit of time.

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But we're in the process of completely overhauling our outstanding loans to energy companies that exploit fossil fuels. What are we funding with this loan? Is it going towards renewable energies, which are of course energies that we'd like to account for almost all energies, and as soon as possible. About ten years ago, 5 to 10% of our loans were low-carbon energy loans, and all the rest was for fossil energies.

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And now, in 2022, we've made a shift, so we now have 55% of our energy loans financing low-carbon energy activities. That's much more than in the wider world. Worldwide, low carbon sources account for around 20 to 30% of energy. At BNP Paribas it's already 55% for low carbon energies. With the remainder being 45% fossil fuels.

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Jean-Laurent Bonnafé recently announced that we're going to implement the majority of the switchover. Most of the work is being done between now and 2030, that means in seven years. And so in terms of oil, for example, we're going to completely withdraw from financing oil exploration and production. Currently we have some 5 billion euros in loans for this type of activity, and by 2030 there will be a little under one billion, which will be the remainder of loans that are yet to be completely amortised.

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That will be a residual proportion. So in fact we're getting out very, very quickly. Now our days of financing fossil fuels and coal are firmly behind us. The decisions we've taken over the last five years have allowed us to exit them almost completely. There are still some last leftovers. But they're going to go away, and our loans will exit fossil fuels.

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In terms of oil, we're engaging very strongly in the movement. Then there's a third fossil fuel, which is gas. We've started to reduce loans, and we'll will reduce them by 30% by 2030. We're being a bit more cautious because we know there are supply issues. There are very significant needs for society to produce electricity, as we're switching from oil-powered cars to electric cars.

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So gas allows coal to be replaced, which is a much more polluting energy source than gas, which is a lot less polluting. So there are certain areas where we're going to make a lot of environmental progress by replacing coal-fired power stations, which are the worst, with gas-fired power stations, which are still significantly less bad.

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First all there's decarbonising their production models, meaning that by reducing their share there's going to be a huge drop in greenhouse gas emissions by companies over the coming years. They're in the process of massively investing. It has become a major issue. Very often this is the goal of green bonds, which is financing dedicated to such environmental transformations.

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And currently BNP Paribas is the world leader in Green bonds. So with these, the decarbonisation of industrial models is a major element, currently, in business investments generally, and it's also the good companies that are doing it. So it has also become a sort of model that allows us at BNP-Paribas to understand which companies are better risks.

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Because if a company cares about the environmental dimension, it means that it also cares about the future. And so it's a company that's preparing for the future properly. And you can give them a loan. If there's a company that's preparing for the future less well. Then there's more risk that it won't exist in five or ten years time in order to pay you back, and so it's better to avoid giving them a loan if you're a good bank.

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So the environmental component is becoming one of the reasons that makes us more likely to give a loan to one company over another. And for the 700 largest BNP Paribas companies

we now have a model called the ESG Assessment, which is a model by which every company is evaluated, not just on financial criteria, but also on five criteria which are: climate, biodiversity, social rights, human rights, local impact and business ethics, and so it's a truly industrial model for evaluating companies on those five criteria.

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And if a company doesn't perform well enough on one of those five criteria, it won't get a loan. So yes, it's really become something that's absolutely central to our operational model. But of course any company that wants to make the transformation needs to be supported. So we created a group named the Low Carbon Transition Group, which is a group which over time will have some 250 employees dedicated to supporting large companies in their transitions.

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So that's a really large workforce. In the group we've got 500 experts in the fields of environmental and social transition. We're really trying to share all of our expertise, and we're also gradually equipping ourselves to support SMEs in their environmental and social transformations, notably in terms of climate.

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And there you can easily see why things are not going as quickly for SMEs as they are for large companies. Large companies, because of their regulatory obligations as well as their size, they have to know where they are in terms of emissions, in terms of their environmental impact. These days they've got highly structured teams that are dedicated to the topic, and that understand these impacts.

For SMEs it's a bit different. They have a different sort of life, but now regulations are on their way that will force SMEs to be much more eco-aware and report much more clearly about their impacts, notably about the climate issues. And so they're going to get much more sensitive to the subject. And at BNP-Paribas we need to be there to support them and help them transform their business models.

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And in fact today there are a lot of companies that are being set up with the idea of environmental impact from the ground up. Twenty years ago there were a lot of young people who wanted to work in startups, in tech. It was really dynamic, people saying: I'm going to make lots of money and I'm going to sell my startup for loads of cash. It was all a bit of a fantasy.

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Some people did make it, but many didn't. But today there's another sort of dream which in a certain way is at the same time less megalomaniac, more accessible, more important, maybe more interesting too for many young people, and that's creating a company with a positive

impact. For example we've supported a company called Midi Pile, that was created by a young woman who saw there were problems, you see delivery people everywhere, we're making people work in conditions that are very questionable in social terms, in environmental terms, all that raises a lot of questions.

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But basically they wanted to develop delivery models that are far more equitable models. This is a good example because it's about something that's at the heart of people's lives. There are a lot of deliveries in the modern world, and people are asking themselves the question of how they can make more equitable deliveries?

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And I also know that Phenix came to talk to On The Way, for example. This is a company that's also been supported by BNP Paribas. We invested in them. It's a company that's combatting food waste. It's really important. And so we've made it our specialty to support these young companies, that are created by people who want to make a change, that want to contribute something positive.

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We've created an organisation called Act for Impact. Currently there are over 200 people who are part of this, and who throughout France are able to assess and understand these very specific sorts of business models that are impactful companies. These are often companies where part of their income comes from subsidies, as they're working for the public good.

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So they often benefit from public aid. So you have to realise that this sort of business model is something a bit special. And so today we've got a lot of employees who have been trained and who have been prepared to support these sorts of models. And I have to say that for me this is really very satisfying, every time I meet a client who is one of these impactful start-ups and who have been supported by BNP Paribas, and then there's one that I love, that banks with BNP Paribas.

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But we've also become a shareholder in them. It's a company called Fleur d'Ici, which was created by two young women who realised that the flower business is a real business, where they decided to be eco-friendly as possible. People import flowers from really very far away, or they grow them in unsatisfactory conditions, and so they decided to set up a business which allows them to supply flowers produced nearby, and so they've made gifting flowers an act that's also positive for the planet.

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So I really think there's a major transformation. Of course there's the sort of transformation which is about CO2 emissions, about transport, about automobiles, and so on. So I think we can all do certain things. Some people who took planes a lot are travelling less by plane, and others are changing their habits a bit in terms of vehicles.

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Personally, in Paris, whenever I can, whenever it's reasonable to do so, so about 90% of the time, I get around by bicycle, and not in fact an electric bike. Because I think that if you're lucky to be fit enough to ride a bike that's not electric, and you don't live too far from your work, then I think the benefit of muscle-powered cycling means you don't need to go to the gym because it's enough in itself.

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So you can pretty much stay in shape. And I really recommend this very eco-friendly and very euphoric form of transport. So, beyond what everyone can do by using less polluting vehicles, is changing their diets. In fact when you look at the average carbon footprint of a French person, eating meat accounts for a very significant share. So, for example, do you have to completely stop eating meat?

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Personally I haven't completely stopped, but it turns out that eating meat all the time isn't very good for your health, and it's definitely not very good for the planet. So it's a bit like riding a bicycle. If you ride a bike it doesn't emit CO2, and it's also very good for your health.

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And when you're healthier, you also get happier. So I'm saying this because I think that if we want individuals' behaviours to change, then we can't just have this one single idea of saving the planet so we don't all die burnt to a cinder. People are also trying to do some cool things.

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Martin Luther King didn't say "I had a nightmare." He said "I had a dream", and so I'd say that I think people who cycle in Paris are happier than those who don't. And it's not because they're saving the planet, it's just that stretching your legs when you're riding a bike is fun.

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And if you live 25 kilometres from Paris and you have to deal with cold and hail for 2 hours to get to work then it doesn't work. You have to be able to adapt and find a solution for each person. But for everyone in our lives there are greener lifestyles and behaviours that can actually make us all happier.

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every day. There are lots of obstacles all over, and so companies have to try to understand and help with them. So for sure the development of remote working has been a very important element. I do think it's important that we get together with our colleagues at the office. But I also think the sort of dictatorship, the tyranny of the world where you had to drive a car for 2 hours every day, and the best sign of being a "good" worker was arriving at work every day at 8:30 a.m. after spending 2 hours in traffic jams.

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That's crazy, it makes no sense. So at some point you have to find different systems. And as we're undergoing a transition, as we're changing models. I think the model of remote working a few days a week is a very good model, as it allows for a different rhythm.

And the activities of BNP Paribas, such as leasing, have been playing a very significant role in this transformation.

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Arval provides shared mobility solutions, mobility packages, and a number of offerings that will allow customers to share vehicles. So they're manufactured only the one time, but they will be used by several people, meaning having a choice according to usage and according to the time, between an electric vehicle and an internal combustion vehicle.

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So there's this whole transformation going on in leasing, where products that you don't own are going to be made available to you. So that changes the relationship to the ownership of products, because ownership means exclusivity, and exclusivity ultimately means something that's manufactured for a fairly restricted use, and so we're going to move into a mentality of sharing.

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Leasing also allows us to have a different approach to the life of products over the entire duration of their lifecycles, as we people already do with IT fleets. When BNP Paribas rents out a fleet of computers to a client, the company provides a recycling and second-life solution for those computers. This is really new, because in the past we weren't thinking at all in advance about what was going to happen to those poor computers after the company stopped using them.

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There are so many different models. These are different models where there's an immobilisation of capital, it's not an immobilisation for the user, and so that immobilisation of capital, that has to happen somewhere, and a bank is a very good place for that to happen in the leasing business.

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And so there will most definitely be a rethinking of a certain number of banking business lines, which will discover a youthfulness and a particular importance due to this environmental transition.

For example, the energy efficiency of housing is something that is going to be a crucial issue on which public authorities must of course place a certain weight, as it's not only necessary to improve the energy efficiency of accommodation,

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if it only benefits people who already have money, and on the other hand those people who have less money are condemned to live in thermal sieves. This kind of cycle that is extremely harmful both for the planet as well as, I'd say, degrading for people. It's a fact, and it's absolutely crucial to combat it. Well, it's something that can be fixed, for example by building systems whereby home savings schemes, employee savings schemes, a number of things can be more easily assigned to the renovation of buildings where you have loans guaranteed by the state.

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Because such guarantees still cost the state less than paying out subsidies. We saw this at the Olympic Games, PGEs are something that led the banking system to support companies, to bridge the gap in the right conditions. There's a lot of capital in the market. This capital has been used in a very pertinent way to help the economy to bridge the gap.

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And in the same way you can imagine a sort of PGE that would help people with their renovations. So I know there's such a thing as an eco PTZ, but for now it's a bit unwieldy. Whereas with PGEs, for example, the loans that were given to businesses during Covid were not unwieldy.

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And so we need to move towards solutions such as a loans that resemble, or are close to those made during Covid, but this time designed to help people renovate their homes. People often ask us about the role of the bank, and for example, you have Cetelem. It's quite interesting, because it's an entity which is actually linked to the transformations of society.

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Not many people know about it, but Cetelem was created after the Second World War by social Christians, who wanted to allow French women to be able to get household appliances

so as to free themselves from household chores and start working, and finally become a bit more equal to men in the world of work. That was really pioneering.

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Of course it was in another era. Issues in society and the division of labour were very different at that time, but they found that essentially American women had an easier life than French women, because in households it was them who had to deal with all the household chores.

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And so the idea was to make all these new appliances that were coming out: washing machines, dishwashers, and so on, and to make all these new household appliances more accessible. In so 1966 there was a new law that authorised women to have bank accounts without their husbands' permission.

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You still have to realise that until 1966, a law prohibited women from opening bank accounts without their husbands' permission. So it was a completely different society, and the bank made a very strong contribution to this major societal change. In fact banks developed enormously when that extra half of the population got the right to open bank accounts.

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Today it's hard to imagine what that means in terms of transformation. So the bank is at the heart of all of these transformations. And in the future? Of course more responsible consumption is going to be absolutely central. So more responsible consumption means helping people acquire more responsible goods.

And so now there's all this support for acquiring goods. But there's also promoting responsible forms of consumption. I was talking earlier about recycling and the circular economy. It's obviously essential for the whole entire universe of consumer credit to be more and more present in this aspect of support for second-hand goods.

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And we don't need to reinvent the wheel either. I bought my first used car 35 years ago with a loan from the Cetelem, and at the time it was easier to get a loan to buy a used car, so essentially a secondhand item in a certain way from Cetelem, than from a bank. There are things where we are going to redo, things that we have always done in the past, but maybe by extending the idea to more goods by facilitating repairs, and perhaps by avoiding falling back into the most obvious pitfalls of the consumer society.

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Where people are told that everyone has to consume this or that thing, well, we're going to have to support slightly more responsible alternatives. People often tell me they'd like to work

in a CSR activity because it brings meaning and so on. I believe that today, what brings meaning is to be able to introduce this vision of a slightly different society, in everything that we do, and therefore contributing to changing people's mentalities, not necessarily by changing them suddenly, not necessarily by wanting everything to go from black to white from one day to the next.

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It's more complex than that. It's simply about progressing little by little, getting used to introducing different ways, of thinking differently, having an understanding of our impacts. And I think that's something that will likely make our work not necessarily easier, but certainly more interesting.

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