



Sustainable Finance Unit
Climate and Energy Division
Treasury
Langton Crescent
Parkes ACT 2600

Submitted via email

Sydney, 15th December 2023

Dear Sustainable Finance Unit,

Sustainability is core to BNP Paribas' company purpose. BNP Paribas has been committed to fighting climate change for 20 years. BNP Paribas was among the first banks to commit to align its activities with the objectives of the 2015 Paris Agreement: limit the rise in the planet's average temperature to well below 2 °C and continue efforts to limit it to 1.5 °C compared to pre-industrial levels. This ambition was mainly implemented through initiatives based on two levers: reducing the highest-emission activities and supporting the energy transition, both of which have generated significant results. In 2021, BNP Paribas formalized and strengthened its ambition by joining GFANZ (Glasgow Financial Alliance for Net Zero) launched by the UN Environment Finance Initiative. In April 2021, the Group became a member of the Net Zero Banking Alliance.

To this end, BNP Paribas mobilises resources in favour of projects that will have a positive impact and innovates to be a leader in sustainable finance. In line with its company purpose, BNP Paribas' 2025 strategic plan, named "Growth, Technology, Sustainability" (GTS), places sustainability, including climate-related issues, at the heart of its strategy. Within the Sustainability pillar of the plan, the Bank has defined five priority themes that align with its clients' objectives and the United Nations Sustainable Development Goals (UN SDG). If climate is obviously central in the priority theme "Transitioning towards carbon neutral", it is also deeply connected to the other, such as "Circular economy" (e.g. via the reduction of resource consumption and the decrease in associated energy) or Sustainable savings, investments and financing" (e.g. via green bonds issuance, reducing the carbon footprint of the investment portfolio, etc.).

BNP Paribas welcomes the opportunity to respond to Treasury's Sustainable Finance Strategy Consultation Paper (the Consultation).

As the Consultation is focusing on the overall strategy and objective of the Australian's Government, we understand that further consultation papers will be published with the aim of creating a regulatory framework on sustainable finance.

For this reason, we limit our comments to high level considerations at this stage.

First of all, we strongly welcome the intention that is expressed in the Consultation, to develop a framework consistent with other regulatory frameworks outside of Australia. A consistent approach is necessary to facilitate interoperability across jurisdictional requirements. Due to the international nature of many market participants, interoperable frameworks will be key to developing transparency, as it will facilitate a consistent reporting. It will also facilitate cross-border sustainable finance transactions. The EU regulatory framework is well advanced now and keeps developing with recent publications on definitions.

As much as we support the need to act rapidly and create the legislative framework that will enable Australia to reach its ambitious objective, we would also encourage the Treasury to consider the timing for consultations. Global organisations such as BNP Paribas can leverage on their internal knowledge to provide meaningful feedbacks. However, this requires an appropriate amount of time to be allocated to each consultation.

In addition, the European Banking Authority and the European Securities Markets Authority have published implementation timelines for their respective regulations related to sustainable finance. Those were useful tools for market participants and we would encourage Australian Government and regulators to publish a similar timeline.

Thank you for considering the above suggestions. Please feel free to reach out to Virginie Duval (virginie.duval@au.bnpparibas.com) if you have any query.

Yours Sincerely,

Virginie Duval
Head of Legal Australia and New Zealand