

A COMMITTED BANK



Summary of the Chapter 7 of the 2023
BNP Paribas Universal Registration Document



BNP PARIBAS

The bank
for a changing
world

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Information on BNP Paribas’ Economic, Social, Civic and Environmental Responsibility

Summary of Chapter 7 of the Universal Registration Document, pages 634 to 641.

The Universal Registration Document 2023 is available online at the following webpage:
https://bnpp.lk/Universal_Registration_Document_Financial_Report_2023

INTRODUCTION

HALFWAY THROUGH THE GTS 2025 STRATEGIC PLAN, 2023 CEMENTS BNP PARIBAS' POSITION AS A LEADER IN GREEN FINANCE

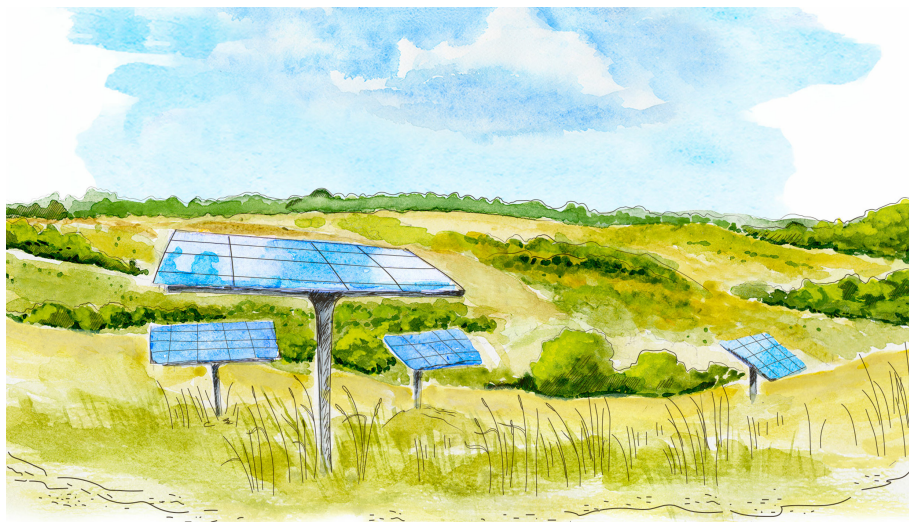
As a leading financial institution, BNP Paribas considers environmental, social and governance challenges to be a major focus of its business model and its social and environmental responsibility.

For over a decade, BNP Paribas has integrated environmental and social criteria into its financing and investment policies to direct its business model towards the support of the energy and ecological transition, by making pioneering commitments to restrict the financing of activities that are most harmful to the environment and the climate. The Group has participated in numerous collective efforts to structure sustainable finance in line with the 2015 Paris Climate Agreement Goals.

BNP Paribas' Social and Environmental Responsibility (CSR) strategy is based on an in-depth analysis of its environmental, social and governance (ESG) issues through a materiality matrix developed in consultation with its stakeholders, backed by a scientific framework¹

and benchmark principles². These environmental, social and governance issues are integrated in the heart of BNP Paribas' company purpose. This strategy allows the Group to consolidate a leading position in sustainable finance thanks to numerous solutions to support its clients' transition, including sustainable bonds, positive impact loans, sustainability-linked loans (SLL) and sustainability-linked bonds (SLB), socially responsible savings, inclusive financial offers, dedicated offers for energy efficient home renovations, sustainable mobility offers, etc..

In 2023, BNP Paribas was the world leader with USD 62.5 billion in ESG loans and bonds³



In 2023, BNP Paribas accelerated the shift from financing fossil fuels to low-carbon energy.

At 30 September 2023, **BNP Paribas' credit exposure to low-carbon energy production stood at EUR 32 billion** (including EUR 28.8 billion for renewable energy), up EUR 3.8 billion in one year. This represents **65% of energy production-related credit exposure**, and an increase of 10 points in one year. Considering this momentum, **the objective set in 2023 to reach at least EUR 40 billion in credit exposure to low-carbon energies representing 80% of outstanding energy production by 2030 was moved forward two years, to the end of 2028**. The new objective is now 90% by 2030.

Please note that this is a stock of loans granted over a number of years which customers will repay over a number of years. The major action taken from 2023 to accelerate new low-carbon loans and the divestment of fossil fuels will make it possible to achieve the 2028 and 2030 objectives.

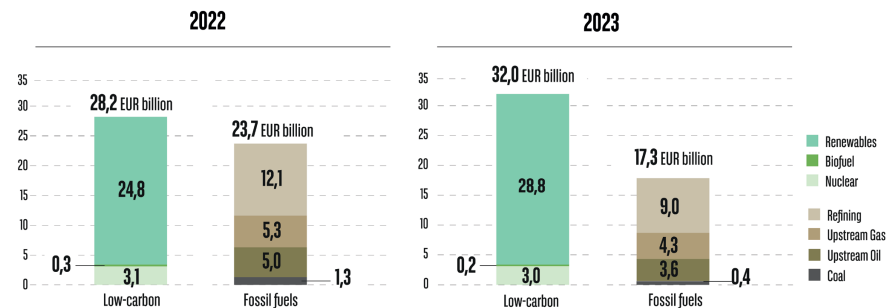
At the same time, the Group is continuing its trajectory of reducing financing for the sectors that emit the most greenhouse gases, with a EUR 1.4 billion decrease in its credit exposure for oil exploration-production, EUR 1 billion for gas exploration-production and EUR 3.1 billion for refining between the end of September 2022 and the end of September 2023.

The Group has amended its oil and gas policy: it no longer grants financing for the development of new oil or gas projects, regardless of the financing terms, nor to non-diversified players in oil exploration and production.

Also in 2023, BNP Paribas modified its mining policy to exclude any project financing related to the extraction of metallurgical coal, in addition to its commitment to phase out thermal coal.

Financing for low-carbon energy and fossil fuels

Credit facilities + contingent liabilities + securities on balance sheet, in billions of euros, at 30 September 2022 and 30 September 2023



BNP Paribas Asset Management and BNP Paribas Cardif have also set decarbonisation targets for their investment portfolios and updated their environmental footprint measurement this year. Within the framework of their activities, they are engaging in dialogue on ESG issues with the corporate clients in which they invest, in order to preserve and improve the medium- and long-term value of investments made on behalf of

third parties, and encourage the transition. BNP Paribas Asset Management encourages these corporate clients to make robust ESG commitments through their voting rights policies.

Through all of these actions, the Group is continuing its focus on the immense transformation effort that the entire economy must make.

BNP PARIBAS IS ON TRACK TO ACHIEVE ITS SUSTAINABILITY OBJECTIVES UNDER THE GTS 2025 PLAN

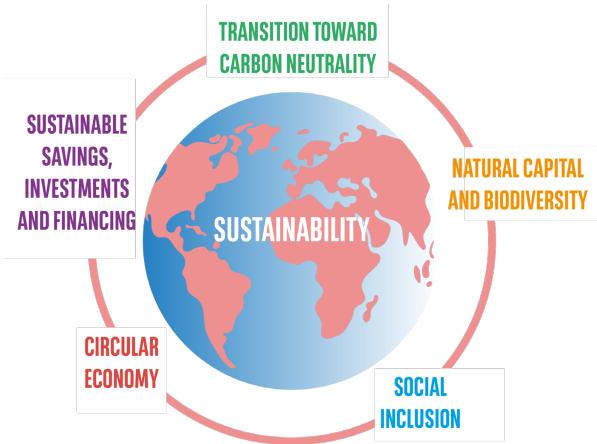
Aware of the necessity to integrate its CSR strategy into its business model in order to achieve its ambitious environmental, social and governance targets, in 2022, the Group launched its 2025 strategic plan entitled GTS (Growth, Technology, Sustainability). The Sustainability component is built around three strategic areas to serve its clients and society:

- aligning the Group's portfolios with trajectories compatible with collective carbon neutrality by 2050: BNP Paribas has published **financed targets to reduce its emissions by 2030 for three new industrial sectors (steel, aluminium, cement) in its climate report⁴**. These are added to the objectives of the first three sectors (power generation, oil and gas, automotive). The 2023 results for a reduction in the intensities of financed greenhouse gas emissions are in line with the intermediate alignment objectives of the loan portfolio, which are part of a net-zero emissions trajectory for 2050;
- supporting clients in the transition to a sustainable and low-carbon economy is enabled by the ever-

widening range of sustainable finance products. For the second consecutive year, in 2023 BNP Paribas was **the world leader in green bonds at USD 25.6 billion⁵**. This was made possible thanks to the expertise of its employees and in particular the 200 specialist bankers of the Low-Carbon Transition Group;

- strengthening an ESG culture, with a particular emphasis on the **ESG Assessment** roll-out for almost all of the Group's 3,000 largest corporate clients, and on increasing ESG knowledge in the Group thanks to the **Sustainability Academy**, which enabled more than 86,000 employees to take training courses on these topics in 2023.

The strategic plan's Sustainability pillar is implemented across five priority themes:



THE OBJECTIVES OF THE GTS 2025 PLAN ARE ROLLED OUT THROUGH QUANTITATIVE INDICATORS WITH OBJECTIVES FOR 2025

BNP Paribas has set its own specific targets in terms of sustainable finance that can be found within the 10 indicators of the Group's CSR dashboard. The monitoring of this CSR dashboard is carried out on an annual basis by the Group's Executive Committee and Board of directors. At the end of 2023, the Group can highlight results that are in line with its objectives.

The achievement of these CSR objectives determines the payment of 20% of the amount of the loyalty plan awarded in 2023 to more than 8,200 key Group employees (see A competitive compensation policy, Commitment 5). The achievement of the CSR objectives is also included for one third in the calculation of 15%

of the variable compensation awarded for 2023 to the Group's corporate officers. These CSR objectives taken into account for corporate officers are those that correspond to the loyalty plan payments to the Group's key employees during the year.

PILAR	INDICATOR	2022 RESULTS	2023 RESULTS	2025 OBJECTIVES
OUR ECONOMIC RESPONSABILITY	1 Amount of sustainable loans (in billions of euros)	87	117	150
	2 Amount of sustainable bonds (in billions of euros)	32	67	200
	3 Amount of assets under management in open-ended funds distributed in Europe under article 8 & 9 according to the SFDR (in billions of euros)	223	254	300
OUR SOCIAL RESPONSABILITY	4 Share of women among the SMP population (Senior Management Position)	35.2 %	37.1 %	40 %
	5 Number of solidarity hours performed by employees over two rolling years (#1MillionHours2Help)	1,126,142 (in 2021 and 2022)	1,268,515 (in 2022 and 2023)	1,000,000
	6 Share of employees who completed at least four training courses during the year	97.4 %	98.2 %	90 %
OUR CIVIC RESPONSABILITY	7 Number of beneficiaries of products and services supporting financial inclusion (in millions)	3.3	3.9	6
OUR ENVIRONMENTAL RESPONSABILITY	8 Amount of the support enabling our clients to transition to a low-carbon economy (in billions of euros)	44	104	200
	9 Amount of financing to companies contributing to protecting terrestrial and marine biodiversity (in billion of euros)	1.8	4.3	4
	10 Greenhouse gas emissions in teqCO ₂ /FTE	1.65	1.56	1.85

A LEADER IN GREEN FINANCE, ENERGY AND THE ECOLOGICAL TRANSITION

In 2023, BNP Paribas consolidated its leading position in ecological transition financing. Examples include the following:

- in terms of the energy transition, BNP Paribas was a major player in the Baltic Power project in Poland. The loan of more than EUR 4.4 billion is enabling the construction of the first offshore wind farm in Polish waters: it includes 76 wind turbines that will provide renewable energy to more than 1.5 million households from 2026. This was the largest offshore wind project in Europe in 2023.
- in terms of mobility, BNP Paribas participated in the financing of AESC (Automotive Energy Supply Corporation), a Japanese company and world leader in the design and production of batteries, for the construction of a gigafactory in France costing more than EUR 800 million. The plan is for 9 GWh of batteries to power 200,000 Renault electric vehicles per year from 2025.
- in terms of the circular economy, CPBF financed a foundry sand regeneration installation project reaching EUR 3.3 million. This innovative project will enable La Fonte Ardennaise, a major player in the foundry industry worldwide, to recycle 90% of black moulding sand, and thus save natural resources, stop

the landfilling of sand waste and reduce CO₂ emissions by 20,000 t/year.

- the BNP Paribas Climate Impact Infrastructure Debt is a fund launched in 2023 which aims to raise EUR 500-750 million from institutional investors. With an initial investment from BNP Paribas Cardif, it will support projects working for the energy transition in Europe focused on renewable energy, clean mobility and the circular economy, including new sectors such as batteries, hydrogen and carbon capture.



Financing of innovative solutions and research

BNP Paribas supports innovation in areas related to the ecological transition. Through its Ecological Transition Capital investment line, at the end of 2023, **BNP Paribas had already invested EUR 87.2 million in 12 innovative companies**, including CarbonWorks in France (CO₂ capture and recovery using microalgae) and Protix in the Netherlands (manufacturing for insect-based animal feed), and in eight funds.

In addition, the BNP Paribas Solar Impulse Venture fund invested in four innovative companies in 2023, including Hello Watt, which helps individuals reduce their carbon footprint through home renovations for energy efficiency.

BNP Paribas Asset Management acquired a majority stake in IWC (International Woodland Company), based in Denmark, which specializes in investment and advisory services for sustainable forestry, agriculture and natural ecosystems, as well as carbon credits and conservation projects.

At the end of 2023, a multi-year partnership was launched with the Naturalis Biodiversity Center, marking a new chapter in BNP Paribas' approach to protecting and restoring biodiversity. Bringing together more than 150 scientists, this institution is one of the main biodiversity knowledge and research centres in the world.



A COMMITMENT TO SOCIETY AT THE HEART OF BNP PARIBAS' OBJECTIVES

Three years after launching the very first **impact bonds** in France and in the European Union, **BNP Paribas is crossing a second milestone** with the BNP Paribas European Impact Bonds Fund 2, managed by BNP Paribas Asset Management and with a target size of EUR 70 million. **Nine new impact bonds were launched in 2023 for a total amount of EUR 28 million, in which the fund invested EUR 13 million.** These include the EUR 2.9 million impact bond operated by Andes, which aims to combat food waste and food insecurity on a large scale by recovering unsold food that does not meet standards.

With regard to **impact investments**, through its own budget of EUR 200 million or funds on behalf of third parties, the Group opts for direct equity investments in companies with a strong social and/or environmental impact. The **16 new investments (excluding reinvestments) made in 2023, for a total of nearly EUR 56 million**, included the following:

- Ecov, a shared mobility operator in areas where public transport is limited or non-existent;
- Urbilog, an iconic player in digital accessibility for people with disabilities (visual, auditory, motor, specific cognitive disorders, etc.).

2023 also marks the 30th year of the partnership between BNP Paribas and Adie (Association for the Right to Economic Initiative), which was renewed for three years. Since 1993, EUR 192 million in cumulative financing has been granted by CPBF to its partner, supporting nearly 40,000 entrepreneurs, (of which 22% do not have a diploma, 32% are under 30 years old and 46% are women) with more than 47,000 microloans granted by Adie.

In addition, BNP Paribas co-developed the first ISLF+ (inclusive & sustainability-linked financing) with its historical partners: Adie in France, PerMicro in Italy and Banco da Família in Brazil. In particular, they provide dedicated technical support and/or subsidised

rates to these microfinance players, depending on the achievement of social, environmental and/or just transition objectives.

Attentive to the societal challenges of the countries in which it operates, and to disadvantaged populations in particular, BNP Paribas has continued its efforts in terms of financial inclusion. Nickel, a Group subsidiary present in five European countries, offers opening a bank account with an IBAN and a payment card. It allows everyone, including people without access to traditional banking services, to pay and be paid. In 2023, Nickel reached nearly 3.7 million accounts, and of the people helped: 77% have an income of less than EUR 1,500 per month; 30% are unemployed, without regular income or living on benefits; and 30% do not have their own address.

Lastly, the BNP Paribas Foundation has also reinforced its actions, notably with a budget of EUR 20 million from the funds supporting the share buyback programme operated by the Group. This amount was paid to more than 90 organisations working in three current priority areas: the fight against extreme poverty and violence against women, integrating disadvantaged people into society (supporting refugees, equal opportunities, integration into the workplace) and climate and biodiversity. For example, there has been support for Les Restos du Coeur in France and its German equivalent Tafel, for food banks in France and Belgium, for the Abbé Pierre Foundation, for the Fédération nationale Solidarité Femmes and expanding support to associations for disadvantaged neighborhoods from France into Italy, as well as support for the IUCN and The Transition Institute 1.5°.

SUPPORTING OUR EMPLOYEES BY OFFERING THEM AN ENVIRONMENT AND PATHWAYS ADAPTED TO THEIR EXPECTATIONS

In 2023, against a complex economic and geopolitical backdrop, the Group continued its actions to:

- protect its employees by providing assistance wherever they may need it (Ukraine, Türkiye, Morocco, Middle East), and by deploying its prevention, health and well-being at work offer throughout the world through the We Care programme;
- widely promote its diversity and inclusion policy in all its areas, particularly during its Inclusion Days, which provided an opportunity to raise employee awareness on equal opportunities, prejudice, disability and financial inclusion, and measure employees' perception of these issues as part of the general Conduct & Inclusion survey re-run in 2023;
- reach the ambitious target in terms of gender equality of 37% women in senior management in 2023;
- develop the skills of its employees, particularly in IT, Data, Digital, and Sustainable Finance jobs, while offering them career development opportunities within the Group notably during the Career Days.








The Group employee engagement score⁵ measured around the themes of pride in belonging to the Group, adherence to the strategy and involvement in work reached a high level of nearly 85 out of 100 in 2023.



THE GROUP'S CSR ACTIONS AND RESULTS ARE RATED POSITIVELY

Several organisations and specialized publications have acknowledged the Group's improved CSR performance. Indeed, BNP Paribas:

- was named "Best bank for sustainable finance" in the world in 2023 for the third year running, by Euromoney6, the leading finance magazine, and "ESG Financing House" by the Institutional Financing Review (IFR)7;
- is the only French bank in the 2024 ranking of the "Global 100 most sustainable companies" by the Canadian magazine Corporate Knights8 where it appears for the 10th consecutive year;
- was used as an example by the NGO ShareAction in its 2023 report on green finance for having defined a renewable energy target in the production portfolio of the International Energy Agency (IEA), and an electric vehicle target for its automotive portfolio9;
- was recognised for its commitments to fight against deforestation by the NGO Global Canopy, which ranked BNP Paribas at the top of 150 financial institutions in its Forest500 ranking for 202310.

RATING AGENCIES	RATING (year of latest rating)	COMMENTS/RELATED INDICES
	4.4/5 (2023)	In the top 11% of the banking industry FTSE4 Good Global Index Series
	70/100 (2023)	Above-average for the sector and 2nd in the Diversified banks category Euron est-Vigeo Eiris: World 120, Europe 120, Euro 120 and France 20
	73/100 (2023)	In the top 4% of the banking industry (1% for the environment) DISI World - DISI Europe
	AA (2023)	Above average for financial institutions. Leader in the environmental sector (10/10 compared to 5/10 for the sector average)
	Medium risk 24.6/40 (fév. 2024)	Above-average performance for the Banks sector and Diversified banks sub-sector
	C+ (2023)	Prime status, in the top 10% of Commercial Banks & Capital Market
	A (2023)	On the A-list which covers the top 1.5% of companies according to the climate questionnaire rating

THE CORPORATE SOCIAL RESPONSIBILITY (CSR) STRATEGY

The Group's CSR strategy, in line with the 17 United Nations Sustainable Development Goals, consists of supporting all clients, individuals, companies and institutions in their transition to a carbon-neutral economy that makes reasonable use of the planet's resources, allows the inclusion of the most vulnerable and respects human rights.

It is structured around four pillars and 12 commitments that reflect the Bank's CSR challenges, as well as its concrete achievements. This strategy, which is part of a process of continuous improvement, aims to contribute to building a more sustainable world while ensuring the Group's stability and performance. This ambition is reflected in the GTS 2025 strategic plan (Growth, Technology, Sustainability), of which Sustainability issues are one of the pillars. Its deployment involves all of the Group's business lines, networks, subsidiaries and countries, under the guidance of governance organised at the highest level of the Bank.

A BANK COMMITTED TO A BETTER FUTURE

OUR 4 PILLARS

Our ECONOMIC responsibility

Financing the economy in an ethical manner

Our SOCIAL responsibility

Supporting our employees by offering them an environment and pathways adapted to their expectations

Our CIVIC responsibility

Being a positive agent for change

Our ENVIRONMENTAL responsibility

Accelerating the ecological and energy transition

OUR 12 COMMITMENTS

1

Financing and investments with a positive impact

4

Promotion of diversity equality and inclusion

7

Products and services that are widely accessible

10

Enabling its clients to transition to a low-carbon economy respectful of the environment

2

Ethics of the highest standard

5

A « Good place to work » and responsible employment management

8

Supporting human rights and combatting social exclusion

11

Reducing the environmental impact of its operations

3

Systematic integration and management of environmental, social and governance risks (ESG)

6

A learning company supporting dynamic career path management

9

Corporate philanthropy policy focused on the arts, solidarity and the environment

12

Advancing awareness and sharing of best environmental practices

GOVERNANCE

driven by a culture of responsibility and integrity ;

based on best practices ;

involving the Board of Directors, the shareholders, the management and the whole Group ;

to ensure a sustainable future for our business and deliver a positive impact on society.

CSR DASHBOARD INDICATOR DEFINITIONS

Amount of sustainable loans: amount of loans at the end of 2023, drawn and undrawn, identified as sustainable by an internal classification system, granted by BNP Paribas to its clients. The Group's transaction classification principles are based on external market standards such as those of the Loan Market Association and the European Taxonomy in Europe.

Amount of sustainable bonds: cumulative amount at the end of the year of all types of bonds identified as sustainable according to the guidelines of the ICMA (International Capital Market Association) issued by corporate clients, financial institutions and sovereign clients, and arranged by BNP Paribas (total amount divided by the number of bookrunners).

Amount of assets under management at year-end in open-ended funds distributed in Europe under articles 8 and 9, according to SFDR. These are BNP Paribas Asset Management funds.

Share of women among the SMP population: the Group's Senior Management Position population is composed of employees holding approximately 3,000 positions considered to have the most significant impact from a strategic, commercial, functional and expertise point of view. The percentage is calculated on the basis of SMP positions occupied.

Number of solidarity hours performed by employees: as part of the #1MillionHours2Help programme including the long-term corporate volunteering set up under the Diversity and Inclusion Agreement in France.

Share of employees who completed at least four training courses during the year, including mandatory training such as compliance.

Number of beneficiaries of products and services promoting financial inclusion: number of Nickel accounts opened since the creation and number of beneficiaries of microloans distributed by microfinance institutions financed by the Group (pro rata of the financing) at the end of the year.

Amount of support for our clients in the transition to a low-carbon economy: cumulative amount at year-end of financial support identified as contributing to the transition to a low-carbon economy, according to an internal classification system. This amount covers part of the amounts of indicators 1 (sustainable loans) and 2 (sustainable bonds), as well as the financial support provided in some cases in the form of private placements, financial advice and IPOs.

Amount of financing to corporate clients contributing to the protection of terrestrial and marine biodiversity: cumulative amount at the end of the year of financial products and services (loans, bonds, etc.) that help protect terrestrial and marine biodiversity²¹. The contribution to the protection of biodiversity is identified by an internal classification system. This amount covers part of the amounts of indicators 1 (sustainable loans) and 2 (sustainable bonds).

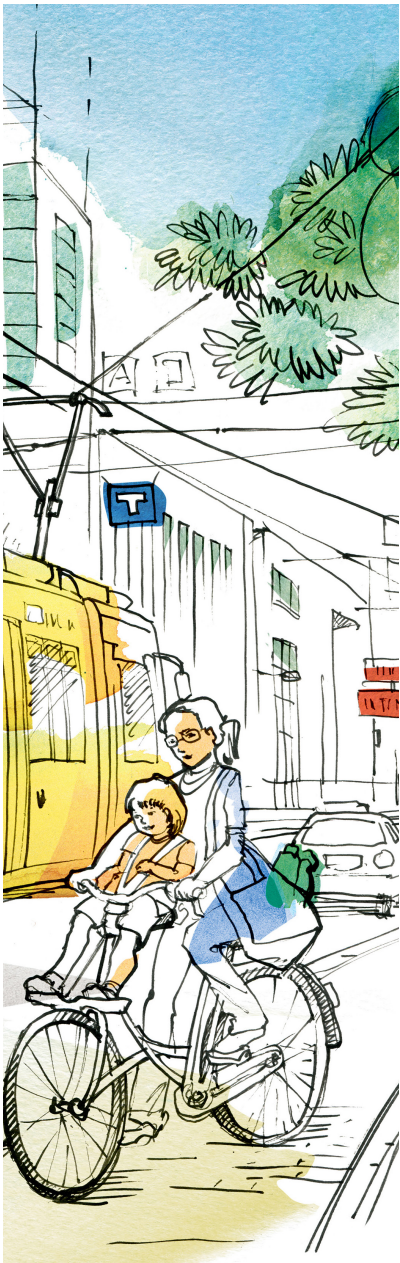
Greenhouse gas emissions in teqCO₂/FTE (kWh buildings and business travel): greenhouse gas emissions for scope 1 (direct emissions from the combustion of fossil fuels), scope 2 (indirect emissions from the purchase of energy) and, for a part of scope 3 (emissions related to employee business travel), in proportion to the number of Group employees (FTE).

In terms of energy, BNP Paribas makes the following distinction:

- **renewable energy**, including wind and marine energy, photovoltaic solar energy, concentrated solar energy, hydroelectricity, geothermal energy, bioenergy (including biofuels except for first generation);
- **low-carbon energy**, including renewable and nuclear energy sources. The scope of low-carbon energy could evolve according to technological progress to gradually go beyond the production of energy and include other steps in the value chain such as transport, storage or distribution of low-carbon energy.

NOTES

- 1 Based primarily on publications by the IPCC (Intergovernmental Panel on Climate Change), the IPBES (Intergovernmental Science and Policy Platform on Biodiversity and Ecosystems) and the IEA (International Energy Agency).
- 2 Based primarily on the United Nations Sustainable Development Goals and Guiding Principles on Business and Human Rights, and on the fundamental conventions of the ILO (International Labour Organization).
- 3 Source : Dealogic
- 4 BNP Paribas 2022 Climate Report, published May 2023: https://cdngroup.bnpparibas.com/uploads/file/bnp_paribas_2022_climate_report.pdf
- 5 Measured from surveys carried out during 2023 by the Group's various business lines and entities, covering 86% of the Group's workforce at 31/12/2023, and for which 69% of the employees questioned responded.
- 6 "The world's best bank for sustainable finance 2023: BNP Paribas", Euromoney, 13 July 2023: <https://www.euromoney.com/article/2bpje7xcxrnilt4ivixa9/awards/awards-for-excellence/the-worlds-best-bank-for-sustainable-finance-2023-bnp-paribas>
- 7 "ESG Financing House: BNP Paribas", IFR Awards 2023, 2 February 2024: <https://www.ifre.com/story/4287643/esgfinancing-house-bnp-paribas-vrzps73ggq>
- 8 "The Global 100 list: How the world's most sustainable corporations are driving the green transition", Corporate Knights, 17 January 2024: <https://www.corporateknights.com/rankings/global-100-rankings/2024-global-100-rankings/the-20th-annual-global-100/>
- 9 ShareAction report, November 2023: <https://cdn2.assetsservd.host/shareaction-api/production/resources/reports/Green-Ambitions-Grey-Realities.pdf>
- 10 Forest 500 Annual Report 2023, February 2023: https://forest500.org/sites/default/files/forest_500-2023_annual_report.pdf
- 11 Examples: implementation of more biodiversity-friendly practices in the upstream supply chains of agricultural commodities, increase in the share of agricultural commodities that do not contribute to deforestation, rehabilitation of quarries after use, etc.



For more information about
BNP Paribas' CSR strategy, please refer
to the Group 2023 Universal Registration Document

https://bnpp.lk/Universal_Registration_Document_Financial_Report_2023

The ESG Transparency and Performance team within Group CSR would like to take this opportunity to thank each of the many contributors who help make it possible to produce the Chapter 7 of the Universal Registration Document as well as this summary version.

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