

REPORTING ON EQUATOR PRINCIPLES IMPLEMENTATION

—
2025



BNP PARIBAS

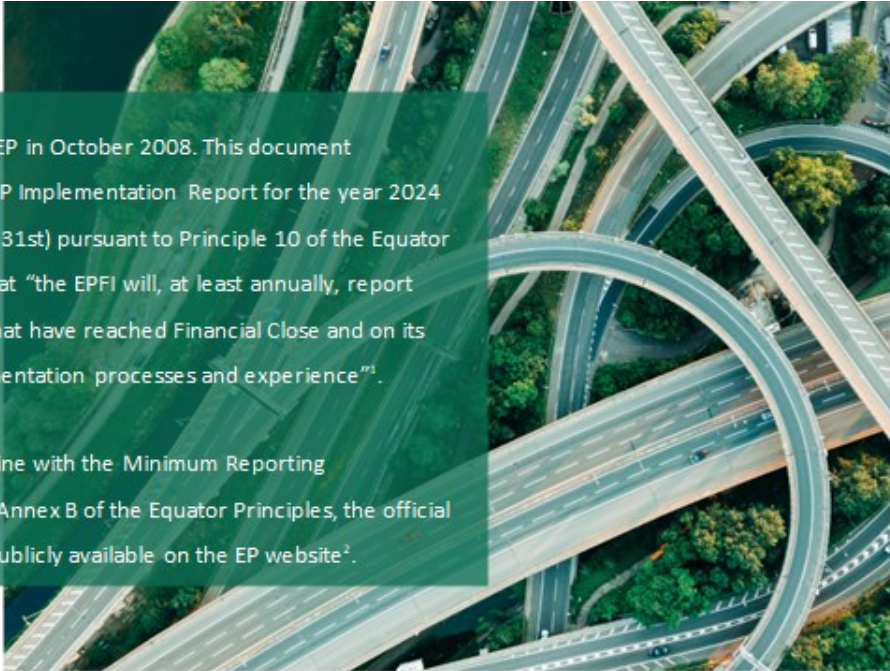
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INTRODUCTION

The Equator Principles (EP) have become the leading financial industry benchmark for determining, assessing and managing environmental and social (E&S) risk in projects. They are based on the International Finance Corporation Performance Standards (PS) and the World Bank Group Environmental, Health & Safety (EHS) Guidelines, which are comprised of both general and industry specific sets of documents. As of June 2026, around 130 financial institutions have adopted the Equator Principles.

Launched in 2003, the EP enforced its fourth version (EP4) starting October 2020. In its final version, EP4 brought additional requirements for more sensitive projects including dedicated Human Rights and Climate Change Risk Assessments, broader application of the EP standards for both Designated and Non-designated countries and significant changes to the financial instruments and thresholds covered by the EP.



BNP Paribas adopted the EP in October 2008. This document constitutes BNP Paribas' EP Implementation Report for the year 2024 (January 1st to December 31st) pursuant to Principle 10 of the Equator Principles, which states that "the EPFI will, at least annually, report publicly on transactions that have reached Financial Close and on its Equator Principles implementation processes and experience"¹.

While this reporting is in line with the Minimum Reporting Requirements detailed in Annex B of the Equator Principles, the official reporting information is publicly available on the EP website².

¹ https://equator-principles.com/app/uploads/The-EquatorPrinciples_EP4_July2020.pdf

² <https://equator-principles.com/members-reporting/>

GENERAL CONSIDERATIONS

Equator Principles Financial Institutions (EPFIs) undertake not to support projects where the borrower will not or is unable to comply with E&S requirements arising from the application of the EP.

Principle 1 of the EP requires EPFIs to categorize projects based on the associated potential E&S risks and/or impacts.

Project categorization under the EP is in line with the recommendations of the IFC's environmental and social categorization process and is defined as followed:

CATEGORY A

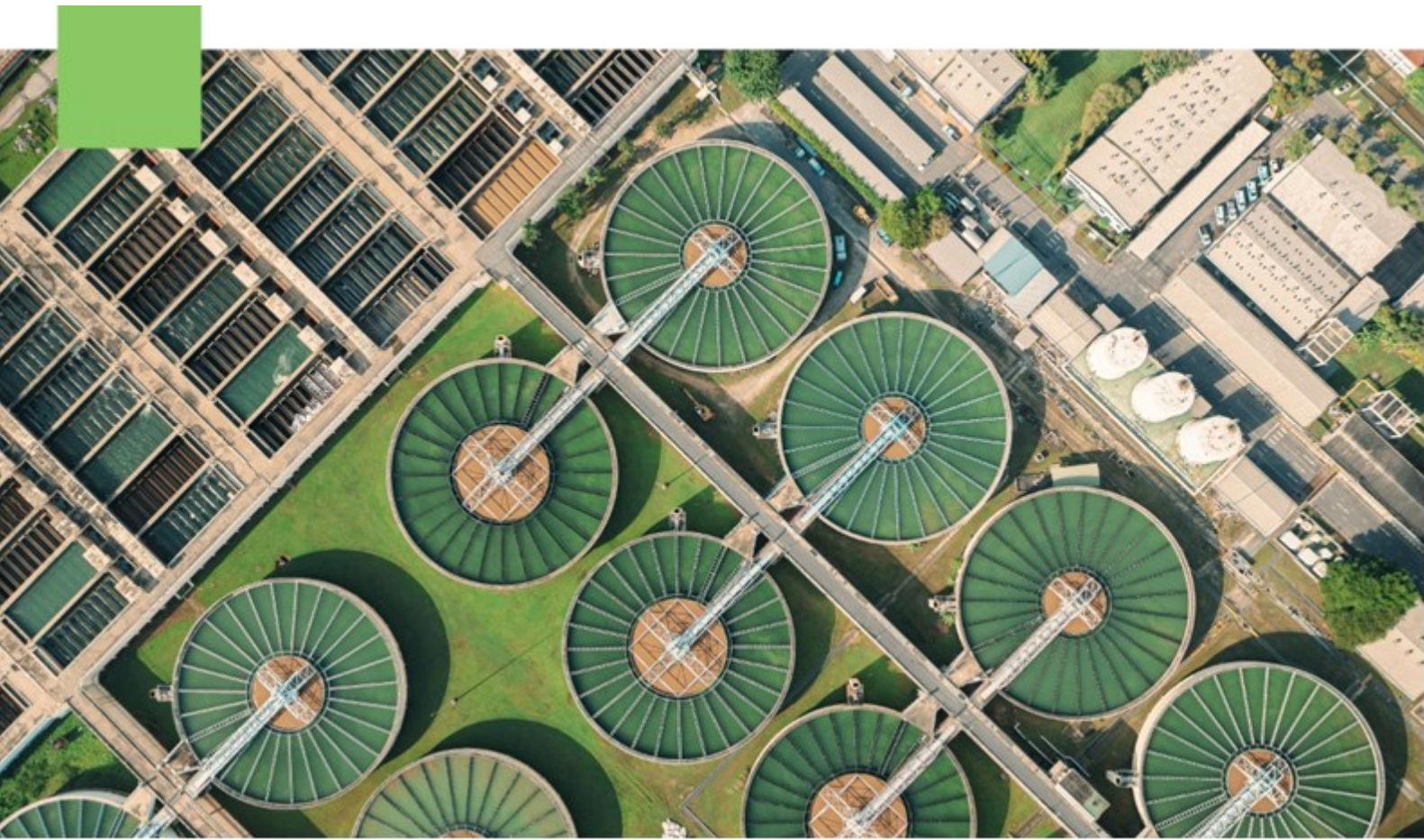
For projects with potential significant adverse E&S risks and/or impacts that are diverse, irreversible or unprecedented.

CATEGORY B

For projects with potential limited adverse E&S risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

CATEGORY C

For projects with minimal or no E&S risks and/or impacts.





The initial categorization is crucial because it triggers the level of due diligence to be undertaken. It is based on an assessment of the potential environmental and social risks of a project without considering mitigation measures. It is worth insisting on the fact that project categorization (A, B or C) does not constitute a rating of the project's E&S performance nor a way of pre-selecting or excluding projects based on E&S concerns. In that sense, a project initially categorized as "A" will trigger a high level of due diligence resulting in the implementation of adequate mitigations measures that will eventually lower the level of E&S risks initially assessed. In addition, projects with E&S risks that BNP Paribas would deem unacceptable, or for which there would be no satisfactory mitigation prospects, will not be pursued.

It is also important to note that the project categorization may evolve between mandate signing (or any form of commitment by BNP Paribas) and the credit committee stage (for lending mandates), as a result of additional information on E&S risks becoming available during the due diligence phase. However, once a transaction is approved internally (e.g. green light from the credit committee), the project categorization is not modified further.

Based on the identified project risks and the extent of related impacts, the Equator Principles require the client to carry out mitigation measures, in a comprehensive and structured manner, through the implementation of Environmental & Social Management Plans (ESMP), in order to comply with the applicable E&S standards throughout the life of the project. An Action Plan (AP) may also be negotiated with the borrower to address gaps identified and ensure compliance with EP requirements. An overarching Environmental and Social Management System is also defined and implemented by the project company to address the management of the actions described in the ESMP and AP.

For projects located in Non-Designated Countries and, depending on their particular risks, in Designated Countries³, in addition to host country laws, regulations and permits, the assessment process evaluates compliance with the IFC Performance Standards and World Bank Group EHS Guidelines, considered as good international industry practices.

One of the major strengths of the Equator Principles is the contractual obligation for the client under the financing documents to regularly demonstrate its compliance with the proposed AP as well as with the relevant laws, regulations and permits, through the inclusion of covenants and other conditions in the project's contractual structure⁴.

For the most sensitive projects, an independent consultant is mandated by the lenders to review and monitor the project's E&S documentation and performance, during the planning, design, construction and operation phases, over the life of the loan.

³ <https://equator-principles.com/about-the-equator-principles/designated-countries/>

⁴ https://equator-principles.com/app/uploads/Loan_documentation_EP_Dec2020.pdf

IMPLEMENTATION OF THE EQUATOR PRINCIPLES

BNP Paribas considers that E&S due diligence is an integral part of the regular due diligence conducted for project-related transactions. Business lines therefore remain essentially in charge of applying the EP process as they are in the frontline of the business activity.

1. ROLES AND RESPONSIBILITIES

Business lines and ESG teams act as first line of defense on ESG risks. While Business Lines are responsible for identifying transactions in scope of the EP and for initiating the E&S due diligence, ESG teams systematically review projects' E&S impacts and challenge the categorization proposed by the Business Lines. ESG teams are functionally independent from the business lines and its level of involvement in a given transaction depends on the level of E&S risks and associated impacts.

RISK function acts as the second line of defense on ESG risks as part of the credit process, and reviews and challenges the outcome of the assessment performed by the Business lines and CIB ESG team.

2. PROJECT CATEGORIZATION

In order to ensure a consistent categorization of projects based on their E&S risk and impacts, all relevant business lines worldwide must use the Categorization Tool (CAT), a project categorization tool developed internally by BNP Paribas. Based on a project's potential risks and associated impacts, the tool suggests a category (A, B+, B or C).

Within Projects categorized as Category B, there can be a range in the scale of potential environmental and social risks and impacts. In general terms, higher risk Category B Project are treated similarly to Category A projects, and lower risk Category B Projects could be treated in a lighter regime. On this basis, BNP Paribas adopted a Category B+ aiming to capture higher risk Category B Projects. In regards to due diligence requirements, Category B+ projects shall strive to meet the standards for Category A projects. If in any case the additional requirements cannot be achieved for a certain Category B+ project, the business team can contact CIB ESG to discuss if alternatives can be sought on a case-by-case basis.

3. E&S CONSIDERATIONS IN THE CREDIT PROCESS

The implementation of the EP framework within BNPP is governed by a dedicated CIB procedure and business specific credit policies.

The procedure framework enables the early detection of sensitive projects (i.e. that present significant E&S risks) so that they can be brought to the attention of senior management prior to any - firm commitment. Business lines are then able to engage with the client on environmental & social aspects early in the financing process.

While E&S considerations are systematically included in every credit proposal, Category A (high sensitivity) projects are systematically discussed during the credit committee, with participation of ESG experts.

4. TRAINING

BNP Paribas developed a e-learning module on the Equator Principles implementation, scope of application and associated due diligence. This e-learning is available to all staff worldwide, with communications being sent to the regional CSR points of contact, to guarantee it reaches all relevant teams.

INDEPENDENT REVIEW OF BNP PARIBAS'S IMPLEMENTATION OF THE EQUATOR PRINCIPLES

In line with the Equator Principles (EP) Governance Rules, which require Equator Principles Financial Institutions to undertake a periodic independent review of their EP implementation framework, BNP Paribas has conducted its first Independent Review in 2026. The review was performed by an internal consulting team, functionally and hierarchically independent from the stakeholders involved into the Equator Principles implementation process.

The review assessed the consistency of BNP Paribas' Equator Principles framework, including related governance, procedures, roles and responsibilities, and tested its effective implementation through a sample of 8 transactions. The review confirmed BNPP is in general well equipped to ensure the respect of the EP, both in terms of processes and expertise – particularly within CIB.

In terms of areas for improvement, the review identified:

1. strengthening Group governance around EP implementation;
2. harmonize EP implementation principles across the Group, notably by leveraging on CIB well established framework;
3. improve EP eligibility screening process for Project-Related Corporate Loans.

BNPP will implement an action plan to address the areas of improvements identified during the Independent Review.

Through this first exercise, BNP Paribas further demonstrates its commitment to responsible project financing and to the continuous improvement of its environmental and social risk management practices.



PROJECT FINANCE TRANSACTIONS IN 2025

The table below provides a breakdown of the 53 Project Finance transactions that have reached financial close in 2025, and to which the Equator Principles were applicable. Breakdowns are provided by Category (A, B, or C) and then by sector, region, country designation, and by whether an independent review has been carried out.

	Category A	Category B	Category C	Total
Total	0	43	10	53
Sector				
Metals & Mining	0	1	0	1
Infrastructure	0	0	1	1
Oil & Gas, Petrochemicals	0	0	0	0
Power	0	36	7	43
Renewables	0	34	6	40
Biomass/Energy from Waste	0	0	1	1
Electricity transmission	0	1	0	1
Non-renewable Gas	0	1	0	1
Hydropower	0	0	0	0
Other	0	0	0	0
Information not available	0	0	0	0
Others	0	6	2	8
Region				
Americas	0	19	4	23
EMEA	0	16	6	22
Asia Pacific	0	8	0	8
Country Designation				
Designated	0	36	10	46
Non Designated	0	7	0	7
Independent Review				
Yes	0	37	5	42
No	0	6	5	11

(*) It should be noted that the Independent Review can be performed either by a dedicated environmental & social consultant, or by the technical consultant, when its environmental & social expertise was considered acceptable given the characteristics of the project.

PROJECT-RELATED CORPORATE LOANS TRANSACTIONS IN 2025

During the reporting period, 12 Project-Related Corporate Loans covered by the Equator Principles, reached financial close.

The table below provides a breakdown of these transactions by Category (A, B, or C) and then by sector, region, country designation, and by whether an independent review has been carried out.

	Category A	Category B	Category C	Total
Total	1	11	0	12
Sector				
Metals & Mining	0	4	0	4
Infrastructure	0	0	0	0
Oil & Gas, Petrochemicals	0	0	0	0
Power	1	3	0	4
Renewables	0	3	0	3
Biomass/Energy from Waste	0	0	0	0
Electricity transmission	0	0	0	0
Non-renewable Gas	0	0	0	0
Hydropower	0	0	0	0
Other	1	0	0	1
Information not available	0	0	0	0
Others	0	4	0	4
Region				
Americas	0	4	0	4
EMEA	1	5	0	6
Asia Pacific	0	2	0	2
Country Designation				
Designated	1	7	0	8
Non Designated	0	4	0	4
Independent Review				
Yes	1	8	0	9
No	0	3	0	3

(*) It should be noted that the Independent Review can be performed either by a dedicated environmental & social consultant, or by the technical consultant, when its environmental & social expertise was considered acceptable given the characteristics of the project.

PROJECT-RELATED REFINANCING TRANSACTIONS IN 2025

During the reporting period, 4 Project-Related Refinancing Transactions covered by the Equator Principles, reached financial close.

The table below provides a breakdown of these transactions by Category (A, B, or C) and then by sector, region, country designation, and by whether an independent review has been carried out.

	Category A	Category B	Category C	Total
Total	0	2	2	4
Sector				
Metals & Mining	0	0	0	0
Infrastructure	0	0	0	0
Oil & Gas, Petrochemicals	0	0	0	0
Power	0	1	2	3
Renewables	0	1	2	3
Biomass/Energy from Waste	0	0	0	0
Electricity transmission	0	0	0	0
Non-renewable Gas	0	0	0	0
Hydropower	0	0	0	0
Other	0	0	0	0
Information not available	0	0	0	0
Others	0	1	0	1
Region				
Americas	0	1	0	1
EMEA	0	1	2	3
Asia Pacific	0	0	0	0
Country Designation				
Designated	0	2	2	4
Non Designated	0	0	0	0
Independent Review				
Yes	0	2	0	2
No	0	0	2	2

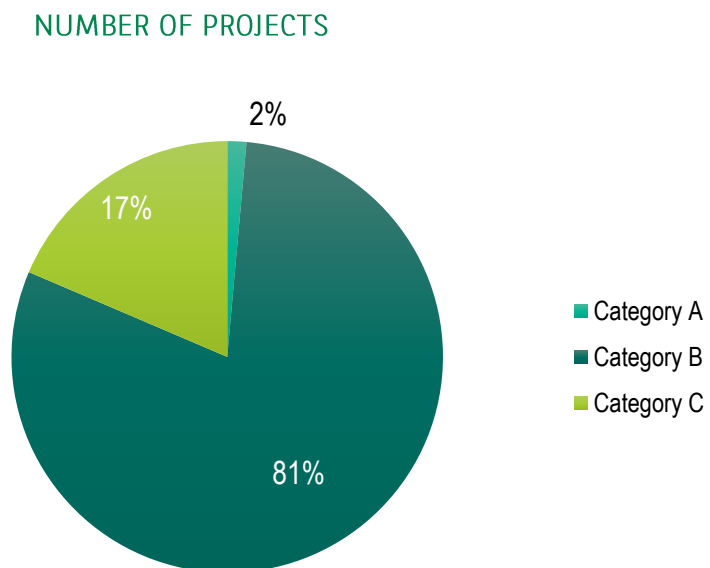
(*) It should be noted that the Independent Review can be performed either by a dedicated environmental & social consultant, or by the technical consultant, when its environmental & social expertise was considered acceptable given the characteristics of the project.

ADDITIONAL REPORTING ON PROJECTS

The reporting below, provides an additional perspective on the influence that EPFIs as a whole, incl. BNP Paribas, can have as 'promoters of good E&S practices' on the global project financing market, which is comprised of both EPFIs and non-EPFIs.

In 2025, January to December, BNP Paribas financed a total of 69 transactions under the Equator Principles, i.e., Project Finance, Project-Related Corporate Loans and Project-Related Refinancings, across EMEA, Americas and APAC regions.

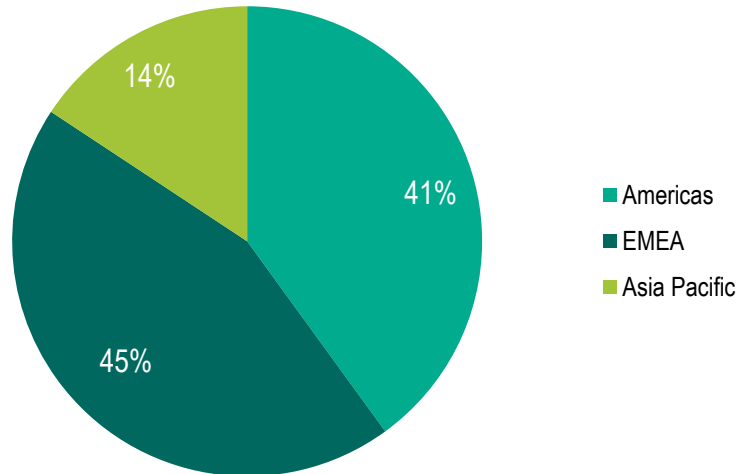
BREAKDOWN BY CATEGORY



Category B Projects represent the vast majority of the total number of Projects reviewed by BNP Paribas. As mentioned previously, BNP Paribas as adopted a B+ category which, in 2025, represented around 30% of the total number of B categories.

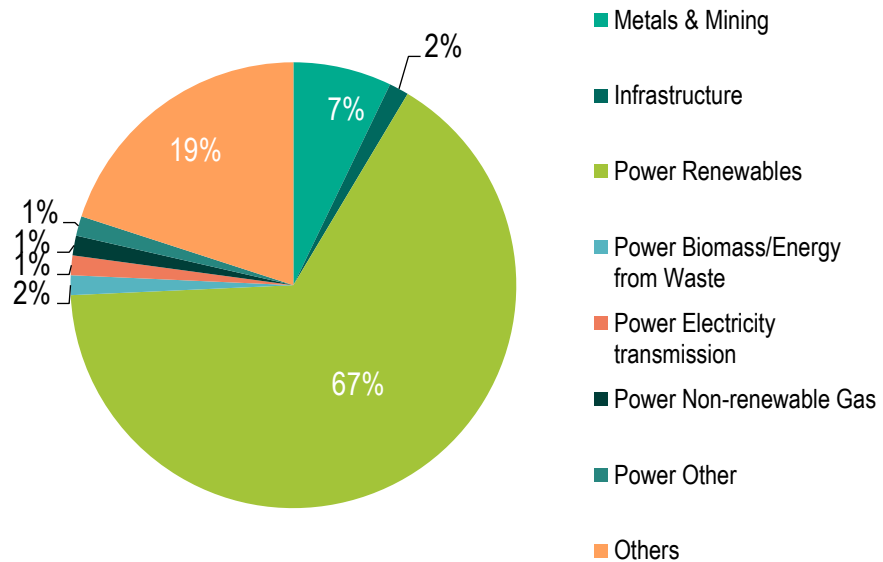
BREAKDOWN BY REGION

NUMBER OF PROJECTS



BREAKDOWN BY SECTOR

NUMBER OF PROJECTS



The breakdown above indicates that in 2025, "Power Renewables" represented the largest share of projects financed under the Equator Principles, accounting for 66%. The "Others" category ranked second, contributing to 20% of the total number of projects financed by the Bank. In 2025, this category included projects such as data centers and battery storage related projects.

CONTRIBUTION TO THE EQUATOR PRINCIPLES DEVELOPMENT

BNP Paribas has been actively involved in the development of the Equator Principles, either as a steering committee member or as part of various working groups on issues such as climate change, scope of application, and governance. BNP Paribas has notably played an active role in the revision process that led to the third version of the Equator Principles published in June 2013.



In particular, BNP Paribas acted as co-lead in the reporting & transparency task force (comprising representatives of over 20 EPFIs), which worked on improving EP reporting quality and consistency among EPFIs (Principle 10), as well as enhancing project-level transparency.

BNP Paribas was actively involved in the EP IV revision process, notably by participating in the working group of Social Impact and Human Rights and thus taking part of the discussions of the Guidance Notes on Implementation of Human Rights Assessments and Evaluation Projects with Affected Indigenous People. BNP Paribas was one of the EPFIs that requested that the EP Association review the applicable standards in Designated Countries. On that note, BNP Paribas also contributed to the dedicated section in the EP Implementation Note.





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