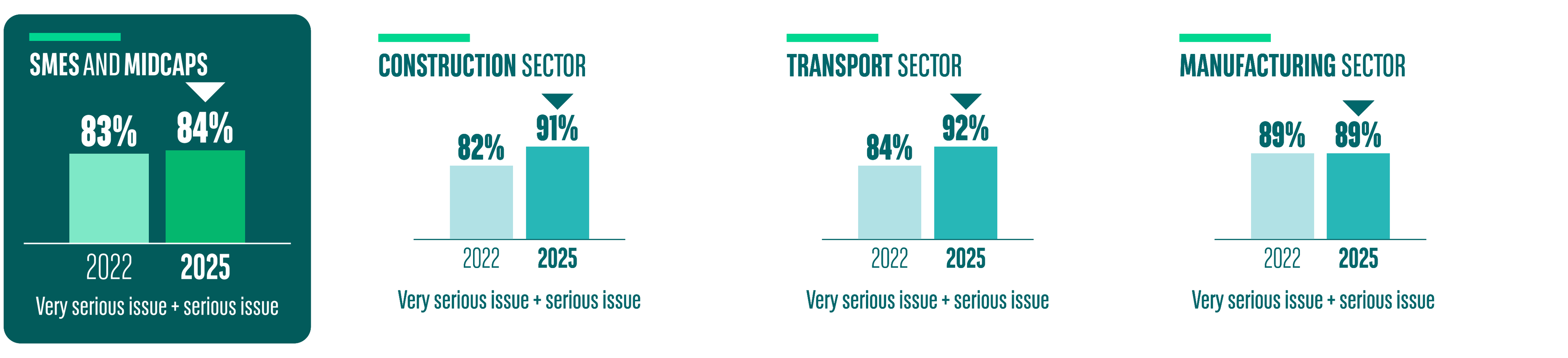
STUDY ON THE TRANSITION OF EUROPEAN SMES AND MIDCAPS IN 2025

After an initial study carried out in 2022, BNP Paribas commissioned a new study from the Anglo-Saxon Institute Potloc in 2025 to assess the changing needs of 1,500 small and medium-sized enterprises in five countries (France, Italy, Belgium, Poland and Luxembourg) in regard to their bank and the transition.

1 ENERGY TRANSITION, A CHALLENGE FOR SMES AND MIDCAPS

In 2025, the energy transition remains a challenge for SMEs and MidCaps (84% vs. 83% in 2022) particularly for the manufacturing, transport and construction sectors.

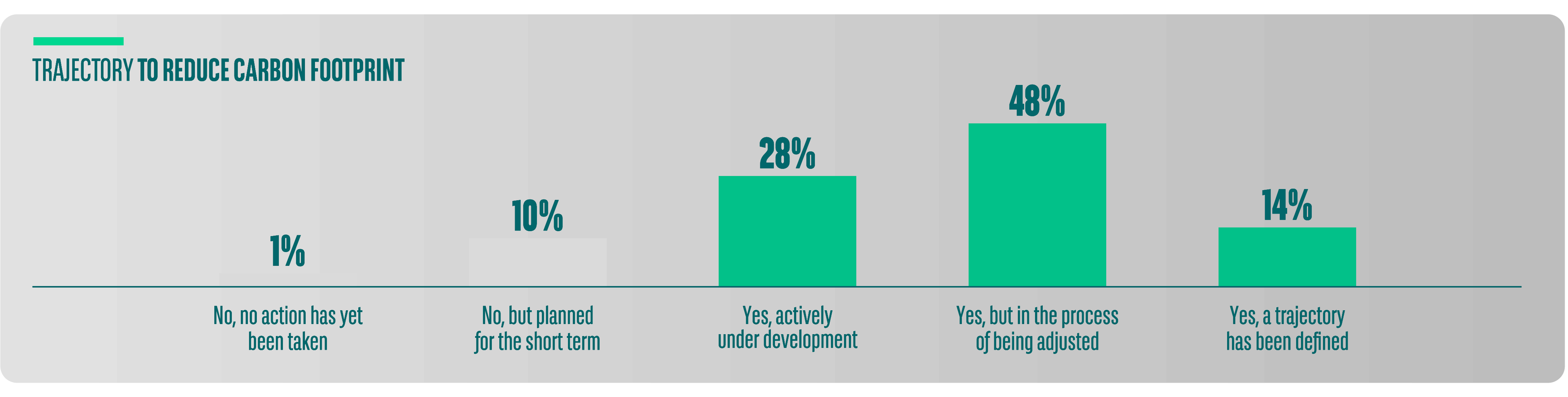
To what extent are greenhouse gas emissions and their reduction a challenge for your company?



> ***"To achieve carbon neutrality, we need to heavily invest in green technologies. Cement production plays an important role in carbon emissions, and we plan to use carbon-negative concrete in all our future projects."***
>
> CEO of a construction SME, Luxembourg

Have you determined a trajectory for reducing your company's carbon footprint?

9 out of 10 companies have set a path to reduce their carbon impact or are in the process of doing so.

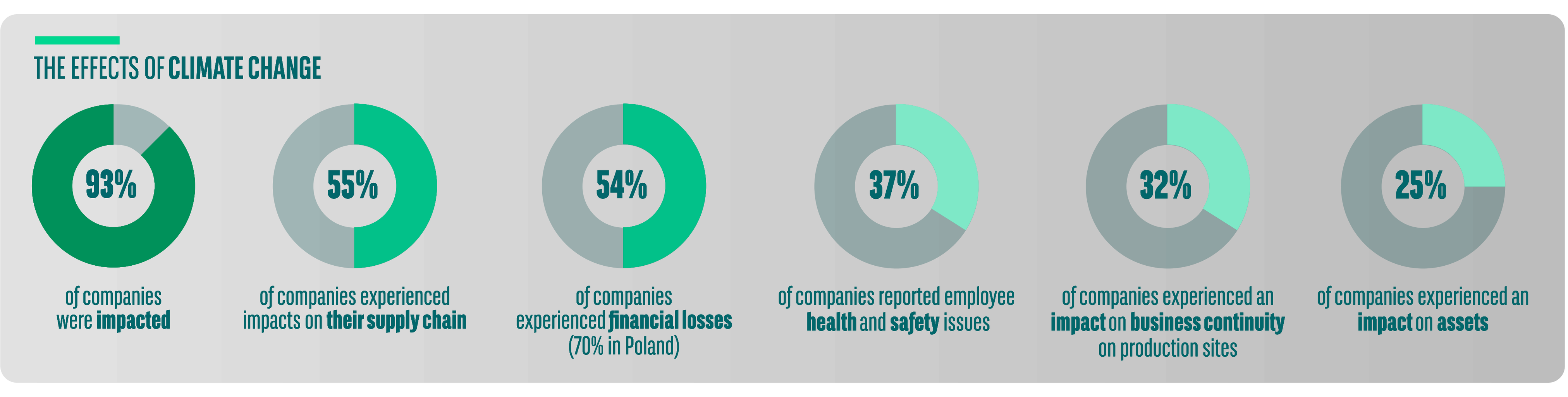


> ***"By adopting climate-resilient strategies, the company will be ready to meet future challenges, ensuring greater sustainability."***
>
> Head of Finance of an industrial MidCap company, Italy

2 CLIMATE CHANGE IS ALREADY HAVING AN IMPACT ON COMPANIES

93% of companies are impacted by the effects of climate change.
For 55%, this impacts their supply chain and 54% (up to 70% in Poland) suffer financial losses.

Is your company's business impacted or has it been impacted in the last 3 years by the physical risks linked to climate change?

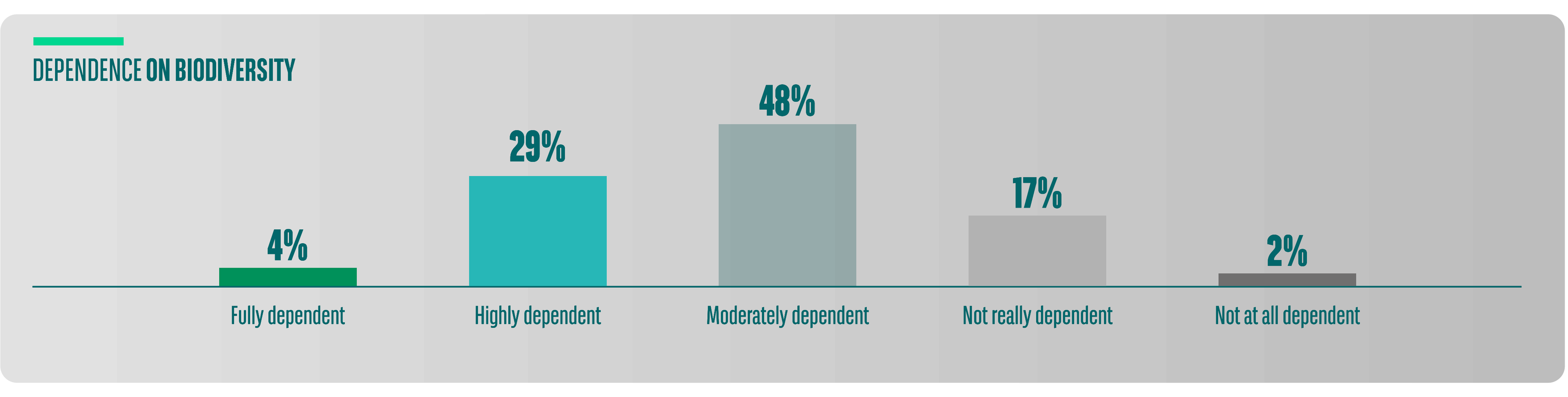


> ***"Natural disasters, as well as issues with tariffs, generate unexpected disruptions in our supply chain and cause unforeseen expenditures."***
>
> CEO of a logistics SME, Belgium

3 SMES AND MIDCAPS STILL SHOW LIMITED CONCERN FOR BIODIVERSITY AND WATER ISSUES

Only 1 in 3 companies report a significant dependence on biodiversity (with the exception of the agriculture sector).
A majority of these companies do not expect their bank to provide support on this issue. The same is true for water resources.
The agriculture and agri-food sectors are an exception and feel that they are affected by these two issues by more than 60%.

How dependent is your company's value chain on biodiversity and natural capital?



EXPECTATIONS OF THE BANK **ON BIODIVERSITY AND WATER ISSUES**

Do you expect your bank to support you on **the subject of biodiversity**?

NO All non-agri-food sectors **54%**

Agriculture and agri-food sectors **YES** **68%**

Do you expect your bank to support you on **the subject of water resources**?

NO All non-agri-food sectors **58%**

Agriculture and agri-food sectors **YES** **60%**

> ***"Conservation of water resources is an issue for which we still need to raise awareness."***
>
> CEO of a food industry SME, Belgium

4 SMES AND MIDCAPS EXPECT SUPPORT FROM THEIR BANKERS IN THREE PRIORITY AREAS:

3 PRIORITY AREAS

- **Financing their transition** and facilitating access to public subsidies
- **Understanding ESG regulatory requirements** and making them a strategic business lever
- **Covering the risks associated** with the effects of climate change and the new equipment needed for the transition (for example, solar panels and wind turbines)

OTHER AREAS

- **Access to a technical partner specialising** in renewable energy solutions
- **Relationship with a digital supplier** to calculate their carbon footprint
- **Access to a green mobility offer**

> ***"We are looking for help in understanding and accessing the various subsidies and tax credits available for environmental and social initiatives."***
>
> CEO of an industrial MidCap, Italy

> ***"The bank's support is critical to maintaining confidence with our customers and ensuring standards are met, while also strengthening our commitment to sustainable development."***
>
> Head of Finance of a MidCap in the agri-food sector, France

> ***"It would be very useful for us to have access to experts to help us create and implement an ESG strategy focused on reducing carbon emissions and protecting the environment."***
>
> Finance manager of a manufacturing SME, Poland

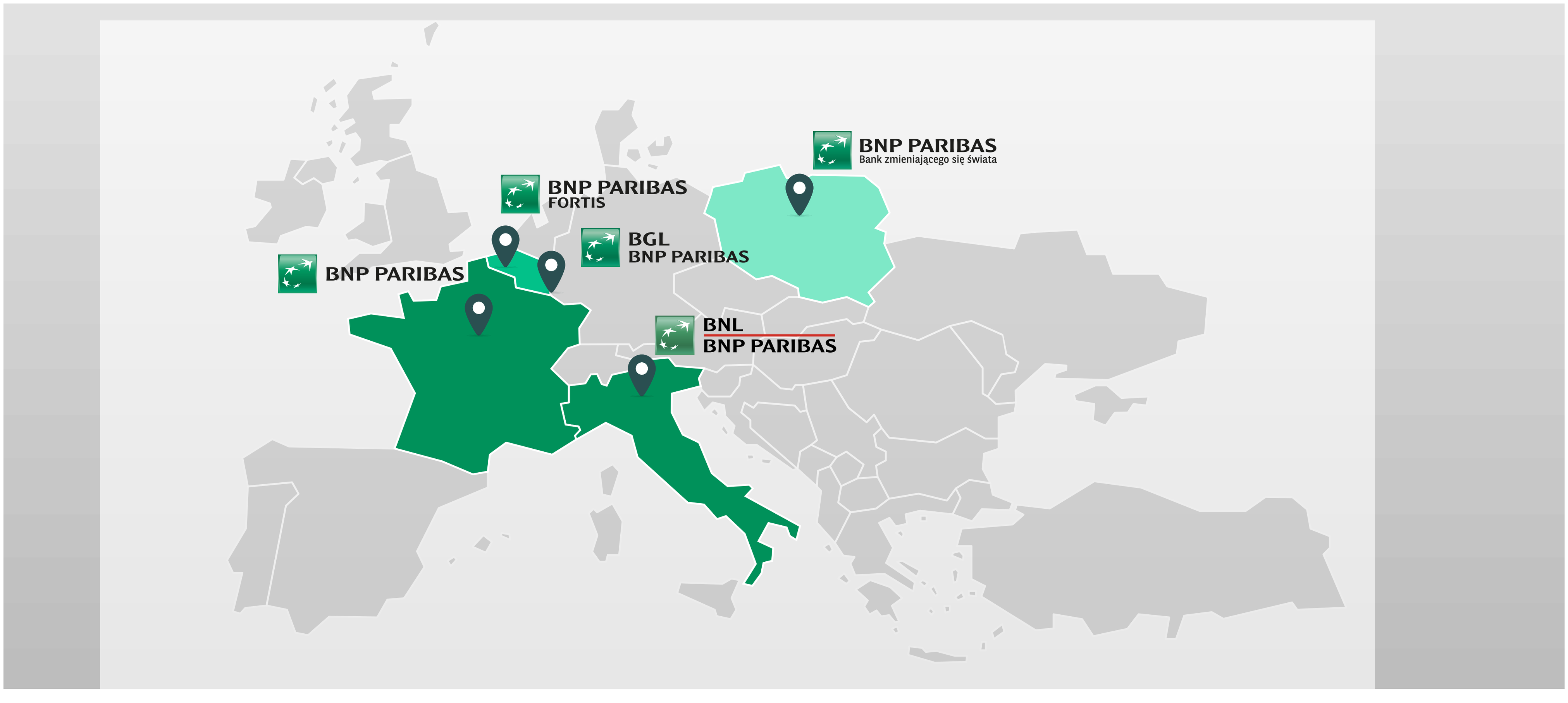
> ***"The bank could help finance our supply chain while encouraging our suppliers to adopt more sustainable practices, aligning purchases with the company's environmental objectives."***
>
> CEO of a manufacturing MidCap, France

5 BNP PARIBAS, WELL POSITIONED FOR THE TRANSITION

BNP Paribas is positioning itself as a reference partner for SMEs and MidCaps to support them in their transition in European domestic markets (Top 3 in France, Italy, Belgium and Luxembourg)

Which bank do you consider to be a qualified partner to support you on the subject of the environmental and social transition?

1 France and Italy
2 Belgium and Luxembourg
4 Poland



MAY 2025