CLIMATE - RELATED DISCLOSURES

BNP PARIBAS MALAYSIA BERHAD
(COMPANY NO. 201001034168 (918091-T))
(INCORPORATED IN MALAYSIA)

31 DECEMBER 2025

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INTRODUCTION

The Climate-Related Disclosures published by BNP Paribas Malaysia Berhad ("BNPPMB" or "the Bank") are aligned with the reporting requirements set out in the Bank Negara Malaysia ("BNM") Climate Risk Management and Scenario Analysis ("CRMSA") Policy Document which includes recommendations from the Task Force on Climate-related Financial Disclosures ("TCFD") established by the Financial Stability Board ("FSB"). The TCFD recommendations are structured around four key pillars: Governance, Strategy, Risk Management, and Targets and Metrics. These pillars form the basis in this document.

BNPPMB is a subsidiary of BNP Paribas Group ("the Group"). As a global bank, BNP Paribas Group aims to have a consistent sustainability approach across entities. Therefore, BNP Paribas Group's sustainability related strategies, policies and approaches apply to BNPPMB, including its approach to climate-related risks and opportunities. Accordingly, BNPPMB relies on climate-related disclosures made by the Group.

This document should be read in conjunction with BNP Paribas Group's Universal Registration Document ("URD") and other relevant disclosures published in the URL : https://invest.bnpparibas/en/search/reports/documents/financial-reports

GOVERNANCE

The sustainability strategy is integrated at the highest level within the Group's governance bodies. These bodies oversee the impacts, risks and opportunities ("IRO") related to environmental, social and governance ("ESG") topics of all the Group's activities according to their mandates[1].

a. Board Responsibilities

BNP Paribas Group's Board of Directors ("BOD") has ultimate responsibility over climate-related risks and opportunities. There are four specialised committees within the BOD, composed of individuals with the knowledge and skills suited to monitor the Group's climate-related IRO and oversee climate-related topics. Specifically, the BOD focuses on the following:

- Determine the Group's business orientations and supervise their implementation by General Management
- Approve the Group's Sustainability and Corporate Social Responsibility ("CSR") strategy
- Validate the objectives and commitments related to sustainability as well as the climate-related metrics, policies and undertakings
- Obtain regular updates on the progress made in the implementation of the Group's CSR strategy and evaluate the achievements of the CSR by the executive corporate officers
- Approve the Group's variable compensation granted to the executive corporate officers, which are partially based on the Group's CSR performance (including climate-related)

At the local level, BNPPMB's BOD also emanates the roles and responsibilities to promote sustainability through appropriate environmental, social and governance considerations embedded in the local business strategies and operations.

The Board Risk Management Committee ("BRMC") established as a committee of the BNPPMB's BOD, is responsible to oversee all risks including key climate-related matters for BNPPMB. Topics presented to BRMC include:

- Regulatory reporting on Climate Change Principle-based Taxonomy ("CCPT")
- Assessment of the Climate Risk Management and Scenario Analysis ("CRMSA") requirements, gap analysis, action plans and status updates
- Assessment of the BNM policy documents related to climate risk management
- Incorporation of climate-related metrics into Risk Appetite Statement ("RAS")
- Establishment of a board-approved policy on climate-related disclosures

[1] Refer to Group's URD page 702

Upon endorsement by BRMC, all the climate-related matters will also be presented to the local BOD for notation and/or approval.

b. Sustainability Governance Structure at Management Level

The sustainability management bodies are formed by the executive management, who define the sustainability strategy and is accountable to the BOD for its execution. Several high-level sustainable finance committees, involving members of the executive management, are in place to oversee the operational implementation of BNP Paribas Group's sustainable finance strategy alongside the operating entities.

As a subsidiary of BNP Paribas Group, BNPPMB leverages on the Group's governance framework to oversee climate-related impacts, risks and opportunities, supplemented by the following:

- Executive Risk Committee - a management committee to oversee all risk areas, including climate-related risk.
- A dedicated management committee namely Climate Change and Principle Taxonomy ("CCPT") Working Group to oversee the climate taxonomy relevant matters and validate semi-annual regulatory reporting.

A local Chief Sustainability Officer ("CSO") has been appointed since July 2023 for addressing various local sustainability relevant regulatory requirements for BNPPMB, through close coordination with all relevant local, regional and Group stakeholders. The CSO also provides regular updates to the Board on climate risk related topics as well as to track and monitor local implementation.

c. Sustainability and Climate-Related Training

BNP Paribas Group's BOD has diversity of skills and experiences related to sustainability, acquired throughout their professional careers. These combined skills allow an adequate coverage of the IRO related to BNP Paribas Group's climate-related activities.

The Group has provided several trainings on CSR topics to the directors including BNPPMB's BOD.

BNPPMB's BOD had attended sustainability and climate-related training programmes, conferences, seminars and workshops as listed below during the financial year ended 31 December 2025:

Organiser	Training Events
Internal	• The Climate Fresk • CIB APAC Sustainability Forum • ESG Controversies training • 2025 APAC Green Horizons - Green Dialogues
External	• IFRS Sustainability Disclosure Standards: IFRS S1 & S2 training by Malaysian Institute of Accountants ("MIA") • ESG training by Tune Protect Group • Sustainability Training by KPMG/EY • Environmental, Social and Governance ("ESG") and Sustainable Finance: Latest Trends, Innovations and Updates training by Asian Banking School

BNP Paribas Group firmly believes that it is vital to raise awareness and train employees to ensure that climate-related risks and opportunities are well integrated in all Group business lines and functions. The Group has been proactive in providing climate-related training to its employees and tailored to different audiences since 2021. Such trainings include collaborative awareness workshops, e.g. Climate Fresk workshop, internal ESG essentials trainings developed by BNP Paribas Group's ESG, Sustainability Academy and learning experts, as well as expert and certified external training courses and certification programmes.

At BNPPMB, in addition to Group training and workshops, the following initiatives were organised:

- **External Certification Programme**: BNPPMB sponsors Sustainability and Climate Risk certification programme by *Asian Institute of Chartered Bankers ("AICB")* and *Global Association of Risk Professionals ("GARP")* for key employees and employees working in the relevant space. The trainings are further supplemented by online self-paced training courses e.g. *Cambridge Institute for Sustainability Leadership ("CISL")*.

- **External Training Course:** BNPPMB employees attend 'Environmental, Social and Governance ("ESG") and Sustainable Finance: Latest Trends, Innovations and Updates' organised by Asian Banking School.

There is also continuous stakeholder engagement through participation in workshops organised by the Joint Committee for Climate Change ("JC3"), a regulator-industry platform aiming to pursue collaborative actions for building climate resilience within the Malaysian financial sector.

d. Sustainability/Climate-linked Remuneration

Sustainability-related performance is integrated in the incentives scheme of BNP Paribas Group's executive officers i.e. Group Chief Executive Officer and Group Chief Operating Officers which is in accordance with the principle of the Corporate Governance Code, that came into force in December 2022. 15% of the variable compensation for the Group's executive officers are CSR related, of which one third are tied to the objectives set by the Group in its CSR dashboard[2], considering in particular two indicators relate to climate-related issues: (i) reduction of the carbon footprint on the Group's own operations, and (ii) amount of support to enable clients to transition to a low-carbon economy. The allocation of this portion of the annual variable compensation is based on multi-criteria measurement resulting from a holistic approach of actions undertaken by the BNP Paribas Group with respect to social, societal, and environmental issues.

BNP Paribas Group's Remuneration Committee is responsible for the annual review of the principles that underpin the Group's remuneration policy. In particular, it reviews, the quantitative and qualitative performance criteria related to the annual variable compensation of the Group's executive officers, including those related to the Group's CSR performance.

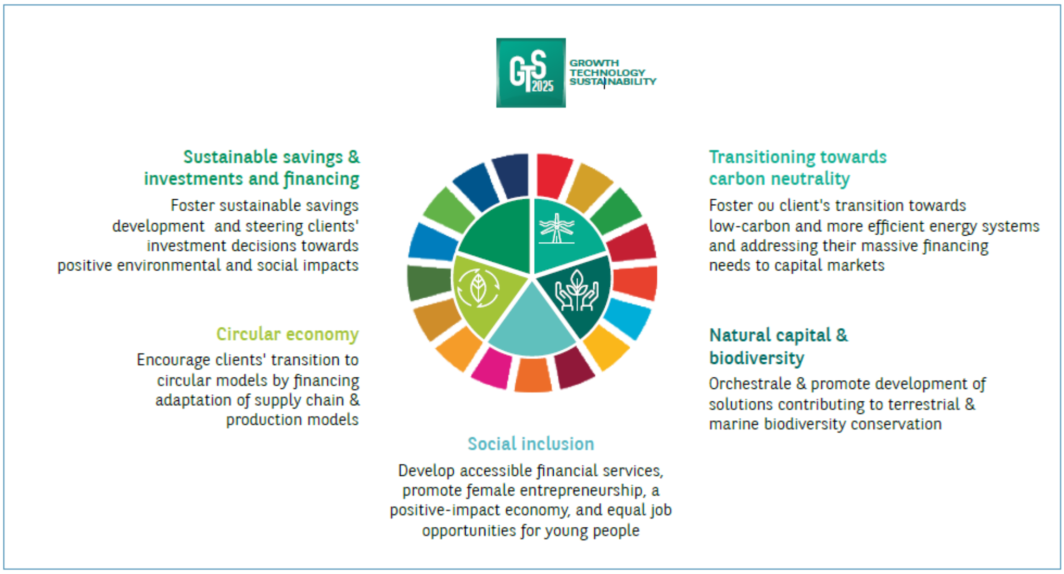
At BNPPMB level, the remuneration for the local executive officers are not directly linked to sustainability or climate risk management. However, the remuneration framework of the Bank is aligned with and accounts for the implementation of the business and risk strategies including the sustainability and climate-related strategies, corporate values and long-term interests of the Bank as well as the BNP Paribas Group Compensation policy.

[2] Refer to Group's URD page 711

STRATEGY

BNP Paribas Group published its company purpose as *"We are at the service of our clients and the world we live in"* in 2021 and the Group engages continuously with its clients to create a sustainable low-carbon future, 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' strategic plan, named "Growth, Technology, Sustainability" ("GTS"), places sustainability, including climate-related issues, at the heart of the Group's strategy. Within the Sustainability pillar of the plan, the Group has defined five priority themes that align with its clients' objectives and with the United Nations' Sustainable Development Goals ("UN SDG").



BNP Paribas' main decarbonisation's lever is to rely on its position as a financial institution to support the low carbon transition of economic players.

As part of its strategic plan, BNP Paribas has reaffirmed the importance of taking action to limit the effects of climate change. It includes a Sustainability axis whose first pillar is the alignment of its credit portfolio with a trajectory compatible with the Paris Agreement for the most greenhouse gas-emitting sectors. The second pillar is supporting clients towards a sustainable and low carbon economy, and the third pillar is strengthening the group's expertise, management tools, processes and systems. Each of these three pillars includes concrete actions:

- BNP Paribas reduces its credit exposure to particularly greenhouse gas-emitting activities through dedicated financing and investment policies;

- the group is increasing its support for the development of low carbon energy, particularly through the ecosystem of around 250 bankers brought together within the Low Carbon Transition Group. In this context, BNP Paribas supports, thanks to financing solutions or advisory services, companies' energy transition projects, as well as investors that are particularly committed to this field.

- For corporate clients and financial institutions, BNP Paribas has developed the ESG Assessment. This tool provides a harmonised, systematic, comprehensive and formal review of ESG topics throughout the client journey, including the credit process: from onboarding to credit granting, monitoring and reporting.

Since 2010, BNP Paribas has implemented financing and investment policies covering its activities in the economic sectors with the highest environmental and social impact. Some of these policies aim to reduce the Group's credit exposure to the most greenhouse gas-emitting activities, particularly fossil fuels. In this context, the Group has committed to reducing its credit exposure to coal-fired power generation and to the oil and gas upstream activities. Since 2021, BNP Paribas has also been committed to align the credit portfolio of the most greenhouse gas-emitting sectors with trajectories compatible with the objectives of the 2015 Paris Climate Agreement, which aims at "holding the global average temperature rise well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature rise to 1.5°C above pre-industrial levels". The Group has set targets related to reducing greenhouse gas emissions in nine sectors. This approach constitutes, as of today, the central component of its transition plan.

The Group's strategic plan and CSR commitments are articulated to all BNP Paribas entities including BNPPMB which also aligns its local climate-related initiatives with the same overarching strategy.

Beyond the tools and the development of products and services that enable the Group to steer its climate trajectory and support its clients' transition, the Group has dedicated a large number of employees from several teams to help implement the Group's sustainability strategy:

(i) **Company Engagement Department** is responsible for implementing BNP Paribas' CSR strategy, supports the business lines and contributes to manage ESG risks in collaboration with the RISK function.
(ii) **Climate Analytics and alignment ("C2A") team** develops and deploys methodologies for aligning portfolio by business sector, in accordance with market standards, and calculates metrics at the level of the Group's credit portfolio.
(iii) **Low-Carbon Transition Group ("LCTG")** is a global platform bringing together an ecosystem of nearly 250 specialised bankers who support clients in accelerating their transition to a sustainable and low-carbon economy.

(iv) **Corporate, Social and Responsibility ("CSR") network** facilitates the deployment of CSR policy throughout the Group, with more than 400 employees devoting most of their time to manage CSR issues.

(v) **RISK function** continuously performs a second line control over all the risk topics including climate-related risks.

(vi) **Modelling & Simulating For You ("MS4U") team** represents a shared team created from representative from the Finance, RISK and ALM Treasury Functions, responsible for rolling out stress testing activities across the Group's entities and activities, including climate stress testing and Internal Capital Adequacy Assessment Process ("ICAAP").

Within BNPPMB, the Bank's 3-Year Business Plan is an annual exercise coordinated by its Chief Financial Officer ("CFO") under the direction of the Chief Executive Officer ("CEO"). The Group's sustainability and climate risk strategy is embedded within the Business Plan. All strategic priorities presented by the respective Heads of Business are aligned with one or more of the Group's five priorities themes mentioned above and these have been presented to the BOD for approval.

RISK MANAGEMENT

Risk Identification and Assessment

BNP Paribas Group does not consider environmental, social and governance ("ESG") risks as risk types but rather as risk factors which may potentially favour, trigger or worsen any types of risk, notably credit, market or operational risks. Accordingly, ESG risk factors are incorporated in the Group's existing risk management framework and processes.

BNP Paribas Group's risk identification process ("Risk ID") is a top-down and bottom-up annual, forward-looking, comprehensive approach to identify and assess, amongst other risks, the ESG risk factors the Group is exposed to.

The two main risk factors related to climate change are as follows:

- **Transition risk factors** resulting from a change in the behaviour of economic and financial agents in response to the implementation of energy policies, changes in regulation, technological innovations or changes in consumer preferences.

- **Physical risk factors** resulting from the direct impact of climate change on people, corporates and assets due to extreme weather events ("acute") or long-term shifts ("chronic") in climate patterns such as rising sea levels or rising temperatures.

The climate risk factors are integrated into the risk taxonomies and Risk ID process of the Group, which feeds the Internal Capital Adequacy Assessment Process ("ICAAP") at Group level. Climate scenario analyses are performed and integrated into the ICAAP at Group level.

Regarding risk assessment & measurement, the Group has put in place several tools and processes relying on three main methodology types:

- **Client-based:** At counterparty and transaction levels, ESG performance and associated risks are also analysed through the ESG assessment which is fully integrated into the credit process.

- **Portfolio-based:**
  With regard to transition risk, methodologies and targets have been defined for most major carbon-intensive sectors. Since 2021, BNP Paribas Group has been committed to align the credit portfolio of the most GHG-emitting sectors with trajectories compatible with the objective of the Paris Climate Agreement. The Group has also set targets for reducing GHG emissions in those sectors.

  With regard to physical risks, the Group has developed an internal model that assesses these risks by taking into account the accurate geolocation of the underlying assets. This model is used in portfolio analyses to identify the climate hazards most likely to impact certain of its key portfolios (multiple climate scenarios and time horizons), across entities and product lines, and for different asset classes.

  Scenario-based analysis: The Group continues to enrich the scenario analysis framework and strengthen its climate-related stress testing infrastructure over time e.g. through the integration of different climate scenarios over longer horizons. Climate scenarios addressing transition risk and physical risk have been included in the ICAAP, reflecting the increasing importance of climate in Group's strategy.

Risk Management and Monitoring

To closely monitor and control the risk exposure towards sectors particularly exposed to ESG matters, the Group has issued financing and investment policies, classified as sectoral policies. Group credit related policies have also been reinforced, taking into consideration ESG dimensions. The Group has exclusion and monitoring lists to restrict the activity or increase the level of scrutiny placed towards specific sectors or activities. The climate-related criteria are also incorporated as required in the due diligence performed on customers and suppliers, in covenants and procedures related to new or modified activities and exceptional transactions. Portfolios are dynamically managed towards the alignment targets defined by the Group.

The above-mentioned approaches and tools developed for risk identification, measurement and control also constitute as tools for risk monitoring, as they enable portfolio analyses and provide for indicators and insights on the Group's exposure towards climate factors. The climate-related factors are also incorporated into the Group's Risk Appetite Statement ("RAS") which has been defined consistently with the strategy of BNP Paribas.

In line with the Group, BNPPMB is vigilant towards the ESG risk factors that could impact its business environment, its clients and its own operational activities. BNPPMB had embedded climate factors as part of the ESG risk drivers in its RAS which are monitored and reported on quarterly basis to the BRMC and BOD. Likewise, the climate risk factors are integrated into the Risk ID process of the Bank, which feeds the ICAAP.

KEY CLIMATE-RELATED TARGETS AND METRICS

BNP Paribas Group has taken significant measures to align with the 2015 Paris Climate Agreement's objectives. As a subsidiary of the Group, BNPPMB is also required to be aligned with the following targets and metrics set at the Group level:

a. Group's targets and metrics related to its impact on climate change

Targets and metrics on credit portfolio

BNP Paribas Group has decided to gradually align its credit portfolio with the objectives of the Paris Agreement. In 2021, the Group committed to defining intermediate alignment targets for the most Greenhouse Gases ("GHG") emitting sectors that are compatible with the net zero emission ("NZE") scenarios in 2050, particularly the World Energy Outlook's Net Zero Emission scenarios published by the International Energy Agency ("IEA").

For each sector, the Group has chosen a reference year that is no earlier than two years at the time of setting the targets, i.e. between 2020 and 2022. Since 2022, the Group has progressively defined GHG emissions metrics and has set alignment objectives in nine of the most carbon-intensive sectors in its credit portfolio[3].

b. Group's targets and metrics related to its climate change opportunities

Targets and metrics related to Group's commercial activities

BNP Paribas Group has identified opportunities related to the offer of sustainable products and services that support the transition of customers to a low carbon economy in all sectors. The Group's targets are set to finance at least EUR 200 billion between 2022 and 2025 through products and services, such as credits, bonds, private placements, financial advisory, etc., to support its clients' transition to low-carbon economy. By end 2025, this objective had largely been achieved with EUR 252 billion deployed, including EUR 73 billion for 2025 alone. BNP Paribas Group ranks number one worldwide in sustainable bonds and loans for the 3rd consecutive year, with a total amount of USD 69 billion, as well as number one worldwide in green bonds for 3rd consecutive year, with USD 26.2 billion.

In the energy production sector, BNP Paribas has set the objective that low carbon energy, which are mainly renewable, shall represent 90% of the Group's financing to energy production by 2030, to reach at least EUR 40 billion of credit exposure. As at end September 2025, low carbon credit energy represented 82% of energy production credit portfolio, for a total of EUR 38.3 billion (+36% compared to 2022), of which EUR 35.6 billion was for renewable energy.

[3]Refer to Group's URD page 744 & 745

Targets and metrics related to operational scope

BNP Paribas Group carries out actions to reduce its direct environmental impacts, with the aim of being consistent with its commitments in its financing and investment activities, raising the awareness and mobilising all employees with the *Green Company For Employees* programme. Thus, the Group has measured its energy consumption and GHG within its operational scope (scope 1, scope 2 and scope 3 for business travel) since 2012 and is gradually reducing them by reducing energy consumption for its premises, less energy-consuming IT equipment and supervision of business travel, as well as by developing the use of low-carbon energies. In 2025, the Group's GHG emissions on its operational scope (expressed in tonnes of CO_2 equivalent per full-time equivalent - FTE) amounted to 1.19 teqCO_2 per FTE (compared to 1.48 teqCO_2 per FTE in 2024) which fall below the maximum target set i.e. 1.85 teqCO_2/FTE for 2025.

At the local level, BNPPMB has established measures to reduce its direct environmental impacts, such as promoting video conferencing technology and platforms, reducing consumables, implementing energy saving measures in office premises as well as planning for conversion of corporate car fleet into hybrid or electric vehicles.

c. Client Engagement and Capital Deployment

Dialogue with stakeholders is an integral part of BNP Paribas Group's social and environmental responsibility. The Group's commitment to maintain an open and constructive dialogue with its stakeholders aims primarily at better identifying and understanding the interests, points of view and expectations of its stakeholders, as well as the impacts of its activity. The Group also has dialogues with companies individually and collectively to convey their climate strategy, transition and the ambition to achieve net zero GHG emissions.

At the local level, BNPPMB continued to support clients in their sustainability ambitions, both in Malaysia and abroad, involving various sustainable products and services. BNPPMB has engaged with clients on key environmental, social and governance ("ESG") related initiatives to support solar power project financing under the Malaysia Corporate Green Power Program in line with the Malaysia Government initiatives to accelerate the country's generation and use of renewable energy as well as to support biorefinery project to produce sustainable aviation fuel.

Disclaimer

This report was prepared in June 2026.

The figures included in this report are mostly unaudited except for BNP Paribas' 2025 Sustainability statements (Chapter 7 of the URD) which are audited with a limited assurance report by the statutory auditors.

This report includes metrics and historical statements, which are subject to methodology and data uncertainties, as well as a number of judgements, estimates and assumptions, which had to be made on these complex and evolving matters. It also includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements may be largely dependent on external factors that are not under BNP Paribas's and BNPPMB's control, in particular in relation to carbon emissions of entities financed by BNP Paribas and its subsidiaries (including BNPPMB). In addition, forward-looking statements rely on methodologies and data, whose quality and availability are subject to changes.

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