



Laurence Pessez
Global Head of Corporate
Social Responsibility
BNP Paribas

Hannah Greep
BankTrack

Ryan Brightwell
BankTrack

Paris, October 29, 2021

Dear Madam, dear Sir,

We thank you for your solicitation, and for offering BNP Paribas the opportunity to provide an answer to the concerns of BankTrack on the situation of Human Rights in Myanmar.

BNP Paribas complies with sanctions enforced by the European Union, France, the United States and other local applicable sanctions, either as a matter of law or Bank policy. The Group established procedures so as to ensure that all asset/economic resources-freezing measures and embargos are strictly implemented across all its countries of operation.

In addition to compliance with its regulatory obligations, BNP Paribas has been adopting restrictive internal norms for a few years, with the aim to reducing its exposure and activities on Myanmar.

Such norms provide for a general prohibition to enter into relationship with counterparts, for which Myanmar is the country of incorporation or country of business. They also prohibit from financing BNP Paribas customers' transactions with a Myanmar nexus, beyond business sectors targeted by international sanctions, such as Defense and Security.

BNP Paribas has already implemented a robust ESG risk management system for its financing and investment activities, even before the Duty of Care law came into force in France. This system is notably based on the development of financing and investment policies to regulate sectors with high ESG risks. These policies, available on the Group's website, are updated according to stakeholders' and business teams' feedbacks, as well as with actual and anticipated regulatory changes. It also includes the integration of ESG criteria into the "Know Your Customer" process (KYC) and the development of a systematic ESG assessment that will be progressively implemented in order to assess all corporate clients by end 2023. Our ESG risk approach also relies on the development and use of tools to manage and monitor such risks, such as specific questionnaires for activities that have salient risks. The Group has also put in place a training on ESG risk management systems for business lines and control functions and has developed an operational control plan to verify the proper implementation of the whole ESG framework.

More particularly, as for BNP Paribas Asset Management, its Responsible Business Conduct (RBC) Policy articulates our expectations for companies to meet their fundamental obligations in the areas of



human and labour rights, protecting the environment and ensuring anti-corruption safeguards, wherever they operate, in line with the UN Global Compact Principles. This RBC policy forms our overarching framework, and analysis against these principles can lead us to put companies on a watch list (where they can be prioritised for engagement), exclude companies from our actively managed portfolios, or inform their ESG scores, which are generated in our proprietary scoring model.

We regularly speak with companies in our portfolios about human rights issues seeking to ensure they are meeting their obligations under the UN Guiding Principles on Business and Human Rights. Our own internal rigorous ESG analysis, combined with information from third parties, enables us to identify companies with links to countries, where there are concerns about human rights, in order that we can decide on the most appropriate course of action.

Specific to the situation in Myanmar, we can confirm that BNP Paribas Asset Management has been following the situation very closely, including with a review of our positions in companies highlighted due to their exposure to Myanmar in the BankTrack report, as well as in other sources such as Justice For Myanmar. Among these, we can confirm that:

- Some are already excluded based on our Responsible Business Conduct (RBC) Policy or have become excluded following our review.
- In other cases, based on our assessment of the companies' exposure we have engaged with them. This is particularly the case for companies listed in the 'Category 2' in the BankTrack report. In doing so, we have put a particular emphasis on companies in which we had our largest positions.
- Lastly, we use a third-party provider to help us assess controversies such as exposure to activities linked to Myanmar, which ultimately penalizes companies by lowering their score in our ESG scoring framework.

Dear Sir, dear Madam, please accept the expression of my deep respect.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Laurence PESSEZ'.

Laurence PESSEZ