

BNP PARIBAS EU SOVEREIGNTY BOND FRAMEWORK

JUNE 2025



BNP PARIBAS

The bank
for a changing
world

CONTENTS

1. INTRODUCTION.....	3
2. DEFINITION OF ELIGIBLE CATEGORIES AND PROCESS FOR ASSET EVALUATION AND SELECTION.....	5
3. USE OF PROCEEDS / MANAGEMENT OF PROCEEDS.....	9
4. GOVERNANCE.....	11
5. REPORTING.....	12
APPENDIX.....	14
Pure Players/ Strategic Sectors.....	14
Exclusion filters.....	16
DISCLAIMERS.....	17



01

INTRODUCTION



As a leading European banking group, BNP Paribas Group (“BNP Paribas”, “the Group” or “The Bank”) is fully committed to supporting the long-term strategic interests of the European Union (the “EU”), with a focus on strengthening the continent’s economic sovereignty and global competitiveness. In the face of growing geopolitical, technological, and environmental challenges, the need for a resilient, autonomous, and innovative Europe has never been greater. BNP Paribas actively contributes to this vision by aligning its financing activities, investment strategies, and advisory expertise with the European Union’s key policy priorities.

Through its support for strategic sectors (i.e: defence, space, transport, energy and cleantech, critical raw materials, pharmaceuticals, energy-intensive industries, automotive, digital, together the strategic sectors set out in the Appendix, the “Strategic Sectors”), BNP Paribas intends to help to reduce external dependencies and bolster industrial resilience. The Group is also a key player in financing the transition both of which are central to the EU’s long-term competitiveness and sustainable growth agenda.

In this context, BNP Paribas leverages its deep-rooted presence across Europe, its commitment to responsible banking, and its longstanding relationships with public and private sector stakeholders to facilitate the mobilization of capital towards companies and projects that reinforce Europe’s autonomy, innovation capacity, and global standing.



EU Sovereignty Bond Framework

The BNP Paribas EU Sovereignty Bond Framework (the “EU Sovereignty Bond Framework” or the “Framework”) is intended to promote the issuance of secured or unsecured transactions (public and/or private placements) in various formats and currencies (hereafter the “EU Sovereignty Bonds”). Through this Framework, BNP Paribas affirms its role as a trusted financial partner in building a stronger and more competitive Europe.

The report *The future of European competitiveness* published in September 2024¹ (hereafter “Draghi Report”) identifies significant financing needs to achieve EU’s strategic goals of circa EUR 800 billion investment per annum. Alongside highlighting key sectors, the Draghi Report also emphasises the fundamental role of suppliers and supply chains in EU’s competitiveness. The need to finance the overall ecosystem, from sectorial leaders to the critical supply chain of Strategic Sectors that supports a dynamic economy is at the core of BNP Paribas EU Sovereignty Bond Framework.

Suppliers, often smaller entities, frequently face challenges when accessing capital, which may hinder their ability to innovate, to expand or to broaden their contribution to economic goals. Banks, such as BNP Paribas, play an instrumental role in their financing, ensuring that the entire economic landscape can thrive. The BNP Paribas EU Sovereignty Bond Framework promotes a comprehensive financing approach of the Strategic Sectors which enables organizations of all sizes to innovate, to invest in infrastructure, and to drive economic growth.

For the avoidance of doubt, references to EU Sovereignty Bonds herein should be construed as any securities secured or unsecured to be issued by BNP Paribas, or by BNP Paribas Emissions- und Handelsgesellschaft mbH (“EHG”) and guaranteed by BNP Paribas, or by BNP Paribas Issuance B.V.2 (“IBV”) and guaranteed by BNP Paribas, in line and in accordance with this Framework. Accordingly, references to BNP Paribas below is deemed to refer to securities issued by IBV or EHG as the case may be. This Framework is also relevant for other instruments such as repurchase agreements and deposits.

This Framework is not subject to any specific regulatory standards or industry guidelines at the date hereof.

For avoidance of doubt, this framework shall not be considered a sustainable finance document, namely Green or Social Bond Framework.



¹ The Draghi report on EU competitiveness (Part A and B)

² BNP Paribas Issuance B.V. is 100% owned by BNP Paribas. Securities issued by BNP Paribas Issuance B.V are guaranteed by BNP Paribas SA. More information on the program and the financial statements of this issuer may be found at <https://rates-globalmarkets.bnpparibas.com/gm/Public/LegalDocs.aspx>



DEFINITION OF ELIGIBLE CATEGORIES AND PROCESS FOR ASSET EVALUATION AND SELECTION



BNP Paribas established its EU Sovereignty Bond Framework with the aim to mobilize debt capital markets and offer investors further insight into the Bank's strategy to support European strategic autonomy and competitiveness. This framework is designed to channel financing toward sectors and companies that are considered in the Draghi Report as critical to the EU's long-term sovereignty, resilience, and innovation capacity.

Following the recommendations of the **Draghi Report**, BNP Paribas has identified a set of **priority categories**: (A) **Aerospace and Defence**, (B) **Core Infrastructure, Energy and Materials**, (C) **Critical Industries & Technologies** (together the "**Eligible Categories**"). Those Eligible Categories are encompassing all the Strategic Sectors targeted within the EU Sovereignty Framework.

A.
AEROSPACE AND DEFENCE

B.
CORE INFRASTRUCTURE,
ENERGY & MATERIALS

C.
CRITICAL INDUSTRIES &
TECHNOLOGIES



A

AEROSPACE AND DEFENSE

Draghi Report reference to: Defence, Space

EU SOVEREIGNTY BOND FRAMEWORK CONTRIBUTES TO:

- Equip defence and space sectors to handle geopolitical threats;
- Increase capacities, readiness, output, and efficiency through investments;
- Advance technological capabilities and maximize spillover to other sectors;
- Maintain strategic autonomy through investment and supportive policies;
- Strengthen defence capacities and ensure the space sector supports strategic capabilities.

B

CORE INFRASTRUCTURE, ENERGY AND MATERIALS

Draghi Report reference to: Transport, Energy & Clean Tech, Critical Raw Materials

EU SOVEREIGNTY BOND FRAMEWORK CONTRIBUTES TO:

- Foster the EU's industrial and technological base to meet new European infrastructure, transport, and resource (critical materials) needs;
- Increase capacities, readiness, output, and efficiency of the EU's industrial base;
- Advance the technological capabilities of the EU's relevant industries;
- Maintain and enhance the EU's strategic autonomy in these sectors; and
- Respond to geopolitical and environmental threats by strengthening EU capacities in these sectors.

C

CRITICAL INDUSTRIES & TECHNOLOGIES

Draghi Report reference to: Digitalisation & Advanced Technologies as well as Pharmaceutical, Automotive and Energy Intensive Industries

EU SOVEREIGNTY BOND FRAMEWORK CONTRIBUTES TO:

- Strengthen digital infrastructure (e.g., 5G, cloud) and support innovation in AI, quantum computing, and cybersecurity;
- Invest in energy efficiency for energy-intensive sectors;
- Diversify energy sources and enhance storage infrastructure;
- Advance medical research, modernize healthcare systems, and improve crisis response capabilities; and
- Accelerate the transition and foster innovation in automotive technologies



ELIGIBLE CATEGORIES AND ELIGIBLE EU SOVEREIGNTY ASSETS

The assets eligible to the framework or “**Eligible EU Sovereignty Assets**” are sourced from the various Eligible Categories and are selected following the application of the selection criteria described under Identification of Eligible EU Sovereignty Assets.

All Eligible EU Sovereignty Assets comply with BNP Paribas policies and are reviewed against an internal screening selection.

IDENTIFICATION OF ELIGIBLE EU SOVEREIGNTY ASSETS

To operationalize this vision, BNP Paribas identifies a set of large enterprises headquartered in the European Union that are directly aligned with the Draghi report’s sectoral priorities (hereafter “**Industry Leaders**”). These Industry Leaders, as well as all EU entities belonging to the same group, are recognized leaders in their fields, identified by BNP Paribas industry experts, based on external data and play a pivotal role in strengthening EU’s industrial and technological base.



In addition to the Industry Leaders, the EU Sovereignty Bond Framework defines pure players (hereafter the “**Pure Players**”) headquartered in the EU, that are highly specialized in the Strategic Sectors identified in the Draghi’s Report. The list of the Strategic Sectors and the corresponding Nomenclature of Economic Activities (“**NACE**”) codes are as detailed in **Appendix – Pure Players**. Pure Players with less than 10 employees have been excluded. For the purpose of the Framework, Pure Players have been identified by BNP Paribas industry experts based on their focused business models and innovation-driven contributions to their respective sectors. Their inclusion in the EU Sovereignty Bond Framework allows BNP Paribas to support a broader ecosystem of strategic actors, including emerging leaders and innovators that complement the role of Industry Leaders.

Last, aligned with the aim to strengthen EU’s industrial ecosystem, the EU Sovereignty Bond Framework also includes the suppliers of the Industry Leaders and Pure Players (hereafter the “**Suppliers**”). These suppliers will be selected based on their operational relevance and economic interdependence with the Industry Leaders and Pure Players, ensuring they play a critical role in the value chain. Only Suppliers **headquartered in EU** are considered. To focus solely on key companies, the Suppliers are screened against the **exclusion filters** detailed in **Appendix-Exclusion Filters**. This ensures that companies operating in sectors deemed non-strategic or misaligned with the EU’s sovereignty objectives are excluded. This approach intends to guarantee that financings are directed toward Suppliers that contribute to the strategic autonomy and technological leadership of the EU.

Further features of the Eligible EU Sovereignty Assets

Selection of the Eligible EU Sovereignty Assets will be made based on the categories described above (Industry Leaders, Pure Players and Suppliers) for active clients of BNP Paribas having drawn financing.

In addition to the previously detailed identification process of BNP Paribas highlighted above, further screening is applied to exclude:

- Any amount of financing raised from assets pledged and/or allocated to any other specific financing programmes (including BNP Paribas Green Bond and Social Bond Framework);
- Non-committed transactions; and
- Loans in default.

For clarification purposes, exclusions apply to entities on BNP Paribas Monitoring or Exclusion list, or entities involved in material controversies.⁴

³ As defined per Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance (<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32006R1893>)

December 2006 establishing the statistical classification of economic activities NACE Revision 2

⁴ For further information on BNP Paribas Monitoring and Exclusion list : [universal-registration-document-annual-financial-report-2024-pdf](#)



USE OF PROCEEDS / MANAGEMENT OF PROCEEDS



An amount equivalent to the net proceeds from the issuance of any EU Sovereignty Bond in accordance with this Framework is intended to finance or refinance, in whole or in part, new or existing Eligible EU Sovereignty Assets. These financing include loans, and other forms of financing dedicated to the selected Industry Leaders, Pure Players, and their relevant Suppliers.

The net proceeds from the issuance of EU Sovereignty Bonds will be managed on a single portfolio basis. This single portfolio of Eligible EU Sovereignty Assets will represent all EU Sovereignty Bonds issued under this Framework. Ultimately Eligible EU Sovereignty Assets may be diversified to stem from the various Eligible Categories that will be added to BNP Paribas' single portfolio of Eligible EU Sovereignty Assets.

BNP Paribas monitors the use of the net proceeds of the EU Sovereignty Bond via its internal information systems, to prevent/avoid any double financing of the Eligible EU Sovereignty Assets. BNP Paribas intends to ensure, on a best effort basis, that the portfolio of Eligible EU Sovereignty Assets exceeds, or at least is equal to, the amount of EU Sovereignty Bonds net proceeds raised under this Framework.

BNP Paribas will use its best efforts to substitute any redeemed loans or any other form of financing that cease to be an Eligible EU Sovereignty Asset, as soon as practicable once an appropriate substitution option has been identified and as long as EU Sovereignty Bond issuances are outstanding.

Pending the allocation or reallocation of the net proceeds of the EU Sovereignty Bonds to Eligible EU Sovereignty Assets, BNP Paribas will invest the balance of the net proceeds, at its own discretion, into cash and/or cash equivalent and/or other liquid marketable instruments.



04

GOVERNANCE



As an integral part of its governance for EU Sovereignty Bonds, BNP Paribas has set up a dedicated committee (the “Committee”), bringing together various departments within the bank to supervise the issuance of the EU Sovereignty Bonds, the selection and monitoring of the portfolio of the Eligible EU Sovereignty Assets.

More specifically, the role of the Committee is:



To review and update the Framework to reflect, whenever feasible, changes in corporate strategy, market evolution, or regulatory developments.



To review and validate the portfolio of Eligible EU Sovereignty Assets and their contribution to the objectives stated in this Framework;



To validate the annual reporting for investors; and



To review the appropriate external independent auditors’ report and address any issues arising.

05

REPORTING



As long as any issuance of EU Sovereignty Bonds is outstanding, BNP Paribas will apply its best efforts to produce a report for all EU Sovereignty Bond issuances under the EU Sovereignty Bond Framework at least annually on:

01

The Eligible EU Sovereignty Assets financed and/or refinanced by the net proceeds and their relevant impact indicators, if any, on an aggregate basis

02

The allocation of the EU Sovereignty Bonds' net proceeds to Eligible EU Sovereignty Assets detailing the aggregate amount dedicated to each of the Eligible Categories

03

If applicable, the balance of unallocated cash and/or cash equivalent and/or other liquid marketable instruments still held by BNP Paribas.

The annual reporting will present the aggregation of the Eligible EU Sovereignty Assets per Eligible Categories, where applicable, and will be subject to permitted disclosure in accordance with relevant confidentiality agreements and competition issues.

The external independent auditors will provide, on an annual basis the conformity of the Eligible EU Sovereignty Assets with the Eligibility Criteria and allocation of the net proceeds of the EU Sovereignty Bonds to Eligible EU Sovereignty Assets.



OTHER DOCUMENTS

The following documents are expected to be made available to investors on rates-globalmarkets.bnpparibas.com/documents/legaldocs/resourceindex.htm (“BNP Paribas’s Website”)

- EU Sovereignty Bond Framework, as further updated from time to time;
- BNP Paribas EU Sovereignty Bond Investor Presentation (if any);
- Annual assurance report (“**Independent Assurance Review**”) from appropriate external independent auditors; and
- Annual reporting and methodology.

These documents are all expected to be made publicly available on BNP Paribas’ Website in the same timely manner.



APPENDIX 1

Pure Players/ Strategic Sectors

Pillar	Strategic Sectors	NACE Code	Description
A-Aerospace & Defence	A1- Defence	2540	Manufacture of weapons and ammunition
		3040	Manufacture of military fighting vehicles
	A2- Space	3030	Manufacture of air and spacecraft and related machinery
		6130	Satellite telecommunications activities
B-Core Infrastructure, Energy & Materials	B1-Transport	3020	Manufacture of railway locomotives and rolling stock
		4212	Construction of railways and underground railways
		4213	Construction of bridges and tunnels
		4910	Passenger rail transport, interurban
		4920	Freight rail transport
		4931	Urban and suburban passenger land transport
		4941	Freight transport by road
		4950	Transport via pipeline
		5020	Sea and coastal freight water transport
		5030	Inland passenger water transport
		5040	Inland freight water transport
		5110	Passenger air transport
		5121	Freight air transport
		5122	Space transport
		5221	Service activities incidental to land transportation
		5222	Service activities incidental to water transportation
		5223	Service activities incidental to air transportation
		5224	Cargo handling
	5229	Other transportation support activities	
	5320	Other postal and courier activities	
	B2- Energy & Clean Tech	1920	Manufacture of refined petroleum products
		3511	Production of electricity
		3512	Transmission of electricity
		3513	Distribution of electricity
		3514	Trade of electricity
		3521	Manufacture of gas
		3522	Distribution of gaseous fuels through mains
	4222	Construction of utility projects for electricity and telecommunications	
	B3- Critical Raw Materials	0729	Mining of other non-ferrous metal ores
		2442	Aluminium production
		2444	Copper production

C-Critical Industries & Technologies	C1- Pharmaceuticals	2110	Manufacture of basic pharmaceutical products
		7211	Research and experimental development on biotechnology
		7219	Other research and experimental development on natural sciences and engineering
	C2- Energy-Intensive Industries	2351	Manufacture of cement
		2361	Manufacture of concrete products for construction purposes
		2410	Manufacture of basic iron and steel and of ferro-alloys
		2420	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
		2892	Manufacture of machinery for mining, quarrying and construction
	C3- Automotive	2910	Manufacture of motor vehicles
		2931	Manufacture of electrical and electronic equipment for motor vehicles
		2932	Manufacture of other parts and accessories for motor vehicles
	C4- Digital	2611	Manufacture of electronic components
		2612	Manufacture of loaded electronic boards
		2620	Manufacture of computers and peripheral equipment
		6190	Other telecommunications activities
		6201	Computer programming activities
		6202	Computer consultancy activities
		6203	Computer facilities management activities
		6209	Other information technology and computer service activities
6311	Data processing, hosting and related activities		



Exclusion filters

NACE CODE	DESCRIPTION
3831	Intermediation Service activities for real estate activities
5610	Restaurants and mobile food service activities
5620	Event catering, contract catering services activities and other food service activities
5630	Beverage serving activities
5640	Intermediation service activities for food and beverage services activities
6419	Other monetary intermediation
6420	Holding
6430	Trusts, funds and similar financial entities
6499	Other financial service activities, except insurance and pension funding n.e.c.
6619	Other activities auxiliary to financial services, except insurance and pension funding
6630	Fund management activities
6810	Buying and selling of own real estate
6820	Rental and operating of own or leased real estate
6832	Management of real estate on a fee or contract basis



DISCLAIMERS

Risk Factors

This document (the EU Sovereignty Bond Framework) is intended to provide non-exhaustive, general information. This document may contain or incorporate public information not separately reviewed, approved or endorsed by BNP Paribas or any of its affiliates and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by BNP Paribas or any of its affiliates as to the fairness, accuracy, reasonableness or completeness of such information.

This document may contain statements about future events and expectations that are forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. BNP Paribas has and undertakes no obligation to update, modify or amend this document or the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

This document is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities, and nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority.

The addressee is solely liable for any use of the information contained herein and BNP Paribas or any of its affiliates shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of this document by the addressee.

This document is not subject to any specific regulatory standards or industry guidelines at the date hereof and for avoidance of doubt, shall not be considered as a sustainable finance document.

The Final Terms, pricing supplement, prospectus or offering circular, as applicable, relating to any specific tranche or series of bonds, notes, or other debt securities (the Securities) may provide that it will be BNP Paribas' and/or BNP Paribas Emissions und Handelsgesellschaft mbh (in the case of Securities issued by BNP Paribas Emissions und Handelsgesellschaft mbh) and/or BNP Paribas Issuance B.V.'s (in the case of Securities issued by BNP Paribas Issuance B.V.) intention to apply an amount equivalent to the net proceeds from the issuance of any Securities in accordance with this EU Sovereignty Bond Framework, to finance and/or refinance new or existing Eligible EU Sovereignty Assets. For the avoidance of doubt, references to EU Sovereignty Bonds or Securities herein should be construed as any Securities to be issued by BNP Paribas, BNP Paribas Emissions- und Handelsgesellschaft mbH guaranteed by BNP Paribas or by BNP Paribas Issuance B.V. and guaranteed by BNP Paribas in line and in accordance with the EU Sovereignty Bond Framework. Accordingly, references to BNP Paribas below shall in relation to Securities issued by BNP Paribas Emissions- und Handelsgesellschaft mbH or BNP Paribas Issuance B.V. as the case may be.

Any:

- Failure to apply the net proceeds of any issue of EU Sovereignty Bonds to any Eligible EU Sovereignty Assets ;
- Lack of Eligible EU Sovereignty Assets in which BNP Paribas may invest; and/or Event or circumstances resulting in the EU Sovereignty Bonds no longer being listed or admitted to trading on any stock exchange or securities market;



May have a material adverse effect on the value of EU Sovereignty Bonds and the value of any other securities which are intended to finance and/or refinance Eligible EU Sovereignty Assets and/or could also result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. Any such event will not constitute an event of default under the EU Sovereignty Bonds or a default of the BNP Paribas for any purpose and does not affect the regulatory treatment of the Securities in respect of BNP Paribas.

Investment Considerations

The use of the net proceeds of any Securities for any Eligible EU Sovereignty Assets may not satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own by-laws, investment policy or other governing rules or investment portfolio mandates, the subject of or related to, any Eligible EU Sovereignty Assets.

Furthermore, there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "EU Sovereignty Asset" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be considered "Sovereignty" related or falling under such other equivalent label, and such a clear definition or consensus may not develop over time.

There will be no opinion or certification of any third parties made available in connection with the issue and offering of any EU Sovereignty Bonds and in particular with the extent to which Eligible EU Sovereignty Assets may fulfil any investment policy or other governing rules or investment portfolio mandates or other criteria, may not be suitable or reliable for any purpose whatsoever. Prospective investors must determine for themselves the relevance of the lack of any such opinion or certification for the purpose of any investment in such EU Sovereignty Bonds.

While it is the intention of BNP Paribas to apply an amount equivalent to the net proceeds of any EU Sovereignty Bonds to Eligible EU Sovereignty Assets in, or substantially in, the manner described in the applicable Final Terms, pricing supplement, prospectus or offering circular and in the EU Sovereignty Bond Framework, the relevant project(s) or use(s) which are the subject of, or related to any Eligible EU Sovereignty Assets, for reasons beyond the Issuer's control, not be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule or within any specified period or at all or with the results or outcome as originally expected or anticipated by BNP Paribas or such proceed may not be totally or partially disbursed for such Eligible EU Sovereignty Assets. Such Eligible EU Sovereignty Assets may not be completed. Any such event or failure by BNP Paribas to apply an amount equivalent to the net proceeds as intended will not constitute an event of default (however defined) under the EU Sovereignty Bonds, create an obligation for BNP Paribas to redeem the EU Sovereignty Bonds, give a right to an early redemption or the acceleration of the EU Sovereignty Bonds and/or give any claim against BNP Paribas, or by BNP Paribas Emissions- und Handelsgesellschaft mbH ("EHG") and guaranteed by BNP Paribas, or by BNP Paribas Issuance B.V. ("IBV").

