EXTERNAL, March 2021

BNP Paribas Asset Management SFDR Disclosure Statement

This statement refers to the REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures (SFDR) in the financial services sector. Related parts of the Regulation can also be found in our Remuneration Policy.

INTRODUCTION

BNP Paribas Asset Management (BNPP AM) believes that our fiduciary duty is aligned with sustainable investment and that we have a duty to our clients to make well-informed investment decisions: ESG (environment, social and governance) factors are a key element of this. We also seek to consider the sustainability-related preferences of our clients, and to minimise the adverse impacts of our investments by using our investments, our voice and our leverage to help shape a better future.

As a long-term investor, we understand that a sustainable economic future relies on sustainable investment practices: we have both an opportunity and obligation to take action to help achieve the Sustainable Development Goals and the Paris Agreement. We fully support the EU carbon neutrality objective alongside the rest of the environmental and social objectives embedded in the EU Green Deal.

BNPP AM has been active in sustainable investment since 2002, when we launched our first socially responsible investment (SRI) fund and set up a dedicated ESG research team – the precursor of our Sustainability Centre. We were a founding signatory of the Principles for Responsible Investment (PRI) in 2006. Since then, we have strived to implement all six principles with increasing effectiveness, and continue to develop our approach, regularly reporting on our achievements in terms of meeting the goals of the PRI.

In 2011, we established our first Responsible Investment Policy, based on both responsible ownership and the progressive integration of ESG standards. This included responsible business conduct requirements based on the 10 UN Global Compact (UNGC) Principles in the selection of issuers, as well as strict in-house sector policies to monitor our investments in sensitive sectors.

In 2019, BNPP AM published its Global Sustainability Strategy (GSS), which establishes a roadmap for putting sustainable investment at the heart of our investment approach. This includes progressively aligning our global portfolios with the aims of the Paris Agreement, and sets out the three key thematic pillars of our sustainability efforts, or the '3Es': the *energy transition*, *environmental sustainability* and *equality and inclusive growth*. These themes inform our thematic investments, corporate engagement and public policy advocacy. Our approach emphasizes the key systemic frameworks necessary to achieve sustainable and inclusive economic growth.

Since January 2020, we have adopted a sustainable investment approach across our full range of investment strategies. This means that they integrate the key pillars of sustainable investment defined in our GSS, a critical component of which is ESG integration, i.e.

having our analysts and portfolio managers incorporate relevant ESG factors into their evaluation of companies or assets, and investment decision-making processes. The other pillars are Stewardship (voting, engagement), Responsible Business Conduct Expectations (including our exclusion list), and a Forward-Looking Perspective (focusing on shaping a more sustainable future).

While our Responsible Business Conduct (RBC) policy aims to minimise the principal adverse impacts of our investments on society and the environment, our ESG integration approach also focuses on ESG sustainability risks in our portfolios. The division of ESG factors into material sustainability risks and adverse impacts is not always clear cut, making it difficult at times to categorise them at firm-level. The application of ESG analysis and Stewardship activity to a portfolio, for example, can result in improvements to corporate behaviour, and the exclusion of a company from a portfolio for violation of a RBC Principle may not reduce societal impacts, but may protect the portfolio from related risks. Ultimately, the materiality of an ESG risk will depend on the investment strategy, timeframe of the investment, underlying investment universe and other factors.

The first section of this document provides an overview of how we integrate sustainability risks in investment decisions and investment advice. The second part addresses principal adverse impacts and our due diligence process.

PART 1. SUSTAINABILITY RISKS

We believe that analysing investments using environmental, social and governance (ESG) criteria helps us take into account a wider set of risks and opportunities, which in turn, helps us to make better-informed investment decisions; in other words, our fiduciary duty is aligned with sustainable investment. Sustainability is imperfectly understood, under-researched and inefficiently priced, with inconsistent levels of disclosure. Against this background, ESG integration helps us achieve better risk-adjusted returns, as systematically and explicitly integrating ESG factors into our investment analysis and decision-making allows our portfolio managers to identify and assess areas of risk or opportunity which may not be understood by all market participants, thereby providing them with a relative advantage.

This first part of our SFDR Statement gives an overview of:

1. Our sustainable investment approach
2. Our ESG scoring process
3. How we analyse ESG factors and assess their materiality
4. Asset-class specificities of our ESG integration process

1.1 SUSTAINABLE INVESTMENT APPROACH

BNPP AM adopts a sustainable approach across the range of our investment strategies and when providing financial advice, as described below:

1. **ESG Integration**: Our ESG Integration Guidelines apply to the vast majority of our investment processes (and therefore funds, mandates, and thematic funds). However, they may be 'non-applicable' for specific products such as index funds and exchange-traded funds (ETFs) or single-client dedicated product. Some index funds and ETFs do however apply specific sustainable investment practices such as a low carbon, thematic or Sustainable and Responsible Investment (SRI) approach.
2. **Stewardship (proxy voting, engagement and public policy):** Shareholder-engagement and public policy advocacy activities are undertaken on behalf of all of our assets under management, with a strong focus on addressing adverse impacts to society and the environment from corporations and other market participants. (Governance and Voting Policy - 2021; Voting Report; Public Policy Stewardship Strategy)
3. **Responsible Business Conduct (RBC) policies and sector-based exclusions**: Since 2012, we have applied these policies to our actively managed open-ended mutual funds. We review and update these policies regularly to reflect changing understanding of science, societal expectations and market realities. During 2020, application of our RBC policy also became

the default approach for new mandates, and the process of seeking permission from existing clients to apply the policy to existing mandates is underway.

4. **Forward-looking perspective – the '3Es'**(Energy transition, Environmental sustainability, Equality & inclusive growth): As set out in Part II of our GSS, we will measure our exposure to a number of key issues across our full assets under management, and undertake related research and engagement, in support of all investment processes. Our Global Sustainability Strategy outlines in detail our roadmap and commitments from 2019 to 2022 including our targets for each of the Es.
5. **'Sustainable +' solutions**: Our 'Sustainable +' range of investment strategies includes our enhanced ESG, thematic and impact investing strategies, enabling investors to allocate specifically to sustainable investment opportunities.
6. **Walking the Talk:** We also have a strong focus on 'walking the talk' – our corporate social responsibility strategy seeks to ensure that we exhibit the same commitment to responsible business conduct and the 3Es that we expect from the companies that we invest in. Our latest Sustainability Report outlines our approach to corporate social responsibility starting on page 44: https://fr.zone-secure.net/20591/1214204/

We recognise that systemic risks such as climate change or biodiversity loss cannot be fully addressed through ESG integration in portfolio management. Our Stewardship activities, RBC policies and strategy with regards to the 3Es complement and amplify our efforts to reduce material risks to investments as well as systemic risks that require collective and urgent action.

Together, these approaches strengthen the way we invest, including how we generate investment ideas, construct optimal portfolios, control for risk, and use our influence with companies and markets.

The scope of sustainable approach

	FUNDS	MANDATES	THEMATIC, SRI AND IMPACT FUNDS	INDEX FUNDS AND ETFs
STEWARDSHIP	✓	✓	✓	✓
ESG INTEGRATION	✓	✓	✓	✗
RESPONSIBLE BUSINESS CONDUCT	✓	Client opt-out possible	✓	✗
FORWARD-LOOKING PERSPECTIVE: THE '3Es'	✓	✓	✓	✓

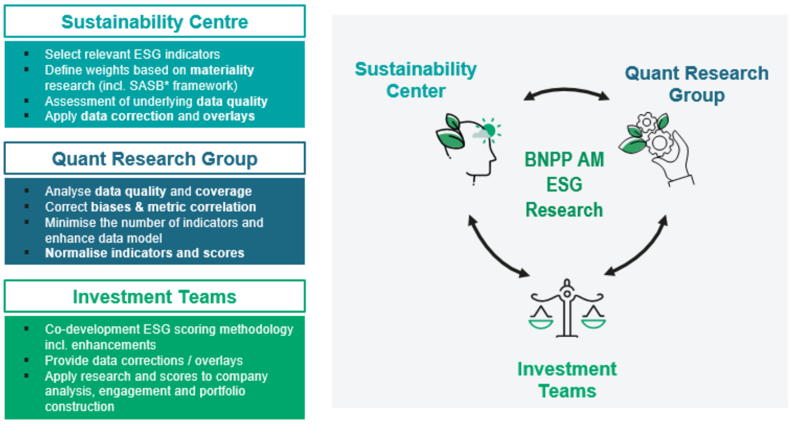
Note: Similar to 'Index Funds & ETFs', some systematic strategy funds may not apply ESG integration at strategy level or RBC exclusions.

Further information on each of these components can be found in the GSS, available at https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D

1.2 ESG SCORING PROCESS

Underpinning our sustainable investment approach is our ESG scoring framework. We chose to build our own proprietary ESG scoring framework to ensure that ESG scores are tailored to our needs and because we believe in the merits of looking beyond a headline ESG score to evaluate individual metrics and components that can be valuable sources of insight into investment risk and opportunities. We apply an additional layer of data quality and control to the underlying metrics we source from third parties to narrow our focus to the indicators which we deem to have sufficient coverage, quality and insight. We also implement corrections and qualitative overlays to correct data, update it or infuse it with our first-hand knowledge and insights.

In 2020, we used the complementary expertise of our Sustainability, Investment and Quantitative Research teams to enhance our ESG scoring framework.



BNP Paribas Asset Management November 2020. Past performance is not indicative of future performance. *SASB: Sustainability Accounting Standards Board

Covering more than 12 000 issuers of securities, it provides insights that help our portfolio managers pinpoint a company's performance on material ESG issues, and integrate these into their investment decisions. Compared to other frameworks, our methodology is markedly differentiated, with a more focused number of ESG metrics, and a clear preference for 'performance' over 'policy' type indicators.

1.3 ESG FACTORS ANALYSED AND HOW MATERIALITY IS RATED

Our Sustainability Centre oversees the development and implementation of our sustainable investment strategy. This strategy is governed by our Sustainability Committee, which includes members of BNPP AM's Executive and Investment Committees and is chaired by the CEO.

Our team of ESG analysts and specialists carries out systematic ESG research on issuers in our investment universe. Our sector-specific ESG research covers a broad range of potentially material risks, including systemic risks to the environment and society, from climate change to incidences of bribery and corruption, to consumer privacy breaches.

ESG analysts are in charge of assessing each company's ESG performance and monitoring compliance with our Responsible Business Conduct Policy.

Our research culminates in a proprietary ESG performance score for each company. These scores and associated sector reviews are accessible to relevant portfolio management teams. In addition, investment teams receive updates to the list of issuers that fail to meet our RBC standards and are therefore ineligible for investment in actively managed portfolios. A 'watch list' of names that may become ineligible for investment following engagement is also shared; these names are ineligible for investment in some of our strategies.

Recognising that ESG risks and opportunities are not always comparable between sectors and regions, our scoring framework divides the issuers covered into 20 sectors and 4 geographical areas, creating 80 groups of geographical and sector peers.

We apply the precautionary principle when identifying ESG risks in our ESG analysis and rating. If a 'risk' is defined as a negative event that may or may not occur sometime in the future, then biodiversity loss and climate change should properly be viewed as 'threats', not 'risks.' There is a great deal of uncertainty regarding how these issues may play out, and how negative and far-reaching the outcomes will be, but it is quite clear that business as usual will lead us to economic and ecological disaster, and we must change course.

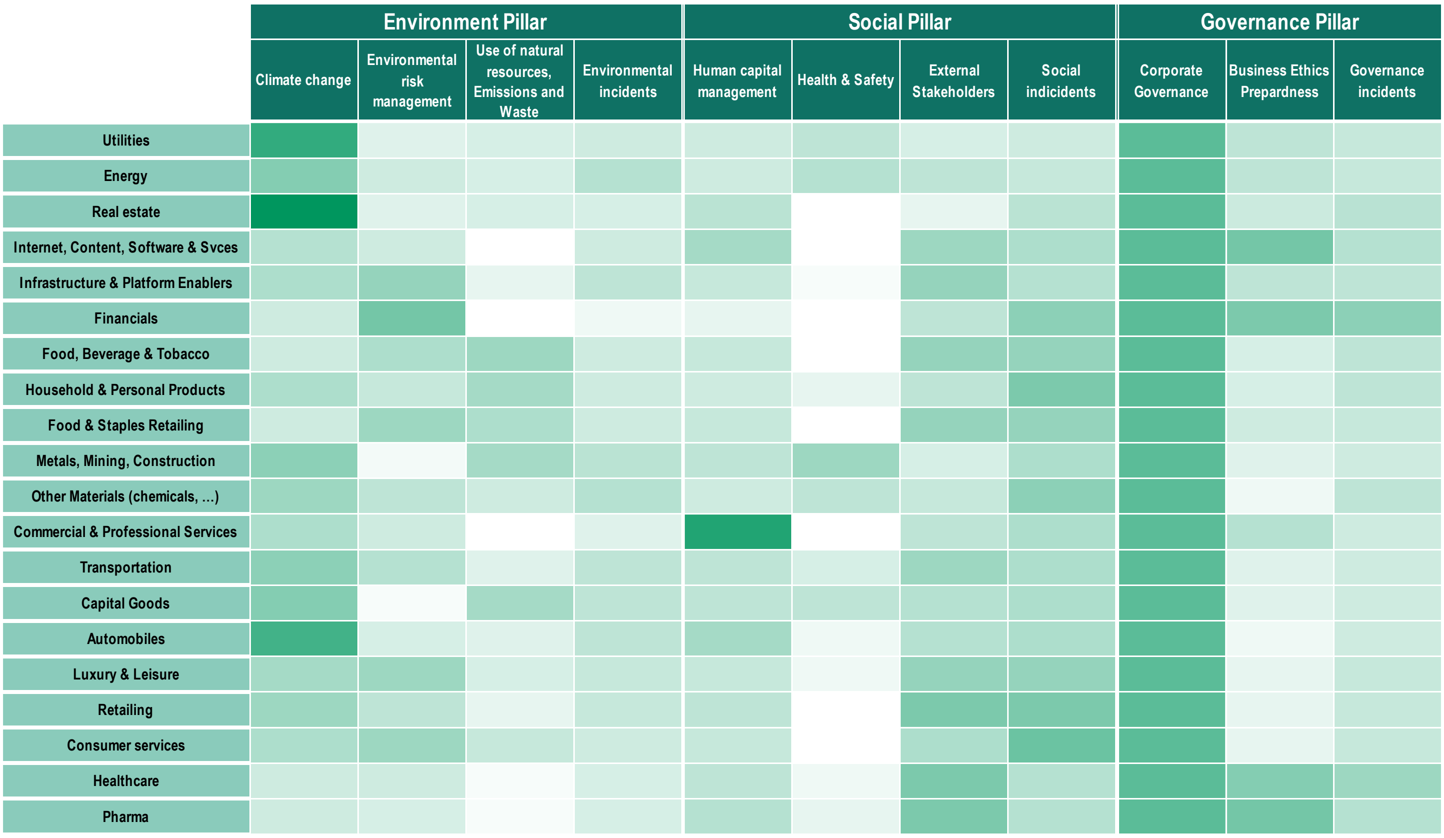
In other words, it is highly difficult to obtain evidence of the financial impact that threats to the environment may have before the damage occurs, primarily due to the vastly different timeframes at play: by the time an environmental risk becomes financially material to a company, it may be too late to reverse the damage to the environment. The situation is similar for a number of social aspects. The uncertainty and difficulty in measuring the impact that surrounds – at least today – environmental and social harm should not be used as an excuse for not taking action to avert related threats.

To arrive at ESG scores that provide investment useful insights, we select metrics and weights within our ESG scoring framework using three criteria:

1. Materiality: We reward companies that score highly on ESG issues that are material to their business, based on the expertise from our Sustainability Centre as well as frameworks such as SASB and empirical studies
2. Measurability and insight: We give preference to insightful performance or numeric metrics over policies or programmes
3. Data quality and availability: We favour metrics for which data is of reasonable quality and readily available so that we can compare issuers fairly

Our Materiality Meat Map

We group each individual metric in our ESG scoring framework into 11 common themes, however the underlying metrics used to assess performance under each theme vary by sector. The below materiality Heat Map provides a visual representation of the weights applied to each theme for each sector in our scoring model. A darker shade of green highlights a higher weight, and a lighter shade of green represents a lower weight.



Sovereigns

BNPP AM ESG scoring for sovereigns provides a view on the ESG performance of a country and enables us to compare countries with different levels of economic development. In addition, it assesses countries' commitments concerning climate change as we aim to engage with countries on this issue. And finally, similar to our company scoring model, it incorporates qualitative inputs from investment teams' in-depth knowledge, and from dialogue and engagement with debt management office officials and policymakers.

Our Sovereign ESG data model has an equal weight for each of the E-pillar (14 themes), S-pillar (12 themes) and G-pillar (7 themes), comprising a total of 225 KPIs structured around 33 key themes.

<u>ESG and financial performance</u>
We believe that unmanaged or unmitigated sustainability risks can impact the returns of financial products. Due to the nature of sustainability risks and specific topics such as climate change, the chance of sustainability risks impacting the returns of financial products is likely to increase over longer-term time horizons linked to increased incidence of both physical and transition-related risks.

Share prices of companies with strong sustainability practices typically demonstrate less volatility and have fewer large drawdowns. Specifically, adverse impacts from sustainability risks can affect companies via a range of mechanisms, such as 1) lower revenue; 2) higher costs; 3) damage to, or impairment of, asset value; 4) higher cost of capital; and 5) fines or regulatory risks[1].

1.4 ESG INTEGRATION PROCESS: OVERVIEW AND ASSET-CLASS SPECIFICITIES

As a component of our investment processes[2], analysts and portfolio managers integrate a consideration of relevant ESG factors into their company, asset and sovereign evaluation and investment decision-making or financial advice. The process to integrate and embed ESG factors is guided by formal ESG Integration Guidelines, a set of common guidelines, and then by tailored approaches by asset-class and/or investment strategy. This process is overseen by an ESG Validation Committee (see below).

An example of a typical investment process

- *Investment Philosophy*: Investment strategies are guided by an investment philosophy - a set of underlying beliefs that influence investment teams when they are managing their funds. Relevant ESG considerations have been systematically integrated into investment philosophies across BNPP AM to ensure consistency.
- *Idea Generation*: At the idea generation stage, investment teams think broadly about future investment opportunities. Integrating ESG factors allows investment teams to include or discard opportunities based on ESG considerations. For example, some strategies identify the highest rated ESG names in a universe as a priority for additional financial analysis.
- *Portfolio Construction:* ESG factors can be used in a number of ways at the portfolio construction stage: to screen companies, or overweight or underweight positions, or to tilt portfolios – such as our Multi-Factor portfolios that have a systematic tilt away from carbon intensive names and towards high ESG performers.
- *Risk Management*: We have a fiduciary duty to our clients to take all risks into consideration, including ESG or sustainability risks.
- *Voting & Engagement:* Proxy voting activity is led by our Stewardship team, who liaise with portfolio managers to seek input on strategic votes. Engagement on governance and sustainability topics is typically led by our stewardship team, while investment teams also include ESG topics in their ongoing company meetings.
- *Performance*: As per our ESG Integration Guidelines, we monitor the ESG score and carbon footprint of investments versus their benchmarks with the aim of outperforming on each. During the fourth quarter of 2020, we started to progressively report on these two KPIs to clients.

[1] For more information on transmission mechanisms and channels of impact see: 1) NGFS First comprehensive report « A call for action », 2019; 2) The Sustainability Accounting Standards Board (SASB); 3) Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

[2] Exceptions may exist when the process doesn't lend itself to ESG Integration (e.g. ETFs), see table on scope included in this document and our GSS.

The process to integrate and embed ESG factors is guided by formal ESG Integration Guidelines, outlined below.

Common ESG Integration Guidelines

PHILOSOPHY	RESEARCH		STEWARDSHIP & ENGAGEMENT			KPIs(2) & REPORTING	
Some common principles for **ESG integration will apply across all asset classes**, while others are asset class or strategy-specific	**We will avoid investing** in a public entity **without an ESG score**, performing **qualitative ESG analysis** in the absence of a quantitative ESG rating	**We will avoid investing** in a private entity without **performing ESG due diligence**	**We will avoid investing in a weakly rated entity** (in active portfolios) without actively **engaging** particularly on the **key issues identified**	As a last resort, we **may disinvest from weakly rated entities** which do not **respond to engagement**	Holdings of **weakly-rated** public entities (in active portfolios) will **need to be justified** by **additional documented** qualitative analysis **integrating ESG factors**	We should aim to **hold portfolios with more positive ESG** characteristics than their respective (invested) benchmarks	We should aim to **hold portfolios with a lower carbon footprint** than their respective (invested) benchmarks

In 2018, BNPP AM set up an ESG Validation Committee to support the process of ESG integration and ensure that the majority of investment strategies managed by BNPP AM are managed in line with our ESG Integration Guidelines. By the end of 2019, we had validated all of our existing strategies by having each investment team present its proposed ESG Integration Process for review and validation by the Committee. Today, when a new strategy is launched, the Sustainability Centre carries out a review that is validated as part of the Global Product Committee approval process.

1.5 SCOPE OF ESG INTEGRATION PROCESS

Our ESG Integration Guidelines apply across our investment processes (funds, mandates and thematic funds), with the exception of specific products such as single-client products, mandates where clients have chosen to opt out of some elements of the ESG Integration Guidelines, and index funds and exchange-traded funds (ETFs) replicating non-ESG related indices. However:

- For Index funds and ETFs using the full replication method and tracking ESG indices, the following elements are analysed, including, but not limited to: source and quality of ESG data used, legitimacy and expertise of the ESG data and/or index provider(s), ESG index methodology including ESG sector exclusions & integration of ESG criteria for securities' selection and weightings, portfolio diversification across sectors & countries, scalability and liquidity of the index, EU BMR compliancy, ESG rating of the index versus the relevant investment universe, requirements of the relevant benchmark in terms of ESG disclosure, Paris Aligned Benchmark (PAB) or Climate Transition Benchmark (CTB) classification.

- Index funds and ETFs using the synthetic replication method or specific products structured with forward financial instruments will integrate ESG at least in the assets physically held by the products through the exclusion of one or several low scoring deciles (they will at the very least exclude companies that fall into the 10th decile – worst performers – based on our ESG scoring).

1.6 A PRACTICAL EXAMPLES OF ESG INTEGRATION ACROSS ASSET CLASSES

Our common ESG Integration Principles apply across geographies and asset classes (e.g. equities, fixed income, private debt and real assets, multi-asset and quantitative solutions). Following the ESG validation process, each investment team's investment process integrates ESG in line with our common ESG Integration Principles. We have included the below examples to illustrate this.

EXAMPLE OF ESG INTEGRATION IN EQUITIES – GREATER CHINA EQUITIES

1 Idea Generation & Screening

- Filter out stocks with insufficient liquidity and size, or failing to meet, Responsible Business Conduct standards
- Use proprietary quantitative screening including ESG factors

2 Fundamental Research & Valuation

- Conduct company specific fundamental research:
  - Industry & Company Dynamics;
  - ESG assessment;
  - Balance Sheet Strength;
  - Valuation.
- Identify the intrinsic value & valuation upside.

3 Stock Selection & Discussion

- "Growth Framework" approach to adapt to China's fast shifting dynamics.

- ESG and Engagement debated

4 Portfolio Construction & Risk Management

- Determine position weight based on conviction and risk/reward.
- Monitor daily performance and risk metrics.
- Perform strict sell discipline including for ESG reasons & rigorous risk controls embedded to protect* gains / capital.
- Implement multi-layered risk management

Source: BNP Paribas Asset Management, January 2021

EXAMPLE OF ESG INTEGRATION IN PRIVATE DEBT AND REAL ASSETS (PDRA) – REAL ASSETS

1 Preliminary ESG Review

- Group and BNPP AM framework
- Project classification according to a specific taxonomy of activities with an environmental and social added value

2 ESG Assessment

- Qualitative assessment of the ESG performance of the project based on shared and sector specific ESG indicators
- Qualitative overlay reflecting more in-depth study on the key material ESG issues identified

3 Impact Assessment

- Environmental and climate impact assessment elaborated by, I-Care, a recognized and independent expert
- Assessment of the induced and avoided emissions and the contribution of the project to the energy and ecological transition

4 Portfolio Review & Reporting

- Annual ESG portfolio reporting based on Environmental and climate impact and ESG questionnaires
- ESG reporting
- Engagement with sponsors through a dedicated ESG questionnaire

Source: BNP Paribas Asset Management, January 2021

PART 2. PRINCIPAL ADVERSE IMPACTS

The following Statement relates to how BNP Paribas Asset management (BNPP AM) considers Principal Adverse Impacts at the entity-level.

BNPP AM considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated principal adverse sustainability impacts statement of BNPP AM.

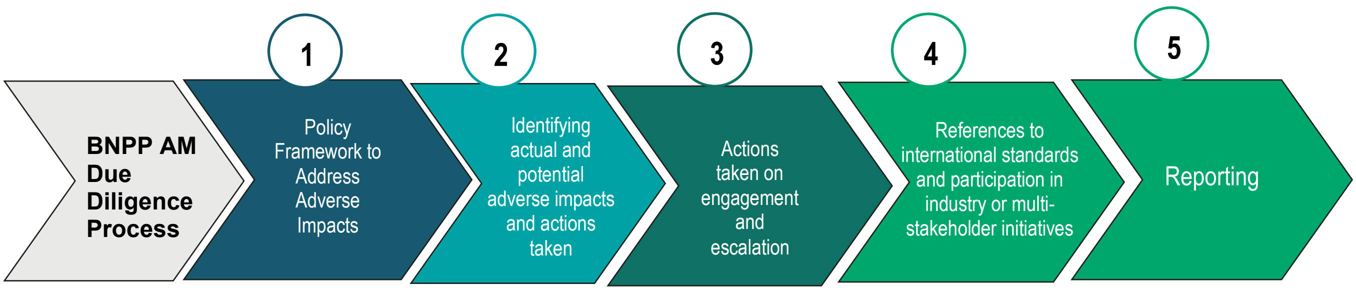
This principal adverse impacts statement covers the reference period from 1st January 2020 to 31st December 2020.

2.1 A SUMMARY OF THE PRINCIPAL ADVERSE IMPACTS STATEMENT

As a broadly diversified global asset manager, BNPP AM's adverse impacts are primarily indirect, through the entities in which we invest. We are therefore heavily dependent upon issuer and third-party reporting, in addition to our own research. More than twenty years since the launch of the UN Global Compact Principles that lay out fundamental corporate responsibilities in the areas of human rights, labour, environment and anti-corruption, and more than ten years since the adoption of the UN Guiding Principles on Business and Human Rights, the state of corporate social and environmental due diligence remains insufficient and has room for progress. We seek to address this issue in part through engagement with companies, by supporting shareholder proposals asking companies to adopt meaningful social and environmental due diligence programmes, and through public policy advocacy. Nevertheless, as relatively few entities in our large investable universe conduct meaningful due diligence and/or disclose the results of these efforts, we are not yet at the stage where we can identify all "principal" adverse impacts that may be related to the companies, assets or sovereigns we are investing in.

As corporate reporting requirements generally focus on financial information, most issuer-provided information on adverse impacts is voluntarily produced. This, combined with the lack of due diligence programmes, means that many of the most significant adverse impacts are generally not identified or disclosed. In addition to a lack of reliable information, our ability to influence outcomes is limited by a variety of factors including the limited leverage available to a minority investor. This is particularly true for sovereigns.

Nevertheless, we embrace our responsibility to identify and mitigate our principal adverse impacts. Our framework for identifying and addressing adverse impacts is briefly outlined below, and then at greater length in the following sections.



Step 1 – Policy Framework to Address Adverse Impacts

We have implemented a policy framework to identify industries and behaviours that present a high risk of adverse impacts in violation of international norms.

Our sector policies provide a tailored approach to identify and prioritise adverse impacts given the nature of the economic activity, and in many cases, the geography. These policies set criteria for the exclusion of certain types of businesses that present an unacceptable risk to society or the environment, such as tobacco or thermal coal production, and establish criteria for evaluating other business lines, such as palm oil production, that are not strictly excluded but require closer scrutiny. They identify general areas where the risk of adverse impacts is more significant, and therefore help us assess investee companies within those sectors against pre-defined criteria. The sector policies guide risk evaluation prior to and during investment.

Our Responsible Business Conduct ("RBC") policy establishes a common framework across investments and economic activities through the implementation of the UN Global Compact (UNGC) Principles. As the Global Compact establishes broad, aspirational principles, a risk-based approach is taken at the issuer-level to assess potential breaches of international standards based on available data. This analysis may result in the exclusion of a company from our actively managed portfolios, or it may result in direct engagement with the issuer to obtain more information or to attempt to influence the company's behaviours.

Step 2 – Identifying actual and potential principal adverse impacts and actions taken

We use a third-party research provider to update us on specific incidents that may breach one or more UN Global Compact Principles. We evaluate these reports and draw our own judgment about whether a company is in violation – or at risk of violation – of the UNGC or of any of our sector policies. These judgments are approved by our Sustainability Committee including our most senior executives, twice a year. Once a company is excluded, a company must meet certain criteria to be re-incorporated into our investment universe.

In addition, our Stewardship team regularly identifies adverse impacts through ongoing research and through consultation with NGOs and other subject matter experts.

Step 3 – Engagement and escalation

We take a holistic view in our engagements, focusing on issues that may be financially material as well as those that present the most salient risks to society or the environment, consistent with our obligations under the UN Guiding Principles on Business and Human Rights, the OECD's Guidelines for Multinational Enterprises, and the set of international treaties and laws that underpin the UN Global Compact Principles. It is also consistent with our obligations, as fiduciaries, to do what we can to mitigate systemic risks that impact our clients and future investment opportunities, such as climate change, biodiversity loss and inequality. These systemic risks are often the focus of our long-term thematic engagements. See our Global Sustainability Strategy for a discussion of the 3E's (Energy Transition, Environmental Sustainability and Equality) that we believe are necessary conditions for a sustainable economic system.

Our stewardship approach includes provisions for escalation when we are unable to make progress, including the submission of shareholder proposals. Where we identify severe adverse impacts that we do not believe we can address through corporate engagement, we may also choose to divest.

Step 4 – References to international standards and participation in industry or multi-stakeholder initiatives

BNPP AM adheres to a series of recognised standards such as the Principles for Responsible Investment (PRI).

BNPP AM recognises that addressing principal adverse impacts on society and the environment requires in many situations a collective effort. We also acknowledge that we can be far more influential when working with others, and that we can benefit from partnering with organisations dedicated to the analysis, research or advocacy of individual ESG issues. We are active participants in a number of industry groups and collaborative engagement initiatives as outlined in our Stewardship Policy and annual sustainability reports. These include, but are not limited to, members in the Institutional Investor's Group on Climate Change (IIGCC), Climate Action 100+, Task Force on Climate-Related Financial Disclosures (TCFD) and the Global Network Initiative.

Step 5 – Reporting

Our RBC Policy is publicly available to inform our clients and the markets of our expectations for corporate behaviour. We do not publicly report the names on our exclusion list.

We publish information about our stewardship activities as part of our annual sustainability report (supplemented by more frequent information on our website). All of our reporting can be found on our public website: https://www.bnpparibas-am.com/en/sustainability/as-an-investor/

2.2 DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS

Policy Framework to Address Adverse Impacts

Our RBC due diligence process – including the development of policies – is an ongoing process which we review and update periodically, in an effort to improve over time. We consider these policies to be valuable enhanced risk management tools, as potential adverse impacts to the environment and society impact our ability to deliver long-term value to our clients. Because these impacts are under-reported and often occur in areas of the world without effective regulatory oversight, only the most severe and well-publicized impacts have been likely to become financially material in the past (although this is changing with growing access to technology and media platforms). We therefore require a normative framework to help us identify and address impacts that would not normally be incorporated in traditional portfolio management techniques or financial analysis.

We first implemented a Responsible Business Conduct (RBC) policy in 2012 with the integration of the UN Global Compact Principles in all our open-ended actively managed funds. Since then, we have significantly expanded our RBC policy in content and in scope.

Responsible Business Conduct

We expect 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 and the original ten principles of the OECD Guidelines for Multinational Enterprises (OECD MNEs Guidelines). These frameworks are recognised worldwide, applicable to all industry sectors, and based on the international conventions in the areas of human rights, labour standards, environmental stewardship and anti-corruption. The OECD Guidelines for Multinational Enterprises have been evolving over the past few years to reflect the growing expectations from governments for responsible business conduct. They have expanded to cover areas such as information disclosure, consumer interests, science and technology, competition, and taxation. Our RBC policies do not cover these specific areas which deserve a sectorial analysis. Many of these topics are included in our ESG scoring methodology. Relevant subjects will be analysed across investee companies as a part of our ESG risk assessment (in parallel to a company's assessment against our RBC policies).

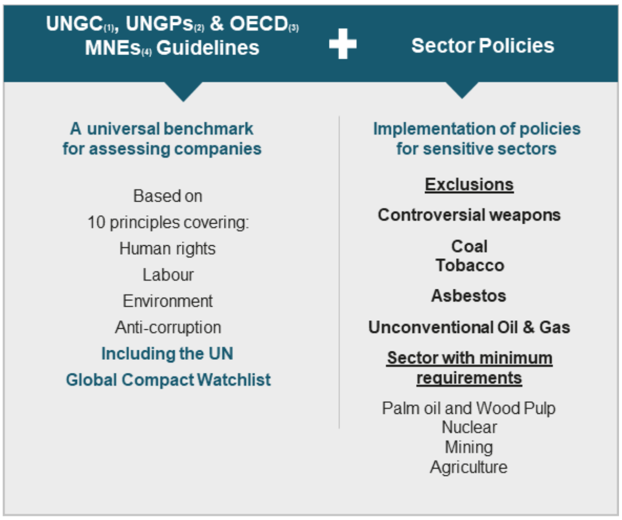
Sector and product-specific policies

We believe that some products or activities cause significant and unacceptable harm to society and/or the environment, without counterbalancing benefits. We have developed a set of policies that address these particular products or activities (such as tobacco, coal, controversial weapons, unconventional oil and gas or asbestos) and result in an exclusion list of companies we choose not to invest in. These are generally companies operating in industries where engagement makes little sense.

We have also developed another set of sector policies that lay out the conditions for investing in particular economic activities which, if not conducted responsibly, could significantly harm the environment or society. These sector policies guide our screening requirements and stewardship activities. These criteria are based on relevant international conventions and regulations (including the supplemented criteria provided by the OECD for sensitive sectors such as responsible agricultural supply chains or conflict minerals), BNP Paribas Group financing and investment policies[3], and voluntary industry standards. In each sector, we outline mandatory requirements which must be met by issuers in order for BNPP AM to invest. In addition to the compulsory standards, we have also developed additional criteria that we encourage companies to comply with. The latter provides a framework for further analysis and dialogue with companies.

[3] The Group's Sector Policies act as the foundation and minimum standard for our activities. In certain cases, they are augmented and adapted to better suit AM activities. The Group's policies can be found here: https://group.bnpparibas/en/financing-investment-policies

RBC Standards



(1) United Nations Global Compact
(2) United Nations Guiding Principles
(3) Organisation for Economic Co-operation and Development
(4) Multinational Enterprises

Policy	Internal approval body	Approval / last approved date	Responsibility for the implementation of the policies within organisational strategies and procedures
Agriculture	General Management	2015, updated in 2021	Group CSR (strategy) Business Line (implementation)
Defence	General Management	2010, updated in 2017	Group CSR (strategy) Business Line (implementation)
Coal-fired power generation	General Management	2011, updated in 2020	Group CSR (strategy) Business Line (implementation)
Mining	General Management	2013, updated in 2020	Group CSR (strategy) Business Line (implementation)
Nuclear power	General Management	2011	Group CSR (strategy) Business Line (implementation)
Palm oil	General Management	2010, updated in 2017	Group CSR (strategy) Business Line (implementation)
Pulp and paper	General Management	2011	Group CSR (strategy) Business Line (implementation)
Tobacco	General Management	2017	Group CSR (strategy) Business Line (implementation)
Unconventional oil and gas	General Management	2017	Group CSR (strategy) Business Line (implementation)

2.3 DESCRIPTION OF ACTIONS TO ADDRESS PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS

Step 1 – Screening, identification and monitoring of breaches to our RBC policies

We have contracted with Sustainalytics, an ESG data provider, to help us analyse and monitor corporate compliance with the UN Global Compact Principles. Sustainalytics covers more than 25 000 companies and they provide us with a detailed list of all notable incidents, along with their analysis of the level of severity of these potential violations on a quarterly basis. Sustainalytics identifies companies that they believe are in breach of a UNGC principle and why, and also flags companies that are at risk of violating one or more of the principles.

Our ESG analysts, together with our Stewardship team, analyse these cases. They consider the differences between the Sustainalytics list and our own research and our other policies and, based on this analysis, occasionally supplemented by information gleaned from direct engagements with the companies, they recommend additions to, or removals from, our Exclusion or Watch Lists.

We maintain two lists of companies that we have deemed to be at risk, or in breach, of one or more of the UNGC Principles:

- An Exclusion List of issuers that are associated with serious and/or repeated breaches of UN Global Compact Principles.
- A Watch List of issuers that raise serious concerns about their alignment with the UNGC Principles. These companies may appear on the Watch List for a variety of reasons, including the need for further research or our belief that direct engagement may lead to improvements. While there are no global restrictions on investing in companies on the Watch List, a number of strategies prohibit investment in names on this list.

If there is a recommendation to add a company to the Exclusion List, the Sustainability Centre will discuss this with the investment team(s) with the largest active holding(s). This discussion usually takes place with the portfolio manager and head of the investment team.

Decisions to include or remove companies from our Exclusion or Watch lists focus on the following factors:

- Severity of the impact to affected parties, including individuals, communities, investors and/or the environment, depending on the violation;
- Whether the violation(s) is unusual or severe in comparison with the company's industry peers;
- Whether the violation(s) appears to represent a pattern of behaviour that is likely to reoccur;
- An evaluation of the likelihood of success through engagement, including whether the violations relate to the company's core business, and whether the company's governance and ownership structures facilitate or obstruct investor engagement; and
- The company's response.

To be removed from our Exclusion List, a company must meet the following criteria:

- The company has put in place appropriate management systems and initiatives to manage risks linked to the controversy; and
- These new management systems and initiatives should normally have been in place for at least 12 months with no additional controversies or issues

Our Sustainability Committee, which includes our most senior executives and is chaired by our CEO, must approve all changes to the Exclusion List. The list is updated (at least) twice a year. The Sustainability Committee must also approve the implementation of all new or updated CSR sector policies of BNP Paribas Group, as well as the initial exclusion list or changes to the existing exclusion list as a result of these policies.

The table below provides the list of international frameworks, initiatives or standards either included in our policies or that have served as the basis for their development.

Policies	International references
General RBC standards for all investments across sectors	• UN Global Compact • OECD MNEs Principles
Agriculture	Group: • Alliance for Zero Extinction • IUCN

Policies	International references
	• Convention on International Trade in Endangered Species of Wild Fauna or Flora (CITES) Asset Management: • OECD Agricultural supply chains policy • Business Benchmark of Farm Animal Welfare
Asbestos	NA
Coal-fired power generation	Asset Management: • International Energy Agency's Sustainable Development Scenario
Defence	• Ottawa Convention • Convention on Cluster Munitions (Oslo Convention) • Nuclear Non-proliferation Treaty (NPT) of 1968 • Biological and Toxin Weapons Convention (BTWC) of 1972 • Chemical Weapons Convention (CWC) of 1993
Mining	• UNESCO • Ramsar list • Alliance for Zero Extinction • IUCN • ILO C 176 Safety and Health in Mines Convention (1995)
Nuclear	• International Atomic Energy Agency
Palm oil and Wood Pulp	• Roundtable on Sustainable Palm Oil • Soft Commodities Compact • FPIC • UNESCO • Ramsar list; • Alliance for Zero Extinction
Tobacco	• World Health Organization's Framework Convention on Tobacco Control • International Labor Organization (ILO) Conventions C138 Minimum Age (1973), C182 Worst Forms of Child Labor (1999), and C29 Forced Labor (1930).
Unconventional Oil & Gas	• UNESCO • IUCN

In terms of how we develop the exclusion lists, this varies for the overall RBC standards vs. sector specific policies.

RBC Standard exclusion list development:
- Our RBC exclusion list is developed by BNPP AM, and Sustainalytics provides the service that screens our investment universe against the 10 UNGC principles. The analysis is then supplemented by research undertaken by the BNPP AM Sustainability Centre.

Sector policy exclusion list development:
- BNP Paribas Group develops its lists based on internal analysis, in line with criteria of the relevant sector policy. See more information here: https://group.bnpparibas/en/financing-investment-policies
- In addition to the Group's exclusion list, BNPP AM may use additional criteria to expand the nature of the exclusion list and/or the universe of issuers covered. For example, in compiling our coal exclusion list we have developed a machine-learning tool that helps us to scan the investment universe and implement our exclusion thresholds based on our policy requirements and the International Energy Agency's SDS thresholds.

Step 2 – Implementation and scope

As noted in our RBC policy, the exclusion list applies to all types of securities (equities, bonds, convertible bonds…) issued by aforementioned companies, as well as bonds issued by related financial vehicles. It also applies to participation notes and derivatives issued by third-parties on such securities. These restrictions apply to securities negotiated on primary and secondary markets, as well as OTC instruments. The Policy, including watchlists and exclusion lists, does not apply to short sales of securities, in respect of products implementing short positions within their investment strategies.

<u>Asset class scope</u>
We apply our RBC policy to actively managed equity and fixed income funds, irrespective of their size.

	FUNDS	MANDATES	THEMATIC, SRI AND IMPACT FUNDS	INDEX FUNDS AND ETFs
ESPONSIBLE BUSINESS CONDUCT	✓	Client opt-out possible	✓	✗

For sovereign debt, we also apply the BNPP Group controversial countries framework[4].

In the context of Private Debt and Real Assets (PDRA), most PDRA strategies require compliance with our RBC standards. Some strategies can have more stringent criteria with the exclusion of a whole sector or the application of a green taxonomy (e.g. infrastructure) but the sector policies represent a common standard that all strategies need to comply with. As most of the strategies are based on a buy and hold approach, the application of our RBC cannot be retroactive but is applied for all the new issuers in which we invest.

Physical index funds and ETFs using the full replication method and tracking ESG indices will integrate RBC considerations, although there may be discrepancies in the approach used by index providers and BNPP AM. In addition, a number of index funds, ETFs or funds applying the synthetic replication method will apply our RBC policy to the basket of equities held in the fund.

<u>Mandates and dedicated single-client products</u>
Following the rollout of our Global Sustainability Strategy, we enhanced our efforts to extend the application of our RBC policies to as many of our institutional mandates as possible worldwide. Since January 2020, our RBC policies have been applied systematically to new mandates. While clients have the possibility to opt-out, they need to explicitly inform us of their decision to do so.

For those mandates and single-client products that had been contracted prior to 2020, we developed an ambitious client outreach programme to encourage clients to adopt our policies. Throughout 2020, and after having trained our client-facing staff and developed educational materials, we have been contacting our clients with the aim to obtain their consent to apply our RBC policies to their investments. This effort has initiated fruitful exchanges with our clients, some of which were encouraged to consider what RBC policies they should apply to their broader investment portfolios.

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[4] Sensitive countries framework: BNP Paribas has implemented internal policies and procedures to ensure that the Group complies with international regulations – notably in terms of the fight against Money Laundering, Terrorism Financing and Financial Embargoes – and controls the associated risks. BNP Paribas Group's internal framework includes risk mitigation measures on certain countries and / or activities that are considered as being particularly exposed to money laundering and/or terrorism financing related risks. BNP Paribas Group's risk assessment mainly relies on official lists (e.g. FATF list of jurisdictions having strategic deficiencies in their AML/CFT regime; EU list of high-risk third countries with AML/CFT deficiencies; "States Sponsor of terrorism" and "Terrorist Safe Havens" lists from the US Department of State, etc.) or list of countries under embargo.

STEP 3 – COMMUNICATION TO INVESTMENT TEAMS AND COMPLIANCE

Investment teams are prohibited from initiating new investments in companies that have recently been added to the Exclusion List and existing investments in companies newly added to the Exclusion List must be divested from relevant portfolios no later than 3 months after communication of the update.

To ensure that exclusion lists are implemented by all relevant portfolios, pre-trade and post-trade compliance checks are conducted by the Investment Compliance team. Pre-trade controls will block any attempt made by portfolio managers to buy a security linked to an excluded company. In addition, any security linked to an excluded company will automatically raise a recurrent alert until the position is sold.

STEP 4 – OUTCOMES AND REPORTING

The application of our RBC policies as of 31st December 2020, identified a total of 1679 companies (not including subsidiaries). The largest contributor to this list are our energy policies, followed by controversial weapons and UN Global Compact related exclusions.

Our RBC Policy is publicly available to inform our clients and the markets of our expectations for corporate behaviour. We do not publicly report the names on our exclusion list, but they are available for our clients upon request.

We publish information about our global stewardship activities as part of our annual sustainability report (supplemented by more frequent information on our website, and quarterly reports to our clients).

ENGAGEMENT POLICIES

Our Stewardship Policy is fully in accordance with Article 3g of Directive 2007/36/EC* (Shareholders Rights Directive). We have a detailed Voting Policy and a Conflicts of Interest Policy. We publish an annual Stewardship Report and a Voting Report.

In the table below we have mapped our key engagements against the principal adverse impacts identified in the regulation. For more details on each one, or a broader view on all the areas of engagement, please refer to our Annual Stewardship reports.

ISSUE	CORPORATE ENGAGEMENT	VOTING
Climate Change mitigation - emissions scope 1, 2 and 3; carbon footprint, carbon emissions intensities- and exposure to companies active in the fossil fuel sector, Share of non-renewable energy consumption and production, energy consumption intensity per high impact climate sector.	We are a member of the Climate Action 100+ (CA100+) initiative, a collective effort by institutional investors to engage the world's largest corporate greenhouse gas emitters. We lead on 7 companies worldwide, and we sit on the advisory group at IIGCC. BNPP AM, AP7, and the Church of England Pensions board created the corporate climate lobbying initiative: in 2018, we published the European Investor Expectations on Corporate Climate Lobbying, which formed the basis for a series of on-going engagements conducted in 2019 and 2020 with the 57 European companies that are part of CA100. Since 2019, we helped to lead collaborative engagements on this topic with US companies included in the CA100+, including the submission of shareholder proposals. Engagement related to our Coal Policy: we engage individually with portfolio companies to	We may decide not to approve the financial statements/director and auditor reports (in some geographies we will not approve the discharge of board and management or approve the board nomination) if: - the company does not report properly on their carbon footprint (scope 1, 2 and 3, when appropriate), - or does not communicate nor does it want to constructively engage in relation to its business strategy to mitigate and adapt to climate change, or its climate lobbying strategy. We have voted in favour of shareholder proposals when they were in line with the long-term interests of the company and requested action that was warranted given the practices of the company. However, we abstained when the proposal was not

ISSUE	CORPORATE ENGAGEMENT	VOTING
	confirm the emissions intensity of their power generation and evaluate the potential for us to work with companies to enhance their decarbonisation ambitions. We also engage with those companies whose carbon intensities are close but still not in line with the IEA's Sustainable Development Scenario as per our policy.	appropriate for the company or if the request was already applied in practice. We file or co-file climate-related resolutions in the context of our climate engagements as part of our escalation policy (see section I.4. on conduct of dialogues and escalation of our Stewardship Report). We publish as part of our voting annual report a description of all environmental shareholder proposals and the rationale of our voting for those we supported and those we did not. In 2020, we supported 94% of the environmental and climate-related shareholder proposals we voted on.[5]
Biodiversity	We have been an active member of the PRI and Ceres-led Investor Initiative for Sustainable Forests for several years, and have taken the lead with a number of companies. Through this initiative, we are engaging key companies on their policies and procedures for sourcing commodities linked to deforestation, including soy, palm oil, cattle and timber products. Alongside our efforts to better understand our own dependencies and impacts on nature, and to integrate these insights into our investment decision-making, we are engaging with portfolio holdings on several of the key drivers of biodiversity loss, including climate change and deforestation, in addition to engagements focused on water issues and pesticide use. We are also working with other institutional investors to develop a collaborative corporate engagement program designed to mitigate corporate impacts on nature.	We may choose not to approve the financial statements/director and auditor reports (in some geographies we will not approve the discharge of board and management or approve the board nomination) if the company does not provide adequate disclosure on environmental and social issues either in its annual report or elsewhere. We tend to vote favourably on environmental shareholder proposals, as evidenced by our voting record.
Water	Our focus is to improve the water efficiency of our investment portfolios, in particular in water-stressed areas, as well as to measure and disclose the water footprint of our portfolios. We also committed to encourage water-intensive sector companies operating in water-stressed areas to significantly improve their water efficiency while ensuring water access to local communities. To achieve this, we will be engaging priority companies on the topic. We have also been engaging mining companies on their tailing management.	
Waste	We have met several mining companies in Q4 2020 following the publication of the Global	

[5] For more information see our 2020 Voting Report.

ISSUE	CORPORATE ENGAGEMENT	VOTING
	Industry Standard on Tailings Management to discuss how these changes will impact their strategy and to identify what are the main challenges for the implementation of these new standards. Most of the companies that we met were part of the Global Tailings Review that occurred after the dam collapse in Brumadinho operated by Vale in 2019. Consequently, they were fully aware of the future changes in the governance (internal and external lines of defence) and supportive of these stringent standards in order to restore confidence from all the stakeholders of the mining sites. It should lead to a more transparent environment for waste management and should ease the assessment of the risk exposure by companies for investors' worth.	
Social and employee matters – UNGC and OECD MNEs violations	Human rights – we address concerns on this issue through our participation in The Global Network Initiative, seeking to implement the GNI Principles on freedom of expression and privacy (we serve on the GNI board). We also work on supply chain human rights issues in partnership with the Interfaith Centre on Corporate Responsibility and the Investor Alliance for Human Rights and other institutional investors. We have been utilizing the findings of the Know the Chain benchmark to identify corporations with inadequate policies and procedures to address forced labour in their manufacturing supply chains. We are also engaging companies on a range of other social issues, including the treatment of the workforce during the COVID-19 pandemic. We strive to engage with those companies that are at risk of violation of one or more of the principles of the UN GC or OECD MNEs. We exclude the worst offenders and, unless they fall under the scope a collective engagement initiative we are members, we do not engage with those once excluded. We strive to factor Food & Beverage manufacturers' nutrition practices into our responsible ownership activities and investment analysis, incorporating both results from Access To Nutrition Index (ATNI) and information from companies' public reporting. We also encourage other investors to consider ATNI's findings and we provide input into the ongoing development of ATNI.	We may choose not to approve the financial statements/director and auditor reports (in some geographies we will not approve the discharge of board and management or approve the board nomination) if the company has engaged in serious violation of the UN Global Compact Principles. Note that while we exclude those companies that do violate we might still have some minimal exposure through some of our ETFs, we might also include those that are on our watch list. In 2020, we opposed 451 resolutions at 66 companies because either the companies were deemed at risk of breaching one or more principles or they publish insufficient social or environmental information.

ISSUE	CORPORATE ENGAGEMENT	VOTING
Board Gender diversity	We engaged with companies which were not in line with our new policy and where we had important exposure. Our target list in 2020 was composed of 23 companies (12 in Europe and 11 in North America) held in our active portfolios, which we contacted explaining our new voting policy and asking for an engagement. Out of 23 companies, we conducted a deeper engagement with 14 companies (61%) with calls and exchanges of emails. We had a 30% success rate, with seven companies adopting changes in line with our voting policy (e.g. companies were not respecting our threshold in 2019 but reached more than 30% of female director for their annual general meeting in 2020, and we supported their board election).	We will vote against a board candidate if the candidate is not a woman and: - Fewer than 30% of directors are female (for Europe, North America, Australia, New Zealand and South Africa) - Fewer than 15% of directors are female(for the other markets)[6] Note that starting in 2025, we will apply a threshold of 40% of women on the board. As a result of our engagement with 14 companies, seven companies improved their gender diversity ahead of their AGM. We voted against male board nomination for the nine companies that did not respond to our call for engagement and the seven for which engagement was not fruitful.

Note on controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons): we do not engage with companies active in this space as we exclude them from our investment universe.

In addition, we aim to dialogue with sovereign issuers as a way to improve our understanding of their ESG issues, encourage better data transparency and share with governments our responsible investor expectations.

ESCALATION

Our approach to stewardship provides for a variety of escalation strategies. In addition to voting against a company's financial accounts, or members of the board, our engagement tactics include public questions at general meetings, the submission of shareholder proposals, making public statements such as periodically announcing our voting intentions ahead of time and, in rare situations where appropriate, additional legal strategies.

The decision to escalate an engagement is taken on a case by case basis. For more information on our escalation approach please see section 1.4. on conduct of dialogue and escalation of our Stewardship Report.

ADHERENCE TO INTERNATIONAL STANDARDS

BNPP AM was a founding signatory of the Principles of Responsible Investment (PRI). We respond every year to the PRI detailed report and we have received A or A+ rating, the highest possible, on a continuous basis. We also report every year on our progress against the six principles of the PRI in our annual Sustainability Report.

BNPP AM is an active member of the following industry, multi-stakeholder or public initiatives and networks in relation to sustainable finance, environmental, social or governance issues:

On climate change and environmental issues:

- TCFD – Task force on Climate-related Financial Disclosures (https://www.fsb-tcfd.org/)

[6] If the percentage of women is below the threshold (between 20-30% for Europe, N. America, Australia, New Zealand and South Africa or 10-15% for other markets), we could support male directors if, the company has made important improvements, in the case of a small board (8 directors maximum), if there is a commitment to reach our threshold within a short time, or the CEO or Chair is a woman.

- IIGCC - International Investors Group on Climate Change (http://www.iigcc.org/)
- AIGCC - Asia Investor Group on Climate Change (https://www.aigcc.net/)
- CERES - Coalition for Environmentally Responsible Economies (https://www.ceres.org/)
- TPI - Transition Pathway Initiative (https://www.transitionpathwayinitiative.org/)
- CDP - Carbon Disclosure Project (https://www.cdp.net/fr)
- CBI - Green Bonds & Climate Bonds (https://www.climatebonds.net/)
- ICMA - Green Bond Principles (International Capital Market Association)
- TNFD – Task Force on Nature-related Financial Disclosure* (https://tnfd.info/)

On governance issues:
- ACGA - Asian Corporate Governance Association (https://www.acga-asia.org/)
- CII - Council of Institutional Investors (https://www.cii.org/)
- ICGN – International Corporate Governance Network (https://www.icgn.org/)
- Eumedion - Group of Institutional Investors on Corporate Governance and sustainability performance (https://en.eumedion.nl/)
- Harvard Institutional Investor Forum (http://www.pii.law.harvard.edu/harvard-institutional-investors-forum.shtml)

On social issues:
- GNI – Global Network Initiative (https://globalnetworkinitiative.org)
- HCMC - Human Capital Management Coalition (http://uawtrust.org/hcmc)
- ATMI- Access to Medicine Index (https://accesstomedicinefoundation.org/access-to-medicine-index)
- ATNI – Access to Nutrition Index (https://accesstonutrition.org/)
- Benchmark for Farm Animal Welfare (https://www.bbfaw.com/)

On sustainable finance:
- UNPRI - United Nations-supported Principles for Responsible Investment (https://www.unpri.org/)
- TEG – Technical Expert Group on Sustainable Finance at the European Commission (https://ec.europa.eu/info/publications/sustainable-finance-technical-expert-group_en)
- EU Platform on Sustainable Finance* (https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance_en)
- Comite Climat et Finance Durable de l'AMF (https://www.amf-france.org/en/amf/our-organization/climate-and-sustainable-finance-commission)
- EFAMA ESG and Stewardship Committee (https://www.efama.org/)
- AFG - Association Française de la Gestion financière (http://www.afg.asso.fr/index.php/fr/isr/presentation)
- FIR - Forum pour l'Investissement Responsable. (http://www.frenchsif.org)
- HKGFA - Hong Kong Green Finance Association (www.hkgreenfinance.org/)
- IMAS - Investment Management Association of Singapore (http://www.imas.org.sg/)
- ICCR - Interfaith Center on Corporate Responsibility (https://iccr.org/)
- MAAM - Malaysian Association of Asset Managers (https://maam.org.my/)
- ASEAN Capital Markets Forum (https://www.theacmf.org/initiatives/sustainable-finance)
- IFC - Operating principles for impact management (https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/development+impact/principles/opim)

*We are members through BNP Paribas Group.

As part of the BNP Paribas Group, we are committed to observe the following standards:

Universal principles
For many years, BNP Paribas' actions have followed the framework of:
- United Nations Global Compact (Advanced level);
- United Nations Women's Empowerment Principles.

Financial industry principles
BNP Paribas actively participates in designing and implementing long-term social and environmental solutions within the framework of:

- Equator Principles;
- UNEP FI's Principles for positive impact finance;
- Principles for Responsible Banking
- Principles for Responsible Investment (PRI)
  - BNP Paribas Asset Management
  - BNP Paribas Capital Partners
  - BNP Paribas Real Estate Investment Management
  - BNP Paribas Cardif
  - BNP Paribas Securities Services

Commitments specific to the environment
BNP Paribas' environmental commitments:

- Banking Environment Initiative (BEI) and its Soft Commodities Compact;
- Roundtable on Sustainable Palm Oil (RSPO);
- Science Based Target initiative;
- Breakthrough Energy Coalition;
- Task Force on Climate-related Financial Disclosures (TCFD);
- Katowice Agreement;
- Act4nature initiative;
- Afep's commitments to the circular economy;
- Medef's Business Climate Pledge

Policies and procedures related to ethical business practices
BNP Paribas holds itself to the highest ethical standard and is committed to responsible business conduct through a suite of policies and procedures, including:

- Employee Code of conduct
- Statement of BNP Paribas on human rights;
- Anti-Corruption Policy;
- Charter for responsible representation with respect to public authorities;
- Sustainable Sourcing Charter for BNP Paribas suppliers;
- BNP Paribas Responsible Business Principles.

The above policies can be found on the Group's website at: https://group.bnpparibas/en/publications

Aligning our portfolios with the objectives of the Paris Agreement

Our objective is to make a substantive contribution to the transition to carbon neutrality by 2050. We have three targets to structure our work towards this objective:

1. To progressively align our investment portfolios with the goals of the Paris Agreement.
2. To encourage our investee companies and countries to align their strategies with the goals of the Paris Agreement.
3. To encourage policymakers to adopt measures that align with the goals of the Paris Agreement.

Aligning our portfolios
We aim to align our portfolios, firstly, by reducing our exposure to fossil fuels in line with the well-below 2ºC International Energy Agency (IEA) Sustainable Development Scenario (SDS). Of all the scenarios in line with the objectives of the Paris Agreement, this is the most reliable and widely used.

As part of that commitment, we have introduced enhanced policies on coal and unconventional oil & gas, further strengthening our existing approach.

We are assessing how companies are managing climate-related risks and opportunities; but more concretely, we are examining how carbon intensities (current and expected) within the seven most carbon-intensive sectors compared to the IEA SDS. Our assessments will allow us to benchmark companies' emissions trajectories against the international target defined by the Paris Agreement and will inform our active engagement with these issuers. We aim to align our investments in those seven sectors to the global target, starting with the electric utilities sector.

Carbon footprint of our funds

We started measuring the carbon footprint of our "Sustainable +" equity funds and mandates in 2011. In May 2015 we were among the first signatories of the Montreal Carbon Pledge, and committed to progressively measure and report the carbon footprint of our open-ended funds. Today we measure the carbon footprint of both equity and fixed income portfolios.[7] An internal dashboard is prepared for the Investment Committee on a bi-weekly basis tracking the performance of a range of funds versus their investible benchmarks on ESG and Carbon performance. BNPP AM factsheets are evolving to include two new indicators – ESG Global Score and the carbon footprint of the fund versus the benchmark.[8]

Green share of our investments

We have committed to measure our 'sustainable economic' investments, in line with the forthcoming EU taxonomy, once available and to the extent possible. In March 2019 ahead of the approval of the Taxonomy Regulation and the publication of the Delegated Acts on climate change mitigation and adaptation, we committed in our GSS to start working towards measuring the green share as a percentage of our total assets under management or total green investments defined as the sustainable economic activities in the forthcoming EU Taxonomy.

[7] A detailed explanation of the methodology can be found at https://www.bnpparibas-am.com/en/measuring-carbon-footprints/

[8] For further explanation please see https://docfinder.bnpparibas-am.com/api/files/5785D9F3-6515-4BE5-9DAC-B4336F93F989
For regulatory reasons the fund factsheets are available through our country websites only in the countries where those fund are registered. In France, for example, they are available at BNP Paribas Asset Management - France - Particulier (bnpparibas-am.fr)

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Version History: Future updates will be referenced.