

AN EXPERT IN SOLIDARITY INVESTMENT

Marketing communication



SOLIDARITY INVESTMENT FUNDS
& PROCESS



BNP PARIBAS
ASSET MANAGEMENT

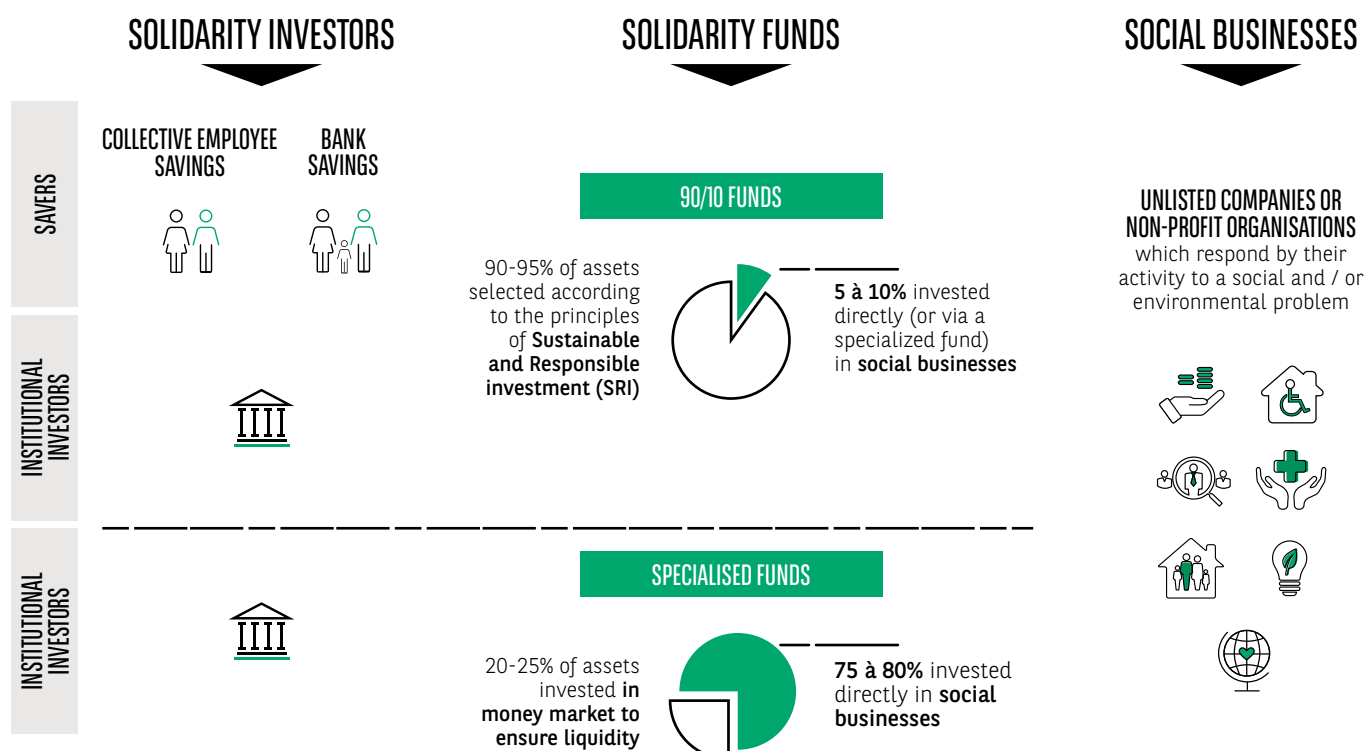
The asset manager
for a changing
world

SOLIDARITY INVESTMENT

'Solidarity' funds are a French innovation unique in Europe and are part of our impact investing solutions. Solidarity investment involves unlisted companies or non-profit organisations whose objective is to respond to a social problem (fight against exclusion, poor housing, etc.) and / or an environmental problem through the development of innovative products or services. Savers and institutional investors finance concrete solutions to combat social and environmental challenges through 90/10 funds or specialised funds.

SOLIDARITY INVESTMENT: NOT TO BE CONFUSED WITH SUSTAINABLE AND RESPONSIBLE INVESTMENT (SRI)

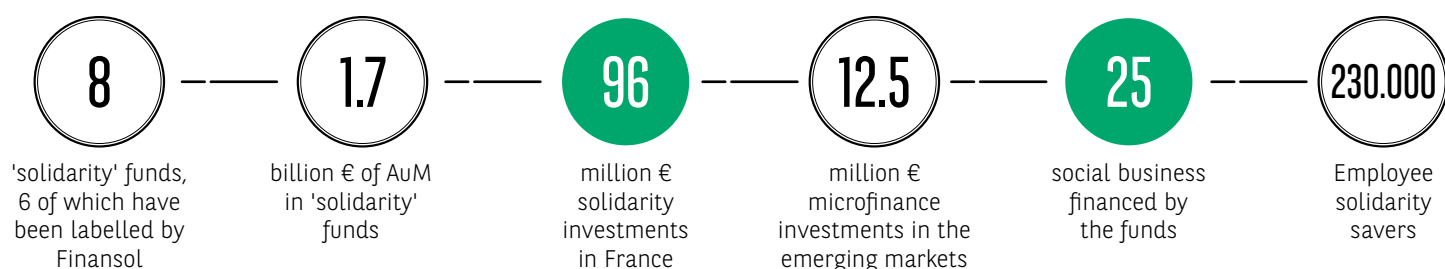
SRI applies to listed securities issued by companies or governments. It involves carrying out an extra-financial analysis based on environmental, social and governance (ESG) criteria in addition to financial analysis during the investment.



IN BRIEF: SOLIDARITY INVESTMENT AT BNP PARIBAS ASSET MANAGEMENT

BNP Paribas Asset Management has been developing and managing solidarity funds for more than 15 years. At the end of 2018, € 96 million are invested in 25 companies or non-profit organisations with which we have established a long-term relationship of trust and proximity.

Our team of expert analysts dedicated to solidarity investment ensures the surveying, the analysis and the follow-up of the financed structures. Thanks to a structured investment process, it ensures the quality of our solidarity investments in terms of both the social impact and the economic model.



PROCESS SUITABLE FOR SOLIDARITY INVESTMENT



1. SURVEYING

BNPP AM's team of analysts dedicated to solidarity investment **meets more than 30 players** a year to :

- Promote solidarity funds, a new financing solution still unknown to the players in the Solidarity Economy,
- Identify new investment opportunities.

In this context, BNPP AM works in close collaboration with the retail banking, in particular with the Social Entrepreneurship correspondents and the local ecosystem of the Solidarity Economy (Ashoka, federations, incubators, ...).

TEAM OF
SOLIDARITY
INVESTMENT
ANALYSTS



2. ANALYSIS

Preselection : the objective is to ensure that the structure has an effective social impact and is in line with the fund strategy.

- Done on the basis of an internal methodology, based on a grid analysis and indicators specific to each area of social action.
- Based on an interview with the management of the structure.

Due diligence : if the structure is eligible, a full analysis is performed. It is based on three pillars:

- The governance,
- The business, the economic model and the financial sustainability,
- The need for financing expressed.

BNPP AM has developed analytical tools adapted to take into account the specificities of the structures of the solidarity economy.

TEAM OF
SOLIDARITY
INVESTMENT
ANALYSTS



3. INVESTMENT

In the case of a favourable investment recommendation from the team, the project is presented to the fund manager during an **investment committee**:

- Detailed presentation of the proposed structure and investment,
- Exchanges between the fund manager and the analysis team who validate the financial viability of the project,
- Validation of the terms of the proposed investment: duration, tool and conditions.

The fund manager is the final decision-maker: no investment is made without his validation.

MANAGER
OF THE
SOLIDARITY
FUNDS



4. MONITORING

The monitoring of the solidarity investments is done at two levels:

- **Global tracking of portfolios**: control of ratios of right-of-way, monitoring of deadlines, assessment of future investment needs,
- **Specific follow-up of each funded structure**: at least **once a year**, meet with the management of each structure to monitor their social impact and financial situation.
- We establish a long-term partnership with the funded structures. The analytical team **advises** and **accompanies** them whenever necessary throughout the duration of the investment. Trust and transparency are at the heart of the relationship with each of our partners.

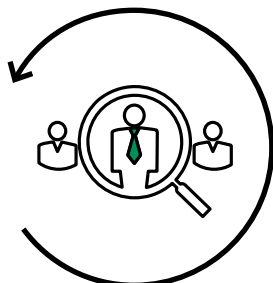
TEAM OF
SOLIDARITY
INVESTMENT
ANALYSTS

OUR AREAS OF INTERVENTIONS AND OUR SOLIDARITY PARTNERS

Projects financed as of 31/12/2018

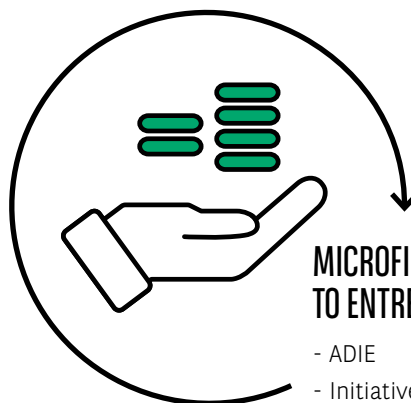
ACCESS TO EMPLOYMENT

- Groupe ID'EES
- Group la Varappe
- Le Relais France
- Réseau Cocagne
- Wimoov



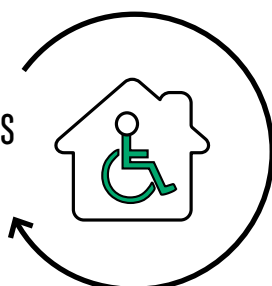
MICROFINANCE AND SUPPORT TO ENTREPRENEURSHIP

- ADIE
- Initiative France
- Phitrust Partenaires
- SIFA



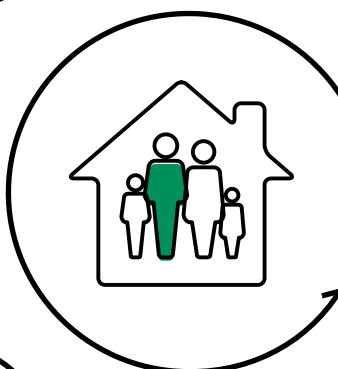
ACCESS TO CARE HOMES

- Entreprendre pour humaniser la dépendance



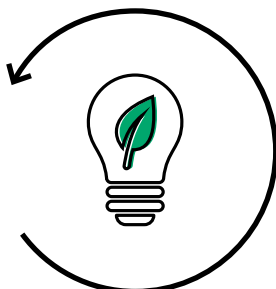
ACCESS TO HOUSING

- Foncière Chênelet
- Foncière Habitat et Humanisme
- SNL Prologues
- SOLIFAP



ENVIRONMENTAL PROTECTION AND SUSTAINABLE CONSUMPTION

- Café Michel
- Darwin Bastide
- ETIC
- Foncière Terre de Liens



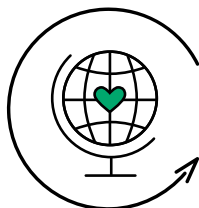
ACCESS TO HEALTH AND SUSTAINING INDEPENDENCE

- Siel Bleu
- Titi Floris
- Croix-Rouge Française



INTERNATIONAL SOLIDARITY

- ACTED
- SIDI
- ALIMA
- Microfinance Solidaire



Source: BNPP AM - December 2018

IMPACT MEASUREMENT AND REPORTING TO OUR CLIENTS

Using a social impact measurement tool developed internally, we monitor the social performance of our solidarity investments and witness the impact of the financed projects on our savings.

MONITORING

We define with each of our partners the social impact indicators specific to their fields of action and their projects. Based on these indicators, we review the social impact of the projects in which we invest the savings of our clients on an annual basis.

REPORTING

Every semester, we value the impact of our partners in a social performance report, made for our clients. A thematic focus illustrates this impact by presenting some of the actions in more detail, which are carried out by our partners on the different topics.

BNP PARIBAS ASSET MANAGEMENT : AT THE HEART OF THE BNP PARIBAS ECOSYSTEM

BNP Paribas Asset Management works closely with the other entities of the BNP Paribas group* in order to offer a complete range of financial solutions and support to meet the needs of the players in the Solidarity Economy



*The actors of the BNP Paribas ecosystem are presented in detail on the last page of this document

IDENTITY CARD OF FINANCED STRUCTURES

- **PREREQUISITES:** high social impact activity
- **AREA OF SOCIAL ACTION:** all (priority for insertion in all its forms – see at the back of this page)
- **LEGAL STATUS:** all (non-profit organisations, cooperatives, commercial companies...)
- **GEOGRAPHICAL AREA:** France in priority
- **NEED:** development and scaling-up
- **SIZE:** minimum investment threshold of 300k€

OUR FINANCING TOOLS

Our financing tools are numerous, to adapt to the specific needs of the structures of the solidarity economy

EQUITY	QUASI-EQUITY	DEBT
Subscription to the capital of the company	For non-profit organisations and cooperatives	• Promissory notes • Bonds and convertible bonds
Within the limit of 10% of the capital post increase	Within the limit of 25% of the issue	Within the limit of 25% of its total indebtedness Maximum duration of 5 years

KEY FIGURES

BNP PARIBAS EPARGNE & RETRAITE ENTREPRISES

For 15 years, BNP Paribas E&RE has been committed to collective employee solidarity savings. Its role is to promote and distribute solidarity funds to its business customers and to facilitate the network of solidarity partners by enhancing their actions with employees (events, website, brochures, etc.). E&RE participates in the evaluation of the social impact of the structures financed and gives an opinion as to their relevance to the investment strategy.

- More than 8,000 companies propose solidarity savings funds
- EUR 1.7 Billion aum in solidarity funds

Source: BNP Paribas E&RE - December 2018

BNP PARIBAS GROUP CSR TEAM

Support to Social Entrepreneurship is brought to the Group level through the Company Engagement department, thanks to a dedicated team of 5 people. The team accompanies and coordinates the initiatives of the Group's various businesses, in France and internationally, and develops innovative products and services: social impact measure, social impact bonds, impact investing, etc.

- Nearly EUR 1.6 bn in global support to social enterprises
- Including eur 300 millions in microfinance institutions (MFIs)
- 2 033 Clients, partners in 7 countries and 38 microfinance institutions in 17 countries

Source: BNP Paribas - RSE Groupe - December 2018

BNP PARIBAS RETAIL BANKING

Since 2013, BNP Paribas retail banking has developed a dedicated support system, with a network in France of more than **100 Social Entrepreneurship correspondents** - business managers or credit experts trained in the specificities of the sector - and a specific credit policy that takes account of the particularities of economic models in the financial analysis of the structures of the solidarity economy.

The bank has also established partnerships with **key players in the ecosystem**: incubators (La Ruche, Sense Cube ...), investors (France Active, Alter Equity ...) and networks (Ashoka, the Mouves) to help social businesses at each stage of their life cycle.

- 1 400 Social enterprises supported by BNPP Retail Banking
- 100 Social entrepreneurship correspondents
- 700 Million € in outstanding loans

Source: BNP Paribas BDDF - RSE - December 2018



BNP PARIBAS ASSET MANAGEMENT France is a portfolio management company approved by the Autorité des Marchés Financiers under the number GP96002, incorporated as a simplified joint-stock company, having its registered office at 1, boulevard Haussmann 75009 Paris, France, RCS Paris 319 378 832, and its website: www.bnpparibas-am.com. This content is communicated to you for information purposes only and does not constitute:

1. neither an offer to sell nor a solicitation to purchase, nor should it serve as a basis or be taken into account for any contract or
2. nor an investment board.

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ASSET MANAGEMENT

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