

INVESTMENT STRATEGY

BNP PARIBAS GLOBAL ENVIRONMENT is an international equity fund. Its objective is the protection of the environment, in particular through the reduction of CO2 emissions, access to drinking water for the greatest number of people, waste management ... For this, the fund invests in 40 to 60 companies of which at least 20% of the turnover is made in one of the following areas: renewable energies, energy efficiency, water treatment, pollution control, waste management and environmental services. Data in this extra-financial report are compared to a reference thematic universe (around 1900 stocks), its benchmark is the MSCI World.

WHAT IS THE FRENCH SRI (SOCIALLY RESPONSIBLE INVESTMENT) LABEL?

Created in 2016 by the French Ministry of Finance and Public Accounts, the SRI label aims to provide better visibility for investors on SRI funds. It also seeks to ensure that the fund management is based on strong methodologies with a high degree of transparency and quality information.

To obtain the SRI label, the fund must meet a specific set of criteria relating to:

- The general (financial and ESG) objectives of the fund. This entails verifying that these objectives are clearly defined and described to investors and taken into account when formulating the fund's investment policy
- The ESG criteria analysis and rating methodology used by the companies in which the fund invests
- The inclusion of ESG criteria during the portfolio's development and existence
- The ESG engagement policy with the companies in which the fund invests (voting and dialogue)
- Fund management transparency
- Measurement of the positive impacts of ESG management on the development of a sustainable economy

For more information regarding the SRI Label, please visit: <https://www.llabelisr.fr/en/what-sri-label/>

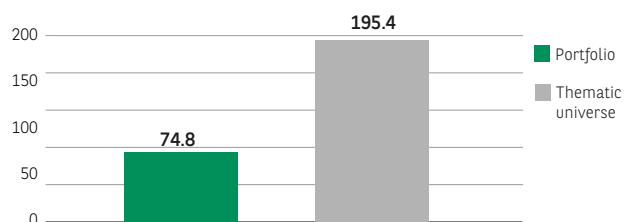


ESG INDICATORS OVER TIME



ENVIRONMENTAL:

Environmental: Weighted Average Carbon Footprint (CO₂ Eq/EV)



This indicator assesses the carbon footprint and is expressed in tCO₂eq /million € of enterprise value.

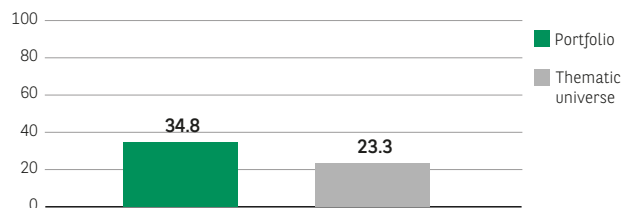
Coverage rate (Portfolio/Index) 100%/94.7%

Source: Impax Asset Management - December 2022



SOCIAL:

Women on board (in %)



This indicator assesses the average percentage of women on boards within the portfolio's issuers.

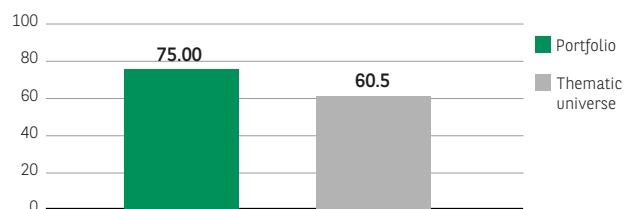
Coverage rate (Portfolio/Index) 100%/74.8%

Source: Impax Asset Management - December 2022



GOVERNANCE:

Independent directors on board (in %)



This indicator assesses the average percentage of independent directors on board within the portfolio's issuers.

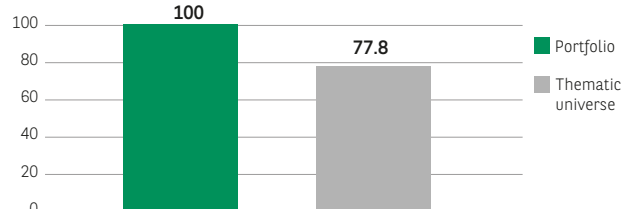
Coverage rate (Portfolio/Index) 93.6%/66.3%

Source: Impax Asset Management - December 2022



HUMAN RIGHTS:

UNGC Compliance Rate (in %)



This indicator assesses the percentage of issuers within a portfolio that are signatories to the UN Global Compact.

Coverage rate (Portfolio/Index) 100%/78.0%

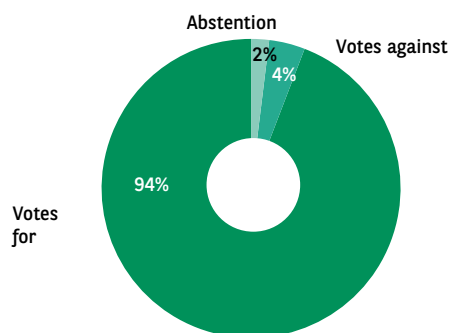
Source: Impax Asset Management - December 2022

STEWARDSHIP ACTIVITY SUMMARY

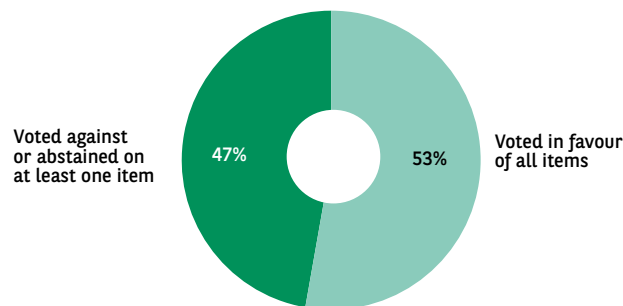


VOTING ACTIVITY

In 2022, we voted a total of 704 resolutions within the fund



In 2022, we voted at 47 general meetings within the fund



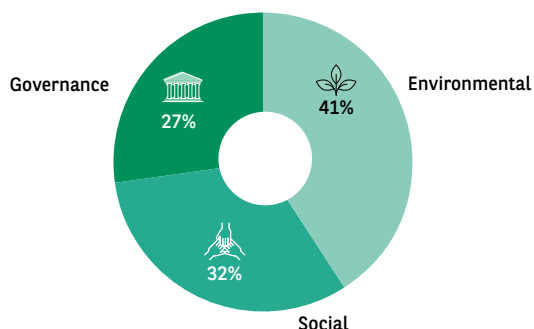
Voting at annual general meetings is a key component of our ongoing engagement with companies: Shareholders with voting rights vote on issues such as appointments to the board of directors, executive compensation or financial operations.

Non significant rounding differences may exist.



ENGAGEMENT ACTIVITY

In 2022, we had a total of 27 engagements with companies within the fund



Source: Impax Asset Management - December 2022

For more information regarding our voting and engagement policies, please visit our webpage: (<https://www.bnpparibas-am.com/fr/sustainability>) and the one of IMPAX (<https://impaxam.com/insights-and-news/blog/engagement-and-policy-advocacy-report-2022>).

PORTFOLIO INVENTORY

The table below shows the name, country, sector and ESG decile of issuers in the portfolio.

Issuer name	Sector	Weight
		Portfolio
LINDE PLC	Materials	4.14
WASTE MANAGEMENT INC	Industrials	3.68
AGILENT TECHNOLOGIES INC	Health Care	3.61
REPUBLIC SERVICES INC	Industrials	3.08
AIR LIQUIDE SA	Materials	3.06
GEA GROUP AG	Industrials	2.98
SCHNEIDER ELECTRIC SE	Industrials	2.96
ANSYS INC	Information Technology	2.85
VEOLIA ENVIRONNEMENT	Utilities	2.67
AMERICAN WATER WORKS CO INC	Utilities	2.66
WATERS CORP	Health Care	2.53
TEXAS INSTRUMENTS INC	Information Technology	2.52
AUTODESK INC	Information Technology	2.50
KONINKLIJKE DSM NV	Materials	2.49
ORSTED A/S	Utilities	2.45
PENTAIR PLC	Industrials	2.45
IDEX CORP	Industrials	2.43
EUROFINS SCIENTIFIC	Health Care	2.38
MICROSOFT CORP	Information Technology	2.28
SIEMENS AG-REG	Industrials	2.12
APTIV PLC	Consumer Discretionary	2.05
MEDIATEK INC	Information Technology	2.02
EQUINIX INC	Real Estate	1.99
DEERE & CO	Industrials	1.97
TRANE TECHNOLOGIES PLC	Industrials	1.96
KUBOTA CORP	Industrials	1.91
HUBBELL INC	Industrials	1.90
VESTAS WIND SYSTEMS A/S	Industrials	1.85
WESTROCK CO	Materials	1.72
UNITED RENTALS INC	Industrials	1.71
DELTA ELECTRONICS INC	Information Technology	1.69
APPLIED MATERIALS INC	Information Technology	1.69
ASML HOLDING NV	Information Technology	1.67
INTL FLAVORS & FRAGRANCES	Materials	1.66
FISCHER (GEORG)-REG	Industrials	1.59
FERGUSON PLC	Industrials	1.59
TE CONNECTIVITY LTD	Information Technology	1.58
TRIMBLE INC	Information Technology	1.58
ROCKWELL AUTOMATION INC	Industrials	1.53
CRODA INTERNATIONAL PLC	Materials	1.46
PTC INC	Information Technology	1.46
CROWN HOLDINGS INC	Materials	1.31
METTLER-TOLEDO INTERNATIONAL	Health Care	1.29
KEYENCE CORP	Information Technology	1.03
SHIMANO INC	Consumer Discretionary	0.98
SPIRAX-SARCO ENGINEERING PLC	Industrials	0.95
HALMA PLC	Information Technology	0.88

Source: BNPP AM, end of December 2022




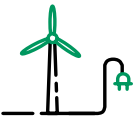


IMPACT REPORT

As a complement, we are delighted to share Impax's annual update on the environmental impact of BNP Paribas Global Environment. Every Impax strategy is designed to intentionally allocate clients' capital towards those companies that they expect to flourish as the global economy transitions to a more sustainable model, and to reduce or eliminate exposure to potential losers from that transition. This impact report provides post-investment evidence of this intentionality.

The Impact reported relates to the benefits that the products and services of the investee companies are enabling. Investing in listed impactful companies doesn't increase or add to that impact but is a concrete demonstration that the investment is very strongly aligned to companies benefiting from and enabling the transition to a more sustainable economy.

Since the size of the fund(s) can vary from one year to the next, we have standardised the environmental benefit at EUR 10 million invested as well as reporting on the total fund.

ENVIRONMENTAL IMPACT

	OF €10 MILLION	OF TOTAL FUND	ENVIRONMENTAL IMPACT
	0 tCO₂	20,300 tCO₂	Net CO ₂ emissions avoided
	- cars	14,100 cars	Equivalent to taking x cars off the road in 2021
	220 MWh	91,700 MWh	Total renewable electricity generated
	60 households	25,470 households	Equivalent to x households' electricity consumption in 2021
	200 Megalitres	73,100 Megalitres	Total water treated, saved, or provided
	1,280 households	469,310 households	Equivalent to x households' water consumption in 2021
	540 tonnes	221,350 tonnes	Total materials recovered/waste treated
	570 households	235,070 households	Equivalent to x households' waste arising in 2021

These data refer to the past. Past performance is no guarantee of future performance.

Source: Impax Asset Management. Impact of investment in the fund for one year. Based on most recently reported annual environmental data for holdings and assets under management in the BNPP Global Environment Fund as at 31 December 2021. Impax's impact methodology is based on equity value. As the value of the holdings can vary between years, Impax has standardized environmental benefit to €10m invested, and also reported on the total value of the holdings as at 31 December 2021.

IMPAX METHODOLOGY FOR ENVIRONMENTAL STRATEGIES

The relevant environmental metrics for all portfolio companies were measured where data was available or could be estimated. The analysis included all companies in which the funds were invested as at 31 December 2021. At the time of preparation, Impax aimed to obtain most recently available and commonly collected environmental data from its investee companies. For approximately 86% of companies this was from 2021 reported information and for the remainder of companies this was from previously reported information.

The percentage owned in each underlying company (calculated based on the proportion of shares owned) as at 31 December 2020 was applied to measure the environmental benefit attributable to the funds.

Impax started by identifying the metrics against which it would measure the impact of the companies. These included:

- Greenhouse gas (GHG) emissions (tonnes of CO₂ equivalent)
- Greenhouse gas (GHG) avoidance (tonnes of CO₂ equivalent)
- Net impact from GHG emitted less GHG avoided (tonnes of CO₂ equivalent)
- Renewable electricity generated (MWh)
- Water treated, saved or provided (megalitres)
- Materials recovered/waste treated (tonnes)
- Coal displaced in Asian cities (tonnes)

The relevance of each metric was also assessed for each company based on their business activities:

- Impax created a heat map which provided a qualitative indication for the positive impact of each company
- Impax collected relevant data from company disclosures, including sources such as annual reports, CDP and sustainability reports. Where information was not available, Impax contacted companies to request additional disclosure, which in some cases produced additional relevant data
- However, some companies could not/did not provide information on several metrics. Impax therefore created estimates for these data points based on relevant peer groups of companies which do disclose this information. Impax has been conservative with all its estimates to ensure that it does not overstate the positive impact, or in the case of carbon dioxide emissions, the net emissions avoided

The environmental impact of the fund's investments will always depend on the mix of underlying holdings and are thus subject to change.

CLASSIFICATIONS: SFDR | ARTICLE 9* - AMF | Cat. 1**

* Following the new Sustainable Finance Disclosure Regulation (SFDR) that came into force on 10 March 2021, BNP Paribas Global Environment is categorised under Article 9. Under this new regulation, financial entities such as BNP Paribas Asset Management who sell products into the EU are required to classify the products they manufacture or advise into three categories: Article 9 (products with a sustainable investment objective), Article 8 (products promoting environmental or social characteristics), Article 6 (non-sustainable products).

** Category 1: approach based on a significant engagement / Category 2 : approach based on a non-significant engagement / Category 3 : Approach that does not reach standards of central or restricted communication.

BNPP AM'S RESPONSIBLE BUSINESS CONDUCT POLICY

EXCLUDED SECTORS

We have a set of policies that commit us to exclude particular sectors or activities, as we deem them to be in violation of international norms, or to cause unacceptable harm to society and/or the environment, without counterbalancing benefits. These are generally sectors where engagement is unlikely to be constructive.



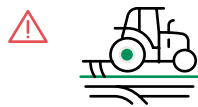
Tobacco

Controversial
WeaponsElectricity generation
from coalThermal coal
extraction

Asbestos

Unconventional oil
& gas

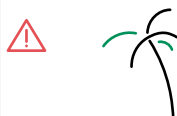
For controversial activities, we highlight mandatory sector Responsible Business Conduct requirements which have to be met by issuers in order for BNP Paribas Asset Management to invest. We do this because if the activities in question are not conducted properly, then they could cause serious social or environmental damage.



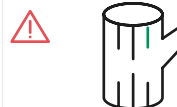
Agriculture



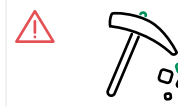
Nuclear Power Generation



Palm oil



Wood pulp



Mining

NORMS-BASED SCREENING

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,
- OECD Guidelines for Multinational Enterprises (OECD MNEs Guidelines).

We aim to engage with companies where they fall short, and exclude the worst offenders.

For more information regarding our Responsible Business Conduct Policy, please visit our webpage:
<https://www.bnpparibas-am.com/en/sustainability/>

GLOSSARY

Engagement activities

Engagement is active dialogue with corporates with a specific and targeted objective. Meaningful engagement with issuers can enhance our investment processes and better enable us to successfully manage long-term risk for our clients by promoting strong ESG practices in the companies in which we invest on their behalf. BNP Paribas Asset Management's Stewardship Policy explains our approach toward engagement.

Portfolio carbon footprint

The portfolio carbon footprint is the sum of each company's carbon emissions divided by its simplified enterprise value, multiplied by the company's weight in the portfolio. Carbon emissions represent the sum of scope 1 emissions (direct emissions from the company's facilities) and scope 2 emissions (indirect emissions linked to the company's energy consumption) from a company. The simplified enterprise value measures a company's total value and is calculated as the sum of the company's market capitalization and total debt. The footprint is expressed in tons of CO2 equivalent per million euros invested. Our carbon data provider is Trucost. To provide examples of what the carbon footprint gap between the fund and its benchmark is equivalent to, BNPP AM has used U.S EPA data for car CO2 emissions and IEA data for annual CO2 emissions of homes linked to electricity use. Both data points are based on average emissions in the U.S.

United Nations Global Compact signatories

The UN Global Compact Principles promote 10 major principles applicable to companies in the areas of respect for human rights, labour standards, environmental protection and business ethics. This indicator assesses the percentage of issuers within a portfolio that are signatories to the UN Global Compact.

Women on boards

Corporate governance is assessed through various indicators, including the presence of women on board of directors. We believe that diversity on corporate boards can contribute positively towards shareholders' long-term interests. This indicator assesses the average percentage of women on boards within the portfolio's issuers.

Exercise of Voting Rights

Voting at annual general meetings is a key component of ongoing engagement with companies: Shareholders with voting rights vote on issues such as the appointments of the board of directors, executive compensation or financial operations.

Board independence

A right corporation governance is measured through several indicators as the presence of independent directors on boards. This indicator assesses the average percentage of independent directors within issuers' boards of this portfolio.

Coverage

Within a portfolio or a benchmark the coverage represents the percentage of securities that have an ESG score, a carbon footprint or any other relevant indicator for this report.

The investments in the funds are subject to market fluctuations and the risks inherent in investments in securities. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay, the fund(s) described being at risk of capital loss.

For a Complete description and definition of risks, please consult the last available prospectus and KID of the fund(s).

RISKS & DISCLAIMER

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Environmental, Social and Governance (ESG) Investment Risk

The lack of common or harmonized definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by managers when setting ESG objectives. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may be based on metrics that may share the same name but have different underlying meanings. In evaluating a security based on the ESG and sustainability criteria, the Investment Manager may also use data sources provided by external ESG research providers. Given the evolving nature of ESG, these data sources may for the time being be incomplete, inaccurate or unavailable. Applying responsible business conduct standards in the investment process may lead to the exclusion of securities of certain issuers. Consequently, the Sub-Fund's performance may at times be better or worse than the performance of relatable funds that do not apply such standards.

Disclaimer

BNP PARIBAS ASSET MANAGEMENT France, "the investment management company", is a simplified joint stock company with its registered office at 1 boulevard Haussmann 75009 Paris, France, RCS Paris 319 378 832, registered with the "Autorité des marchés financiers" under number GP 96002.

This material is issued and has been prepared by the investment management company.

This material is produced for information purposes only and does not constitute:

1. an offer to buy nor a solicitation to sell, nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or
2. investment advice.

This material makes reference to certain financial instruments authorised and regulated in their jurisdiction(s) of incorporation.

No action has been taken which would permit the public offering of the financial instrument(s) in any other jurisdiction, except as indicated in the most recent prospectus of the relevant financial instrument(s), or on the website (under heading "our funds"), where such action would be required, in particular, in the United States, to US persons (as such term is defined in Regulation S of the United States Securities Act of 1933). Prior to any subscription in a country in which such financial instrument(s) is/are registered, investors should verify any legal constraints or restrictions there may be in connection with the subscription, purchase, possession or sale of the financial instrument(s).

Investors considering subscribing to the financial instrument(s) should read carefully the most recent prospectus and Key Information Document (KID) and consult the financial instrument(s)' most recent financial reports.

These documents are available in the language of the country in which the financial instrument(s) is authorised for the distribution and/or in English as the case may be, on the following website, under heading "our funds": <https://www.bnpparibas-am.com/>

Opinions included in this material constitute the judgement of the investment management company at the time specified and may be subject to change without notice. The investment management company is not obliged to update or alter the information or opinions contained within this material. Investors should consult their own legal and tax advisors in respect of legal, accounting, domicile and tax advice prior to investing in the financial instrument(s) in order to make an independent determination of the suitability and consequences of an investment therein, if permitted. Please note that different types of investments, if contained within this material, involve varying degrees of risk and there can be no assurance that any specific investment may either be suitable, appropriate or profitable for an investor's investment portfolio.

Given the economic and market risks, there can be no assurance that the financial instrument(s) will achieve its/their investment objectives. Returns may be affected by, amongst other things, investment strategies or objectives of the financial instrument(s) and material market and economic conditions, including interest rates, market terms and general market conditions. The different strategies applied to financial instruments may have a significant effect on the results presented in this material. Past performance is not a guide to future performance and the value of the investments in financial instrument(s) may go down as well as up. Investors may not get back the amount they originally invested.

The performance data, as applicable, reflected in this material, do not take into account the commissions, costs incurred on the issue and redemption and taxes.

You can obtain this by clicking here:

www.bnpparibas-am.fr/investisseur-professionnel/synthese-des-droits-des-investisseurs a summary of investor rights in French. BNP PARIBAS ASSET MANAGEMENT FRANCE may decide to discontinue the marketing of the financial instruments, in the cases covered by the applicable regulations.

"The sustainable investor for a changing world" reflects the objective of BNP PARIBAS ASSET MANAGEMENT France to integrate sustainable development into its activities, without all funds managed by BNP PARIBAS ASSET MANAGEMENT France under Article 8, with a minimum proportion of sustainable investments, or under Article 9 of European Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). For more information, please see www.bnpparibas-am.com/en/sustainability.

All information referred to in the present document is available on www.bnpparibas-am.com European regulation (UE) 2019/2088 Sustainable Finance Disclosure (SFDR): article 9 (product with a sustainable investment objective), article 8 (product promoting environmental or social characteristics), article 6 (no ESG integration in the product).