

SUSTAINABLE INVESTMENT POLICY

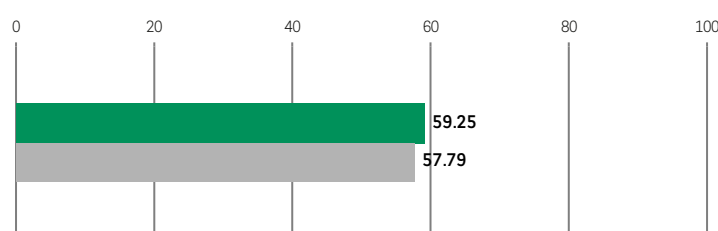
The fund replicates the performance of the Bloomberg-Barclays MSCI Euro Corp SRI Sustainable Ex Fossil Fuel Index (NTR) composed of Euro Corporate bonds selected according to environmental, social and governance (ESG) liability criteria (selectivity approach).

The Bloomberg Barclays MSCI Euro Corporate SRI Sustainable Ex Fossil Fuel Bond Index is a fixed-rate, investment-grade corporate bond benchmark that follows the rules of the Bloomberg Barclays Euro Aggregate Corporate Index and applies additional sector and ESG criteria for security eligibility.

The index includes issuers with MSCI ESG Ratings of BBB or higher and negatively screens issuers that are involved in business activities that are restricted because they are inconsistent with certain values-based business involvement criteria (fossil fuel activities, tobacco, weapons, ...), and those issuers with a "red" MSCI ESG Controversy Score are excluded. The investment universe (ref index) in this report is the Bloomberg Barclays Euro Corporate 3-5Y.

ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) INDICATORS

ESG Score



Portfolio

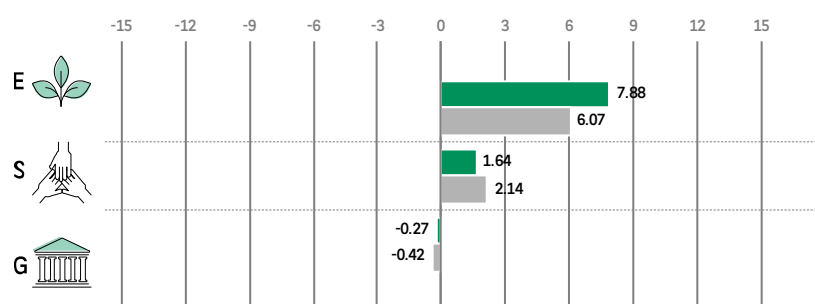
Ref Index

Score goes from 0 (worst) to 99 (best)

Coverage rate (Portfolio/Index) 100% / 98%

Source: BNP Paribas Asset Management

ESG Contributions



Portfolio

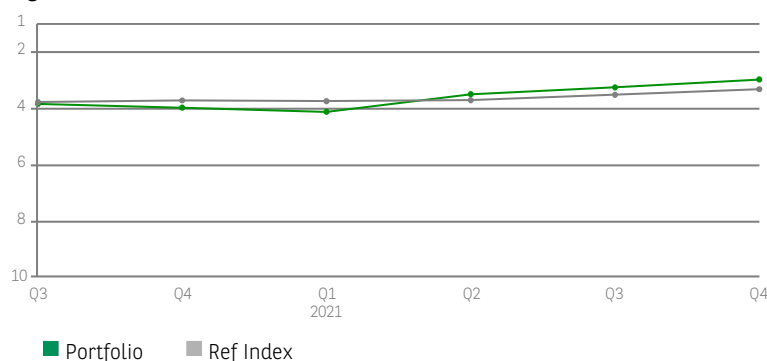
Ref Index

Coverage rate (Portfolio/Index) 100% / 98%

The 3 contributions added to a base of 50 form the ESG score.

Source: BNP Paribas Asset Management

Average ESG Decile over time



Portfolio

Ref Index

ESG Decile: Each issuer is ranked in deciles against its peers based on its ESG score. Deciles range from 1 to 10 (1 being the best and 10 the worst).

Coverage rate (Portfolio/Index) 100% / 98%

Source: BNP Paribas Asset Management



SUSTAINABLE INDICATORS

ESG Controversy Exposure in %



7.5

Portfolio



7.1

Ref Index

This indicator assesses the percentage of issuers within a portfolio that are exposed to material environmental, social or governance controversies.

UNGC (United Nation Global Compact) Signatory in %



80.3

Portfolio



75.9

Ref Index

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

Women on boards in %



35.7

Portfolio



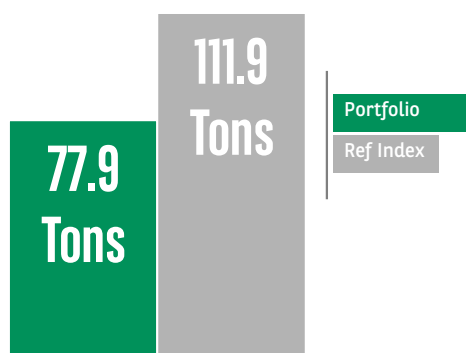
35.3

Ref Index

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

Sources: BNPP AM Sustainalytics (ESG controversies exposure, UNGC Signatory) and ISS (Women on boards)

CARBON IMPACT ASSESSMENT

Carbon footprint (tCO₂eq/M€ Enterprise Value)

30% ↓

The portfolio's carbon footprint is
30% lower than its reference index

This indicator assesses the carbon footprint expressed (in tCO₂eq / million € of enterprise value)

Coverage rate (Portfolio/Index) 88% / 86%

Source: BNPP AM, Trucost

For every €1 million invested into the fund, the gap in carbon footprint between the portfolio & its reference index is equivalent to:



The average annual CO₂ emissions of 7 homes
linked to electricity use



The average annual CO₂ emissions of 8 cars

Source: IEA (International Energy Agency), U.S. EPA (United States Environmental Protection Agency)

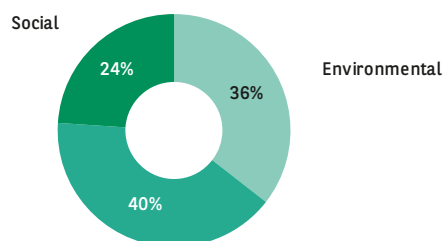


STEWARDSHIP ACTIVITY SUMMARY



ENGAGEMENT ACTIVITY

In 2021, we had a total of 72 engagements with companies within the fund to date



Governance



147 companies engaged on reference index

469 companies engaged on BNPP AM's investment universe

Examples of BNPP AM's engagements themes



E

Environmental themes

- carbon emissions
- deforestation
- lobbying activities
- energy transition
- biodiversity



S

Social themes

- human rights
- freedom of expression
- gender parity
- employee safety
- supply chain management



G

Governance themes

- capital allocation
- bribery and corruption
- corporate governance
- executive remuneration
- board diversity

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. Engagement is calculated based on dialogues carried out over the last two years.

Source: BNP Paribas Asset Management

For more information regarding our voting and engagement policies, please visit our webpage: <https://www.bnpparibas-am.com/en/sustainability/>



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



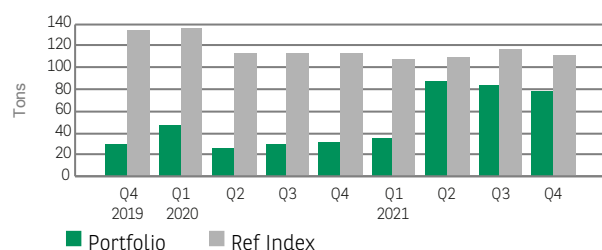
For more information regarding the SRI Label, please visit: <https://www.llelabelisr.fr/en/what-sri-label/>

ESG INDICATORS OVER TIME



ENVIRONMENT

Carbon footprint (tons CO2eq/€M Enterprise Value)



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

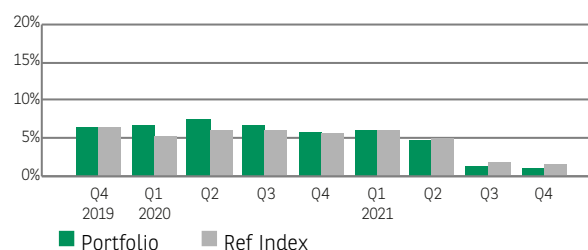
Coverage rate (Portfolio/Index) 88% / 86%

Source: BNPP AM, Trucost



SOCIAL

Social controversies exposure (in %)



This indicator assesses the percentage of issuers within a portfolio that are exposed to material social controversies.

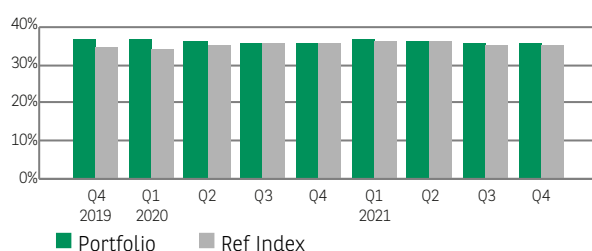
Coverage rate (Portfolio/Index) 100% / 99%

Source: BNPP AM, Sustainalytics



GOVERNANCE

Women on board (in %)



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

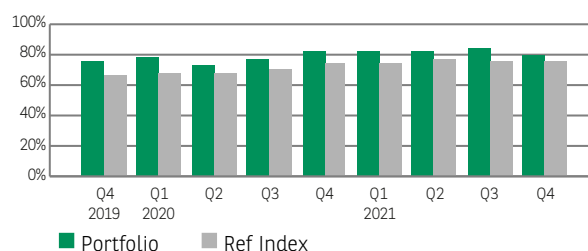
Coverage rate (Portfolio/Index) 89% / 88%

Source: BNPP AM, ISS



HUMAN RIGHTS

UNGC Signatory (in %)



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

Coverage rate (Portfolio/Index) 100% / 99%

Source: BNPP AM, Sustainalytics

Historic data points with a coverage rate (Portfolio and/or Benchmark) lower than 20% are not displayed.



PORTFOLIO INVENTORY

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

Issuer name	Sector	Weight		ESG decile
		Portfolio	Ref Index	
UNICREDIT SPA	financials	1.80%	0.84%	1
CITIGROUP INC	financials	1.60%	0.74%	1
INTESA SANPAOLO SPA	financials	1.32%	0.52%	1
BMW FINANCE NV	consumer discretionary	1.22%	0.59%	1
VONOVIA FINANCE BV	financials	1.21%	0.36%	1
NATWEST MARKETS PLC	financials	1.03%	0.48%	1
KBC GROEP NV	financials	1.03%	0.36%	1
MORGAN STANLEY	financials	0.86%	0.40%	1
BANK OF AMERICA CORP	financials	0.86%	0.41%	1
DEUTSCHE TELEKOM INTERNATIONAL FINANCE BV	communication services	0.83%	0.26%	1
ABN AMRO BANK NV	financials	0.83%	0.41%	1
NESTLE FINANCE INTERNATIONAL LTD	consumer staples	0.80%	0.40%	1
APPLE INC	information technology	0.73%	0.33%	1
DANAHER CORPORATION	health care	0.71%	0.30%	1
TELEFONICA EMISIONES SAU	communication services	0.64%	0.30%	1
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	financials	0.61%	0.29%	1
ERSTE GROUP BANK AG	financials	0.60%	0.29%	1
NATWEST GROUP PLC	financials	0.57%	0.23%	1
CAPGEMINI SE	information technology	0.56%	0.24%	1
GLAXOSMITHKLINE CAPITAL PLC	health care	0.55%	0.26%	1
FRESENIUS MEDICAL CARE AG & CO KGAA	health care	0.54%	0.24%	1
VODAFONE GROUP PLC	communication services	0.49%	0.26%	1
MERCK KGAA	health care	0.48%	0.15%	1
THERMO FISHER SCIENTIFIC INC	health care	0.48%	0.22%	1
TAKEDA PHARMACEUTICAL CO LTD	health care	0.47%	0.23%	1
EATON CAPITAL UNLIMITED CO	industrials	0.45%	0.20%	1
DANONE SA	consumer staples	0.43%	0.14%	1
AIB GROUP PLC	financials	0.42%	0.18%	1
MIZUHO FINANCIAL GROUP INC	financials	0.40%	0.18%	1
INMOBILIARIA COLONIAL SOCIMI SA	real estate	0.39%	0.17%	1
DIGITAL EURO FINCO LLC	real estate	0.38%	0.17%	1
VONOVIA SE	real estate	0.38%	0.18%	1
COOPERATIEVE RABOBANK UA	financials	0.37%	0.25%	1
GENERAL MILLS INC	consumer staples	0.33%	0.16%	1

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Issuer name	Sector	Weight		ESG decile
		Portfolio	Ref Index	
WESTPAC BANKING CORP	financials	0.33%	0.14%	1
SAMHALLSBYGGNADSBOLAGET I NORDEN AB	real estate	0.32%	0.15%	1
CCEP FINANCE (IRELAND) DAC	consumer staples	0.32%	0.11%	1
DE VOLKSBANK NV	financials	0.32%	0.15%	1
FRESENIUS SE & CO. KGAA	health care	0.29%	0.15%	1
THERMO FISHER SCIENTIFIC (FINANCE I) BV	health care	0.26%	0.08%	1
EUTELSAT SA	communication services	0.25%	0.12%	1
INFINEON TECHNOLOGIES AG	information technology	0.25%	0.11%	1
MERCK FINANCIAL SERVICES GMBH	health care	0.24%	0.11%	1
FERROVIAL SA	industrials	0.24%	0.12%	1
COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	consumer discretionary	0.23%	0.11%	1
NESTLE HOLDINGS INC.	consumer staples	0.23%	0.13%	1
DXC TECHNOLOGY CO	information technology	0.22%	0.10%	1
INFORMA PLC	communication services	0.22%	0.11%	1
DEUTSCHE POST AG	industrials	0.20%	0.11%	1
ILLINOIS TOOL WORKS INC	industrials	0.19%	0.00%	1
O2 TELEFONICA DEUTSCHLAND FINANZIERUNGS GMBH	communication services	0.18%	0.09%	1
CRH SMW FINANCE DAC	materials	0.18%	0.11%	1
ROYAL MAIL PLC	industrials	0.18%	0.08%	1
BRENTAG FINANCE BV	materials	0.18%	0.09%	1
MCDONALDS CORPORATION	consumer discretionary	0.18%	0.07%	1
RENTOKIL INITIAL PLC	industrials	0.18%	0.07%	1
DIGITAL DUTCH FINCO BV	real estate	0.18%	0.09%	1
ALSTOM SA	industrials	0.17%	0.10%	1
DELL BANK INTERNATIONAL DAC	financials	0.17%	0.07%	1
BANK OF NOVA SCOTIA	financials	0.17%	0.11%	1
MBANK SA	financials	0.17%	0.07%	1
BECTON DICKINSON EURO FINANCE SARL	health care	0.17%	0.09%	1
FINECOBANK BANCA FINECO SPA	financials	0.17%	0.07%	1
ISS GLOBAL A/S	industrials	0.17%	0.07%	1
WPP FINANCE 2016	financials	0.16%	0.08%	1
BERLIN HYP AG	financials	0.16%	0.07%	1
ISS FINANCE BV	industrials	0.16%	0.07%	1
ITV PLC	communication services	0.16%	0.09%	1
ADECCO INTERNATIONAL FINANCIAL SERVICES BV	industrials	0.16%	0.00%	1
TELIA COMPANY AB	communication services	0.16%	0.07%	1

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		Portfolio	Ref Index	
BECTON DICKINSON AND COMPANY	health care	0.16%	0.07%	1
AMADEUS IT GROUP SA	information technology	0.15%	0.08%	1
FERROVIAL EMISIONES SA	corporates	0.15%	0.07%	1
MARSH & MCLENNAN COMPANIES INC	financials	0.15%	0.08%	1
COVESTRO AG	materials	0.15%	0.07%	1
OTE PLC	communication services	0.14%	0.07%	1
NE PROPERTY BV	real estate	0.14%	0.07%	1
NATIONALE NEDERLANDEN BANK N V	financials	0.14%	0.07%	1
COCA-COLA EUROPAFIC PARTNERS PLC	consumer staples	0.14%	0.09%	1
FRESENIUS FINANCE IRELAND PLC	health care	0.14%	0.07%	1
UNIONE DI BANCHE ITALIANE SPA	financials	0.14%	0.07%	1
MANPOWERGROUP INC	industrials	0.13%	0.08%	1
EXPERIAN FINANCE PLC	consumer discretionary	0.13%	0.08%	1
DEUTSCHE TELEKOM AG	communication services	0.12%	0.07%	1
WESTPAC SECURITIES NZ LTD (LONDON BRANCH)	financials	0.09%	0.11%	1
SOCIETE GENERALE SA	financials	2.33%	1.17%	2
BPCE SA	financials	2.03%	0.88%	2
ING GROEP NV	financials	1.68%	0.79%	2
COMMERZBANK AG	financials	1.08%	0.51%	2
CREDIT AGRICOLE SA	financials	1.03%	0.48%	2
SVENSKA HANDELSBANKEN AB	financials	0.96%	0.43%	2
OP CORPORATE BANK PLC	financials	0.95%	0.44%	2
NYKREDIT REALKREDIT A/S	financials	0.83%	0.36%	2
ESSILORLUXOTTICA SA	consumer discretionary	0.81%	0.40%	2
SANOFI SA	health care	0.78%	0.37%	2
UNIBAIL-RODAMCO-WESTFIELD SE	real estate	0.72%	0.32%	2
UNILEVER NV	consumer staples	0.70%	0.34%	2
RAIFFEISEN BANK INTERNATIONAL AG	financials	0.68%	0.29%	2
RCI BANQUE SA	consumer discretionary	0.62%	0.30%	2
ALLIANZ FINANCE II BV	financials	0.60%	0.28%	2
NATIONWIDE BUILDING SOCIETY	financials	0.60%	0.29%	2
NORDEA BANK ABP	financials	0.54%	0.25%	2
CONTINENTAL AG	consumer discretionary	0.40%	0.20%	2
NIBC BANK NV	financials	0.38%	0.18%	2
CREDIT AGRICOLE SA (LONDON BRANCH)	financials	0.33%	0.15%	2
SMURFIT KAPPA ACQUISITIONS	materials	0.33%	0.16%	2
AMERICAN TOWER CORPORATION	real estate	0.32%	0.15%	2
BOOKING HOLDINGS INC	consumer discretionary	0.31%	0.14%	2

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		Portfolio	Ref Index	
DASSAULT SYSTEMES	information technology	0.30%	0.13%	2
SPAREBANK 1 SR BANK ASA	financials	0.26%	0.14%	2
AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD	financials	0.25%	0.11%	2
ASTM SPA	industrials	0.24%	0.11%	2
BRITISH TELECOMMUNICATIONS PLC	communication services	0.22%	0.09%	2
BAXTER INTERNATIONAL INC	health care	0.18%	0.09%	2
MMS USA FINANCING INC	financials	0.18%	0.11%	2
FIDELITY NATIONAL INFORMATION SERVICES INC	information technology	0.18%	0.09%	2
TYCO ELECTRONICS GROUP SA	industrials	0.17%	0.08%	2
SKANDINAVISKA ENSKILDA BANKEN AB	financials	0.17%	0.07%	2
FEDEX CORP	industrials	0.17%	0.07%	2
ANZ NEW ZEALAND INTL LTD (LONDON BRANCH)	financials	0.16%	0.07%	2
LANXESS AG	materials	0.16%	0.07%	2
EVONIK INDUSTRIES AG	materials	0.16%	0.07%	2
MITSUBISHI UFJ FINANCIAL GROUP INC	financials	0.16%	0.07%	2
NIDEC CORPORATION	industrials	0.16%	0.07%	2
BERTELSMANN SE & CO KGAA	communication services	0.15%	0.08%	2
MONDELEZ INTERNATIONAL HOLDINGS NETHERLANDS BV	consumer staples	0.14%	0.07%	2
COLGATE-PALMOLIVE CO	consumer staples	0.12%	0.07%	2
BNP PARIBAS SA	financials	3.14%	1.46%	3
BANQUE FEDERATIVE DU CREDIT MUTUEL SA	financials	1.98%	0.90%	3
ORANGE SA	communication services	1.03%	0.47%	3
SWEDBANK AB	financials	0.94%	0.43%	3
MERCEDES-BENZ INTERNATIONAL FINANCE BV	financials	0.83%	0.34%	3
BELFIUS BANQUE SA	financials	0.68%	0.32%	3
VERIZON COMMUNICATIONS INC	communication services	0.54%	0.19%	3
BANCO DE SABADELL SA	financials	0.44%	0.22%	3
CREDIT MUTUEL ARKEA	financials	0.43%	0.22%	3
NTT FINANCE CORP	financials	0.32%	0.14%	3
MERLIN PROPERTIES SOCIMI SA	real estate	0.24%	0.09%	3
BANKINTER SA	financials	0.21%	0.11%	3
VIVENDI SE	communication services	0.21%	0.10%	3
SODEXO SA	consumer discretionary	0.21%	0.10%	3
JYSKE BANK A/S	financials	0.18%	0.07%	3
AMPHENOL TECHNOLOGIES HOLDING GMBH	industrials	0.18%	0.07%	3

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ABERTIS INFRAESTRUCTURAS SA	industrials	0.18%	0.07%	3
LSEG NETHERLANDS BV	financials	0.17%	0.07%	3
LINDE PLC	materials	0.17%	0.10%	3
SPAREBANK 1 SMN	financials	0.17%	0.07%	3
ARVAL SERVICE LEASE SA	financials	0.17%	0.07%	3
AAREAL BANK AG	financials	0.17%	0.07%	3
EDENRED	information technology	0.17%	0.08%	3
AVERY DENNISON CORPORATION	materials	0.17%	0.07%	3
ELIA TRANSMISSION BELGIUM NV	utilities	0.15%	0.08%	3
DEUTSCHE WOHNEN SE	real estate	0.14%	0.09%	3
BANCO BILBAO VIZCAYA ARGENTARIA SA	financials	1.93%	0.87%	4
BANCO SANTANDER SA	financials	1.47%	0.70%	4
AROUNDTOWN SA	real estate	1.17%	0.51%	4
LEASEPLAN CORPORATION NV	financials	0.88%	0.36%	4
GOLDMAN SACHS GROUP INC/THE	financials	0.63%	0.32%	4
SANTANDER CONSUMER FINANCE SA	financials	0.61%	0.29%	4
COMPAGNIE DE SAINT GOBAIN SA	industrials	0.54%	0.22%	4
MOTABILITY OPERATIONS GROUP PLC	consumer discretionary	0.35%	0.16%	4
SANTANDER CONSUMER BANK AS	financials	0.29%	0.14%	4
KNORR-BREMSE AG	industrials	0.23%	0.11%	4
NATIONAL GRID ELECTRICITY TRANSMISSION PLC	utilities	0.21%	0.07%	4
AIR LIQUIDE FINANCE SA	materials	0.18%	0.07%	4
KION GROUP AG	industrials	0.17%	0.08%	4
SYDBANK A/S	financials	0.16%	0.07%	4
YORKSHIRE BUILDING SOCIETY	financials	0.14%	0.07%	4
SOCIETE FONCIERE LYONNAISE SA	real estate	0.13%	0.07%	4
DANSKE BANK A/S	financials	0.97%	0.44%	5
BARCLAYS PLC	financials	0.62%	0.29%	5
VEOLIA ENVIRONNEMENT SA	utilities	0.60%	0.25%	5
LLOYDS BANK CORPORATE MARKETS PLC	financials	0.58%	0.27%	5
LLOYDS BANKING GROUP PLC	financials	0.49%	0.24%	5
TERNA RETE ELETTRICA NAZIONALE SPA	utilities	0.30%	0.15%	5
HAMBURG COMMERCIAL BANK AG	industrials	0.26%	0.14%	5
HEATHROW FUNDING LTD	financials	0.23%	0.11%	5
GROEP BRUSSEL LAMBERT NV	financials	0.19%	0.08%	5
DEUTSCHE BOERSE AG	financials	0.16%	0.07%	5
CHUBB INA HOLDINGS INC	financials	0.15%	0.00%	5
SUEDZUCKER INTERNATIONAL FINANCE BV	consumer staples	0.14%	0.07%	5

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DEUTSCHE BANK AG	financials	1.10%	0.51%	6
STANDARD CHARTERED PLC	financials	0.96%	0.44%	6
JDE PEETS NV	consumer staples	0.45%	0.18%	6
HEIDELBERGCEMENT AG	materials	0.33%	0.15%	6
HEIDELBERGCEMENT FINANCE LUXEMBOURG SA	materials	0.29%	0.15%	6
WPC EUROBOND BV	real estate	0.27%	0.08%	6
TELEPERFORMANCE	industrials	0.24%	0.11%	6
CROMWELL EREIT LUX FINCO SARL	real estate	0.14%	0.07%	6
MOLNLYCKE HOLDING AB	health care	0.14%	0.08%	6
CAIXABANK SA	financials	2.35%	1.06%	7
UBS GROUP AG	financials	0.78%	0.39%	7
UBS AG (LONDON BRANCH)	financials	0.65%	0.28%	7
BANKIA SA	financials	0.50%	0.22%	7
EURONEXT NV	financials	0.37%	0.16%	7
AP MOELLER - MAERSK A/S	industrials	0.25%	0.11%	7
GRAND CITY PROPERTIES SA	real estate	0.44%	0.19%	8
MCKESSON CORP	health care	0.34%	0.17%	8
UNICAJA BANCO SA	financials	0.09%	0.09%	8
JPMORGAN CHASE & CO	financials	0.59%	0.30%	9
DEUTSCHE PFANDBRIEFBANK AG	financials	0.31%	0.14%	9
TLG IMMOBILIEN AG	real estate	0.18%	0.09%	9
TLG FINANCE SARL	financials	0.18%	0.00%	9
GLOBALWORTH REAL ESTATE INVESTMENTS LTD	real estate	0.17%	0.08%	9
ATRIUM EUROPEAN REAL ESTATE LTD	real estate	0.14%	0.07%	9
CREDIT SUISSE GROUP AG	financials	1.19%	0.54%	10
CREDIT SUISSE AG (LONDON BRANCH)	financials	0.57%	0.29%	10
ELO SA	consumer staples	0.56%	0.16%	10
HOLCIM FINANCE (LUXEMBOURG) SA	industrials	0.35%	0.15%	10
FASTIGHETS AB BALDER	real estate	0.31%	0.15%	10
HSBC HOLDINGS PLC	financials	0.30%	0.14%	10
KOJAMO OYJ	real estate	0.18%	0.07%	10
RECKITT BENCKISER TREASURY SERVICES (NEDERLAND) BV	consumer staples	0.26%	0.12%	
GOODMAN AUSTRALIA FINANCE PTY LTD	real estate	0.14%	0.07%	
STEEL FUNDING DAC	financials	0.09%	0.07%	

The above-mentioned companies are for illustrative purpose only, are not intended as solicitation of the purchase of such securities, and does not constitute any investment advice or recommendation.



BNPP AM'S RESPONSIBLE BUSINESS CONDUCT POLICY

EXCLUDED SECTORS

BNP Paribas Asset Management has 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 weapons



Electricity generation from coal



Thermal coal extraction



Asbestos



Unconventional oil & gas

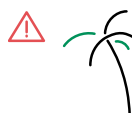
For controversial activities, BNP Paribas Asset Management highlights mandatory sector Responsible Business Conduct requirements which have to be met by issuers in order for BNP Paribas Asset Management to invest. BNP Paribas Asset Management does this because if the activities in question are not conducted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



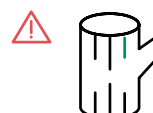
Agriculture



Nuclear power generation



Palm oil



Wood pulp



Mining

NORMS-BASED SCREENING

BNP Paribas Asset Management expects 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/>

BNP Paribas Asset Management funds (ETFs and index funds) are not sponsored, endorsed, sold or promoted by any of the index providers referred to in this document, and each index provider referred to in this document bears no liability with respect to any such funds or any index on which such funds are based. The accuracy, completeness or relevance of the information which has been obtained from external sources cannot be guaranteed, although it has been obtained from sources reasonably believed to be reliable. Subject to any applicable law, any of the index providers referred to in this document shall not assume any liability whatsoever to any person arising out of the use of BNP Paribas Asset Management funds or the underlying data. Please refer to the prospectus for a more detailed description of the limited relationship that each index provider referred to in this document has with any related funds. List of index providers : Bloomberg-Barclays, BNP Paribas, ECPI, Euronext, FTSE EPRA Nareit, JP Morgan, Markit, MSCI, S&P and Stoxx.



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.

ESG contributions

The ESG contributions are determined by BNP Paribas Asset Management's ESG analysts on the basis of detailed criteria to systematically evaluate companies' commitments and practices in the areas of environmental, social and governance. Each of the above contributions at the portfolio level, is the weighted average of the contributions of the individual portfolio holdings. Environmental Contribution (E) takes into account, among other things, climate change, environmental risk management, and the use of natural resources. Social Contribution (S) takes into account, among other things, human capital management, the quality of social dialogue, and respect for diversity. Governance Contribution (G) takes into account, among other things, transparency on executive compensation, the fight against corruption, and gender equality.

E, S & G controversies exposure

ESG controversies refer to severe incidents and events that may pose a business or reputation risk to a company due to the potential impact on stakeholders or the environment. This indicator assesses the percentage of issuers within a portfolio that are exposed to material environmental, social or governance controversies.

ESG Decile

Each issuer is ranked in deciles against its peers based on its ESG score. Deciles range from 1 to 10 (1 being the best and 10 the worst).

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.

ESG Score

BNPP AM's internal ESG scoring methodology determines an issuer's ESG score by evaluating performance vs. scoring peers on a narrow set of key ESG issues related to the environment (e.g. climate change), social issues (e.g. human resources management) and governance (e.g. independence and competence of directors). BNPP AM uses numerous research inputs and data sources (e.g. Sustainalytics, ISS & Trucost) to determine issuers' ESG scores. If the issuer's commitments and practices on a pillar of assessment (E, S or G) are better than scoring peers, it will receive a positive 'contribution' for this pillar. Each issuer is assigned a final score from 0 to 99 which is the result of 50 as a reference plus the sum of the contributions from each of the three pillars.

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 majors 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.

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 KIID of the fund(s).



DISCLAIMER

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All information referred to in the present document is available on www.bnpparibas-am.com.

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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 comparable funds that do not apply such standards.

Sustainability and ISS

Although BNPP AM's information providers (the "ESG parties") obtain information from sources that they consider reliable, none of the ESG parties warrants or guarantees the originality, accuracy and/or the completeness of any data included herein. None of the ESG parties makes any express or implied warranties of any kind, and the ESG parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose. None of the ESG parties shall have any liability for any errors, omissions or interruptions of or in connection with any data included herein. In no event shall any of the ESG parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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