

Environmental Strategies Group – June 2024

RESEARCH PAPER

ALIGNING LISTED EQUITY INVESTMENTS TO THE GLOBAL BIODIVERSITY FRAMEWORK: A COMPARATIVE ANALYSIS



BNP PARIBAS
ASSET MANAGEMENT

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GLOBAL BIODIVERSITY FRAMEWORK

INTRODUCTION TO THE ENVIRONMENTAL STRATEGIES GROUP

The Environmental Strategies Group was founded in 2019 by Edward Lees and Ulrik Fugmann. As of today, the team manage five environmental thematic listed equity funds focused on purer-play environmental solutions companies across decarbonisation of energy related activities and natural capital solutions, respectively. The BNPP Energy Transition and BNPP Ecosystem Restoration Funds are the group's high-conviction, unconstrained thematic funds whilst the BNPP Climate Solutions duology spans all themes with an explicit volatility-dampening tracking error constraint. Finally, the group manage an equity long/short fund, EARTH. The Group comprises of a team of nine: the two co-CIOs, three equity analysts, one quantitative analyst, one environmental analyst and an investment specialist team. Collectively, the Group brings over a 100 years of experience to the table, and fosters a diversity of backgrounds, encompassing various industries, cultures, languages, skill-sets and strengths. This breadth allows the group to approach fund management from a holistic perspective. All members of the Group work collaboratively from the London office of BNP Paribas Asset Management, fostering a meritocratic team culture that is ambitious and focused fuelled by a shared passion for environmental solutions.

INTRODUCTION TO THE ECOSYSTEM RESTORATION STRATEGY

The Ecosystem Restoration strategy seeks to invest in companies at the forefront of various ecosystem considerations, including segments such as water, land and food. This includes but is not limited to smart agriculture, food innovation, clean water, circular economy and eco-design. The fund views driving impact and achieving returns as joined objectives – seeking to protect our natural capital resources and reduce the pressure society puts on the world around us through investing in companies whose products and/or services enable environmental solutions, which simultaneously can achieve sustainable, above market returns over the longer term. Qualifying “environmental solution providers” are those which accelerate the transition of our economy to one which operates in harmony with nature. The portfolio invests solely in companies which provide technologies or services which facilitate the protection, restoration or sustainable use of natural capital. The fund invests across style factors, geographies, technologies, and market capitalizations driving impact and portfolio diversification. Examples of the funds key focus areas of the fund are below:

OCEAN HEALTH & WATER SYSTEMS

AQUATIC ECOSYSTEMS

sustain the lives of billions of people, regulate climate, produces half our oxygen, & fuels the water cycle.

Example sub-thematics include...

- Clean Maritime Mobility
- Desalination
- Smart Irrigation
- Sustainable Aquaculture & Feed
- Wastewater Treatment & Distribution
- Water Flow Control
- Water Metering & Digital Solutions
- Water Treatment & Filtration Equipment

SMART AGRICULTURE & FOOD INNOVATION

TERRESTRIAL ECOSYSTEMS

provide the basis for life through food supply, water, habitats for organisms and biodiversity

Example sub-thematics include...

- Alternative Protein & Plant-based Products
- Animal Health & Nutrition
- Bio-based Chemicals & Products
- Environmental Data Analytics & Services
- Food Ingredients & Enzymes
- Food Testing & Safety
- Forestry Management
- Green Fertilisers, Seeds and Crop Protection

CIRCULAR ECONOMY & ECO-DESIGN

CIRCULAR ECOSYSTEMS

Reducing, re-using and recycling materials to reduce waste and pollution

Example sub-thematics include...

- Bio-based & Biodegradable Plastics
- Circular Packaging Manufacturers
- Clean Air Technologies
- Metal & Material Recycling
- Plastic Recycling
- Sustainable Building Materials & Eco-design
- Textiles & Clothes Recycling
- Waste Management
- Waste Management Equipment

INTRODUCTION TO THE ANALYSIS

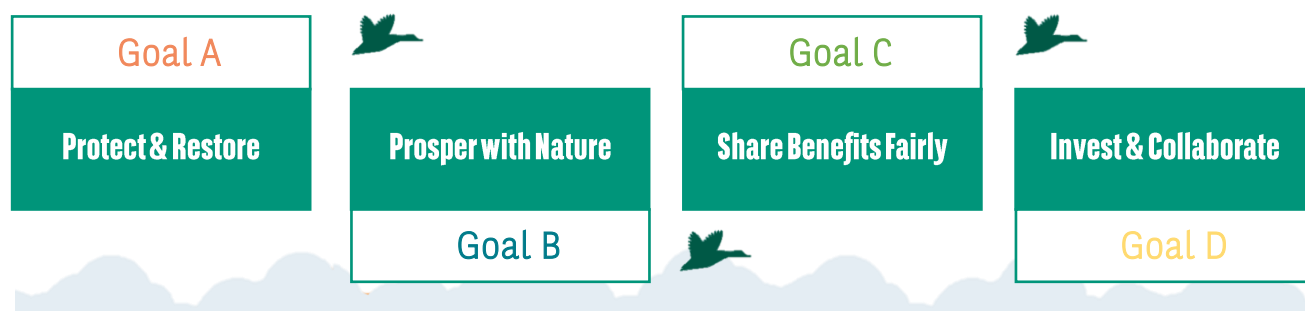
To date, there is no formalised framework for mapping investment in public equities to the Global Biodiversity Framework (GBF), (refer to page two). Consequently, the goal of this research paper is to inform and guide the development of the first listed equity framework to map financial flows to the GBF. This is in aid of guiding investments towards biodiversity-positive outcomes and improving reporting and comparability. In the paper, two alternative frameworks have been analysed by the Environmental Strategies Group, with key takeaways summarised. The two frameworks are: (1) the Biodiversity Finance Reference Guide developed by the IFC to map fixed income instruments to the Global Biodiversity Framework (which we adapted to become asset class agnostic), and (2) a proprietary approach developed by the Environmental Strategies Group (wherein we developed our own methodology for mapping listed equity investments to the Global Biodiversity Framework). After completion of this analysis, we would like to present the takeaways to the BNPPAM Sustainability Centre and our ideas for next steps. This is with the aim of working collaboratively to build a proposal for a standardized framework for mapping investment in listed equities to the GBF. Notably, all research was completed by the Environmental Strategies Group, organisations mentioned such as the International Finance Corporation (IFC), GBF and Convention for Biological Diversity (CBD) are not affiliated with this paper.

the prospectus and KID are leading

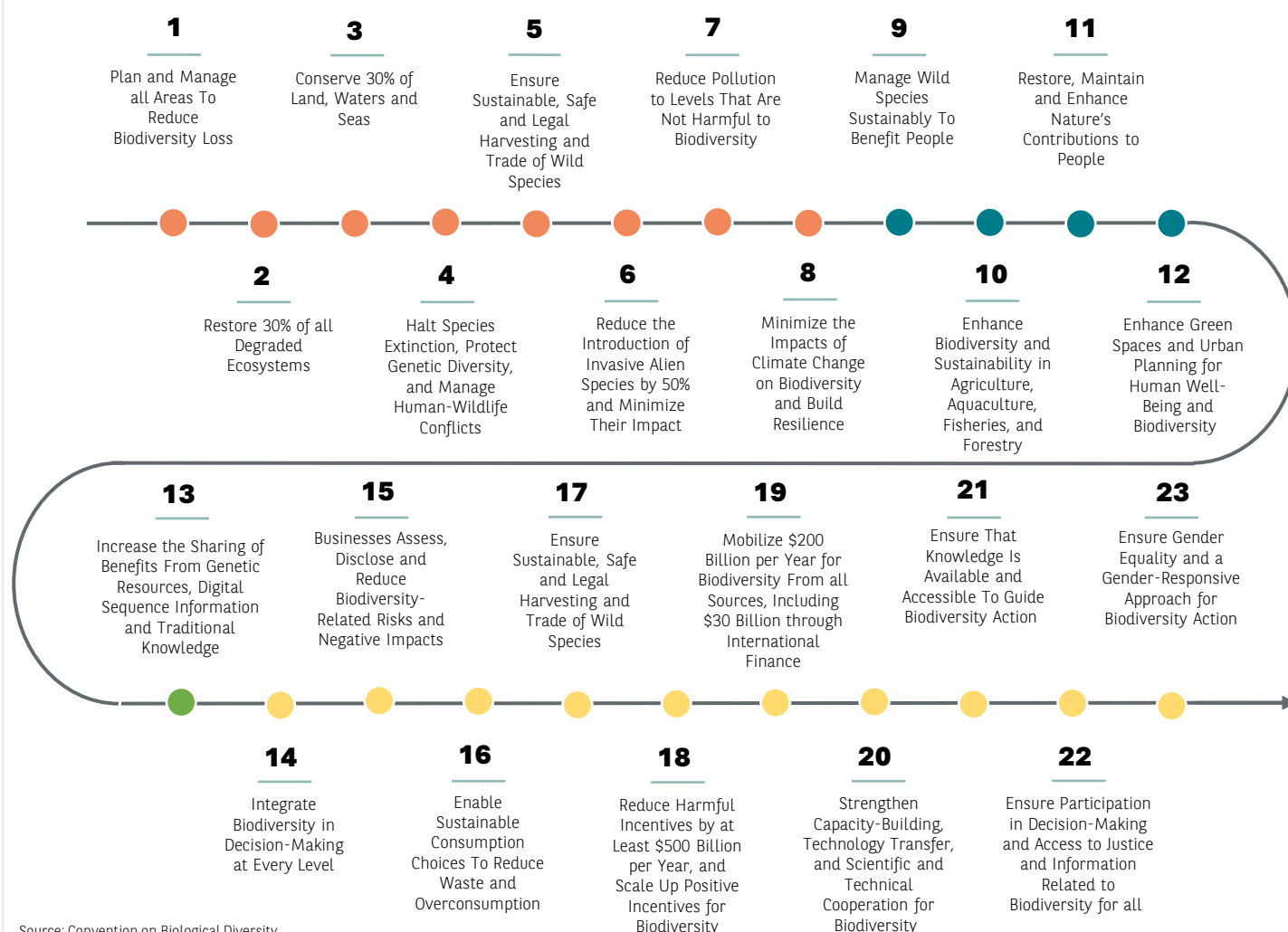
GLOBAL BIODIVERSITY FRAMEWORK

INTRODUCTION TO THE GLOBAL BIODIVERSITY FRAMEWORK

The Kunming-Montreal Global Biodiversity Framework is a critical response to the biodiversity crisis. Adopted in December 2022, after the conclusion of the 15th Conference of Parties to the UN Convention on Biological Diversity, the framework is a blueprint for a future where humans live in harmony with nature. The framework has four goals for 2050, and has set 23 specific targets to be achieved by 2030, detailed below. These targets address key issues like habitat loss, pollution and sustainable resource use. The GBF establishes ambitious but necessary targets, and calls all stakeholders, including governments, business, financial institutions and individuals, to action.



THE TARGETS



Source: Convention on Biological Diversity



GLOBAL BIODIVERSITY FRAMEWORK

Target 14 of the Framework calls for the full integration of biodiversity and its values within, and across, all sectors and levels of government. This includes the integration of biodiversity within financial decision-making and aligning financial flows accordingly. In tandem, Target 19 focuses on the mobilization of resources towards biodiversity, which includes international, domestic, public and private finance as well as optimizing co-benefits and synergies of finance targeting both biodiversity and the climate crisis. As such, there is an imperative to build frameworks to help understand if and how financial flows contributes to biodiversity. The following research aims to explore how this could be actioned in the listed equity space, using the Ecosystem Restoration Strategy (as of the 22nd of March 2024) as a sample.

LIMITATIONS OF OUR ANALYSIS this is not an exhaustive list

- 1) There is no causality inferred from this mapping – if the strategy's holdings are found to have alignment to specific GBF targets, this does not guarantee the strategy makes a biodiversity-positive contribution to the targets
- 2) This research should not be used for investment recommendations, as it was conducted for research purposes only
- 3) It is subject to bias, considering the team's familiarity with the strategy's stocks
- 4) The conclusions drawn cannot be unilaterally applied to the whole listed equities space as only one strategy has been sampled. Consequently, generalisations should be made with caution

HYPOTHESIS

Based on the fund's thematic focus presented on slide one, it would be expected for the strategy to align closely to the goals targeting restoration (GBF target 2, and 11), pollution (GBF target 7), urban ecosystems (GBF target 12) and circular economy (GBF target 16).

APPROACH ONE: ADAPTING THE IFC FRAMEWORK FOR LISTED EQUITIES

The International Finance Corporation (IFC), recognised that there was a lack of guidance in the market on criteria for eligible use of proceeds for biodiversity financing* and have created the Biodiversity Finance Reference Guide. It provides an indicative list of investments, activities and project components that can help protect, maintain or enhance biodiversity and ecosystem services, as well as promote the sustainable management of natural resources.

Notably, it was created to be consistent with the Green Bond Principles and Green Loan Principles (so is angled at the fixed income asset class), it is not an exhaustive list and is expected to evolve as the market for biodiversity finance develops and matures. Considering the Ecosystem Restoration strategy invests in the public market, the framework is not being applied in its intended context. However, the list of investments, activities, and projects can be applied to equities with relatively little adaption.

METHODOLOGY

The first important consideration is that, whilst it may be possible for listed equity funds to touch on indicators across all three investment strategies (Biodiversity Co-benefits, Biodiversity Conservation and Nature-based Solutions, page 4), the Ecosystem Restoration strategy focuses specifically on environmental solution providers which are solely captured in *Investment Strategy One: Biodiversity Co-benefits*. Therefore, Investment Strategy Two and three are not accounted for in our analysis.

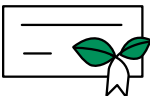
Secondly, the companies within Ecosystem Restoration do have considerable corporate social responsibility initiatives in place across Environmental, Social and Governance (ESG). However, considering these are secondary efforts and are supplementary to their business activities, they have been excluded from this analysis. For example, for a water management company with an initiative to build biodiversity-positive road verges on motorways, only the water activities would contribute.

Finally, the indicators within Investment Strategy One (there are 60) are tagged to one of the 23 GBF targets either "directly" or "indirectly." This tagging is completed by the IFC. However, the IFC have determined that some targets cannot be directly or indirectly addressed by Investment Strategy One. To elaborate, GBF targets 12, 13, 15 and 17-23 are not "directly" tagged to an indicator, and GBF targets 6, 13, 17-19 and 23 are not "indirectly" tagged to an indicator. As a result, they have been recorded as Not Applicable (NA) during the analysis. To summarize, all indicators have GBF targets, but not all GBF targets have indicators in Investment Strategy One.

Source: IFC Biodiversity Finance Reference Guide
*defined by the OECD as financing that contributes or intends to contribute to activities that conserve, restore or avoid a negative footprint on biodiversity and ecosystem services

GLOBAL BIODIVERSITY FRAMEWORK

STRUCTURE OF THE IFC BIODIVERSITY FINANCE REFERENCE GUIDE

Biodiversity Finance Reference Guide	Investment Strategy One: Investment activities that seek to generate biodiversity co-benefits	Approach A: Productive Land Use/ Agriculture Approach B: Freshwater/Marine Sustainable Production Approach C: Waste and Plastic Management Approach D: Forestry and Plantations Approach E: Tourism/Ecotourism Services Approach F: Other Investments	60 Indicators tagged directly or indirectly to one or more of the 23 GBF Targets
	This category of accepted use of proceeds includes financing for activities within or through established business operations and production practices that seek to address the key drivers of biodiversity loss. 		
	Investment Strategy Two: Investments in biodiversity conservation and/or restoration as the primary objective	Approach A: Conservation Land Use/Terrestrial Habitat Conservation Approach B: Freshwater and Marine Habitat Conservation	14 Indicators tagged directly or indirectly to one or more of the 23 GBF Targets
	This category covers direct financing of conservation, restoration, and related services. 		
	Investment Strategy Three: Investments in Nature-based Solutions to Conserve, Enhance, and Restore Ecosystems and Biodiversity	Approach A: Nature Based Solutions	12 Indicators tagged directly or indirectly to one or more of the 23 GBF Targets
	These solutions provide infrastructure-type and other services that are material to projects' operations and that can displace or complement man-made structures (such as gray infrastructure). 		

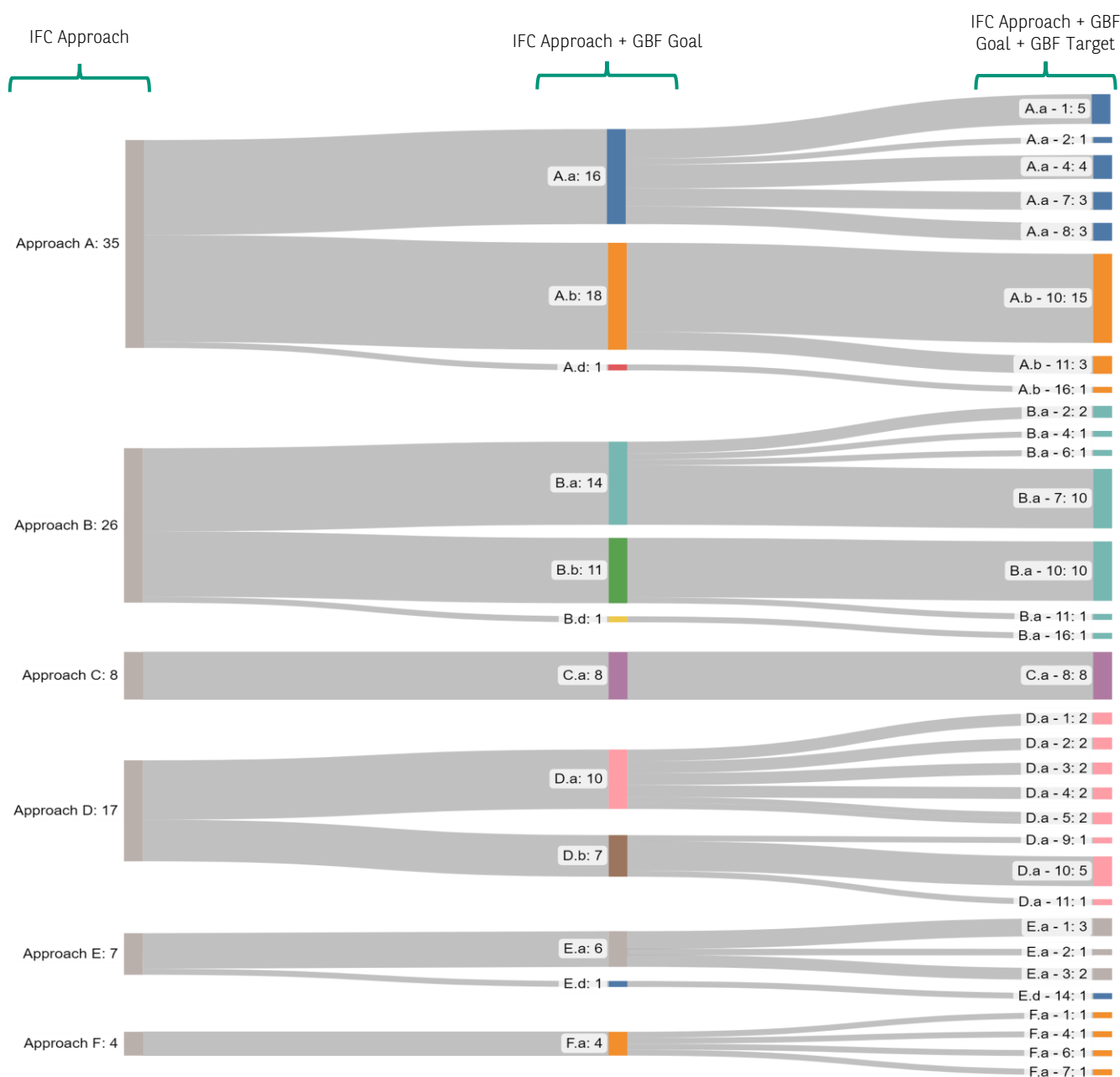
Source: IFC Biodiversity Finance Reference Guide

GLOBAL BIODIVERSITY FRAMEWORK

STRUCTURE OF THE IFC BIODIVERSITY FINANCE REFERENCE GUIDE

Below is a supplementary Sankey flow chart, created via Sankey Matic, to illustrate how the IFC Indicators (grouped by Approach on the left) map to the GBF Goals (centre), and then to the GBF Targets (Right). To explain the naming convention, in A.b - 10, A is the approach, b is the GBF goal, and 10 is the GBF target. Numbers after the colons are number of data points mapped.

DIRECT	Approach A	Approach B	Approach C	Approach D	Approach E	Approach F	Total
Indicators	17	23	8	6	3	3	60
Number of GBF Targets the Indicators are mapped to	35	26	8	17	7	4	97

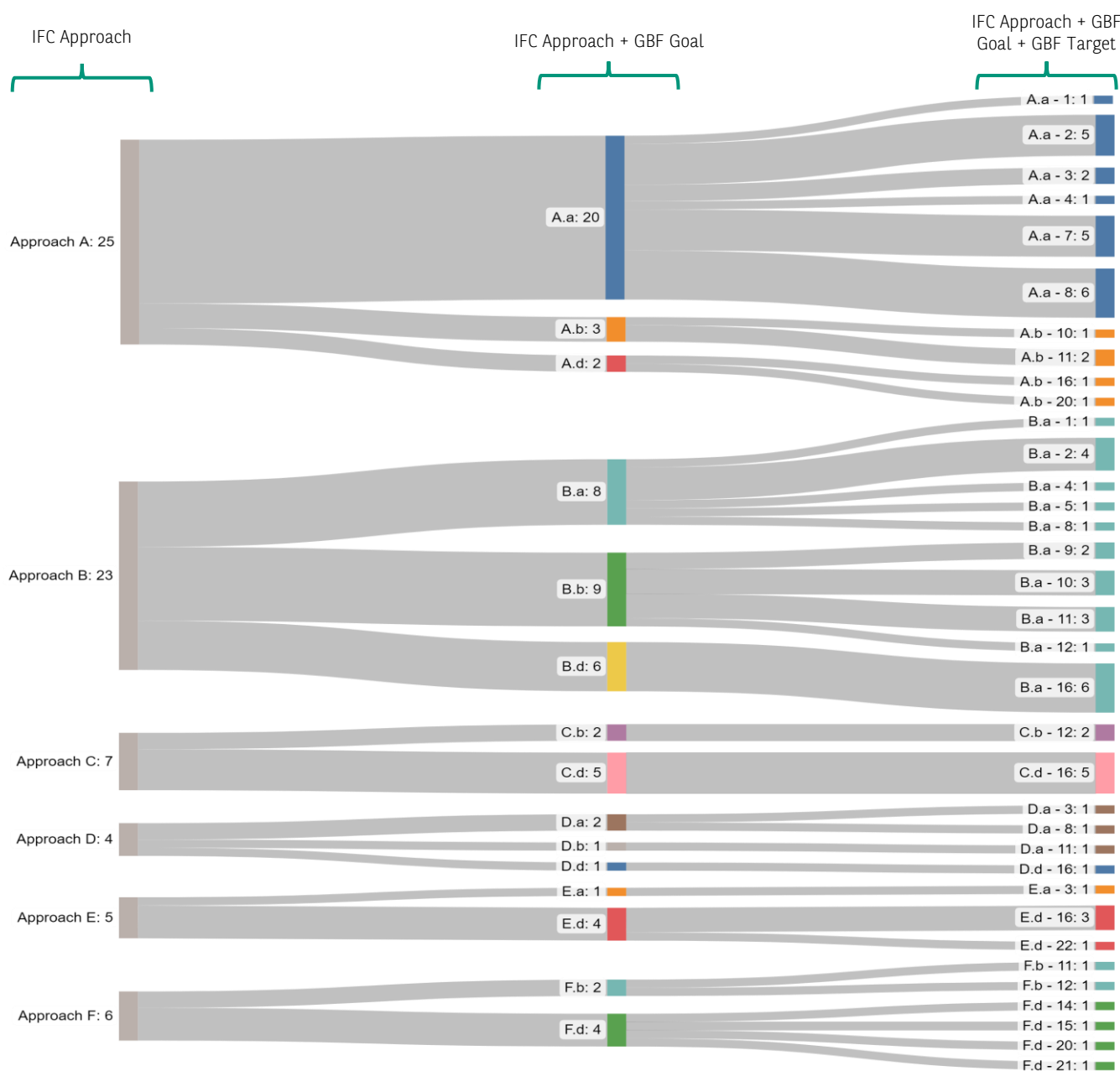


GLOBAL BIODIVERSITY FRAMEWORK

STRUCTURE OF THE IFC BIODIVERSITY FINANCE REFERENCE GUIDE

Below is a supplementary Sankey flow chart, created via Sankey Matic, to illustrate how the IFC Indicators (grouped by Approach on the left) map to the GBF Goals (centre), and then to the GBF Targets (Right). To explain the naming convention, in A.b - 10, A is the approach, b is the GBF goal, and 10 is the GBF target. Numbers after the colons are number of data points mapped.

INDIRECT	Approach A	Approach B	Approach C	Approach D	Approach E	Approach F	Total
Indicators	17	23	8	6	3	3	60
Number of GBF Targets the Indicators are mapped to	25	23	7	4	5	6	70



GLOBAL BIODIVERSITY FRAMEWORK

APPROACH ONE: ADAPTING THE IFC FRAMEWORK TO LISTED EQUITIES

METHODOLOGY

Below is a screenshot of the process, an explanation of the manual mapping process, two case study examples and further insight into data processing. This excel sheet was created by the Environmental Strategies Group. In the blue box, the format was created by us, but the text is directly copied from the IFC. In the red box, the format was created by us, as well as the content. An explanation for the yellow box is provided in the next paragraph. Following the screenshot above from left to right, we indicated the Investment Strategy in column B, the different approaches within the Investment Strategy in Column C, and the Indicators in columns D-F. In columns G and H we detailed the direct and indirect GBF targets tagged to each indicator by the IFC. The cells labelled Y and Z in the screenshot (columns M&O) are company names from the Ecosystem Restoration strategy that have been relabelled for confidentiality.

B	C	D	E	F	G	H	I	K	M	O
STEP ONE: INVESTMENT STRATEGY	STEP TWO: APPROACH	STEP THREE: INDICATORS						Portfolio Export Date: 22.03.2024		
Investment Strategy One: Investment activities that seek to generate biodiversity co-benefits	Approach A: Productive Land Use/Agriculture			IFC INDICATORS	GBF Target		ADVANCED DRAINAGE SYSTEMS INC	AECOM	Y	Z
					DirectIndirect	Aligned?	Aligned?	Aligned?	Aligned?	
		Indicators, Group One: Climate-Smart Agriculture-->	a	Rehabilitation of degraded lands with native and/or naturalized species.	2, 10	8, 11	0	0	0	
			b	Reduction in synthetic fertilizer use by at least 20% ¹⁷ on project implementation to reduce downstream eutrophication, and to promote use of biofertilizer and other organic solutions (for example, composting).	7, 10	2, 11	0	0	1	0
			c	Reduction in pesticide use by at least 20% ¹⁸ on project implementation and promotion of biosolutions.		7, 10	0	0	0	
			d	Switching from monocropping to diversified cropping systems, including intercropping and use of cover crops to improve resilience and soil quality.	10	4, 7, 8	0	0	0	
			e	Significant reduction of tillage or implementation of no-till practices	7, 8, 10		0	0	0	
			f	Cultivation of native or naturalized species that can more readily adapt to variations in production cycles, water quality/quantity, and temperatures	4, 10	8	0	0	0	
			g	Infrastructure that uses natural or combined green/gray solutions that prevent runoff of agrochemicals and sediment into rivers or coastal basins.	7, 11		1	0	0	
			h	The use of sustainable agricultural practices/varieties/technology and/or infrastructure that increases crop yields/quality on existing land without increasing the environmental footprint.	1, 10		0	0	0	
			i	Design, implementation, use, or improvement of traceability mechanisms, data, and technologies used to prevent deforestation and monitor biodiversity benefits at the corporate level or along the supply chain.	1, 10	8	0	1	0	
			j	Efficient irrigation – promote efficient water allocation, water recycling, sustainable reuse of graywater, rainwater harvesting, and utilization of native species that have low water consumption. This is conditional to avoid depletion of natural water resources.	10	7, 8	1	1	0	
			k	Climate adaptation and resilience measures that also conserve and/ or restore ecosystems (for example, drought-resistant seeds, nutrient cycling, water storage, ecotone levees, floodplain restoration, water storage with watershed restoration or conservation – all projects that make agribusiness more resilient to threats like flooding and drought).	8, 10, 11	2, 3	1	1	0	
			l	Conservation and production of native or naturalized seed varieties, especially endemic species.	4, 10		0	0	0	
			m	Adoption of practices and/or technologies in supply chain management to promote zero deforestation or other positive effects on biodiversity.	1, 10	3, 8	0	0	0	

EXAMPLES

Advanced Drainage Systems (ADS) manufactures drainage structures and supplies. Their solutions help manage stormwater and optimize water storage and usage. By understanding these solutions, it is possible to match the company to the indicators, placing a “1” in the excel sheet if there is a match. For example, ADS’ Stormtech green solution can be installed as an emergency overflow to rain gardens, which are a form of bioretention to prevent the spread of pollutants such as TSS, Phosphorous, Metals, Nitrogen and Hydrocarbons. This solution can then be matched to the indicator “infrastructure that prevents runoff”. Other relevant indicators for ADS are efficient irrigation, climate resilience, water conservation, reduction in contamination, upgrading water treatment plants and flood mitigation. Unlike Advanced Drainage Systems which is relatively pureplay, AECOM provides many different consulting services, so more extensive research is required to map their different business activities. For example, AECOM has been named as the engineer for Atome Energy’s 60MW renewables project in Paraguay which will facilitate their production of green fertilizer, produced from green ammonia. This partnership highlights the link between AECOM and the indicator related to synthetic fertilizer reduction. AECOM is also linked to many other indicators based on extensive research of their projects. When there is uncertainty or the match between the solution and the indicator isn’t clear, there is a note attached to the cell, indicated by the red triangle in the corner, to give a further explanation. The companies are then matched to the GBF targets directly or indirectly, as illustrated in the yellow box: because AECOM fulfils indicator 1b, it can be associated directly with GBF target 7 and 10, and indirectly with GBF targets 2 and 22.

DATA PROCESSING

Several datasets are gathered:

- 1) Indicator totals: Once the matrix has been completed, all the companies that contribute to each indicator are added up.
- 2) Approach totals: These are then totalled per approach. For example, Approach A has 17 indicators, all the companies contributing to each indicator is added up to find a total for Approach A.
- 3) Direct GBF target totals – absolute: Using the pairings provided by IFC, each indicator is linked to a direct GBF Target. The number of companies contributing to this indicator, is then tagged to the direct GBF Target.
- 4) Indirect GBF target totals – absolute: Using the pairings provided by IFC, each indicator is linked to an indirect GBF Target. The number of companies contributing to this indicator, is then tagged to the indirect GBF Target.
- 5) Direct GBF target totals – relative: Each direct GBF target has a different number of indicators paired to it. To make the targets comparable (not skewed to the number of indicators), the absolute total is put in relative terms (%) for comparison.
- 6) Indirect GBF target totals – relative: Each indirect GBF target has a different number of indicators paired to it. To make the targets comparable (not skewed to the number of indicators), the absolute total is put in relative terms (%) for comparison.

GLOBAL BIODIVERSITY FRAMEWORK

APPROACH ONE: ADAPTING THE IFC FRAMEWORK TO LISTED EQUITIES

RESULTS SUMMARY: INDICATOR ANALYSIS

- The portfolio has the highest number of companies aligning with these five indicators (in declining order):
 - "Measures that achieve conservation, greater efficiency and sustainable water use, including at least a 20% reduction in water use in agricultural production, manufacturing and processing, construction and building and infrastructure development"
 - "Support for research and innovative technologies aimed at recycling single use plastic as part of larger-scale plastic recycling efforts"
 - "Flood mitigation measures that prevent plastic, solid waste, or pollutants runoff"
 - "Efficient irrigation – promote efficient water allocation, water recycling, sustainable reuse of grey water, rainwater harvesting, and utilization of native species that have low water consumption. This is conditional to avoid depletion of natural water resources."
 - "Reduction in plastic uses in product design and manufacture, and use of recycled plastics for residual material needs"
- The companies in the Ecosystem Restoration strategy were mapped to 51/60 indicators in Investment Strategy One, no companies had solutions that could be mapped to the below indicators:
 - "Conservation and production of native or naturalized seed varieties, especially endemic species"
 - "Bivalves and seaweed to increase food production and restore ocean health"
 - "Installation of ballast water treatment on ships to prevent contamination with invasive species"
 - "Installation of membrane bioreactor-type water treatment for all blackwater and grey water on ships."
 - "Installation of technology on ships to reduce noise pollution harmful to ocean species."
 - "Deployment of technology-based mapping and analysis tools and/or alternative routing practices to protect biodiversity (for example, avoiding collision with large mammals)"
 - "Sustainable ecotourism ventures that meet established standards for best practices, conserve or restore habitats or avoid increasing encroachment on habitat, and work to reduce carbon emissions"
 - "Tourism concessions and operations inside marine and terrestrial conservation areas that create opportunities or incentives for enhanced biodiversity protection or reduced biodiversity threat. These opportunities could be economic (for example, alternative livelihoods), social (for example, supporting changing norms or behaviours through education/best practice), or fiscal (for example, profit-sharing user fees with conservation areas). Tourism operations must meet recognized ecotourism standards."
 - "Ecotourism ventures and operations outside conservation areas that are consistent with ecotourism principles. For example, these ventures could be in buffer zones of protected areas, in critical habitats, or in other sensitive sites, or where there is strong community participation or ownership."
- The strategy has the most absolute alignment to Approach B: Freshwater/Marine Sustainable Production, followed by Approach A: Productive Land Use/ Agriculture, Approach C: Waste and Plastic Management, Approach D: Forestry and Plantations, Approach F: Other Investments then Approach E: Tourism/Ecotourism Services. These conclusions are made cautiously, considering that the number of indicators allocated to each approach differs significantly. To explain, if there are more indicators available, it is likely that there is more scope for a company to align to this approach. To allow for fairer comparison, the results have been converted into metrics normalized for the number of indicators, presented in the table below. *The relative ranking order differs to the absolute order.*

Approach	Number of Aligned Companies (acknowledging that there are multiple indicators within each approach, and a company can contribute to more than one indicator)	Number of Indicators Available	Alignment Relative to Indicators (%)*
A	93	17	18.3
B	114	23	20.2
C	64	8	12.5
D	33	6	18.2
E	0	3	0
F	12	3	25

*This is calculated by sum of the number of indicators available divided by the number of aligned companies

GLOBAL BIODIVERSITY FRAMEWORK

APPROACH ONE: ADAPTING THE IFC FRAMEWORK TO LISTED EQUITIES

RESULTS SUMMARY: GBF TARGETS ANALYSIS

DIRECT TARGETS

The Ecosystem Restoration portfolio could directly align to 13 of the possible 23 targets. The IFC does not map the remaining 10 to Investment Strategy One (refer to slide 3).

1. The strategy is most aligned to targets (this is relative to the number of indicators which could contribute to each target):
 - a. Target 11: Restore, Maintain and Enhance Nature's Contributions to People
 - b. Target 8: Minimize the Impacts of Climate Change on Biodiversity and Build Resilience
 - c. Target 10: Enhance Biodiversity and Sustainability in Agriculture, Aquaculture, Fisheries, and Forestry
 - d. Target 1: Plan and Manage all Areas To Reduce Biodiversity Loss
 - e. Target 7: Reduce Pollution to Levels That Are Not Harmful to Biodiversity
 - f. Target 4: Halt Species Extinction, Protect Genetic Diversity, and Manage Human-Wildlife Conflicts
2. The strategy is least aligned to the following targets (this is relative to the number of indicators which could contribute to each target), excluding no alignment:
 - a. Target 6: Reduce the Introduction of Invasive Alien Species by 50% and Minimize Their Impact
 - b. Target 3: Conserve 30% of Land, Waters and Seas
 - c. Target 16: Enable Sustainable Consumption Choices To Reduce Waste and Overconsumption
3. There is only one target available that the strategy does not align to: Target 14: Integrate Biodiversity in Decision-Making at Every Level

INDIRECT TARGETS

It is possible for the strategy to align with 17 out of the 23 GBF targets indirectly. Similarly, IFC does not map the remaining 6 to Investment Strategy One (refer to slide 3).

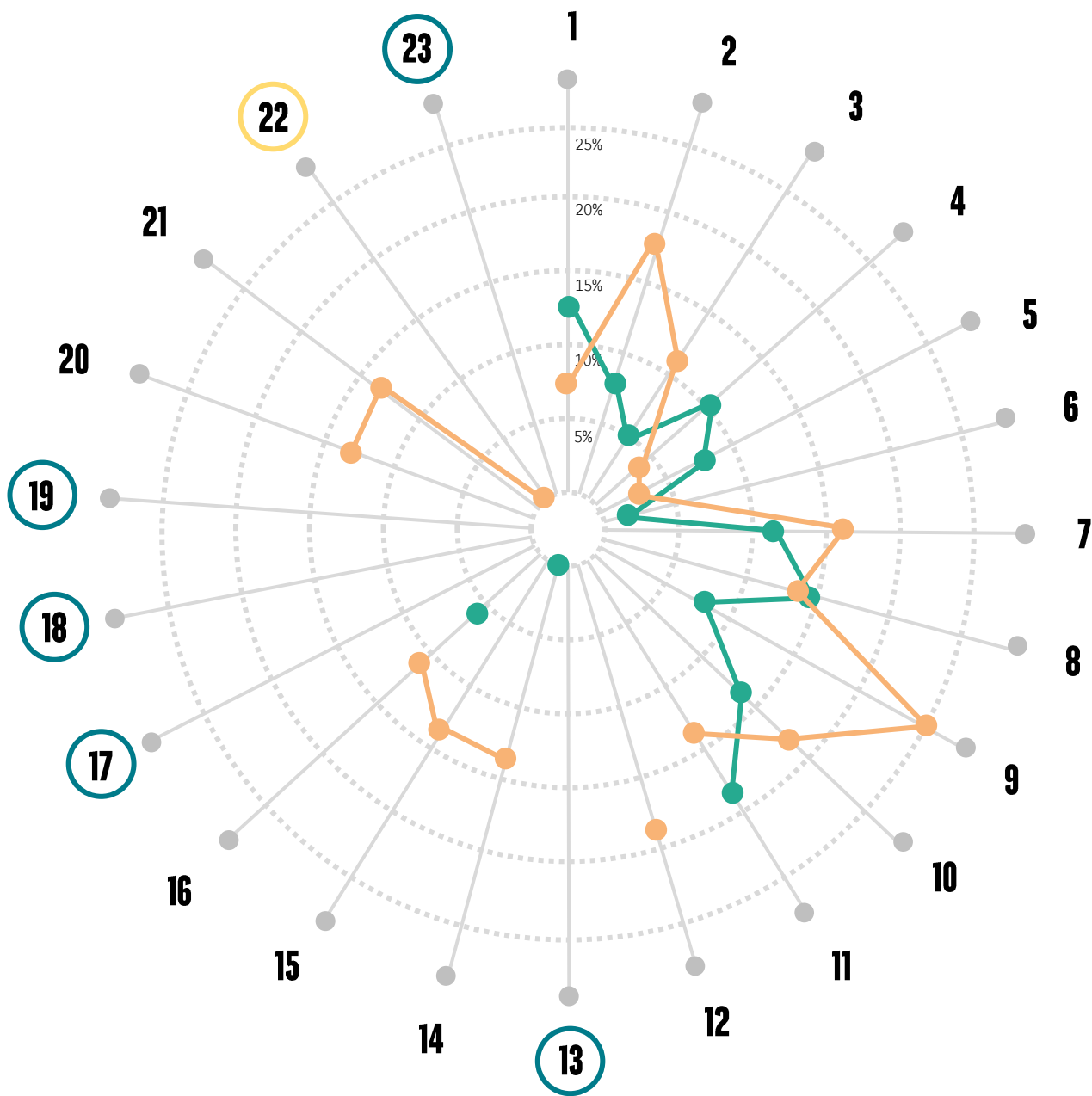
1. The strategy is most aligned to targets (this is relative to the number of indicators which could contribute to each target):
 - a. Target 12: Enhance Green Spaces and Urban Planning for Human Well-Being and Biodiversity
 - b. Target 10: Enhance Biodiversity and Sustainability in Agriculture, Aquaculture, Fisheries, and Forestry
 - c. Target 2: Restore 30% of all Degraded Ecosystems
 - d. Target 7: Reduce Pollution to Levels That Are Not Harmful to Biodiversity
 - e. Target 11: Restore, Maintain and Enhance Nature's Contributions to People
2. The strategy is least aligned to targets (this is relative to the number of indicators which could contribute to each target):
 - a. Target 4: Halt Species Extinction, Protect Genetic Diversity, and Manage Human-Wildlife Conflicts
 - b. Target 5: Ensure Sustainable, Safe and Legal Harvesting and Trade of Wild Species
 - c. Target 1: Plan and Manage all Areas To Reduce Biodiversity Loss
3. There is only one target available that the strategy does not align to: Target 22: Ensure Participation in Decision-Making and Access to Justice and Information Related to Biodiversity for all



GLOBAL BIODIVERSITY FRAMEWORK

APPROACH ONE: ADAPTING THE IFC FRAMEWORK TO LISTED EQUITIES

VISUAL DEPICTION OF THE RESULTS, % OF COMPANIES ALIGNED TO EACH OF THE 23 GBF TARGETS, RELATIVE TO THE NUMBER OF INDICATORS AVAILABLE



- Directly addressing GBF Target
- Indirectly addressing GBF Target
- Not possible for the fund to align (NA)
- Possible for the fund to align, but it does not

Source: BNPPAM, 2024

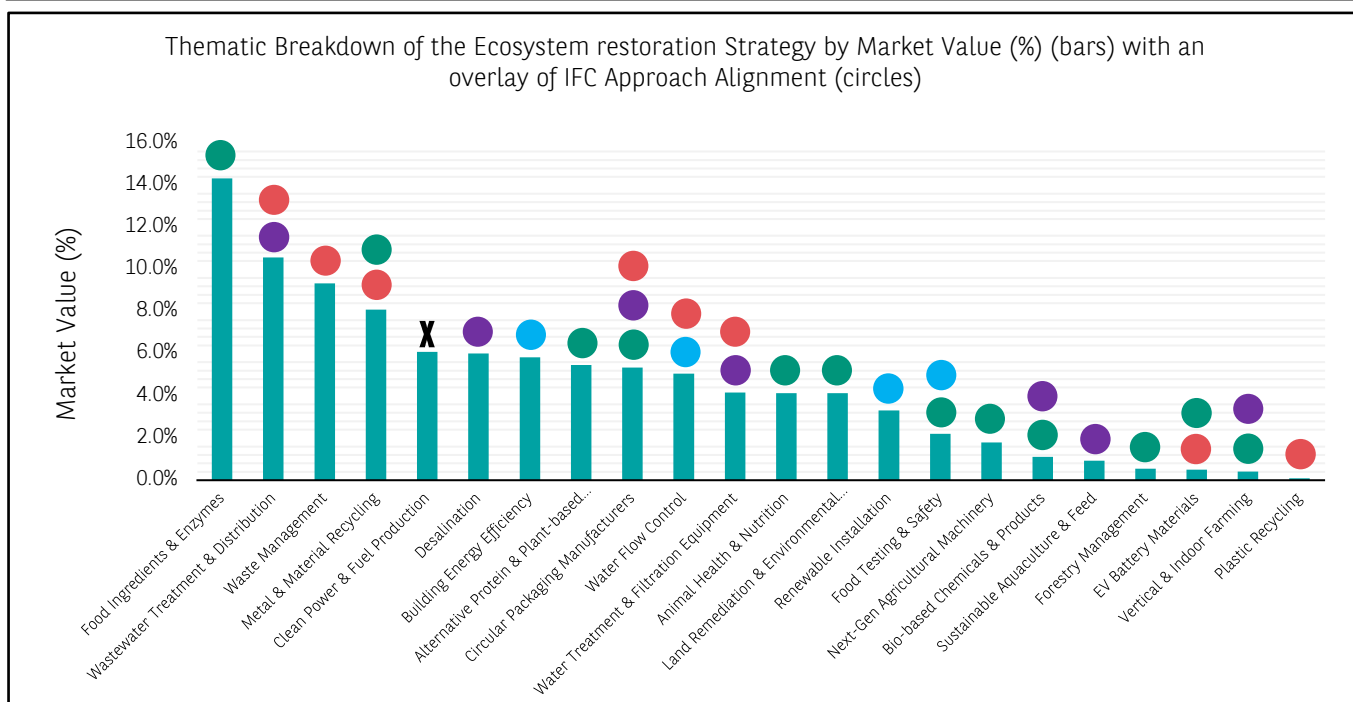
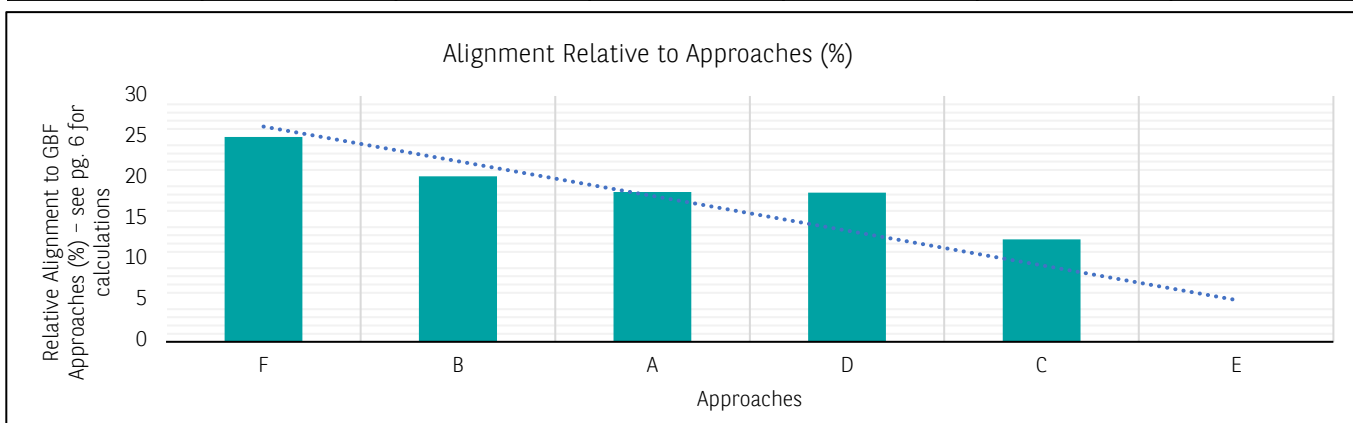
GLOBAL BIODIVERSITY FRAMEWORK

APPROACH ONE: ADAPTING THE IFC FRAMEWORK TO LISTED EQUITIES

ANALYSIS

To examine the accuracy of the IFC mapping, each Approach has been graphed alongside the strategy's level two thematic labels. From this graph, it is possible to compare whether the alignment to each approach, compares to the thematic alignment within the strategy. The graph shows that there is a correlation between alignment to approach and thematic, except for Approach F. This can be explained by the very few number of indicators available for Approach F (3) versus other approaches which have 10+ indicators associated to them.

Ranking order of relative alignment (1=highest) →	3	2	5	4	6	1
Key for below graph →	 Approach A: Productive Land Use/ Agriculture	 Approach B: Freshwater/ Marine Sustainable Production	 Approach C: Waste and Plastic Management	 Approach D: Forestry and Plantations	 Approach E: Tourism/ Ecotourism Services	 Approach F: Other Investments



GLOBAL BIODIVERSITY FRAMEWORK

APPROACH TWO: PROPRIETARY MAPPING BASED ON ENVIRONMENTAL STRATEGIES GROUP ANALYSIS

METHODOLOGY

The Environmental Strategies Group have established an alternative proprietary methodology. Notably, its development has been facilitated by the team’s thorough understanding of the companies in which the strategy invests, and by the small holding size of the strategy (between 40 and 60 names). This has been reviewed by the Sustainability Centre’s Biodiversity Lead, Robert-Alexandre Poujade.

To generate the graphics on page 12, the team have analysed each company’s revenue streams (except for target 23, gender considerations, which has an operational angle), subsequently completing a tick box exercise (like in the IFC mapping) as to whether these contribute to each of the 23 targets. This generates a cross-target map, a sample of which is captured below, which serves as the basis for graphics and further analysis. Again, supporting evidence is presented in comments in the excel (red triangles).

METHODOLOGICAL SAMPLE

Sample of dataset, with red notations detailing additional comments. This excel was created by the Environmental Strategies Group.

GBF Target No. -->			1	2	3	4	5
Source	Company No.	GBF Target -->	Plan and Manage all Areas To Reduce Biodiversity Loss	Restore 30% of all Degraded Ecosystems	Conserve 30% of Land, Waters and Seas	Halt Species Extinction, Protect Genetic Diversity, and Manage Human-Wildlife Conflicts	Ensure Sustainable, Safe and Legal Harvesting and Trade of Wild Species
Company A CSR Report	1	Company A	0	1	1	0	0
Company B CSR Report	2	Company B	1	1	1	0	0
Company C CSR Report	3	Company C	0	1	0	0	0
Company D CSR Report	4	Company A	0	1	0	1	0
Company E CSR Report	5	Company B	0	0	1	0	0
Company F CSR Report	6	Company C	1	1	1	1	0

EXAMPLE COMPANY: VA TECH WABAG

VA Tech Wabag engages in the design, supply, installation, construction, and operational management of drinking water, waste and industrial water treatment, and desalination plants in India and internationally. The company offers sewage treatment, drinking water treatment, effluent treatment, water recycle and reuse, desalination, wastewater treatment, and sludge treatment services for municipal and industrial users; engineering, procurement, and construction services, as well as operation and maintenance services; and financing, construction, as well as operation of water and wastewater projects.

Based on our team’s proprietary framework company’s activities align to target 3, due to water conservation, target 7, due to wastewater and sludge treatment, target 8 due to growing scarcity of drinking water, target 12 through urban planning and water infrastructure and target 17 due to biohazards associated with sewage.



Source: BNPPAM, 2024

GLOBAL BIODIVERSITY FRAMEWORK

APPROACH TWO: PROPRIETARY MAPPING BASED ON ENVIRONMENTAL STRATEGIES GROUP ANALYSIS

RESULTS SUMMARY AND ANALYSIS

1. MOST ALIGNED (WHERE BETWEEN 67 AND 100% OF THE PORTFOLIO ALIGN):

- a. Target 2: Restore 30% of all Degraded Ecosystems
- b. Target 7: Reduce Pollution to Levels That Are Not Harmful to Biodiversity
- c. Target 16: Enable Sustainable Consumption Choices To Reduce Waste and Overconsumption

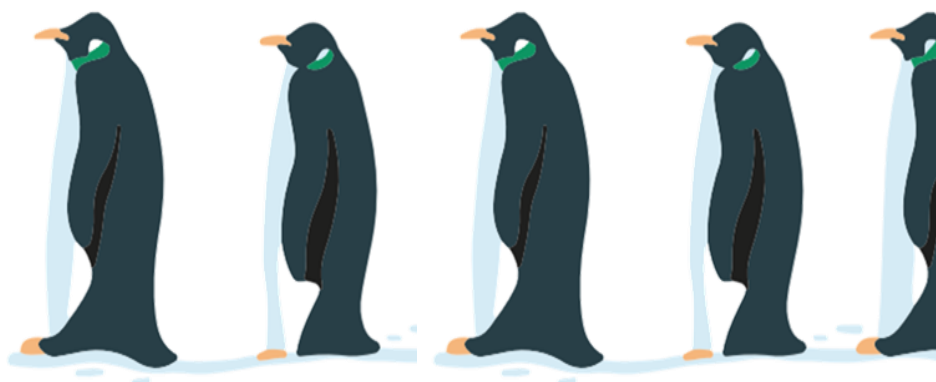
2. SOMEWHAT ALIGNED (WHERE BETWEEN 34 AND 66% OF THE PORTFOLIO ALIGN)*:

- a. Target 1: Plan and Manage all Areas To Reduce Biodiversity Loss
- b. Target 4: Halt Species Extinction, Protect Genetic Diversity, and Manage Human-Wildlife Conflicts
- c. Target 8: Minimize the Impacts of Climate Change on Biodiversity and Build Resilience
- d. Target 10: Enhance Biodiversity and Sustainability in Agriculture, Aquaculture, Fisheries, and Forestry
- e. Target 11: Restore, Maintain and Enhance Nature's Contributions to People
- f. Target 12: Enhance Green Spaces and Urban Planning for Human Well-Being and Biodiversity
- g. Target 17: Strengthen Biosafety and Distribute the Benefits of Biotechnology
- h. Target 18: Reduce Harmful Incentives by at Least \$500 Billion per Year, and Scale Up Positive Incentives for Biodiversity
- i. Target 20: Strengthen Capacity-Building, Technology Transfer, and Scientific and Technical Cooperation for Biodiversity

3. LEAST ALIGNED (WHERE BETWEEN 0 AND 33% OF THE PORTFOLIO ALIGN)*:

- a. Target 3: Conserve 30% of Land, Waters and Seas
- b. Target 5: Ensure Sustainable, Safe and Legal Harvesting and Trade of Wild Species
- c. Target 6: Reduce the Introduction of Invasive Alien Species by 50% and Minimize Their Impact
- d. Target 9: Manage Wild Species Sustainably To Benefit People
- e. Target 13: Increase the Sharing of Benefits From Genetic Resources, Digital Sequence Information and Traditional Knowledge
- f. Target 14: Integrate Biodiversity in Decision-Making at Every Level
- g. Target 15: Businesses Assess, Disclose and Reduce Biodiversity-Related Risks and Negative Impacts
- h. Target 19: Mobilize \$200 Billion per Year for Biodiversity From all Sources, Including \$30 Billion Through International Finance
- i. Target 21: Ensure That Knowledge Is Available and Accessible To Guide Biodiversity Action
- j. Target 22: Ensure That Knowledge Is Available and Accessible To Guide Biodiversity Action
- k. Target 23: Ensure Gender Equality and a Gender-Responsive Approach for Biodiversity Action

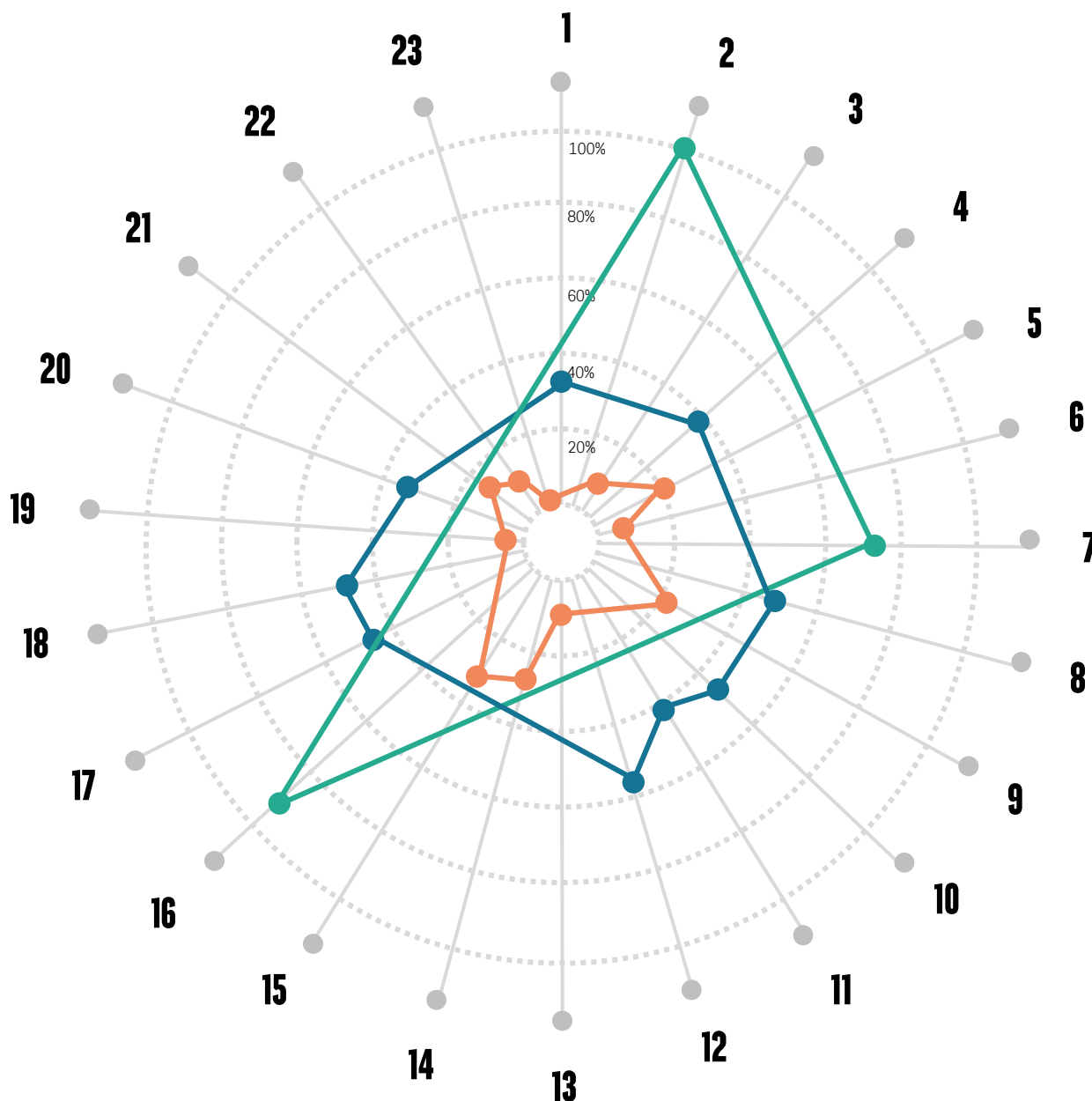
* Calculated as number of companies aligned to the target/number of companies in the portfolio, *100



GLOBAL BIODIVERSITY FRAMEWORK

APPROACH TWO: PROPRIETARY MAPPING BASED ON ENVIRONMENTAL STRATEGIES GROUP ANALYSIS

RESULTS



**0-33% of portfolio
companies are aligned**

**34-66% of portfolio
companies are aligned**

**67-100% of portfolio
companies are aligned**

By count, not % of NAV
Calculated as number of companies aligned to the target/number of companies in the portfolio, *100

GLOBAL BIODIVERSITY FRAMEWORK

KEY TAKEAWAYS FROM THIS RESEARCH

IFC Framework		Proprietary Approach		Key Takeaways
Advantages	Disadvantages	Advantages	Disadvantages	
Helpful for identifying gaps in investment by business activity	Some of the IFC business activities may not be investable in the listed space	Covers all GBF targets	Mapping by the title of the Target sometimes is not aligned to the description of the target on the Convention for Biological Diversity website	Thematic mapping could combine elements of both approaches, with less granularity than the IFC but more so than the proprietary approach.
Good for guiding engagement	The IFC does not propose what can be done with the final mapping i.e. how to present it, how to analyse it	Business activities that may be missed by the IFC indicators can be captured	Does not specify whether the alignment is direct or indirect	Both frameworks are very resource intensive and could not be easily applied to larger funds or benchmarks
Good for understanding the indirect and direct links to GBF targets	Hard to integrate sources into the mapping	Helpful for identifying gaps in investment	Analyst bias more prevalent	Neither framework measures to what degree each target is hit – revenue, capex or opex alignment could be an avenue to explore
Validated third party approach	Two investment strategies could not be covered in many listed equity strategies	Easier for analysts with deep understanding of the company	Thorough understanding of the companies is a prerequisite	Double counting is an issue and will be until the above point can be implemented
Better for less pureplay companies due to granular mapping guidance	Does not account for Do No Significant Harm		Does not account for Do No Significant Harm	This <i>could</i> be very good for comparing funds, yet there needs to be a standardised methodology
	Binary mapping, although there could be a possibility to extend to revenue, capex, opex etc		Binary, more difficult to extend to revenue, capex, opex etc.	The GBF wasn't purpose built to solely guide financial flows, like the SDGs. Have any discussions been had with the GBF team directly?
	Assumption that if a company aligns with an indicator, it aligns to all of the associated direct or indirect targets		Double counting	Can be used for further understanding of a strategy's contribution – were the hypothesised targets met? Why/Why not?
	Double counting			There are other presentation options – a heat map or bar chart could complement a radar chart
	Does not define thresholds for <i>directly</i> or <i>indirectly</i> contributing to the target			Further exploration could include linking the targets to the indicators of the Sub-SDGs
				% of NAV could be used if revenue, capex, opex alignment still isn't viable. It would still be binary, but a better indicator than not considering it

GLOBAL BIODIVERSITY FRAMEWORK

KEY TAKEAWAYS FROM THIS RESEARCH

COMMENTARY

- Considering the IFC provide pre-specified business activities and the proprietary methodology does not, it is likely different business activities were mapped to different targets. Therefore, it is understandable that the target alignment differs. For example, whilst the IFC did not think that Target 23 related to gender considerations in biodiversity was possible to achieve, the team considered a company with >50% board gender diversity to be meeting this target.
- The common denominator from this research is that for both the IFC methodology and the proprietary methodology, the strategy aligned closest to the two restoration-orientated GBF targets, matching the research hypothesis. Similar targets had the least alignment. However, the order of the middle ranking targets changes between the two methodologies.
- Additionally, the proprietary methodology aligns closest to the strategy's holdings, as pollution reduction and waste management both have a lot of associated weight in the portfolio, unlike aquaculture and climate resilience which were highly aligned in the IFC methodology which have less holdings aligned.

TAKEAWAYS FOR THE STRATEGY

This research shows that the fund does closely align with the predicted GBF targets and can therefore be considered as having biodiversity positive financial flows. Targets related to restoration ranked highest across both methodologies, whilst targets related to agriculture, pollution and waste followed closely. This research shows the strategy does not target 1) species protection (from invasive species or encouraging native species), 2) reducing the negative impact of the shipping industry on marine species, and 3) ecotourism. These conclusions will be discussed by the Environmental Strategies Group to understand if and how we can further our contribution to these spaces. It also doesn't target, 4) equal participation or 5) biodiversity integration in decision making, however these are more social and governance considerations which can be addressed via engagement but are not core considerations of the strategy.

RE-DESIGN PROPRIETARY FRAMEWORK

On the back of this analysis, the team intend to create a new, adapted framework based on key learnings. This new framework will use the proprietary methodology as a backbone but incorporate elements of the IFC methodology. The proprietary methodology was preferred for the listed space, as although the IFC distinguish between direct and indirect alignment, (1) the IFC indicators exclude some key business activities (please see example below), and (2) only investment strategy one is fully applicable for public markets.

Please see examples of three business activities not adequately or explicitly detailed by the IFC that potentially have a meaningful contribution to biodiversity:

Urban infrastructure:

- There are biodiversity positive solutions in urban infrastructure which are investible in the listed space. Examples of this include Smart Glass, to reduce the heat island effect of cities or investments in non-exhaustive transport methods

Deforestation:

- Excluding beef and alternative meat production, other solutions cannot be tied to slowing deforestation through IFC business activities. Examples of this include alternative milk products, which discourage deforestation driven by the dairy industry.

Land-based fish farming:

- Currently, only fish farming with a sustainability certification qualifies under the IFC framework. Examples of solutions which fall out of this scope include land-based fish farming which has a significantly lower footprint than open-water alternatives.

NEW ADDITIONS TO BE EXPLORED

- Instead of using the IFC indicators, the new proprietary methodology will propose granular thematic levels. These should provide more guidance than the target titles used in the initial proprietary framework, but will be more open to interpretation, so suited to fundamental, bottom-up researchers. There is risk of greenwashing here, so a "qualitative justification and source" will be necessary where the link is not clear.
- Instead of using the six IFC Approaches to group these thematic levels, we will explore whether it is possible to group by the five IPBES biodiversity stressors. It is important to build synergies across frameworks.
- It will also be possible to tag the thematic levels to the sub-SDG indicators, and therefore introduce corresponding SDG mapping.
- It is not possible to align exposure either through revenue, capex or opex to thematic levels, as there is not enough specificity. However, it will be possible to introduce % of NAV. This is valuable, because currently one company contributing to climate resilience contributes to the final score as much as a company contributing to recycling.
- We will also have to cautiously tag each of the thematic levels to the GBF as we cannot use the IFC tagging. To do this, we will use the Convention for Biological Diversity's (CBD) indicators under each target, to ensure greatest accuracy.
- Explore Investment Strategy Three of the IFC framework, to understand how green/grey infrastructure can be acknowledged
- Consult with the Sustainability Centre and leverage ESG champions network to understand if ESG/CSR activities should be considered, if they are above a certain contribution threshold. This was brought to our attention by the GBF indicators related to gender inclusivity and biodiversity-related decision-making at every level of company operations.

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APPENDIX

IFC 60 INDICATORS

Approach A: Productive Land Use/Agriculture			IFC INDICATORS	
	Indicators, Group One: Climate-Smart Agriculture -->	a	Rehabilitation of degraded lands with native and/or naturalized species.	
		b	Reduction in synthetic fertilizer use by at least 20% ¹⁷ on project implementation to reduce downstream eutrophication, and to promote use of biofertilizer and other organic solutions (for example, composting).	
		c	Reduction in pesticide use by at least 20% ¹⁸ on project implementation and promotion of biosolutions.	
		d	Switching from monocropping to diversified cropping systems, including intercropping and use of cover crops to improve resilience and soil quality.	
		e	Significant reduction of tillage or implementation of no-till practices	
		f	Cultivation of native or naturalized species that can more readily adapt to variations in production cycles, water quality/quantity, and temperatures	
		g	Infrastructure that uses natural or combined green/gray solutions that prevent runoff of agrochemicals and sediment into rivers or coastal basins.	
		h	The use of sustainable agricultural practices/varieties/technology and/or infrastructure that increases crop yields/quality on existing land without increasing the environmental footprint.	
		i	Design, implementation, use, or improvement of traceability mechanisms, data, and technologies used to prevent deforestation and monitor biodiversity benefits at the corporate level or along the supply chain.	
		j	Efficient irrigation – promote efficient water allocation, water recycling, sustainable reuse of graywater, rainwater harvesting, and utilization of native species that have low water consumption. This is conditional to avoid depletion of natural water resources.	
		k	Climate adaptation and resilience measures that also conserve and/ or restore ecosystems (for example, drought-resistant seeds, nutrient cycling, water storage, ecotone levees, floodplain restoration, water storage with watershed restoration or conservation – all projects that make agribusiness more resilient to threats like flooding and drought).	
		l	Conservation and production of native or naturalized seed varieties, especially endemic species.	
		m	Adoption of practices and/or technologies in supply chain management to promote zero deforestation or other positive effects on biodiversity.	
	Indicators, Group Two: Regenerative Agriculture -->		Farming and grazing practices that, among other benefits, rebuild soil organic matter, restore degraded soil biodiversity, enhance and maintain ecosystem function, and preserve native seed and livestock varieties; sustainable fiber production and other activities that focus on recuperation of the ecosystem through improved land management and that operate throughout the supply chain.	
	Indicators, Group Three: Production and trade of certified crops/commodities -->		In line with robust sustainability certifications which follow audit protocols that confirm biodiversity and potential climate benefits	
	Indicators, Group Four: Alternative Production Practices -->		...or products such as sustainable hydroponics and alternatives to beef, to reduce pressure on land and prevent land conversion. This includes agricultural practices that contribute to the protection of wildlife, especially endangered and threatened species (wildlife-friendly options), and businesses that promote wildlife-friendly practices to improve land management, establish corridors for wildlife movement, and reduce demand for bushmeat.	
	Indicators, Group Five: Adoption of innovation and technologies -->		that improve land-use and agricultural practices, such as geospatial data tools and tools to detect soil degradation.	

APPENDIX

IFC 60 INDICATORS

Approach B: Freshwater/Marine Sustainable Production			
Indicators, Group One: Measures that achieve conservation, greater efficiency and sustainable water use, including at least a 20% reduction in water use in -->	a	Agricultural production	
	b	Manufacturing and processing	
	c	construction and building	
	d	infrastructure development	
Indicators, Group Two: Development and manufacturing of water conservation products -->		(for example, low-flow shower heads, faucet aerators, water recyclers, and low-flow toilets) for residential and commercial use.	
Indicators, Group Three: Measures that reduce the level of contamination in wetlands or other freshwater bodies (no further explanation)	NA		
Indicators, Group Four: Biodiversity-friendly fishing -->	a	Repopulation of native species in rivers and other water bodies	
	b	Production, trade, or retail of seafood products meeting or exceeding best practice certification standards.	
Indicators, Group Five: Sustainable Aquaculture Production -->		Aquaculture with a certification that confirms that the investment does not undermine the function and resilience of ecosystems, such as mangroves, salt marshes, seagrasses, and critical habitats	
Indicators, Group Six: Regenerative (Restorative) Aquaculture Production -->		Bivalves and seaweed to increase food production and restore ocean health.	
Indicators, Group Seven: Sustainable fisheries and fishery practices -->		Operations compliant with gear restrictions/modifications, offtake and sourcing procedures, and vessel modifications, and consistent with best practice for preventing fishery degradation (for example, reducing by-catch)	
Indicators, Group Eight: Adoption of practices and/or technologies in supply chain management -->		(including cold storage, fish processing facilities, and shipping) to reduce loss, expand access to markets, and reduce transport time.	
Indicators, Group Nine: Biodiversity-friendly shipping and cruising-->	a	Installation of ballast water treatment on ships to prevent contamination with invasive species	
	b	Installation of membrane bioreactor-type water treatment for all blackwater and graywater on ships.	
	c	Installation of bilge water treatment on ships	
	d	Installation of technology on ships to reduce noise pollution harmful to ocean species.	
	e	Solid waste reception and processing facilities at ports and terminals.	
	f	Deployment of technology-based mapping and analysis tools and/or alternative routing practices to protect biodiversity (for example, avoiding collision with large mammals)	
Indicators, Group Ten: Manufacturing or retail of ocean- and water manufacturing or retail of ocean- and water-friendly household products -->		(for example, biodegradable and phosphate-free products such as detergent, shampoos, soaps, deodorants, cleaners; microbead-free toothpaste; non-plastic packaging).	
Indicators, Group Eleven: Reduction of downstream eutrophication through the replacement of phosphate- or nitrogen-based synthetic fertilizers with non-synthetic organic fertilizers -->		this is linked also to improved agricultural practices	
Indicators, Group Twelve: Prevention of stormwater and wastewater runoff into waterways -->		including investing in nature-based solutions for wastewater treatment, such as constructed wetlands to support removal of organic pollutants from wastewater	
Indicators, Group Thirteen: Upgrading wastewater treatment plants -->		(agricultural, industrial, commercial, residential, or city level) to eliminate all pollutants harmful to biodiversity	
Indicators, Group Fourteen: Improving upstream watershed activities -->		(linked to improved land management, agricultural practices, and sanitation) to reduce sediment flow and contamination	

APPENDIX

IFC 60 INDICATORS

Approach C: Waste and Plastic Management		
	Indicators, Group One: Manufacturing, trade finance or retail of compostable and biodegradable products -->	including plant-based plastics and packaging solutions that displace traditional products that impact marine, freshwater, and terrestrial biodiversity
	Indicators, Group Two: Manufacturing, trade finance, or retail of low-carbon and biodegradable materials -->	(for example, Lyocell) as an alternative to cotton and fossil-based fibers
	Indicators, Group Three: Urban drainage systems that prevent plastic, solid waste, and pollutants runoff -->	into freshwater and marine habitats.
	Indicators, Group Four: Flood Mitigation Measures -->	that prevent plastic, solid waste, or pollutants runoff.
	Indicators, Group Five: Reduction in plastic uses -->	in product design and manufacture, and use of recycled plastics for residual material needs
	Indicators, Group Six: Support for research and innovative technologies -->	aimed at recycling single-use plastic as part of larger-scale plastic recycling efforts.
	Indicators, Group Seven: Plastic recycling activities and facilities (no further explanation)	NA
	Indicators, Group Eight: Reuse or sustainable repurposing of plastics (no further explanation)	NA
Approach D: Forestry and Plantations		
	Indicators, Group One: Reforestation -->	with native or naturalized species resulting in biodiversity benefits and ecosystem services (for example, carbon sequestration, water quality, water supply in areas of critical ecological flow).
	Indicators, Group Two: Afforestation (plantations) or natural forest regeneration on degraded lands -->	with native or naturalized species to create production buffer zones or biodiversity corridors, especially when adjacent to or connecting virgin forest or protected areas
	Indicators, Group Three: Native non-timber forest products -->	contributing to forest conservation, soil retention and recovery, and alternative livelihoods
	Indicators, Group Four: Sustainable forest management -->	Forest production and management that meets international best practices and internationally accepted quality certification standards to ensure ecological, economic, and social benefits.
	Indicators, Group Five: Sustainable Tree Crop Production -->	that incorporates native or naturalized species and does not cause or result in deforestation or loss of natural forests or any other biodiversity hotspot that has high conservation value or high carbon stock ecosystems.
	Indicators, Group Six: Agroforestry Systems -->	linked to sustainable agricultural practices. Mixed tree and crop production, using native or naturalized species, appropriate for local climate conditions
Approach E: Tourism/Ecotourism Services		
	Indicators, Group One: Sustainable or ecotourism ventures -->	that meet established standards for best practices, conserve or restore habitats or avoid increasing encroachment on habitat, and work to reduce carbon emissions.
	Indicators, Group Two: Tourism concessions and operations inside marine and terrestrial conservation areas -->	that create opportunities or incentives for enhanced biodiversity protection or reduced biodiversity threat. These opportunities could be economic (for example, alternative livelihoods), social (for example, supporting changing norms or behaviors through education/best practice), or fiscal (for example, profit-sharing user fees with conservation areas). Tourism operations must meet recognized ecotourism standards.
	Indicators, Group Three: Ecotourism ventures and operations outside conservation areas that are consistent with ecotourism principles. -->	For example, these ventures could be located in buffer zones of protected areas, in critical habitats, or in other sensitive sites, or where there is strong community participation or ownership.
Approach F: Other Investments		
	Indicators, Group One: Research and development and technology that helps to identify, monitor, report on, and verify biodiversity and business impacts. -->	Examples include geographic information systems for biodiversity protection and artificial intelligence tools and software to track wildlife and monitor displacements in areas where poaching may occur.
	Indicators, Group Two: Retrofitting existing infrastructure and construction projects -->	to address adverse impacts on biodiversity previously caused or exacerbated by the project
	Indicators, Group Three: Innovations in aviation, trucking, and logistics. -->	to avoid transporting invasive species

AUTHORS

LEAD AUTHOR



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Alexandra is the groups Environmental Analyst with responsibility of the groups biannual environmental reporting as well as steering the groups work and innovation on environmental issues and regulations in collaboration with the firms Sustainability Centre. Alexandra has a keen interest in sustainability having worked in Fiji as an Assistant Marine Researcher in 2018, having continued to develop her experience in the field of ESG and environmental issues at Magellan Advisory Partners in 2020 and having been an ESG analyst at both Acasta and Gneiss Energy in 2022. Alexandra recently graduated from University of York with a MSc in Environmental Economics and Environmental Management.

PORTFOLIO MANAGERS



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Edward is co-CIO of Environmental Strategies Group and senior portfolio manager of long only and long-short environmental strategies managed by the group having joined BNPP AM in 2019. Edward began his career in 1994 at Morgan Stanley in New York in investment banking and private equity. He joined Goldman Sachs in 2000 where he was an MD and founded and co-ran the Goldman Sachs Thematic Investment Group (2005-2009). Edward set up thematic fund Clear River Capital in 2009 and subsequently went to UBS as a MD to start a principal investing business. Since 2012, Edward was the CEO and co-founder of North Shore Partners that became part of Duet Asset Management in 2015 and later co-founded Sustainable Solutions (2017-2019). He holds an MBA from Wharton and a BA from Amherst College.



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Ulrik is co-CIO of Environmental Strategies Group and senior portfolio manager of long only and long-short environmental strategies managed by the group having joined BNPP AM in 2019. Ulrik began his career in 2001 at Goldman Sachs in London investing in companies globally focussed on how the world feeds, moves, energises and builds itself. He formed part of the internal investment group Goldman Sachs Principal Strategies Group from 2005-2007 and later co-ran the Goldman Sachs Thematic Investment Group from 2007-2012. From 2012, Ulrik was the CIO and co-founder of thematic asset management boutique North Shore Partners - became part of Duet Asset Management in 2015 - and later co-founded an environmental solutions focused business, Sustainable Solutions, in 2017-2019. He holds a MSc in Economics and Political Science from University of Copenhagen.

FUND DETAILS

Base Currency: EUR
Launch Date: 01.06.2021
Sustainability Credentials: Article 9, AMF Cat 1
Maximum Management Fees: 1.50%
Ongoing Costs: 2.02% (21.12.2023)
Benchmark: MSCI AC World (EUR) NR

Legal Form: Sub-fund of SICAV BNP PARIBAS FUNDS Luxembourg domicile
Management Company: BNP Paribas Asset management Luxembourg
Delegated Manager: BNP Paribas Asset Management UK
ISIN code: LU2308191738
SRI: 5/7

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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 reliable funds that do not apply such standards.

VIEWPOINT



BNP PARIBAS
ASSET MANAGEMENT

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