



PUSHING AHEAD IN THE AGE OF SUSTAINABLE TRANSFORMATION



Sandro Pierri

CEO, BNP Paribas Asset Management

“We are working hard, alongside our clients, to mobilise capital for sustainable investment solutions that can support a net zero pathway, protect biodiversity and facilitate inclusive growth. These convictions permeate our 2022-2025 strategic plan and will allow us to pursue our goal: generating long-term sustainable investment returns for our clients.”



Jane Ambachtsheer

Global Head of Sustainability

“In 2022, we will publish a sequel to our Global Sustainability Strategy. This will articulate our vision, ambition and the concrete steps we plan to take to help achieve an inclusive, sustainable, net zero economy. We look forward to sharing our progress with you.”



BNP PARIBAS
ASSET MANAGEMENT

The sustainable
investor for a
changing world

ABOUT US



RECOGNISED FOR OUR EXPERTISE:
39 RESPONSIBLE INVESTOR AWARDS WON IN 2021

BNP Paribas Asset Management aims to achieve long-term sustainable investment returns for clients by placing sustainability at the heart of its strategy and investment decision-making.

€537_{bn}
Total AUM*

2,749**
People

32
Locations

€330.5_{bn}
ESG AUM***

* AUM: assets under management.

** Joint Ventures included.

*** ESG AUM: assets under management in scope of our Global Sustainability Strategy.

THE 6 PILLARS OF OUR SUSTAINABLE INVESTMENT APPROACH

1.

ESG INTEGRATION ACROSS ALL INVESTMENTS

Improve risk-adjusted returns

4.

FORWARD-LOOKING PERSPECTIVE: THE "3Es"

Enhance investment decision-making, preserve long-term market performance

2.

STEWARDSHIP (VOTING, ENGAGEMENT)

Protect company value, influence sound regulatory framework, promote better social and environmental outcomes

3.

RESPONSIBLE BUSINESS CONDUCT AND SECTOR-BASED EXCLUSIONS

Avoid reputational, regulatory and stranded asset risk

5.

SUSTAINABLE ENHANCED ESG THEMATIC IMPACT

Allocate to sustainable investment opportunities



6.

CSR WALKING THE TALK

Corporate practice and disclosures should match or exceed the standards we expect from the entities in which we invest

The First Four Pillars Apply Across Our Investment Approach

We are the **sustainable investor for a changing world**. We want to make a difference in people's lives by adding sustainable value to their investments and enabling them to finance their needs. We want to make the world a better place for future generations using our influence over companies, governments and international public policy on sustainability. To do so, we have put sustainability at the heart of our strategy and made it one of our core investment beliefs.

This document summarises our progress on embedding the six pillars of our sustainable investment approach, shown here, into our business.



Gathering and assimilating the growing array of ESG data entering the marketplace represents a tremendous challenge. It also represents one of the biggest opportunities the investment management industry has seen for decades to drive value for clients while promoting positive real economy outcomes. Our proprietary scoring framework provides portfolio managers with our differentiated views on the ESG characteristics of investees and our industry-leading ESG Integration Guidelines help client portfolios realise better-than-benchmark ESG performance.”

Alex Bernhardt
Global Head of Sustainability Research

KEY ACHIEVEMENTS IN 2021

1. ESG integration across all investments

We embedded ESG across our investment processes through our [ESG Integration Guidelines](#) and **expanded our proprietary ESG research from 3 000 entities to over 13 000**. Using a comprehensive validation system in our product development process, **we now manage EUR 330.5 billion in ESG-integrated assets**.

We worked with index providers to shift 18 of our existing exchange-traded funds (ETFs) to ESG and Paris-aligned benchmark indices to strengthen the sustainability characteristics of our flagship BNP Paribas Easy Index range. By changing these indices, 83% of the BNPP AM index range, or EUR 16.4 billion in assets under management (AUM), is now classified as Article 8 or Article 9 under Sustainable Finance Disclosure Regulation (SFDR) regulations.

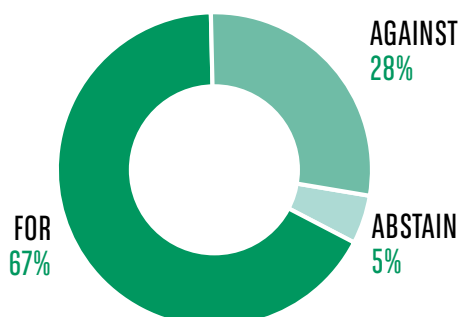
We launched our ESG Data Programme to industrialise further our processes and prepare us for future client reporting and regulatory changes.

2. Stewardship (voting, engagement)

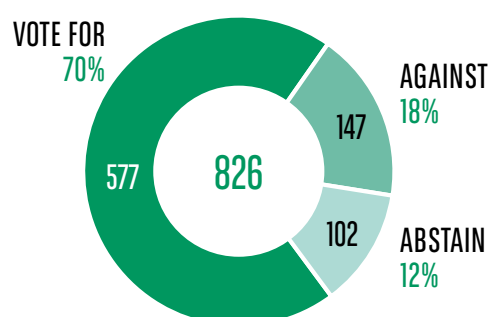
Our well-defined [Proxy Voting & Governance Principles](#) underpin our voting strategy, leading us to **have voted down management proposals about 33% of the time** in 2021.

Within our voting scope, we voted at 2,098 general meetings in 2021, primarily in Europe

Vote on management proposals



Shareholder proposals (global)



Our rate of support for shareholders' proposals increased in 2021

70%
vs 63% in 2020

We engaged regularly with companies on topics related to the 3Es and the outcomes of these engagements are reflected in section 4.



3. Responsible Business Conduct

We made our [Responsible Business Conduct policy](#), which governs our exclusion lists, **the standard for all new client mandates**, and held discussions with existing clients to encourage them to adopt our policy.

We strengthened our policy to systematically exclude any power generators that will still have coal capacity in their generation mix in the EU and OECD countries by 2030 and the rest of the world by 2040.

We introduced exclusions and mandatory criteria for companies with significant involvement in the exploration, production, trading or pipeline distribution of shale oil or gas, oil sands, and oil and gas resources in the Arctic region.

We updated our agricultural sector policy to tighten restrictions on deforestation and land clearance in the Amazon and Cerrado regions of Brazil, two of the most biodiverse regions on Earth.

Joining the Net-Zero Asset Managers Initiative marks the next step in our journey to decarbonise our portfolios and complements a number of our existing policies and processes"

Thibaud Clisson

ESG Analyst, Climate Change Lead

4. Forward-looking perspective – the ‘3 Es’: energy transition, environmental sustainability and equality & inclusive growth

Energy transition

In 2021, we strengthened our commitment to aligning our investment portfolios with the Paris Agreement goals by **signing up to the Net Zero Asset Managers initiative** (NZAM). Energy transition is integrated thoroughly into investments via our ESG scoring framework, and our exclusion policy covers the most sensitive sectors related to climate change.

We use our leverage to encourage investee companies, countries and policymakers to align with the Paris goals. **We supported almost 90% of climate-related shareholder resolutions** in the most recent voting period and we engage with companies on the energy transition both one-to-one and collaboratively through coalitions such as Climate Action 100+.

Environmental sustainability

In 2021, we published our **Biodiversity Roadmap**, which details our plan to embed biodiversity considerations in our sustainable investment approach.

Our proxy voting, engagement and public policy supports our expectations of environmental sustainability with a focus on deforestation and water efficiency. We aim to help shape global, regional and national policy responses to nature loss by taking part in key initiatives. In December 2021, **we signed the revised business statement for a Global Treaty on Plastic Pollution**, which was endorsed by governments around the world.

Two BNP Paribas experts
join TNFD



**Sébastien
Soleille**

**Robert-Alexandre
Poujade**

We are pleased to have supported the launch of the new **Taskforce on Nature-related Financial Disclosures** (TNFD) with the appointment to TNFD of Robert-Alexandre Poujade, ESG Analyst and Biodiversity Lead at BNP Paribas Asset Management and Sébastien Soleille, Head of Energy Transition and the Environment for the BNP Paribas Group. The goal of this initiative is to mirror the Task Force on Climate-related Financial Disclosures by providing a framework for organisations to measure and act on nature-related risks.



Equality and inclusive growth

We increased our opposition to the appointment of directors, mainly over diversity issues, **from 20% in 2018 to 37% in 2021**. We engaged in initiatives raising concern over worsening inequality during the Covid-19 crisis.

We developed a data model to incorporate an inclusive growth assessment in our investment strategies. Our Inclusive Growth strategy focuses on investing in companies with a proactive approach to reducing inequalities.



By integrating specific performance indicators, such as employee turnover rate or board diversity, our proprietary model allows us to filter the investment universe to identify the leaders. Our selective approach means that we can build a high-conviction equity portfolio of 40-60 stocks from around 1,000 companies initially analysed. This allows us to meet the expectations of our clients who are looking to generate a positive impact on tomorrow's society while generating long-term value."

Maria Luz Diaz Blanco

Portfolio Manager of the Inclusive Growth strategy

5. Sustainable+: Enhanced ESG – thematic, impact

Our focus on products that go further – meaning that they have enhanced ESG traits, be they thematic or impact – resulted in **EUR 229 billion of total assets under management** being classified as SFDR Article 8 and Article 9, **including 81% of our open-ended funds**. We consistently increased the number of labelled funds and labelled AUM over the last three years.

of labels (SRI)



Labelled AUM



We worked with ESSEC students on a methodology to identify the main Sustainable Development Goals and associated impact indicators to which social and solidarity economy actors in France contribute. We have published the methodology and the detailed analysis of each participating investee.



"The lack of industry standards for impact measurement or issuer SDG alignment is a challenge for impact investing. So we are currently building our own proprietary SDG measurement framework, with an external partner, to give clients visibility into what extent their investments contribute to the Sustainable Development Goals."

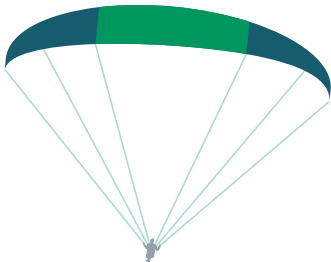
Bérénice Lasfargues

ESG Analyst, SDG Lead

6. Corporate Social Responsibility (CSR) – Walking the talk

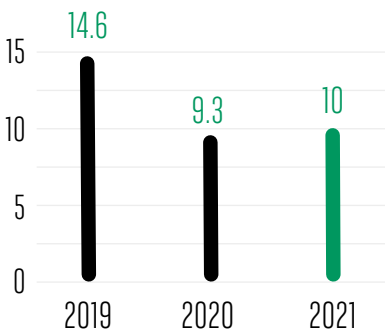
We implemented a corporate social responsibility approach with ambitious goals for **a more gender-balanced business, encouraging employees to volunteer, reducing our emissions and waste**. We tackled employee training and engagement on sustainability and linked sustainability to employee remuneration more closely.

To help cut our emissions, we launched an employee awareness campaign on how to use IT more sustainably. We continued to buy green electricity, with 84% of our employees working in offices powered by green or low-carbon electricity. We offset any residual emissions related to our office space and employee travel.

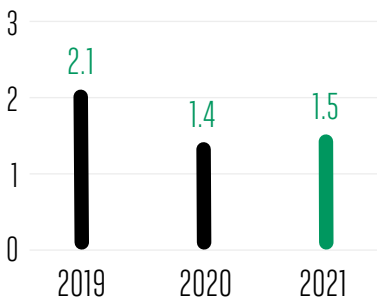


Worldwide Office Buildings

Energy Consumption
(millions of kWh)

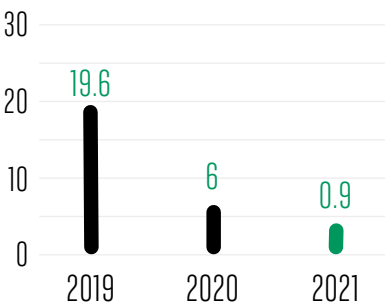


Greenhouse Gas Emissions
(TCO₂EQ)

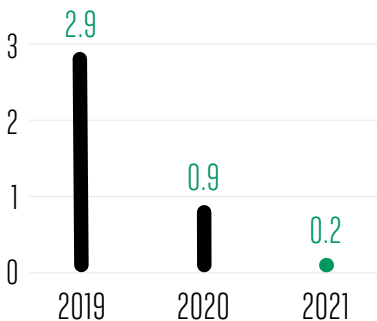


Worldwide Business Travel

Distance
(millions of Km)



Greenhouse Gas Emissions
(TCO₂EQ)





ALSO IN THIS REPORT

Our 2021 Sustainability report, 'The age of sustainable transformation', provides details of BNPP AM's activities, initiatives, partnerships and progress in areas including:

- Communication and reports to clients
- Managing conflicts of interest
- Public policy advocacy
- Responsible business conduct
- Sustainable savings solutions
- Thematic sustainable strategies
- Impact investing
- Our approach to Corporate Social Responsibility

[You can access the full report here](#)



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.

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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.

May 2022 - Design: AM Graphic Design - P2205052



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