

BNP PARIBAS ASSET MANAGEMENT EUROPE PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS STATEMENT

June 2025



BNP PARIBAS
ASSET MANAGEMENT

The sustainable investor for a changing world

For the purposes of this statement, the following definitions shall apply:

- (1) 'scope 1, 2 and 3 GHG emissions' means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council¹;
- (2) 'greenhouse gas (GHG) emissions' means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council²;
- (3) 'weighted average' means a ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company;
- (4) 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (5) 'companies active in the fossil fuel sector' means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council³;
- (6) 'renewable energy sources' means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;
- (7) 'non-renewable energy sources' means energy sources other than those referred to in point (6);
- (8) 'energy consumption intensity' means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;
- (9) 'high impact climate sectors' means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council⁴;
- (10) 'protected area' means designated areas in the European Environment Agency's Common Database on Designated Areas (CDDA);
- (11) 'area of high biodiversity value outside protected areas' means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council⁵;

¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

² Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

³ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

⁴ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance (OJ L 393, 30.12.2006, p. 1–39).

⁵ Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

- (12) 'emissions to water' means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council⁶ and direct emissions of nitrates, phosphates and pesticides ;
- (13) 'areas of high water stress' means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute's (WRI) Water Risk Atlas tool "Aqueduct";
- (14) 'hazardous waste and radioactive waste' means hazardous waste and radioactive waste;
- (15) 'hazardous waste' means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council⁸ ;
- (16) 'radioactive waste' means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom⁹;
- (17) 'non-recycled waste' means any waste not recycled within the meaning of 'recycling' in Article 3(17) of Directive 2008/98/EC;
- (18) 'activities negatively affecting biodiversity-sensitive areas' means activities that are characterised by all of the following:
 - (a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;
 - (b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented:
 - (i) Directive 2009/147/EC of the European Parliament and of the Council¹⁰;
 - (ii) Council Directive 92/43/EEC¹¹;
 - (iii) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council¹²;
 - (iv) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (i), (ii) and (iii);
- (19) 'biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139¹³;
- (20) 'threatened species' means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;

⁶ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

⁷

⁸ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

⁹ Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

¹⁰ Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

¹¹ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

¹² Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 026, 28.1.2012, p. 1).

¹³ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

- (21) 'deforestation' means the temporary or permanent human-induced conversion of forested land to non-forested land;
- (22) 'UN Global Compact principles' means the ten Principles of the United Nations Global Compact;
- (23) 'unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees;
- (24) 'board' means the administrative, management or supervisory body of a company;
- (25) 'human rights policy' means a policy commitment approved at board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights;
- (26) 'whistleblower' means 'reporting person' as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council¹⁴;
- (27) 'inorganic pollutants' means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council¹⁵, for the Large Volume Inorganic Chemicals- Solids and Others industry;
- (28) 'air pollutants' means direct emissions of sulphur dioxides (SO₂), nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC), and fine particulate matter (PM_{2.5}) as defined in Article 3, points (5) to (8), of Directive (EU) 2016/2284 of the European Parliament and of the Council¹⁶, ammonia (NH₃) as referred to in that Directive and heavy metals (HM) as referred to in Annex I to that Directive;
- (29) 'ozone depletion substances' mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

For the purposes of this Annex, the following formulas shall apply:

- (1) 'GHG emissions' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$$

- (2) 'carbon footprint' shall be calculated in accordance with the following formula:

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$$

- (3) 'GHG intensity of investee companies' shall be calculated in accordance with the following formula:

¹⁴ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L305, 26.11.2019, p. 17).

¹⁵ Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

¹⁶ Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (Text with EEA relevance), OJ L 344, 17.12.2016, p. 1–31

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$$

- (4) 'GHG intensity of sovereigns' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{The country's Scope 1, 2 and 3 GHG emissions}_i}{\text{Gross Domestic Product}_i(\text{€M})} \right)$$

- (5) 'inefficient real estate assets' shall be calculated in accordance with the following formula:

$$\frac{((\text{Value of real estate assets built before 31/12/2020 with EPC of C or below}) + (\text{Value of real estate assets built after 31/12/2020 with PED below NZEB in Directive 2010/31/EU}))}{\text{Value of real estate assets required to abide by EPC and NZEB rules}}$$

For the purposes of the formulas, the following definitions shall apply:

- (1) 'current value of investment' means the value in EUR of the investment by the financial market participant in the investee company;
- (2) 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (3) 'current value of all investments' means the value in EUR of all investments by the financial market participant;
- (4) 'nearly zero-energy building (NZEB)', 'primary energy demand (PED)' and 'energy performance certificate (EPC)' shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council¹⁷.

¹⁷

Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Financial market participant [BNP PARIBAS ASSET MANAGEMENT Europe (W51AX6427FJZJFPF8H34)]

Summary

BNP PARIBAS ASSET MANAGEMENT Europe (*previously BNP PARIBAS ASSET MANAGEMENT France¹⁸*), W51AX6427FJZJFPF8H34 considers the principal adverse impacts (“PAIs”) of its investment decisions on sustainability factors. The present document is the consolidated statement on principal adverse impacts on sustainability factors of BNP PARIBAS ASSET MANAGEMENT Europe and its subsidiaries namely BNP PARIBAS ASSET MANAGEMENT Europe, Belgian Branch and BNP PARIBAS ASSET MANAGEMENT Europe, Netherlands Branch as required under Article 4 of the REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures (SFDR) in the financial services sector.

This statement on principal adverse impacts on sustainability factors covers the reference period from January 1st to 31 December 2024.

As a broadly diversified global asset manager, BNP PARIBAS ASSET MANAGEMENT Europe’s adverse impacts are primarily indirect, through the entities in which we invest. We embrace our responsibility to identify and mitigate the 14 mandatory Corporates PAIs, 3 voluntary Corporates PAIs and the 2 Sovereigns PAIs.

BNP PARIBAS ASSET MANAGEMENT Europe is an entity of BNP Paribas Asset Management, the asset management business of the BNP Paribas Group (“BNPP AM”).

The different pillars of BNPP AM approach to investing sustainably (i.e. Forward-looking perspective, Responsible Business Conduct, ESG integration, Stewardship, Sustainability in our product range) are contributing to consider the PAIs. These pillars are further described in our [2024 Sustainability Report](#).

Our policy framework for identifying and addressing adverse impacts is based on 1) our [Responsible Business Conduct \(RBC\) Policy](#), which identifies for exclusion industries and behaviours that present a high risk of adverse impacts in violation of international norms; 2) our [ESG Integration Guidelines](#), which helps our investment teams identify ESG risks, including those related to PAI; and 3) our [2025 Stewardship Policy](#) setting out how we exercise our voting rights as a responsible steward and engage with issuers.

In order to identify and assess principal adverse impacts, we rely on our ESG research analysis and findings which are independent and based on a wide variety of sources not limited to ESG data providers.

Our Stewardship activities contribute to considering and addressing the different PAIs. Our Stewardship approach is based on the following engagement strategies: (i) engagement linked to voting; (ii) thematic engagement, with a focus on the ‘3Es’ (Energy transition, healthy Ecosystems, and Equality); and (iii) engagement linked to issuer performance. This includes provisions for escalation when engagement produces insufficient progress.

¹⁸ BNP PARIBAS ASSET MANAGEMENT France changes its legal name to BNP PARIBAS ASSET MANAGEMENT Europe on March 1st, 2024.

BNPP AM recognises that in many situations addressing principal adverse impacts on society and the environment requires a collective effort and therefore adheres as much as possible to responsible business conduct codes and internationally recognized standards.

The following ranges are used for the effective data coverage (i.e. data coverage divided by eligible assets): Low: 0-50% / Medium: > 50-75% / High: > 75%. Note eligible assets for a specific PAI are categories of assets that are suitable to receive a non-NULL value for that specific PAI. For PAIs applicable to investments in investee companies, the eligible assets correspond to corporate investments excluding cash, derivatives and sovereigns investments.

Please note that this year, we adjusted the scope of assets under management considered into this report, which includes funds and mandates, including external funds with delegation to BNPP AM Europe and excluding cash advisory mandates. In order to ensure consistency, we also republished PAI values for year 2023 using this adjusted scope. In case a fund has an internal delegation between BNPP AM Europe and BNPP AM Luxembourg entities, it has been included in both reports published.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact [2024]	Impact [2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period
----------------------------------	--------	---------------	---------------	-------------	----------------------------------------------------------------------------------

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	7 908 508 tCO ₂ e	10 034 851 tCO ₂ e	<p>Effective data coverage: High</p> <p>While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work, most companies worldwide still do not disclose this information. BNPP AM has therefore decided to supplement corporate disclosure with estimation methods, in order to provide better reporting of our environmental impact and to support carbon reduction in the absence of reported data.</p> <p>We committed to the Net Zero Asset Managers initiative in 2021 and from 2023 we started to report annually on our progress in a dedicated section of our Sustainability Report. As part of our Net Zero Roadmap, we have intermediate targets of reducing our scope 1 and 2 emissions by 30% in 2025 and 50% by 2030 (from a 2019 baseline).</p>
--------------------------	------------------	-----------------------	------------------------------	-------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

						Our Responsible Business Conduct policy (RBC) aims to reduce the exposure to GHG from fossil fuels through a thermal coal policy that seeks to exit coal in 2030 in EU and OECD countries & 2040 for the rest of the world. It also includes a strict policy on unconventional oil & gas.
		Scope 2 GHG emissions	2 215 722 tCO ₂ e	2 588 319 tCO ₂ e	<p>Effective data coverage: High</p> <p>While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work, most companies worldwide still do not disclose this information. BNPP AM has therefore decided to supplement corporate disclosure with estimation methods, in order to provide better reporting of our environmental impact and to support carbon reduction in the absence of reported data.</p>	<p>From a stewardship angle, we have committed to:</p> <ul style="list-style-type: none"> - Vote for corporate climate action (supporting thoughtful climate shareholder proposals, opposing strategic items at corporates not respecting our climate expectations...) - Engage with companies, consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner - Advocate for net zero-aligned national and international climate policies <p>For instance: we are part of the Climate Action 100+ initiative and are lead or colead on 9 companies worldwide, we apply climate considerations (linked to GHG emissions disclosure,</p>

						climate lobbying...) to voting on key items like board discharge or reelections.
		Scope 3 GHG emissions	339 157 975 tCO2e (rebased) 27 111 342 tCO2e (non-rebased)	88 916 643 tCO2e (rebased) 7 079 645 tCO2e (non-rebased)	<p>Effective data coverage: Low</p> <p>While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work, most companies worldwide still do not disclose this information and when they do it is usually not really comparable from one company to the other as there is a high divergence on the methodologies that can be applied on each subcategory of scope 3 emissions.</p> <p>BNPP AM has therefore decided to use only the highest quality disclosed data and to not supplement the data with estimates. Scope 3 GHG emissions estimates vary dramatically across vendors.</p> <p>Therefore the coverage and quality of Scope 3 GHG emissions data is considered to be very low which could lead to distorted reporting figures and make them difficult to interpret by market participants independently and in reference to other asset managers.</p> <p>We have provided two values for this indicator:</p> <ul style="list-style-type: none"> • A “rebased” value which corresponds to values for which we have only taken 	<p>Efforts are underway to further evaluate Scope 3 GHG emissions data for inclusion in internal assessment frameworks. We hope CSRD might help us get more confidence on the scope 3 emissions disclosed by corporates.</p> <p>From a stewardship angle, we apply climate considerations including the disclosure of Scope 3 GHG emissions in material sectors (Energy, Utilities, Industrials, Materials, Real Estate, Consumer Goods, and Consumer Discretionary) to our voting activity and may sanction key voting items as a result. More details available in our Governance & Voting Policy.</p>

					<p>into consideration issuers/instruments with available data, and issuer/instruments without available data ("NULL") have not been taken into consideration. It means we have extrapolated the average scope 3 GHG emissions available to all eligible assets, despite the very low coverage and associated limited confidence in this data. This rebased scope 3 GHG emissions aims at providing a conservative value.</p> <ul style="list-style-type: none"> Alternatively, a "non-rebased" value which corresponds to values for which we have assigned a 0 to issuers/instruments when Scope 3 GHG emissions data were not available. This is the value we used to calculate total GHG emissions since it does not involve extrapolations. <p>We see very high volatility of the scope 3 GHG emissions which can be explained by the current very low data quality of scope 3 GHG emissions data. In particular, two of the companies in which we increased our</p>	
--	--	--	--	--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--



					investments disclosed very high scope 3 GHG emissions.	
		Total GHG emissions	37 235 571 tCO ₂ e	19 702 816 tCO ₂ e	<p>Effective data coverage: High</p> <p>For Scope 3 GHG emissions, BNPPAM decided to use “non-rebased” value which corresponds to values for which we have assigned a 0 to issuers/instruments when Scope 3 GHG emissions data were not available.</p> <p>Considering the scope 3 GHG emissions low data quality and volatility, a trend in our total GHG emissions based on scope 1, 2 and 3 GHG emissions cannot be asserted.</p>	<p>We committed to the Net Zero Asset Managers initiative in 2021 and from 2023 we started to report annually on our progress in a dedicated section of our Sustainability Report. As part of our Net Zero Roadmap, we have intermediate targets of reducing our scope 1 and 2 emissions by 30% in 2025 and 50% by 2030 (from a 2019 baseline).</p> <p>Our Responsible Business Conduct policy (RBC) aims to reduce the exposure to GHG from fossil fuels through a thermal coal policy that seeks to exit coal in 2030 in EU and OECD countries & 2040 for the rest of the world. It also includes a strict policy on unconventional oil & gas.</p> <p>From a stewardship angle, we have committed to:</p> <ul style="list-style-type: none"> - Vote for corporate climate action (supporting thoughtful climate shareholder proposals, opposing strategic items at corporates not respecting our climate expectations...)

						<p>- Engage with companies, consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner</p> <p>- Advocate for net zero-aligned national and international climate policies</p> <p>For instance: we are part of the Climate Action 100+ initiative and are lead or colead on 9 companies worldwide; we apply climate considerations to our voting activity on key items like board discharge or reelections. Such considerations include but are not limited to the disclosure of GHG emissions (including Scope 3 for material sectors), climate lobbying, etc.</p> <p>Efforts are underway to further evaluate Scope 3 GHG emissions data for inclusion in internal assessment frameworks.</p>
	2. Carbon footprint	Carbon footprint	107 tCO ₂ e/m€	57 tCO ₂ e/m€	<p>Effective data coverage: High</p> <p>While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work, most companies worldwide still do not disclose this information. For Scope 1 & 2, BNPP AM has decided to supplement corporate</p>	<p>We measure the carbon footprint of our portfolios, and aim to hold portfolios with more positive ESG characteristics than their respective (invested) benchmarks. This includes holding some portfolios with</p>

					<p>disclosure with estimation methods, in order to provide better reporting of our environmental impact and to support carbon measurement in the absence of reported data.</p> <p>For Scope 3, BNPP AM has decided to use only the highest quality disclosed data and to not supplement the data with estimates. Scope 3 GHG emissions estimates vary dramatically across vendors.</p> <p>Therefore while the overall effective coverage figure is high, please note that issuers for which data on Scope 3 was not available were assigned a 0 for this indicator.</p> <p>Considering the scope 3 GHG emissions low data quality and volatility, a trend in our carbon footprint based on scope 1, 2 and 3 GHG emissions cannot be asserted.</p> <p>Please note the carbon footprint published in our sustainability report does not include scope 3 and therefore cannot be compared.</p>	<p>a smaller carbon footprint than their respective (invested) benchmarks as per our ESG Integration Principles and Guidelines.</p> <p>From a stewardship angle, we have committed to:</p> <ul style="list-style-type: none"> - Vote for corporate climate action (supporting thoughtful climate shareholder proposals, opposing strategic items at corporates not respecting our climate expectations...) - Engage with companies, consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner - Advocate for net zero-aligned national and international climate policies <p>For instance: we are part of the Climate Action 100+ initiative and are lead or colead on 9 companies worldwide, we apply climate considerations (linked to GHG emissions disclosure, climate lobbying...) to voting on key items like board discharge or reelections.</p>
	3. GHG intensity of	GHG intensity of investee companies	121 tCO2e/m€	93 tCO2e/m€	<p>Effective data coverage: High</p> <p>While GHG emissions disclosure has improved since BNPP AM</p>	<p>Our proprietary ESG rating methodology includes several indicators related to</p>

	investee companies				<p>began its carbon footprint work, most companies worldwide still do not disclose this information. For Scope 1 & 2, BNPP AM has decided to supplement corporate disclosure with estimation methods, in order to provide better reporting of our environmental impact and to support carbon reduction in the absence of reported data.</p> <p>For Scope 3, BNPP AM has decided to use only the highest quality disclosed data and to not supplement the data with estimates. Scope 3 GHG emissions estimates vary dramatically across vendors.</p> <p>Therefore while the overall effective coverage figure is high, please note that issuers for which data on Scope 3 was not available were assigned a 0 for this indicator.</p> <p>Considering the scope 3 GHG emissions low data quality and data volatility, a trend in our GHG intensity based on scope 1, 2 and 3 GHG emissions cannot be asserted.</p>	GHG emissions intensity such as the carbon intensity trend or some sector-specific carbon intensity. In addition, our net zero commitment will lead us to increase engagement activities and reduce exposure progressively.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	4%	4%	Effective data coverage: High Identification of companies active in the fossil fuel sector has been achieved based on percentages of revenue derived	As per our RBC policy, there are significant restrictions to invest in companies involved in thermal-coal mining and power generation, as well as unconventional oil and gas.

					<p>from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade of thermal coal, natural gas and oil above 0%.</p> <p>The underlying data is not identifying companies involved in “distribution of gas” but BNPP AM is engaging with the data provider in order to assess the feasibility of capturing this activity in the near future.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p>	<p>Criteria regarding these exclusions are available in our RBC Policy.</p> <p>Our net zero commitment will lead us to increase engagement activities and reduce exposure progressively. Please refer to our Net Zero Roadmap.</p>
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a	Share of non-renewable energy consumption : 54% Share of non-renewable energy production: 61%	Share of non-renewable energy consumption : 60% Share of non-renewable energy production: 61%	<p>Effective data coverage: High (Consumption) Effective data coverage: Low (Production)</p> <p>This PAI is actually two indicators in one: Production and consumption. The production indicator is only relevant to energy producers (e.g. utilities). The consumption indicator is more broadly applicable across sectors. Both production and consumption information are inconsistently disclosed by market actors though coverage ratios tend to be much higher for consumption.</p>	<p>Our proprietary ESG rating methodology includes proxy indicators related to renewable energy use such as the robustness of renewable energy programmes, renewable energy use or the share of primary energy use coming from renewable energy.</p> <p>In addition, our ESG integration, engagement and RBC policies indirectly address this metric.</p>

		percentage of total energy sources			The underlying data used is based on reported data only and the exhibited low coverage could lead to distorted reporting figures and make them difficult to interpret by market participants independently and in reference to other asset managers.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	A (agriculture, forestry and fishing): 0.44 GWh/m€ B (mining and quarrying): 0.77 GWh/m€ C (manufacturing) : 0.28 GWh/m€ D (electricity, gas, steam and air conditioning supply): 1.63 GWh/m€ E (water supply; sewerage, waste management and remediation activities): 1,83 GWh/m€ F (construction): 0,16 GWh/m€ G (wholesale and retail trade; repair of motor vehicles and motorcycles): 0,15 GWh/m€	A (agriculture, forestry and fishing): 0,48 GWh/m€ B (mining and quarrying): 0.94 GWh/m€ C (manufacturing) : 0.43 GWh/m€ D (electricity, gas, steam and air conditioning supply): 3.21 GWh/m€ E (water supply; sewerage, waste management and remediation activities): 2,31 GWh/m€ F (construction): 0,19 GWh/m€ G (wholesale and retail trade; repair of motor vehicles and motorcycles): 0,26 GWh/m€	Effective data coverage: High An exact fit for this PAI does not exist since the exact split of energy consumption per high impact climate sector is not provided by any data vendor. Therefore, an assumption has been made that one company belongs to its primary NACE and the total energy consumption figure is associated with this primary NACE code. Therefore, there is no sector-related split of energy consumption per company.	Our proprietary ESG rating methodology include indicators such as GHG emissions, GHG emissions intensity or GHG reduction programme which can be considered as indirect proxies since it covers scope 2 emissions, and therefore indirect emissions from purchased energy. In addition, our net zero commitments in particular through the reduction of the carbon footprint of our in-scope corporate investments (scopes 1 and 2) and through the alignment with net zero, induces a focus on the scope 2 emissions as well, and therefore tackles companies energy consumption intensity.

			H (transportation and storage): 1,13 GWh/m€ L (accommodation and food service activities): 0.53 GWh/m€	H (transportation and storage): 1,50 GWh/m€ L (accommodation and food service activities): 1,36 GWh/m€		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	3%	4%	<p>Effective data coverage: High</p> <p>This PAI is not directly reported by companies and therefore the assessment is based on incidents research to identify negatively affecting activities performed by companies which then can be matched spatially to sensitive areas as defined by the Natura 2000 network of protected areas, the UNESCO World Heritage Sites as well as other protected areas referred to by the Delegated Regulation.</p> <p>This approach has the following limitations:</p> <ol style="list-style-type: none"> 1) The access to the Key Biodiversity Area (KBA) database is not public, hence reducing the possibility to match locations 2) An assessment of operations located in or near to biodiversity sensitive areas would require a spatial perspective which, as of now, is not available due to the lack of asset level databases. Hence, the only spatially explicit data that we use is 	<p>Our proprietary ESG rating methodology includes proxy indicators related to the quality of programmes to protect biodiversity or incidents related to suppliers failures to protect biodiversity.</p> <p>In addition, our Biodiversity Roadmap and Biodiversity Roadmap 3Y update detail our initiatives to increase stewardship activities through individual/collective initiatives and voting.</p> <p>We apply some biodiversity considerations to voting on key items like board discharge or reelections. Such expectations are mainly linked to corporate disclosure on key impacts and dependencies on nature for issuers with critical impacts on forests and freshwater. More details available in our Governance & Voting Policy.</p>

					<p>provided by our vendor's incidents research.</p> <p>Note we did not "rebase" this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p>	
Water	8. Emissions to water	<p>Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average</p>	0.000001 t/m€	0.15 t/m€	<p>Effective data coverage: Low Most companies worldwide still do not disclose this information. Companies also inconsistently report pollutants. Data providers capture different emission types and there is some uncertainty about which should be considered as per the regulation. For these reasons, BNPP AM decided to employ a more conservative approach and get data from a data provider which captures a more comprehensive list of pollutants for the purpose of this metric: Direct emissions of nitrates, phosphate, and pesticides, and direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council (e.g., heavy metals, loads of organic pollutant parameters such as biochemical oxygen demand (BOD) and chemical oxygen demand (COD), nitrogen and phosphorus compounds).</p>	<p>Our proprietary ESG rating methodology includes a proxy indicator related to the strength of a company's initiative to treat effluents generated through its production process. In addition, our Biodiversity Roadmap details our initiatives to increase stewardship activities through individual/collective initiatives and voting. We apply some biodiversity considerations to voting on key items like board discharge or reelections. Such expectations are mainly linked to corporate disclosure on key impacts and dependencies on nature for issuers with critical impacts on forests and freshwater. More details available in our Governance & Voting Policy.</p>

					<p>The exhibited very low coverage could lead to distorted reporting figures and make them difficult to interpret by market participants independently and in reference to other asset managers.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p> <p>We note an important decrease of this indicator between 2023 and 2024, which is due to the adjustment of the of methodology of our data provider.</p>	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.96 t/m€	2.08 t/m€	<p>Effective data coverage: High</p> <p>BNPP AM captures both hazardous and radioactive waste as reported by companies.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p>	<p>Our proprietary ESG rating methodology includes a proxy indicator related to the strength of a company initiative to reduce hazardous waste from its own operations.</p> <p>In addition, our Biodiversity Roadmap details our initiatives to increase stewardship activities through individual/collective initiatives and voting.</p> <p>We apply some biodiversity considerations to voting on key items like board discharge or reelections. Such expectations are mainly linked to corporate disclosure on key impacts</p>

						and dependencies on nature for issuers with critical impacts on forests and freshwater. More details available in our Governance & Voting Policy .
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.04%	0.05%	<p>Effective data coverage: High</p> <p>For this indicator there is wide variance across data vendors due to different assessment of the PAI.</p> <p>Most vendors rely on news article analysis and AI/NLP models in order to flag potential violations. In some cases, some data vendors perform a manual review in order to opine on the validation of the identified cases. BNPP AM employs a rigorous approach which consists of multiple layers of manual assessment performed by specialised research teams (both external and internal), company contact and engagement (in some cases) as well as additional governance layers and review committees which can further evaluate and challenge the final assessments. Please note that the performed assessment is based on all UNGC principles and OECD</p>	<p>Our proprietary ESG rating methodology includes the consideration of several incidents related to the UNGC Principles and OECD MNEs guidelines.</p> <p>From a stewardship angle, we strive to engage with companies in violation (or at risk of violation) of one or more of the UNGC Principles or OECD MNEs. BNPP AM either engages with and/or excludes companies that are subject to serious controversies, in line with our Responsible Business Conduct (RBC) Policy.</p> <p>In addition, BNPP AM may oppose or abstain on items where the company is implicated in serious violations of our Responsible Conduct Policy (RBC) – including violations of the UN Global Compact principles and/or our Sector Policies, linked to environmental and/or social risks. More</p>

					<p>guidelines, including environmental norms.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p> <p>The non-zero figure here can be explained by the non-application of our RBC policies in some specific client mandates and/or the inclusion of a handful of issuers which can be considered to be in violation of the UNGC and OECD MNEs guidelines by our provider for this PAI but with which we are conducting active engagement aimed at improving company behaviour.</p>	<p>details available in our Governance & Voting Policy.</p>
	<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the</p>	<p>31%</p>	<p>43%</p>	<p>Effective data coverage: High</p> <p>For this indicator there is wide variance across vendors due to different interpretations of the PAI.</p> <p>Some vendors flag very few issuers as non-compliant with the PAI, whereas others flag almost all as non-compliant. Data providers reporting low figures typically rely on the existence of any policy to address UNGC principles or OECD guidelines, not policies to address all UNGC principles (and grievance mechanisms).</p> <p>Market reporting of this value could change dramatically in</p>	<p>Our proprietary ESG rating methodology includes several policy and programmes indicators related to UNGC Principles and OECD MNEs guidelines.</p> <p>From a stewardship angle, we strive to engage with companies at risk of violation of one or more of the UNGC Principles or OECD MNEs. BNPP AM either engages with and/or excludes companies that are subject to serious controversies, in line with our Responsible Business Conduct (RBC) Policy.</p>

		UNGC principles or OECD Guidelines for Multinational Enterprises			<p>either direction based on future clarifications from regulators which may be forthcoming. In the meantime, we will only report this figure at the entity-wide level and rely on a more conservative interpretation of the PAI.</p> <p>Please note that the performed assessment is based on all UNGC principles and OECD guidelines, including environmental norms.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p>	<p>In addition, BNPP AM may oppose or abstain on items where the company is implicated in serious violations of our Responsible Conduct Policy (RBC) – including violations of the UN Global Compact principles and/or our Sector Policies, linked to environmental and/or social risks. More details available in our Governance & Voting Policy.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9%	5%	<p>Effective data coverage: Low Most companies worldwide still do not disclose this information. Some vendors attempt to report figures disclosed by companies which are not based on the exact regulatory definition which could lead to data inconsistencies and some vendors increase the coverage for this indicator by relying on figures provided by international companies' local branches and thus not fairly representing the truly global footprint of the company and the impact it has on this indicator.</p> <p>BNPP AM has decided to rely on reported figures which are strictly consistent with the</p>	<p>Our proprietary ESG rating methodology does not yet include an indicator directly related to gender pay gap due to data coverage concerns, but includes a proxy indicator related to the quality of a company's diversity programs. We published our Equality Roadmap in October 2024 which details our efforts to assess gender pay gaps and representation across our investments.</p>

					regulatory definition and to not use proxy values.	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	39%	38%	Effective data coverage: High The underlying data is collected directly from companies (by our chosen data provider).	This criterion is embedded in our ESG scoring methodology and our Governance & Voting Policy . Indeed, as part of our voting activity, we have set gender diversity thresholds for board of directors, which have been reinforced gradually over time. On this basis, we can abstain or vote against a board candidate if the company has less than 40% of directors from the underrepresented gender (for mature markets), or less than 20% of directors from the underrepresented gender (for the other markets) More details available in our Governance & Voting Policy .
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	Effective data coverage: High Identification of companies involved in controversial weapons has been achieved based on research performed by the data provider and identifying evidence of activity and involvement in anti-personnel mines, cluster munitions and biological and chemical weapons.	As per our RBC policy, we do not wish to invest in companies involved in the manufacture, trade or storage of 'excluded weapons', or any other activity involving excluded weapons. These include cluster ammunition and anti-personnel landmines, chemical and biological weapons, nuclear weapons,

	biological weapons)					depleted uranium weapons, and white phosphorus munitions. See our RBC policy for further details Most of these weapons are covered by international conventions and investments are already prohibited in some jurisdictions.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	35 tCO2e/m€	25 tCO2e/m€	<p>Effective data coverage: High For Scope 1 & 2, BNPP AM has decided to use a dataset that combines country level reporting from multiple sources with estimation models that ensure that data is available for all countries across any given year. It has also been decided to include estimated emissions related to land use, land-use change and forestry (LULUCF) which leads overall to higher reported figures.</p> <p>Please note that Scope 3 data are available only until 2018 while Scope 1 & 2 data cover 2021 and 2022.</p>	Our proprietary ESG scoring framework for sovereigns assesses countries' commitment to reduce their GHG emissions to comply with the 2°C goal of the Paris Agreement, with regards to their Nationally Determined Contributions, and analyzes countries' policies adopted for tackling climate change. The scoring methodology also emphasises countries' climate commitments. The climate mitigation assessment evaluates the measures countries have in place to combat climate change. It supplements the evaluation of current climate performance, which is part of

						<p>the ESG performance assessment.</p> <p>This component combines a quantitative assessment of the country's climate ambitions with a qualitative evaluation of the laws and policies it has in place to support those ambitions. We target sovereigns through our engagement initiatives and more particularly around thematic bond issuance as sovereign bonds with climate related use of proceeds may contribute to decrease the carbon footprint of countries and increase avoided emissions.</p>
Social	16. Investee countries subject to social violations	<p>Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where</p>	<p>4 countries 3.6% (relative)</p>	<p>3 countries 2.7% (relative)</p>	<p>Effective data coverage: High</p> <p>The definition of what constitutes a "social violation" as mentioned in this PAI is not explicitly described in the regulation.</p> <p>Other frameworks such as the Towards Sustainability label exist but are more prescriptive.</p> <p>Identification of countries subject to social violations has been achieved based on research performed by the data provider and identifying relevant controversies related to social topics. The social topics considered are the following: civil conflict, state repression, transnational conflict, violent</p>	<p>Several indicators linked to social violations are embedded in our proprietary sovereign ESG scoring framework, including: Labour & Social Protection, Control of Corruption, Democratic Life, Security.</p> <p>We leverage on BNP Paribas Group's internal Framework which identifies severe controversial countries that are flagged on a dedicated exclusion list.</p> <p>In addition, for some of our sustainability funds, such as those with the</p>

		applicable, national law			crime, labour rights, discrimination.	Towards Sustainability Quality Standard label and Verbändekonzept market practice, more stringent constraints apply.
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%	0%	Effective data coverage: Medium A manual check is performed based on information provided by the borrower or sponsor. Any asset used to extract, transport or manufacture fossil fuels is considered as exposed.	These criteria are embedded into the dedicated ESG Qualitative assessment process for Private Debt in Commercial Real Estate.
Energy efficiency	18. Exposure to energy- inefficient real estate assets	Share of investments in energy- inefficient real estate assets	N/A	N/A	The process to enable the production of this PAI is being setup in collaboration with an external data provider. BNPP AM will rely either on estimated data provided by a data vendor or information provided by sponsors for real estate assets. When available, they will communicate energy efficiency documents (EPC) which enable to identify the inefficient part of the portfolio. A manual check will then be performed based on this	These criteria are embedded into the dedicated ESG Qualitative assessment process for Private Debt in Commercial Real Estate.

					information. When available, this data will be collected on new deals, past deals will be out of scope.	
Greenhouse gas emissions	18. GHG emissions	Scope 1, 2, 3 GHG emissions generated by real estate assets	121 332 tCO ₂ e	89 534 tCO ₂ e	<p>Effective data coverage: Medium</p> <p>While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work, most companies worldwide still do not disclose this information. This is even more problematic for Scope 3 GHG emissions. BNPP AM relies on estimated data provided by a data vendor for real estate assets.</p> <p>The Enterprise Value definition provided in Annex 1 above is not applicable to real estate assets. Therefore, the Investment Team relied on the following definition to calculate the Enterprise Value as Equity + Debt where:</p> <p>Equity:</p> <ol style="list-style-type: none"> 1) market capitalization (if the company is listed on a stock exchange) 2) known equity sale price (if available), or 3) known enterprise value (if available), or 4) transaction multiples (P/E, EV/EBITDA, EV/EBIT, etc.) based on recent comparable M&A transactions 	These criteria are embedded into the dedicated ESG Qualitative assessment process for Private Debt in Commercial Real Estate.

					5) If none of the above is available, book value of equity shall be considered Debt: The investment team will use the outstanding debt and undrawn commitments. Absolute GHG emissions increased as we are adding new real estate projects in our portfolios.	
Energy consumption	19. Energy consumption intensity	Energy consumption intensity	0.000219 GWh/m ²	0.000231 GWh/m ²	Effective data coverage: Medium BNPP AM collects data regarding energy consumption in GWh of financed real estate assets per square meter from borrowers' reported data and if data is not available, estimates are being used instead. A given investment can be composed of several buildings with different energy consumptions. At the level of each investment, energy consumptions are weighted by square meters. Please note that the data is collected at the time of the investment for each asset and data are not updated any further since we are investing through private debts and don't have access to information after the due diligence is performed.	These criteria are embedded into the dedicated ESG Qualitative assessment process for Private Debt in Commercial Real Estate.

Other indicators for principal adverse impacts on sustainability factors						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	52%	53%	<p>Effective data coverage: High</p> <p>The regulatory definition of this PAI raises some questions on the meaning of “aimed at aligning with Paris agreement” and “carbon emission reduction initiative”.</p> <p>BNPP AM took a conservative approach by considering only companies with targets aligned with the Paris agreement ($\leq 2^{\circ}\text{C}$) as successfully passing this PAI.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p>	Through our Net Zero roadmap, our goal is to have 60% of BNPP AM's corporate investments to be Achieving, Aligned or Aligning with Net Zero (NZ:AAA) by 2030.
Social and employee matters	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	1.2%	2.0%	<p>Effective data coverage: High</p> <p>Identification of companies with lack of supplier code of conduct has been achieved based on research performed by the data provider and identifying relevant evidence.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p>	<p>Our ESG scoring methodology includes an indicator related to the assessment of the scope of company social supplier standards.</p> <p>In addition, our ESG integration, Stewardship and RBC policies indirectly address this metric.</p>

Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	3.2% ¹⁹	2.9%	<p>Effective data coverage: High</p> <p>Identification of companies with lack of Human Rights policy has been achieved based on research performed by the data provider and identifying relevant evidence.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p> <p>We also provide “rebased” values in the footnote which corresponds to values for which we have only taken into consideration issuers/instruments with available data, and issuer/instruments without available data (“NULL”) have not been taken into consideration.</p>	<p>We assess this exact indicator in our ESG scoring methodology through our human rights policy indicator.</p> <p>In addition, our ESG integration, engagement and RBC policies indirectly address this metric.</p>
<p>Description of policies to identify and prioritise principal adverse impacts on sustainability factors</p> <p>BNPP AM Policy Framework to Address Adverse Impacts</p> <p>Our policy framework addresses PAI in primarily three documents: 1) our Responsible Business Conduct (RBC) Policy, which identifies for exclusion industries and behaviours that present a high risk of adverse impacts in violation of international norms; 2) our ESG Integration Guidelines, which helps our investment teams identify ESG risks, including those related to PAI; and 3) our 2025 Stewardship Policy and 2025 Governance and Voting Policy, setting out how we exercise our voting rights as a responsible steward and engage with issuers.</p>						

¹⁹ Note the rebased value for this indicator is: 2.9%.

Our approach to sustainability is managed by a company-wide governance framework. This framework ensures that our sustainability policies and practices are embedded and implemented appropriately throughout our business, and that any new initiative is well conceived, properly structured and delivered effectively. Several committees are set up to frame our sustainability policies:

- BNPP AM executive committee: strategic oversight of sustainability approach
- BNPP AM Sustainability Committee: oversees and validates our approach to sustainability
- BNPP AM Investment Committee: approves sustainability methodologies and monitors ESG integration
- BNPP AM Stewardship Committee: reviews voting and engagement policy and implementation
- BNPPAM Global Product Committee: Approves sustainability characteristics of products
- BNPPAM Executive CSR Committee: Oversees the implementation of our approach to Corporate Social Responsibility (CSR)

Our RBC Policy was last approved in April 2025 by the BNPP AM Sustainability Committee. It provides sector-specific guidance to identify and prioritise adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place. These policies establish criteria for the exclusion of certain types of activities that present an unacceptable risk to society or the environment, such as tobacco or thermal coal production, as well as criteria for evaluating other activities, such as palm oil production, that are not strictly excluded but require closer scrutiny. They identify general areas where the risk of adverse impacts is more significant, and therefore help us in assessing investee companies operating within those sectors against predefined criteria.

Our RBC Policy also establishes a common framework for investments and economic activities through the implementation of the UN Global Compact (UNGC) Principles. As the Global Compact establishes broad, aspirational principles, a risk-based approach is taken at the issuer level to assess potential breaches of international standards based on available data. This analysis may result in the exclusion of a company from our actively managed portfolios, or it may lead to direct engagement with the issuer to obtain more information or attempt to influence the company's behaviours.

After the RBC Policy is applied, our ESG Integration Guidelines come into force, in which we articulate a series of commitments material to our consideration of PAI:

- ESG analysis of individual entities will concentrate on those factors deemed to be material for the respective sector by the Sustainability Centre, with input from the investment teams.
- We will typically avoid investing in a public entity without ESG analysis, with a process for qualitative ESG analysis available to investors. We maintain minimum coverage thresholds for funds (90% for developed markets and 75% for emerging markets, mid-small caps and high yield), performing qualitative ESG analysis in the absence of a quantitative ESG rating when thresholds are in breach. We will avoid investing in a privately owned entity without performing ESG due diligence (which could include qualitative analysis, or receiving a completed ESG questionnaire).
- We aim to hold portfolios with a more positive ESG scores than their respective (invested) benchmarks.

We implement our ESG Integration Guidelines primarily by providing our investment teams with proprietary ESG scores. Our [ESG scoring framework](#) includes consideration of several PAI and PAI-adjacent indicators. Through our materiality heatmap, we identify ESG risks/themes that are material to each sector. Accordingly, the weight allocated to each risk/theme will vary depending on the relevance of this theme for a particular sector. We group the individual metrics in our ESG scoring framework into 11 common themes; however, the underlying metrics used to assess performance under each theme vary by sector. This enables us to ensure that the probability of occurrence and severity of these ESG risks and adjacent PAIs are appropriately assessed. The Risk team is aware of all the portfolios which apply the RBC and will halt, pre-trade, any investments in excluded names. Risk is also aware of portfolios applying ESG Integration Guidelines and monitor compliance with commitments made.

Our 2025 Stewardship Policy and [2025 Governance and Voting Policy](#)²⁰ were last approved by the Stewardship Committee in November 2024 (the 2025 Governance and Voting Policy was also approved by BNPP AM Europe Board of Directors on March 2025). They outline what we expect of public companies and how we carry out our ownership responsibilities. We are committed to being a 'future maker', using our investments and our ability to engage with companies and policymakers to advocate for low-carbon, environmentally sustainable and inclusive economies. The responsibility for the implementation of these policies lies with the Stewardship team within the Sustainability Centre that is tasked with covering the global scope of issuers in terms of voting and engagement. The team publishes reports annually on these activities.

- Voting at General Meetings (GMs) of listed public companies in which we invest is a key component of our stewardship practice and forms an integral part of BNPP AM's investment process. Our voting policy applies to BNPP AM and to all portfolios that have delegated proxy voting authority to BNPP AM, including the voting rights associated with shares held in Undertakings for the Collective Investment of Transferable Securities (UCITS), alternative investment funds (AIF), foreign investment funds and investment mandates. We are committed to ensuring that these policies are consistently exercised across portfolios and markets. However, we take into account specific circumstances relating to individual companies such as geographic and regulatory differences, as well as size.
- We engage with companies in the context of voting at their shareholder meetings, coordinating such dialogue with portfolio managers, ESG analysts and stewardship analysts, so that final voting decisions feed into the qualitative elements of our ESG ratings.
- We believe that meaningful engagement with issuers enhances the long-term value of companies, can deliver better environmental and social outcomes and reduce issuers' impacts on the environment and society. Engagement is undertaken on behalf of our equity, our fixed income, including sovereign and sub-sovereign issuers, and private assets investments.
- We regularly engage on individual bond issuances (green, social, sustainability, etc.) to ensure the investment is appropriate for our clients, and with sovereigns on material ESG issues that may impact the characteristics of sovereign bonds. Within our private debt business, we engage corporate borrowers on a wide range of ESG characteristics and apply strict environmental standards to our real assets portfolios. We also actively engage with public policymakers, helping them shape the markets in which we invest and the rules that guide and govern company behaviours, with a particular focus on corporate disclosure, climate policy, and corporate governance.

Our policy framework to address PAIs based on our RBC, Better Than Benchmark (or equivalent) on ESG Score with minimum coverage and engagement is applied to most of our Article 8 and 9 funds, at the exception of specific cases due to the dependency of the strategy on external actors (for instance ETFs which depend on external indices or Funds of Funds which depend on external funds). For more details on the PAI considered by our RBC, ESG Integration and Stewardship policies, please refer to our [SFDR Disclosure Statement](#).

Identifying and assessing principal adverse impacts

Data sources

Our ESG research analysis and findings are independent and based on a wide variety of sources not limited to ESG data providers. They include the knowledge we gain from participating in various investment forums and communities, our relationships with academic institutions and aspects of civil society (a list of the initiatives we participate in is available in our most recent [Sustainability Report](#)). With respect to market data providers, we select them using a two-step due diligence process. Our Quantitative Research Group begins by analysing providers' data sets, which includes examining the coverage of data and its quality, and a statistical review of estimation methodologies, among other items. At the same time, the Sustainability Centre performs a qualitative review of methodologies used and the relevance of selection criteria.

²⁰ The Governance and Voting policy is also included in the Stewardship policy.

Our market data team oversees governance related to the relationship with the provider, and as part of this process, we perform an annual review of our market data contracts.

Our external specialised providers and what they offer are as follows:

- Sustainalytics provides us with raw data metrics that we use selectively to feed our ESG scoring model and PAI reporting. We also use this provider for preliminary UNGC analysis, controversies offerings, and research related to PAI metrics.
- Trucost, CDP, Maplecroft, Bloomberg, TPI, SBTi and Climate Action100+: we use these data providers for our climate change and physical risk analysis. Bloomberg and Trucost also provide us with Scope 1 and 2 carbon emissions data.
- CDP also provides us with underlying data for selected PAI metrics.
- CDP, Trucost, Forest 500, SPOTT, and Iceberg Data Lab provide us with deforestation and biodiversity metrics we use to assess and report on the biodiversity footprints of our portfolios and holdings.
- ISS, GlassLewis and Proxinvest provide us with their governance research, data to feed our ESG scoring model, and selected PAI metrics.
- Beyond Ratings provides us with data and research used in our ESG sovereign research and scoring framework.
- FactSet provides us with financial and enterprise value data.
- ESG and mainstream brokers provide us with research papers and other market information.

When information is not readily available

For only a few PAIs, we already had data readily available through our existing ESG research. Therefore, we initiated a comprehensive research and data selection project in 2022 in order to assess PAI data solutions from different providers.

In case the level of disclosure of some PAIs is very low, we have considered estimated data from data providers. Our priority has been to rely on reported data only. However, in a very limited number of cases where we deemed the data quality is sufficient, we have been relying on estimates. This contributes to limit margin of errors of the methodologies used.

In addition, we have been engaging with some data providers to further improve the data quality of some PAIs.

Through our rigorous data provider selection process and ESG Research analysis we strive to ensure the best level of data quality to assess the PAIs. Limitations related to quantitative data are detailed in the column “explanation” of the table above.

Our [SFDR Disclosure Statement](#) further explores how we consider the PAIs from a qualitative standpoint. In particular, it describes how the different pillars of our approach to investing sustainably (i.e. Forward-looking perspective, Responsible Business Conduct, ESG integration, Stewardship, Sustainability in our product range) are contributing to consider the PAIs.

In addition to the quantitative reporting of PAIs at BNPP AM Europe level disclosed in this document, we also choose to disclose at fund level the quantitative values of some of the PAIs, depending on the data coverage we reach for each fund. While our calculation methodologies are consistent for each PAI between our entity report and our

fund-level European ESG Templates (EETs)²¹, in some cases we report data in this entity level report which is not reported in EETs. The reason for this discrepancy relates primarily to effective data coverage issues at fund level. Specifically, we apply a rule at fund level which only permits PAI reporting for a fund if effective data coverage is above 50% for the indicator and eligible assets in the fund are above 5%.

Engagement policies

Given our global presence and the wide geographic scope of our clients' holdings, we endeavour to engage with issuers consistently across all regions. Our engagement priorities and strategies are guided by our Global Sustainability Strategy (GSS), outlining our three sustainability priorities firm-wide: the energy transition to deliver a low-carbon global economy, the protection of ecosystems and greater equality in our society, in addition to our Responsible Business Conduct policy, which covers a range of international human rights norms among other topics. We maintain an active programme of bilateral engagement on a wide range of ESG issues. These engagements are designed to enhance the long-term value of our shareholdings and lead to better corporate ESG practices. Collaboration with other investors and key stakeholders can help us achieve common aims, particularly with respect to mitigating systemic environmental and social risks.

As mentioned above, our stewardship activities contribute to considering and addressing the different PAI. Through our engagement and proxy voting, we address topics related to the 14 mandatory Corporates PAI (with the exception of PAI 12), the 3 voluntary Corporate PAI we selected, as well as the 2 Sovereign PAI. For example, for PAI 1, 2, 3, we are a member of the Climate Action 100+ initiative (CA100+), we advocate for Paris-aligned corporate climate lobbying, and we engage with portfolio companies about their decarbonisation efforts. In terms of proxy voting, we consider the topics covered by PAI 1, 2, 3 through our voting activity on climate and environmental proposals (through shareholder or management proposals), but we also apply climate and environmental considerations to other key items on the agenda (see Section III. Voting guidelines, Sub-section 5. Environmental and social proposals and considerations of our [Governance & Voting Policy](#)). For instance, by doing so, we oppose management resolutions of companies that do not properly report on their carbon footprint, and we can support shareholder proposals that align with our ESG expectations (see Sub-section 6. Shareholder Proposals). More details for each of the other PAI can be found in the appendix of the [SFDR Disclosure Statement](#).

Our Stewardship approach is based on the following engagement strategies: (i) engagement linked to voting; (ii) thematic engagement, with a focus on the '3Es'; and (iii) engagement linked to issuer performance. More details are available on each category in our [2025 Stewardship Policy](#).

Investor-issuer dialogue is the foundation of good stewardship, allowing for trusting relationships to be built over time and permitting solution-oriented discussions about issues that might not otherwise be addressed. However, there are times when stronger measures are necessary to encourage a company to reform its practices, or even to come to the table and discuss our concerns. Therefore, our stewardship approach includes provisions for escalation when engagement produces insufficient progress.. In such cases where more robust action is called for, we may, inter alia, voting against a company's board discharge or elections or financial accounts, submitting private questions to companies' top management either individually or collectively, submitting public questions at general meetings, filing/ co-filing shareholder proposals at general meetings, making public statements, rarely, but when deemed appropriate, announcing our voting intentions ahead of time; and additional legal strategies.. As a last resort, we may divest entities that do not respond to engagement and show no sign that they will place greater emphasis on sustainability in the future. These decisions are taken on a case-by-case basis, to ensure that our concerns have been properly heard and dealt with. Our shareholder proposal filing strategy is approved by the Stewardship Committee once a year, as are specific decisions about filing each shareholder proposal (see Sub-section II.4. of the policy).

²¹ The EET is an initiative developed by FinDatEx which aims to exchange machine readable ESG data in relation to financial products in order to allow distributors and intermediaries to fulfill their own requirements under SFDR and MiFID2.

Each year we monitor the performance of issuers linked to the topics covered under the different PAI and take it into account when we review our engagement priorities and proxy voting decisions. As an illustration, on PAI 1, we monitor the disclosure of GHG emissions by publicly listed corporates and apply sanction votes on key items at their general meetings (Discharge of Board and Management / Board Re-elections / Financial Statements and Director and Auditor Reports) when they fail to disclose their absolute GHG emissions appropriately. On the engagement side, we consider the GHG emissions and related reduction targets, and we prioritize the dialogue with companies identified as the world's largest GHG emitters as part of the Net Zero Company Benchmark. Our engagement focuses on the alignment of their climate strategy with an ambition to achieve net-zero GHG emissions by 2050 or sooner, underpinned by credible decarbonisation strategies and intermediary targets, in line with global efforts to limit warming to 1.5 degrees Celsius.

Please refer to our [SFDR Disclosure Statement](#) for more details.

References to international standards

BNPP AM recognises that in many situations addressing principal adverse impacts on society and the environment requires a collective effort. We also acknowledge that we can be far more influential when working with others, and that we can benefit from partnering with organisations dedicated to the analysis, research or advocacy of individual ESG issues.

BNPP AM is a signatory of the Net Zero Asset managers initiative and we aim to align our portfolio with the Paris agreement. This commitment underscores our treatment of PAI 1 through 6. Concerning the environmental sustainability focus of PAI 7 through 9, our desire to consider and address these is underscored by the Nature Action 100 Initiative we are a member of and the Taskforce on Nature-related Financial Disclosures (TNFD) to which we are a deputy member.

The RBC Policy mentioned in step 1 “Policy Framework to Address Adverse Impacts”, illustrates a number of international standards that BNPP AM adheres to and which may lead to the exclusion of companies active in certain sectors. In particular, PAIs numbers 4, 10 and 11 are at least partially considered and addressed by our RBC which evaluates companies for exposure to coal, oil & gas, and violations of the OECD Principles for Multinational enterprises, the United Nations Global Compact Principles and the UN Guiding Principles on Business And Human Rights. Finally, there are numerous controversial weapon conventions that we adhere to that help us to consider and address PAI 14.

Beyond the standards and groups mentioned above, BNPP AM is active in a number of industry groups and collaborative engagement initiatives as outlined in our [2025 Stewardship Policy](#) and [annual sustainability report](#). These include, but are not limited to, the Principles for Responsible Investing, the Institutional Investors Group on Climate Change (IIGCC), Climate Action 100+, Nature Action 100 and the Global Network Initiative. The full list of the initiatives we are part of is available: [here](#).

Details regarding the methodology and data used to assess the different PAI (and thereby the adherence to International Standards and alignment to Paris Agreement) can be found in the section above and in our [SFDR Disclosure Statement](#). In order to measure the alignment of our investments with the objectives of the Paris Agreement, we decided to use a NZ:AAA (Achieving, Aligned or Aligning) framework which is based on various sources and classifies companies in categories depending on their level of alignment with net zero. In particular, the Implied Temperature Rise indicator translates corporate GHG reduction targets into a projected global temperature change outcome and is designed to translate greenhouse gas emissions pathways into predicted global temperature figures. This allows for a comparative evaluation of future emissions targets based on the forecast temperature impact of those trends and targets. BNPP AM has selected the warming function based ITR of the CDP-WWF, which leverages multiple scenarios for its ITR calculation. The full methodology for the CDP-WWF ITR can be found here: [CDP-WWF methodology](#). This methodology uses multiple climate scenarios coming from the Integrated Assessment Modelling Consortium (IAMC) (Huppmann et al., 2018). Those scenarios are the ones used in IPCC Special Report on

Global Warming of 1.5°C. The scenarios cover a wide range of temperature outcomes, which may be classified based on global warming in 2100 compared to pre-industrial temperatures. Their methodology assumes that there is a linear relationship between the change (slope) in common target metrics (e.g., absolute emissions; emissions intensity of revenue or sold product) over specific timeframes relevant to corporate target setting horizons (e.g., 2020-2035) and the resulting global warming in 2100.

Historical comparison

Historical comparison is available for 2022, 2023 and 2024 since this is our third year of reporting.

We observe a stable trend for most of the PAIs, with PAI performance being very similar between 2023 and 2024. For few PAIs, we note a slightly improved performance which is encouraging though this trend needs to be confirmed throughout the years. For PAIs 1, 2, 3, the very low data quality of scope 3 GHG emissions brings important volatility and makes historical comparison challenging.

DISCLAIMER

The purpose of this document is to comply with the publication requirements of the article 4 of the REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures (SFDR) in the financial services sector and to provide transparency of adverse sustainability impacts at BNP PARIBAS ASSET MANAGEMENT Europe level. This material is produced for information purposes only and does not constitute:

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

This document is published by BNP PARIBAS ASSET MANAGEMENT Europe, “the investment management company,” a simplified joint stock company with its registered office at 8, rue du Port 92000, Nanterre, France, RCS Paris 319 378 832, registered with the “Autorité des marchés financiers” under number GP 96002.

All quantitative information included in the statement, unless otherwise stated, is not audited and is provided on the basis of an internal methodology which can include estimate. The use of estimate data is specifically mentioned in the document.

Although this information is considered reliable and accurate, none of the members of BNP PARIBAS ASSET MANAGEMENT Europe or its respective affiliates, directors, officers, employees, partners, members or shareholders is responsible for the accuracy or completeness of this information.

The information contained herein is based on the regulation requirements, internal methodology, subjective assumptions and data. This analysis and the resulting conclusions are the expression of an opinion based on data available at a specific date. This information is therefore subjective and can be changed at any time without notice if considered necessary by the investment management company.

The investment management company is not obliged to update or alter the information or opinions contained within this material unless specific mandatory regulatory changes published afterwards affecting the present disclosure. All policies referred to in the present document is available on www.bnpparibas-am.com.