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PRESS RELEASE

BNP Paribas Asset Management welcomes the EU Taxonomy

The European Commission's Technical Expert Group on Sustainable Finance (TEG) has today published its final reports containing its recommendations to the European Commission, setting the foundations for the EU Taxonomy. The EU Taxonomy is a classification tool that lists economic activities and performance criteria consistent with Europe's commitment to reducing carbon emissions to net zero by 2050 and building resilience to climate change.

The TEG report provides sustainability criteria for 70 economic activities in sectors that generate 93% of Europe's emissions. This will mean that if economic activities such as electricity generation, urban transport, crop agriculture and cement manufacturing meet the Taxonomy criteria, they can be classified as environmentally sustainable within financial products.

Helena Viñes Fiestas, Global Head of Stewardship and Policy at BNP Paribas Asset Management and a member of the Technical Expert Group of the European Commission on Sustainable Finance comments: "The Taxonomy is a game changer. It sets a clear path for the transition of different economic activities, and by doing so, helps companies and investors to plan and report on their efforts to transition to a low-carbon and more sustainable economy. For asset managers such as ourselves, the Taxonomy will become an invaluable tool to help us construct our green portfolios and engage with companies. It also enables consistent reporting on the percentage of each fund that can be considered sustainable, facilitating 'apples to apples' comparisons for end investors."

Nathan Fabian, Chief Responsible Investment Officer of the Principles for Responsible Investment (PRI) and member of the Technical Expert Group of the European Commission on Sustainable Finance comments:

"Clear tools and guidance that reflect scientific evidence and market experience are needed to give confidence to companies and investors to act. The Taxonomy will contribute to building certainty and assurance in the sustainable economy we must have. Our learning in developing the Taxonomy can provide great insights to other markets around the world. Ultimately, all markets will need to know what level of environmental performance is necessary to achieve their environmental goals within their own economies."

Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People comments:

"Sustainable finance will be essential to mobilise much-needed financing to make Europe climate neutral by 2050. These reports by the Technical Expert Group are welcome as they provide excellent input for us to develop our final standards on climate change mitigation and climate change adaptation. They will also help us establish EU green bond standards as part of broader measures to spur the take-up of sustainable finance in Europe."

Under the recently agreed Taxonomy regulation, due to come into effect in 2021, investors and companies will be required to disclose the environmental performance of the activities they invest in. The EU plans to include further economic activities in the Taxonomy in the future via a new Platform on Sustainable Finance, which is expected to be in place by the end of 2020. The first company reports and investor disclosures using the Taxonomy are due for the year ending 31 December 2021.

This is the third report from the TEG and follows over 20 months of technical work involving more than 200 technical experts and two open consultations. The European Commission will now develop the legal instruments (Delegated Acts) to bring the Taxonomy criteria into legal effect.

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* EUR 594 billion of assets under management and advisory as of 31 December 2019

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