

2021 DISCLOSURE STATEMENT OPERATING PRINCIPLES FOR IMPACT MANAGEMENT



BNP PARIBAS
ASSET MANAGEMENT

The sustainable
investor for a
changing world



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BNP Paribas Asset Management



“BNP Paribas Asset Management (BNPP AM) hereby affirms its status as a founding signatory to the Operating Principles for Impact Management¹ (the Impact Principles). The Impact Principles provide a reference point against which the impact management systems of funds and institutions may be assessed. They seek to bring greater transparency, credibility, and discipline to the impact investing market and draw on emerging best practices from a range of asset managers, asset owners, asset allocators, development banks and finance institutions. This statement reasserts BNPP AM’s intent to use the Impact Principles as a framework to help inform our approach to impact investment.

This Disclosure Statement applies to the following assets (Covered Assets):

- BNP Paribas Green Bond Fund (Green Bond Fund), a fund investing in global green bonds supporting environmental projects, being issued by corporate, supranational sovereign agencies, local entities and/or governments issued in hard currencies
- BNPP AM Social Business Investments (Social Business Investments), which target French associations and unlisted companies operating in France and abroad to solve specific social and/or environmental problems
- BNP Paribas Singularity Fund I (Singularity), a private equity fund of funds with an impact investment approach focusing on sustainable growth trends. It targets both impact investing funds and thematic funds that have an impact potential and the willingness to increase their impact. The funds of funds supports the latter in their adoption of impact investing practices with the aim to optimize their impact through its engagement and learning platform.

The total Assets under Management in alignment with the Impact Principles is EUR 1291 million (roughly 1577 USD million) as of 31 December 2020.”

¹ The Operating Principles for Impact Management were launched on April 12, 2019; more information about the Impact Principles can be found here: <https://www.impactprinciples.org/>

Note: The investments in the funds are subject to market fluctuations and the risks inherent in investments in securities. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay, the funds described being at risk of capital loss.

For a Complete description and definition of risks, please consult the last available prospectus and KIID of the fund

PRINCIPLE 1

DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

- With the launch of our Global Sustainability Strategy² in 2019, we announced our goal for all of our investments to achieve a positive impact, and to track and measure that impact according to a set of predefined KPIs³ around three areas: the energy transition, environmental sustainability and equality and inclusive growth (the “3Es”). These issues are critical pre-conditions for a more sustainable and inclusive economic system, which in turn will enable us to safeguard long-term returns for our clients. However, we believe there is a difference between aspiring for the full range of our funds to have an impact and the smaller set of our assets which fall under the ‘impact investments’ asset class.
- Impact investments are investments that intend to contribute to measurable positive social and/or environmental impact alongside financial returns⁴. At BNPP AM, our impact investment framework is built on two main building blocks – intentionality and impact measurement and reporting.



INTENTIONALITY (CLEAR IMPACT OBJECTIVES)

The wish to generate long-term social and/or environmental impact.
Applies to the investor (the investee has impact through its products and services, or through its investment thesis in the case of an investment fund, and not only through its behavioural practices)



IMPACT MEASUREMENT AND REPORTING

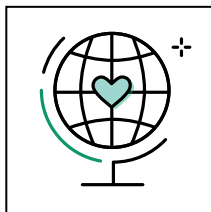
Creation of KPIs at the outset, monitoring and transparent reporting

² Our Global Sustainability Strategy is available at this link: <https://docfinder.bnpparibas-am.com/api/files/1FC9FC6C-0DA8-468E-9083-016DD85CD270>

³ See page 20 of our Global Sustainability Strategy – link in footnote 2 – to discover our firm-wide KPIs on the ‘3Es’: energy transition, environmental sustainability; equality and inclusive growth.

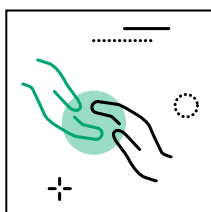
⁴ This definition is based on the GIIN’s – see <https://thegiin.org/impact-investing/>

- Our Covered Assets have an explicit intention of having a positive and measurable impact and contribute to the following impact themes.



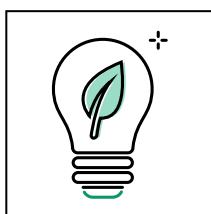
GREEN BONDS

Energy transition, energy efficiency, water, environmental services, resource scarcity, sustainable agriculture and transportation



SOCIAL BUSINESS

Access to essential needs and good for vulnerable people (long-term unemployment, low-income, social exclusion, old-age, disabilities, ...), and more specifically: access to work, financial inclusion, access to quality and affordable social services, access to housing, fair trade, and humanitarian intervention



SINGULARITY

Challenges emerging from the demographic and social transitions, as well as from climate change and resource scarcity

For Social Business Investments, the intention to have a positive measurable impact intent is shared with the investees, which are pure impact players.

- Furthermore, we recognise the role we have to play in contributing to a sustainable future, as outlined by the Paris Agreement and SDGs. Our Global Sustainability Strategy is concentrated in those areas where we believe we can have the biggest impact given our core business: investing. We have taken into consideration the 2030 Agenda and its 17 Sustainable Development Goals (SDGs) in establishing our core objectives, targets and KPIs for the 3Es and have also announced a series of objectives relating to the SDGs⁵.

5 See page 24-25 of our Global Sustainability Strategy – link in footnote 2.

PRINCIPLE 2

MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS.

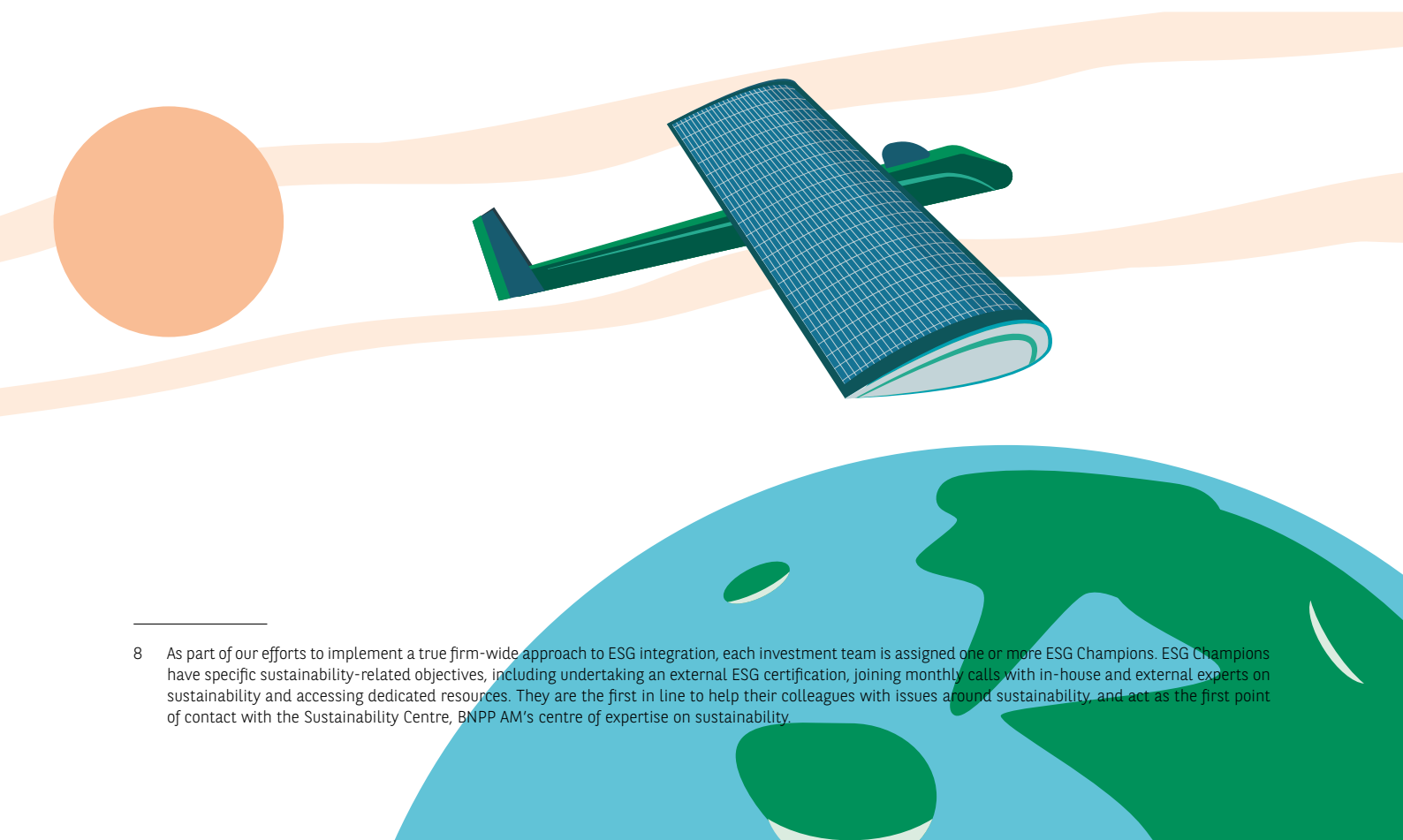
The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

- For our Covered Assets, impact is managed during the lifecycle of the investment, following established strategy-specific processes to track and measure impact performance at portfolio level.
- Pre-investment, we set impact indicators, taking into account impact characteristics of the investee or projects financed.
 - **Green Bonds Fund:** the environmental impact of green bonds is assessed on an ex ante basis during primary issuance. Only green bonds with a high level of positive environmental impact – as per our in-house green bonds framework – are eligible for our portfolio investible universe. Our green bonds framework includes an assessment of the alignment of the green bonds' use of proceeds against our internal taxonomy of eligible and ineligible green activities, which is based on market best practices (e.g. Climate Bonds Initiative, Green Bond Principles, 'Transition Energétique et Ecologique pour le Climat' (TEEC) label. We are also currently working to integrate the EU Taxonomy). In addition, our green bonds framework pays special attention to the Environmental, Social and Governance (ESG) characteristics of the issuer and their impact methodology. More specifically, as part of our assessment of issuer's ESG credentials, we exclude those bonds whose issuer's ESG decile is 10 (i.e. bottom 10% of peer group in terms of ESG score). We exclude them as we believe that the issuer has low credibility in successfully carrying out the green projects/activities financed.
 - **Social Business Investments⁶:** We have a formal governance process to analyse and validate the impact framework analysis for each investee entity, focusing on ensuring impact relevance and fit with BNPP AM's strategy. We developed an internal methodology for impact analysis, used for each new investee at the beginning of the due diligence. A synthesis is realized and presented to a dedicated committee that will validate the adequacy of the prospect to BNPP AM's impact strategy for Social Business Investments.
 - **Singularity:** The management teams screens investment funds through its impact potential framework. The framework assesses the impact fundamentals of the investment strategy of the funds under review, as well as their capacity to deliver on their impact thesis. It also ensures they adhere to the fund of funds minimum sustainability criteria. Finally, it evaluates the potential that exists for engagement between the fund of funds and the fund to improve their impact and ESG practices over the life of its commitment. In terms of governance, the Fund's impact committee validates the fund of funds' impact strategy and processes. It also approves every transaction, focusing on ensuring their impact relevance with the fund of funds' strategy and their impact potential.

6 More information on our approach to Social Business Investments can be found: <https://docfinder.bnpparibas-am.com/api/files/0F619441-5ECB-4058-A4FE-F09864D58045>

7 The assessment is carried out by Carbon4 Finance, an independent climate analytics company <http://www.carbon4finance.com/>. Link to the assessment can be found footnote 9.

- During the investment period, we continuously track the impact performance of our funds, which is formally assessed and communicated to investors on an annual basis.
 - **Green Bonds Fund:** portfolio impact is calculated in the form of avoided emissions via investing in the green bonds. This is verified by an ex post third-party independent assessment, carried out on a yearly basis and made public on our website.
 - **Social Business investments:** the process takes into account the impact of each investment annually through an impact measurement grid that was developed in 2015. Sector-level indicators allow us to aggregate and report numerous categories of impacts at the portfolio level, while individual indicators allow us to follow and monitor company-specific impact at the investee level.
 - **Singularity:** a three-tiered impact measurement framework – at the company level, fund level and fund of funds level - has been established and an annual impact measurement report will be produced for investors. Specific indicators will be tracked at each level and aggregated. Finally, a portion of the management team's financial compensation is aligned with the delivery of impact across these three levels.
- For the Covered strategies, defining and achieving impact targets forms a core part of role description and performance measurement for related teams. Beyond this, CIOs and 'ESG Champions'⁸ across BNPP AM investment and commercial teams have sustainability KPIs included in their formal objectives, thus linking their performance review remuneration to the achievement of incorporation of sustainability investment approaches in their strategies.
 - **Singularity:** Impact is included in the compensation structure of the fund. More concretely, an impact score reflecting impact management and performance over the life of the fund's investments is calculated and plays a role in the carry of the fund.



⁸ As part of our efforts to implement a true firm-wide approach to ESG integration, each investment team is assigned one or more ESG Champions. ESG Champions have specific sustainability-related objectives, including undertaking an external ESG certification, joining monthly calls with in-house and external experts on sustainability and accessing dedicated resources. They are the first in line to help their colleagues with issues around sustainability, and act as the first point of contact with the Sustainability Centre, BNPP AM's centre of expertise on sustainability.

PRINCIPLE 3

ESTABLISH THE MANAGER'S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

- For our Covered Assets, a dedicated process to enable us to contribute as an “impact investor” is achieved at every step of the investment process, where the specific approach will differ between asset classes and strategies.
- **Green Bonds Fund:** engagement with green bonds issuers is key to contribute to the achievement and improvement of green bonds’ impact but also protect our clients’ investments from the potential risk of reputational ‘impact washing’.
 - **At - issuance engagement:** We focus on three main areas: an issuer’s sustainability credentials, alignment with BNPP AM’s taxonomy, and the green bond’s proposed project implementation. A project’s non-alignment with BNPP AM’s taxonomy or a weak issuer ESG rating, coupled with unsatisfactory engagement feedback, may trigger an exclusion of the issuance from our investment universe.
 - **Engagement after green bond investment:** We focus our engagement on three key areas: output and impact indicators and actual project allocation. If the issuer fails to provide a satisfactory explanation for not providing impact indicators, the green bond will be excluded from the investment universe and sold if the bond is already in the portfolio.

BNPP AM also contributes to the development of the impact and green bonds market. BNPP AM currently co-chairs the Green Bonds Principles Green Eligibility Working Group. The Working Group aims to ensure transparency about the different definitions of green assets and to ensure a level of comparability amongst existing standards and taxonomies. BNPP AM also sits on the Climate Bonds Standard Board of the Climate Bonds Initiative. This Board provides oversight over the implementation and operation of the Climate Bonds Standards & Certification Scheme.

- **Social Business Investments:** Contribution to impact is achieved through the deployment of more favourable than market financing (e.g. lower interest rates, accommodating liquidity or profitability requirement, no guarantee of return on investment). In addition, we have developed a wide range of financial instruments to address the various financial needs of Social Businesses, with a focus on identifying and remedying financial gaps. Beyond financing, we implement a long term partnership approach that allows us to support and advise our partners on various aspects of their business (such as management, governance, strategy...). BNPP AM also contributes to the development of the broader impact market, being on the board of FINANSOL, or as member of the Global Steering Group for Impact Investments, and co-piloting the ‘Forum Investissement Responsable’ (FIR) – France Invest’ Impact Working Group⁹. Through our participation in these organizations and working groups, we aim to promote greater transparency in what constitutes impact investing for a mainstream asset manager, to share best practices between investors and to contribute to the market growth.
- **Singularity:** Contribution to impact will be achieved through and engagement and learning platform providing technical advice and capacity building to selected funds on their management of impact and ESG factors. We aim to build long term partnerships with management teams, supporting them in meeting higher operational standards in these areas. We also aim to be a long-term provider of capital by providing additional capital as a co-investment resource for our funds. Also, the fund of funds participates in impact investing initiatives (e.g. IMP’s Impact Frontier) with the aim to adopt the best practices in impact management and more specifically to participate in e to scaling impact investing with integrity.

⁹ See publication “Impact investing: A demanding definition for listed and non-listed products” https://www.frenchsif.org/isr-esg/wp-content/uploads/FIR-FranceInvest_ImpactInvesting_2021.pdf

PRINCIPLE 4

ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH.

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations.

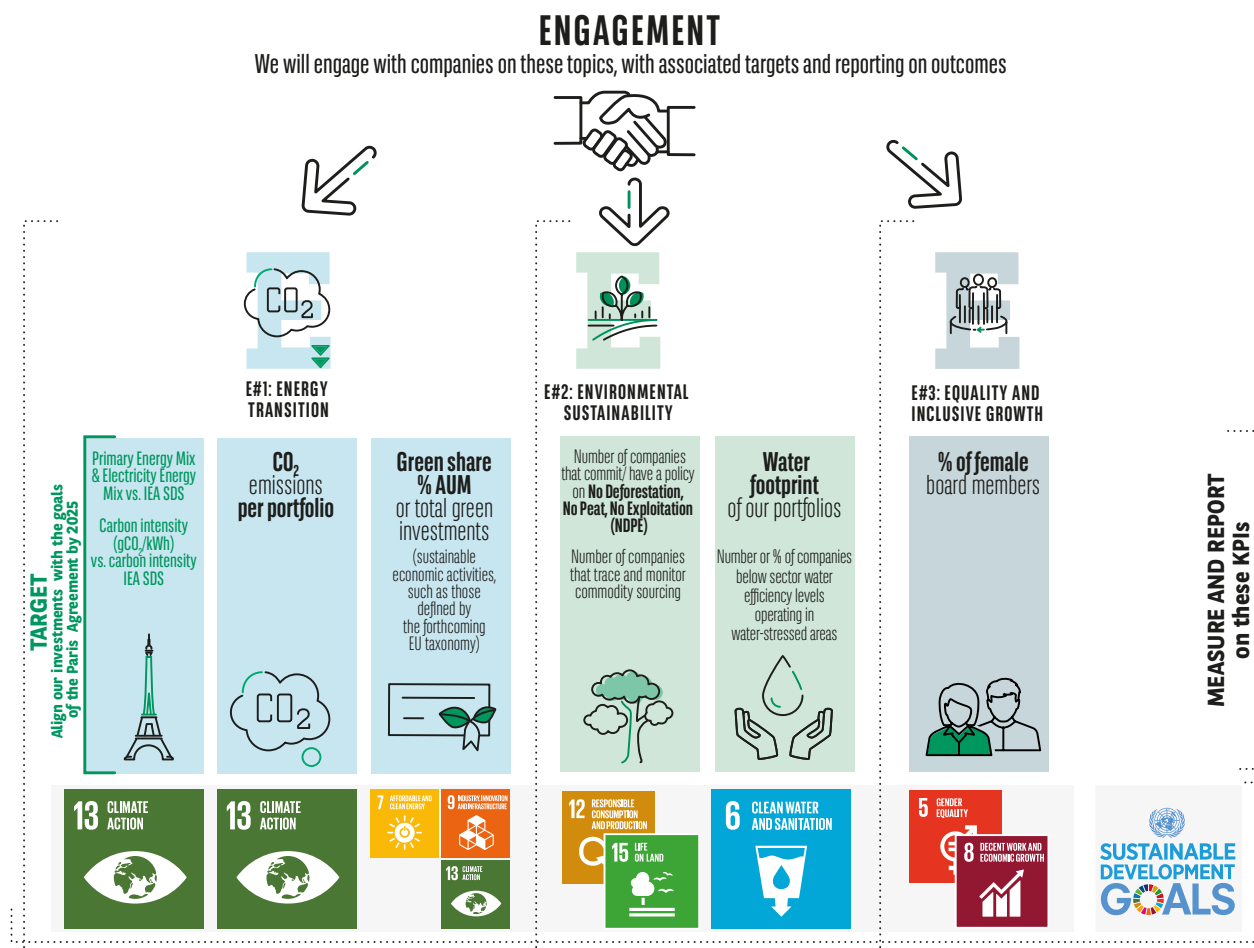
In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

- For our Covered Assets we have put in place specific impact measurement frameworks:
 - **Social Business Investments:** We have a systematic approach to impact measurement, with a framework that focuses on answering three questions: i) who are the beneficiaries; ii) what are the products and/or services developed to answer social needs; iii) what are the expected and effective impact on the beneficiaries. During the due diligence phase, our analysis is mainly qualitative. Once an investment is validated, we define with the investee impact indicators that must be followed, included "mandatory" indicators according to the sector, and "specific" indicators adapted to each investee. Indicators are then aggregated in an annual impact report¹⁰.
 - **Green Bonds Fund:** An impact assessment of the avoided emissions of the fund is conducted by an independent climate analytics company¹¹.
 - **Singularity:** First, the fund of funds will track that underlying portfolio companies have a positive impact. Secondly, it will monitor that selected funds promote strong impact and ESG practices while deploying capital and then in portfolio companies and that they progressively adhere to better standards on these aspects when room for improvement exists. This will enable the fund of funds to assess if these funds' strategy can effectively be deemed to be generating a positive impact. Finally, the fund of funds will report on its engagement activities with funds to promote best practices in impact and ESG management. The adequacy and efficacy of these engagement activities will also be assessed and reported on. Prior to investing, engagement plans are established with those funds' managers where improvements can be made on their impact and ESG practices. Post investment and as selected funds build their portfolio, impact indicators will be set at underlying portfolio companies' level.

¹⁰ Our latest Social Business Investments Impact report can be found here: <https://docfinder.bnpparibas-am.com/api/files/106DD8C8-F38C-4681-9B73-DB8AAE353B3A>

¹¹ Our latest Green Bond Fund impact report can be found here: <https://docfinder.bnpparibas-am.com/api/files/2e9c5f56-0429-4b20-bd32-3dde464c0b2b/512>.

- More broadly, in our Global Sustainability Strategy, we introduced a framework to measure the impact of all our investments across the 3Es – reporting on the following KPIs for our combined AUM.



PRINCIPLE 5

ASSESS, ADDRESS, MONITOR, AND MANAGE POTENTIAL NEGATIVE IMPACTS OF EACH INVESTMENT.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

- All BNPP AM funds, as well as Singularity, are committed to implement our Global Sustainability Strategy. This includes respecting BNPP AM's policies on ESG integration, Responsible Business Conduct¹², as outlined below. Together, these policies act as a "do no harm" safety net, helping us to screen out investments that are at risk of creating significant negative impact.

In particular, Covered Assets adopt the following sustainable investment pillars:

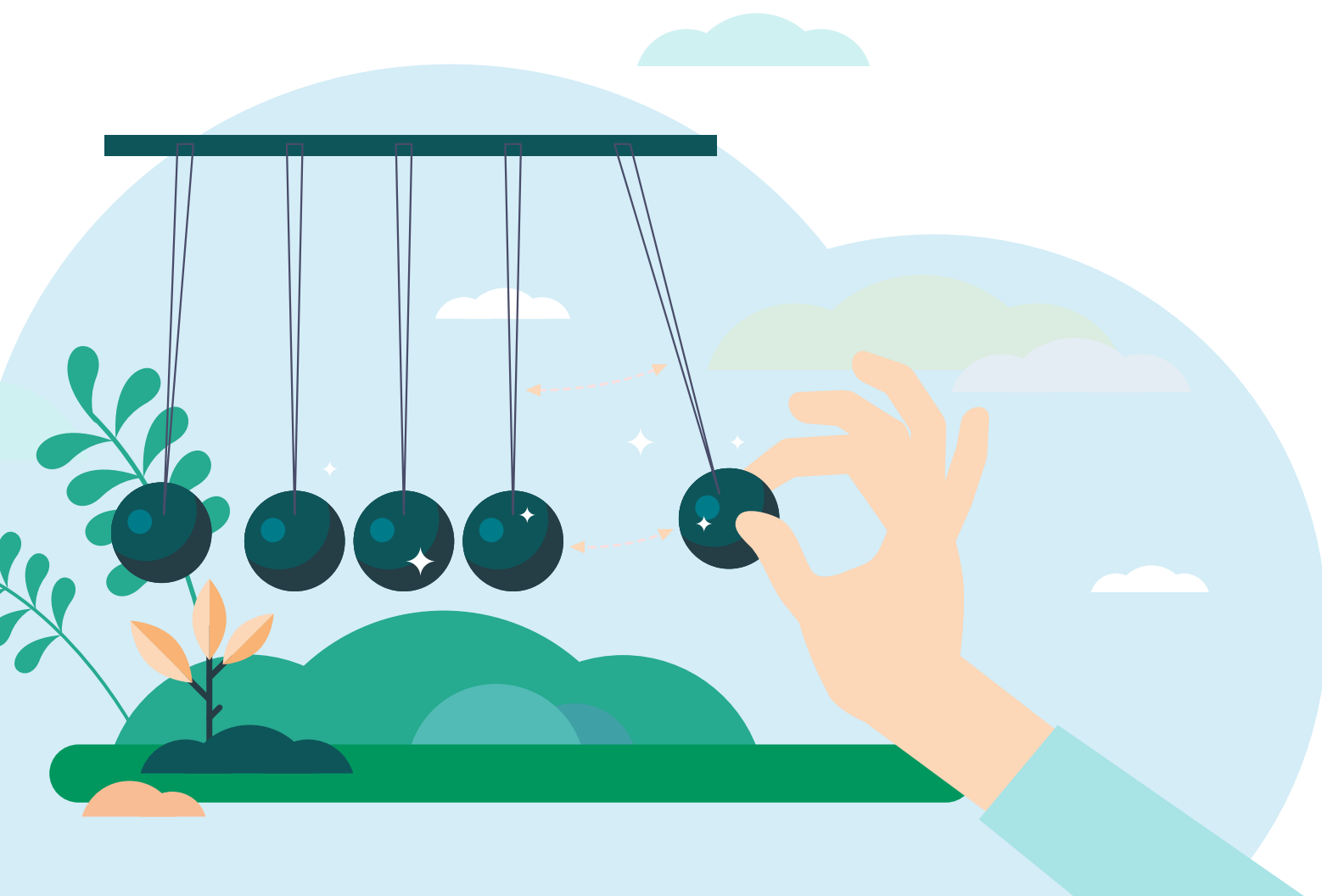
- **ESG integration:** Thoughtful ESG assessment and monitoring is an integral part of our investment processes and we have a firm-wide commitment to integrate ESG into all our AUM.
 - At BNPP AM (Green Bonds Fund), the process to integrate and embed ESG factors is guided by formal ESG Integration Guidelines¹³, which include strong commitments, including not to invest in an entity without first establishing an ESG point of view (i.e. without an ESG score, or – if no ESG score is available – without undertaking a qualitative ESG analysis). This process enables us to make sure that we are mindful of potential ESG risks and opportunities before investing. Our common ESG integration requirements also include portfolio objectives, such as aiming to have a higher weighted ESG score and a lower carbon footprint than the benchmark, hence demonstrating to investors how we help generate more sustainable outcomes. All portfolio managers are accountable for achieving those targets. The ESG integration requirements stated above are being adapted for investments in small non-listed entities in the case of Social Business Investments, with a view to start systematically integrating ESG as of mid-2021.
 - At BNP Paribas Capital Partners (Singularity), a dedicated ESG integration policy ensures that funds integrate ESG throughout the investment lifecycle, from origination to investment and reporting. A dedicated governance has been put in place, with an annual review of the ESG integration process and guidelines to ensure that ESG factors are taken into account during each investment.

¹² Our Responsible Business Conduct Policy : <https://docfinder.bnpparibas-am.com/api/files/D8E2B165-C94F-413E-BE2E-154B83BD4E9B>

¹³ BNPP AM's ESG Integration guidelines can be found at this link: <https://docfinder.bnpparibas-am.com/api/files/517E383E-5094-4908-A7CB-A0C0795C0288>

- **Responsible Business Conduct:** We expect companies to meet their fundamental obligations in the areas of human and labour rights, protecting the environment and ensuring anti-corruption safeguards, wherever they operate, in line with the UN Global Compact Principles and OECD MNE Guidelines. We aim to engage with companies when they fall short, and exclude the worst offenders. We also have a series of policies that set out the conditions for investing in particular sectors, and guide our screening requirements and engagement. We do this because if not conducted properly the activities in question could cause serious social or environmental damage (such as palm oil). We have another set of policies that commit us to exclude particular sectors or activities (tobacco, coal, controversial weapons or asbestos), as we deem them to be in violation of international norms, or to present unacceptable harm to society or the environment, without counterbalancing benefits. These are generally sectors where engagement makes little sense.

In the case of our Green Bonds Fund, we take a proactive approach to managing environmental and social risk, with the goal to manage and mitigate potential negative externalities arising from green bond projects/activities (e.g. hazardous waste, water run-off, health & safety hazards). In order to do so, as part of our green bond framework we assess whether the issuer has adequate management systems and standards to safeguard against negative externalities. For example, we will expect the issuer to follow national standards at a minimum, or use international standards such as ISO14001 to manage overall environmental risks, or as best practice implement the Equator Principles.



PRINCIPLE 6

MONITOR THE PROGRESS OF EACH INVESTMENT IN ACHIEVING IMPACT AGAINST EXPECTATIONS AND RESPOND APPROPRIATELY.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

At each point of the investment process (and no later than annually), we review the impact against expectations.

- **Green Bonds Fund:** We assess progress on achieving impact and there is the opportunity to demote our green bond assessment should there be concerns. Our first assessment occurs when the issuers comes to the primary market. Data is collected through our internal score card and based on the issuers' disclosures, focusing on the issuer's green finance framework. In addition to primary data, our analysts use secondary data sources such as "second opinions" provided by rating agencies that evaluate the level of "greenness" and the alignment of Green Bonds with the Green Bonds Principles. The second catalyst for assessment is when the issuer publishes its impact report. Our analysts use an internal score card template to collect key impact information, focusing on i) actual project allocation; ii) output indicators (for example clean energy installed capacity; and iii) impact indicators (GHG avoided). If the issuer doesn't publish an appropriate impact report, we demote the issuer i.e. recommendation becomes to not invest or sell if the bond is already in a portfolio. If engagement is satisfactory, the recommendation is to invest for another year.
- **Social Business Investments:** Evolution of the impact is assessed annually, through impact KPIs and qualitative interviews with the investees. Once an investment is validated, we may define with the investee impact indicators that must be followed, included "mandatory" indicators according to its sector and "specific" indicators adapted to each investee. The objective is to analyse how impact considerations are integrated in the investees' strategic plan. There is an opportunity to engage with investees and potentially exit investments if the impact is deemed insufficient.
- **Singularity:** Evolution of the impact is assessed annually, through impact KPIs and qualitative interviews with the investees. Once an investment is validated, engagement plans are defined with investees to assess the evolution of their impact practices over time, including the agreement to define and track impact KPIs at portfolio company level.

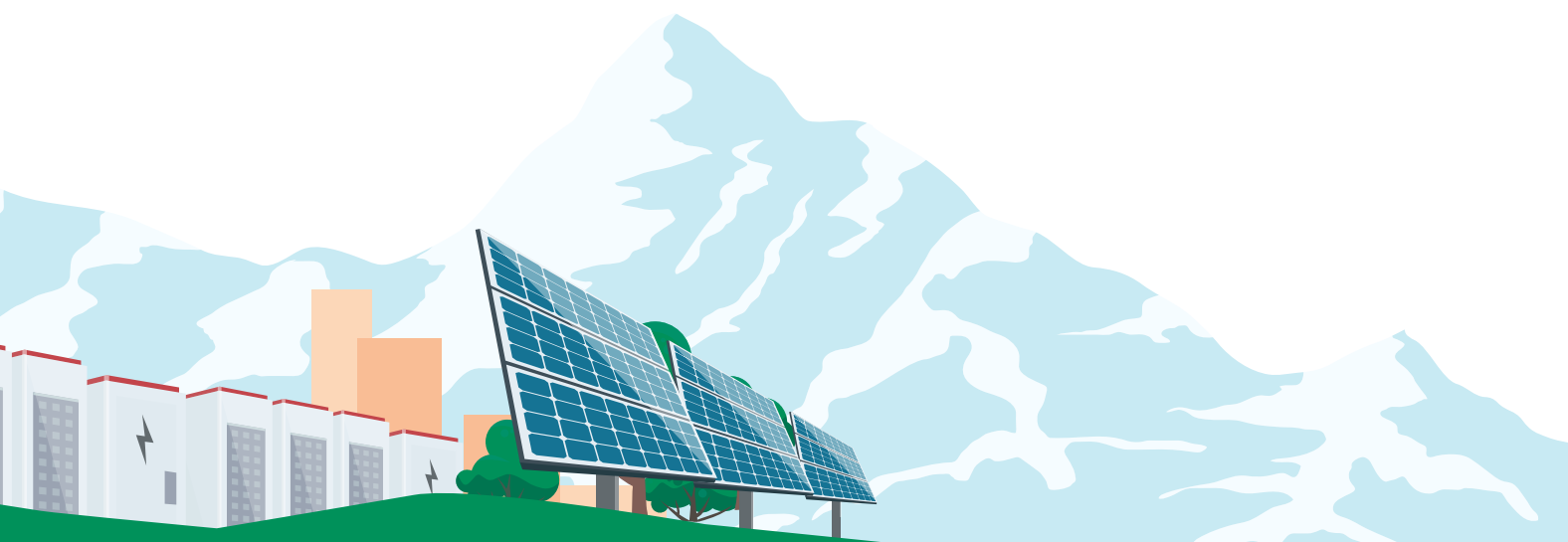


PRINCIPLE 7

CONDUCT EXITS CONSIDERING THE EFFECT ON SUSTAINED IMPACT.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

- As a global asset manager, we manage a comprehensive range of active, passive and quantitative investment solutions covering a broad spectrum of asset classes and regions. Exit considerations and our influence on those considerations are dependent on the type of investments, whether public or private, direct or indirect, the relative size of our positions, and fiduciary duty.
- **Green Bonds Fund:** Several events can prompt a change in the team's recommendation for inclusion in the investment universe at ex-ante to exclusion at ex-post, thereby triggering a sale:
 - Lack of ex-post reporting or sufficient detail and quality in ex-post reporting with no plan to improve despite attempted engagements with the issuer.
 - Allocation of proceeds toward activities that are excluded by BNPP AM as part of its Responsible Business Conduct policy.
 - Downgrade of the issuer's ESG score to decile 10, which is considered a criteria for exclusion in the green bonds proprietary framework as stated above
 - Significant issuer controversy which incurs high negative environmental, social and/or reputation risks
- **Social Business Investments:** In the event that a decision to exit must be made, we would take into consideration the impact of the decision for all stakeholders involved, including, but not limited to, the impact on sustainability of the investee's business model and fiduciary duty to our clients. We do not hesitate to ease our exit conditions or postpone them should the situation require it. As a concrete example, we decided to offer the possibility to delay – free of interest – the repayment terms initially due for Q2 2020, taking into account the cash and economic issues encountered by our investees because of the COVID-19 crisis.
- **Singularity:** Due to its nature as a fund of funds in private equity, the fund cannot conduct exits considering the effect on sustained impact. However, it can favour investment funds that do and promote this practice in selected funds.

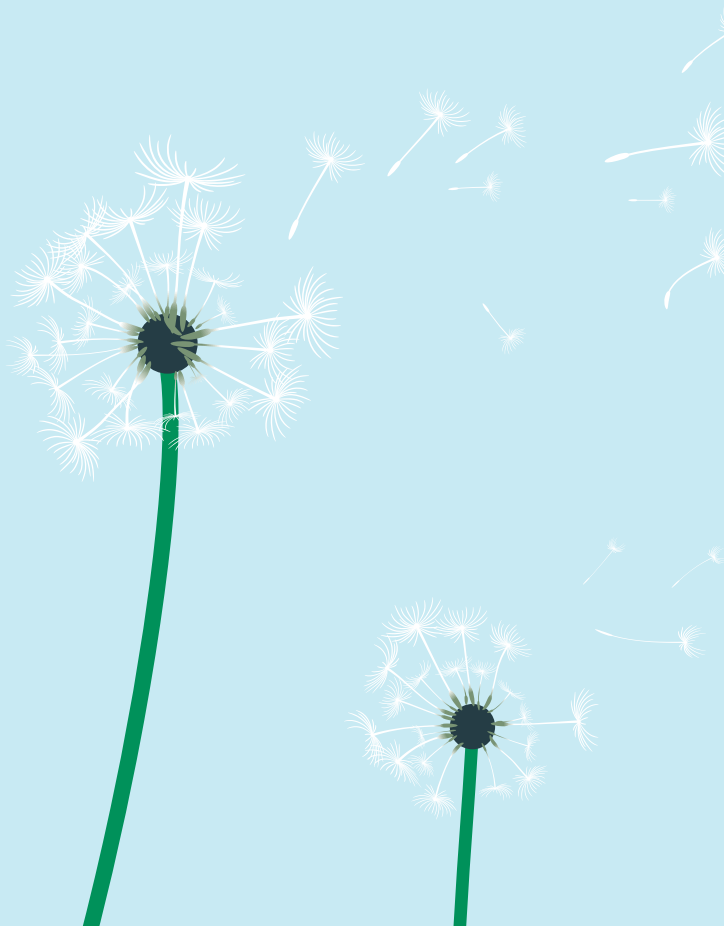


PRINCIPLE 8

REVIEW, DOCUMENT, AND IMPROVE DECISIONS AND PROCESSES BASED ON THE ACHIEVEMENT OF IMPACT AND LESSONS LEARNED.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

- We learn from each of our impact investments. The impact market is evolving rapidly and there is constant innovation. We continually innovate and strive to improve our impact management practices and processes, including our impact investment analysis and measurement methodologies. We firmly believe there is a “feedback loop” between us as an investor, the companies we engage with and our peers to share best practices and push for improvements on impact and assessment methodologies and reporting. For example, we often consider evolutions to our internal taxonomy of eligible green projects/activities for green bonds based on new available information (e.g. adding large hydropower projects to our exclusion list, due to large negative social externalities).
- Our Covered Assets’ impact frameworks are reviewed at least annually. From a governance perspective, BNPP AM’s Sustainability Committee oversees the firm’s approach, policies, targets and reporting as they relate to sustainability and impact. It is chaired by our CEO and meets four times a year. The broader objectives of the committee are to:
 - Approve our Global Sustainability Strategy and related policies
 - Sign off key BNPP AM sustainability policy positions
 - Define and monitor KPIs to assess progress towards our sustainability roadmap
 - Define/support effective ESG integration across our strategies
 - Validate and oversee our impact management systems
 - Validate issuers inclusion or removal from the “exclusion list” or “watch list”



PRINCIPLE 9

PUBLICLY DISCLOSE ALIGNMENT WITH THE IMPACT PRINCIPLES AND PROVIDE REGULAR INDEPENDENT VERIFICATION OF THE ALIGNMENT.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

- This Disclosure Statement reaffirms the alignment of the Covered Assets' impact management systems with the Impact Principles and will be updated annually.
- The latest independent assurance report on the alignment of BNPP AM's Covered Assets with the Impact Principles is posted at <https://www.bnpparibas-am.com/>
- Independent verification of the Covered Assets' impact management systems will be conducted on a regular basis (and no later than at 3-year intervals, or earlier if there is a significant change to our impact management systems).
- Information on the current independent verifier is as follows:

Name and Address

EY & Associés
Tour First 1 place des Saisons TSA 14444
92037 Paris La Défense Cedex France

Qualifications

"EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities. EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. For more information about our organization, please visit ey.com."

Most Recent Review July 12 2021

ABOUT BNP PARIBAS ASSET MANAGEMENT

BNP Paribas Asset Management ('BNPP AM') is the investment arm of BNP Paribas, a leading banking group in Europe with international reach. BNPP AM aims to generate long-term sustainable investment returns for its clients, based on a unique sustainability-driven philosophy. BNPP AM's investment capabilities are focused around five key strategies: High Conviction Strategies, Private Debt & Real Assets, Multi-Asset, Quantitative & Solutions (MAQS), Emerging markets and Liquidity Solutions, with investment processes incorporating quantitative and fundamental analysis. Sustainability is embedded within BNPP AM's strategy and investment decision-making. Among the leaders in thematic investment in Europe, BNPP AM contributes to the energy transition, environmental sustainability and the promotion of equality and inclusive growth. BNPP AM currently manages EUR 474 billion of assets (EUR 609 billion of assets under management and advisory) and benefits from the expertise of over 500 investment professionals and around 500 client servicing specialists, serving individual, corporate and institutional clients in 71 countries. For more information please visit bnpparibas-am.com

Source: BNPP AM, as at 31 March 2021

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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