



# RI TRANSPARENCY REPORT

## 2019

BNP Paribas Asset Management

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2019 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		✓	-							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	✓	Private							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Private							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	✓	Private							✓
OO INF 02	Breakdown of infrastructure assets by management	✓	Private							✓
OO INF 03	Largest infrastructure sectors	✓	Private							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Private							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	🔒	n/a		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	🔒	n/a	✓						
SAM 07	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓					✓	
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	✓	Private	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Private		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Private		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Private		✓					
LEA 21	Examples of (proxy) voting activities	✓	Private		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Private	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	✓	Private	✓						
FI 08	Thematic investing - themed bond processes	✓	Public	✓						
FI 09	Thematic investing - assessing impact	✓	Public	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	✓	Private	✓						
FI 14	Engagement overview and coverage	✓	Private		✓					
FI 15	Engagement method	✓	Private	✓	✓					
FI 16	Engagement policy disclosure	✓	Private	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							



Direct - Infrastructure				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
INF 01	Description of approach to RI	✓	Private	✓					✓	
INF 02	Responsible investment policy for infrastructure	✓	Public	✓					✓	
INF 03	Fund placement documents and RI	✓	Public	✓			✓		✓	
INF 04	Formal commitments to RI	✓	Private				✓			
INF 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
INF 06	ESG advice and research when selecting investments	✓	Private	✓			✓			
INF 07	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
INF 08	Types of ESG information considered in investment selection	✓	Private	✓		✓				
INF 09	ESG issues impact in selection process	✓	Private	✓						
INF 10	ESG issues in selection, appointment and monitoring of third-party operators	⚡	n/a				✓			
INF 11	ESG issues in post-investment activities	✓	Public		✓					
INF 12	Proportion of assets with ESG performance targets	✓	Public		✓					
INF 13	Proportion of portfolio companies with ESG/sustainability policy	✓	Public		✓					
INF 14	Type and frequency of reports received from investees	✓	Private		✓	✓				
INF 15	Proportion of maintenance projects where ESG issues were considered	⚡	n/a		✓					
INF 16	Proportion of stakeholders that were engaged with on ESG issues	⚡	n/a		✓					
INF 17	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
INF 18	Examples of ESG issues that affected your infrastructure investments	✓	Private	✓		✓				
INF 19	Approach to disclosing ESG incidents	✓	Private						✓	
INF End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	⚡	n/a							✓
CM1 06	Assurance or internal audit	⚡	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# BNP Paribas Asset Management

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
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### OO 01.1 Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Please specify

Execution and advisory services

Further options (may be selected in addition to the above)

- ☐ Hedge funds
- ☐ Fund of hedge funds

OO 02	Mandatory	Public	Peering	General
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### OO 02.1 Select the location of your organisation's headquarters.

France

**OO 02.2**

Indicate the number of countries in which you have offices (including your headquarters).

- ☐ 1
- ☐ 2-5
- ☐ 6-10
- ☒ >10

**OO 02.3**

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

3000

**OO 03****Mandatory****Public****Descriptive****General****OO 03.1**

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☒ Yes

**OO 03.2**

List your subsidiaries that are separate PRI signatories and indicate if you would like to report their RI activities in your organisation's consolidated report.

Name of PRI signatory subsidiary (Up to six subsidiaries may be reported)	RI implementation reported here on a consolidated basis
Impax AM	<input type="radio"/> Yes <input checked="" type="radio"/> No
	<input type="radio"/> Yes <input checked="" type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No

- ☐ No

**OO 03.3** Additional information. [Optional]

We exclude Impax's AUM of the total as they report separately

**OO 04** **Mandatory** **Public** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2018

**OO 04.2** Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		399	000	000	000
Currency	EUR				
Assets in USD		455	216	359	555

☐ Not applicable as we are in the fund-raising process

**OO 04.3** Indicate the total AUM of subsidiaries you have excluded from your report (as named in OO 03.2 under "No"). Provide this as a total figure at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		5	866	000	000
Currency	EUR				
Assets in USD		6	692	479	111

**OO 04.4** Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

	trillions	billions	millions	thousands	hundreds
Total AUM		149	000	000	000
Currency	EUR				
Assets in USD		169	993	076	626

☐ Not applicable as we do not have any assets under execution and/or advisory approach

OO 04.5

Additional information. [Optional]

We exclude Impax' AUM of the total as they report separately

OO 06

Mandatory

Public

Descriptive

General

OO 06.1

Select how you would like to disclose your asset class mix.

☐ as percentage breakdown

☒ as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	<10%
Fixed income	10-50%	10-50%
Private equity	0	0
Property	0	0
Infrastructure	<10%	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	10-50%	<10%
Other (1), specify	10-50%	<10%
Other (2), specify	<10%	<10%

	'Other (1)' specified
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Balanced

	'Other (2)' specified
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alternatives (Structured, Currency Overlay Investments, SME loans)

<b>OO 06.2</b>	Publish asset class mix as per attached image [Optional].
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<b>OO 06.3</b>	Indicate whether your organisation has any off-balance sheet assets [Optional].
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☒ Yes

<b>OO 06.4</b>	Provide an approximate percentage breakdown of your off-balance sheet assets.
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	Internally managed (%)	Externally managed (%)
[a] Monetary assets		
[b] Derivatives		
[c] Cash		
[d] Trade finance		
[e] Other (1), specify		
[f] Other (2), specify		

☐ No

<b>OO 06.5</b>	Indicate whether your organisation uses fiduciary managers.
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☒ Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

☐ No, we do not use fiduciary managers.

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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<b>OO 09.1</b>	Indicate the breakdown of your organisation's AUM by market.
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	Developed Markets
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85



### Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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<b>OO 10.1</b>	Select the active ownership activities your organisation implemented in the reporting year.
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#### Listed equity – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

#### Listed equity – voting

- ☒ We cast our (proxy) votes directly or via dedicated voting providers
- ☐ We require our external managers to vote on our behalf.
- ☐ We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

#### Fixed income SSA – engagement

- ☒ We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with SSA bond issuers on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.



#### Fixed income Corporate (financial) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

#### Fixed income Corporate (non-financial) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

#### Fixed income Corporate (securitised) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11

Mandatory

Public

Gateway

General

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

#### Listed equity

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

#### Fixed income - SSA

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

#### Fixed income - corporate (financial)

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

#### Fixed income - corporate (non-financial)

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Fixed income - securitised
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Infrastructure
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Money market instruments
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Other (1)
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	Other (2)
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- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

	'Other (1)' [as defined in OO 05]
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Balanced

	'Other (2)' [as defined in OO 05]
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alternatives (Structured, Currency Overlay Investments, SME loans)

OO 11.2	Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.
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Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<div>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - SSA	<div>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (financial)	<div>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (non-financial)	<div>Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - securitised	<div>Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Money market instruments	

	<div>Money market instruments - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Other (1)	<div>Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Other (2)	<div>Other (2) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

**OO 11.4**

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

BNP Paribas Asset Management (BNP Paribas AM) uses the advisory services of FundQuest Advisor (FQA) for the selection, appointment and monitoring of external managers and funds (external to BNP Paribas group). FQA is a 100% owned BNP Paribas AM subsidiary and is the fund selection arm of the group, with a focus on long only investment products invested in listed securities. FQA provides recommendations for the selection of external managers to BNP Paribas AM:

1. For the delegation of management of BNP Paribas AM products (white labelling). In the case of external delegation of internal funds, each external manager is required to respect the minimum ESG practices implemented by BNP Paribas AM (notably through the exclusion of a list of companies that do not respect UN Global Compact principles, or that are involved in controversial activities/businesses).
2. For multi-management products invested in external funds. FQA provides buy-lists of external funds in which BNP Paribas AM funds can invest. In those cases, FQA gathers and analyses information about Responsible Investment policies applied by external managers, and has developed a proprietary ESG scoring methodology regarding ESG and SRI practices applied at the asset management entity level and at an individual fund /strategy level.

FundQuest Advisor assesses how selected external managers incorporate ESG criteria and socially responsible practices at both the asset management company level and at the fund /strategy level. External funds selected can potentially use different approaches from the BNP Paribas AM Responsible Investment policies, including positive or negative screening, thematic, systematic ESG integration or any other SRI approaches.

FQA's ESG evaluation is based on the analysis of the answers provided by the external asset managers on an annual ESG questionnaire which contributes to the computation of proprietary ESG scorings. All FQA fund research analysts are involved in the collection and the analysis of that ESG specific information, in order to develop a better understanding of the SRI practices of the recommended managers.

OO 12	Mandatory	Public	Gateway	General
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OO 12.1	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.
---------	---

	Core modules
--	--------------

- ☒ Organisational Overview
- ☒ Strategy and Governance

	RI implementation directly or via service providers
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	Direct - Listed Equity incorporation
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- ☒ Listed Equity incorporation

	Direct - Listed Equity active ownership
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- ☒ Engagements
- ☒ (Proxy) voting

	Direct - Fixed Income
--	-----------------------

- ☒ Fixed income - SSA
- ☒ Fixed income - Corporate (financial)
- ☒ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised

	Direct - Other asset classes with dedicated modules
--	---

- ☒ Infrastructure

	RI implementation via external managers
--	---

	Indirect - Selection, Appointment and Monitoring of External Managers
--	---

- ☒ Listed Equities
- ☒ Fixed income - SSA
- ☒ Fixed income - Corporate (financial)
- ☒ Fixed income - Corporate (non-financial)
- ☒ Fixed income - Securitised

## Peering questions

OO LE 01	Mandatory	Public	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
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Update: this indicator has changed from "*Mandatory to report, voluntary to disclose*" to "*Mandatory*". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

## Percentage of internally managed listed equities

Strategies	Percentage of internally managed listed equities
Passive	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Active - quantitative (quant)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Active - fundamental and active - other	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total 100%	

OO FI 01	Mandatory	Public	Gateway	General
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Update: this indicator has changed from "*Mandatory to report, voluntary to disclose*" to "*Mandatory*". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
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Type	Passive	Active - quantitative	Active - fundamental & others	Total internally managed fixed income security
SSA	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Corporate (financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Securitised	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.
------------	---

SSA		
		Developed markets
	80	
		Emerging markets
	020	
		Total
	100%	

**OO FI 03.2**

Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Securitised	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

☐ OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.



# BNP Paribas Asset Management

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

☒ Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) <b>Climate change</b> <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- ☐ Your investment objectives that take ESG factors/real economy influence into account
- ☐ Time horizon of your investment
- ☒ Governance structure of organisational ESG responsibilities
- ☒ ESG incorporation approaches
- ☒ Active ownership approaches
- ☒ Reporting
- ☒ Climate change
- ☒ Understanding and incorporating client / beneficiary sustainability preferences
- ☐ Other RI considerations, specify (1)
- ☐ Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Within our Global Sustainability Strategy we have developed investment beliefs; these investment beliefs are supported by our clear understanding of risk. Risk is multi-dimensional and should not be viewed solely in financial terms such as variability around a benchmark, or the risk of capital loss, but also in terms of reputational damage or, more broadly, the risk of generating unexpected or unsatisfactory outcomes. It contains a number of key pillars described below, including sustainability:

- Emphasis on risk management
- Long term
- Research driven
- Global perspective
- Augmented investment approach

In 2018, we enhanced our investment philosophy with the development of a more detailed set of six investment beliefs focused on sustainability:

3. ESG integration helps us achieve better risk-adjusted returns
4. Our fiduciary duty is aligned with sustainable investment
5. Stewardship is an opportunity and an obligation.
6. We are long-term, forward-looking investors.
7. A sustainable economic future relies on sustainable investment practices.
8. Walking the talk is critical to achieving excellence.

In a fast changing world, our focus is on achieving long-term sustainable returns for our clients. In line with this, BNPP AM is committed to integrating sustainable investment practices across all its strategies

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

At BNP Paribas Asset Management we are working towards a world where all investing is responsible. For us, investing responsibly is not just about embracing the social values and global concerns we share with our clients, it's about investing in a brighter future that delivers long-term rewards for both our clients and future generations.

We acknowledge the importance of our role in representing the interests of our clients to the management teams of the companies in which we invest. Being long-term investors enables us to develop productive relationships, allowing scope to engage on the issues that are most relevant to our investment cases.

In 2018, within our Global Sustainability Strategy (that we published in 2019), we committed to integrating sustainable investment practices across our investments. The following list details which elements apply to each aspect of our business.

1. ESG integration: Our ESG Integration Guidelines and Policy apply to all of our investment processes (and therefore funds, mandates and thematic funds). However, they are not applicable to index funds and exchange-traded funds (ETFs).
2. Stewardship: Shareholder engagement and public policy advocacy activities are undertaken on behalf of all of our assets under management.
3. Responsible business conduct policies and product-based exclusions: To date, we have applied these policies to all our open-ended funds, but related exclusions are not currently applied to all client mandates. By 2020, this will become the default approach for new mandates, and we will approach existing clients to seek their approval to apply the policy to existing mandates.
4. Forward-looking perspective - the '3Es' (Energy transition, Environmental sustainability, Equality & Inclusive growth): will measure our exposure to key issues across our full assets under management, and undertake related research in support of all investment teams.

Affiliated entities over which BNP Paribas Asset Management or the BNP Paribas Group do not have operational control are invited to adopt this strategy and implement the components of our sustainable investment approach. Where we use affiliates or external investment managers for our open-ended funds, we expect them to incorporate sustainable investment policies in line with our sustainable investment philosophy.

In 2012, we had launched our Responsible Investment Policy as a global framework for our ESG integration standards. This policy will be replaced by the responsible business conduct policies and product-based exclusions mentioned above in point 3 which will be implemented in a similar way to the current policy for which you will find hereafter the governing principles:

Investment universes are periodically screened with a view to identify issuers that are potentially in breach of UN Global Compact Principles and/or mandatory requirements applicable to sensitive sectors and products.

This assessment is conducted by the Sustainability Centre on the basis of internal analysis and information provided by external experts, and in consultation with BNP Paribas Group CSR Team.

As a result of this process, BNP Paribas AM establishes and maintains two lists:

- an exclusion list of issuers that are associated with serious and repeated breaches of UN Global Compact Principles and/or mandatory requirements related to controversial sectors and products; and,
- a watch-list of issuers that are at risk of breaching ESG standards and with whom we engage in a dialogue in order to encourage improvements.

Exclusion and watch lists are communicated by CIOs to investment teams on a regular basis. As a result, investment teams should not initiate new investments in any excluded company with immediate effect. Existing investments should be divested from relevant portfolios based on market conditions but not later than one month after communication by CIOs.

The exclusion list applies to all open-ended funds managed by BNP Paribas AM entities, with exceptions for portfolios which replicate the composition of indices (e.g. ETFs and indexed funds) and to all types of securities (equities, bonds, convertible bonds). It also applies to participation notes and derivatives issued by third-parties on such securities. These restrictions apply to securities negotiated on primary and secondary markets, as well as OTC instruments.

Subject to legal and technical constraints, ESG standards also apply to:

- segregated accounts and mandates (subject to client information or approval where required);and,
- funds delegated to external asset managers (subject to amendment of relevant Investment Management Agreements or Investment Guidelines)

☐ No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 02	Mandatory	Public	Core Assessed	PRI 6
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1**

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- ☒ Policy setting out your overall approach

URL/Attachment

- ☒ URL

URL

{hyperlink:https://docfinder.bnpparibas-am.com/api/files/1FC9FC6C-0DA8-468E-90B3-016DDB5CD270}

- ☒ Attachment (will be made public)

Attachment

[File 1:Global Sustainability Strategy\\_EN.pdf](#)

- ☒ Formalised guidelines on environmental factors

URL/Attachment

- ☐ URL

- ☒ Attachment (will be made public)

Attachment

[File 1:Transparency Code BIC 092018 BNPPAM\\_EN.pdf](#)

- ☒ Formalised guidelines on social factors

URL/Attachment

- ☐ URL

- ☒ Attachment (will be made public)

Attachment

[File 1:Transparency Code BIC 092018 BNPPAM\\_EN.pdf](#)

- ☒ Formalised guidelines on corporate governance factors

URL/Attachment

- ☐ URL

- ☒ Attachment (will be made public)

	Attachment
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[File 1:Transparency Code BIC 092018 BNPPAM\\_EN.pdf](#)

- ☐ Fiduciary (or equivalent) duties
- ☐ Asset class-specific RI guidelines
- ☒ Sector specific RI guidelines

	URL/Attachment
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- ☐ URL
- ☒ Attachment (will be made public)

	Attachment
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[File 1:Responsible Business Conduct Policy\\_20032019\\_FINAL.pdf](#)

- ☒ Screening / exclusions policy

	URL/Attachment
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- ☐ URL
- ☒ Attachment (will be made public)

	Attachment
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[File 1:Responsible Business Conduct Policy\\_20032019\\_FINAL.pdf](#)

- ☒ Engagement policy

	URL/Attachment
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- ☐ URL
- ☒ Attachment (will be made public)

	Attachment
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[File 1:Governance and Voting Principles BNPP AM 2019 EN.pdf](#)

- ☒ (Proxy) voting policy

	URL/Attachment
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- ☐ URL
- ☒ Attachment (will be made public)

	Attachment
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[File 1:Governance and Voting Principles BNPP AM 2019 EN.pdf](#)

☒ Other, specify (1)

	Other, specify (1) description
--	--------------------------------

Climate change

	URL/Attachment
--	----------------

☒ URL

	URL
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{hyperlink:http://docfinder.is.bnpparibas-ip.com/api/files/C7415B62-3F41-4D20-88BF-DDBBA97CC75F}

☒ Attachment (will be made public)

	Attachment
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[File 1:Climate Change Strategy.pdf](#)

☐ We do not publicly disclose our investment policy documents

<b>SG 02.2</b>	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
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☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

	URL/Attachment
--	----------------

☐ URL

☒ Attachment

	File Attachment
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{hyperlink:Responsible Business Conduct Policy\_20032019\_FINAL.pdf [1117KB]}

☐ Governance structure of organisational ESG responsibilities

☒ ESG incorporation approaches

	URL/Attachment
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☐ URL

☒ Attachment

File Attachment

{hyperlink:Responsible Business Conduct Policy\_20032019\_FINAL.pdf [1117KB]}

☒ Active ownership approaches

URL/Attachment

☐ URL

☒ Attachment

File Attachment

{hyperlink:Governance and Voting Principles BNPP AM 2019 EN.pdf [1481KB]}

☐ Reporting

☒ Climate change

URL/Attachment

☐ URL

☒ Attachment

File Attachment

{hyperlink:Climate Strategy.pdf [990KB]}

☐ Understanding and incorporating client / beneficiary sustainability preferences

☐ We do not publicly disclose any investment policy components

**SG 02.3**

Additional information [Optional].

We have attached the actual documents above, even though all the documents we attached are also available on our website below:

<https://www.bnpparibas-am.com/en/sustainability/as-an-investor/>

In 2018/2019 we have been working on a new set of policies which clearly outline our sustainable investment approach and underpin our Global Sustainability Strategy. Some of these policies have been finalised and published, others remain works in progress.

- Responsible Business Conduct
- ESG integration guidelines Policy
- Stewardship Policy
- Derivatives Policy

Our Responsible Business Conduct (RBC) is already available on our website, please find the link below:

<https://docfinder.bnpparibas-am.com/api/files/D8E2B165-C94F-413E-BE2E-154B83BD4E9B>

The other documents will be made publicly available by the end of S1 2019.

Also, we have enhanced our reporting in relation to ESG analysis and integration as well as on climate change in line with French regulation as requested by article 173 of French Law of Ecological Transition for Green Growth (please see: <https://docfinder.bnpparibas-am.com/api/files/3F76225C-66D0-4E18-BA76-9AA1716D2B59> - please note that the document is in French).



SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
---------	---

☒ Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
---------	---

All employees are required to identify any potential conflict of interest and report it to their manager and to Compliance. The following is a non-exhaustive list of typical examples of situations where conflicts may arise:

BNPP AM vs.client conflicts: selection/use of brokers, on errors' handling,suitable client solutions;

BNPP AM employee vs.client conflicts: where gifts and entertainment (including non-monetary gifts) are received that may influence behaviour in a way that conflicts with the interests of BNPP AM's clients.

Client vs. client conflicts: where BNPP AM allocates executed orders, carried out on behalf of more than one client/fund, in such a way that may result in a disadvantage to one or more clients/funds.

All employees are bound by the Code of Conduct of BNP Paribas Group, which imposes obligations to work in clients' best interests by: providing clients with the most suitable products and services with regard to their aims, resources, knowledge and experience; giving clients clear, honest and non-misleading information and, if so requested, an opinion; provide quality service; treating clients fairly; behave transparently.

☐ No

SG 03.3	Additional information. [Optional]
---------	------------------------------------

The summary of our Conflict of Interest Policy can be found at:

[http://bnpparibas-ip.jp/bnppip/pdf/stewardship/conflict\\_of\\_interest\\_policy\\_summary.pdf?20180501](http://bnpparibas-ip.jp/bnppip/pdf/stewardship/conflict_of_interest_policy_summary.pdf?20180501)

The specific details of the conflict of interest policy as relates to voting can be found in BNPP AM Voting Policy and Guidelines (address below):

<https://docfinder.bnpparibas-am.com/api/files/A27AB987-48DB-492D-B9D0-66357B652716>

## Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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**SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad-hoc basis
- ☐ It is not set/reviewed

**SG 05.2**

Additional information. [Optional]

We take the governance of sustainability seriously in the companies in which we invest, and hold ourselves to the same standard. Sustainable investing is at the core of what we do, and our approach, policies, targets and reporting are overseen by our Sustainability Committee, which is a component of our Investment Committees, chaired by our CEO and Head of Investments. This Committee is responsible for approving our Global Sustainability Strategy and related Policies. The setting up of this committee took place in 2018. Our history in sustainability goes back to 2003 when we launched the first Sustainable bond fund, and 2006 when we signed the Principles for Responsible Investment. In 2012 we introduced our Responsible Investment Policy, thus introducing minimum standards in ALL our open ended funds and proposing them to clients in their mandates. In the wake of the Paris agreement in 2016, we launched our climate change strategy and in 2017 started working on what was to become the Global Sustainability Strategy (GSS) which was published on March 20th, 2019. The GSS states that our full range of investment strategies will adopt a sustainable investment approach. This means that they will integrate the key elements of sustainable investment: comprehensive research and integration of environmental, social and governance (ESG) factors; investor stewardship; responsible business conduct and product-based exclusions; and a focus on three thematic areas to promote a sustainable future. This document describes each element in detail, and how they will be implemented.

The first section of this document provides an overview of our investment approach, which reflects the Principles for Responsible Investment (PRI) and our belief that sustainable investment is simply good investment. As a major financial organisation, we are a firm believer in good governance, transparency and extensive reporting: both from the companies we invest in, and ourselves. We articulate our plans for further strengthening our investment approach, mapped against the PRI framework. We believe these efforts are integral to our ability to continue to deliver value to our clients.

The second section of this document presents our Sustainable Investment Roadmap (2019-2022), the path towards a low-carbon, more sustainable and equitable economic growth model. It is our belief that the current economic, social and environmental system is failing, and must be transformed in order for financial institutions to deliver sustainable returns. We are deeply attuned to the major systemic sustainability issues facing the world - climate change, resource scarcity, inequality - and committed to understanding not just how the associated risks and opportunities can impact our portfolios, but also how we as investors can help to shape the future, and minimise these risks over the long term. We explain where we believe we can make a difference through our investments, our ownership approach and by using our leverage as a financial institution. We have reflected this ambition in a number of priorities and targets, which will form the basis of our reporting.

We work closely with other parts of the BNP Paribas Group to align our approach and efforts. In particular, we liaise closely with the Group Head of Engagement, who sits on BNPP AM's Executive Committee and oversees the sustainability strategy across the BNP Paribas Group; and the Group's CSR team in charge of developing and deploying BNPP's sectorial policies. We are a key contributor to their development. In addition to the Group's policies, BNPP AM has developed its own policies in certain areas.

BNPP AM has placed sustainability at the heart of the company's strategy and we have set ourselves ambitious goals in this area. With 25 ESG experts in its ranks (14 new hires in 2018-2019), the Sustainability Centre is fully committed to achieving our Responsible Investment Objectives.

## Governance and human resources

**SG 07**

**Mandatory**

**Public**

**Core Assessed**

**General**

**SG 07.1**

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

**Roles**

- ☒ Board members or trustees
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Internal Roles (triggers other options)

**Select from the below internal roles**

- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - ☒ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify
  - Head of Global Sustainability**
    - ☒ Oversight/accountability for responsible investment
    - ☒ Implementation of responsible investment
    - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Investor relations
- ☒ Other role, specify (1)

**Other description (1)**

Investment compliance and risk department.

- ☒ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other role, specify (2)

Other description (2)

#### ESG Champions

- ☐ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ External managers or service providers

#### SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

BNP Paribas Asset Management's Sustainability Centre is the engine for our approach to sustainable investment. It provides investment teams with research, analysis and data at company and sectoral levels, and it also supports teams in their efforts to fully integrate sustainability-related risks and opportunities into investment strategies. This is achieved by our ESG research analysts, whose insights are informed by a variety of external data and research sources, and who also provide a range of educational opportunities to colleagues across the organisation.

The Sustainability Centre is responsible for developing and implementing the firm's Global Sustainability Strategy and Policy, ESG Integration Guidelines, Stewardship Policy, Responsible Business Conduct Policy and product-based exclusions, as well as the firm's ambitious targets on issues such as the energy transition, the environment and equality. It plays a crucial role in measuring, tracking and reporting on BNPP AM's impact and progress on sustainability.

The Sustainability Committee is an integral part of the Global Investment Committee, and its role is to validate new initiatives and engagements, support consistent & effective ESG integration across strategies, decide on issuers' inclusion or removal from the "exclusion list" or "watch list", monitor progress on engagement initiatives with issuers from those lists and define and monitor KPIs for investments & sales to assess progress toward Sustainability.

- In August 2018, Jane Ambachtsheer joined BNPP AM as Global Head of Sustainability, she oversees the firm's ambitious approach to sustainable investment. This is empowered by the firm's Sustainability Centre, which undertakes innovative research and policy development, guides BNPP AM's investment stewardship and industry engagement activities, and supports investment teams in accessing, integrating and reporting on ESG factors. On the business side, Jane is responsible for BNPP AM's Corporate Social Responsibility ('CSR') approach, ensuring the firm's day-to-day activities reflect the high standards it expects from companies. Jane is a member of BNPP AM's Global Investment Committee and Business Management Committees, and reports to CEO and Head of Investments, Frederic Janbon. She is a member of the Financial Stability Board's Task Force on Climate-related Financial Disclosures.

- Helena Vines Fiestas joined the firm in 2011 and has sixteen years' experience of working in responsible business and sustainable investment. She leads public policy and stewardship activities as well as the development of BNPP AM's policies on Sustainability for BNPP AM. As Deputy head of Sustainability, Helena plays a critical role in the design, development and implementation of BNPP AM's Global Sustainability Strategy. She was appointed to the Technical Expert Group on Sustainable Finance whose role is to assist the European Commission in the development of EU taxonomy and the implementation of the EC Action Plan. She also represents BNPP AM in the EFAMA committee on Stewardship and ESG, is a board member of the Institutional Investors Group on Climate Change (IIGCC), and sits on a number of additional committees, including the Sustainable Stock Exchanges Green Finance Advisory Group, PRI Policy Reference Group and the Technical Advisory Group of the LSE-led Transition Pathway Initiative.

- Sheila ter Laag is head of ESG specialist team within the Sustainability Centre, she is in charge of communicating with clients and externally on the Centre's innovative research, policy, investment stewardship and industry engagement activities, as well as supporting investment teams in integrating and reporting on ESG factors.

- Mark Lewis is head of sustainability research at BNP Paribas Asset Management, having joined in January 2019. Previously, he was Managing Director and Head of Research at the Carbon Tracker Initiative (April-December 2018) he was Managing Director and Head of European Utilities Research at Barclays (2015-18), Chief Energy Economist at Kepler Cheuvreux (2014-15), and Managing Director and Global Head of Energy Research at

Deutsche Bank (2005-13). He was also a member of the Financial Stability Board's Task Force on Climate-related Financial Disclosures from May 2016 to April 2018.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
----------------	--

	Number
--	--------

100

<b>SG 07.4</b>	Additional information. [Optional]
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The ESG specialist team is also in charge of coordinating ESG integration inside BNP Paribas AM. They coordinate a community of ESG champions in all investment centres worldwide. They work closely with the ESG Research team and all the investment centres to ensure the ESG scores and research are properly disseminated to all BNP Paribas AM's investment centres. Each ESG champions ensure the team understands and implements BNP Paribas AM UNGC and sector policies, as well as fostering the inclusion of ESG research in their fundamental research.

ESG Champions have been appointed to help promote sustainable investment within each team, and to liaise with the Sustainability Centre. Trainings are organised centrally, both for the ESG Champions as well as across investment teams, as we work to enhance the firm's overall capacity on ESG issues. Changing company culture takes time but we have an ambitious programme to embed sustainability at the heart of our investment culture. Our approach to investment research benefits from the insights from our sustainability experts, our investment teams, and our third party research providers.

	I confirm I have read and understood the Accountability tab for SG 07
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I confirm I have read and understood the Accountability tab for SG 07

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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### Select all that apply

☒ Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
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☐ Basic

☐ Moderate

☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

During the course of 2018, BNP Paribas AM has collaborated, participated in or led the following initiatives:

PRI Reference Policy Group

Eumedion Member of the Investment Committee

Zoological Society of London (ZSL) SPOTT Timber, Pulp and Paper Member of the Technical Advisory Group

European Commission Member of the Technical Expert Group on Sustainable Finance

ESG Investor Director Working Group Member of the ESG Investor Director Working Group

New Plastics Economy Global Commitment Endorsing initial signatory

PRI - Plastics Investor Working Group Member of the Investor Working Group

Zoological Society of London (ZSL) SPOTT Crusher and Refiners Member of the Technical Advisory Group

☒ Asian Corporate Governance Association

Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic

☒ Moderate

☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We are a member of the Asian Corporate Governance Association (ACGA) as we participate in the annual conference and the ACGA Investor Discussion Group to discuss Asian consultation initiative as well as others corporate governance discussions. With the arrival of a new resource heading stewardship activities in Asia, we expect to be more active in this sphere through local participation in country delegations and member meetings.

☐ Australian Council of Superannuation Investors

☐ AFIC – La Commission ESG

☐ BVCA – Responsible Investment Advisory Board

☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic

☐ Moderate

☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Jane Ambachtsheer, Global Head of Sustainability Centre of BNPPAM sits on the board of the CDP.

BNP Paribas AM is a signatory of CDP.

BNP Paribas Group responds every year to CDP questionnaire.

☒ CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Jane Ambachtsheer, Global Head of Sustainability Centre of BNPPAM sits on the board of the CDP.  
BNP Paribas AM is a signatory of CDP.  
BNP Paribas Group responds every year to CDP questionnaire.

☒ CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Jane Ambachtsheer, Global Head of Sustainability Centre of BNPPAM sits on the board of the CDP.  
BNP Paribas AM is a signatory of CDP.  
BNP Paribas Group responds every year to CDP questionnaire.

- ☐ CFA Institute Centre for Financial Market Integrity  
☐ Code for Responsible Investment in SA (CRISA)  
☐ Code for Responsible Finance in the 21st Century  
☐ Council of Institutional Investors (CII)  
☒ Eumedion

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☒ Moderate  
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

BNPPAM is a member of the Investment Committee

- ☒ Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☒ Moderate  
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Commitment taken by BNP Paribas Group to support EITI, especially for its corporate investment banking activities

- ☐ ESG Research Australia  
☐ Invest Europe Responsible Investment Roundtable  
☐ Global Investors Governance Network (GIGN)  
☐ Global Impact Investing Network (GIIN)  
☒ Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

BNP Paribas AM is a member of the Benchmark Committee since 2014. We are involved in the conception and development of the methodology and the promotion of the questionnaire among the companies of the real estate sector.

- ☒ Green Bond Principles

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced



Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Member since July 2016

We are active in two working groups (WG) on "reporting" and "definitions". We have been particularly active in the development of the impact reporting framework for waste and water projects. The aim is for issuers to use these reference frameworks when reporting back on the impact of green bonds issued. We are also active members of the "definitions" WG. The aim of this working group is to agree upon a taxonomy that will help identify green projects and/or assets.

☒ Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

BNP Paribas AM is a co-founder of IIGCC. BNP Paribas AM sits on the board of IIGCC, and chairs the Climate Disclosure Sub-group and co-chairs the Property Working group. We also actively participate in the Corporate (Carbon Asset Risk Initiative) and Policy programmes.

Along with the Church of England and AP7, we launched a set of investor expectations on corporate climate lobbying, seeking to ensure corporate lobbying efforts through trade associations are aligned with the Paris Agreement. The statement was then used to launch a corporate engagement effort.

☒ Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic  
☐ Moderate  
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We are a signatory and actively collaborate in one of their initiatives for the textile sector - the investor support to the Bangladesh Accord on Fire and Building Safety. We signed an additional statement, seeking the extension of the Accord, to allow it to complete its work on factory safety.

☒ International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We are an active member of the "Shareholder rights" committee which seeks to protect minority shareholder rights - in both widely-held and controlled companies. It seeks to influence policymakers and other stakeholders relating to shareholder rights on behalf of ICGN members.

We have been involved in this committee on several viewpoints on "Differential share ownership structures", "Differential rights" or on "vote confirmation", available here:  
<https://www.icgn.org/policy/committees/shareholder-rights>

We are also involved with the organisation of the conference in Kuala Lumpur and Paris in 2017, with a sponsoring of each event, and an involvement in the setting of the agenda of the conference

- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)  
☐ International Integrated Reporting Council (IIRC)  
☒ Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We just joined CERES and are in the Ceres/PRI investor working group on cattle-linked deforestation.

We signed a letter to the US Environmental Protection Agency and at least three statements on deforestation, including:

<https://www.ceres.org/sites/default/files/Fact%20Sheets%20or%20misc%20files/Investor%20expectations%20statement%20on%20deforestation%20in%20cattle%20supply%20chains.pdf>

We Co-filed shareholder resolution with New York State Pension Fund and the Church of England investment fund on climate change at Exxon's AGM

- ☐ Local Authority Pension Fund Forum  
☐ Principles for Sustainable Insurance  
☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
French SIF

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☒ Moderate  
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We are an active member of the retail commission.

- ☐ Responsible Finance Principles in Inclusive Finance  
☐ Shareholder Association for Research and Education (Share)  
☒ United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☒ Moderate  
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We are active members of the property working group. We have co-written papers and conduct engagement at EU level Our latest report " Sustainable Real Estate Investment" provided a framework to help real estate investment stakeholders identify key drivers and overcome the most common barriers for action to integrate ESG and climate change risks into their decision-making processes.

- ☒ United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☒ Moderate  
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

BNP Paribas Group is a signatory. BNP Paribas AM has integrated the UN Global Compact principles as a requirement for all the companies we invest in.

- ☒ Other collaborative organisation/initiative, specify  
AFG (French Association of Asset Managers)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We are an active member of the Responsible Investment commission and corporate governance commission.  
We head the AFG's ESG integration working group and the AFG's working group dedicated to the update of the SRI Transparency code to comply with the French article 173.

Frederic Janbon, Chief Executive Officer (CEO) of BNP Paribas Asset Management chairs the "Governance, Responsible Investment, Institutional Investors" commission of the French Financial Management Association (AFG).

- ☒ Other collaborative organisation/initiative, specify

Montreal Carbon Pledge and Portfolio Decarbonization Coalition

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

- ☒ Other collaborative organisation/initiative, specify

Climate Bonds Initiative

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We are an active member of the Climate Bonds Initiative, which is an investor-focused not-for-profit initiative, promoting large-scale investment in the low-carbon economy.

Our role as a partner of the Climate Bonds Initiative is to support actions centred on growing robust and sustainable green bond and climate bond markets that contribute to climate action and low carbon investment.

As a partner we assist in developing initiatives to grow investment in climate finance solutions, participate in different market development committees & help define policy agendas for sector, country & sub-national green bond development programs

We head the AFG's ESG integration working group and the AFG's working group dedicated to the updating of the SRI Transparency code to comply with the French article 173.

☒ Other collaborative organisation/initiative, specify

TECHNICAL EXPERT GROUP AT THE EUROPEAN COMMISSION - MEMBER <w:br />TRANSITION  
PATHWAY INITIATIVE (TPI) <w:br />SUSTAINABLE STOCK EXCHANGES INITIATIVE (SSE) <w:br />GLOBAL NETWORK INITIATIVE (GNI)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

BNP Paribas AM has supported since inception, and is a member of the Technical Advisory Group of TPI (please see <http://www.lse.ac.uk/GranthamInstitute/tpi/about/technical-advisory-group/>).

BNP Paribas AM is a member of the SSE Technical Green Finance Advisory Group (please see <http://www.sseinitiative.org/wp-content/uploads/2017/11/SSE-Green-Finance-Guidance-.pdf>).

BNP Paribas AM founded a sub-group in France - the "g-20" - that aims at determining how the challenges involved in obtaining long-term financing for the energy efficiency in the building, industry and SME sectors might be overcome.

GLOBAL NETWORK INITIATIVE (GNI) : We joined the Global Network Initiative, a multi-stakeholder organization addressing government threats to freedom of expression and privacy in the digital sphere, and joined the board of directors as a representative of the organization's investor constituency. Also for the Exxon proposal - We also signed an investor letter to the SEC, asking the Commission to deny the company's request to exclude our shareholder proposal from its proxy statement. Both GNI and the SEC letter were early in 2019.

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

☒ Yes

SG 10.2

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

☒ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

At BNP Paribas Asset Management we firmly believe that it is our responsibility as an Asset Manager to share our investment expertise with our clients. We know that learning is a continuous process and that our clients will want to develop their knowledge of investment themes, different asset classes, or related subjects such as risk control or regulatory issues.

Our Investment Academy provides unique access to training sessions in 30 locations around the world, in 10 different languages and using a comprehensive e-learning platform with over 150 tutorials.

Frequency of contribution
---------------------------

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Provided financial support for academic or industry research on responsible investment

Description
-------------

In 2018, BNP Paribas Asset Management ('BNPP AM') announced its sponsorship of the Global Research Alliance for Sustainable Finance and Investment ('GRASFI'), the network of leading research universities around the world established to promote rigorous and impactful academic research into sustainable finance and investment. High-quality academic research can inform developments in both the theory and practice of sustainable finance and investment, helping to align the financial system with global environmental sustainability. This is a necessary condition for the implementation of the Paris Climate Change Agreement and the United Nation's Sustainable Development Goals.

Frequency of contribution
---------------------------

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Provided input and/or collaborated with academia on RI related work

Description
-------------

The members of the ESG research team of BNP Paribas AM also participate in educational sessions or ESG training courses or as part of financial courses and masters: AFI and IESE in Spain, at SciencesPo in Paris, at the Paris V Rene Descartes University, at the Panthéon-Sorbonne University and at the Gustave Eiffel Business School, all in Paris. Jane Ambachtsheer, Global Head of Sustainability, is an Adjunct Professor at the University of Toronto and a Research Affiliate at the University Oxford Smith School of Enterprise and the Environment

Frequency of contribution
---------------------------

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description
-------------

In 2018, we participated in the AMPERE Club related to the reporting on "Article 173", the French law relating to reporting on the energy transition, dedicated to institutional investors, the objectives were the elaboration of a common template matrix for French asset managers in order to meet institutional investors needs in terms of regulatory reporting on ESG Investments.

In 2017 we piloted a working group within the French Association of Asset Managers (AFG) to develop a set of recommendations for updating the Transparency Codes for SRI funds. The recommended guidelines were adopted by EUROSIF at the beginning of 2018 as the new reporting standards for responsible finance. We believe they can contribution to meet the ambitions of the recently communicated European Commission Action Plan for Sustainable finance.

Frequency of contribution
---------------------------

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad hoc
- ☐ Other

☒ Spoke publicly at events and conferences to promote responsible investment

Description
-------------

Here is the list of the different events we sponsored for 2018:

- Impact investing Tour (with BDDF & Group CSR)
- France – all along 2018
- Sustainable Finance Forum
- Luxembourg – 30 May
- ICGN -
- Italy / Milan - 25/28 June COP 24
- ICGN
- US/ New-York – 22th October
- Novethic
- France / Paris – 6th November
- Asia Asset Management - The 3rd pensions & ESG Forum
- Hong Kong – 15th November

We also had speaking slots in various ESG related events:

☐ COP24

Poland 3/14 December

☐ International conference "Business & biodiversity, roadmaps to positive impact".

Paris - 29th November

- The 4th OECD Forum on Green Finance and Investment  
France / Paris - 13th/14th November
- Global Impact Investing Network  
France / Paris – 30th Octobre
- Sustainable Future Forum Asia (BNPP Group event)  
Singapore – 25th October
- Sustainable Future Forum (BNPP Group event)  
France / Paris – 17th October
- Asia Asset Management Taiwan Roundtable  
Taiwan – 10 October
- Débat Finansol  
France - 5 October
- Hong Kong Green Finance Association Launch Ceremony  
Hong Kong – 21 September
- Fund Forum Asia  
Hong Kong – 3-5 September
- Sustainable Future Forum US (BNPP Group event)  
US / New-York – September
- Conférence annuelle sur la Gouvernance des Conseils d'Administration (AGEFI) France / Paris 27 September.
- GRASFI inaugural conference Maastricht – 5/7 September
- Forum Convergence  
France / Paris – 03 / 04 September
- KWAP Inspire Environmental Conference (annual conference)  
Kuala Lumpur (Malaysia) 17 au 18 July
- Finance Leaders' Summit  
UK / London - 10th July
- IIGCC Annual Meeting  
UK / London (BNPP AM UK office) 4th June
- Vivatech  
France / Paris 24/25 May
- Monaco Ocean week  
Monaco April
- BNPPAM ESG's expertise is also in the French media conferences
- Agefi Journée des investisseurs  
6 December
- Option Finance : Les matinales du social business  
June
- Option Finance : table ronde Low Carbon  
June
- Conference AGEFI : Impact Investing  
24 May
- Option Finance : Guide la Gestion d'actif  
May
- Agefi table ronde Impact investing  
March



- ☐ Option Finance : les matinales Green bonds  
February
- ☐ Option Finance spécial Impact Investing  
January
- ☐ Option Finance Les rencontres ISR & performance  
January

Frequency of contribution
---------------------------

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ Wrote and published in-house research papers on responsible investment
- ☐ Encouraged the adoption of the PRI
- ☒ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description
-------------

We have responded to multiple public consultations including the EC consultation on Ecolabel, ESMA Consultations on UCITS and AIFM, and on integrating sustainability risks and factors in MiFID II. Our public responses can be found on the EU website or, in the case of Group responses, at <https://group.bnpparibas/principales-positions-publiques-reglementation-bancaire-financiere>

Frequency of contribution
---------------------------

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☒ Wrote and published articles on responsible investment in the media

Description
-------------

In 2018, we have written or contributed to various articles worldwide (Financial Times, Pensions & Investments, IPE, Global Capital, Environmental Finance, and ESG Magazine). We also participated in media interviews.

In our Investors' Corner blog: We have published the following ESG articles on our Investors' Corner blog:

December

- Solar-powered petrol pumps: India shows the way – Alexandre Jeanblanc
- Energy policy: Denmark sets the example – Alexandre Jeanblanc
- Solar power: India awakes – Alexandre Jeanblanc
- Outlook 2019: investing for a sustainable future – Jane Ambachtsheer

November

- Decarbonising portfolios and the economy: getting real – Investors' Corner team
- Persuading without being pushy – Investors' Corner team

- What's hot: ESG exposure and portfolio construction (3 parts) – Raul Leote de Carvalho
- October
  - Water is the new carbon dioxide – Lisa Beauvilain
  - How do we at BNP Paribas Asset Management contribute to a better world? – Guy Williams
  - China megatrends: Belt & Road Initiative raises spectre of 'debt-trap finance' – Chi Lo
  - The 20-year transformation of environmental investment markets – Bruce Jenkyn-Jones
  - Batteries: not the main opportunity for investing in electric car market – Justin Winter
- September
  - Rechargeable batteries: a key tool in the fight against global warming – Alexandre Jeanblanc
- August
  - Global warming catches up with us – Alexandre Jeanblanc
  - China megatrends: Belt and Road Initiative brings green opportunities – and challenges – Chi Lo
  - Infrastructure debt: investors focus on renewable energy – Pauline Fiastre
  - Technology: from environmental villain to saviour? – Alexandre Jeanblanc
- July
  - 'Male, pale and stale' – REIT boards and gender diversity – Shaun Stevens
  - Multi-factor investing: the new generation of quantitative processes – Etienne Vincent
- June
  - Clearing the air – David Li
  - Green bonds: investments generating environmental and ecological benefits – Felipe Gordillo
  - World Environment Day: focus on plastic pollution – Investors' Corner team
- May
  - ESG criteria in infrastructure and commercial real estate investments – Pauline Fiastre
  - Is carbon capture and storage a complete waste of time and effort? – Thibaud Clisson
  - Natural capital: thinking beyond carbon in sustainable investing – Robert-Alexandre Poujade
  - Are you investing in ultra-processed foods? – Alexandre Jeanblanc
- April
  - Some context on the environmental impact of a sustainable water strategy – Hubert Aarts
- March
  - Global warming and environmental legislation: will 'David' defeat 'Goliath'? – Alexandre Jeanblanc
  - Urban water deficit spells growth for solutions providers – Alexandre Jeanblanc
- February
  - Extreme weather events: the investment implications – Bruce Jenkyn-Jones
  - 'Zero hunger' also means preventing food waste – Alexandre Jeanblanc
- January
  - How to scale up investment in energy-efficient real estate – Frédéric Jambon
  - Software is the dominant disruptive force for all equity sectors – David Winborne
  - Investing to make our planet less plastic – Meg Brown
  - Energy sector equities: running on empty? – Daniel Morris

#### Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ A member of PRI advisory committees/ working groups, specify

#### Description

BNP Paribas AM is a member of the following committees:

- PRI Policy Advisory Committee (now the Policy Reference Group).
- Fixed Income Outreach Sub-Committee.
- Advisory Committee of the PRI coordinated global engagement on methane (and leading on two companies).

Frequency of contribution
---------------------------

- ☒ Quarterly or more frequently  
☐ Biannually  
☐ Annually  
☐ Less frequently than annually  
☐ Ad hoc  
☐ Other
- ☒ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description
-------------

Helena Vines Fiestas, Deputy Global Head of Sustainability, and Head of Stewardship and Policy at BNP Paribas AM sits on the IIGCC's board. She also sits on the advisory committees of:

- Technical Advisory Group of TPI (please see <http://www.lse.ac.uk/GranthamInstitute/tpi/about/technical-advisory-group/>).
- SSE Technical Green Finance Advisory Group (please see <http://www.sseinitiative.org/wp-content/uploads/2017/11/SSE-Green-Finance-Guidance-.pdf>).
- Experts Committee of Access to Medicine Index.

Felipe Gordillo, senior analyst, sits on the Investment -PRI Fixed income Engagement subcommittee. He also sits on the Benchmark committee of the Global Real Estate Sustainability Benchmark (GRESB), an industry-driven organization committed to assessing the sustainability performance of real estate portfolios. Thibaud Clisson sits on the Scientific Committee of Euronext Low-Carbon 100 Europe® Index and at the monitoring committee of ACT (Assessing Low Carbon Transition) project for SMEs run by Ademe.

Michael Herskovich, Head of Corporate governance, sits on:

- The ICGN shareholder rights committee
- The Corporate Governance committee at the French Association of Asset Managers (AFG)
- The "Investment committee" at Eumedion (Netherlands)

Frequency of contribution
---------------------------

- ☒ Quarterly or more frequently  
☐ Biannually  
☐ Annually  
☐ Less frequently than annually  
☐ Ad hoc  
☐ Other
- ☐ Other, specify
- ☐ No

Outsourcing to fiduciary managers and investment consultants				
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SG 12	Mandatory	Public	Core Assessed	PRI 4
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1**

Indicate whether your organisation uses investment consultants.

- ☐ Yes, we use investment consultants
- ☒ No, we do not use investment consultants.

**SG 12.5**

Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers

- ☒ Including responsible investment as a standard agenda item at performance review meetings
- ☒ Discussing whether the fiduciary manager has acted in accordance with your organisation's overall investment beliefs/ strategy/ policy on responsible investment and ESG factors
- ☒ Reviewing the fiduciary manager's PRI Transparency or Assessment reports
- ☒ Reviewing the fiduciary manager's responsible investment reporting (excluding PRI generated reports)
- ☒ Reviewing ESG characteristics/factors used by the fiduciary manager in portfolio construction
- ☒ Reviewing the fiduciary manager's incorporation approaches of ESG through-out asset classes
- ☒ Reviewing the impact of ESG factors on financial performance
- ☒ Encouraging your fiduciary managers to consider joining responsible investment initiatives/organisations or participate in educational or collaborative projects with other investors
- ☒ Including responsible investment criteria as a formal component of overall manager performance evaluation
- ☒ Reviewing the fiduciary manager's ESG incorporation in external managers' selection, appointment, monitoring
- ☒ Reviewing how ESG materiality is defined by the fiduciary manager
- ☐ Other general aspects of your monitoring; specify
- ☐ We do not consider responsible investment in the monitoring processes for fiduciary managers.

**ESG issues in asset allocation****SG 13****Mandatory****Public****Descriptive****PRI 1****SG 13.1**

Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- ☒ Yes, to assess future ESG factors

**Describe**

At the core of all our investment processes, analysts and portfolio managers integrate considerations of relevant ESG factors into their company, asset and sovereign evaluation and investment decision-making processes. As reflected in our investment beliefs, this process allows them to identify and assess areas of risk or opportunity.

- ☒ Yes, to assess future climate-related risks and opportunities

**Describe**

The 3Es, Energy transition, Environmental Sustainability & Equality will serve as the focus for our global sustainability engagement efforts in the next three years. We will establish an in-depth dialogue with companies, for example, encouraging them to align their strategies with the goals of the Paris Agreement.

- ☐ No, not to assess future ESG/climate-related issues

<b>SG 13.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
----------------	---

	We do the following
--	---------------------

- ☒ Allocation between asset classes
- ☐ Determining fixed income duration
- ☒ Allocation of assets between geographic markets
- ☒ Sector weightings
- ☐ Other, specify
- ☐ We do not consider ESG issues in strategic asset allocation

<b>SG 13.3</b>	Additional information. [OPTIONAL]
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For instance, our Emerging Markets fixed income team incorporates environmental, social and governance criteria such as renewables on energy ratio, school enrolment gender parity index or the index on corruption perception or press freedom alongside economic factors.

They use the ESG rating of the 90 EM countries to determine position sizing for investments in our portfolios, by blending the country's alpha opportunity with their ESG rating in portfolio construction. They prioritise high ESG countries, and while they might invest in low ESG countries where the alpha conviction is high, they will invest less in such countries than would otherwise be the case. We also include in our assessment the climate strategies and NDCs so we integrate that into our investment decisions.

The result is an overall ESG-tilted portfolio that neither limits diversification nor truncates the alpha set.

<b>SG 14</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>SG 14.1</b>	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- ☒ Changing demographics
- ☒ Climate change
- ☒ Resource scarcity
- ☒ Technological developments
- ☐ Other, specify(1)
- ☐ Other, specify(2)
- ☐ None of the above

<b>SG 14.2</b>	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
----------------	--

- ☐ Established a climate change sensitive or climate change integrated asset allocation strategy
- ☒ Targeted low carbon or climate resilient investments

	Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.
--	--

	trillions	billions	millions	thousands	hundreds
Total AUM		38	000	000	000
Currency	EUR				
Assets in USD		43	353	939	005

Specify the framework or taxonomy used.

For green investments (and here for low carbon assets) we use our own taxonomy according to our Sustainability Handbook. However we have committed to start using the European taxonomy as soon as it is available.

- ☒ Phase out your investments in your fossil fuel holdings
- ☒ Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- ☒ Used emissions data or analysis to inform investment decision making
- ☒ Sought climate change integration by companies
- ☒ Sought climate supportive policy from governments
- ☐ Other, specify
- ☐ None of the above

#### SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- ☒ Scenario analysis
- ☐ Disclosures on emissions risks to clients/trustees/management/beneficiaries
- ☐ Climate-related targets
- ☐ Encouraging internal and/or external portfolio managers to monitor emissions risks
- ☐ Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- ☒ Weighted average carbon intensity
- ☒ Carbon footprint (scope 1 and 2)
- ☒ Portfolio carbon footprint
- ☐ Total carbon emissions
- ☒ Carbon intensity
- ☐ Exposure to carbon-related assets
- ☐ Other emissions metrics
- ☐ Other, specify
- ☐ None of the above

#### SG 14.5

Additional information [Optional]

Within our Global Sustainability Strategy (GSS) we have set key targets related to the energy transition, we will measure primary energy mix & electricity energy mix vs IEA Sustainable Development Scenario (SDS). We also commit to measure carbon intensity (gCO<sub>2</sub>/kWh) vs IEA SDS.

As a KPI to measure and reports we will use CO<sub>2</sub> emission per portfolio and the Green Share (which represents green investments in sustainable economic activities such as those defined by the forthcoming EU taxonomy, in % of AUM) of our portfolios

As an investor, BNPP AM recognises the role it has to play in contributing to a sustainable future, as outlined by the Paris Agreement.

This is why in 2016 we formalised a climate change strategy of gradually moving our portfolio holdings towards a below 2 degree scenario in line with the Paris agreement. The strategy is three-fold, translating into actions and initiatives on allocation of capital, responsible stewardship as well as commitment and transparency. With the release of this strategy, we highlighted the depth of our long-term commitment to contribute to limiting the adverse impacts of global warming.

Our strategy includes all of our actions and policies geared to helping tackle climate change, providing a conceptual and an operating framework. Our climate change strategy is an integral part of our long-term approach to business and investment. We believe that exceeding 2 degrees Celsius of global warming above pre-industrial levels will seriously affect humanity and the global economy. This, in turn, might affect the value of investments in the long run. We therefore believe that it is our duty to better understand, assess and manage climate change risks. We are working towards measuring, disclosing and reducing carbon risks in our portfolios; and encouraging companies to report and reduce their carbon footprints. Our climate change strategy is based on three pillars:

#### ALLOCATION OF CAPITAL:

- The first and most important step is to fully understand, identify and evaluate carbon risks. Only then can we work towards adapting our investments. Therefore, we are firstly working towards identifying and measuring carbon risks in our portfolios. We are now measuring the carbon footprint of both equity and fixed income portfolios. In May 2015, we were one of the first signatory of the Montreal Carbon Pledge, by signing, we committed to progressively measuring and publicly reporting the carbon footprint of our open-ended funds in an informative and explanatory way. From 26 equity funds in 2015 to more than 200 fixed income and equity open ended funds in 2018.
- Following our signature of the Montréal Carbon Pledge, we signed the Portfolio Decarbonization Coalition (PDC). By signing the PDC, members commit to measuring and disclosing, via the Montréal Carbon Pledge, the carbon footprint of their portfolios on an annual basis and taking action to decarbonise their investments.
- We commit to continue working on widening and prioritising our low-carbon product offer, encompassing a complete range of investment solutions in mandates, dedicated and open-ended fund through thematic or best-in-class funds, and low carbon ETF. We have now more than 38 bn€ low carbon asset under management in various asset classes such as Green bonds, Equities, Fixed Income, ETF and private debt.

#### RESPONSIBLE STEWARDSHIP

- Addressing climate change in our voting at AGMs: We believe that voting at Annual General Meetings is a crucial component of our shareholder duties and our investment process. Equally important for us, as part of our ongoing dialogue with the companies in which we invest, is to promote good environmental (including climate change), social and governance practices.
- Engaging in dialogue with companies: In relation to climate change, our engagement strategy with the companies we invest in aims to improve:

☐ - Companies' carbon disclosure in line with our duty and commitment to report publicly the carbon footprint of our portfolios

☐ - Companies' overall environmental performance

☐ - Our understanding of what actions companies are taking to align themselves with the goal of a below 2 degree scenario

A significant part of our engagement is conducted in conjunction with other investors and through our memberships of the Institutional Investor Group on Climate Change (IIGCC), the Principles for Responsible Investment (PRI) and the United Nations Environmental Programme (UNEP). We are active members of three working groups within the IIGCC - the Property working group, Corporate programme and the Policy group; in addition to the UNEP FI Property working group.

#### TRANSPARENCY AND COMMITMENT

We are committed to monitoring and reporting annually on our activities and progress. We will report on the progress made in relation to our policy and, in particular, public commitments:

☐ - Through the Montréal Carbon Pledge and our commitment to report the carbon footprint of our open-end funds every year

- - Through the Portfolio Decarbonization Coalition and our commitment to report annually to UNEP FI on our progress in decarbonising our portfolios

## Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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### SG 16.1

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Securitised	Please refer to the fixed income module
Money market instruments	Please refer to the fixed income module. Please note that we have an SRI Money market strategy using our Best In Class methodology: BNP PARIBAS MOIS ISR and the total AUM strategy stood at EUR 5 billion as of the end of 2018
Other (1) [as defined in Organisational Overview module]	Multi Asset Solution Investment team has started to integrate ESG in some of their funds by: - using internal BNP Paribas AM's ESG expertise when they invest in direct holdings - investing in BNP Paribas AM's in-house SRI funds - investing in external funds with good ESG credentials assessed by Fundquest Advisors
Other (2) [as defined in Organisational Overview module]	Real Assets Private Debts BNP Paribas AM has developed a methodology to evaluate the ESG performance of real assets (infrastructure and real estate) in which it invests through its private debt funds. The methodology focuses on ESG risks and opportunities and will contribute in orientating the funds towards contributing to the energy transition.

### SG 16.2

Additional information [Optional].

In 2018, we undertook a major transformation plan.

In a fast changing world, our focus is on achieving long-term sustainable returns for our clients. In line with this, BNP Paribas Asset Management ("BNPP AM") is committed to integrating sustainable investment practices across all our strategies. We believe this is in the financial interest of our clients, and of the economy at large. This commitment incorporates two key components:



First, our full range of investment strategies will adopt a sustainable investment approach. This means that they will integrate the key elements of sustainable investment: comprehensive research and integration of environmental, social and governance (ESG) factors; investor stewardship; responsible business conduct and product-based exclusions; and extensive reporting

Second, we will adopt firm-wide targets for measuring and progressively aligning our investment portfolios with a sustainable future, bolstered by strong stewardship activity. We have a formal process in place to achieve this ambition.

This is not currently applied to all client mandates. By 2020, this will become the default approach for new mandates, and we will approach existing clients to seek their approval to apply the policy to existing mandates

SG 17	Mandatory	Public	Descriptive	General
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<b>SG 17.1</b>	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
----------------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Money market instruments	Same level of requirements as for our equities and fixed income management: investments must comply with BNP Paribas AM responsible investment policy and progressively make use of our internal ESG scores and research for investment decision taking
Other (1) [as defined in Organisational Overview module]	see answers given to the SAM module
Other (2) [as defined in Organisational Overview module]	see answers given to the SAM module

<b>SG 17.2</b>	Additional information.
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see answers given to the SAM module

## Innovation

SG 18	Voluntary	Public	Descriptive	General
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<b>SG 18.1</b>	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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☒ Yes

**SG 18.2**

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

BNP Paribas AM has developed a methodology to integrate ESG into private debt financing for SMEs. Since 2014, ESG is integrated in two funds (Novo1 and SME debt fund) and one mandate through an ESG questionnaire sent to the companies and an ESG scoring made by the Sustainability Centre. The questionnaire and the scoring is updated every year.

In February 2018, we launched an innovative fund "BNP Paribas Green Business" which invests a minimum of 90% in existing BNP Paribas AM environmental thematic funds. The remaining 10% will be invested in French or European SMEs that contribute to the Energy and Ecological transition. The strategy's AUM stood at EUR 72 million as of the end of December 2018.

☐ No

## Communication

**SG 19****Mandatory****Public****Core Assessed****PRI 2, 6****SG 19.1**

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

**Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.**

If you are transferring data from an offline document, please check your response carefully.

### Selection, Appointment and Monitoring

#### Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☒ We disclose to the public

#### The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

<b>Disclosure to public and URL</b>	
	<div>Disclosure to public and URL</div> <input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other
	<div>Frequency</div> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad-hoc/when requested
	<div>URL</div> {hyperlink:http://www.fundquestadvisor.com/en/research-process/process}

Listed equity - Incorporation

Do you disclose?

- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries  
☐ We disclose to clients/beneficiaries only.  
☒ We disclose it publicly

The information disclosed to clients/beneficiaries is the same

- ☒ Yes  
☐ No

<b>Disclosure to public and URL</b>	
	<div>Disclosure to public and URL</div> <div> <input checked="" type="radio"/> Broad approach to ESG incorporation  <input type="radio"/> Detailed explanation of ESG incorporation strategy used         </div>
	<div>Frequency</div> <div> <input type="checkbox"/> Quarterly or more frequently  <input type="checkbox"/> Biannually  <input type="checkbox"/> Annually  <input type="checkbox"/> Less frequently than annually  <input checked="" type="checkbox"/> Ad-hoc/when requested         </div>
	<div>URL</div> <div>{hyperlink:https://docfinder.bnpparibas-am.com/api/files/1FC9FC6C-0DA8-468E-90B3-016DDB5CD270}</div>

Listed equity - Engagement

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.  
☐ We disclose to clients/beneficiaries only.  
☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

- ☒ Yes  
☐ No

<b>Disclosure to public and URL</b>	
	<div>Disclosure to public and URL</div> <input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input checked="" type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
	<div>Frequency</div> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
	<div>URL</div> {hyperlink:http://docfinder.bnpparibas-am.com/api/files/02E5E876-FBE5-4E88-BC79-8C239BF2A862}

Listed equity – (Proxy) Voting

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.  
☐ We disclose to clients/beneficiaries only.  
☒ We disclose to the public

The information disclosed to clients/beneficiaries is the same

- ☒ Yes  
☐ No

<b>Disclosure to public and URL</b>	
	<b>Disclosure to public and URL</b> <input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management
	<b>Frequency</b> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested
	<b>URL</b> {hyperlink:http://docfinder.bnpparibas-am.com/api/files/02E5E876-FBE5-4E88-BC79-8C239BF2A862}  <b>URL</b> {hyperlink:https://www.bnpparibas-am.com/fr/notre-approche-de-linvestissement-responsable/en-tant-quinvestisseur-responsable/proxy-voting#/MTc3MQ==/}

	<b>Fixed income</b>
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	<b>Do you disclose?</b>
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- ☐ We do not disclose to either clients/beneficiaries or the public.  
☐ We disclose to clients/beneficiaries only.  
☒ We disclose to the public

	<b>The information disclosed to clients/beneficiaries is the same</b>
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- ☒ Yes  
☐ No

<b>Disclosure to public and URL</b>	
	<div>Disclosure to public and URL</div> <p> <input checked="" type="radio"/> Broad approach to RI incorporation  <input type="radio"/> Detailed explanation of RI incorporation strategy used         </p>
	<div>Frequency</div> <p> <input type="checkbox"/> Quarterly  <input type="checkbox"/> Biannually  <input type="checkbox"/> Annually  <input type="checkbox"/> Less frequently than annually  <input checked="" type="checkbox"/> Ad hoc/when requested         </p>
	<div>URL</div> <p>{hyperlink:https://docfinder.bnpparibas-am.com/api/files/1FC9FC6C-0DA8-468E-90B3-016DDB5CD270}</p>

	Infrastructure
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	<div>Do you disclose?</div> <p> <input type="radio"/> We do not disclose to either clients/beneficiaries or the public.  <input checked="" type="radio"/> We disclose to clients/beneficiaries only.  <input type="radio"/> We disclose to the public         </p>
--	--

<b>Disclosure to clients/beneficiaries</b>	
	<div>Disclosure to clients/beneficiaries</div> <p> <input checked="" type="checkbox"/> ESG information on how you select infrastructure investments  <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments  <input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance         </p>
	<div>Frequency</div> <p> <input type="checkbox"/> Quarterly or more frequently  <input type="checkbox"/> Biannually  <input checked="" type="checkbox"/> Annually  <input type="checkbox"/> Less frequently than annually  <input type="checkbox"/> Ad-hoc/when requested         </p>

Currently we include engagement actions in our proxy voting report. However, we will shortly produce a report covering only our engagement activities.



# BNP Paribas Asset Management

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Listed Equity and Fixed Income Strategies

**SAM 01**

**Mandatory**

**Public**

**Gateway**

**PRI 1**

**SAM 01.1**

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

### Active investment strategies

Active investment strategies	Listed Equity	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Passive investment strategies

Passive investment strategies	Listed Equity	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Fixed income - Securitised
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SAM 01.2**

Additional information. [Optional]

BNP Paribas Asset Management (BNPP AM) uses the advisory services of FundQuest Advisor (FQA) for the selection, appointment and monitoring of managers and funds that are external to BNP Paribas group. FQA is a 100%-owned BNPP AM subsidiary and is the fund selection arm of the group, with a focus on long-only investment funds. FQA provides recommendations for the selection of managers external to BNPP AM, notably:

- For the delegation of management of BNPP AM products (white labelling).** In cases of external delegation of BNPP AM funds, each external manager is required to respect the minimum ESG practices implemented by BNPP AM (notably through the exclusion of a list of companies that do not respect UN Global Compact Principles, or that are involved in controversial activities/businesses). Hence BNPP AM's

Responsible Investment (RI) policies and controversial businesses / sector exclusions are applied to actively managed BNPP AM funds delegated to external managers. Regarding passive strategies, BNPP AM does not delegate the management of their ETFs or open-ended passive funds to external managers; they are managed internally.

10. **For multi-management products invested in external funds.** FQA provides buy-lists of external funds in which BNPP AM's funds of funds can invest. In those cases, FQA gathers and analyses information about Responsible Investment policies applied by external managers, and it can thus communicate / provide an opinion on the level of adherence of those external managers vis-à-vis BNPP AM's Responsible Investments policies, notably in terms of sector or controversial activities excluded from potential investments. Regarding the selection of external passive SRI & ESG funds & ETFs, FQA applies the same methodology for active funds when analysing the SRI/ESG investment approach of passive strategies. For SRI/ESG ETFs (mainstream ETFs excluded), FQA collects and analyses detailed information about ESG filters applied to the indices that the ETFs track.

## Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
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### SAM 02.1

Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised			
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
ESG reporting requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
No RI information covered in the selection documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

### SAM 02.2

Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised			
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Assess the ESG definitions to be used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

ESG people/oversight

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised			
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review the manager's RI-promotion efforts and engagement with the industry	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

Process/portfolio construction/investment valuation

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised			
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree manager's ESG risk framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Review and agree ESG reporting frequency and detail	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

**SAM 02.3**

Indicate the selection process and its ESG/RI components

- ☒ Review ESG/RI responses to RfP, RfI, DDQ etc.
- ☐ Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- ☒ Review publicly available information on ESG/RI
- ☐ Review assurance process on ESG/RI data and processes
- ☐ Review PRI Transparency Reports
- ☐ Request and discuss PRI Assessment Reports
- ☒ Meetings with the potential shortlisted managers covering ESG/RI themes
- ☒ Site visits to potential managers offices
- ☒ Other, specify

FQA requests its selected external managers to fill in a proprietary Sustainability questionnaire

**SAM 02.4**

When selecting external managers does your organisation set any of the following:

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised			
ESG performance development targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

**SAM 02.5**

Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]

Since 2014, FundQuest Advisor (FQA) has included ESG and SRI analysis within its manager selection process. FQA assesses the investment processes in terms of ESG criteria and Responsible Investment policies implemented by its selected external managers. This analysis is performed both at the asset management company level and the fund /strategy level. External funds selected can potentially use different approaches from BNPP AM's Responsible Investing policies, including positive or negative screening, thematic or systematic ESG integration, or any other sustainable investment approach.

The objectives of FQA's approach are two-fold:

- Build qualitative knowledge through analysis of the Responsible investment practices of selected asset managers
- Implement a Sustainability scoring system to rank FQA's recommended funds in terms of sustainability standards and investment practices

FQA's Sustainability scoring methodology is based on a qualitative, consistent and systematic approach applied across all asset classes and sectors in order to maintain an homogeneity of scoring and to be able to compare Sustainability scores between different sub-asset classes. This scoring system aims to provide a Sustainability score at asset management company level and at fund/strategy level (with the latter integrating the Sustainability

assessment of its asset management company).

Towards these objectives, FQA has developed a proprietary Sustainability questionnaire which aims to collect all the required information on SRI/ESG practices of FQA's recommended managers. The main objectives of this questionnaire are the following:

- Analysing how and to what extent ESG criteria are incorporated in FQA's selected asset management companies and funds' investment processes;
- Identifying the level of adherence of FQA's selected asset management companies and funds' investment processes vis-à-vis BNP Paribas group's Responsible Investment policies;
- Providing a strong guide and tool for implementing FQA's Sustainability scores on all recommended asset, management companies and selected funds.

Since Q4 2018, FQA has been reviewing and enhancing its Sustainability scoring methodology. Assessment criteria evolved and new criteria were added, in order to provide a more granular Sustainability research and to adapt the scores to new sustainable finance market trends. For example, FQA has defined specific criteria to measure the quality of Impact reporting, and has developed specific criteria to analyse the specificities of Sustainable Bonds funds.

This new Sustainability scoring methodology includes the following assessment criteria (of which but not limited to):

- At asset management company level: level of commitment to CSR and Responsible Investment, sectoral and norm-based policies and exclusions, resources specialised/dedicated to ESG/SRI, quality of ESG Research, quality of ESG integration, impact monitoring and reporting, stewardship policies (proxy voting and engagement with companies and States), level of transparency and quality of the ESG/ SRI reporting, etc....
- At fund/strategy level: similar criteria than those mentioned above and additional criteria to analyse the sustainability of thematic, best-in-class and sustainable bonds funds (sustainability objectives, methodology and quality of selection filters, measurement, reporting and monitoring of ESG impacts, etc....)

FQA is thus able to provide its clients with a ranking of recommended asset managers and funds based on extra-financial criteria, in addition to the traditional FQA recommendations based on financial, operational and risk analysis. This Sustainability Assessment supports and encourages FQA's clients to define and improve the sustainability footprint they seek to achieve through their investment strategy.

Appointment				
SAM 04	Mandatory	Public	Core Assessed	PRI 1
<b>SAM 04.1</b>	Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process			
	<input type="checkbox"/> Sets standard benchmarks or ESG benchmarks <input type="checkbox"/> Defines ESG objectives and/ or ESG related exclusions/restrictions <input type="checkbox"/> Sets incentives and controls linked to the ESG objectives <input checked="" type="checkbox"/> Requires reporting on ESG objectives <input type="checkbox"/> Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify (2) <input type="checkbox"/> None of the above			
<b>SAM 04.2</b>	Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.			



Asset class													
<input checked="" type="checkbox"/>	Listed equity (LE)												
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Reporting requirements													
<input type="radio"/>	Monthly												
<input type="radio"/>	Quarterly												
<input type="radio"/>	Bi-annually												
<input type="radio"/>	Annually												
<input checked="" type="radio"/>	Ad-hoc/when requested												
<input checked="" type="checkbox"/>	Fixed income - SSA (SSA)												
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Reporting requirements													
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<input type="radio"/>	Annually												
<input type="radio"/>	Bi-annually												
<input type="radio"/>	Quarterly												
<input type="radio"/>	Monthly												
<input checked="" type="checkbox"/>	Fixed income - Corporate (financial)												

	Benchmark
--	-----------

☒ We do not set benchmarks

	ESG Objectives
--	----------------

☒ We do not define ESG objectives

	Incentives and controls
--	-------------------------

☒ We do not set incentives and controls

	Reporting requirements
--	------------------------

☒ Ad-hoc/when requested

☐ Annually

☐ Bi-annually

☐ Quarterly

☐ Monthly

☒ Fixed income - Corporate (non-financial)

	Benchmark
--	-----------

☒ We do not set benchmarks

	ESG Objectives
--	----------------

☒ We do not define ESG objectives

	Incentives and controls
--	-------------------------

☒ We do not set incentives and controls

	Reporting requirements
--	------------------------

☒ Ad-hoc/when requested

☐ Annually

☐ Bi-annually

☐ Quarterly

☐ Monthly

☒ Fixed income - Securitised

	Benchmark
--	-----------

☒ We do not set benchmarks

	ESG Objectives
--	----------------

- ☒ We do not define ESG objectives

	Incentives and controls
--	-------------------------

- ☒ We do not set incentives and controls

	Reporting requirements
--	------------------------

- ☒ Ad-hoc/when requested
- ☐ Annually
- ☐ Bi-annually
- ☐ Quarterly
- ☐ Monthly

<b>SAM 04.3</b>	Indicate which of these actions your organisation might take if any of the requirements are not met
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- ☐ Discuss requirements not met and set project plan to rectify
- ☐ Place investment manager on a “watch list”
- ☒ Track and investigate reason for non-compliance
- ☐ Re-negotiate fees
- ☐ Failing all actions, terminate contract with the manager
- ☒ Other, specify

Engage with asset managers by discussing the potential improving areas and providing BNP group’s views on best sustainability practices

- ☐ No actions are taken if any of the ESG requirements are not met

Monitoring				
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SAM 05	Mandatory	Public	Core Assessed	PRI 1
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<b>SAM 05.1</b>	When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates
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	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non- financial)	FI - Securitised			
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
ESG portfolio characteristics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Information on any ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
PRI Transparency Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
PRI Assessment Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
RI-promotion and engagement with the industry to enhance RI implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Changes to the oversight and responsibilities of ESG implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

#### SAM 05.2

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	FI - Securitised			
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
ESG performance minimum threshold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

#### SAM 05.3

Provide additional information relevant to your organisation's monitoring processes of external managers. [OPTIONAL]

FQA formally reviews the overall SRI/ESG practices implemented by its recommended managers (target frequency: every two years) using an ESG proprietary questionnaire. During the more frequent meetings / calls with the external asset managers for ongoing monitoring, FQA can review some ESG specifics topics on a case by case basis depending on any potential changes on the ESG process and on any external event (controversial events etc...).

### Outputs and outcomes

SAM 08	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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#### SAM 08.1

Describe how you ensure that best RI practice is applied to managing your assets

- ☒ Encourage improved RI practices with existing investment managers

#### Measures

When FQA performs qualitative due diligence on external asset managers and strategies, we systematically send them BNP Paribas group's minimum ESG standards for Responsible investments through a dedicated Sustainability questionnaire. In this questionnaire, FQA communicates about the Responsible Investment policies (and notably on controversial sector exclusions) of BNP Paribas Group. In addition, FQA encourages the external asset managers to integrate ESG criteria in their overall investment philosophy and approach. Finally, FQA can communicate to external managers in which decile their company and their funds are positioned with regards to FQA's proprietary Sustainability scores (one score for the company and one score for each fund). Going forward, FQA will occasionally engage with asset managers by discussing the potential improving areas and providing BNP Paribas group's views on best sustainability practices.

- ☐ Move assets over to investment managers with better RI practices
- ☐ Other, specify
- ☐ None of the above

<b>SAM 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,6</b>
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<b>SAM 09.1</b>	Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.
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☒ Add Example 1

Topic or issue	BNPPAM's exclusion list
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised
Scope and process	For BNPP AM's funds which investment management is delegated to external managers, communication of the list of companies to be avoided in portfolios under BNPPAM responsible investment policy.
Outcomes	External managers acknowledgment and implementation of BNPPAM exclusion list in their compliance systems

☒ Add Example 2

Topic or issue	Enhancement of FQA's Sustainability scoring methodology
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised
Scope and process	Over Q4 2018 & Q1 2019, FQA has been reviewing and adapting its Sustainability scoring methodology in order to provide a more granular Sustainability research and to adapt the scores to new sustainable finance market trends. For example, FQA has defined specific criteria to measure the quality of Impact reporting, and has developed specific criteria to analyse the specificities of Sustainable Bonds funds.
Outcomes	The updated methodology will be implemented in the course of 2019.

☒ Add Example 3

Topic or issue	FQA reinforced its sustainability fund research
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised
Scope and process	FQA hired a dedicated Sustainability Fund Research analyst in September 2018, Camille Ferron (4 years' experience in a SRI research provider)
Outcomes	With this new hire, FQA strengthens its sustainability research capabilities to enhance its sustainability research process.

☒ Add Example 4

Topic or issue	FQA's SRI fund selection activity in 2018
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Fixed income – securitised
Scope and process	Over the past 12 months, FQA made some new research & selection in the SRI area, notably within the categories of US equity funds, in Credit and Green bonds funds, in sustainable thematics like Smart Mobility, and in listed Real Estate.
Outcomes	New SRI funds were added to FQA's buy lists or client-specific lists.

- ☐ Add Example 5  
☐ Add Example 6  
☐ Add Example 7  
☐ We are not able to provide examples



# BNP Paribas Asset Management

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 01	Mandatory	Public	Gateway	PRI 1
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#### LEI 01.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

#### ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening and integration strategies

Percentage of active listed equity to which the strategy is applied	<div> <div></div> <div>%</div> </div>
	95

- ☐ Thematic and integration strategies
- ☐ Screening and thematic strategies
- ☒ All three strategies combined

Percentage of active listed equity to which the strategy is applied	<div> <div></div> <div>%</div> </div>
	5

- ☐ We do not apply incorporation strategies

Total actively managed listed equities

100%

#### LEI 01.2

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

Investment teams are required to integrate ESG elements of analysis in their investment decision processes. ESG enhances risk management and can help improve fundamental research at stock-level - in terms of managing operational, reputational, or any other financial risk while highlighting the investment or growth opportunities that ESG factors might provide. To do so, we have generalised access to in-depth analysis on ESG factors at sector and at company-level to all investment teams.

The following principles govern our implementation of ESG Standards in investment processes:

- Investment universes are periodically screened with a view to identify issuers that are potentially in breach of UN Global Compact Principles and/or mandatory requirements applicable to sensitive sectors and products.

- This assessment is conducted by the Sustainability Centre on the basis of internal analysis and information provided by external experts, and in consultation with BNP Paribas Group CSR Team.
- As a result of this process, BNP Paribas AM establishes and maintains two lists:
  - ☐ an exclusion list of issuers that are associated with serious and repeated breaches of UN Global Compact Principles and/or mandatory requirements related to controversial sectors and products; and,
  - ☐ a watch-list of issuers that are at risk of breaching ESG standards and with whom we engage in a dialogue in order to encourage improvements.
- Exclusion and watch lists are communicated by CIOs to investment teams on a regular basis. As a result, investment teams should not initiate new investments in any excluded company with immediate effect. Existing investments should be divested from relevant portfolios based on market conditions but not later than one month after communication by CIOs.
- The exclusion list applies to all open-ended funds managed by BNP Paribas AM entities, with exceptions for portfolios which replicate the composition of indices (e.g. ETFs and indexed funds) and to all types of securities (equities, bonds, convertible bonds). It also applies to participation notes and derivatives issued by third-parties on such securities. These restrictions apply to securities negotiated on primary and secondary markets, as well as OTC instruments.
- Subject to legal and technical constraints, ESG standards also apply to:
  - segregated accounts and mandates (subject to client information or approval where required);
  - funds delegated to external asset managers (subject to amendment of relevant Investment Management Agreements or Investment Guidelines).

The above requirements are mandatory for all our equity teams.

In addition to above requirements, we have taken the decision in 2018 to have all our active investment strategies go through a formal ESG integration process. The process to integrate and embed ESG factors is guided by formal ESG Integration Guidelines and overseen by an ESG Validation Committee (members include, inter alia, the Head of Macro Research, Investment Process and Risk; the Global Head of Sustainability and asset class Chief Investment Officer) . Our goal is that by 2020, every investment process - and by definition, every investment strategy - will have been reviewed and approved by this Committee. Further information is available in our specific ESG Integration Guidelines and Policy (available for clients). Examples of guidelines include, but are not limited to:

- We will not invest in a public entity without an ESG score, or performing qualitative ESG analysis in the absence of a quantitative ESG rating
- We should aim to hold portfolios with more positive ESG characteristics than their respective (invested) benchmarks.
- As a last resort, we may disinvest from weakly rated entities which do not respond to engagement, and which show no sign that they will place greater emphasis on sustainability considerations in the future.
- Holdings of weakly-rated public entities will need to be justified by additional documented qualitative analysis integrating ESG factors
- We should aim to hold portfolios with a lower carbon footprint than their respective (invested) benchmarks

### LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

Screening: mandatory for all our equity teams as explained in LEI 01.2 section.

Screening and integration (Best in class -BIC - and thematic approaches -): SRI funds using these approaches comply with above mentioned section. They follow additional ESG requirements :

- BIC : exclusion of the 30% worst-in-class companies in terms of ESG practices.
- For thematic : supply of products and services with a proven positive ESG impact.

Total AUM for these actively managed listed equities strategies are EUR 11 billion at the end of december 2018.

Further ESG integration : The process of integrating and embedding ESG factors is guided by formal ESG Integration Guidelines and overseen by an ESG Validation Committee. The aim is that by 2020, every investment process - and by definition, strategy - will have been reviewed and approved by this Committee.

3 strategies have been validated in late 2018 of which 2 related to equities (global equities and multi factor strategy) .

Targets set for multi factor strategy :

- *Multi factor strategy: Additional ESG and Low Carbon objectives* Strict carbon policy
- *at least 50% carbon reduction relative to the benchmark*
- *at least 20% improved ESG score vs benchmark*
- *10th Decile exclusion*
- 

LEI 02	Voluntary	Public	Additional Assessed	PRI 1
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LEI 02.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
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#### Type of ESG information

- ☒ Raw ESG company data

#### Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

#### Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

#### Indicate who provides this information

- ☐ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Screened stock list

**Indicate who provides this information**

- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ ESG issue-specific analysis or ratings

**Indicate who provides this information**

- ☐ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Other, specify  
Academics, NGOs, investor initiatives and/or multi-stakeholder initiatives

**Indicate who provides this information**

- ☐ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager

**LEI 02.2**

Indicate if you incentivise brokers to provide ESG research.

☒ Yes**LEI 02.3**

Describe how you incentivise brokers.

Historically, BNP Paribas AM was a co-founder of the Enhanced Analytics Initiative, an initiative to financially support the development of SRI brokerage in Europe. The commitment was to dedicate at least 5% of BNP Paribas AM's total brokers' fees to ESG/SRI brokers. Since 2004, this 5% level has always been surpassed.

☐ No**LEI 03****Voluntary****Public****Additional Assessed****PRI 1**

<b>LEI 03.1</b>	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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☒ Engagement

- ☐ We have a systematic process to ensure the information is made available.
- ☒ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

<b>LEI 03.2</b>	Additional information. [Optional]
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We take the governance of sustainability seriously in the companies in which we invest, and hold ourselves to the same standard. Sustainable investment is at the core of what we do, and our approach, policies, targets and reporting are overseen by our Sustainability Committee, which is a component of our Investment Committee, chaired by our CEO and Head of Investments. This Committee is responsible for approving our Global Sustainability Strategy and related policies. Ultimate responsibility lies with the BNPP AM France Board of Directors.

We work closely with other parts of the BNP Paribas Group to align our approach and efforts. In particular, we liaise closely with the Group Head of Engagement, who sits on the BNP Paribas Group Executive Committee and oversees the sustainability strategy across the BNP Paribas Group.

Transparency is an essential element of good stewardship practices and a necessary step towards a sustainable financial system. We recognise that our clients need and are entitled to information on our sustainability policies and practices.

We commit to make the results of engagement available in front office tools per relevant company.

Every year we also publish the results of our Proxy voting activity in a public report.

## (A) Implementation: Screening

<b>LEI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 04.1</b>	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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### Type of screening

- ☒ Negative/exclusionary screening

### Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
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1) All funds ought to comply with the following:

sector policies : Please refer to LEI 04.02

ESG practices: minimum ESG standards as requested in the sector policies + compliance with UN Global Compact Principles,

Corporate Governance: minimum governance standards as requested in the sector policies + compliances with UN Global Compact

Exclusion policies on unconventional oil & gas and tobacco (new policies enacted in 2017 /2018)

2) All SRI funds must on top of the above, eliminate all companies active in alcohol, tobacco, gambling, pornography, armament sector (if revenue >10% of the activity).

We also implemented a strict carbon-free policy in early 2016 that excludes:

- All mining companies with more than 10% of their revenues generated from 'thermal coal'
- All utilities whose carbon intensity when producing electricity is higher than 530 kgCO<sub>2</sub>/MWh. Below this, investments may be held, unless the following thresholds are all exceeded:

- Coal installed capacity is greater than 30%

- Coal production is greater than 30%

- Carbon intensity in energy production is greater than 484 kgCO<sub>2</sub>/MWh.

In 2017, we decided to extend our carbon policy by excluding oil producers with more than 10% of their production coming from tar sands.

- ☒ Positive/best-in-class screening

#### Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
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Please refer to our answer to the previous question.

- ☒ Norms-based screening

#### Screened by

- ☒ UN Global Compact Principles
- ☒ The UN Guiding Principles on Business and Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	Description
	<p>Since 2012, we have applied the UN Global Compact Principles as a filter to all our open-ended funds. As a result, we exclude those companies in systematic breach - 56 companies as of December 31, 2018 - from all open-ended funds across BNPP AM. Compliance officers are in charge of ensuring the exclusion lists are respected by portfolio managers.</p> <p>We use UN Guiding principles on Business and Human Rights when analysing how companies are monitoring social risks, in particular in their supply chains, or how companies are enforcing good practices on business ethics. We use the UN Guiding Principles as an analytical framework not as a screening tool.</p>

#### LEI 04.2

Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

For all equity funds: As part of the UN Global Compact filter, we screen more than 5 000 companies for their compliance with the Universal Declaration of Human Rights, the International Labour Organization Conventions, the United Nations Convention Against Corruption and the OECD Guidelines for Multinational Enterprises. For detailed process, please refer to section LEI 01.2

Sector specific minimum ESG standards:

In addition to the UN Global Compact principles, BNP Paribas Asset Management implements a series of ESG standards related to investments in sensitive sectors and products. These standards are consistent with sector policies adopted by the BNP Paribas Group and cover the following areas:

**Palm oil and wood pulp:** the aim is to encourage the production of sustainable palm oil and wood pulp by investing only in companies that meet minimum environmental and social standards. Consequently, companies that do NOT adhere to such minimum standards (e.g. by converting protected areas into palm oil and wood plantations, or using child/forced labour) should not be invested in.

**Nuclear:** the objective is to ensure that we invest in companies that operate in countries with a proper legal framework, use appropriate technologies and adopt adequate health& safety monitoring and accident prevention measures.

**Coal-fired Power Generation:** the aim is to ensure that we invest in utility companies that reduce their CO2 intensity by operating more efficient coal-fired power stations and diversifying to cleaner sources of electricity generation.

**Controversial weapons:** the objective is to ensure that we do not invest in companies involved in the production, trading and storage of controversial weapons. These include cluster ammunition and antipersonnel landmines, chemical and biological weapons, and nuclear/depleted uranium weapons. Most of these weapons are covered by international conventions and investments are already prohibited in some jurisdictions.

**Asbestos:** the objective is to ensure that we do not invest in companies involved in the extraction or production of asbestos fibres, which is banned today in more than 50 countries.

**Mining:** the objective is to ensure that we do not invest in companies that use Mountain Top Removal (MTR) techniques or with low ESG standards and practices.

**Agriculture:** The objective is to ensure that we invest in companies developing sustainable practices and that are committed to feed people with healthy and safe products without threatening the food supply of future generations. We also oppose deforestation and seek to invest in companies with a no drained-peatlands policy.

**Tobacco:** since March 1st 2018, BNPP AM is implementing a tobacco exclusion policy. It will exclude tobacco from its range of actively-managed collective investment vehicles over which it has full discretion, extending the policy already applied to its sustainable portfolios when it launched its first SRI fund in 2002. Implementation will be phased in gradually, providing clients with time to seek alternative investment arrangements, should



they deem it appropriate. Divestment from portfolios over which BNPP AM has full discretion is expected to be complete by the end of 2018.

For more information, please find the press release here below: <https://docfinder.is.bnpparibas-ip.com/api/files/D00FFD0D-2265-45AF-836A-B25480DD2FFC>

Unconventional Oil& gas: since its announcement in October 2017, BNP Paribas Group will no longer do business with companies whose principal business activity is the exploration, production, distribution, marketing or trading of oil and gas from shale and/or oil from tar sands. BNP Paribas is also ceasing financing/investing in projects that are primarily involved in the transportation or export of oil and gas from shale or oil from tar sands. The Group will not finance/invest in any oil or gas exploration or production projects in the Arctic region.

For more information, please find the press release here below: <https://group.bnpparibas/en/press-release/bnp-paribas-takes-measures-accelerate-support-energy-transition>

Investment criteria addressing the main ESG issues are split into two categories:

Mandatory requirements are to be understood as sine qua non: those that have to be met without exception for BNPP AM to invest in a company.

Evaluation criteria provide a framework for further contextual analysis and dialogue with companies, based on which BNPP AM may decide not to invest even if mandatory requirements are met.

The sector policies are reviewed once a year by BNP Paribas Group with help of external and internal experts and also by integrating the feedback from the engagement results.

On top of it, for all our SRI funds

We apply further screenings. We exclude companies (issuers) active in alcohol, tobacco, gambling, pornography and armament sector (if revenue >10% of the activity).

In 2016 we started applying a strict carbon-free policy excluding all mining companies with 10% or more of their revenues generated from "thermal coal" and all utilities whose carbon intensity when producing electricity is higher than 530kgCO2/MWh. If they emit below this level, we will divest if the following thresholds are exceeded: a company's coal installed capacity is above 30% and coal production is higher than 30%, and carbon intensity when producing electricity is higher than 484 kgCO2/MWh.

Since March 2017, we started including in our carbon exclusion policy all oil producers with more than 10% of their production coming from tar sands.

LEI 05	Mandatory	Public	Core Assessed	PRI 1
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LEI 05.1	Indicate which processes your organisation uses to ensure screening is based on robust analysis.
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- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- ☐ Trading platforms blocking / restricting flagged securities on the black list
- ☒ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☒ Review and evaluation of external research providers
- ☒ Other, specify
  - Participation of the Portfolio Managers to ESG sector reviews with ESG analysts
  - One-to-one interviews with companies by ESG analysts
- ☐ None of the above

**LEI 05.2**

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- ☐ <10%
- ☐ 10-50%
- ☒ 51-90%
- ☐ >90%

**LEI 05.3**

Indicate how frequently third party ESG ratings are updated for screening purposes.

- ☒ Quarterly or more frequently
- ☐ Bi-annually
- ☐ Annually
- ☐ Less frequently than annually

**LEI 05.4**

Indicate how frequently you review internal research that builds your ESG screens.

- ☒ Quarterly or more frequently
- ☐ Bi-annually
- ☐ Annually
- ☐ Less frequently than annually

**LEI 05.5**

Additional information. [Optional]

Our ESG research is done on issuers; there is no difference between a company issuing a bond or an equity: we apply the same best in class approach with sector-specific ESG indicators.

Each GICS sector is reviewed annually on the same date. The purpose of the sector review is to benchmark all companies within a sector against a set of ESG indicators. These indicators are chosen by the sector analysts after in-depth research and analysis undertaken by the analyst and also based on an ample pool of sources. For Corporates, a one-to-one meeting or conference call is conducted with the companies to double-check, verify and discuss findings and data. In many cases, discussions are followed by email exchanges.

There are 11 sector reviews a year; well in advance of the review a meeting is set up with fund managers and financial analysts where the ESG analyst presents an overview of the key ESG drivers that will be analysed - including the weighting breakdown between environmental, social and governance issues - in the upcoming sector review.

Once the analysis is completed, an ESG score and a ranking is given to each company of the sector in which BNP Paribas AM invests or has an interest - including unlisted companies within the fixed income universe, large and mid-caps, etc. The results are presented formally to fund managers and financial analysts.

The ESG analyst monitors and follows the sector's ESG evolution and the companies' ESG behaviour throughout the year. When a company faces a relevant change and/or controversy, it becomes subject to monitoring and a meeting is set up with the company. Depending on the outcome of the meeting, the analyst may raise or lower the company's score and rating, and may or may not recommend its continued inclusion in our SRI funds.

As explained in section 04.2, UN GC and sector policies exclusions are reviewed quarterly. They are though presented to the Sustainability Committee chaired by our CEO for final approval four times a year.

**LEI 06****Voluntary****Public****Additional Assessed****PRI 1**

**LEI 06.1**

Indicate which processes your organisation uses to ensure fund criteria are not breached.

- ☒ Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☐ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Periodic auditing/checking of the organisations RI funds by external party
- ☐ Other, specify
- ☐ None of the above

**LEI 06.2**

If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

Based on the UN Global Compact Principles, our sector policies and SRI products that are Best in Class or thematic, the exclusion list and the buy list are programmed into our Compliance systems, which can block pre-trade and post-trade activity.

In case of a breach, an escalation process is activated, from on-screen alert messages and emails up to informing the CIO. The portfolio manager then has a maximum time frame of one month to sell the position in the best interest of the client.

**(B) Implementation: Thematic****LEI 07****Mandatory****Public****Descriptive****PRI 1****LEI 07.1**

Indicate the type of sustainability thematic funds or mandates your organisation manages.

- ☒ Environmentally themed funds
- ☒ Socially themed funds
- ☒ Combination of themes

**LEI 07.2**

Describe your organisation's processes relating to sustainability themed funds. [Optional]

All thematic funds follow a three-step process:

**1) Controversies screening**

All companies are thoroughly analysed to ensure they have not been involved in controversies due to poor practices. Companies that pass this first screen are compliant with the UN Global Compact and BNPP AM sector policies.

**2) ESG scoring**

All companies are evaluated according to an ESG scoring process to ensure they are actively seeking to improve their performance in terms of their Environmental, Social and Governance practices. This filter eliminates the poor ESG performers. We exclude all companies belonging to the bottom ESG decile (10% of the total universe).

**3) Be part of the solution**

The Environmental and Social screens (depending on the fund) follow the guidelines set in our internal Sustainability Thematic Handbook, which outlines the activities and business models that are investible for each sustainable strategy and potential controversies that may arise in any given sector. The handbook describes in detail the policies applied, e.g. first-generation biofuels will be excluded except when generated from sugar cane. It also specifies in detail all the activities included. For example, in energy efficiency there are three themes: building energy efficiency, industrial and power. For each, there is a specific list of which technologies are included and the conditions they need to meet (detailed below in additional information).

Companies must have coherent activities and a turnover of min. 20% in the identified themes or 40% if they are suppliers in the value chain.

### (C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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#### LEI 08.1

Indicate the ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis
Environmental	<div> <div></div> <div>Environmental</div> </div> <div> <input type="radio"/> &lt;10%           <input checked="" type="radio"/> 10-50%           <input type="radio"/> 51-90%           <input type="radio"/> &gt;90%         </div>
Social	<div> <div></div> <div>Social</div> </div> <div> <input type="radio"/> &lt;10%           <input checked="" type="radio"/> 10-50%           <input type="radio"/> 51-90%           <input type="radio"/> &gt;90%         </div>
Corporate Governance	<div> <div></div> <div>Corporate Governance</div> </div> <div> <input type="radio"/> &lt;10%           <input checked="" type="radio"/> 10-50%           <input type="radio"/> 51-90%           <input type="radio"/> &gt;90%         </div>

#### LEI 08.2

Additional information. [Optional]

ESG research team currently covers the MSCI developed markets and MSCI Emerging Market

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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**LEI 09.1**

Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Third-party ESG ratings are updated regularly.
- ☒ A periodic review of the internal research is carried out
- ☒ Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ☐ ESG risk profile of a portfolio against benchmark
- ☐ Analysis of the impact of ESG factors on investment risk and return performance
- ☐ Other, specify
- ☐ None of the above

**LEI 09.2**

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- ☐ <10%
- ☐ 10-50%
- ☒ 51-90%
- ☐ >90%

**LEI 09.3**

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- ☒ Quarterly or more frequently
- ☐ Bi-Annually
- ☐ Annually
- ☐ Less frequently than annually

**LEI 09.4**

Indicate how frequently you review internal research that builds your ESG integration strategy.

- ☒ Quarterly or more frequently
- ☐ Bi-Annually
- ☐ Annually
- ☐ Less frequently than annually

**LEI 09.5**

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

**LEI 09.6****Additional information.[Optional]**

Since 2014, through the "ESG correspondents" within all asset classes, we shared the outputs of the ESG Research team with our mainstream portfolio managers, namely ESG sector reviews and ESG scores for corporate and sovereign issuers.

In 2016, we integrated ESG scores into Thinkfolio, our front office tool. We developed an IT solution to store our ESG research and companies' ESG profiles.

In 2017, we continued exploring the different IT tools to ease our portfolio managers' access to ESG research: the content of our ESG research (scores and sub-scores) is now plugged into the major front office tools used by BNP Paribas AM portfolio managers worldwide.

In 2018 and 2019, we have appointed ESG champions help promote sustainable investment within each team, and to liaise with the Sustainability Centre. Trainings are organised centrally, both for the ESG Champions as well as across investment teams, as we work to enhance the firm's overall capacity on ESG issues. Changing company culture takes time but we have an ambitious programme to truly embed sustainability into the heart of our investment culture.

**LEI 10****Mandatory to Report Voluntary to Disclose****Public****Core Assessed****PRI 1**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEI 10.1****Indicate which aspects of investment analysis you integrate material ESG information into.**

☒ Economic analysis

**Proportion of actively managed listed equity exposed to investment analysis**

- ☐ <10%
- ☒ 10-50%
- ☐ 51-90%
- ☐ >90%

☒ Industry analysis

**Proportion of actively managed listed equity exposed to investment analysis**

- ☐ <10%
- ☒ 10-50%
- ☐ 51-90%
- ☐ >90%

☒ Quality of management

Proportion of actively managed listed equity exposed to investment analysis

- ☐ <10%
- ☐ 10-50%
- ☒ 51-90%
- ☐ >90%

☒ Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

- ☐ <10%
- ☒ 10-50%
- ☐ 51-90%
- ☐ >90%

☒ Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

- ☐ <10%
- ☒ 10-50%
- ☐ 51-90%
- ☐ >90%

- ☐ Sensitivity and/or scenario analysis
- ☐ Fair value/fundamental analysis
- ☐ Other, specify

**LEI 10.3**

Describe how you integrate ESG information into portfolio weighting.

**ESG criteria in general**

We encourage mainstream portfolio managers to underweight or not invest in the companies with the worst ESG rating (namely decile 10 according to our in-house research) and to favour companies with the highest ESG rating.

SRI Best-In-Class equity funds cannot invest in companies with negative recommendation (corresponding to decile 8, 9 and 10), have a weight constraint on companies with neutral recommendation (corresponding to decile 4, 5, 6 and 7) and can be overweight on companies with positive recommendation (corresponding to decile 1, 2 and 3). This weight constraint has been put in place to orientate SRI funds towards best-in-class companies.

For 2019, our full range of investment strategies will adopt a sustainable investment approach. This means that they will integrate the key elements of sustainable investment: comprehensive research and integration of environmental, social and governance (ESG) factors; investor stewardship; responsible business conduct and product-based exclusions; and extensive reporting. All our investment strategies are currently undergoing a formal ESG integration process (please refer to LEI 01.2).

**Outputs and outcomes**

LEI 12	Voluntary	Public	Descriptive	PRI 1
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LEI 12.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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☒ Screening

	Describe any reduction in your starting investment universe or other effects.
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BNP Paribas AM's Responsible Business Conduct Policy (RBC) applies to all its open-ended funds. As of December 31 2018, 338 companies (equities and fixed income) have been excluded from investment because of their below-standard ESG practices.

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. We engage with companies where they fall short, and exclude the worst offenders.

We also have a series of sector 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 (such as tobacco, synthetic crude oil from tar sands, coal, controversial weapons or asbestos), as we deem them to be in violation of international norms, or to present unacceptable harms to society or the environment, without counterbalancing benefits. These are generally sectors where engagement makes little sense.

	Specify the percentage reduction (+/- 5%)
--	---

	%
--	---

1

☐ Thematic

☒ Integration of ESG factors

	Select which of these effects followed your ESG integration:
--	--

☒ Reduce or prioritise the investment universe

☒ Overweight/underweight at sector level

☒ Overweight/underweight at stock level

☒ Buy/sell decisions

☒ Engagement / Voting

☐ Other, specify

☐ None of the above

☐ Index incorporating ESG issues (for passively managed funds)



At the core of all our investment processes, analysts and portfolio managers integrate a consideration of relevant ESG factors into their company, asset and sovereign evaluation and investment decision-making processes. As reflected in our investment beliefs, this process allows them to identify and assess areas of risk or opportunity which may not be understood by all market participants, and which provide them with a relative advantage. The process to integrate and embed ESG factors is guided by formal ESG Integration Guidelines and overseen by an ESG Validation Committee. Our goal is that by 2020, every investment process - and by definition, every investment strategy - will have been reviewed and approved by this Committee. Further information is available in our ESG Integration Guidelines and Policy.

For all asset classes, we have set ESG integration principles, they will apply for all our flagship fund range from 30/06/2019.

#### PHILOSOPHY

- ☐ Sustainability is embedded in our investment philosophy
- ☐ All investment teams will implement our Global Sustainability Policy
- ☐ We recognise that the level of ESG integration achievable over short to medium term horizons varies from asset class to asset class, and from strategy to strategy
- ☐ Some common principles for ESG integration apply across all asset classes, while others are asset class or strategy-specific

#### INVESTMENT PROCESS

- ☐ Each investment team is fully responsible for their investment process, and all investment research, analysis and decisions resulting from the application of this process
- ☐ Investment teams are ultimately responsible for the integration of ESG factors in their investment processes
- ☐ We aim to progressively integrate ESG factors into all of our investment processes

#### RESEARCH

- ☐ Qualitative ESG analysis on individual entities will primarily be undertaken within the investment teams, in collaboration with the Sustainability Centre
- ☐ Qualitative ESG analysis on 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 not invest in a public entity without an ESG score, or performing qualitative ESG analysis in the absence of a quantitative ESG rating
- ☐ We will not invest in a private entity without performing ESG due diligence (which could include qualitative analysis, or receiving completed ESG questionnaire)
- ☐ Investment teams will be able to explain our ESG analysis and view for each portfolio holding, supported by the Sustainability Centre

#### EXCLUSIONS

- ☐ We will not invest in companies in breach of the UN Global Compact
- ☐ We will watchlist (or not invest in) companies struggling to meet the standards laid down in the UN Global Compact
- ☐ We will implement our own AM sector policies, in collaboration with the BNPP Group

#### STEWARDSHIP AND ENGAGEMENT

- ☐ We will actively own our passive investments through stewardship, engagement and voting
- ☐ We will not invest in a weakly rated entity without actively engaging (or planning to actively engage in the very near future) particularly on the key issues identified
- ☐ We may disinvest from weakly rated entities which do not respond to engagement
- ☐ Holdings of weakly-rated public entities will need to be justified by additional documented qualitative analysis integrating ESG factors, working closely with the sustainability centre

- ☐ We will engage with entities to encourage better practices, with a focus on weakly rated entities in collaboration with the Sustainability Centre

#### PROMOTING ESG

- ☐ Each investment team should have an ESG champion, the subject matter expert within the team who actively engages with the Sustainability Centre, and acts as the central coordinator between the investment team and the Sustainability Centre
- ☐ Each business line should have a lead ESG correspondent to coordinate the activities of the team ESG champions
- ☐ We will use or create ESG benchmarks for our passive solutions wherever we can
- ☐ We will actively promote the use of ESG benchmarks for our passive clients currently using conventional benchmarks

#### KPIS AND REPORTING

- Integrating ESG factors into our investment processes should have a measurable positive impact on the ESG characteristics of our portfolios
- We should aim to hold portfolios with more positive ESG characteristics than their respective (invested) benchmarks
- The KPIs of staff with specified ESG roles should reflect these roles, the objectives of investment staff generally should reflect our ambitions around ESG integration
- We should aim to hold portfolios with a lower carbon footprint than their respective (invested) benchmarks.

All BNP Paribas AM portfolio managers have full access to ESG research and scores. This comes as a complement to their financial/fundamental analysis.

# BNP Paribas Asset Management

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 01.1

Indicate whether your organisation has an active ownership policy.

☒ Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

☐ Attachment provided:

☒ URL provided:

URL

{hyperlink:https://docfinder.is.bnpparibas-ip.com/api/files/389C7F5A-30D9-4F6A-B5BE-4F97839AC858}

LEA 01.3

Indicate what your active engagement policy covers:

General approach to active ownership

- ☒ Conflicts of interest
- ☒ Alignment with national stewardship code requirements
- ☒ Assets/funds covered by active ownership policy
- ☒ Expectations and objectives
- ☒ Engagement approach

Engagement

- ☒ ESG issues
- ☒ Prioritisation of engagement
- ☒ Method of engagement
- ☒ Transparency of engagement activities
- ☒ Due diligence and monitoring process
- ☒ Insider information
- ☒ Escalation strategies
- ☐ Service Provider specific criteria
- ☒ Other specify;  
Climate change strategy
- ☒ (Proxy) voting approach

Voting
--------

- ☒ ESG issues
- ☒ Prioritisation and scope of voting activities
- ☒ Methods of voting
- ☒ Transparency of voting activities
- ☒ Regional voting practice approaches
- ☒ Filing or co-filing resolutions
- ☒ Company dialogue pre/post-vote
- ☒ Decision-making processes
- ☒ Securities lending processes
- ☐ Other specify;

☐ Other

☐ None of the above

☐ No

<b>LEA 01.4</b>	Do you outsource any of your active ownership activities to service providers?
-----------------	--

☐ Yes

☒ No

<b>LEA 01.6</b>	Additional information [optional]
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BNPP AM is an active owner. We are thoughtful and diligent investors in companies, and have detailed proxy-voting and engagement guidelines on a range of ESG issues. We believe that meaningful engagement with issuers can enhance our investment processes and better enable us to successfully manage long-term risk for our clients.

Our portfolio managers and experts in our Sustainability Centre are in regular contact with investee companies, in order to emphasise long-term value creation.

We collaborate closely with our peers and civil society organisations to formulate and communicate our vision in order to make a positive difference to people's futures. We work closely with other investors so that we can better accompany the companies we invest in in their own sustainability journeys, for example through our participation in the Climate Action 100+ initiative (see below, where we outline the priority elements of our Stewardship Strategy).

A priority for us as part of our ongoing dialogue with the companies, in which we invest, is to promote good governance practices. These include a focus on the creation of long-term shareholder value; the protection of shareholder rights; independent and efficient board structure; and the alignment of incentive structures with the long-term interests of stakeholders.

Our approach to stewardship, and associated policies, including proxy voting and public policy, is addressed in our Voting Policy and in our Statement of compliance with the UK Stewardship Code. Furthermore, they will be further elaborated in BNPP AM's Stewardship Policy, which will be published shortly.

## Engagement

<b>LEA 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1,2,3</b>
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<b>LEA 02.1</b>	Indicate the method of engagement, giving reasons for the interaction.
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Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

#### LEA 02.4

Additional information. [Optional]

We prefer engaging directly so that we can gain a better understanding of the companies we invest in. We also consider that having the opportunity to create dialogue with companies provides another avenue to foster responsible practices.

#### LEA 03

Mandatory

Public

Core Assessed

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

#### LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagements.

☒ Yes

#### LEA 03.2

Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal engagements	<div>Internal / Individual engagements</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Geography / market of the companies</li> <li><input checked="" type="checkbox"/> Materiality of the ESG factors</li> <li><input checked="" type="checkbox"/> Exposure (size of holdings)</li> <li><input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred</li> <li><input checked="" type="checkbox"/> Responses to divestment pressure</li> <li><input checked="" type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input checked="" type="checkbox"/> Follow-up from a voting decision</li> <li><input type="checkbox"/> Client request</li> <li><input checked="" type="checkbox"/> Breaches of international norms</li> <li><input type="checkbox"/> Other, specify</li> <li><input type="checkbox"/> We do not outline engagement criteria for our individual engagements.</li> </ul>
Collaborative engagements	<div>Collaborative engagements</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues from other investors</li> <li><input checked="" type="checkbox"/> Ability to have greater impact on ESG issues</li> <li><input checked="" type="checkbox"/> Ability to add value to the collaboration</li> <li><input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration</li> <li><input checked="" type="checkbox"/> Materiality of ESG factors addressed by the collaboration</li> <li><input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration</li> <li><input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred</li> <li><input checked="" type="checkbox"/> Responses to divestment pressure</li> <li><input checked="" type="checkbox"/> Follow-up from a voting decision</li> <li><input checked="" type="checkbox"/> Alleviate the resource burden of engagement</li> <li><input type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input type="checkbox"/> Other, specify</li> <li><input type="checkbox"/> We do not outline engagement criteria for our collaborative engagements.</li> </ul>

☐ No

#### LEA 03.3

Additional information. [Optional]

In 2018, the key areas of our engagement activity were:

#### **Environmental**

- Water management
- Climate change
- Plastic

- Natural capital
- Deforestation.

#### **Social issues**

- Pharmaceuticals: Clinical trials transparency, access to medicine.
- Food value chain: Access to nutrition, sustainable agricultural supply chains, farm animal welfare.

#### **Governance issues**

- Executive pay.
- Bribery and corruption.
- Board composition and practices.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
----------	--

Individual / Internal engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff.
Collaborative engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 04.2	Additional information. [Optional]
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We have a process in place to closely monitor all companies perceived to be at risk. If the company is not open to dialogue, transparent enough or does not respond constructively, we escalate our action, by:

#### **1. Using our voting leverage**

We engage with all companies perceived to be at risk in the pursuit of clarification and checking for full compliance with our standards. If the company is not transparent enough on ESG issues, climate change or is at risk of breaching the UN Global Compact Principles, we shall vote "abstain" to their financial accounts.

We will always, prior to voting, offer to engage with each company.

#### **2. Excluding the company from our investment universes**

We will exclude a company from our investment universes if it is found to be associated with serious and repeated breaches of one or more UN Global Compact Principles or does not meet the mandatory criteria of our sector-specific policies. We aim first to engage in dialogue with the company, but if the company does not respond in a satisfactory manner to our required standards, we will exclude it from our investments.

#### **3. Using a wide range of other actions**



Where a constructive and confidential approach seems insufficient, BNP Paribas AM can decide to make public statements, propose shareholder resolutions, call an extraordinary general meeting (EGM) or intervene jointly with other institutions.

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1	Indicate if you monitor and/or review engagement outcomes.
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Individual / Internal engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes carried out by our internal staff.
Collaborative engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes via collaborative engagement activities.

LEA 05.2	Indicate if you do any of the following to monitor and review the progress of engagement activities.
----------	--

Individual / Internal staff engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify

LEA 05.3	Additional information [Optional]
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We identify and prioritise collaborative engagement activities:

**In response to our Responsible Business Conduct**

- UN Global Compact - We engage with companies that are breaching the Global Compact or at risk of doing so.
- BNP Paribas AM's sector policies - We engage with some companies that do not meet our requirements in terms of sensitive activities (palm oil and wood pulp, nuclear power generation, coal, mining, controversial weapons, asbestos, unconventional oil& gas, tobacco).

### In response to our voting policy

- Corporate governance/voting policy. Exercising our voting rights at annual general meeting's (AGM) to foster high corporate governance standards, and good social and environmental practices.
- In response to our climate change strategy
- Engagement on disclosure and further action: Climate Action 100+, IIGCC and IIGCC climate-disclosures sub-group, PRI (methane).
- Sector-driven: we have worked on four key sectors: airlines, building products, coal mining, energy, utilities and autos to engage both individually and collectively through the IIGCC corporate programme. We are an active member of the Transition Pathway Initiative (TPI).
- Engagement on climate lobbying.

### Sector-specific ESG key issues or newly emerging issues

Our engagement in this area is the result of individual analysts' research; the need to engage with companies might emerge from the need to learn more about an issue or because it is found to be critical and material for a sector (access to nutrition, access to medicine, deforestation) or because a real concern has been identified (e.g. lack of transparency on reporting clinical trials results) that impedes fully-informed investment decisions from being taken

LEA 06	Mandatory	Public	Additional Assessed	PRI 2,4
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LEA 06.1	Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.
----------	--

☒ Yes

LEA 06.2	Indicate the escalation strategies used at your organisation following unsuccessful engagements.
----------	--

- ☒ Collaborating with other investors
- ☒ Issuing a public statement
- ☒ Filing/submitting a shareholder resolution
- ☒ Voting against the re-election of the relevant directors
- ☒ Voting against the board of directors or the the annual financial report
- ☐ Submitting nominations for election to the board
- ☐ Seeking legal remedy / litigation
- ☐ Reducing exposure (size of holdings)
- ☐ Divestment
- ☐ Other, specify

☐ No

LEA 06.3	Additional information. [Optional]
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BNPP AM preference is to engage directly with companies as we believe it better serves the long-term interests of our clients to establish relationships, and a reputation, with companies that enhances rather than hinders dialogue.

However, when the interests of our clients should be protected and enhanced and when a step-up of monitoring activity is required to ensure protection and enhancement of shareholder value, BNPP AM can decide to: make public statements, propose shareholder resolutions, call an extraordinary general meeting or intervene jointly with other institutions.

The decision is taken on a case by case basis, to ensure that our concerns have been properly heard and dealt with.

LEA 07	Voluntary	Public	Additional Assessed	PRI 1,2
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LEA 07.1	Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.
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Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2	Indicate the practices used to ensure information and insights collected through engagements are shared with investment decision-makers.
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- ☒ Involving investment decision-makers when developing engagement programme
- ☒ Holding investment team meetings and/or presentations
- ☒ Using IT platforms/systems that enable data sharing
- ☐ Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- ☐ Other; specify
- ☐ None

LEA 07.3	Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.
----------	---

Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 07.4** Additional information. [Optional]

Twice a year all portfolio managers within BNP Paribas AM are updated on our list of companies that are not eligible for investment and on the list of companies that are under surveillance in the context of our Responsible Business Conduct policy. Once a month we update our ESG corporate scoring list and is sent to all investment teams. Portfolio managers have access to written profiles of the companies which includes research/engagement elements.

The results of the proxy voting engagement are shared with portfolio managers and presented to the proxy voting committee.

When a company that is part of our funds faces a severe controversy, the company is temporarily put under surveillance. During the surveillance period, maximum of one month in length, ESG analysts examine the controversy and the reaction from the company. He/she will aim to engage with the company in order to assess company's reaction and management of the issue. The analyst will communicate his/her analysis and decision of whether or not to downgrade the company to the investments teams.

Please note that during "the surveillance period" SRI portfolio managers cannot reinforce their exposures to the company.

**LEA 08** **Mandatory** **Public** **Gateway** **PRI 2**

**LEA 08.1** Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track

**LEA 08.2** Additional information. [OPTIONAL]

We keep a detailed file for all engagement activities, collaborative or individual. The file is updated on an ongoing basis.

**(Proxy) voting and shareholder resolutions**

**LEA 12** **Mandatory** **Public** **Descriptive** **PRI 2**

**LEA 12.1** Indicate how you typically make your (proxy) voting decisions.

Approach
<input type="radio"/> We use our own research or voting team and make voting decisions without the use of service providers. <input checked="" type="radio"/> We hire service provider(s) who make voting recommendations and/or provide research that we use to guide our voting decisions.

#### Based on

- ☐ the service provider voting policy we sign off on
- ☒ our own voting policy
- ☐ our clients' requests or policies
- ☐ other, explain
- ☐ We hire service provider(s) who make voting decisions on our behalf, except for some pre-defined scenarios where we review and make voting decisions.
- ☐ We hire service provider(s) who make voting decisions on our behalf.

#### LEA 12.2

Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

### GOVERNANCE AND VOTING PRINCIPLES

We believe that good corporate governance provides a good foundation framework to ensure that a corporation is managed in the long-term interest of its shareholders. Therefore BNP Paribas AM expects all corporations in which it invests to comply with high corporate governance standards.

Voting at annual general meetings is a key component of the ongoing dialogue with companies in which we invest on behalf of our clients and forms an integral part of BNP Paribas AM's investment process. We are committed to ensure the consistent exercising of 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, where proxy voting has been delegated to us.

Our document "Governance and voting policy" explains what we expect of public companies and how we carry out our ownership responsibilities.

The policy outlines our key governance and voting principles, describes our proxy voting process, and sets out guidelines that highlight, for each item, both best practices and any issues that may trigger an "oppose" or "abstain" vote.

In applying our voting guidelines, we take into account specific circumstances as they relate to individual companies. Our policy and guidelines are reviewed annually in order to reflect the evolution of corporate governance codes and market practices

This document is available on our website : <https://docfinder.bnpparibas-am.com/api/files/A27AB987-48DB-492D-B9D0-66357B652716>

#### LEA 12.3

Additional information.[Optional]

We use the services of proxy voting providers ISS, with voting research and a voting platform on all companies, and Proxinvest, providing research on French companies only. While proxy voting providers are used to help us with the analysis of general meetings, BNP Paribas AM will take each voting decision for every shareholder's meeting internally with no outsourcing of the final decision.

We also use the services of external providers to provide us with inputs (indicators, research, etc.) on ESG factors. All stewardship activities related to engagement, monitoring and voting are integrally and exclusively carried out internally.

#### LEA 15

Mandatory

Public

Descriptive

PRI 2

<b>LEA 15.1</b>	Indicate the proportion of votes where you or the service providers acting on your behalf have raised concerns with companies ahead of voting.
-----------------	--

- ☐ 100%
- ☒ 99-75%
- ☐ 74-50%
- ☐ 49-25%
- ☐ 24-1%
- ☐ Neither we nor our service provider(s) raise concerns with companies ahead of voting

<b>LEA 15.2</b>	Indicate the reasons for raising your concerns with these companies ahead of voting.
-----------------	--

- ☒ Vote(s) for selected markets
- ☒ Vote(s) for selected sectors
- ☒ Vote(s) relating to certain ESG issues
- ☒ Vote(s) on companies exposed to controversy on specific ESG issues
- ☒ Vote(s) for significant shareholdings
- ☐ On request by clients
- ☐ Other

<b>LEA 15.3</b>	Additional information. [Optional]
-----------------	------------------------------------

We voted against or abstain for at least one item at 75% of the assemblies.

Engagement with issuers, linked to the voting activity, aims at enhancing the long-term value of our shareholdings and to foster corporate governance best practices, social responsibility and environmental stewardship.

The process of engaging in dialogue with companies can stem from our own initiative or be in response to the request of the issuer. This dialogue process focuses on our main positions in terms of assets or where we hold a significant portion of the share capital. It is mainly undertaken during a general meeting in which significant governance or financial issues are at stake.

The dialogue is undertaken systematically with companies invested in by our active managers and included in the main French index (CAC 40) or if we are a significant shareholder.

<b>LEA 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 16.1</b>	Indicate the proportion of votes participated in within the reporting year in which, you and/or the service provider(s) acting on your behalf, have communicated to companies the rationale for abstaining or voting against management recommendations.
-----------------	--

- ☐ 100%
- ☐ 99-75%
- ☐ 74-50%
- ☐ 49-25%
- ☒ 24-1%
- ☐ We do not communicate the rationale to companies
- ☐ Not applicable because we and/or our service providers do not abstain or vote against management recommendations

<b>LEA 16.2</b>	Indicate the reasons your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.
-----------------	---

- ☒ Votes for selected markets
- ☒ Votes for selected sectors
- ☒ Votes relating to certain ESG issues
- ☒ Votes on companies exposed to controversy on specific ESG issues
- ☒ Votes for significant shareholdings
- ☐ On request by clients
- ☐ Other

<b>LEA 16.3</b>	In cases where your organisation does communicate the rationale for the abstention or the vote against management recommendations, indicate whether this rationale is made public.
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- ☐ Yes
- ☒ No

<b>LEA 16.4</b>	Additional information. [Optional]
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BNPP AM maintains an active programme of corporate engagement on a wide range of ESG issues. Corporate engagement is designed to enhance the long-term value of our shareholdings and to foster corporate governance best practices, social responsibility and environmental stewardship.

An important component of the programme is our commitment to focused engagements linked to voting activity.

Dialogues with companies can be opened at our own initiative or at the request of the issuer and are focused on our main positions in terms of assets or where we hold a significant portion of the share capital.

Dialogues are systematically conducted with companies held by our active managers and included in the main French index (CAC 40) or when we are one of the largest shareholders. Outside of this group, dialogues are mainly focused on AGMs by companies that represent important governance or financial stakes.

While we are open to explain to all companies the way we vote in advance of the AGM, we can't inform all companies where we vote at least on one item as it represent more then 1000 companies per year. However we communicate systematically this information in case of request, and we also communicate this information to proxy solicitors.

<b>LEA 17</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 17.1</b>	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	--

- ☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

90

Specify the basis on which this percentage is calculated

- ☒ of the total number of ballot items on which you could have issued instructions
- ☐ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted
- ☐ We do not track or collect this information

**LEA 17.2**

Explain your reason(s) for not voting on certain holdings

- ☐ Shares were blocked
- ☐ Notice, ballots or materials not received in time
- ☐ Missed deadline
- ☐ Geographical restrictions (non-home market)
- ☐ Cost
- ☐ Conflicts of interest
- ☒ Holdings deemed too small
- ☐ Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- ☐ Client request
- ☐ Other

**LEA 17.3**

Additional information. [Optional]

We do not vote on 100% of our holdings as it would imply:

- An increase in the costs of proxy voting for clients; and
- A need to outsource a greater added-value part of the voting activity, which would reduce the qualitative and committed aspects of our voting process.

Our voting scope covers companies for which our aggregated holding positions meet at least one of the three following conditions:

- Represent 90% of accrued total of our stock positions.
- Consist of 0.5% or more of the company's market capitalisation.
- Ad hoc demand.

The choices of the shares for which we exercise voting rights aim at both concentrating our efforts on positions held in a wide proportion of our assets under management, and participating in shareholders' meetings of companies in which our collective investment schemes hold a significant part of the capital.

**LEA 18**

Voluntary

Public

Additional Assessed

PRI 2

**LEA 18.1**

Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- ☒ Yes, we track this information

**LEA 18.2**

Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:



Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	<div> <div></div> <div>%</div> </div> 78.1
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> 17.8
Abstentions	<div> <div></div> <div>%</div> </div> 4.1

100%

☐ No, we do not track this information

<b>LEA 18.3</b>	In cases where your organisation voted against management recommendations, indicate the percentage of companies you have engaged.
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<b>LEA 18.4</b>	Additional information. [Optional]
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The voting policy is part of our engagement strategy:

One of our engagement priorities is climate change. As part of this engagement programme, at the end of 2015 we revised our Voting Policy to specifically address climate change. We updated our policy so we could use our voting leverage to deliver our climate strategy.

Specifically, it stipulates that we will vote "abstain" on the financial statements, discharge or director elections when the company does not report properly on its carbon footprint (scope 1 and 2), does not communicate, or does it want to engage with us in relation to its business strategy to mitigate and adapt to climate change.

We will vote in favour of value-enhancing resolutions which ask companies to reduce their greenhouse gas emissions in alignment with a target maximum 2°C global warming and will also file resolutions asking them to stop lobbying against any policy designed to achieve this. We will indicate, in advance, a willingness to vote in favour of resolutions requesting disclosure on low-carbon compliant business plans.

Also in 2017, we changed our voting policy to introduce the responsible dividend approach, as part of our engagement strategy to promote a long-term investment approach. A sustainable dividend is a dividend with a reasonable pay-out ratio (between 25% and 100%) that does not undermine the company's capacity to invest and does not affect the remuneration of other stakeholders. We may oppose a dividend if the payout ratio appears excessive relative to the company's operational results and other stakeholders' remuneration.

In terms of the voting process, we communicate the way we intend to vote to companies before the AGM for our main positions in terms of assets or where we hold a significant portion of the share capital.

Our voting decision is communicated internally given that it can be made by the portfolio manager who has the biggest position (e.g. companies invested in by our active managers or in which we are a significant shareholder).

We monitor a company's reaction in several ways: In case of a significant concern highlighted by a shareholder vote (voting down a remuneration report, majority support of a shareholder proposal, etc.), if the company does not react on this, a vote against director election can be considered.

Also voting against a management decision might lead to an impact on the ESG rating. For example, we might include elements of our voting analysis in our qualitative overlay. The latter alongside the quantitative scoring provides a final ESG score of a company.

LEA 19	Mandatory	Public	Core Assessed	PRI 2
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LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
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- ☒ Yes  
☐ No

LEA 19.2	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.
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- ☒ Contacting the company's board  
☒ Contacting the company's senior management  
☒ Issuing a public statement explaining the rationale  
☒ Initiating individual/collaborative engagement  
☐ Directing service providers to engage  
☒ Reducing exposure (holdings) / divestment  
☐ Other

LEA 19.3	Additional information. [Optional]
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BNPP AM preference is to engage companies directly as we believe it better serves the long-term interests of our clients to establish relationships, and a reputation, with companies that enhances rather than hinders dialogue.

However, when the interests of our clients should be protected and enhanced and when a step-up of monitoring activity is required to ensure protection and enhancement of shareholder value, BNPP AM can decide to: make public statements, propose shareholder resolutions, call an extraordinary general meeting or intervene jointly with other institutions.

The decision is taken on a case by case basis, to ensure that our concerns have been properly heard and dealt with.

# BNP Paribas Asset Management

## Reported Information

### Public version

#### Direct - Fixed Income













## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	 Screening alone	0
	 Thematic alone	0
	 Integration alone	0
	 Screening + integration strategies	95
	 Thematic + integration strategies	0
	 Screening + thematic strategies	0
	 All three strategies combined	5
	 No incorporation strategies applied	0
		100%
Corporate (financial)	 Screening alone	0
	 Thematic alone	0
	 Integration alone	0
	 Screening + integration strategies	95

	<div> <div></div> <div>Thematic + integration strategies</div> </div> <div>0</div>
	<div> <div></div> <div>Screening + thematic strategies</div> </div> <div>0</div>
	<div> <div></div> <div>All three strategies combined</div> </div> <div>5</div>
	<div> <div></div> <div>No incorporation strategies applied</div> </div> <div>0</div>
	100%

Corporate (non-financial)		Screening alone	0
		Thematic alone	0
		Integration alone	0
		Screening + integration strategies	95
		Thematic + integration strategies	0
		Screening + thematic strategies	0
		All three strategies combined	5
		No incorporation strategies applied	0
			100%

#### FI 01.2

Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Investment teams are required to integrate ESG elements of analysis in their investment decision processes. ESG enhances risk management and can help improve fundamental research at stock-level - in terms of managing operational, reputational, or any other financial risk while highlighting the investment or growth opportunities that ESG factors might provide. To do so, we have generalised access to in-depth analysis on ESG factors at sector and at company-level to all investment teams.

#### FI 01.3

Additional information [Optional].

Following on the previous point

The following principles govern our implementation of ESG Standards in investment processes:

Investment universes are periodically screened with a view to identify issuers that are potentially in breach of UN Global Compact Principles and/or mandatory requirements applicable to sensitive sectors and products.

This assessment is conducted by our Sustainability Research Team on the basis of internal analysis and information provided by external experts, and in consultation with BNP Paribas Group CSR Team.

As a result of this process, BNP Paribas Asset Management (BNP Paribas AM) establishes and maintains two lists:

- an exclusion list of issuers that are associated with serious and repeated breaches of UN Global Compact Principles and/or mandatory requirements related to controversial sectors and products; and,
- a watch-list of issuers that are at risk of breaching ESG standards and with whom we engage in a dialogue in order to encourage improvements.

Exclusion and watch lists are communicated by CIOs to investment teams on a regular basis. As a result, investment teams should not initiate new investments in any excluded company with immediate effect. Existing investments should be divested from relevant portfolios based on market conditions but not later than one month after communication by CIOs.

The exclusion list applies to all open-ended funds managed by BNP Paribas AM entities, with exceptions for portfolios which replicate the composition of indices (e.g. ETFs and indexed funds) and to all types of securities (equities, bonds, convertible bonds). It also applies to participation notes and derivatives issued by third-parties on such securities. These restrictions apply to securities negotiated on primary and secondary markets, as well as OTC instruments.

Subject to legal and technical constraints, ESG standards also apply to:

- segregated accounts and mandates (subject to client information or approval where required);and,
- funds delegated to external asset managers (subject to amendment of relevant Investment Management Agreements or Investment Guidelines).

In addition to above requirements, we have taken the decision in 2018 to have all our active investment strategies go through a formal ESG integration process. The process to integrate and embed ESG factors is guided by formal ESG Integration Guidelines and overseen by an ESG Validation Committee (members include, inter alia, the Head of Macro Research, Investment Process and Risk; the Global Head of Sustainability and asset class Chief Investment Officer) . Our goal is that by 2020, every investment process - and by definition, every investment strategy - will have been reviewed and approved by this Committee. Further information is available in our specific ESG Integration Guidelines and Policy (available for clients). Examples of guidelines include, but are not limited to:

- We will not invest in a public entity without an ESG score, or performing qualitative ESG analysis in the absence of a quantitative ESG rating
- We should aim to hold portfolios with more positive ESG characteristics than their respective (invested) benchmarks.
- As a last resort, we may disinvest from weakly rated entities which do not respond to engagement, and which show no sign that they will place greater emphasis on sustainability considerations in the future.
- Holdings of weakly-rated public entities will need to be justified by additional documented qualitative analysis integrating ESG factors
- We should aim to hold portfolios with a lower carbon footprint than their respective (invested) benchmarks

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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**FI 03.1**

Indicate how you ensure that your ESG research process is robust:

- ☐ Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- ☐ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- ☐ Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- ☒ A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- ☒ Other, specify

specify description

Work between ESG analysts and portfolio managers/sector analysts + joint meetings (PM + ESG) with issuers.

- ☐ None of the above

**FI 03.2**

Describe how your ESG information or analysis is shared among your investment team.

- ☒ ESG information is held within a centralised database and is accessible to all investment staff
- ☐ ESG information is displayed on front office research platforms
- ☐ ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- ☒ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- ☐ Records capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

**FI 03.3**

Additional information. [Optional]

Since 2014, through the ESG correspondents within all asset classes, we started sharing the outputs of the ESG Research team with all our mainstream portfolio managers, namely ESG sector reviews and ESG scores for corporate and sovereign issuers.

In 2016, we integrated the ESG scores into Thinkfolio, our front office tool. We developed an IT solution to store our ESG research and companies' ESG profiles. The objective was to enable as many portfolio managers as possible to use these tools in their investment decision process for a better understanding of the ESG risks associated with each of the companies they invest in.

At the end of 2018, early in 2019, ESG Champions have been appointed to help promote sustainable investment within each team, and to liaise with the Sustainability Centre. Trainings are organised centrally, both for the ESG Champions as well as across investment teams, as we work to enhance the firm's overall capacity on ESG issues. Changing company culture takes time but we have an ambitious programme to truly embed sustainability into the heart of our investment culture. Our approach to investment research benefits from the insights of sustainability experts, our investment teams, and our 3rd party research providers.

**(A) Implementation: Screening**

FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

FI 04.2	Describe your approach to screening for internally managed active fixed income
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**All funds ought to comply with:**

Sector policies (palm oil and wood pulp, coal fired power plants, nuclear energy, controversial weapons, mining, asbestos, tar sands, agriculture),

ESG practices: minimum ESG standards as requested in the sector policies + compliance with UN Global Compact Principles,

Corporate Governance: minimum governance standards as requested in the sector policies + compliances with UN Global Compact

Exclusion policies on unconventional oil & gas and tobacco (launched in 2017 /2018)

**On top of it, all SRI funds must on top of the above, eliminate all companies active in alcohol, tobacco, gambling, pornography, armament sector (if revenue >10% of the activity).**

In 2016, we also implemented a strict carbon-free policy that excludes:

All mining companies with more than 10% of their revenues generated from "thermal coal"

All utilities whose carbon intensity when producing electricity is higher than 530 kgCO<sub>2</sub>/MWh. Below this, investments may be held, unless the following thresholds are all exceeded:

- Coal installed capacity and production is greater than 30%
- Carbon intensity in energy production is greater than 484 kgCO<sub>2</sub>/MWh.

In 2017, we also decided to extend our carbon policy by excluding oil producers with more than 10% of their production coming from tar sands.

FI 04.3	Additional information. [Optional]
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**UN Global Compact filter:**

The following principles govern the implementation of ESG Standards in investment processes:

Investment universes are periodically screened with a view to identify issuers that are potentially in breach of UN Global Compact Principles and/or mandatory requirements applicable to controversial sectors and products.

This assessment is conducted by our SRI/ESG Research Team on the basis of internal analysis and information provided by external experts (Sustainalytics) and in consultation with BNP Paribas Group CSR Team.

As a result of this process, BNP Paribas AM establishes and maintains two lists:

11. an exclusion list of issuers that are associated with serious and repeated breaches of UN Global Compact Principles and/or mandatory requirements related to controversial sectors and products.

12. a watchlist of issuers that are at risk of breaching ESG standards and with whom we engage in a dialogue in order to encourage improvements.

The exclusion and watchlists are communicated by CIOs to investment teams on a regular basis and are reviewed twice a year. As a result, investment teams should not initiate new investments in excluded companies with immediate effect. Existing investments should be divested from relevant portfolios based market conditions but not later than one month after communication by CIOs.

The exclusion list applies to all open-ended funds managed by BNP Paribas AM entities, with the exception of portfolios which replicate the composition of indices (e.g. ETFs and indexed funds). Exceptions may also be granted in cases where exclusions from actively managed portfolios would result in significant market risk versus the benchmark.

The exclusion list applies to all types of securities (equities, bonds, convertible bonds) issued by aforementioned companies, as well as bonds issued by related financial vehicles. It also applies to participation notes and derivatives issued by third-parties on such securities. These restrictions apply to securities negotiated on primary and secondary markets, as well as OTC instruments.

Pre-trade and post-trade compliance checks are conducted by Investment Compliance teams to ensure that exclusions lists are implemented by all relevant portfolios.

#### **Sector specific minimum ESG standards:**

In addition to the UN Global Compact principles, BNP Paribas AM implements a series of ESG standards related to investments in controversial sectors and products. These standards are consistent with sector policies adopted by the BNP Paribas Group and cover the following areas:

- **Palm oil and Wood Pulp.** The aim is to encourage the production of sustainable palm oil and wood pulp by investing only in companies that meet minimum environmental and social standards. Consequently, companies that do NOT adhere to such minimum standards (e.g. by converting protected areas into palm oil and wood plantations, or using child/forced labour) should not be invested in.
- **Nuclear.** The objective is to ensure that we invest in companies that operate in countries with a proper legal framework, use appropriate technologies and adopt adequate health& safety monitoring and accident prevention measures.
- **Coal-fired Power Generation.** The aim is to ensure that we invest in utility companies that decrease their CO2 intensity by operating more efficient coal-fired power stations and diversifying to cleaner sources of electricity generation.
- **Controversial weapons.** The objective is to ensure that we do not invest in companies involved in the production, trading and storage of controversial weapons. These include cluster ammunition and antipersonnel landmines, chemical and biological weapons, and nuclear/depleted uranium weapons. Most of these weapons are covered by international conventions and investments are already prohibited in some jurisdictions.
- **Asbestos.** The objective is to ensure that we do not invest in companies involved in the extraction or production of asbestos fibres banned today in more than 50 countries.
- **Mining:** the objective is to ensure that we do not invest in companies that use Mountain Top Removal (MTR) technics or with low ESG standards and practices.
- **Agriculture:** The objective is to ensure that we invest in companies developing sustainable practices and that are committed to feed people with healthy and safe products without threatening the food supply of future generations. We also oppose deforestation and seek to invest in companies with a no drained-peatlands policy.
- **Tobacco:** since March 1st 2018, BNP Paribas AM is implementing a tobacco exclusion policy. It will exclude tobacco from its range of actively-managed collective investment vehicles over which it has full discretion, extending the policy already applied to its sustainable portfolios when it launched its first SRI fund in 2002. Divestment from portfolios over which BNP Paribas AM has full discretion is expected to be complete by the end of 2018. For more information, please find the press release here below:  
<https://docfinder.is.bnpparibas-ip.com/api/files/D00FFD0D-2265-45AF-836A-B25480DD2FFC>
- **Oil& gas:** since its announcement in October 2017, BNP Paribas Group will no longer do business with companies whose principal business activity is the exploration, production, distribution, marketing or trading of oil and gas from shale and/or oil from tar sands. BNP Paribas Group is also ceasing financing/investing

in projects that are primarily involved in the transportation or export of oil and gas from shale or oil from tar sands. The Group will not finance/invest in any oil or gas exploration or production projects in the Arctic region. Please find the press release here below: <https://group.bnpparibas/en/press-release/bnp-paribas-takes-measures-accelerate-support-energy-transition>

For each area, the sections below contain background information and key definitions on activities and companies concerned. Investment criteria addressing the main ESG issues and are split into two categories:

- Mandatory requirements are to be understood as sine qua non: those have to be met without exception for BNP Paribas AM to invest in a company.
- Evaluation criteria provide a framework for further contextual analysis and dialogue with companies, based on which BNP Paribas AM may decide not to invest even if mandatory requirements are met.

The sector policies are reviewed once a year by BNP Paribas Group with the help of external and internal experts and also integrate the feedback of the engagement results.

On top of it, for all our SRI funds, We apply further screenings. We exclude companies (issuers) active in alcohol, tobacco, gambling, pornography and defence sector (if revenue >10% of the activity).

FI 06	Mandatory	Public	Core Assessed	PRI 1
FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.			

Type of screening	Checks
<b>Negative/exclusionary screening?</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Positive/best-in-class screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Norms-based screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

### (B) Implementation: Thematic

FI 08	Mandatory	Public	Core Assessed	PRI 1
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<b>FI 08.1</b>	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
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- ☒ We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- ☒ We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- ☒ We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- ☒ We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- ☐ Other, specify
- ☐ None of the above

<b>FI 08.2</b>	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
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As explained above, if the issuer is not able to deliver an impact report describing how the proceeds have been allocated, our decision is to downgrade the investment recommendation to OUT. That means that if the green bond was part of our green bond portfolio, the PM will sell the position within 4 weeks.

<b>FI 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>FI 09.1</b>	Indicate how you assess the environmental or social impact of your thematic investments.
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- ☒ We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- ☐ We ensure independent audits are conducted on the environmental or social impact of our investments
- ☒ We have a proprietary system to measure environmental and social impact
- ☒ We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- ☐ Other, specify
- ☐ None of the above

### (C) Implementation: Integration

<b>FI 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>FI 10.1</b>	Describe your approach to integrating ESG into traditional financial analysis.
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At the core of all our investment processes, analysts and portfolio managers integrate a consideration of relevant ESG factors into their company, asset and sovereign evaluation and investment decision-making processes. As reflected in our investment beliefs, this process allows them to identify and assess areas of risk or opportunity which may not be understood by all market participants, and which provide them with a relative advantage. The process to integrate and embed ESG factors is guided by formal ESG Integration Guidelines and overseen by an ESG Validation Committee. Our goal is that by 2020, every investment process - and by definition, every investment strategy - will have been reviewed and approved by this Committee. Further information is available in our ESG Integration Guidelines and Policy.

For all asset classes, we have set ESG integration principles, they will apply for all our flagship fund range from 30/06/2019.

## PHILOSOPHY

- ☐ Sustainability is embedded in our investment philosophy
- ☐ All investment teams will implement our Global Sustainability Policy
- ☐ We recognise that the level of ESG integration achievable over short to medium term horizons varies from asset class to asset class, and from strategy to strategy
- ☐ Some common principles for ESG integration apply across all asset classes, while others are asset class or strategy-specific

## INVESTMENT PROCESS

- ☐ Each investment team is fully responsible for their investment process, and all investment research, analysis and decisions resulting from the application of this process
- ☐ Investment teams are ultimately responsible for the integration of ESG factors in their investment processes
- ☐ We aim to progressively integrate ESG factors into all of our investment processes

## RESEARCH

- ☐ Qualitative ESG analysis on individual entities will primarily be undertaken within the investment teams, in collaboration with the Sustainability Centre
- ☐ Qualitative ESG analysis on 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 not invest in a public entity without an ESG score, or performing qualitative ESG analysis in the absence of a quantitative ESG rating
- ☐ We will not invest in a private entity without performing ESG due diligence (which could include qualitative analysis, or receiving completed ESG questionnaire)
- ☐ Investment teams will be able to explain our ESG analysis and view for each portfolio holding, supported by the Sustainability Centre

## EXCLUSIONS

- ☐ We will not invest in companies in breach of the UN Global Compact
- ☐ We will watchlist (or not invest in) companies struggling to meet the standards laid down in the UN Global Compact
- ☐ We will implement our own AM sector policies, in collaboration with the BNPP Group

## STEWARDSHIP AND ENGAGEMENT

- ☐ We will actively own our passive investments through stewardship, engagement and voting
- ☐ We will not invest in a weakly rated entity without actively engaging (or planning to actively engage in the very near future) particularly on the key issues identified
- ☐ We may disinvest from weakly rated entities which do not respond to engagement
- ☐ Holdings of weakly-rated public entities will need to be justified by additional documented qualitative analysis integrating ESG factors, working closely with the sustainability centre
- ☐ We will engage with entities to encourage better practices, with a focus on weakly rated entities in collaboration with the Sustainability Centre

## PROMOTING ESG

- ☐ Each investment team should have an ESG champion, the subject matter expert within the team who actively engages with the Sustainability Centre, and acts as the central coordinator between the investment team and the Sustainability Centre
- ☐ Each business line should have a lead ESG correspondent to coordinate the activities of the team ESG champions
- ☐ We will use or create ESG benchmarks for our passive solutions wherever we can

- □ We will actively promote the use of ESG benchmarks for our passive clients currently using conventional benchmarks

## KPIS AND REPORTING

- Integrating ESG factors into our investment processes should have a measurable positive impact on the ESG characteristics of our portfolios
- We should aim to hold portfolios with more positive ESG characteristics than their respective (invested) benchmarks
- The KPIs of staff with specified ESG roles should reflect these roles, the objectives of investment staff generally should reflect our ambitions around ESG integration
- We should aim to hold portfolios with a lower carbon footprint than their respective (invested) benchmarks

All BNP Paribas AM portfolio managers have full access to ESG research and scores. This comes as a complement to their financial/fundamental analysis.

### FI 10.2

Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

#### SSA

Our ESG research team has developed dedicated ESG methodologies to assess sovereign, supranational and agencies issuers. The scores have been used by SRI fixed income portfolio managers for more than ten years in our SRI funds.

In 2018, we have started working with the fixed income teams to make use of the ESG scores for non SRI funds. This project is part of our ESG integration process we describe in our Global Sustainability Strategy.

A country review is organised once a year. The review is prepared by a prior meeting attended by the ESG analyst, the ESG research director and the portfolio managers to set the major research topics and stakes, as well as the ESG country indicators to watch.

Then the sector review is presented by the ESG analyst to the whole team (other ESG analysts and portfolio managers): exhaustive presentation of ESG stakes, ESG scoring and in/out recommendations (buy list). Simultaneously, a constant monitoring is performed to integrate the news flow coming from all possible sources (external data suppliers, sell side brokers, etc.). Depending on the seriousness of the event, a special surveillance procedure can be triggered by the ESG analysts. Portfolio managers are consequently alerted and any holding reinforcement is forbidden, waiting for a new ESG recommendation from the ESG analysts within one month.

ESG analysis and conclusions coming from the reviews are disclosed and sent to all the portfolio management teams through a network of ESG Champions within the whole BNP Paribas AM entity, well above the strict SRI management, in order to better integrate ESG extra financial contents.

#### Corporate (financial)

Our ESG research is done on issuers; there is no difference between a company issuing a bond or an equity.

Each GICS sector is reviewed annually on the same date. The purpose of the sector review is to benchmark all companies within a sector against a set of ESG indicators. These indicators are chosen by the sector analysts after in-depth research and analysis undertaken by the analyst and also based on an ample pool of sources. For Corporates, a one-to-one meeting or conference call is conducted with the companies to double-check, verify and discuss findings and data. In many cases, discussions are followed by email exchanges.

There are 11 sector reviews a year; well in advance of the review a meeting is set up with fund managers and financial analysts where the ESG analyst presents an overview of the key ESG drivers that will be analysed - including the weighting breakdown between environmental, social and governance issues - in the upcoming sector review.



Once the analysis is completed, an ESG score and a ranking is given to each company of the sector in which BNP Paribas AM invests or has an interest - including unlisted companies within the fixed income universe, large and mid-caps, etc. The results are presented formally to fund managers and financial analysts.

The ESG analyst monitors and follows the sector's ESG evolution and the companies' ESG behaviour during the entire year.

When a company faces a relevant change and/or controversy the company is put under surveillance and a meeting is set up with the company after which, once the research is done, the analyst will change or not the company's score, rating and inclusion in SRI funds within one month.

Corporate (non-financial)

Please refer to the answer above

FI 11	Mandatory	Public	Core Assessed	PRI 1
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**FI 11.1** Indicate how ESG information is typically used as part of your investment process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 11.2

Additional information [OPTIONAL]

Please refer to question 10.1

FI 12

Mandatory

Public

Additional Assessed

PRI 1

FI 12.1

Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 12.2

Please provide more detail on how you review E, S and/or G factors in your integration process.

SSA

Please refer to question 10.1 on our ESG integration process.

Corporate (financial)

As part of our ESG integration process, we consider all the portfolio managers should master the ESG elements of research provided by our in-house ESG research team as well as our portfolio managers.

ESG sector reviews and ESG scores are shared with all portfolio managers within the organisation through our network of ESG champions and the use of IT tools.

We are moving towards a more systematic integration of ESG elements in all the PMs investment processes.

Please refer to question 10.1 on ESG integration process

Corporate (non-financial)

Please refer to the previous answer.

# BNP Paribas Asset Management

## Reported Information

### Public version

#### Direct - Infrastructure

## PRI disclaimer

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## Overview

INF 02	Mandatory	Public	Core Assessed	PRI 1-6
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**INF 02.1** Indicate if your organisation has a responsible investment policy for infrastructure.

☒ Yes

**INF 02.2** Provide a URL if your policy is publicly available.

{hyperlink:https://docfinder.bnpparibas-am.com/api/files/0abf517f-b5dc-443d-a77b-c74c1fc1805b/1024}

☐ No

**INF 02.3** Additional information. [Optional]

Extra-financial factors are at the heart of BNPP AM's investment philosophy. Environmental, Social and Governance criteria are fully integrated in our investment process.

BNPP AM has been involved in responsible investment for over 17 years and has implemented its own Responsible Business Conduct. We apply ESG criteria based on the UNGC principles to all of our open-ended investments as well as the sectoral policy defined with BNP Paribas Group in order to regulate or ban investments in issuers operating in what we deem to be controversial sectors. Our proprietary ESG risk assessment methodologies are based on the ESG expertise within our Sustainability Centre which benchmarks market best practices and develops proprietary methodology. This means we are able to assess the environmental and societal impacts of assets being financed, and thereby incorporate this value into our investment strategy.

Our main objectives are to:

- 1- Identify the key ESG risks before each investment to protect our customers from the financial, operational and reputation risks linked to bad ESG practices;
- 2- Support ESG themes such as the energy transition to favour the generation of positive impacts;
- 3- Have a dialogue with companies to promote best ESG practices and favour transparency.

Our ESG policy is implemented by a dedicated team within BNPP AM and the Sustainability Centre. We have two analysts dedicated to private debt products. One analyst is systematically invited to the Investment Committees and has the right to veto a proposed investment.

Our infrastructure debt strategy follows a proprietary Social & Responsible ("SRI") strategy. This means that ESG is embedded in our investment process through an assessment of the ESG criteria of each investment by our Sustainability Centre, the measurement and reporting of the environmental and climate impact of each project, and through a portfolio construction driven towards green or sustainable assets.

Our approach aims at identifying the issues related to sustainable development, to determine the risks and opportunities that could impact the value of a project and to support sustainable and value creating growth.

- An ESG Assessment is done systematically (part of the pre investment due diligence and an integral part of the investment process).
- The Sustainability Centre has veto power on each project presented by the investment team if it is considered too risky from an ESG point of view or with poor ESG performance.
- The infrastructure debt strategy has a specific ESG process based on 4 pillars with an ongoing engagement with sponsors during the pre-investment due-diligence and on an annual basis after investment :
  - A preliminary ESG review of the sponsor and the project to check compliance with BNPP AM's responsible investment policy as described above
  - Assessment of the ESG performance of the project
  - Assessment of the project's climate & environmental impacts carried out by an independent expert
  - Annual portfolio review and reporting to clients on the ESG performance and impacts of the portfolio.

ESG analysis is an integral part of the investment process of the infrastructure debt strategy. ESG considerations for our underlying investments are systematically reviewed at both the underlying asset level and the borrower/sponsor level

## Fundraising of infrastructure funds

INF 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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INF 03.1	Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
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☒ Yes

INF 03.2	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:
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- ☒ Policy and commitment to responsible investment
- ☐ Approach to ESG issues in pre-investment processes
- ☐ Approach to ESG issues in post-investment processes

INF 03.3	Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]
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The fund placement document states the following:

"The Infra Debt shall comply with the ESG (Environmental, Social and Governance quality) standards, as defined in the BNP Paribas Asset Management Responsible Investment Policy, as may be amended from time to time, and which are available online at [www.bnpparibas-am.com](http://www.bnpparibas-am.com). In addition, the Management Company, when selecting projects, will carry out an internal analysis to ensure compliance with sustainable development criteria regarding environmental and/or social responsibility."

- ☐ No
- ☐ Not applicable as our organisation does not fundraise

## Pre-Investment (Selection)

INF 05	Mandatory	Public	Gateway	PRI 1
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INF 05.1	Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.
----------	--

☒ Yes

ESG analysis is an integral part of the investment process of the infrastructure debt Strategy. ESG considerations for our underlying investments are systematically reviewed at both the underlying asset level and borrower/sponsor level. BNPP AM's Sustainability Centre has a veto power on each project to be financed by the Infrastructure Debt fund.

### Step 1: Preliminary ESG review

#### ESG Assessment of the Borrower/Sponsors

The first step in the ESG review process is based on our standard and sector policies that apply to all of our strategies. These sector policies set out mandatory requirements, which are an absolute condition for any transaction or deal, as well as criteria for assessing the level of responsibility and liability of our clients operating in these sectors.

A pre-screening of the sponsor and the project based on BNP Paribas Asset Management Responsible policies allows us to pre-identify risks and avoid projects associated with potential controversies and/or negative social and environmental impacts, or that are sponsored by a controversial entity. As mentioned, no investment will be made if the sponsor is in breach of one of BNP Paribas Asset Management's sector policies regarding controversial activities. Similarly, if the project sponsor is deemed to have committed a violation of one of the 10 principles of the United Nations Global Compact, the project will not be eligible for investment.

#### ESG Project classification / Taxonomy

An ESG analysis of the nature of the project is carried out. This analysis serves two purposes:

- It aims to protect our investment from particularly controversial projects and / or with significant social and environmental impacts. For example, there are no projects involving activities related to the nuclear industry, the thermal coal industry and the most controversial hydrocarbon extraction methods, namely shale gas and oil, oil sands and oil projects in the Arctic zone. The exclusions of these controversial activities also covers processing and transportation facilities (refineries, pipelines, LNG terminals, storage units) related to these controversial activities.
- We are convinced that there are opportunities for sustainable growth and that they will support tomorrow's global growth. Thus, our investment philosophy is also based on the search for opportunities that promote projects with a positive environmental impact.

BNPP AM's Sustainability Centre team has created a specific taxonomy for infrastructure investment to identify green opportunities based on the nature of the activity, its contribution and its impact in the energy and ecological transition and/or with particularly positive social impacts. This taxonomy is based on the Sustainability Centre's Green taxonomy which itself is based upon the work of the Climate Bond Initiative (CBI) and upon the the French State label Transition Energy and Ecological for Climate (TEEC) Taxonomy. Currently the strategy's objective is to favour projects that are aligned with this Green taxonomy. We commit to align our green taxonomy with the one that will emerge from the European Commission Technical Expert Group on Sustainable Finance. The portfolio may finance projects not aligned with this taxonomy but that meet our expectations regarding ESG practices and performance.

### Step 2: ESG Assessment of the underlying asset

An ESG assessment of the underlying asset itself is then performed by the Sustainability Centre. The definition and implementation of a specific framework for each asset class makes it possible to refine the ESG analysis and identify the energy and environmental contribution, the ESG issues, impacts and performance of each project

This evaluation makes it possible to assess the real integration of ESG topics into the management of the project. This includes both qualitative criteria, namely the ESG management systems set up by the sponsor, the ESG policies developed, standards deployed, and quantitative criteria relating to environmental and social performance.

This list of indicators or KPIs is non-exhaustive and will be adapted according to the nature of the assets financed. Analysts will then provide an ESG Qualitative Assessment for each project and will present their analysis to the management teams at the Investment Committee. A project with low ESG performance will not be eligible.

These ESG assessments have a practical positive outcome in portfolio construction: for example, when we choose to finance a data centre, all other things being equal, we pick the asset for which 100% of the data centre's electricity consumption comes from renewable energy sources. The same type of arbitrage would apply for a rolling stock company: we would pick the one with the highest proportion of electricity powered locomotives.

### Step 3: Environmental and climate impact assessment

In addition to the in-house ESG assessment, to finalise and confirm our selection process, for each investment opportunity we require an environmental and climate impact assessment, which is carried out by an independent expert, I-Care Consult. I-Care's assessment is based on a proprietary scalable climate impact methodology that is suitable for all infrastructure asset/sector. I-Care reported analysis focuses on four main metrics:

- Induced emissions linked to construction, operation, maintenance and asset use;
- Avoided emissions through asset optimisation and when compared to a reference scenario;
- Alignment to a 2°C trajectory based on Sectoral Decarbonisation Approach method; and
- Contribution to the energy and ecological transition on a [-100%-100%] scale, 0% being the sectorial mean and 100% the best available solution

### Step 4: Portfolio ESG Review and Reporting

We produce an annual report (to be published this year) of the ESG performance of the portfolio that includes quantitative elements such as an ESG evaluation of all the assets in the portfolio, the percentage of investments that are aligned with our green taxonomy and the climate and environmental impact assessment compiled by our external provider at portfolio level. This is complemented by an analysis of the evolution of each asset's ESG practices from one year to the next.

In order to realise this report we engage with sponsors on an annual basis.

☐ No

INF 07	Mandatory	Public	Core Assessed	PRI 1,3
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INF 07.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
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#### ESG issues

☒ Environmental

List up to three typical examples of environmental issues
---

Quality of the environmental management system in place, Energy consumption, Actions against climate change, Air pollution.

Waste Management, Water management

Biodiversity Management

☒ Social

List up to three typical examples of social issues
--

Evolution of the employment, Social climate (number of days of strike, absenteeism, work-related accidents)

Social standards in the supply chain

Existence of consultation mechanisms with the local populations, Human rights policies or scandals

☒ Governance

List up to three typical examples of governance issues
--

Independence of the oversight council and board of directors

Existence of dedicated committees



**INF 07.2**

Additional information. [Optional]

During the preliminary ESG review, we pre-identify risks and avoid projects associated with potential controversies and/or negative social and environmental impacts.

This assessment is based on BNPP Group and BNPP AM sector policies. We also have mandatory requirements, which are an absolute condition for any transaction and criteria for assessing the level of responsibility and liability of our clients.

To identify the nature of the activity, its contribution and its impact in the areas of energy, ecological transition and social aspects we use an ESG project classification taxonomy based on the taxonomy of green activities which itself is based upon the work of the CBI and upon the taxonomy of the TEEC.

**Post-investment (monitoring and active ownership)****Overview****INF 11****Mandatory****Public****Gateway****PRI 2****INF 11.1**

Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.

☒ Yes

**INF 11.2**

Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.

- ☒ We consider ESG issues in the monitoring and operation of infrastructure
- ☐ We consider ESG issues in infrastructure maintenance
- ☐ We consider ESG issues in stakeholder engagements related to our infrastructure
- ☒ We consider ESG issues in other post-investment activities, specify

Annual ESG review using ESG questionnaires

**INF 11.3**

Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]

Annual ESG review of the Infrastructure Debt portfolio is achieved via multiple angles derived from ESG questionnaires (mainly on environmental/sustainability matters), and BNPP AM's tailored methodology to measure the environmental and climate impacts of investments.

In particular, we will produce an annual report on ESG topics that includes quantitative elements such as an ESG evaluation of all portfolio positions, the percentage of investments that have a positive environmental or social impact, and the climate and environmental impact report compiled by our external provider at portfolio level. This is complemented by an analysis of the year on year evolution of each asset's ESG practices.

☐ No

## Infrastructure Monitoring and Operations

INF 12	Mandatory	Public	Core Assessed	PRI 2
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**INF 12.1**

Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.

- ☒ >90% of infrastructure assets
- ☐ 51-90% of infrastructure assets
- ☐ 10-50% of infrastructure assets
- ☐ <10% of infrastructure assets

(in terms of number of infrastructure assets)

**INF 12.2**

Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

- ☐ Environmental
- ☐ Social
- ☐ Governance
- ☒ We do not set and/or monitor against targets

**INF 12.3**

Additional information. [Optional]

We produce an annual report on ESG topics that includes quantitative elements such as an ESG evaluation of all portfolio positions, the percentage of investments that have a positive environmental or social impact and the climate and environmental impact report compiled by our external provider at portfolio level. This is complemented by an analysis of the year on year evolution of each asset's ESG practices.

INF 13	Mandatory	Public	Additional Assessed	PRI 2
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**INF 13.1**

Indicate whether you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

- ☐ Yes
- ☒ No

# BNP Paribas Asset Management

## Reported Information

### Public version

### Confidence building measures

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## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
--------	-----------	--------	---------------------	---------

**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- ☐ Third party assurance over selected responses from this year's PRI Transparency Report
- ☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- ☐ Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- ☐ Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- ☒ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - ☐ Whole PRI Transparency Report has been internally verified
  - ☒ Selected data has been internally verified
- ☐ Other, specify
- ☐ None of the above

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- ☐ Whole PRI Transparency Report was assured last year
- ☐ Selected data was assured in last year's PRI Transparency Report
- ☒ We did not assure last year's PRI Transparency report
- ☐ None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- ☒ We adhere to an RI certification or labelling scheme

**CM1 03.2** Which scheme?

- ☒ National SRI label based on the EUROSIF Transparency guidelines

	% of total AUM the scheme applies
--	-----------------------------------

- ☒ < 25%  
☐ 25-50 %  
☐ 50-70 %  
☐ >75 %  
☐ B-corporation  
☒ UK Stewardship code

	% of total AUM the scheme applies
--	-----------------------------------

- ☐ < 25%  
☐ 25-50 %  
☐ 50-70 %  
☒ >75 %  
☐ GRESB  
☐ Commodity type label (e.g. BCI)  
☒ Social label

	Specify
--	---------

Finansol

	% of total AUM the scheme applies
--	-----------------------------------

- ☒ < 25%  
☐ 25-50 %  
☐ 50-70 %  
☐ >75 %  
☐ Climate label  
☐ RIAA  
☐ Other  
☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report  
☐ ESG audit of holdings  
☐ Other, specify  
☐ None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- ☐ Whole PRI Transparency Report will be assured  
☐ Selected data will be assured  
☒ We do not plan to assure this year's PRI Transparency report

CM1 07	Mandatory	Public	Descriptive	General
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CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed
----------	--

#### Who has conducted the verification

- ☐ CEO or other Chief-Level staff
- ☐ The Board
- ☐ Investment Committee
- ☐ Compliance Function
- ☒ RI/ESG Team

	What data has been verified
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- ☒ Policies
- ☒ Overarching strategy and processes
- ☒ Asset class specific processes
- ☒ Quantitative data related to RI processes
- ☐ Other

	Relevant modules
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- ☒ Organisational Overview
- ☒ Strategy and Governance
- ☒ Indirect – Manager Selection, Appointment and Monitoring
- ☒ Direct - Listed Equity Incorporation
- ☒ Direct - Listed Equity Active Ownership
- ☒ Direct - Fixed Income
- ☒ Direct - Infrastructure
- ☐ Investment Teams
- ☐ Legal Department
- ☐ Other (specify)