

PRESS RELEASE

BNP Paribas Asset Management launches THEAM Quant Europe Climate Carbon Offset Plan, the first UCITS fund established under French law* with carbon offset mechanism

A major innovation: the fund aims to combine financial returns from the European equity market with a positive impact on climate change

THEAM Quant Europe Climate Carbon Offset Plan is managed using a systematic investment strategy designed to capture the performance of European liquid equities with high Environmental, Social and Governance (ESG) standards and selected according to their carbon footprint and the robustness of their energy transition strategy. The fund also aims to offset the carbon footprint of this investment strategy (Scope 1 and Scope 2 emissions); this offsetting of carbon footprint can be considered as partial.

The carbon emission offset is achieved through the use of Verified Emission Reductions certificates ('VERs'), also known as carbon credits, from the Kasigau Corridor REDD+ project. The project, based in South-East Kenya, protects more than 200,000 hectares of endangered dryland forest. It was developed by the California-based company Wildlife Works and is the first REDD+ project to issue VERs. In addition to the environmental impact, the project aims to create long-term jobs and promote sustainable sources of income by encouraging local communities to preserve the forest and its biodiversity.

This fund launch is a clear example of the initiatives taken by BNP Paribas Asset Management with the launch of its Global Sustainability Strategy and more widely by BNP Paribas as a Group relating to the fight against global warming in line with the 2°C scenario and to support the energy transition as laid out by the Paris Agreement. The Group has made a strong commitment to speeding up the energy transition, firstly by partnering with its clients in the transition to a low carbon economy, and secondly by reducing the environmental impacts of its operations. BNP Paribas has been supporting Wildlife Works since 2010 and using this project to offset its carbon footprint since it became carbon neutral in 2017.

Isabelle Bourcier, Global Head of Quantitative & Index at BNP Paribas Asset Management, comments: *"Sustainability is at the heart of our investment approach and we are proud to be launching the THEAM Quant Europe Climate Carbon Offset Plan. This is the first UCITS fund allowing institutional investors to offset a significant part of their investment's carbon footprint."*



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Neven Graillat, Chief Sustainability Product Officer, BNP Paribas Global Markets, comments: *“The management of risks relating to climate change is primordial since it helps to control the financial risk of our financing and investment arrangements. This fund launch represents a key milestone in bridging the gap between impact investing and equity investment. It is also a great example of collaboration within the Global Markets and Asset Management teams with regards to sustainable investment.”*

THEAM Quant Europe Climate Carbon Offset Plan is a *Fonds Commun de Placement* (‘FCP’), UCITS V compliant, registered under the French law. This launch reflects the positioning of Paris as an innovative hub in terms of sustainable finance and coincides with the publication of the Autorité des Marchés Financiers (AMF)’s guide on carbon offsetting by collective investment funds. The fund is managed by BNP Paribas Asset Management France and was created in partnership with BNP Paribas Global Markets, the bank’s capital markets division. BNP Paribas Cardif, the insurance subsidiary of BNP Paribas which has just strengthened its socially responsible investment strategy initiated in 2008, is amongst the first round of institutional investors targeting the fund.

The investments in the fund are subject to market fluctuations and the risks inherent in investments in securities. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay, the fund described being in risk of capital loss. For a complete description and definition of risks, please consult the last available prospectus and KIID of the fund that can be downloaded free of charge from our website: www.bnpparibas-am.com.

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NOTES FOR EDITORS

*The directive on Undertakings for Collective Investment in Transferable Securities (UCITS) is the main European framework covering collective investment schemes. For more information, please visit: https://ec.europa.eu/info/law/undertakings-collective-investment-transferable-securities-ucits-directive-2009-65-ec_en.

About BNP Paribas Asset Management

BNP Paribas Asset Management is the asset management arm of BNP Paribas, one of the world’s foremost financial institutions. BNP Paribas Asset Management offers high value-added investment solutions to individual savers, companies, and institutional investors, thanks to a broad range of skills in four investment divisions: Equities, Fixed Income, Private Debt & Real Assets, and the Multi-Asset, Quantitative and Solutions (MAQS). Sustainability is at the heart of BNP Paribas Asset Management’s strategy and investment decisions, which make an active contribution to the energy transition, environmental protection, and the promotion of equality and inclusive growth. Its aim is to achieve long-term sustainable investment returns to its clients. BNP Paribas Asset Management has 399 billion euros* under management (as of 31 December 2018), along with more than 530 investment professionals and almost 500 client servicing specialists, serving individual, corporate and institutional clients in 71 countries.



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**537 billion euros in assets under management and advisory as of 31 December 2018.*

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About BNP Paribas

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 72 countries, with more than 202,000 employees, of which more than 154,000 are in Europe. The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance.

In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the European leader in consumer lending.

BNP Paribas is rolling out its integrated retail banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

About the Wildlife Works Kasigau Corridor REDD+ project

The Wildlife Works Kasigau Corridor REDD+ project protects over 200,000 hectares of highly threatened dryland forest, which is owned by 4,500 community members and is home to 120,000 people. The project establishes a safe haven for over 50 species of large mammals, 300 species of birds, and populations of IUCN Red List species such as cheetahs, lions and over 2,000 African elephants that cross from Tsavo East to Tsavo West National Parks. In 2011, the Kasigau Corridor project became the world's first REDD+ project to be verified under the Verified Carbon Standard (VCS) and the Climate, Community and Biodiversity Standard (CCB). The project was also awarded Gold Level status by the CCB for exceptional biodiversity and climate benefits. The project will generate 45 million tons of Verified Emission Reductions (VERs) over 30 years. More information is available here: <https://www.wildlifeworks.com/kenya>.

About REDD+

REDD+ (Reducing Emissions from Deforestation and Forest Degradation) is a climate change mitigation strategy envisioned by the United Nations. REDD+ places a value on a standing forest as a key element in a plan to avoid continued deforestation. By making forests more valuable standing than cut down, REDD+ provides forest communities and countries with a model for economic development where both people and the planet can benefit. The value is represented by Verified Emission Reduction (VER) units. VERs are also known as offsets or carbon credits. Each VER equals one tonne of carbon dioxide that was prevented from being released into the atmosphere as a result of a REDD+ project's conservation plan.

About the GHG Protocol

The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard classifies a company's GHG emissions into three 'scopes'. Scope 1 emissions are direct emissions by the company. Scope 2 emissions are indirect emissions from the consumption of purchased energy. Scope 3 emissions (value chain emissions) are other indirect emissions not within the company's control. More information is available here: <https://ghgprotocol.org/>.

Additional information

BNP Paribas Asset Management France is an investment management company authorised by the Autorité des Marchés Financiers, no. GP96002, incorporated as a simplified joint stock company, registered at 1, Boulevard Haussmann 75009 Paris, France, RCS Paris 319 378 832. Its website is www.bnpparibas-am.com.



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Whilst the THEAM Quant Europe Climate Carbon Offset Plan described herein has been established as a UCITS (in accordance with the UCITS Directive) in France, the Fund has not been registered in the UK. Therefore the promotion of this Fund and the distribution of this document in the UK are accordingly restricted by law.

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