



**PUBLIC RI REPORT**

**2021 PILOT**

**BNP Paribas Asset Management**

**Generated 2022-08-18**

# About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

## Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

## PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# Senior Leadership Statement (SLS)

## Senior leadership statement

### Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- o **Why does your organisation engage in responsible investment?**
- o **What is your organisation’s overall approach to responsible investment?**
- o **What are the main differences between your organisation’s approach to responsible investment in its ESG practice and in other practices, across asset classes?**

As a fiduciary to our clients, our focus is on achieving long-term sustainable investment returns. Integral to this duty is our commitment to embed sustainable investment considerations into all our investment processes. We believe these enable better risk-adjusted investment decisions that will in turn ultimately enhance and preserve the value of the capital entrusted to us by our clients: institutions that support the livelihood of hundreds of thousand pensioners and end-beneficiaries. Furthermore, as a long-term investor, we understand that having a sustainable and inclusive economic model is one that is better suited to allow us to safeguard future performance for our clients. As a result, we have embraced our role as “future maker”, using our investments and influence with companies and policy makers to help shape sustainable economic outcomes.

Our sustainable investment approach, as laid out in our Global Sustainability Strategy, comprises 6 pillars:

1. **ESG Integration across investment strategies.** This is supported by our ESG Integration Guidelines and proprietary ESG research and scoring framework.
2. **Stewardship:** Our well-defined Proxy Voting & Governance Principles underpin our voting strategy, leading us to vote against management approximately 30% of the time. We supplement this with thoughtful and determined company engagement (including via collaborative initiatives such as ClimateAction 100+) and public policy advocacy.
3. **Responsible Business Conduct:** Our comprehensive guidelines outline expectations for company behavior on key topics including human rights and the environment, as well as involvement in sectors such as tobacco and coal. Issuers that are in violation of these expectations become ineligible for investment or added to a watchlist.
4. **Focus on the future:** To protect long-term market performance, our strategic research, stewardship and thematic investing is guided by the ‘3Es’ – energy transition, environmental sustainability and equality & inclusive growth; themes that needs be tackled to foster a sustainable and inclusive economy.

- 5. Sustainable + funds: Our sustainable + range of funds provides enhanced ESG, thematic and impact options for clients that want to pursue more specific and/or ambitious sustainability-related investment opportunities beyond the first 4 pillars of our firm-wide sustainable investment approach, as noted above. As of December 2020, almost 20% of our AUM fall in this category.
- 6. Walking the talk: We strive to achieve the expectations we articulate for investee companies in our own business practices, including a firm-wide focus on sustainability training, diversity, and implementing carbon reduction and zero-waste targets.

## Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- o Discuss your organisation’s progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- o Reflect on your performance with respect to your organisation’s responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
  - o refinement of ESG analysis and incorporation
  - o stewardship activities with investees and/or with policy makers
  - o collaborative engagements
  - o attainment of responsible investment certifications and/or awards

Crucial to our sustainable investment approach is our ESG research platform, which provides insights to evaluate issuers’ performance on material ESG issues. A major area of focus in 2020 was the revamping of our proprietary ESG scoring methodology. Powered by the expertise of our Sustainability, Investment and Quantitative Research teams, our framework – which covers more than 12 000 issuers – is markedly differentiated in its ESG metrics’ selectivity, –and its focus on ‘performance’ over ‘policy’ type indicators. Applying a stringent layer of data quality and control (e.g. looking at bias, correlation and distribution of underlying indicators), we handpicked metrics that are not only material to the business of the companies, but are measurable, give real insight, and have sufficient quality and coverage. We supplement this by implementing data corrections and overlays to correct, update or infuse data with our first-hand knowledge and insights.

This advancement resulted in the availability of ESG scores for a majority of portfolios and benchmark indices. In addition, we took steps to make portfolio carbon footprints readily available, deepening our 2015 Montreal Carbon Pledge commitment to calculate the carbon footprint of a growing number of our funds. These ESG data points are accessible to our portfolio managers through their front office tools on a daily basis, putting them in a position to manage their exposures and strive to outperform their benchmarks on these two criteria (ESG and Carbon performance, versus benchmark) as outlined in our ESG Integration Guidelines.

We also implemented a stricter thermal coal policy for the mining and power generation sectors, further aligning our expectations with the Paris Agreement. The policy excludes any companies with new coal plans, in addition to having very low thresholds – expressed either in terms of absolute volume, turnover or carbon intensity – for exemption consideration. Employing engagement alongside divestment, some leeway is provided for companies credibly actively involved in transitioning towards the low carbon economy (with a goal of net-zero by 2050).

We continue to give great importance to stewardship in advancing our sustainability agenda, seeking to influence companies and policy makers to accelerate their practices on sustainability topics. We are members of several coalitions including Climate Action 100+, and our team is represented on the boards of high-profile collaborative ESG initiatives such as TCFD and IGCN. In 2020, we concentrated our engagement efforts on governance and topics relating to the '3Es' – energy transition, environmental sustainability and equality & inclusive growth. As for our global proxy voting activity, we opposed 32% of management resolutions overall (including 451 resolutions at 66 companies due to environmental or social reasons), supported 94% of shareholders' resolutions on climate change and filed four resolutions on climate lobbying, including one at Chevron that received majority backing.

We received several accolades for our sustainable investment approach in 2020, such as being recognized as one of the top 3 asset managers for responsible investment by ShareAction and as a global leader in sustainable investing by WWF.

## Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

**What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?**

The Covid, climate and biodiversity crisis continue to emphasize the need for more sustainable investment. Sustainability lies at the heart of our strategy and we will continue to build our approach:

- ESG scoring innovation: Climate temperature alignment, physical climate risk, biodiversity metrics and an overall focus on SDG linked data.
- Stewardship: A focus on net zero commitments and disclosures, climate-related lobbying, and enhanced board diversity.
- Biodiversity: New research on identifying and managing biodiversity related challenges.

Last but not least, we will work towards net zero-waste, reduced carbon emissions, and increased gender diversity within our own organisation.

## Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

**The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.**

Name Frederic Janbon

Position CEO

Organisation's name BNP Paribas Asset Management

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by BNP Paribas Asset Management in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of BNP Paribas Asset Management's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

# Organisational Overview (OO)

## Organisational information

### Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management

(1) This is our only (or primary) type

### Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

(A) Yes

(B) No

## Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

## Assets under management

### All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries US\$ 592,372,720,866.00

(C) AUM subject to execution, advisory, custody, or research advisory only US\$ 165,794,601,548.00



## Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

### Percentage of AUM

(A) Listed equity – internal 10-50%

(B) Listed equity – external 0.0%

(C) Fixed income – internal 10-50%

(D) Fixed income – external 0.0%

(E) Private equity – internal 0.0%

(F) Private equity – external 0.0%

(G) Real estate – internal 0.0%

(H) Real estate – external 0.0%

(I) Infrastructure – internal 0.0%

(J) Infrastructure – external 0.0%

(K) Hedge funds – internal 0.0%

(L) Hedge funds – external 0.0%

(M) Forestry – internal 0.0%

(N) Forestry – external 0.0%

(O) Farmland – internal 0.0%

(P) Farmland – external 0.0%

(Q) Other – internal, please specify:

■ Balanced and other alternatives 10-50%

(R) Other – external, please specify: 0.0%

(S) Off-balance sheet – internal 0.0%

(T) Off-balance sheet – external 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 LE	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

**Provide a further breakdown of your listed equity assets.**

**(A) Internal allocation**

(1) Passive equity 10-50%

(2) Active – quantitative 0-10%

(3) Active – fundamental >75%

(4) Investment trusts (REITs and similar publicly quoted vehicles) 0.0%

(5) Other, please specify: 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 FI	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

**Provide a further breakdown of your fixed income assets.**

**(A) Internal allocation**

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(1) Passive – SSA 0.0%

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(2) Passive – corporate 0-10%

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(3) Passive – securitised 0.0%

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(4) Active – SSA 50-75%

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(5) Active – corporate 10-50%

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(6) Active – securitised 0-10%

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(7) Private debt 0-10%

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# ESG strategies

## Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 LE	CORE	OO 5.2 LE	OO 6.1 LE, LE 13	PUBLIC	Listed equity	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity:

(A) Screening alone 0-25%

(B) Thematic alone 0.0%

(C) Integration alone 0.0%

(D) Screening and integration 25-50%

(E) Thematic and integration 0.0%

(F) Screening and thematic 0.0%

(G) All three strategies combined 25-50%

(H) None 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 LE	CORE	OO 6 LE	LE 8	PUBLIC	Listed equity	1

What type of screening is applied to your internally managed active listed equity assets?

Percentage coverage out of your total listed equities where screening strategy is applied

(A) Positive/best-in-class screening only	0.0%
(B) Negative screening only	50-75%
(C) A combination of positive/best-in-class and negative screening	25-50%

## Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate	(3) Fixed income – securitised
(A) Screening alone	0-25%	0-25%	0-25%
(B) Thematic alone	0.0%	0.0%	0.0%
(C) Integration alone	0.0%	0.0%	0.0%
(D) Screening and integration	>75%	>75%	>75%
(E) Thematic and integration	0.0%	0.0%	0.0%
(F) Screening and thematic	0.0%	0.0%	0.0%
(G) All three strategies combined	0-25%	0-25%	0-25%
(H) None	0-25%	0-25%	0-25%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PUBLIC	Fixed income	1

What type of screening is applied to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate	(3) Fixed income – securitised
(A) Positive/best-in-class screening only	0.0%	0.0%	0.0%
(B) Negative screening only	>75%	50-75%	>75%
(C) A combination of positive/best-in-class and negative screening	0-25%	25-50%	0.0%

## Stewardship

### Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 LE	CORE	OO 5, OO 5.2 LE	Multiple, see guidance	PUBLIC	Listed equity	2

Does your organisation conduct stewardship activities for your listed equity assets?

	(1) Engagement on listed equity – active	(2) Engagement on listed equity – passive	(3) (Proxy) voting on listed equity – active	(4) (Proxy) voting on listed equity – passive
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) We did not conduct this stewardship activity

## Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

	(2) Passive – corporate	(4) Active – SSA	(5) Active – corporate	(6) Active – securitised	(7) Private debt
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We did not conduct this stewardship activity for this strategy/asset type	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# ESG incorporation

## Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>
(H) Fixed income – securitised	<input checked="" type="radio"/>	<input type="radio"/>
(I) Fixed income – private debt	<input checked="" type="radio"/>	<input type="radio"/>
(W) Other [as specified]	<input checked="" type="radio"/>	<input type="radio"/>



# Voluntary reporting

## Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy



(A) Listed equity



(B) Fixed income – SSA



(C) Fixed income – corporate



(D) Fixed income – securitised



(E) Fixed income – private debt



# ESG/sustainability funds and products

## Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

	Percentage
(A) Listed equity – passive	50-75%
(B) Listed equity – active	>75%
(C) Fixed income – passive	50-75%
(D) Fixed income – active	>75%
(K) Other	25-50%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PUBLIC	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

	Coverage of ESG/RI certification or label:
(A) Listed equity	50-75%

(B) Fixed income 50-75%

(I) Other 25-50%

## Climate investments

### Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

0-25%

## Other asset breakdowns

### Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

	(1) Listed equity	(2) Fixed income – SSA	(3) Fixed income – corporate	(4) Fixed income – securitised	(5) Fixed income – private debt
(A) Developed	>75%	>75%	50-75%	>75%	>75%
(B) Emerging	0-25%	0-25%	0-25%	0.0%	0.0%
(C) Frontier	0-25%	0-25%	0-25%	0.0%	0.0%

(D) Other	0.0%	0-25%	0-25%	0.0%	0.0%
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## Fixed income constraints

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 5.2 FI	OO 20.1	PUBLIC	Fixed income constraints	GENERAL

What percentage of your fixed income assets are subject to constraints? The constraints may be regulatory requirements, credit quality restrictions, currency constraints or similar.

### Internal and external fixed income assets subject to constraints

(A) Fixed income – SSA	0.0%
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(B) Fixed income – corporate	0.0%
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(C) Fixed income – securitised	0.0%
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(D) Fixed income – private debt	0.0%
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# Context and explanation

## ESG in other asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 34	CORE	Multiple, see guidance	N/A	PUBLIC	ESG in other asset classes	1

Describe how you incorporate ESG into the following asset classes.

	Description
(C) Other – internal	<p>OUR ESG INTEGRATION PRINCIPLES</p> <p>At BNPP AM, analysts and portfolio managers integrate a consideration of relevant ESG factors into their investment decision-making processes. <b>(response continued in row below)</b></p>

We defined common ESG Integration Principles to support and enhance this process, which apply to all the strategies that are in the scope of our sustainable investment approach.

#### PHILOSOPHY

- Sustainability is embedded in our investment philosophy.
- All investment teams will implement our Global Sustainability Strategy.
- We recognise that the level of ESG integration achievable over short to medium term horizons varies between asset classes and strategies.
- Some common principles for ESG integration will 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, in line with the common ESG Integration Principles.

#### RESEARCH

- 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.
- Qualitative ESG analysis on individual entities will primarily be undertaken within the investment teams, in collaboration with the Sustainability Centre.
- We will avoid investing in a public entity without an ESG score, performing qualitative ESG analysis in the absence of a quantitative ESG rating.
- We will avoid investing in a private entity without performing ESG due diligence (which could include qualitative analysis, or receiving a completed ESG questionnaire).

#### EXCLUSIONS

- We will not invest in companies in violation of the UN Global Compact Principles, the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines).
- Companies struggling to meet the standards laid down in the UN Global Compact Principles, the UN Guiding Principles on Business and Human Rights or OECD MNE Guidelines will be put on a watch list (or not invested in).
- We will implement BNPP AM's sector policies, in collaboration with the BNP Paribas Group for Group-level policies.

#### STEWARDSHIP AND ENGAGEMENT

- We will actively own our passive investments through stewardship, engagement and voting.
- We will avoid investing in a weakly rated entity (in active portfolios) without actively engaging (or planning to actively engage in the near future) particularly on the key issues identified.
- Holdings of weakly-rated public entities (in active

This includes holding portfolios with a lower carbon footprint than their respective (invested) benchmarks.  
 Note: The initial focus for the above KPIs is corporate issuer scores (e.g. sovereigns, derivatives and cash excluded at this stage).

# Investment and Stewardship Policy (ISP)

## Responsible investment policy & governance

### Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Approach to stewardship

- (F) Approach to sustainability outcomes
- (G) Approach to exclusions
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- (I) Definition of responsible investment and how it relates to our fiduciary duty
- (J) Definition of responsible investment and how it relates to our investment objectives
- (K) Responsible investment governance structure
- (L) Internal reporting and verification related to responsible investment
- (M) External reporting related to responsible investment
- (N) Managing conflicts of interest related to responsible investment
- (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

- (A) Overall approach to responsible investment. Add link(s):  
<https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>
- (B) Guidelines on environmental factors. Add link(s):  
<https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>
- (C) Guidelines on social factors. Add link(s):  
<https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>
- (D) Guidelines on governance factors. Add link(s):  
<https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>
- (E) Approach to stewardship. Add link(s):  
<https://docfinder.bnpparibas-am.com/api/files/0E8C8C9C-0FC2-40FD-AC19-D00A5B235635>
- (F) Approach to sustainability outcomes. Add link(s):  
<https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>
- (G) Approach to exclusions. Add link(s):  
<https://docfinder.bnpparibas-am.com/api/files/D8E2B165-C94F-413E-BE2E-154B83BD4E9B>
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):  
<https://docfinder.bnpparibas-am.com/api/files/517E383E-5094-4908-A7CB-A0C0795C0288>
- (I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):  
<https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>
- (J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):



<https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>

(K) Responsible investment governance structure. Add link(s):

<https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>

(L) Internal reporting and verification related to responsible investment. Add link(s):

<https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>

(M) External reporting related to responsible investment. Add link(s):

<https://fr.zone-secure.net/20591/1214204/#page=1>

(N) Managing conflicts of interest related to responsible investment. Add link(s):

<https://docfinder.bnpparibas-am.com/api/files/032ABDF8-873A-453D-9D91-22B2D35C99CB>

(P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

**What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?**

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

**AUM coverage of all policy elements in total:**

>75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

- (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your asset class-specific guidelines that describe how ESG incorporation is implemented?

**AUM Coverage:**

(A) Listed Equity >75%

(B) Fixed Income >75%

## Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

**Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?**

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff, please specify:
  - Global Head of Sustainability
- (E) Head of department, please specify department:
- (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

**In your organisation, which internal or external roles have responsibility for implementing responsible investment?**

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff [as specified]
- (E) Head of department [as specified]
- (F) Portfolio managers
- (G) Investment analysts
- (H) Dedicated responsible investment staff
- (I) Investor relations
- (J) External managers or service providers
- (K) Other role, please specify:
  - Sustainability Committee
- (L) Other role, please specify:
  - ESG Champions
- (M) We do not have roles with responsibility for implementing responsible investment.

## People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(2) Chief-level staff	(3) Investment committee	(4) Other chief-level staff [as specified]	(6) Portfolio managers
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	(7) Investment analysts	(8) Dedicated responsible investment staff	(11) Other role	(12) Other role
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please specify for "(E) Other objective related to responsible investment".**

█ Risk Review (including sustainability risk, in compliance with SFDR)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

**(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))**

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

**(3) Investment committee**

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

**(4) Other chief-level staff**

---

(A) Objective for ESG incorporation in investment activities

---

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

---

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

---

(D) Objective for ESG performance

---

**(6) Portfolio managers**

---

(A) Objective on ESG incorporation in investment activities

---

(D) Objective for ESG performance

---

**(7) Investment analysts**

---

(A) Objective for ESG incorporation in investment activities

---

(D) Objective for ESG performance

---

**(8) Dedicated responsible investment staff**

---

(A) Objective for ESG incorporation in investment activities

---

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

---

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

---

(D) Objective for ESG performance

---

**(11) Other role**

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

**(12) Other role**

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(G) We have not linked any RI objectives to variable compensation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

**How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?**

- (A) Quarterly or more frequently
- (B) Bi-annually
- (C) Annually
- (D) Less frequently than annually
- (E) On an ad hoc basis
- (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals



## Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

**Does your organisation incorporate ESG factors into your strategic asset allocation?**

- (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- (D) Not applicable, we do not have a strategic asset allocation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10.1	CORE	ISP 10	N/A	PUBLIC	Strategic asset allocation	1

**For what proportion of assets do you incorporate ESG factors into your strategic asset allocation process?**

(A) We incorporate ESG factors into calculations for expected risks and returns of asset classes (2) for the majority of our assets

# Stewardship

## Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(A) Listed equity >75%

(B) Fixed income >75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- (A) Key stewardship objectives
- (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- (C) Prioritisation approach depending on entity (e.g. company or government)
- (D) Specific approach to climate-related risks and opportunities
- (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- (H) Approach to collaboration on stewardship
- (I) Escalation strategies
- (J) Conflicts of interest
- (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- (M) None of the above elements are captured in our stewardship policy

## Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

## Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

	(1) Listed equity	(2) Fixed income
(A) Maximise the risk–return profile of individual investments	<input type="radio"/>	<input type="radio"/>
(B) Maximise overall returns across the portfolio	<input type="radio"/>	<input type="radio"/>
(C) Maximise overall value to beneficiaries/clients	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)	<input type="radio"/>	<input type="radio"/>

## Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

	(1) Listed equity	(2) Fixed income
(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The materiality of ESG factors on financial and/or operational performance	<input type="checkbox"/>	<input type="checkbox"/>
(C) Specific ESG factors with systemic influence (e.g. climate or human rights)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The ESG rating of the entity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) The adequacy of public disclosure on ESG factors/performance	<input type="checkbox"/>	<input type="checkbox"/>
(F) Specific ESG factors based on input from clients	<input type="checkbox"/>	<input type="checkbox"/>
(G) Specific ESG factors based on input from beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>
(H) Other criteria to prioritise engagement targets, please specify:	<input type="checkbox"/>	<input type="checkbox"/>

(I) We do not prioritise our engagement targets

## Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

## Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?

	(1) Listed equity	(2) Fixed income
(A) Collaboratively engaging the entity with other investors	<input type="checkbox"/>	<input type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input type="checkbox"/>	<input type="checkbox"/>

(D) Voting against the re-election of one or more board directors	<input type="checkbox"/>	<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input type="checkbox"/>	<input type="checkbox"/>
(F) Voting against the annual financial report	<input type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input type="checkbox"/>	<input type="checkbox"/>
(H) We do not have any restrictions on the escalation measures we can use	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?

- (A) We engage with policymakers directly
- (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

**What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?**

**(A) We participate in "sign-on" letters on ESG policy topics. Describe:**

We meet and exchange with UK and EU officials as part of our active participation to the IIGCC policy group. For example, we have written to the European Commission and/or EU member states to raise Europe's greenhouse gas emissions reduction target to ensure "at least" a 55% reduction in emissions by 2030. This was supported by the publication of a new IIGCC report – "Ambitious EU 2030 action essential for achieving net zero emissions" - and press release to which we had contributed. A letter calling for at least 55% reduction target - signed by CEOs from more than 150 organisations - was presented letter to Executive Vice President of the European Commission, Frans Timmermans, on 21 September at a roundtable event taking place as part of the opening ceremony of Climate Week NYC. In May, BNP Paribas Asset Management joined the European Green Recovery Alliance, an appeal to support post-pandemic "stimulus transformation plans" that put the fight against climate change and biodiversity loss at the centre of Europe's economic policy. In a joint letter, the alliance calls for recovery efforts to focus in three sectors:

- energy retrofits of dwellings, buildings and offices in the public and private sectors;
- development of decarbonised mobility, electric vehicles, soft mobility infrastructure and public transport;
- expansion and storage of renewable and decarbonised electrical energies or heat.

We also signed a letter to the US Securities and Exchange Commission regarding the disclosure of payments by resource extraction issuers.

**(B) We respond to policy consultations on ESG policy topics. Describe:**

Throughout the year, we have directly responded to most consultations on sustainable finance launched by the European Commission and ESAs. These include the taxonomy-related consultations on the Delegated Acts of the Taxonomy, ESMA and EIOPA's advice on article 8, the renewed sustainable finance strategy and the Non-financial Reporting Directive. Our public responses can be found at the EU website or, in the case of Group responses, at <https://group.bnpparibas/principales-positions-publiques-reglementation-bancaire-financiere>. We also provide input through our active participation in the ESG/Stewardship working groups of the AFG, EFAMA and ICMA.

In the Asia-Pacific region, following a public consultation, in December 2020 the MAS published Environmental Risk Management Guidelines for asset managers, which we contributed to. In Hong Kong, we were invited to join the Security and Futures Commission (SFC)'s Technical Expert Group (TEG). Through the TEG, we contributed to the SFC's Consultation Paper on the Management and Disclosure of Climate-related Risks by Fund Managers.

**(C) We provide technical input on ESG policy change. Describe:**

We provide technical input on ESG policy change notably through our contribution to the development of the EU Taxonomy. In October 2020, the European Commission launched the EU Platform on Sustainable Finance to replace the EU Technical Expert Group. BNP Paribas was one of only three financial institutions appointed to the Platform through BNPP AM's Global Head of Stewardship and Policy, Helena Vines Fiestas, who is rapporteur of the working group on data, usability and policy. Our efforts on developing a Taxonomy are not limited to Europe. Through our role on the Platform, we have held discussions with Latin American, US and Canadian officials on the development of a Taxonomy. We are also members of Monetary Authority of Singapore's (MAS) Green Finance Industry Taskforce (GFIT), which helps promote green policies and initiatives. Through the GFIT, we contributed to drafting a proposed taxonomy for Singapore-based financial institutions to identify activities that can be considered green or transitioning towards green, as well as to a handbook aiming to help asset managers, banks, and insurers implement the environmental risk management guidelines.

In the Asia-Pacific region, governments and regulators have remained active in developing initiatives to enable a sustainable financial ecosystem. Through our involvement in a number of policy and regulatory working groups, we continue to advocate for a convergence of ESG definitions and standards including the adoption of the metrics and principles that underpin the EU Taxonomy.

We also contributed to the development of ESG policies, recommendations and frameworks through the publication of a working paper by the Financial Services Development Council's (FSDC) titled "Hong Kong – Developing into the Global ESG Investment Hub of Asia". The FSDC is a cross-sectoral advisory body that was established by the Hong Kong government in 2013 to map out the strategic development of the local financial services industry. In recognition of this work, our Head of Stewardship for Asia Pacific, Paul Milon, became co-chair of the Asia Investor Group on Climate Change (AIGCC)'s Engagement & Policy working group.

**(D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:**

During 2020, BNP Paribas Asset Management has actively advocated in line with our Public Policy Strategy for:

- A science-based EU Taxonomy in line with the EU Goal of achieving carbon neutrality by 2050 that provides to provide clarity to the green financial market while helping raise the necessary funds to finance the transition to a carbon neutral, sustainable and more inclusive economy.
- An EU Taxonomy, and elsewhere, that frames transition finance and fosters corporate and financial transparency.
- A common global framework that would allow regional taxonomies to co-exist in a globalised financial market, and the use of the EU Taxonomy as a reference for the development of other taxonomies given the advanced stage of the EU's work.
- Harmonised environmental metrics and underlying methodologies, and the improvement of sustainability-related reporting, including the expansion and reinforcement of the Non-financial Reporting Directive.
- The adoption of the TCFD framework by companies and states.

**(E) We proactively engage regulators and policymakers on other policy topics. Describe:**

BNP Paribas Asset Management also engages with policymakers on non-ESG financial regulation.

**(F) Other methods used to engage with policymakers. Describe:**

During 2020, we have participated to numerous workshops, conferences and events organised by policymakers and/or by other stakeholders on policy issues e.g. EC's ESAP workshop, European Sustainable Finance Summit, DG Energy led refining forum, Italian-Spanish summit, etc.

Our Global Head of Stewardship and Policy, Helena Vines Fiestas, is a member of the AMF (the French Supervisory Market Authorities) Climate and Sustainable Finance Commission. The role of this commission is to help the AMF carry out its regulatory and supervisory missions on issues related to sustainable finance.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

(A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

At BNP Paribas Asset Management, the quarterly Sustainability Committee ensures that our policy activities are aligned with our positions on sustainable finance. The Sustainability Committee is an integral part of the Global Investment Committee and one of their roles is to validate new initiatives and engagements.

We have in place a governance process to monitor and review our commitments. This process establishes the steps to follow when signing a letter or joining an initiative. A necessary step in the process is the need to explain how the initiative or the letter aligns with our priorities and policy positions. Depending on the type and the characteristics of the initiative, the process defines who is ultimately responsible for sign off, which might require approval from our CEO.

At Group level, BNP Paribas has set a management and a steering committee chaired by BNP Paribas' head of Engagement (Sustainability Chief Officer and member of the Group's executive committee) and head of regulatory affairs. The SteerCo is in charge to approve our policy positions and oversees BNP Paribas' responses to public consultations on policy. Our Global Head of Stewardship and Policy, Helena Vines Fiestas, is member of both committees.

(B) No, we do not have these governance processes in place. Please explain why not:

## Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

(A) Yes, we have a policy(ies) in place. Describe your policy(ies):

In September 2019, we published our Public Policy Stewardship Strategy on Sustainability for 2019- 2020 approved and monitored by the Sustainability Committee chaired by our CEO. Our strategy describes our core commitment to public policy engagement related to our sustainability goals and our key public policy objectives for the sustainability agenda.

We conduct public policy engagements individually, but also undertake engagements in partnership with other investors, in formal or informal networks. A list of the key organisations and networks that help us advance our policy objectives is included in our Public Policy Stewardship Strategy on Sustainability .

We pursue our public policy objectives in a transparent manner, with a sufficient degree of specificity to inform our clients and relevant stakeholders of the positions we are taking. All of our public policy work will be undertaken in compliance with BNP Paribas' Charter for Responsible Representation with respect to the Public Authorities, available at: <https://group.bnpparibas/en/charter-responsible-representation-respect-public-authorities> We aim to review our public policy and corporate engagement strategies once a year, and we publish additional information on our website and in regulatory filings.

(B) No, we do not a policy(ies) in place. Please explain why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2

**Is your policy that ensures alignment between your political influence and your position on sustainable finance publicly disclosed?**

(A) Yes. Add link(s):

<https://docfinder.bnpparibas-am.com/api/files/8BFBC6C4-8E02-408E-A187-E7D437C467AC>

(B) No, we do not publicly disclose this policy(ies)

## Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

**During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?**

(A) We publicly disclosed details of our policy engagement activities. Add link(s):

<https://fr.zone-secure.net/20591/1214375/#page=1>

(B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):

<https://docfinder.bnpparibas-am.com/api/files/36752D5A-6C32-493F-A9EC-40F89572AEBE>

(C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:

(D) Not applicable, we did not conduct policy engagement activities

# Climate change

## Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

(A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:

(B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

(A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

(B) No, we currently do not publicly support the TCFD

## Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

### How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

(A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

Unsurprisingly, given its importance within our organisation, sustainability always features on the agenda of the Boards of Directors of both BNPP AM France SAS and its parent entity, BNPP AM Holding SA. Our sustainability and voting policy is reviewed annually by both boards, and they have resolved that they will always act responsibly with all stakeholders, ensuring that the company complies with the best environmental, social and governance practices in order to protect the company's long-term interests.

Every year BNP Paribas AM Board of Directors reviews our proxy voting activity which reflects our climate change strategy, and also have the opportunity to provide input to our overall sustainability strategy. Jane Ambachtsheer, our Global Head of Sustainability, is also a member of the Board of Directors for BNPP Paribas Asset Management France and our BNP Paribas FUNDS SICAV.

For more details of the information provided for the proxy voting policy: our policies and guidelines are reviewed annually in order to reflect the evolution of corporate governance codes and market practices, and are approved by our Proxy Voting Committee and then by BNPP AM's Board of Directors.

BNP Paribas AM board supervises our proxy voting policy: in 2016, they validated the adaptation of our proxy voting policy to reflect in our voting our climate change strategy by adding a new principle in our proxy voting policy:

- we will oppose financial accounts or statement during AGM's if a company does not report properly on its carbon footprint or when it does not want to engage with us in relation to its business strategy to mitigate and adapt to climate change
- we will support resolutions asking companies to reduce GHG emissions in line with a 2DS and we will inform publicly and before the general meetings our willingness to vote in favour of resolutions

(B) By articulating internal/external roles and responsibilities related to climate. Specify:

Jane Ambachtsheer, our Global Head of Sustainability, is also a member of the Board of Directors for BNPP Paribas Asset Management France and our BNP Paribas FUNDS SICAV. She is articulating roles and responsibilities related to climate.

(C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:

(D) By incorporating climate change into investment beliefs and policies. Specify:

Sustainable investment is at the core of what we do, and our approach, policies, targets and reporting are overseen by our Sustainability Committee, chaired by our CEO. This Committee is responsible for approving our Global Sustainability Strategy and related policies. Ultimate responsibility lies with the BNPP AM France Board of Directors.

(E) By monitoring progress on climate-related metrics and targets. Specify:

The board of directors ensures that the management company collects and provides information on its carbon emissions and can demonstrate its commitment to fight against climate change.

(F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:

In our Global Sustainability Strategy, we define the link between our fiduciary duty and sustainable investment. We have a duty to our clients to make well-informed investment decisions, taking reputational, operational and financial risks into careful consideration. ESG factors (including climate change) are a key element of this.

(G) Other measures to exercise oversight, please specify:

(H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

**What is the role of management in assessing and managing climate-related risks and opportunities?**

**☑ (A) Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:**

Management, with the help of the different teams composing the Sustainability Centre, is responsible for identifying climate related risks/opportunities and report them back to the Sustainability Committee quarterly. The Sustainability Committee is an integral part of the Global Investment Committee. Its role is to validate all policies, 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.

The monthly Investment Committee also has a dedicated sustainability focus and follow up, and is headed by the CIO. Attendees include Investment Committee members and other ad-hoc specialists, with objectives to:

- Foster discussion, debate and engagement with the investment teams and CIOs;
- Follow-up on previous discussions, decisions/action plans and KPIs;
- Share and assess new ESG matters impacting the Investments processes;
- Support effective ESG integration across our strategies;
- Validate issuers' inclusion or removal from the "exclusion list" or "watch list"

**☑ (B) Management implements the agreed-upon risk management measures. Specify:**

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.

Finally, as a proxy to assess and manage climate related risks, our Portfolio Managers are asked to review and manage their carbon emission exposure. This is done through our carbon footprint KPI which requires each portfolio to have a lower carbon footprint than the benchmark. This carbon KPI is integrated in portfolio management objectives and therefore linked to PM's remuneration.

**☑ (C) Management monitors and reports on climate-related risks and opportunities. Specify:**

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 believe that we also have a responsibility to explain to other stakeholders – including governments and civil-society organisations – how we define and implement our commitments to sustainable investment. This transparency allows our stakeholders to understand our approach, to engage in well-informed discussions about our practices and processes, and to hold us to account on our commitments. This engagement with our stakeholders also benefits us: it allows us to reflect on our approach, and generates ideas and suggestions that we can use to improve.

We commit to continuing to publish a Sustainable Investment Progress Report on an annual basis, which will demonstrate the value our approach creates for our clients. It will include information that we provide to the PRI (part of our commitment as a signatory), and updates on our sustainability targets. It will include a comprehensive stewardship section, which will provide an overview of our voting and engagement activities for the year; and a section on climate change, providing reporting in line with the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

(D) Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:

To truly embed the firm’s ambition in terms of sustainability takes time and requires resources. To do so, we created the “Sustainability Centre” in 2017, built around the ESG research team, which had existed since 2002 to form a true “Expertise Centre” on sustainability. The Centre gathers various ESG research & analysis activities: screening and buy list generation, engagement, voting and dialogue, communication, sales support, training (internally and externally), solidarity finance, CSR etc.

To be able to achieve our mission to become the world’s preeminent sustainable asset manager, we reinforced the staff and resources of our Sustainability Centre. In 2018, industry veteran Jane Ambachtsheer joined us as Global Head of Sustainability, and she has since appointed numerous additional staff. As stewardship is central to how we pursue our sustainable investment strategies, we also appointed Heads of Stewardship, in New York and in Hong Kong. In total, we have hired 15 new people since mid-May 2018 within the Sustainability Centre and we have now 25 fully dedicated multidisciplinary ESG experts.

A strong commitment from top management and communication is key when integrating ESG, both internally and externally. Indeed, after identifying the relevant ESG issues, we needed to share our findings. This is where internal training and the setting up of an ‘ESG Champions’ network within Investments made perfect sense. The champions, who have specific ESG objectives, were appointed to help promote sustainable investment within each investment team, and to liaise with the Sustainability Centre. Trainings are organised centrally, both for the ESG Champions as well as across investment and sales teams, as we work to enhance the firm’s overall capacity and understanding on ESG issues. By participating in conferences, being members of the PRI, IIGCC, participating on the TCFD, sponsoring GRASFI (<https://www.bnpparibas-am.com/en/bnpp-am-to-sponsor-global-research-alliance-for-sustainable-finance-and-investment/>) publishing thematic research (‘Wells, Wires and Wheels’ <https://docfinder.bnpparibas-am.com/api/files/1094E5B9-2FAA-47A3-805D-EF65EAD09A7F>) we communicate our commitment and credentials to the outside world.

- (E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:
- (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

## Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

**Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?**

(A) Specific financial risks in different asset classes. Specify:

We have identified climate related risks and opportunities for our investments in listed corporates, supranationals and sovereigns. On listed corporates, we believe our investments can be exposed to transition risks and we have started seeing companies facing physical climate related risks, for example operational disruptions due to extreme temperature or lack of water availability due to water stress for thermal power producers. Regarding transition risks, we believe that companies not able to transition away from the current linear and fossil based business models are at risks of being stranded. We already see fossil fuel companies losing out to more sustainable and less carbon dependent competitors which benefit from huge business opportunities. The in-depth research of the Sustainability Centre allows us to have a view on the main financial related risks of each sector and asset class. Our proprietary ESG scoring model scores companies on Environmental, Social and Governance pillars. The climate-related financial risks assessment of the companies we invest in is part of the ESG score. Our assessment is primarily sector-relative, reflecting the fact that ESG risks and opportunities are not always comparable across sectors and regions. For instance, health & safety is less important for an insurance company than for a mining company. Sectors that are more prone to ESG controversies have slightly lower scores, reflecting increased risk (‘headline’, reputational or financial risk). In addition to proprietary quantitative analysis, we also integrate information from third-party sources, our Sustainability Centre’s in-depth research on material issues (e.g. climate change) and our investment teams’ knowledge and interaction with issuers. For supranationals and sovereigns we monitor transition and low carbon risks, in the assessment of temperatures of country carbon pledges. We have developed a climate model that aims to assess the commitment of each country to the goals of the Paris Agreement, comparing a 2°C compatible emissions budget for each country by 2030 and their expected emissions given their Nationally Determined Contributions. We also monitor physical risks in the ESG scoring of sovereigns.

☑ (B) Specific sectors and/or assets that are at risk of being stranded. Specify:

Yes. Our Responsible Business Conduct (RBC) policy has been set to avoid reputational, regulatory and stranded asset risks. Notably, our decision to include a specific coal policy to our RBC responds to the need to manage the risk of fossil-fuel assets becoming stranded in a strong climate-change mitigation scenario. Owing to its high carbon content and the fact that 73% of coal consumption is in power generation – where increasingly cheaper alternatives exist – coal is at greater risk of being stranded in the near term than oil and gas.

- Policy risk: coal phase-outs have been announced in a number of EU countries (UK, Netherlands, France, Finland, Italy, and Germany), and compensation policies will not necessarily cover all costs. Other jurisdictions are likely to go down this path over the next decade for both climate and public-health reasons (in total 24 countries or other jurisdictions have already committed to phasing out coal in power generation). Carbon pricing is likely to be more widely adopted over the next decade as well.
- Technology risk: Renewables are becoming ever more competitive, and in certain jurisdictions wind and solar are not only already cheaper than new coal capacity but are also close to being cheaper than existing coal capacity. This will become a much more widespread feature of power markets across the world over the next decade as renewable costs continue to fall and carbon pricing becomes more widespread.
- Virtuous feedback loop between policy and technology: With strong support from public policy in the form of subsidies, huge amounts of capital have been deployed in renewables over the last decade, enabling economies of scale and hence more ambitious targets which then drive further cost economies of scale in renewables. This feedback loop could be replicated with the ramp-up of energy-storage technologies.
- Commodity-price risk: In some jurisdictions – most notably the US – cheap gas has already largely priced coal out of the market. Oil pricing is more volatile due in part to vicissitudes in supply dynamics but we expect peak demand is already behind us. Over time this will have a detrimental impact on O&G companies on the high end of the production cost curve.
- Carbon capture and storage: Carbon-capture and storage technology has long been held out as the savior of coal, but it has simply not attracted the investment necessary to drive economies of scale and has probably missed its window as a large-scale solution at global scale given the renewables revolution and the improving economics of energy storage. In line with our strategy, we already apply sector policies across our investments aimed at reducing our exposure to fossil fuels.

Since January 1st, 2020, BNP Paribas AM no longer finances thermal coal mining companies with 10% or more their turnover generated from thermal coal extraction or representing more than 10 millions tons of coal extraction per year. This coal policy is applied to all our funds.

We gradually reduce exposure to carbon-inefficient power companies by divesting from those utility companies whose carbon intensity is above the threshold set by the International Energy Agency (IEA) in order to achieve the Paris Climate Agreement Goal. Between 2019 and 2025, BNP Paribas AM will progressively align its investments in power generation with the Sustainable Development Scenario (SDS) of the International Energy Agency (IEA).

We also have a policy on Unconventional oil and gas as we introduced exclusions and mandatory criteria for companies with significant involvement in the exploration, production, trading and/or pipeline distribution of shale oil or gas, oil sands, and oil and gas resources located in the Arctic region. Indeed, we believe that the more damaging ways of producing energy will be the one that will suffer the most once the world will transition away from fossil fuels.

☑ (C) Assets with exposure to direct physical climate risk. Specify:

Yes, it is part of the various innovation research projects related to climate change that the Sustainability Centre is currently working on. Weather abnormalities are rising and will continue to do so because of climate change. Impact of weather abnormalities on corporates sales, costs and profits is as of today substantial and will rise because of climate change. There is a mathematical way to estimate, through correlation, regression and sensitivity analysis, the climate vulnerability of a specific company. We aim to expend current research done at sector/country level to all BNPPAM's investment universes.

The direct and indirect physical risks that we have identified are the following: temperature (heat waves, cold waves), extreme precipitations (floods, droughts), extreme winds. Companies can be impacted through their supply chain (disruptions, input availability, input prices), their operations (reduced productivity, physical damage to assets), and their sales (disruptions, demand, substitutions). The macro environment is also affected (infrastructure, finance & economics). These impacts lead to financial impact on the balance sheet, the profit & loss and the value of the companies affected.

We also have access to external physical climate related risks assessment by companies through our data provider 427. 427 provides us a score that measures the exposure of a company to different climate related extreme events based on the location of companies assets, sales or origin of supply chain. The link between these exposures and financial performance of enterprises has not yet been estimated but it allows us to rank companies by physical risk exposure and to use this input in our engagement with companies.

**(D) Assets with exposure to indirect physical climate risk. Specify:**

Indirect physical climate risk are considered and integrated into BNPP AM's ESG scoring model under the theme "climate change" with specific indicators weighted depending on the sectors. We are also working on a research project aiming at measuring the indirect exposure of companies through a mapping and assessment of their supply chain to ESG risks including climate-related exposure.

**(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**

We identify the following climate-related opportunities that are likely to benefit under a range of climate scenarios:

1. There is now a virtuous loop between policy (the global agreement on climate change ratified by 195 countries four years ago in Paris) and technology. There is also an increasing trend towards renewable energy competitiveness, and energy storage is fast coming down the track. When renewable and clean energy generally become more competitive economically, it makes it much easier for politicians and policy makers to set even more ambitious targets, and this is the virtuous loop between policy and technology. The role of investors is also important; they have seen the change coming in the market caused by this virtuous feedback loop around technology, policy and climate change, and that gives us our second opportunity.

2. Investors tend to screen their portfolios to exclude companies that face the risk of ending up on the wrong side of the energy transition. They are more likely to tilt towards companies that offer opportunities in a world where, increasingly, there will be a need to take into account the price of carbon emissions, clean air, pollution reduction, energy consumption, thereby boosting energy efficiency. The energy & utilities sectors are the most affected by these changes in investor's perception. In Europe for example, we see increasing investment in research and development in the renewable energy sector and the topic is now mainstream.

3. It is not only the energy sector that represents opportunities for investors. Now that the transition has begun, we need to focus on the likely winners and losers across different sectors and different climate outcomes and this is the third opportunity we have identified. We are working on a physical climate risk assessment methodology, to be able to identify what companies are most and least exposed to these risks so that we can make better-informed investment decisions and protect the value of our clients' portfolios.

**(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**



In addition to implementing the four pillars of sustainable investment, our Sustainable+ funds (roughly EUR 92 billion AUM as of December 2020) go a step further by implementing more explicit ESG tilts and/or adopting a thematic or impact approach for clients that want to pursue more specific and ambitious sustainability-related investment opportunities.

The enhanced ESG funds, which account for more than half (55bn€AUM dec 2020) of the Sustainable+ funds implement more explicit ESG tilts, i.e. investing in the most sustainable companies according to specific criteria and/or incorporating a wider range of exclusions, leading to more stringent ESG and/or carbon performance targets. Most of these funds adopt both a best-in-class methodology and incorporate a range of industry exclusions beyond those captured in our full fund line-up (such as alcohol, gambling, pornography). Many of these funds have received SRI or similar industry labels; they cover major asset classes, including global and European equity and credit, as well as sovereign debt. Furthermore, our various multifactor equity and fixed-income strategies adopt a best-in-class approach alongside broader ESG and carbon performance targets.

Thematic funds invest in companies that provide products and services providing concrete solutions to specific environmental and/or social challenges, seeking to benefit from the future growth anticipated in these areas while contributing capital to a low-carbon, inclusive economy. These funds are focused on areas such as the energy transition, water, human development, food, the global environment and climate change. They enable investors to tap into specific trends or increase portfolio exposure to particular sustainable themes.

(G) Other climate-related risks and opportunities identified. Specify:

BNPP AM is also leveraging on The TCFD’s recommendation which sets an important minimum bar for climate-related disclosures by the companies in our portfolios and we have committed to implementing the recommendations of the TCFD at BNPP AM.

Governance: Our Sustainability Committee, comprised of members of our Investment Committee, oversees our approach to sustainability, which includes climate change and covers our policies, targets and reporting. Our Global Head of Sustainability reports directly to BNPP AM’s Chief Investment Officer, and oversees our Sustainability Centre, which gathers all of our ESG experts together in one place.

Strategy: We view climate-related risks in a two-fold manner: risks to our investments, and risks to the system. We have committed to fully integrate a sustainable approach within all our investment processes based on what we call the four pillars of Sustainable Investment: ESG integration, stewardship, responsible business conduct and a forward-looking perspective. Embedded in this approach is the identification, assessment and management of climate risks.

Risk Management: We have a number of strategic priorities and policies in place to identify, assess and manage climate-related risks. In addition to committing to align our portfolios with the goals of the Paris Agreement by 2025, we evaluate climate risks and opportunities as part of the research process and calculate the carbon footprint of our portfolios. We have also implemented an enhanced coal investment policy, and we perform physical risk assessments on certain of our investments.

Metrics and targets: We have set key targets related to the alignment of our portfolios with the Paris Agreement. We will track, monitor and report on the CO2 emissions of our portfolios; the percentage of sustainable economic activities in our portfolios; the primary energy and electricity mix of our portfolios versus the IEA’s Sustainable Development Scenario (SDS); and the carbon intensity of our portfolios versus the IEA’s SDS

(H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Other climate-related risks and opportunities identified [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	(5) 11–20 years	(6) 21–30 years	(7) >30 years	
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(C) Assets with exposure to direct physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

(D) Assets with exposure to indirect physical climate risk [as specified]

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]

(G) Other climate-related risks and opportunities identified [as specified]

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

**Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?**

**(A) Specific financial risks in different asset classes. Specify:**

The main climate-related financial risks that we have identified by theme in our ESG scoring model also present risks beyond investment time horizon: climate change, environmental risk management, use of natural resources, emissions and waste, except for the environmental incidents that are short term risks. The in-depth research of the Sustainability Centre on different sectors also covers long term climate-related financial risks.

**(B) Specific sectors and/or assets that are at risk of being stranded. Specify:**

Our decision to include a specific coal policy to our Responsible Business Conduct policy responds to the need to manage the risk of fossil-fuel assets becoming stranded in a strong climate-change mitigation scenario. It is a risk that goes beyond our investment time horizon for some geographies but that has already materialised in Europe. This is why companies that do not have a strategy to exit from thermal coal activities by 2030 in European Union and OECD countries and by 2040 for the rest of the world will be excluded. In addition, we will systematically exclude any power generators that still have coal capacity in their generation mix in 2030 in European Union and OECD countries, and by 2040 for the rest of the world.

BNPP AM acknowledges the importance of encouraging companies to reduce their dependence on coal mining and coal-fired power generation in order to align their activities with the Paris Agreement. Miners and power generators that do not meet the above criteria but make credible commitments to reducing their coal-based activities to levels consistent with the Paris Agreement may be added to a monitoring list. Companies on the monitoring list will be expected to demonstrate a commitment to this policy within two years, but this compliance window will not go beyond the 2030/2040 cut off. No exemptions will be made for companies that develop either new thermal coal mining or power capacity.

In the medium to long term we believe Oil & Gas producers not able to transition or diversify away from their traditional extractive business model face a risk of being stranded. This risk will materialised in the coming years.

**(C) Assets with exposure to direct physical climate risk. Specify:**

Water, deforestation and biodiversity exposure beyond our investment time horizon can induce direct physical climate risk such as sea level rise, water shortage, extreme weather events etc. These physical risks are identified in our Global Sustainability Strategy.

More than a billion people live in water-scarce regions today, and nearly half of the world's population is situated in potentially water-scarce regions at least one month per year. Water scarcity refers to physical shortage, although lack of access to water might be caused by lack of regular supply or by inadequate infrastructure. Climate change is another contributor to water shortages. About half of the world's population is projected to face water shortages by 2030 when demand will exceed water supply by 40%. The global water-supply crisis poses a serious challenge to society. Some argue that it is the greatest economic challenge. A third of the world's largest groundwater systems are in distress. All companies, irrespective of their levels of water usage and where they are located, have a duty to improve water efficiency and minimise waste water. In 2016, 607 companies alone lost USD 14 billion as a result of water scarcity, drought, floods and other water-related risks. Water scarcity poses a particularly severe financial risk to companies which are water-intensive and operate in water-stressed areas. Competition for access to water with local communities will intensify, and those unable to manage it risk losing their licence to operate. Water risks go beyond shrinking water supplies. Increasing pollution is degrading both freshwater and coastal aquatic ecosystems. Despite improvements in some regions, particularly in accessing water – since 1990 more than 2.6 billion people have gained access to an “improved” drinking water source – water pollution is on the rise.<sup>26</sup> The most prevalent water-quality problem globally is eutrophication caused by high-nutrient loads, mainly phosphorus and nitrogen. Essentially all goods-producing activities generate pollutants as unsought by-products. Many industries – some of them known to be heavily polluting, such as leather and chemicals – have moved from high-income countries to emerging-market economies, often with inferior environmental and labour protections. More than 80% of sewage in developing countries is discharged untreated, polluting rivers, lakes and coastal areas.

Forests are critical for soil conservation, carbon sequestration, regulating weather systems and global biodiversity. More than 1 billion people depend on forests for their livelihoods, and they play a crucial role in sustainable agriculture, food security, water and in providing vital medicines. According to World Resources Institute (WRI) research, 30% of global forest cover has been cleared, while another 20% has been degraded. Most of the rest has been fragmented, leaving only about 15% intact. In spite of lower deforestation rates in some regions, the world's forests remain under immense pressure, mainly from agriculture. Over a third of the land estimated to be suitable for further expansion for agriculture is used for crop production. However, any land expansion from now onwards will compete with the need to protect forests and already damaged ecosystems. In the tropics and subtropics, 40% of land-use change is caused by large-scale commercial agriculture, whereas local small-scale agriculture accounts for 33%. Besides better regulation and tackling illegal logging, private-led certification schemes and commitments to zero deforestation can make a difference. In 2014, the New York Declaration on Forests was endorsed by 36 national governments, 53 companies and 54 civil-society organisations. An increasing number of companies are working towards eliminating deforestation from their supply chains. The Consumer Goods Forum (CGF), which represents 400 companies in 70 countries, aims to achieve zero net deforestation by 2020 through the responsible sourcing of key commodities – soy, palm oil, paper and pulp and cattle. Today, however, implementation lags commitments and deforestation in the Amazon is back on the rise.

**(D) Assets with exposure to indirect physical climate risk. Specify:**

See above answer. Water, deforestation and biodiversity exposure beyond our investment time horizon can also induce indirect physical climate risk such as supply chain disruption. These physical risks are analyzed in our Global Sustainability Strategy.

**(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**

In the context of our Sustainable+ funds, we are trying to identify what type of companies are likely to benefit under a range of climate scenarios. For example, for our Energy Transition Fund we have identified specific activities that are likely to benefit under a range of climate scenarios and beyond our investment time horizon: green hydrogen, smart grid, battery storage, offshore wind, electric vehicles, solar photovoltaics. These assets will probably suffer less from physical risks and transition risks than other types of energy. For example a nuclear power plant in a 4°C world would be highly more sensitive than wind mills due to its higher risk exposure to physical climate risks. In an energy transition scenario we identified some specific sector or activity opportunities, linked to policy or market developments. Here are some examples of the already identified opportunities: Energy transportation & infrastructure: only the beginning of the electric vehicle revolution Electric Vehicles (EV) hit an inflection point last year as costs continued to decline and car manufacturers released new models. Sales were up 43% year on year despite the pandemic and EVs made up 4.2% of new global car sales, up from 2.5% in 2019 (1). BNEF sees EV sales more than tripling by 2025, with penetration rising to 50% of new sales by 2037 (2). Renewable energy production: the lowest cost form of new electricity capacity The continued decline in wind and solar costs accelerated the disruption of traditional infrastructure in 2020, and this trend shows no sign of stopping. Solar Photovoltaic (PV) module prices have fallen 90% since 2009.

In many parts of the world, renewable electricity is now cheaper than traditional sources. In fact, renewable capacity additions are expected to have accounted for almost 90% of the increase in total power capacity globally last year. (3) Energy efficiency, technology and materials: enabling the transition There have been a lot of interesting developments in 2020 which could shape the course of technology and investment for years to come. For EV, 2020 was the first year to see some battery pack prices drop below \$100/kWh, the price generally viewed as offering cost parity for Electric Vehicles with their internal combustion engine counterparts (4). 2020 also saw some important advances in solid-state battery technology. Solid-state batteries could deliver 500km range, recharging completely in under ten minutes, at a lower cost due to their much higher energy density. The energy transition opportunity looking ahead: Whilst 2020 was a fantastic year for the energy transition, it is only the beginning of a multi-decade investment opportunity. In the short term, some pockets have certainly seen valuations become more extended than others. But thanks to its superior growth prospects, the broad universe of companies involved in the energy transition still has a price-to-earnings growth ratio below 1 over the next 3 years (5). We think 2021 will be a year which rewards those companies best placed to benefit from the underlying regulatory, macro and industry drivers, putting an increasing emphasis on top down thematic knowledge, technical know-how and stock selection. 1 - EV-volumes.com and The Guardian, Global sales of electric cars accelerate fast in 2020 despite pandemic, January 2021 2 - BNEF Electric Vehicle Outlook, May 2020 3 - IEA Renewables 2020 4 - CLSA, Global Electric Vehicles 2021 outlook 5 - Methodology: market cap weighted assessment of BNPP AM view of broad cross-sector Energy Transition universe where we can find evidence of environmental solutions.

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:

As outlined in the previous question (ISP 30), our Sustainable+ funds allows us to invest in some assets that contribute to achieving our climate goals, notably the climate goals associated with the 3Es of our Global Sustainability Strategy (Energy transition, Environmental sustainability, Equality and Inclusive Growth).

The Sustainability Centre is also doing prospective research to identify key sectors and assets which could lead to the achievement of our climate goals beyond our investment time horizon. Notably, BNP Paribas Asset Management’s research paper Deep Decarbonization: Green Hydrogen, Net Zero and the Future of the EU-ETS examines the road to achieving net-zero emissions by 2050 and the prospects for green hydrogen as a new clean source of energy and the future of the EU-ETS. You can find this paper here: <https://docfinder.bnpparibas-am.com/api/files/FB39FAB1-A279-41CC-9CDD-4D22827359B0>

The paper argues that there is no plausible pathway to net zero by 2050 without the scaling-up of green hydrogen such that it is commercially viable as an industrial feedstock by 2030, and as an energy source thereafter. To meet the target, therefore, the pricing paradigm for the EU-ETS will need to shift from being based on fuel-switching in the power sector to being based on fuel-switching in industry. In other words, the key pricing parameter over the next decade will become the cost of switching from grey hydrogen to green hydrogen in industries such as steel, chemicals, and oil refining.

(G) Other climate-related risks and opportunities identified, please specify:

(H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

## Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

(A) An orderly transition to a 2°C or lower scenario

(B) An abrupt transition consistent with the Inevitable Policy Response

(C) A failure to transition, based on a 4°C or higher scenario

(D) Other climate scenario, specify:

(E) We do not use scenario analysis to assess climate-related investment risks and opportunities

# Sustainability outcomes

## Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

- (A) Our approach to sustainability outcomes is set out in our responsible investment policy
- (B) Our approach to sustainability outcomes is set out in our exclusion policy
- (C) Our approach to sustainability outcomes is set out in our stewardship policy
- (D) Our approach to sustainability outcomes is set out in asset class-specific investment guidelines
- (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

- (A) The SDG goals and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) Other frameworks, please specify:
- (F) Other frameworks, please specify:

## Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- (A) No, we have not identified the sustainability outcomes from our activities
- (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
  - Net Environmental Contribution and Avoided Emissions
- (G) Other framework/tool, please specify:
- (H) Other framework/tool, please specify:
- (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

**At what level(s) did your organisation identify the sustainability outcomes from its activities?**

- (A) At the asset level
- (B) At the economic activity level
- (C) At the company level
- (D) At the sector level
- (E) At the country/region level
- (F) At the global level
- (G) Other level(s), please specify:  
 At the portfolio level
- (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

**How has your organisation determined your most important sustainability outcome objectives?**

- (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- (B) Consulting with key clients and/or beneficiaries to align with their priorities
- (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- (G) Understanding the geographical relevance of specific sustainability outcome objectives
- (H) Other method, please specify:
- (I) We have not yet determined our most important sustainability outcome objectives



# Transparency & Confidence-Building Measures

## Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

## Information disclosed – Passive ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 47	CORE	Multiple, see guidance	N/A	PUBLIC	Information disclosed – Passive ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets that are passive listed equity and/or passive fixed income, how do you communicate changes in their ESG benchmark selection and construction?

- (A) We disclose details that would allow external parties to replicate or test the ESG index or benchmark
- (B) We disclose the main sources of ESG data, broad ESG assumptions and how this is used to develop ESG passive portfolios
- (C) We disclose a full list of all changes to methodologies
- (D) We disclose any changes that we deem significant to the methodology
- (E) We do not communicate changes to methodologies for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets that use ESG indices/benchmarks

## Client reporting – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 48	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – ESG assets	6

What ESG information is included in your client reporting for the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets?

- (A) Qualitative analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents, where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

## Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

## Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

- (A) Qualitative ESG analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our assets under management

## Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(A) Listed equity (1) Quarterly

(B) Fixed income (1) Quarterly

## Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
- (E) Some or all of our funds have been audited as part of the certification process against a sustainable investment/RI label
- (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI
- (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 56	CORE	OO 14, ISP 52	N/A	PUBLIC	Confidence-building measures	6

**What responsible investment processes and/or data were audited by internal auditors/outsourced internal auditors?**

- |                                       |  |
|---------------------------------------|--|
| (A) Investment and stewardship policy | (3) Processes and related data assured |
| (C) Listed equity                     | (1) Processes assured                  |
| (D) Fixed income                      | (1) Processes assured                  |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

**Who has reviewed/verified the entirety of or selected data from your PRI report?**

- |   |                         |
|---|-------------------------|
| (A) Board and/or trustees   | (4) report not reviewed |
| (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) | (3) parts of the report |
| (C) Investment committee  | (4) report not reviewed |
| (D) Other chief-level staff, please specify:<br><input type="checkbox"/> Non  | (4) report not reviewed |
| (E) Head of department, please specify:<br><input type="checkbox"/> Global Head of Sustainability                           | (1) the entire report   |
| (F) Compliance/risk management team   | (1) the entire report   |

(G) Legal team (4) report not reviewed

(H) RI/ ESG team (1) the entire report

(I) Investment teams (3) parts of the report

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 59	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

**Which of the following ESG/RI certifications or labels do you hold?**

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) **CBI Climate Bonds Standard**
- (G) EU Ecolabel
- (H) EU Green Bond Standard
- (I) **Febelfin label (Belgium)**
- (J) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (K) **Greenfin label (France)**
- (L) ICMA Green Bond Principles
- (M) **Le label ISR (French government SRI label)**
- (N) Luxflag Climate Finance
- (O) **Luxflag Environment**
- (P) **Luxflag ESG**
- (Q) Luxflag Green Bond
- (R) Luxflag Microfinance
- (S) National stewardship code (e.g. UK or Japan), please specify:
- (T) Nordic Swan Ecolabel
- (U) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic), please specify:
- (V) People's Bank of China green bond guidelines
- (W) RIAA (Australia)
- (X) **Towards Sustainability label (Belgium)**
- (Y) Other, please specify:

# Listed Equity (LE)

## Pre-investment phase

### Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 10	LE 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors across listed equities?

	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) No, we do not have a formal process to identify material ESG factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1.1	CORE	LE 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

	(1) Passive equity	(2) Active - Quantitative	(3) Active - Fundamental
(A) The investment process incorporates material governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your listed equity assets?

	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental
(A) We monitor long-term ESG trends for all assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



(B) We monitor long-term ESG trends for the majority of assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) We monitor long-term ESG trends for a minority of assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## ESG incorporation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 10	LE 3.1	PUBLIC	ESG incorporation	1

### How does your financial modelling and equity valuation process incorporate material ESG risks?

	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental
(A) We incorporate governance-related risks into financial modelling and equity valuations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate environmental and social risks into financial modelling and equity valuations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) ESG risk is incorporated into financial modelling and equity valuations at the discretion of individual investment decision-makers, and we do not track this process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(E) We do not incorporate ESG risks into our financial modelling and equity valuations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3.1	CORE	LE 3	N/A	PUBLIC	ESG incorporation	1

**In what proportion of cases do you incorporate the following material ESG risks into your financial modelling and equity valuation process?**

**(1) Passive Equity**

(A) We incorporate governance-related risks into financial modelling and equity valuations (2) in the majority of cases

(B) We incorporate environmental and social risks into financial modelling and equity valuations (2) in the majority of cases

(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations (2) in the majority of cases

**(2) Active - Quantitative**

(A) We incorporate governance-related risks into financial modelling and equity valuations (1) in all cases

(B) We incorporate environmental and social risks into financial modelling and equity valuations (1) in all cases

(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations (1) in all cases

**(3) Active - Fundamental**

(A) We incorporate governance-related risks into financial modelling and equity valuations (1) in all cases

(B) We incorporate environmental and social risks into financial modelling and equity valuations (1) in all cases

(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations

(1) in all cases

## Assessing ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 10	LE 4.1	PUBLIC	Assessing ESG performance	1

What information do you incorporate when you assess the ESG performance of companies in your financial modelling and equity valuation process?

	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental
(A) We incorporate information on current performance across a range of ESG metrics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate information on historical performance across a range of ESG metrics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not incorporate ESG factors when assessing the ESG performance of companies in our financial modelling or equity valuation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4.1	CORE	LE 4	N/A	PUBLIC	Assessing ESG performance	1

**In what proportion of cases do you incorporate the following information when assessing the ESG performance of companies in your financial modelling and equity valuation process?**

**(1) Passive equity**

(A) We incorporate information on current performance across a range of ESG metrics (2) in the majority of cases

(B) We incorporate information on historical performance across a range of ESG metrics (2) in the majority of cases

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (2) in the majority of cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (2) in the majority of cases

**(2) Active – quantitative**

(A) We incorporate information on current performance across a range of ESG metrics (1) in all cases

(B) We incorporate information on historical performance across a range of ESG metrics (1) in all cases

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (1) in all cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (1) in all cases

**(3) Active – fundamental**

(A) We incorporate information on current performance across a range of ESG metrics (1) in all cases

(B) We incorporate information on historical performance across a range of ESG metrics (1) in all cases

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (1) in all cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (1) in all cases

## ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 10	LE 6.1	PUBLIC	ESG incorporation in portfolio construction	1

### How do ESG factors influence your portfolio construction?

	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other expressions of conviction (please specify below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6.1	CORE	LE 6	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**In what proportion of cases did ESG factors influence your portfolio construction?**

**(1) Passive equity**

(A) The selection of individual assets within our portfolio is influenced by ESG factors (2) in the majority of cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (2) in the majority of cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (2) in the majority of cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (2) in the majority of cases

**(2) Active – quantitative**

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (1) in all cases

**(3) Active – fundamental**

(A) The selection of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(1) in all cases
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	(1) in all cases

## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	CORE	OO 6.1 LE	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- (A) We have an independent committee that oversees the screening implementation process, but only for our ESG/sustainability labelled funds that are subject to negative exclusionary screening
- (B) We have an independent committee that oversees the screening implementation process for all of our listed equity assets that are subject to negative exclusionary screening
- (C) We have an independent committee that verifies that we have correctly implemented pre-trade checks in our internal systems to ensure no execution is possible without their pre-clearance
- (D) Other, please specify:
- (E) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

# Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do your regular reviews incorporate ESG risks?**

	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental
(A) Our regular reviews include quantitative information on material ESG risks specific to individual listed equities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not conduct reviews	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do you regularly identify and incorporate ESG incidents into the investment process for your listed equity assets?**

	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) We currently do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Passive equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 10	N/A	PUBLIC	Passive equity	1

What percentage of your total passive listed equity assets utilise an ESG index or benchmark?

50-75%

## Reporting/Disclosure

### Sharing ESG information with stakeholders

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 13	CORE	OO 6 LE	N/A	PUBLIC	Sharing ESG information with stakeholders	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

	(1) for all of our listed equity assets subject to ESG screens	(2) for the majority of our listed equity assets subject to ESG screens	(3) for a minority of our listed equity assets subject to ESG screens	(4) for none of our assets subject to ESG screens
(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We publish any changes in ESG screens and share them on a publicly accessible platform such as a website or through fund documentation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 14	CORE	OO 10	N/A	PUBLIC	Sharing ESG information with stakeholders	6

**What ESG information is covered in your regular reporting to stakeholders such as clients or beneficiaries?**

**(1) Passive equity**

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation 1) In all of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data 1) In all of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data 1) In all of our regular stakeholder reporting

**(2) Active – quantitative**

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation 1) In all of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data 1) In all of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data 1) In all of our regular stakeholder reporting

**(3) Active – fundamental**

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation 1) In all of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data

1) In all of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data

1) In all of our regular stakeholder reporting

## Stewardship

### Voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15	CORE	OO 9 LE	LE 15.1, LE 16	PUBLIC	Voting policy	2

Does your organisation have a publicly available (proxy) voting policy? (The policy may be a standalone policy, part of a stewardship policy or incorporated into a wider RI policy.)

(A) Yes, we have a publicly available (proxy) voting policy Add link(s):

<https://docfinder.bnpparibas-am.com/api/files/032ABDF8-873A-453D-9D91-22B2D35C99CB>

(B) Yes, we have a (proxy) voting policy, but it is not publicly available

(C) No, we do not have a (proxy) voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15.1	CORE	OO 9 LE, LE 15	N/A	PUBLIC	Voting policy	2

What percentage of your listed equity assets does your (proxy) voting policy cover?

(A) Actively managed listed equity covered by our voting policy

(11) 91–99%

(B) Passively managed listed equity covered by our voting policy

(11) 91–99%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 16	CORE	LE 15	N/A	PUBLIC	Voting policy	2

**Does your organisation's policy on (proxy) voting cover specific ESG factors?**

**(A) Our policy includes voting guidelines on specific governance factors Describe:**

We believe that Governance (ESG) issues impact the value and reputation of entities in which we invest, in addition to driving systemic risks and opportunities. We are therefore committed to incorporate ESG standards into our investment processes and voting criteria, in the long-term interests of our clients. These principles act as a guiding framework by which BNPP AM executes its ownership responsibilities.

For example, on the governance side, on board election we value independence and gender diversity in our proxy voting policy: we may vote against if :

1. The candidate is not independent and:
  - the board comprises less than 50% independent directors excluding employee representatives (for non-controlled companies)
  - the board comprises less than 33% independent directors including employees representatives (for controlled companies or in cases of a board with at least 50 percent of compulsory employee representatives)
2. The candidate is both Chair and CEO of the company.
3. Appointments exceeding a 4-year mandate
4. The candidate is not a woman and: - Fewer than 30% of directors are female (for Europe, North America, Australia, New Zealand and South Africa) - Fewer than 15% of directors are female(for the other markets)
5. A different independence threshold can be applied depending on local code and market practice (with a minimum of 33%).
6. The director had a very low level of attendance without any satisfactory justification (below 75%).

**(B) Our policy includes voting guidelines on specific environmental factors Describe:**

We believe that Environmental issues impact the value and reputation of entities in which we invest, in addition to driving systemic risks and opportunities. We are therefore committed to incorporate ESG standards into our investment processes and voting criteria, in the long-term interests of our clients. These principles act as a guiding framework by which BNPP AM executes its ownership responsibilities.

For example, we may vote against board election or financial statements if the company does not report properly on their carbon footprint (scope 1, 2 and 3, when appropriate), or does not communicate nor does it want to constructively engage in relation to its business strategy to mitigate and adapt to climate change, or its climate lobbying strategy

**(C) Our policy includes voting guidelines on specific social factors Describe:**

We believe that Social issues impact the value and reputation of entities in which we invest, in addition to driving systemic risks and opportunities. We are therefore committed to incorporate ESG standards into our investment processes and voting criteria, in the long-term interests of our clients. These principles act as a guiding framework by which BNPP AM executes its ownership responsibilities. For example, we may vote against board election or financial statements if the company has engaged in serious violations of the UN Global Compact Principles, or if the company does not provide adequate disclosure on social issues either in its annual report or elsewhere.

**(D) Our policy is high-level and does not cover specific ESG factors Describe:**

## Security lending policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18	CORE	OO 9 LE	LE 18.1, LE 18.2	PUBLIC	Security lending policy	2

Does your organisation have a public policy that states how voting is addressed in your securities lending programme? (The policy may be a standalone guideline or part of a wider RI or stewardship policy.)

(A) We have a public policy to address voting in our securities lending programme. Add link(s):

<https://docfinder.bnpparibas-am.com/api/files/032ABDF8-873A-453D-9D91-22B2D35C99CB>

- (B) We have a policy to address voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our service provider(s)
- (D) We do not have a policy to address voting in our securities lending programme
- (E) Not applicable, we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18.1	CORE	LE 18	N/A	PUBLIC	Security lending policy	2

How is voting addressed in your securities lending programme?

(A) We recall all securities for voting on all ballot items

- (B) We always recall all holdings in a company for voting on ballot items deemed important (e.g. in line with specific criteria)
- (C) We always recall some securities so that we can vote on their ballot items (e.g. in line with specific criteria)
- (D) We maintain some holdings so that we can vote at any time
- (E) We recall some securities on an ad hoc basis so that we can vote on their ballot items
- (F) We empower our securities lending agent to decide when to recall securities for voting purposes
- (G) Other, please specify:
- (H) We do not recall our securities for voting purposes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18.2	CORE	LE 18	N/A	PUBLIC	Security lending policy	2

What exclusions do you apply to your organisation's securities lending programme?

- (A) We do not lend out shares of companies that we are engaging with either individually or as a lead or support investor in collaborative engagements
- (B) We do not lend out shares of companies if we own more than a certain percentage of them
- (C) We do not lend out shares of companies in jurisdictions that do not ban naked short selling
- (D) We never lend out all our shares of a company to ensure that we always keep voting rights in-house
- (E) Other, please specify:
- (F) We do not exclude any particular companies from our securities lending programme

## Shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 19	CORE	OO 9 LE	N/A	PUBLIC	Shareholder resolutions	2

Which of the following best describes your decision-making approach regarding shareholder resolutions, or that of your service provider(s) if decision-making is delegated to them?

- (A) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors or on our stewardship priorities
- (B) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors but only if the investee company has not already committed publicly to the action requested in the proposal
- (C) In the majority of cases, we only support shareholder resolutions as an escalation tactic when other avenues for engagement with the investee company have not achieved sufficient progress
- (D) In the majority of cases, we support the recommendations of investee company management by default
- (E) In the majority of cases, we do not vote on shareholder resolutions

## Pre-declaration of votes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 20	CORE	OO 9 LE	N/A	PUBLIC	Pre-declaration of votes	2

### How did your organisation or your service provider(s) pre-declare votes prior to AGMs/EGMs?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system
- (B) We pre-declared our voting intentions publicly (e.g. through our own website) Link to public disclosure:
- (C) We pre-declared our voting intentions publicly through the PRI's vote declaration system, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain
- (D) We pre-declared our voting intentions publicly, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain Link to public disclosure:
- (E) Prior to the AGM/EGM, we privately communicated our voting decision to investee companies in cases where we planned to vote against management proposals or abstain
- (F) We did not privately or publicly communicate our voting intentions
- (G) We did not cast any (proxy) votes during the reporting year

## Voting disclosure post AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21	CORE	OO 9 LE	LE 21.1	PUBLIC	Voting disclosure post AGM/EGM	2

### Do you publicly report your (proxy) voting decisions, or those made on your behalf by your service provider(s), in a central source?

- (A) Yes, for >95% of (proxy) votes Link:  
<https://vds.issgovernance.com/vds/#/MTc3MQ==/>
- (B) Yes, for the majority of (proxy) votes Link:
- (C) Yes, for a minority of (proxy) votes 1) Add link and 2) Explain why you only publicly disclose a minority of (proxy) voting decisions:
- (D) No, we do not publicly report our (proxy) voting decisions Explain why you do not publicly report your (proxy) voting decisions:



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21.1	CORE	LE 21	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

In the majority of cases, how soon after an investee's AGM/EGM do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22	CORE	OO 9 LE	LE 22.1	PUBLIC	Voting disclosure post AGM/EGM	2

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions?

- (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company
- (B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly
- (C) In cases where we voted against management recommendations or abstained, we did not communicate the rationale
- (D) We did not vote against management or abstain

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22.1	CORE	LE 22	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale for your voting decisions.

- (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company (2) 11–50%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23	CORE	OO 9 LE	LE 23.1	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions when voting against a shareholder resolution proposed/filed by a PRI signatory?

- (A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly
- (B) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was not disclosed publicly
- (C) We did not vote against any shareholder resolution proposed/filed by a PRI signatory

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23.1	CORE	LE 23	N/A	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale for your voting decisions.

(A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly (5) >95%

# Fixed Income (FI)

## Pre-investment phase

### Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) No, we do not have a formal process to identify material ESG factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

**How does your current investment process incorporate material ESG factors?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) The investment process incorporates material governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors

(D) Other method of incorporating ESG factors into risk management process, please specify below:

(E) We do not have a process to incorporate ESG factors into our portfolio risk management

**Please specify for "(D) Other method of incorporating ESG factors into risk management process".**

B was marked for government bonds. Otherwise, as part of our Responsible Business Conduct Policy, we maintain a list of issuers that we exclude because they do not comply with what we believe should be minimum standards for nations and companies. On the corporate side for example, we expect companies to meet their fundamental obligations in the areas of human and labour rights, protecting the environment and ensuring anti-corruption safeguards, wherever they operate, in line with the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises (OECD MNEs Guidelines). We engage with companies where they fall short, excluding the worst offenders. We also have a series of sector policies that set out the conditions for investing in particular sectors, guiding our screening requirements and engagement. We have another set of policies that commit us to exclude particular sectors or activities (tobacco, unconventional oil and gas, thermal coal, controversial weapons or asbestos), as we deem them to be in violation of international norms, or to present unacceptable harm to society or the environment, without counterbalancing benefits. These are generally sectors where engagement makes little sense as creating real impact is likely to be impossible. In addition to the daily management of the ESG scores by the portfolio managers, the risk team provides a weekly risksheet with the ESG scores of the portfolios.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

**For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?**

**(1) SSA**

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (3) for a minority of our assets

(D) Other method of incorporating ESG factors into risk management process (2) for the majority of our assets

**(2) Corporate**

(D) Other method of incorporating ESG factors into risk management process (1) for all of our assets

**(3) Securitised**

(D) Other method of incorporating ESG factors into risk management process (1) for all of our assets

**(4) Private debt**

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto (1) for all of our assets

(D) Other method of incorporating ESG factors into risk management process (1) for all of our assets

## ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

**How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) We incorporate it into the forecast of cash flow, revenues and profitability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

**In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?**

**(1) SSA**

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

**(2) Corporate**

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

**(3) Securitised**

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

**(4) Private debt**

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

## ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

### How do ESG factors influence your portfolio construction?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other expressions of conviction, please specify below:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**In what proportion of cases do ESG factors influence your portfolio construction?**

**(1) SSA**

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (1) in all cases

**(2) Corporate**

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (1) in all cases

**(3) Securitised**

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

**(4) Private debt**

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors

(1) in all cases

## ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) In the majority of cases, we incorporate material governance-related risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 10	N/A	PUBLIC	ESG performance	1

**In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have an internal ESG performance assessment methodology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
- (B) Yes, it differentiates ESG risks by sector
- (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

	(1) for all of our corporate fixed income assets	(2) for the majority of our corporate fixed income assets	(3) for a minority of our corporate fixed income assets
(A) We differentiate ESG risks by country/region (for example, local governance and labour practices)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We differentiate ESG risks by sector	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Private debt

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 10	CORE	OO 10	FI 10.1	PUBLIC	Private debt	1

Indicate how your organisation incorporates ESG factors when selecting private debt investments during the due diligence phase.

- (A) We use a qualitative ESG checklist
- (B) We assess quantitative ESG data, such as energy consumption, carbon footprint and gender diversity
- (C) We require that the investment has its own ESG policy
- (D) We hire specialised third parties for additional ESG assessments
- (E) We require the review and sign-off of our ESG due diligence process by our investment committee or the equivalent function
- (F) Other method of incorporating ESG into the selection of private debt during due diligence (please specify below):
- (G) We do not incorporate ESG factors when selecting private debt during the due diligence phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 10.1	CORE	FI 10	N/A	PUBLIC	Private debt	1

In what proportion of cases do you incorporate ESG factors when selecting private debt investments during the due diligence phase?

	(1) in all cases	(2) in the majority of cases	(3) in a minority of cases
(A) We use a qualitative ESG checklist	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We assess quantitative ESG data, such as energy consumption, carbon footprint and gender diversity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(C) We require that the investment has its own ESG policy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We hire specialised third parties for additional ESG assessments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

(E) We require the review and sign off of our ESG due diligence process by our investment committee, or the equivalent function

## Securitised products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 10	N/A	PUBLIC	Securitized products	1

How do you incorporate ESG factors into the financial analysis of securitised products?

- (A) We analyse ESG risks and returns for both the issuer or debtor and the underlying collateral or asset pool
- (B) We perform ESG analysis that covers the issuer or debtor only
- (C) We perform ESG analysis that covers the underlying collateral or asset pool only
- (D) We do not incorporate ESG factors into the financial analysis of securitised products

## Post-investment phase

### ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

(1) SSA

(2) Corporate

(3) Securitized

(4) Private debt

(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets

(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level

(C) Our regular reviews only highlight fund holdings where ESG ratings have changed

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency

(E) We do not conduct reviews that incorporate ESG risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

**Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making

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## Time horizons

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1

**In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) We take into account current risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We take into account medium-term risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We take into account long-term risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



## Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) We monitor long-term ESG trends for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) We monitor long-term ESG trends for the majority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) We monitor long-term ESG trends for a minority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Passive

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 5.2 FI, OO 10	N/A	PUBLIC	Passive	1

What percentage of your total passive fixed income assets utilise an ESG index or benchmark?

50-75%

## Thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	PLUS	OO 6 FI	FI 18.1	PUBLIC	Thematic bonds	1

**What proportion of your total thematic investments are labelled green bonds, social bonds and/or sustainability bonds by the issuers in accordance with the four ICMA Social/Green Bond Principles?**

**Proportion out of total thematic fixed income investments:**

(A) Proportion of green/SDG bonds linked to environmental goals >75%

(B) Proportion of social/SDG bonds linked to social goals 0.0%

(C) Proportion of sustainability/SDG bonds (i.e. combination of green and social bonds linked to multiple SDG categories) 0.0%

(D) None of the above 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 19	CORE	OO 6 FI	N/A	PUBLIC	Thematic bonds	1

**How do you determine which non-labelled thematic bonds to invest in?**

- (A) By reviewing the bond's use of proceeds
- (B) By reviewing companies' ESG targets
- (C) By reviewing companies' progress towards achieving ESG targets
- (D) We do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 20	CORE	OO 6 FI	N/A	PUBLIC	Thematic bonds	1, 2, 6

**What action do you take in the majority of cases where proceeds of a thematic bond issuer are not allocated to the original plan?**

- (A) We engage with the issuer
- (B) We alert regulators
- (C) We alert thematic bond certification agencies
- (D) **We sell the security**
- (E) We publicly disclose the breach
- (F) We blacklist the issuer
- (G) Other action, please specify:
- (H) We do not take any specific actions when proceeds from bond issuers are not allocated in accordance with the original plan

## Reporting/Disclosure

### ESG screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 21	CORE	OO 6 FI	N/A	PUBLIC	ESG screens	6

**How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?**

- |   |   |
|---|---|
| <p>(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens:</p> <hr/> <p>(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes:</p> <hr/> <p>(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries</p> <hr/> | <p>(1) for all of our fixed income assets subject to ESG screens</p> <p>(1) for all of our fixed income assets subject to ESG screens</p> <p>(3) for a minority of our fixed income assets subject to ESG screens</p> |
|---|---|

# Engagement

## Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

At which stages does your organisation engage with issuers/borrowers?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) At the pre-issuance/pre-deal stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) At the pre-investment stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) During the holding period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) At the refinancing stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) When issuers/borrowers default	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Sovereign bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 23	CORE	OO 9 FI	N/A	PUBLIC	Sovereign bonds	2

For the majority of your sovereign bond engagements, which non-issuer stakeholders do you engage with to promote your engagement objectives?

- (A) Non-ruling parties
- (B) **Originators and primary dealers**
- (C) Index and ESG data providers
- (D) Multinational companies/state-owned enterprises (SOEs)
- (E) **Supranational organisations**
- (F) Credit rating agencies (CRAs)
- (G) Business associations
- (H) Media

- (I) NGOs, think tanks and academics
- (J) Other non-issuer stakeholders, please specify:
- (K) We do not engage with any of the above stakeholders for the majority of our sovereign bond engagements