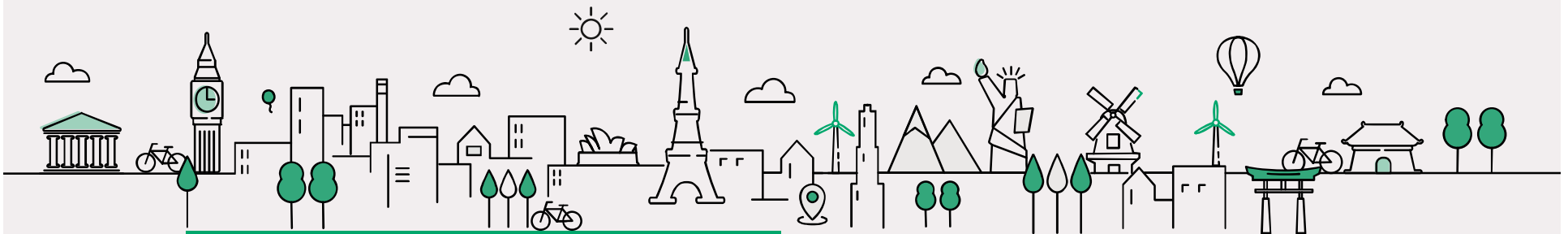


WEBINAR IEAF

TRANSFORMACIÓN ESG EN LA INVERSIÓN COLECTIVA



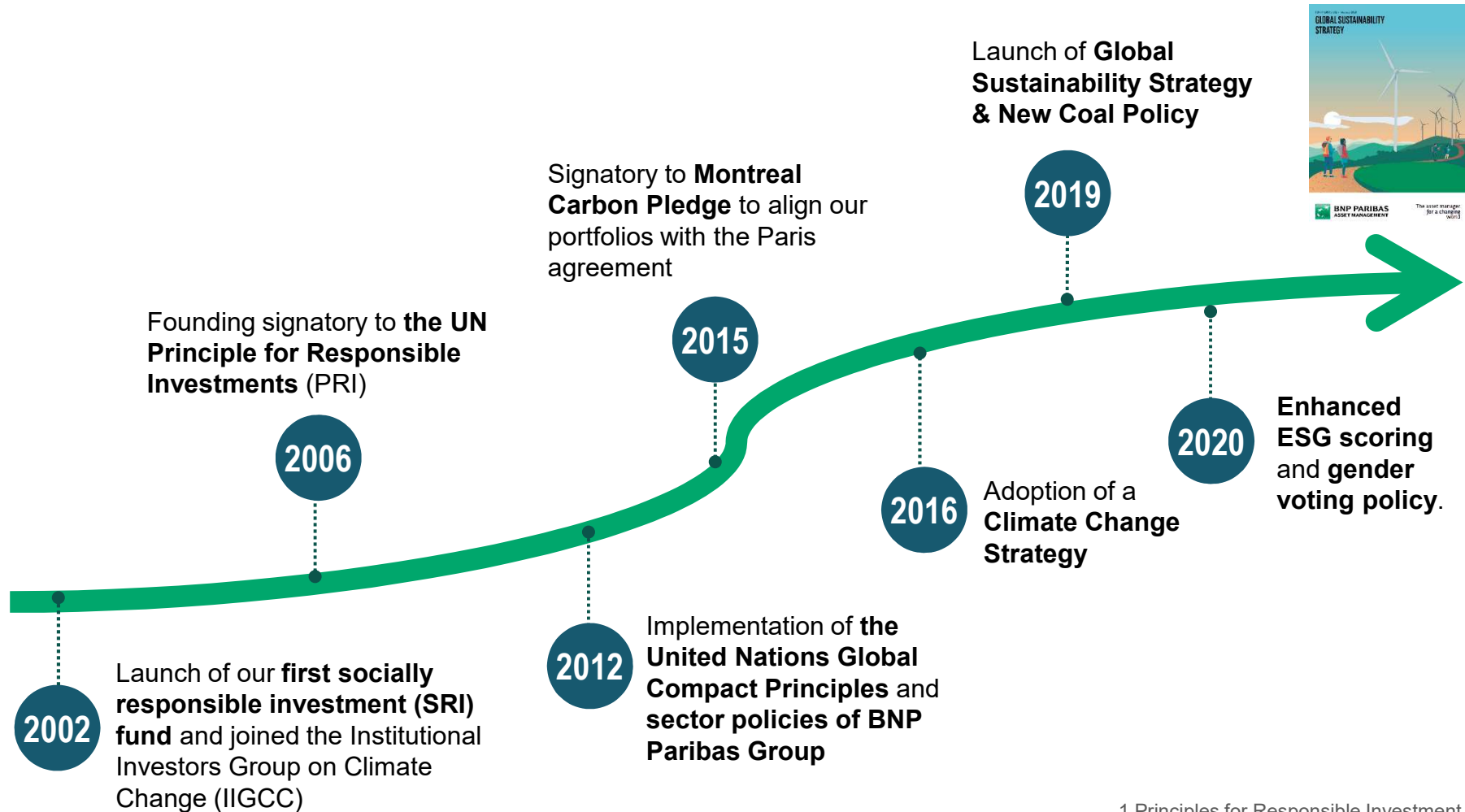
THIBAUD CLISSON
Febrero del 2021



BNP PARIBAS
ASSET MANAGEMENT

The asset manager for a changing world

A pioneer in sustainable investment since 2002



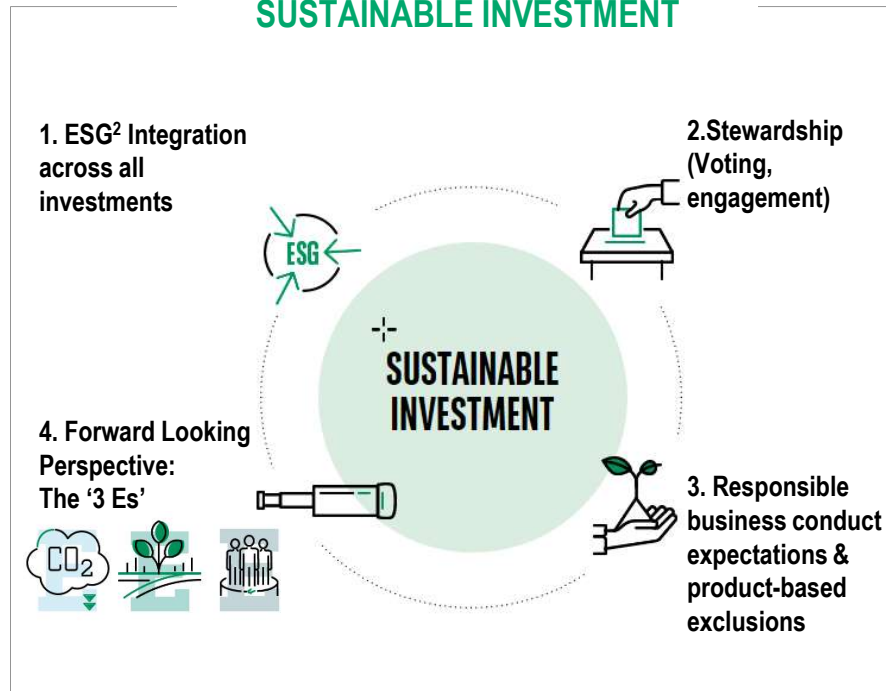
Source: BNP Paribas Asset Management, November 2020

1 Principles for Responsible Investment
2 Socially Responsible Investment
3 Institutional Investors Group on Climate Change

Our sustainable investment approach

A firm-wide approach to sustainable investment, based on **five pillars**

4 pillars of SUSTAINABLE INVESTMENT



Of which AUM¹: EUR 74 billion in

SUSTAINABLE+

Enhanced ESG

(Multi factor, Best in Class, ESG index etc...)

Thematic

(Water, Climate, Environment, sustainable food, Human development etc..)

Impact

(Green bonds, Social investment etc..)

Enhanced ESG + Thematic³



1. As of 09/30/2020. The four pillars of our sustainable investment approach don't apply to some of our AUM, such as mainstream passive/ETF and some assets delegated to external or affiliated managers.

2. ESG: Environmental Social and Governance

3. Enhanced ESG + Thematic = Fund of funds that invests in enhanced ESG funds and thematic funds

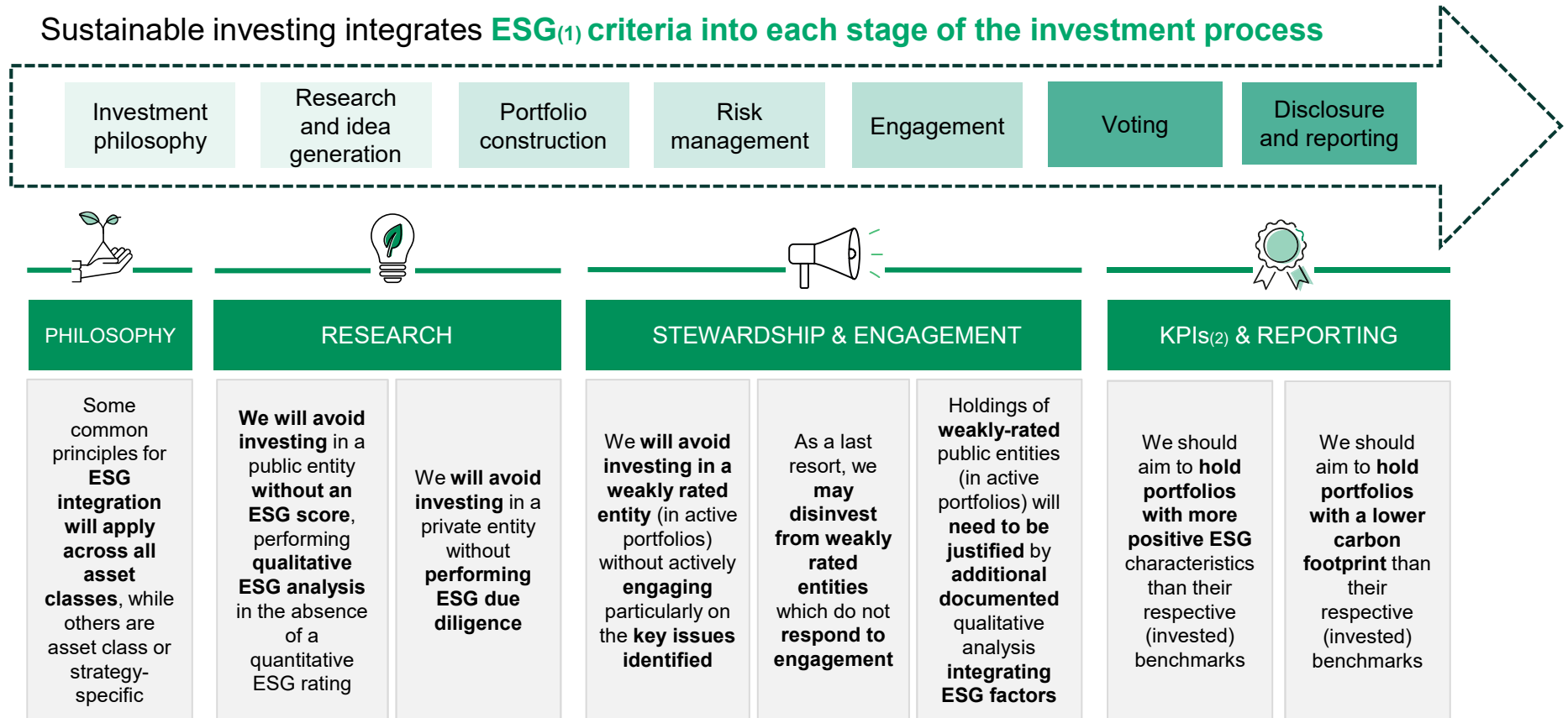
Source : BNP Paribas Asset Management, December 2020



1. ESG integration overseen by a formal validation committee

At the core of all our investment processes, analysts and portfolio managers integrate a consideration of relevant ESG factors into their company, asset and sovereign evaluation and investment decision-making processes.

Sustainable investing integrates **ESG⁽¹⁾ criteria into each stage of the investment process**



Source: BNP Paribas Asset Management, November 2020. (1) ESG: Environmental Social and Governance (2) KPI: Key performance indicator The initial focus for the above KPIs is corporate issuer scores (e.g. sovereigns, derivatives and cash excluded at this stage).

Our ESG scoring framework covers over 12,000 issuers globally

>12,000 issuers

Our ESG issuer scoring coverage

A sector-relative approach

Assessing ESG performance vs. their comparable sector and geographical peers

Intended tilts reflecting risks

Carbon emissions and controversies are scored on absolute basis

Stringent metric selection

On average we use only 37 metrics per sector, focusing on material, insightful metrics

Robust methodology

Statistically-rigorous model, developed with our Quantitative Research Group

Built for & with Investments

Managed by the independent Sustainability Centre, with inputs from Investments

Source: BNP Paribas Asset Management, July 2020.

Our ESG metrics cover 11 ESG themes

We use on average 37 metrics per sector

Metrics

We use a combination of common and sector-specific metrics

On average, we use 10 environmental metrics per sector, incl. a universal carbon emissions absolute metric

On average, we use 11 social metrics per sector

On average, we use 15 governance metrics per sector.

Themes

Contributions from each metric are grouped into 11 sustainability themes

Climate Change

Environmental Risk Management

Human capital management

Health & Safety

Corporate Governance
Standard weight of 20% across all sectors

Use of natural resources, emissions and waste

Environmental incidents

External Stakeholders

Social incidents

Business Ethics Preparedness

Governance Incidents

Pillar contributions

Contributions from each theme are grouped by pillar

E

S

G

Final Score

Out of 100

BNPP AM ESG Score

2. Stewardship and active ownership



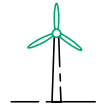
We do not delegate any voting decision

- **No partial or complete outsourcing** of our voting activities to proxy advisors



We do not hesitate to vote against management proposals

- Around **1/3 of opposition** to management proposals



We incorporate climate change into our voting and engagement strategy

- **Strong support** for climate change proposals (94%)
- **Filed 4 shareholder proposals** on climate lobbying in 2020
- **Oppose** board election, financial statements or discharge because of climate change considerations

Key trends of our voting policy: focus on Board Diversity

Voting policy on Board Diversity

- Since 2019, we oppose all male directors if there are no women on the board worldwide.

For 2020, in Europe, North America, Australia, New Zealand

- We further articulate our expectation for a minimum threshold of 30% of women on the board.
- We will vote against all male members if board is not at least 20% female
- If the ratio is between 20% and 30%, we could accept male members this year under some conditions (if company has made important improvements in recent years, or if there is a commitment to reach 30% within 2 years' time), otherwise we will vote against all male members submitted to (re)election



With this new approach, our opposition increased by 7% on board election: 37% of opposition on board elections (in almost half of the cases our diversity rule was not respected)

Strengthening our call for diverse boards

Incorporation of climate change into our voting strategy



Strong support for climate change proposals:

- 93% support in 2020.
- Only two abstain votes at Shell and Total in light of strong commitments from both companies as part of Climate Action 100+ Engagement Initiative

Environmental proposals		Total
Number of climate change shareholder resolutions voted		29
Voted For	2020-S1	93%
	2019	90.5%
	2018	94.7%



Co-filed 4 shareholder proposals in 2020

- **On climate lobbying with strong support:** *Chevron (53.5%); Delta (46%); United (31%) - Exxon (excluded by SEC)*
- We do not approve a company's financial statements (or management discharges or the election of the board) when either a company fails to report on its carbon emissions and/or transition strategy or it does not engage constructively with us on climate change.
- **54 companies (355 management proposals)** so far in scope in 2020 compared to 16 companies in 2019 (61 items)

Climate change is an integral part of our voting strategy

The above-mentioned companies are for illustrative purpose only, are not intended as solicitation of the purchase of such securities, and does not constitute any investment advice or recommendation.

Climate Action 100+: engaging on the transition to a low carbon economy

Launched in December 2017 during the One Planet Summit, Climate Action 100+ is considered as one of the twelve most relevant initiatives to tackle climate change. It involves more than 500 investors worldwide representing more than USD 47 trillion.

Objectives

- Help the **biggest greenhouse gas emitters** globally in their transition towards a low-carbon economy.
- More than **160 companies** targeted
- The top 100+ greenhouse gas emitters across the global economy



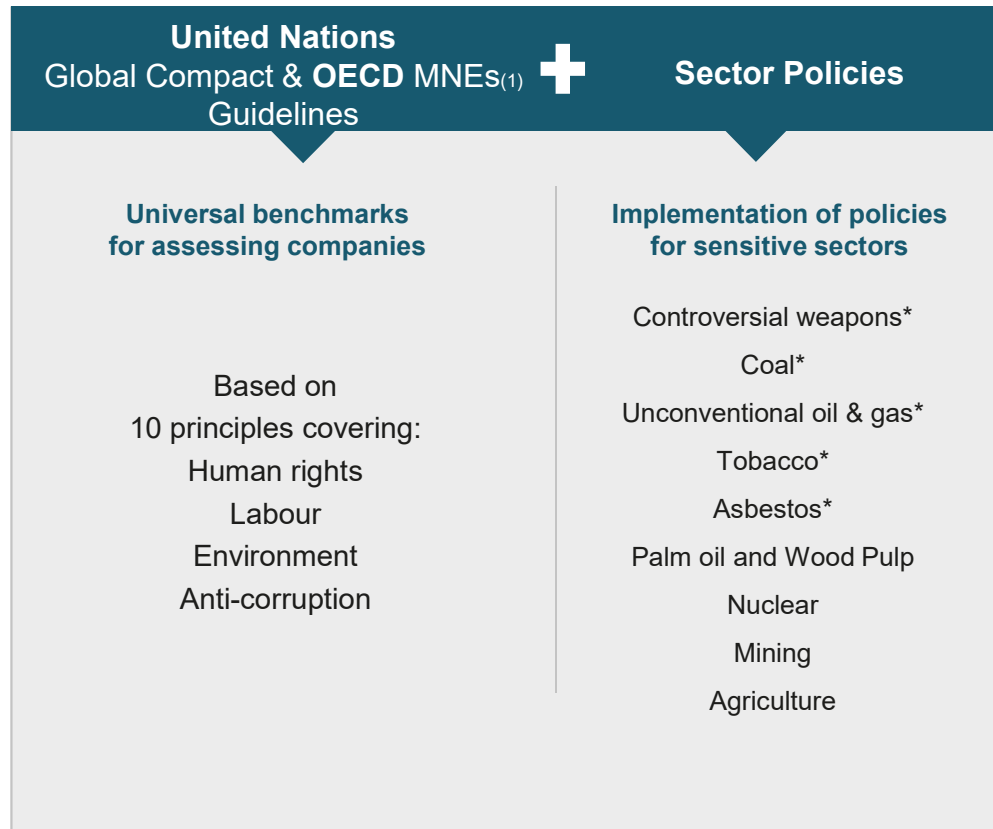
What have we done?

- **We are currently leading or co-leading** 8 engagements in Europe, US and the Asian-Pacific region.
- In the US we are engaging with seven companies, including Delta and United Airlines
- We secured progress on the 8 companies in 2020.
- We contribute to the development of the **Global Net Zero Company Benchmark** launched in September 2020.
- We were **instrumental in the inclusion of the EU Taxonomy as part of the analysis on companies' transition strategies** – including their capex investments- , as well as an indicator to capture companies' efforts to mitigate potential impacts on employees and local communities.

Worth highlighting: Repsol and Total's announcements and plan to target net zero emissions by 2050

3. Responsible Business Conduct

General BNPP AM Standards



From 1st January 2020



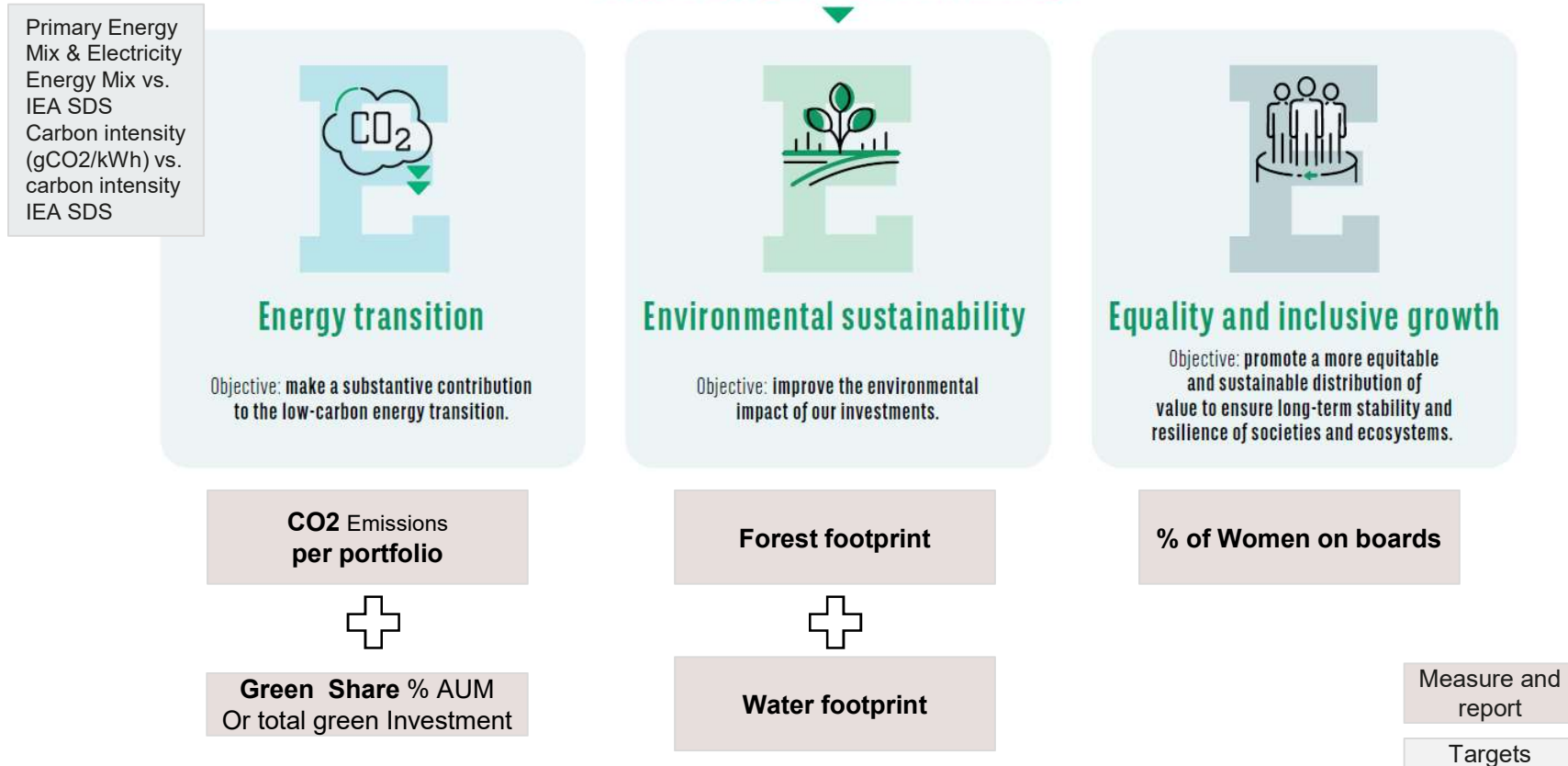
(1) OECD: Organization for Economic Co-operation and Development ; MNEs: Multinational enterprises; (2) kilowattheure

*Exclusion policies. Other sensitive sector policies are based on minimum requirements

Source: BNP Paribas Asset Management, November 2020

4. Focus on the future: the Three E's

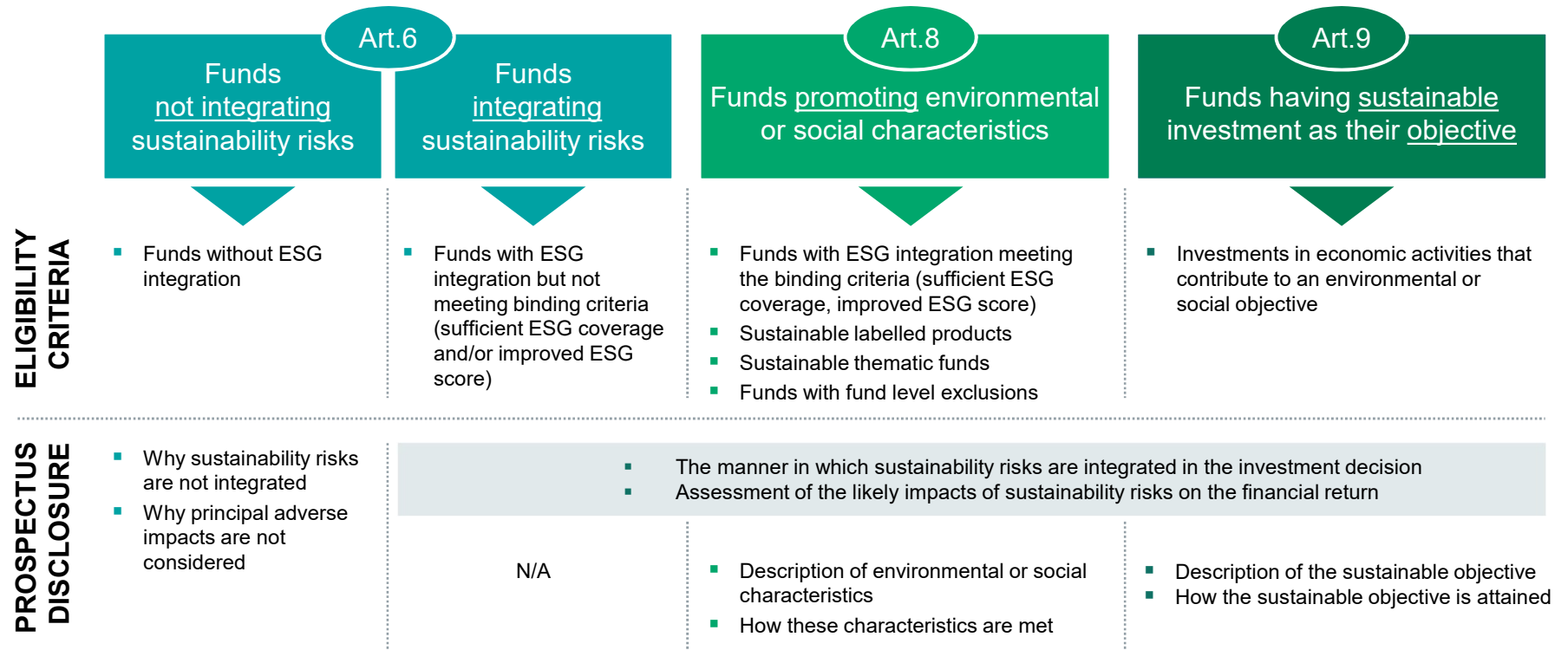
INDICATORS WE WILL TRACK, MONITOR, AND PUBLICLY REPORT ON THREE CHALLENGING AREAS OF ACTION: '3ES'



1. Sustainable Development Scenario - International Energy Agency; 2. Kilowattheure; 3. Asset Under Management

Source: BNP Paribas Asset Management, November 2020

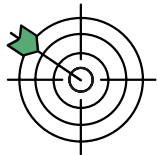
BNPP AM approach to product classification under the SFDR



We are a “future maker” not a “future taker”



As the world changes around us, we will maintain an unwavering focus on **achieving long-term sustainable returns** for our clients. We believe integrating sustainable practices allows us to enhance and **preserve value for clients**



**Overarching
objective**

Create value for clients through ESG integration and
stewardship in our investment processes

Protect future performance by using our influence with companies and
governments to advocate for a low-carbon, inclusive economy

Disclaimer

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All information referred to in the present document is available on www.bnpparibas-am.com

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