

BNP Paribas REIM

TAKING ACTION TO DELIVER SUSTAINABLE PERFORMANCE

ESG Report 2020



**BNP PARIBAS
REAL ESTATE**

Real Estate
for a changing
world

TABLE OF CONTENTS

- 02. ESG-driven for long-term performance
- 03. BNP Paribas REIM
- 05. Context, challenges and key achievements
- 06. Convictions driving long-term sustainable performance

07 OUR ESG ACTION PLAN FROM 2021 TO 2025

- 09. Our action plan for Environment
- 11. Our action plan for Social
- 13. Our action plan for Governance

15 HOW WE MANAGE ESG INTEGRATION

- 16. External stakeholders
- 17. Internal stakeholders
- 19. Our 2020 Materiality study
- 20. Collecting trustworthy ESG data

21 OUR FUND SEGMENTATION

- 22. Impact funds
- 23. ESG funds
- 24. ESG integration funds
- 25. A circular economy approach
- 27. Mainstream funds
- 30. A baseline for green refurbishment
- 31. Regional highlights
- 33. Glossary / Our publications
- 34. Mazars certification

ESG-driven for long-term performance

BNP Paribas Real Estate Investment Management invests in real estate as a living asset. The assets we manage live in two senses. They are assets in which life happens, buildings in which people work, live and have fun. And they are assets that have their own lifecycle, with each stage clearly defined; assets we treat as if they were living beings.

This view drives our convictions and approach in terms of Environmental Social Governance (ESG) integration. It is reinforced by our positioning and experience as a pan-European investment manager, part of the BNP Paribas group committed to Positive Banking.

A PRAGMATIC APPROACH FOCUSED ON PROGRESS

First, being ESG-driven is one of our five strategic investment pillars, embedded into our business. Integrating ESG criteria into our investment decisions enables us to both manage risk and drive performance by future-proofing our assets in anticipation of environmental legislation and evolving market demand.

Under our new ESG strategy, launched at the end of 2020, we have chosen to focus on three ESG objectives: cutting carbon emissions, managing assets responsibly and boosting stakeholders' awareness to achieve positive change. Each objective is monitored through specific key performance indicators (KPIs).

Our target is that, by 2022, 70%¹ of our funds² open to subscription to investors



Our CSR strategy is pragmatic, relevant and embedded into our business as a leading European investment manager.

Nathalie CHARLES
Global Head of
Investment Management
BNP Paribas Real Estate

will be classified as "Sustainable"³ under the framework of Europe's new Sustainable Finance Disclosure Regulation (SFDR), rising to 90% by 2025. Already in 2022, 100% of our funds for private investors will be classified as "Sustainable". At the same time, we are adopting advanced Impact Investing strategies. Our European Impact Property Fund (EIPF), launched in 2020, is the first real estate fund to target CO₂ emissions reduction in line with the Paris Agreement.

Second, we take a pragmatic approach. Brand new assets tend to attract a lot of noise. To be an effective European investment manager, we need to work meticulously to improve the ESG performance of existing assets, delivering more impact through our "Best in Progress" investment approach.

ENGAGEMENT DRIVING MEANINGFUL CHANGE

I have a deep personal conviction that there are no monolithic solutions when it comes to ESG integration. Instead, we must engage with investors and partners at corporate, fund and asset levels to agree on practical solutions to achieve progress – something that we have been doing for many years to drive asset performance.

As one of Europe's longstanding financial groups, we know that markets and society evolve. Right now, there is no yield premium for ESG-driven assets. But real estate is a long-term business. Our new strategy – and our renewed focus on real estate as a living, breathing asset – will ensure we are ready for a future that values sustainability.

¹ By market value of assets, based on assets under management at 31 December 2021

² Pooled funds for private and institutional investors, excluding funds trading only on secondary markets

³ Classification as "Sustainable" in compliance with Article 8 and Article 9 of SFDR – European Regulation (EU) 2019/2088

BNP PARIBAS REIM

BNP Paribas REIM invests in real estate as a living asset. We deliver sustainable performance for both institutional and private investors through our investments in European real estate assets.

BNP Paribas REIM is a real estate investment manager with more than 50 years' experience working in all sectors of the European market. We are active in eight countries and regulated in France, Germany, Italy and Luxembourg. We offer long-term real estate investments for clients in Europe, managing a diversified portfolio and providing investment solutions that match clients' needs and risk profiles.

BNP Paribas REIM is owned by BNP Paribas Real Estate, a company that is in turn 100% owned by the BNP Paribas banking group. This means that our business benefits from being a part

of one of the international real estate market's most prominent and experienced players. Our teams can access the wealth of experience earned by both parent companies, and lean on all BNP Paribas entities to help us perform our activities.

The BNP Paribas REIM business model closely follows that of BNP Paribas Real Estate. We manage a resilient, integrated, diversified portfolio of funds and assets with an excellent track record for performance and growth. We have a strong and robust risk management strategy that has been successfully tested and verified.

€28.9bn

Assets under management

9.5m

Total square metres of assets

1,600+

Buildings managed

17

Countries with assets under management

8

Countries where BNP Paribas REIM operates

4

Alternative investment fund managers (AIFM)

How we create shared value

BNP Paribas REIM's strategy is aligned with that of our parent company, BNP Paribas Real Estate: to create shared value through an innovative approach to real estate investment management.

AS FUND MANAGERS We structure investment products, including funds, and separate accounts and club deals, providing opportunities for institutional and retail investors.

AS ASSET MANAGERS We deploy capital raised to acquire, manage and improve assets, and build trust-based relationships with our tenants.



ECONOMY

As part of Europe's second largest banking group, BNP Paribas REIM has an economic impact on more than 200 institutional clients and over 150,000 private clients in more than a dozen countries. We have built a robust financial model, and our experts work to anticipate future evolutions in the financial market to stay ahead of new developments. We constantly look to optimise our assets, increasing their value while taking a responsible approach.



ENVIRONMENT

BNP Paribas REIM first formalised our commitment to improving sustainability performance in 2013, adopting the UN Principles for Responsible Investment (PRI). Since then, we have progressively improved the ESG profile and strategy of various products, (e.g., EIPF, NEIF III, BNP Paribas Diversipierre, BNP Paribas Macstone). In 2019, ESG integration became one of BNP Paribas REIM's five pillars, and in 2020, ESG criteria were officially adopted into our investment and fund management strategy. With sustainable investing at the heart of our approach, BNP Paribas REIM aims to minimise our environmental footprint, as well as that of our investors and tenants.

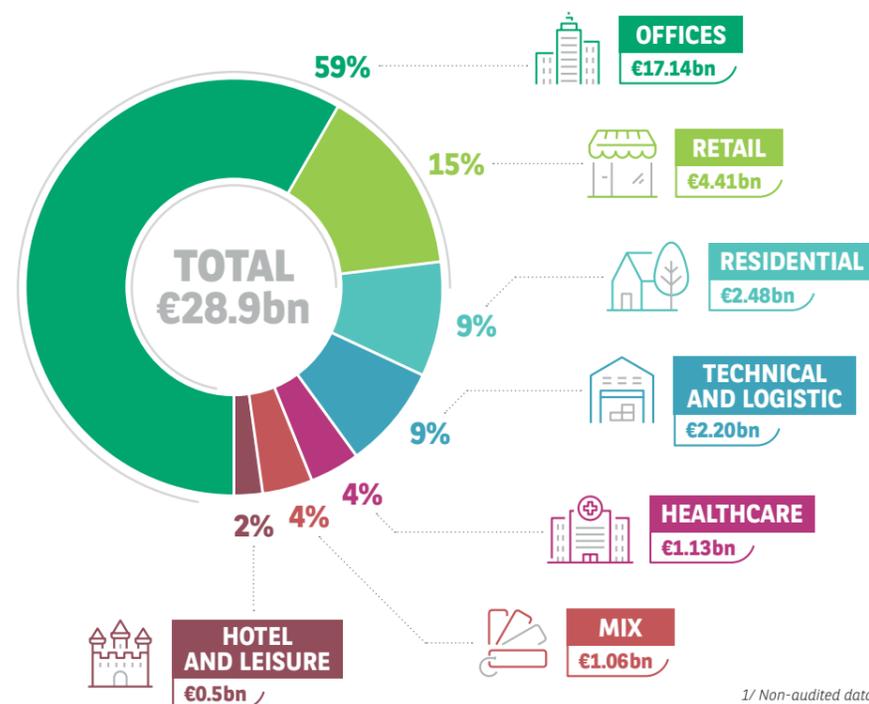


CLIENTS

BNP Paribas REIM takes an interactive approach to working with our investors and tenants, encouraging dialogue and collaboration. Our teams are attentive to changing client needs, conducting regular surveys of investor and tenant satisfaction. We aim to uphold the highest standards of ethics and compliance for investors, and occupational safety and wellbeing for tenants.

OUR ASSETS UNDER MANAGEMENT

— AS OF 31 DECEMBER 2020¹ —



^{1/} Non-audited data

150,000+

BNP Paribas REIM private clients

200+

BNP Paribas REIM institutional clients

370

BNP Paribas REIM real estate specialists

Context, challenges and key achievements

New legislation and social expectations are reshaping the face of real estate investment management. BNP Paribas REIM is taking a holistic approach to integrating ESG concerns across our business.

A major shift toward sustainable living is underway. Stakeholders increasingly expect environmental protection, social responsibility and internal accountability to be priorities for investors and investment managers.

This has been bolstered by waves of local, national and international legislation, including the SFDR and EU Taxonomy. Both frameworks require financial companies to adhere to specific standards for measuring and classifying their assets' impact. This approach enables investors to make informed decisions about investments, based on ESG criteria that are comparable across funds.

At BNP Paribas REIM, this means adopting a new approach to investment, asset and fund management that integrates ESG considerations into all aspects of our business. We have classified our funds under a new segmentation based on ESG commitments, and incorporated ESG criteria at corporate, fund and asset levels.

As of 2020, BNP Paribas REIM has set concrete targets for ESG improvement, determined a set of practicable actions, and begun implementing appropriate monitoring and reporting mechanisms. And as of March 2021, our business line has been compliant with the first level of SFDR requirements.

INTEGRATING ESG ACROSS OUR BUSINESS

To successfully integrate an ESG strategy across our business, we are taking on ESG challenges at all levels:

- **At an industry level**, we are participating in working groups to advance sustainability across the real estate market
- **As a company**, we are taking a consistent approach to ESG integration across departments, and increasing employee awareness of and buy-in for ESG initiatives
- **Our fund managers** are working to implement a selection of ESG criteria across funds and collaborating with investors to develop long-term strategies that deliver ongoing performance
- **For individual assets**, our transaction and asset managers are including ESG criteria in acquisition and management processes, while finding sustainable, cost-effective solutions to transform assets into ESG compliant assets

Increasingly, changing international and European climate targets are pushing the real estate industry to rapidly accelerate decarbonization. This has traditionally been a challenge for asset managers, as the investment profile of existing funds does not always allow for major CAPEX work of the type required to dramatically cut emissions.

This is why BNP Paribas REIM is collaborating with stakeholders to define measurable emissions reduction targets, improve assets' environmental performance as far as possible, launch new ESG-driven funds and prove the long-term value of sustainable investments.



Convictions driving long-term sustainable performance

In a changing world, BNP Paribas REIM is focused on achieving long-term sustainable investment returns for its investors by implementing new strategies to improve ESG performance. As an organization, our largest impacts are linked to assets – the more than 1,600 buildings we manage across Europe. Our overall strategy is focused on implementing clear, quantifiable actions that will improve sustainability across our funds and assets, while acting as an ESG-driven organization.

Beyond complying with European and local legislation to improve real estate asset sustainability, BNP Paribas REIM sees ESG integration as a key factor in future investing. Our approach reflects the Principles for Responsible Investment, to which we are a signatory, and asserts the belief that sustainable investment is smart investment. In 2020, we received an A score on the PRI's Strategy & Governance module and a B score for the property module.

We view improving ESG as a long-term priority which will increasingly shape the financial industry, drive investors' decision-making process and impact asset performance. To support our clients, our in-house research team

is dedicated to monitoring trends in European real estate capital markets, analysing fund performance, and developing new products for a changing economic, environmental, social and financial ecosystem.

From the outset, we have involved our investors and tenants in ESG strategy definition and development, a process facilitated by our framework for systematic stakeholder engagement. This close collaboration has enabled us to gather essential ESG data, increase buy-in from stakeholders, develop measurable targets for improvement and start delivering improved asset performance. Moreover, this approach invites stakeholders to go beyond baseline compliance with legislation and consider the long-term benefits of implementing ESG early on.

Implementing ESG is further giving BNP Paribas REIM the opportunity to take action as a company, communicating clearly about our values and aligning them with those of our stakeholders. We have defined ambitious and measurable aspirations and objectives, holding ourselves to the same standards as our clients in all regions and across business activities. With ESG integration at the core of our strategy, we will be able to coordinate with internal and external stakeholders and revitalise our investment process and governance policies.

50%

Assets under management with ESG KPIs measured

15

Funds with ambitious ESG objectives and measured KPIs in 2021

11%

Assets with an In-Use certification

KEY ACHIEVEMENTS



European Impact Property Fund

Launched November 2020



Healthcare Property Fund Europe

Launched March 2020



BNP Paribas Diversipierre earned SRI label

From the French government in November 2020



REFI award for best Green Fund

Received for NEIF III in 2019



Annual satisfaction surveys

Sent to tenants in France and Germany



Six funds participated in GRESB

With an overall 10% score increase between 2019 and 2020



KEY ACHIEVEMENTS



The SFDR enters into force in Europe in March 2021



BNP Paribas Diversipierre Achieves compliance with SFDR Article 8



European Impact Property Fund Achieves compliance with SFDR Article 9



Funds to be classified as "Sustainable" under the SFDR framework

70% of funds open to subscription to investors by 2022 (90% by 2025); 100% of funds for private investors by 2022



OUR ESG ACTION PLAN 2021 > 2025

GO BEYOND MANAGING RISK TO DRIVE PERFORMANCE

CUT CARBON EMISSIONS

5 KPIs to monitor asset adaptation to climate change (energy efficiency programmes, in-use certification)



MANAGE ASSETS RESPONSIBLY

4 KPIs to improve tenants' comfort, encourage soft mobility, promote waste sorting and ensure access to people with disabilities



TAKE ACTION TO ACHIEVE ESG OBJECTIVES
at corporate, fund and asset level

BOOST STAKEHOLDER AWARENESS

4 KPIs to commit to environmental and social initiatives with property managers and tenants



BY 2025

90% OF FUNDS¹
open to subscription to investors will be classified as Sustainable² (70% in 2022)

WE SEGMENT OUR FUNDS ACCORDING TO THEIR ESG PROFILE, AND STRENGTHEN ESG-DRIVEN FUNDS' COMMITMENTS EACH YEAR.

MAINSTREAM FUND

ESG essentials
ESG assessment at acquisition

SFDR Article 6

ESG INTEGRATION FUND

ESG roadmap with KPIs

SFDR Article 6

ESG FUND

ESG roadmap with KPIs
+ Binding legal commitments

SFDR Article 8

IMPACT FUND

ESG roadmap with KPIs
+ Binding commitments
+ Impact investing strategy

SFDR Article 9

FUND SUSTAINABILITY JOURNEY

¹ / Pooled funds for private and institutional investors, excluding funds trading only on secondary markets

² / Under the framework of Europe's Sustainable Finance Disclosure Regulation (SFDR); European regulation (EU) 2019/2088 equal to compliance with Article 8 and Article 9

ENVIRONMENT

OUR ACTION PLAN

Our first objective has a principal goal at its heart: to cut carbon emissions across the assets we manage.



Transitioning to a low-carbon economy demands significant effort from the real estate sector. BNP Paribas REIM has a major role to play as a leading European investment manager.

This is why our ESG strategy takes a robust, pragmatic approach to minimizing the environmental impact of our assets, funds and business. We are working to gradually reduce the carbon footprint of the assets we manage. At the same time, we are taking measures to increase their adaptability in the face of climate change. We know that today 30% of energy savings can be achieved simply through the behaviour of tenants: this is why we are engaging actively with tenants to collect and share energy and CO₂ data.

Our focus is on the assets that comprise our CSR panel: around 400. These assets are part of our ESG-driven funds and tend to increase progressively.

HOW WE MEASURE PROGRESS

BNP Paribas Real Estate has developed operational roadmaps for three key topics: low carbon, biodiversity and circular economy. At BNP Paribas REIM we have set five measurable KPIs to improve the environmental performance of assets and funds:

- **Reduce** CO₂ emissions via the implementation of energy efficiency plans
- **Obtain** significant data on energy consumption from both private and common areas
- **Target** in use certification for non-residential assets (e.g., BREEAM In-Use)
- **Remove** existing sources of onsite pollution (e.g., lead, asbestos, soil pollutants)
- **Develop** biodiversity initiatives for green spaces, light, water, flora and fauna

PRIORITIZING CARBON EMISSIONS REDUCTION

Commercial and residential buildings are responsible for nearly 39% of global greenhouse gas emissions⁴, making real estate a primary source of these emissions. Because of this, BNP Paribas REIM's ESG strategy includes significantly cutting carbon emissions for individual assets and overall funds as one of three key objectives.

Over the past four years, we have worked on collecting all necessary energy and CO₂ data for assets in our CSR panel, in order to set concrete and quantitative targets for improving environmental performance, reducing carbon emissions for assets across all ESG-driven funds by 2025. In addition, BNP Paribas REIM intends to increase our scope of data collection for both single- and multi-let assets.

5

KPIs for improving fund and asset environmental performance

384

Assets with energy consumption and CO₂ emissions data collected in 2020⁵

207

kWh/m²
Estimated energy consumption⁶

40

kgCO₂/m²
Estimated CO₂ emissions⁶

2025

Target date for reducing emissions for assets across all ESG-driven funds

^{4/} Source : World Green Business Council 2018
^{5/} As compared to 334 assets in 2019
^{6/} Based on a panel of 218 offices

KPIs / Achievements 2020

Set up an **Energy Efficiency plan** to reduce the carbon footprint



Obtain significant coverage of energy consumption data for both common and private areas



CUT CARBON EMISSIONS



Remove existing **pollution on site**



Set up **biodiversity initiatives**



Set up **in-use certification**

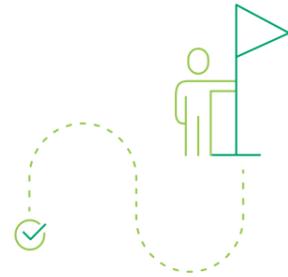


^{1/} Refers to assets with at least one biodiversity initiative in place

% achieved represents the unweighted average across 384 assets representing the CSR panel managed by BNP Paribas REIM at 31 December 2020.

SOCIAL

OUR ACTION PLAN



Investing in real estate as a living asset means focusing on the wellbeing of tenants and end-users.

BNP Paribas REIM integrates social responsibility into the management of our assets, putting an emphasis on the wellbeing and comfort of our tenants. Our approach includes increasing accessibility for people with reduced mobility and, where possible, acquiring buildings near public or green transportation options.

HOW WE MEASURE PROGRESS

- **Improve** the comfort and wellbeing of tenants (e.g., air quality, onsite services)
- **Ensure** reduced mobility access to buildings
- **Promote** dedicated spaces that are appropriately equipped for sorting waste
- **Make** sustainable mobility available for tenants (e.g., bike parks, electric vehicles)

We regularly assess the progress of our social initiatives, and undertake an annual tenant satisfaction survey in France and Germany, which we aim to progressively extend to other European countries. This enables us to determine areas for improvement and collaborate directly with tenants to improve end-users' living and working conditions.

ENABLING ACCESS FOR PEOPLE WITH REDUCED MOBILITY

A key goal for BNP Paribas REIM is to ensure access to buildings for fully or partially disabled people. We define accessibility for buildings at four levels:

- **Level 0:** inaccessible to people with reduced mobility
- **Level 1:** partially accessible from the ground floor or street level, with an onsite lift and reduced-mobility accessible facilities
- **Level 2:** partially accessible from the ground floor, with access to upper floors from a disabled parking space and separate reduced-mobility facilities for men and women
- **Level 3:** complete accessibility to all floors, separate reduced-mobility facilities for men and women on each floor, wheelchair-friendly lifts, and compliance with all disability standards

As of December 2020, 85% of our buildings were at least at Level 1 accessibility. Our goal is to move a substantial portion of buildings to Level 3 by the end of 2025.



Levels of accessibility for buildings (0 to 3)



BNP Paribas REIM buildings with at least Level 1 accessibility

KPIs / Achievements 2020

Improve comfort and wellbeing of tenants



Work with tenants to encourage sustainable mobility



MANAGE ASSETS RESPONSIBLY



Ensure access for disabled people



Promote waste sorting with a dedicated space

ENGAGING DIRECTLY WITH OUR TENANTS

At BNP Paribas REIM, there is a direct line of communication that passes from fund managers, to asset managers, to property managers, to tenants. We believe in engaging with tenants to achieve our objectives, earning their trust and buy-in on social initiatives, and obtaining needed data before proposing changes. We follow up with tenants regularly via our annual survey of tenant satisfaction, which was expanded in 2020 to include tenants across Europe.

% achieved represents the unweighted average across 384 assets representing the CSR panel managed by BNP Paribas REIM at 31 December 2020.

GOVERNANCE

OUR ACTION PLAN

Driving meaningful ESG performance across the board starts with stakeholder engagement – and managing reliable data.

BNP Paribas REIM is taking an active approach to governance by boosting ESG awareness among stakeholders and increasing engagement among investors, managers and tenants. By transparently and regularly communicating about our initiatives, and collaborating with stakeholders to develop actionable ESG roadmaps, we can make positive changes to our assets and our industry.

A key aspect of this approach is collaborating with tenants to collect and measure energy and water consumption and CO₂ emissions from their buildings. We can do this thanks to our partner, DEEPKI, whose digital platform collects both energy consumption and CO₂ emissions data general ESG information. The platform also provides reporting and analysis specific to the real estate sector. This enables BNP Paribas REIM to accurately determine the impact of ESG initiatives and increases accountability at all levels of management.

HOW WE MEASURE PROGRESS

Communication and transparency are at the heart of our four KPIs for embedding governance into our fund and asset management strategy:

- **Increase** initiatives and collaboration between asset managers and property managers to ensure agreement on and proper implementation of ESG roadmaps
- **Formalize** meetings among asset managers, property managers and tenants to discuss ESG topics and develop action plans
- **Sign** an environmental appendix when mandatory (e.g., leases on French buildings larger than 2,000 m²) or on a voluntary basis, agree to ESG actions with tenants
- **Integrate** energy data collection into lease renewals and new releases to help directly obtain data on tenants' energy and water consumption

Having regularly scheduled meetings to discuss, develop and implement ESG initiatives will be a must-have for stakeholders looking to improve their ESG status by 2025.

BNP Paribas REIM anticipates that all funds will have at least one dialogue or initiative in place with their stakeholders by the end of 2021. We also expect the number of leases with environmental appendices and integrated data collection clauses to more than double.



☑-☑-☑-☑- **4**

KPIs for improving governance across all funds and assets

 **50%**

Expected increase in signed environmental appendices by end 2021

KPIs / Achievements 2020

Ensure energy data collection is integrated in new leases and lease renewals



Set up initiatives and dialogue between asset manager and property manager

*or equivalent person



BOOST STAKEHOLDER AWARENESS
TO ACHIEVE POSITIVE CHANGE

G



Sign an environmental appendix in leases



Set up environmental and / or civic initiatives and engage dialogue between asset manager / property manager and tenant

% achieved represents the unweighted average across 384 assets representing the CSR panel managed by BNP Paribas REIM at 31 December 2020.

HOW WE MANAGE ESG INTEGRATION

BNP Paribas REIM integrates ESG considerations at corporate, fund and asset levels. We engage with our external and internal stakeholders, adjusting our approach to address their individual concerns and needs.

OUR GOVERNANCE

BNP Paribas REIM has a longstanding CSR policy in place to ensure that all of our investments are conducted safely, ethically and in compliance with regulatory standards.

BNP Paribas REIM's governance is aligned with that of BNP Paribas Group and BNP Paribas Real Estate, although we have our own management and decision-making bodies with ultimate authority. Several of our employees are members of BNP Paribas Real Estate's CSR Leaders Network, a committee dedicated to integrating CSR issues in the overall company's business line and functions. CSR policies are also reviewed by the management board of each of our national entities, and BNP Paribas REIM's Executive Committee. Laurent TERNISIEN, our Chief Client Officer, is the sponsor of all CSR activities within the Executive Committee.

OUR INVESTMENT PROCESS

For several years, BNP Paribas REIM has been adapting its CSR policy to further encompass ESG criteria. In addition to creating a specific offer for clients looking to invest in responsible products, we have developed a new approach to asset acquisition that highlights and prioritizes ESG performance.

BNP Paribas REIM systematically considers ESG criteria when evaluating new investment opportunities, measuring their performance against our in-house ESG grid. A specific grid exists for each type of asset (e.g., offices, logistics, residential and healthcare buildings) and covers selection criteria including energy, biodiversity, accessibility and health and comfort. This ESG grid supports the assessment of sustainability risks at acquisition. Our Investment Committee then signs off on the acquisition of those assets that meet our sustainability criteria.

In addition to being applied to our assets, ESG criteria are integrated across our value chain and are a priority for all our teams, from sales, to product development, to asset management. A dedicated team of researchers further supports our investment process, providing insight into ESG topics for assets, funds and companies.



We embed ESG aspects into every aspect of our strategic and operational activities, enabling us to improve and promote transparency, and have developed robust policies to protect and enhance our investments.

Laurent TERNISIEN
Chief Client Officer
BNP Paribas REIM

External stakeholders

We place stakeholder engagement at the centre of our Corporate Social Responsibility (CSR) strategy. By creating an ongoing dialogue, we can quickly and accurately identify evolving stakeholder needs, enabling our investors and tenants to reach their ESG goals.

INVESTORS

We are dedicated to meeting our investors' high expectations on asset and fund performance and ESG improvement. Our relationships are built on trust and transparency, prioritizing responsiveness and flexibility in our fund and asset managers. We work directly with investors to improve asset resilience and drive stable, long-term performance.



Developing and maintaining a strong relationship with our stakeholders is fundamental to integrating CSR and ESG at every level of fund and asset management.

We strive to ensure that all our collaborators have access to the necessary resources for prioritising ESG, while complying with BNP Paribas REIM's CSR policies.

Nehla KRIR
Head of Sustainability and CSR
BNP Paribas REIM

TENANTS

We listen to our tenants and manage our assets to meet their expectations. These include onsite services, environmental performance, proximity to public transport, and building adaptability and accessibility. BNP Paribas REIM provides asset optimization, quality monitoring, technical and environmental improvement services, tenant support and CSR awareness campaigns at each of our locations.

OUR COMMITMENT TO RESPONSIBLE INVESTING

BNP Paribas REIM is a proud member or signatory of numerous local, national and international organizations and initiatives that promote responsible investing practices.



Internal stakeholders

CSR principles are fundamental to our approach to internal stakeholders. We believe in creating a diverse workplace for our teams, providing excellent working conditions and career opportunities for employees of all backgrounds.

BUILDING A DIVERSE WORKPLACE

We believe that diversity makes our company a good place to work and contributes to our success. We aim to hire and promote employees of all ages, backgrounds and genders, bringing a mix of skills and experiences to our everyday activities.

From providing youth training programs, to eliminating gender wage gaps, BNP Paribas REIM strives to take a proactive approach to building and maintaining a diverse workplace.

We apply BNP Paribas Real Estate's Diversity Policy and HR policies: our hiring processes focus exclusively on each candidate's skills, professional experience and qualifications. At least one woman is included on the shortlist for every management position.

ENCOURAGING GROWTH ACROSS ROLES

Our employees work in multiple European countries across a variety of different disciplines, including sales, asset management, product development, acquisitions and more. BNP Paribas REIM believes in developing the skills and expertise of our collaborators, providing internal training programs, mentorships and many paths to career development.

We value employee buy-in for our initiatives, encouraging our collaborators to embed ESG into their everyday activities and take an active part in implementing our new strategy.

379

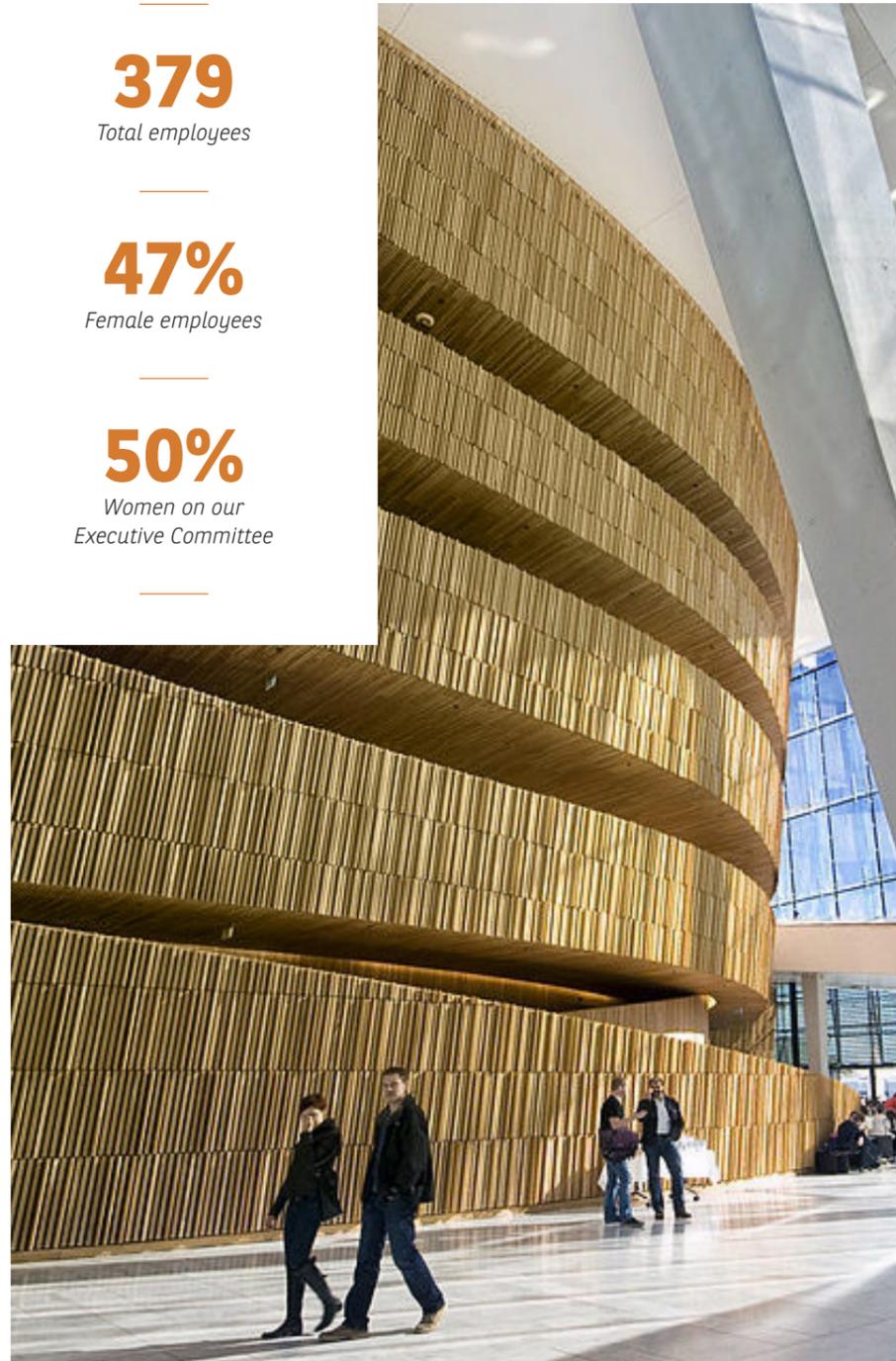
Total employees

47%

Female employees

50%

Women on our Executive Committee



Our CSR Champions

BNP Paribas REIM is home to 25 CSR Champions sponsored by top management across the company. Representing every country of operation, their goal is to help all business teams collaborate and deploy our CSR strategy.

BNP Paribas REIM's CSR Champions are internal ambassadors for our CSR strategy and ESG roadmap, bridging the gap between BNP Paribas REIM, BNP Real Estate and BNP Group. They are specialists on a range of topics, including operations, investor relations, acquisitions, fund and asset management, data and reporting, and communications. Their mission is built around three pillars – Understand, Act and Share – with the goal of helping implement our ESG roadmap across all divisions and functions. Our champions do this by working as key contact points for ESG information for their regional and national teams.

Each of our CSR Champions has a specific role in implementing our CSR strategy and contributes to a working group. For example, they are responsible for sharing asset management best practices. Additionally, CSR Champions support our Sales and Product Development teams, answering CSR and ESG questions and approving marketing materials.

CSR Champions are expected to be at the forefront of our CSR and ESG development, proposing new ideas and helping their teams better integrate CSR priorities into their work. They participate in workshops throughout the year, develop local initiatives and attend quarterly meetings to discuss progress on CSR and ESG initiatives.

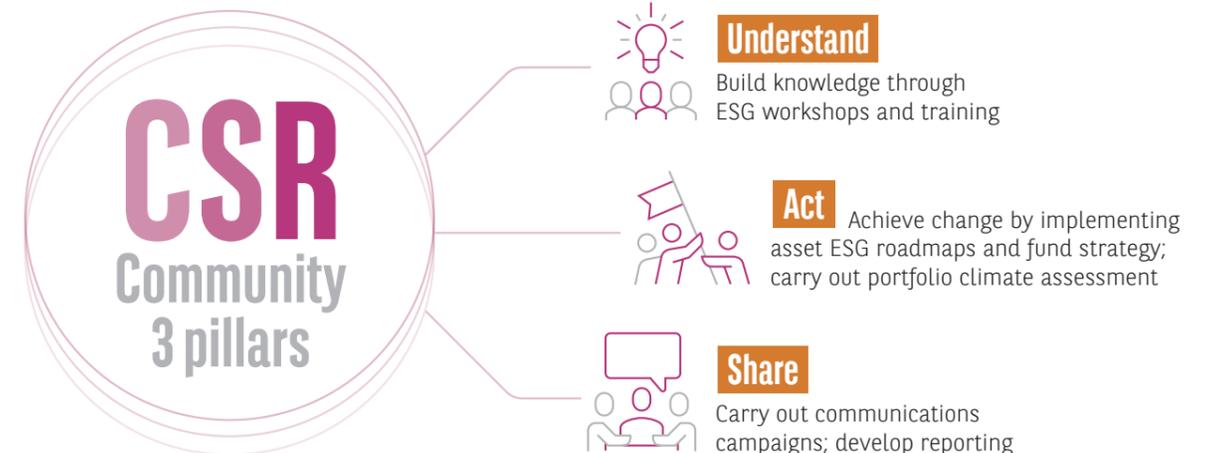
OUR CHARITABLE CONTRIBUTIONS

BNP Paribas REIM encourages our internal stakeholders to adopt a CSR-oriented mindset in their everyday lives by giving back to their local communities. Our employees in Paris once more took part in the annual race for Imagine for Margo, with 12 participants raising nearly €15,000, thanks to BNP Paribas REIM France' sponsorship. Meanwhile, BNP Paribas REIM Luxembourg helped six employees raise €4,000 for the Foundation Kribskrank Kanner, an organization that supports research for paediatric cancer.



Our CSR Champions take an active role in the day-to-day development and implementation of our strategy across the business.

Astrid CADELANO
CSR Development Officer
BNP Paribas REIM

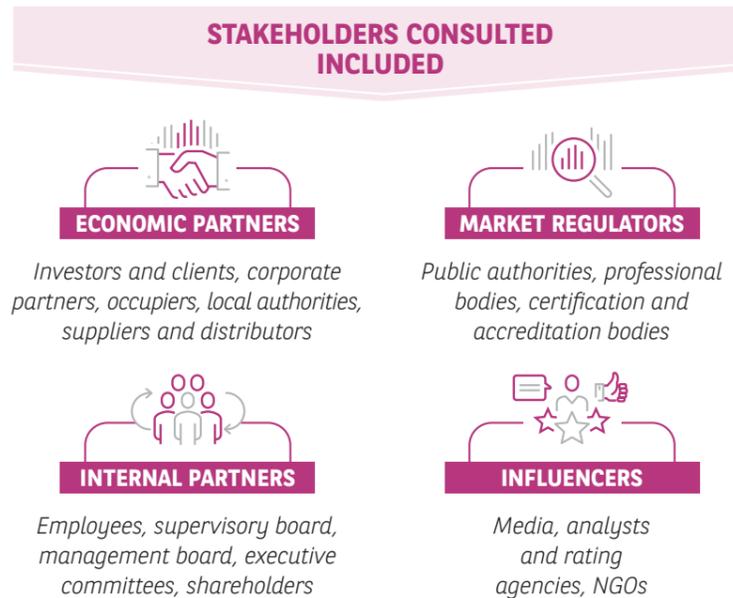


Our 2020 MATERIALITY STUDY

BNP Paribas Real Estate carries out a regular study to understand stakeholders' perception of its commitment to CSR, and to identify the issues most relevant to the company.

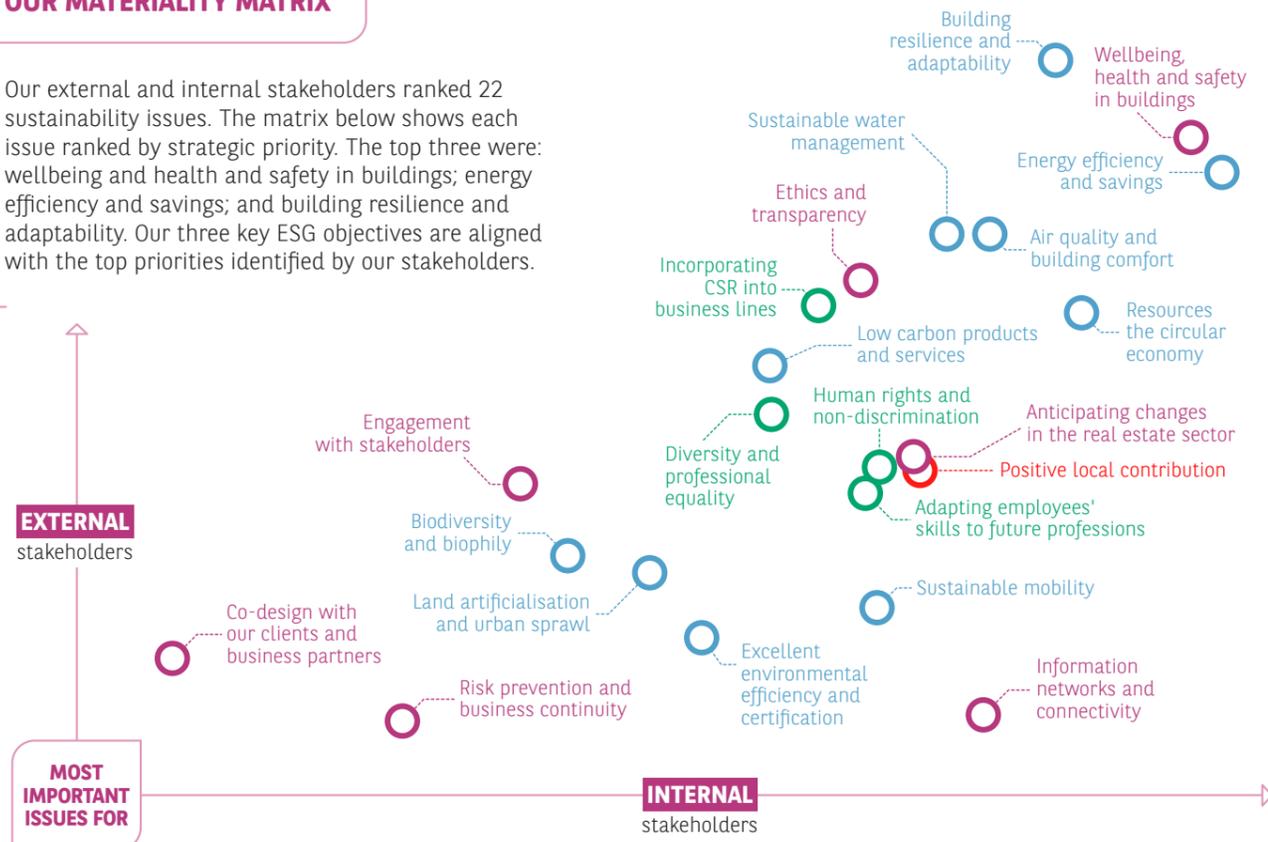
In 2020, 10,260 stakeholders were invited to take part in an online consultation, available in six languages. A total of 1,026 replied from 10 countries across Europe, including investors and tenants of BNP Paribas REIM.

57% of respondents rate our level of CSR as pioneering or committed



OUR MATERIALITY MATRIX

Our external and internal stakeholders ranked 22 sustainability issues. The matrix below shows each issue ranked by strategic priority. The top three were: wellbeing and health and safety in buildings; energy efficiency and savings; and building resilience and adaptability. Our three key ESG objectives are aligned with the top priorities identified by our stakeholders.



Collecting trustworthy ESG DATA

For investors and financial regulators to accurately measure assets' ESG performance, they must have access to reliable data. BNP Paribas REIM uses specific data collection and reporting tools to ensure that our assets' ESG performance is tracked meticulously and assessed uniformly.

For us, being able to accurately and regularly evaluate an asset or fund's ESG performance serves two purposes.

First, this information enables our investors and tenants to keep track of assets' ESG performance. We support them in defining a baseline, using accurate data to determine an ESG action plan, track key metrics over the short- and long-term, and evaluate ESG improvement.

Second, for regulatory bodies, data enables auditors to assess the conformity of an asset with ESG requirements. For European investments subject to the SFDR and EU Taxonomy, data will be crucial to determining if and to what degree our investment decisions can have impact.

ASSESSING ESG PERFORMANCE

Once ESG data has been collected at the most granular level, a fund's ESG performance can be measured against sustainability benchmarks like the Global ESG Benchmark for Real Assets (GRESB). Aligned with trusted reporting frameworks like the GRI and PRI, the GRESB evaluates the ESG performance of assets and funds, providing standardized data to capital markets. For BNP Paribas REIM, GRESB is a key measure, with six of our funds undertaking a yearly GRESB assessment. This enables us to follow the ESG evolution of our assets and funds, and uncover areas for further ESG improvement.

Our property managers are key partners in the challenging mission of collecting data from our tenants. We rely on their expertise and knowledge, and the strong relationships they have built with tenants to successfully collect data.



COLLECTING ACCURATE DATA

BNP Paribas REIM ensures that our asset managers, fund managers and clients can collect, evaluate and report on ESG data through the support of our partner Deepki, who provides us with a digital solution that is now widely used across the real estate industry. This technology enables BNP Paribas REIM to gain an in-depth understanding of our assets' ESG performance. By collecting and analysing information for each building in our CSR panel, we can pinpoint areas for improvement and develop an ESG strategy specific to clients' needs.



6
BNP Paribas REIM funds with annual GRESB assessment

10%
Overall increase in GRESB scoring in 2020

400+
BNP Paribas REIM assets with Deepki integration

OUR FUND SEGMENTATION

At BNP Paribas REIM, we aim to put ESG integration at the heart of our real estate investment strategy. Our new fund segmentation divides funds into four categories based on their ESG profile and according to the SFDR. BNP Paribas REIM's new fund segmentation takes an ESG-focused approach, classifying funds by both their current ESG performance and potential for improvement.

Funds are divided into

4 categories

MAINSTREAM fund

Compliant with Article 6 of the SFDR

Complies with our ESG essentials, including an ESG assessment at acquisition, checks on the seller and verification that no tenants are on the BNP Paribas Group ban list

ESG INTEGRATION fund

Compliant with Article 6 of the SFDR

Has a dedicated ESG roadmap with 13 KPIs for all assets

ESG fund

Compliant with Article 8 of the SFDR

Has a dedicated ESG roadmap with 13 KPIs for all assets with specific engagements included in legal documentation

IMPACT fund

Compliant with Article 9 of the SFDR

Has an impact investing approach aimed at delivering measurable, positive environmental or social impacts

— BY 2025 —

90%¹ of our funds² open to subscription to investors will be classified as "Sustainable"³

OUR APPROACH

In developing this segmentation, BNP Paribas REIM had several goals:

- **Focus** on a limited number of ESG objectives and KPIs
- **Improve** progress and results monitoring
- **Track** ESG performance at the fund level
- **Better differentiate** each fund's positioning
- **Align** with the principles of the EU Taxonomy
- **Account** for stakeholder values and expectations
- **Give** stakeholders a clear way to define ESG performance

In adopting an ESG-driven approach to fund segmentation, BNP Paribas REIM is committing to regularly strengthening funds' ESG performance. By developing and following an ESG roadmap, funds can progressively and cumulatively improve ESG performance, moving from one level of the segmentation to the next.

What is an ESG roadmap?

For funds to change categories and move on to greater levels of ESG commitment, they must have an ESG roadmap. An ESG roadmap is specific to each fund, and is developed collaboratively by fund, asset and property managers. It is measured through 13 KPIs, which aim to deliver on three ESG objectives. In proposing and defining an ESG roadmap, BNP Paribas REIM accounts for investor demand, short- and long-term feasibility, market evolution, changing regulations and potential obsolescence.



¹/ By market value of assets, based on assets under management at 31 December 2021
²/ Pooled funds for private and institutional investors, excluding funds trading only on secondary markets
³/ Classification as "Sustainable" in compliance with Article 8 and Article 9 of SFDR - European Regulation (EU) 2019/2088

IMPACT funds



Impact is the next frontier in responsible investing. Impact investing refers to investing with the intention of generating positive, measurable social or environmental impacts alongside financial returns.

Starting in 2020, BNP Paribas REIM has chosen to focus part of our new product development on an Impact Investing fund. This fund will set concrete, science-based targets for emissions reduction that align with the Paris Agreement.

Impact funds tend not to invest in assets that already boast strong ESG performance: rather, they target existing assets with low ESG performance, but high potential for improvement. In doing so, they make a meaningful contribution to society's transition to a low-carbon, sustainable economy.

For investors focused on sustainable investing, who have themselves made firm ESG commitments, holding assets in Impact funds represents a strong step forward.



EIPF FUND

An Impact fund aligned with the Paris Agreement and compliant with Article 9 of the SFDR

In December 2020, BNP Paribas REIM launched the first property fund that sets out to be compliant with the Paris Agreement and the International Energy Agency's proposed climate trajectory. The fund aims to reduce greenhouse gas (GHG) emissions by 40% across the entire European portfolio over the next decade through a core, diversified, income-driven strategy.

This will enable BNP Paribas REIM to quantify the fund's positive impact on assets and measure the ongoing reduction of GHG emissions through a detailed reporting system.

EIPF had raised over €160 million of equity capital commitments as of 31 December 2020, with investments from leading European insurance companies and institutional investors. By May 2021, EIPF had attracted more than €300 million of equity and completed two closings (with the initial closing in November 2020). The fund has already studied more than €3.3 billion of opportunities, and should close its first acquisition by the end of June 2021.

We anticipate that this fund will be compliant with Article 9 of the SFDR in 2021.

LUXFLAG

label being targeted for EIPF

-40%

GHG emissions reduction target for EIPF portfolio within 10 years

25-75

assets to be included in the EIPF fund

€300m

Equity capital commitments by May 2021

ESG funds

BNP Paribas REIM's ESG funds are those with binding commitments to take action on ESG criteria included in the relevant legal documentation. ESG funds must also have an ESG roadmap established by stakeholders that defines which ESG criteria they intend to prioritize, and describes how those improvements will be accomplished. BNP Paribas REIM managers are expected to implement these ESG objectives at the fund and asset level, identifying and implementing the necessary ESG actions.

While ESG funds aim to legally commit and fulfil general or overall ambitions for improving ESG, they are not bound by specific numbers (e.g., percentage reduction of carbon emissions). These funds are compliant with Article 8 of the SFDR.

BNP PARIBAS DIVERSIPIERRE FUND taking a best-in-progress approach

One of the first BNP Paribas REIM funds to earn the status of ESG fund is BNP Paribas Diversipierre OPCI. Historically, this fund has employed an SRI approach, dividing funds into two categories: real estate and finance. Diversipierre applies a practical, sustainable methodology to the selection and management of real estate assets, aiming to improve the ESG performance and resilience of all individual assets.

In 2020, BNP Paribas Diversipierre earned France's SRI label, a reflection of its commitment to boosting ESG. Assets under consideration for acquisition by BNP Paribas Diversipierre are scored by BNP Paribas REIM teams and their external partners against a customized SRI analysis grid. To be acquired by the fund, the asset score should not be below 15/100. In addition, assets must meet specific ESG criteria, such as the absence of pollution that presents a risk to tenants' health. The score accounts for the current state of the asset, as well as a potential three-year action and improvement plan.



BODIO CENTER

A GREEN BUSINESS SPACE IN THE CENTRE OF MILAN

The Bodio Center is located in the heart of Milan's business district. The 65,000 m² office complex is made up of seven buildings. These include five office buildings, a fitness centre and a building with a cafeteria, bar and café. The centre offers an underground parking lot with over 500 parking spaces, and is surrounded by common green areas, squares and fountains.

In August, the Bodio Center earned a LEED Gold certification, primarily due to improvements to the buildings' energy consumption. This was achieved in close collaboration with tenants, who were enthusiastic about integrating ESG criteria into building management. The complex also leans heavily into green transportation, providing access to electric vehicle charging stations and bike parks. The Bodio Center is located near a train station, and is accessible by bus and tram, encouraging the use of public transportation.



13

ESG themes assessed for potential BNP Paribas Diversipierre acquisitions

65

ESG criteria for potential BNP Paribas Diversipierre acquisitions

58%

Expected increase in BNP Paribas Diversipierre SRI scoring by 2023

BREMBATE

A LOGISTICS BUILDING WITH STRONG ESG CREDENTIALS

In 2020, BNP Paribas REIM acquired the Brembate, a logistics platform building in the municipality of Bergamo in Milan. Built in November 2020, the building, now being let to a 3PL operator, was acquired after construction and will receive LEED Silver certification.



51-53 HAUSSMANN

RENOVATING A HISTORIC PARISIAN BUILDING

Situated in Paris' 9th district, and built in the classic Haussmann style, the 3,170 m² building at 51-53 Boulevard Haussmann is currently being reconstructed. Acquired in 2019 on behalf of BNP Paribas Diversipierre, the building has since undergone substantial renovations, with improving ESG performance at the centre of the asset management strategy.

Construction incorporates sustainability best practices, with construction waste separated and recycled, green dredging activities, and efforts to minimize carbon consumption onsite. Once completed, 51-53 Boulevard Haussmann should attain an HQE certification for energy use, waste management and choice of construction materials and methods.



ESG INTEGRATION funds

BNP Paribas REIM's ESG Integration funds are those with a dedicated ESG roadmap for assets that will improve their performance over time. For these funds, we evaluate each asset's current ESG performance through 13 KPIs, and its potential for short- and long-term improvement, using data collected via our ESG data hub.

Our asset and fund managers then define ESG performance targets for 2022 and 2025 that reflect our 13 KPIs and 3 ESG objectives. Based on this, BNP Paribas REIM develops and implements a dedicated ESG roadmap that enables us to meet the objectives set for each ESG Integration fund and asset.

NEIF II FUND A pan-European fund prioritizing ESG

The Next Estate Income Fund II (NEIF II) is an ESG Integration fund focused on acquiring buildings with high environmental performance in major cities across seven key European countries. Established in 2014, the fund holds 19 assets, all with green labels, including HQE, DGNB, BREEAM IN-USE and LEED Certification. More than 60% of these labels were obtained or improved after BNP Paribas REIM acquired the asset as part of the NEIF II fund.

From 2021 to 2025, NEIF II aims to further improve the ESG performance of existing assets, focusing on energy consumption. BNP Paribas REIM is also looking into potential green refinancing of the fund.



HANOVER QUAY

FROM WAREHOUSE TO GREEN OFFICE



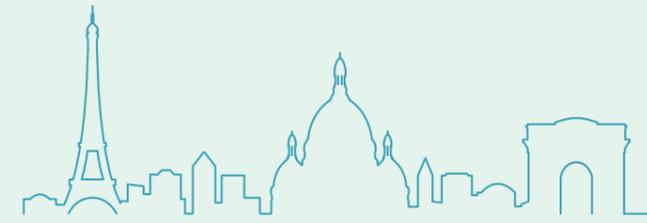
Located at the heart of Dublin's South Docks, 8 Hanover Quay is a 3,570 m², three-story modern office building that serves as the European headquarters of Airbnb.

BNP Paribas REIM acquired the building as part of the NEIF II fund in 2017, when it had just been renovated from a warehouse to create a flagship office. The Hanover Quay was designed with a strong emphasis on energy efficiency and sustainability, and will undergo a renewal of its BREEAM Very Good label in 2021.

BNP Paribas REIM is also working to improve other ESG aspects of the building, including installing daylight sensors, movement sensors, low-flush toilets and water meters. Water management is a particularly key element for the Hanover Quay, which sits next to a canal and must avoid contributing to surface water runoff. In collaboration with tenants, BNP Paribas REIM property managers collected detailed ESG information in 2020, and will use this to inform further steps from 2021 to 2025.

1ST

BNP Paribas REIM acquisition in Ireland



NEIF III FUND A focus on green office buildings

The Next Estate Income Fund III (NEIF III) is an ESG Integration fund that acquires certified office buildings in key European cities. Launched in 2017, NEIF III specifically targets already developed, recently refurbished and newly delivered offices, primarily those being used by high-growth industries, such as health-care and technology. Almost 50% of NEIF III assets are located in France and Germany, and another third are located in capital cities or leading commercial centres in Italy, Spain and Belgium.

NEIF III has undergone a GRESB assessment every year since 2019, and as of 2020, the fund achieved a score of 70/100. This is thanks to the fund's fully green certified portfolio and the integration of improved energy data collection. As the fund continues to acquire assets with sustainable labels and those that can easily obtain green certification, we expect overall ESG performance to continue improving.

We anticipate that this fund will be compliant with Article 8 of the SFDR in 2021.



FAIRWAY BUILDING

LIMITING ENERGY CONSUMPTION IN A PARIS SUBURB

75%
Energy management performance¹

85%
Health and wellbeing performance¹

Built in 2014, BNP Paribas REIM acquired the Fairway building at 57, avenue Pierre Brossolette in the Parisian suburb of Montrouge in 2018, as part of the NEIF III fund. The seven-story office building covers over 15,000 m² and has earned multiple environmental labels, including HQE Conception and HQE Exploitation certification, and the BBC Effnergie label.

In December 2020, the Fairway further earned a BREEAM IN-USE label, with a Very Good level of asset performance. In addition to limiting energy consumption, the Fairway also scores highly on other ESG metrics, including waste management, wellbeing and green transportation.

^{1/} Figures from BREEAM certification



A CIRCULAR ECONOMY APPROACH

Circular economy systems promote the reuse, refurbishment and recycling of products and assets, while minimizing emissions, waste and resource use. In 2020, BNP Paribas REIM took a circular economy approach to refurbishing an office building the Paris' 19th district, emphasizing sustainable and socially responsible construction methods.

The Magellan, a 600 m² office building located at 30 rue de Cambrai in Paris' 19th district, was partially reconstructed in the summer of 2020 as part of a pilot program for circular economy construction.

As one of the assets in the BNP Paribas Diversipierre fund, the Magellan is subject to high standards for sustainability. In refurbishing the building, BNP Paribas REIM worked with the French Institute for Building Performance (IFPEB), a business-led coalition seeking to achieve an ambitious and efficient energy and environmental transition in the real estate and building sectors.



30 RUE DE CAMBRAI



Their teams worked closely with BNP Paribas REIM to help choose recycled materials with a minimal environmental impact for the refurbishment.

OUR SUSTAINABILITY INITIATIVES INCLUDED:

- **Working** with a zero-waste construction site where all materials are recycled
- **Using** recycled paint, which offers the same quality as new paint, but without requiring additional resources or materials
- **Collaborating** with Interface, a company that uses renewable and recyclable materials for carpets and flooring, to fully carpet the Magellan with recycled materials made from carbon-neutral processes

THE FIRST OF TWO SUCCESSFUL PROJECTS

Following the refurbishment of the Magellan, BNP Paribas REIM took the same approach to another office building in Paris' 17th district. The 1,200 m² building at 33 rue de Wagram was successfully refurbished as part of a circular economy program, and was let to new tenants in December 2020. Looking forward, BNP Paribas REIM expects to see additional assets take this route to green refurbishment and reconstruction.



MAINSTREAM funds

The majority of assets managed by BNP Paribas REIM – around 75% of assets under management – are currently held in the category of Mainstream funds, which are compliant with Article 6 of the SFDR. Mainstream funds are subject to a common baseline of ESG essentials criteria that BNP Paribas REIM considers important.

Inclusion of an ESG grid at acquisition to assess sustainability risks, and exclusion of tenants on BNP Paribas Group's ban list are powerful steps to ensure a baseline level of ESG performance. In addition, renovations of assets held in mainstream funds apply standard ESG best practices in choice of materials and energy solutions. This is how we upgrade the performance of assets in mainstream funds even without formal ESG targets in place.

ACCÈS VALEUR PIERRE FUND

Renovating buildings to improve ESG performance

Consisting of 68 buildings and over 200,000 m² of office space, Accès Valeur Pierre is a good example of a mainstream retail fund looking to improve ESG performance. The fund primarily consists of office buildings in the Paris area, with asset managers undertaking major renovation projects when possible.

In 2021, asset managers are looking to define a long-term plan for ESG performance that will enable Accès Valeur Pierre to move from Mainstream fund to ESG Integration fund. Depending on tenant turnover in the next few years, Accès Valeur Pierre is aiming to achieve ESG fund status by 2022 and become compliant with Article 8 of the SFDR.

€1.7B Assets under management in Accès Valeur Pierre

68 Buildings in Accès Valeur Pierre portfolio

-30% CO₂ emissions at 185 Charles de Gaulle



185 CHARLES DE GAULLE

MAJOR RENOVATION OF A PARIS OFFICE

A notable example of a major renovation project is the 185 Charles de Gaulle, an 18,200 m² building located in Neuilly-Sur-Seine, a western suburb of Paris and prime office location. The office is held in the Accès Valeur Pierre fund. After longstanding tenants moved out of the building, BNP Paribas REIM was able to completely renovate the asset with recycled materials, minimizing energy consumption and improving biodiversity. We are working toward earning BREEAM Excellent, WiredScore and WELL certifications and labels.



DEVELOPING GREEN TRANSPORTATION FOR RETAIL PARKS

BNP Paribas REIM manages seven retail parks across France, representing over 115,000 m² of space split across three funds: BNP Paribas Diversipierre, Accimmo Pierre and SPF2. A growing focus for retailers is green transportation, with renters looking to increase sustainable methods of travelling to shopping centres. In late 2020, BNP Paribas REIM helped the Electro Depot in Brest add electric vehicle charging stations and retailers in La Ciotat install new bike racks.

€3.5B

Assets under management in Accimmo Pierre in 2020

€150m

Market capitalization of Opus Real



7

Retail parks managed by BNP Paribas REIM in France

ACCIMMO PIERRE FUND

A mainstream fund with strong ESG potential

Accimmo Pierre is an open-ended retail fund that contains mostly office buildings around France, with over 80% of assets located in the Paris area. The fund strategy is built around the acquisition of new buildings, with around 90% of its assets being under 20 years old.

While the fund manager does not formally seek out buildings with strong ESG performance, many assets added to the fund hold ESG labels. A handful of buildings held by Accimmo Pierre are refurbished, including a new building in Saint-Ouen, delivered in early 2020 with a BREEAM Very Good certificate and an HQE Conception label. The fund is targeting the French SRI label within the next 18 months.

OPUS REAL FUND

A growing Germany-based fund

Launched in 2017, Opus Real is a mainstream retail fund for German assets, with a capitalization of over €150 million as of September 2020. The fund holds assets in Germany's six major population hubs: Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg and Munich.

The portfolio includes over 25,000 m² of office and retail space, logistics buildings and hotels, with a focus on new buildings. While the fund does not specifically target ESG-friendly assets, it does acquire certified buildings, such as an office building near Frankfurt with a LEED Gold certification. Looking forward, Opus Real will see further certified assets join the portfolio.



A BASELINE FOR GREEN REFURBISHMENT

In addition to addressing asset-specific ESG needs, BNP Paribas REIM systematically performs certain ESG actions when refurbishing buildings. This provides a baseline for ESG assessment and improvement of assets across funds.

Every year, when BNP Paribas REIM entities launch partial renovations or refurbishments, we undertake baseline ESG commitments. We systematically address six areas for improvement: heating and cooling systems, energy consumption, water consumption, lights, carpeting and paint.

MINIMIZING ENERGY CONSUMPTION

Limiting energy consumption is a priority for our buildings. BNP Paribas REIM conducts an initial energy audit, performing a simulation of thermodynamic systems that helps us determine which areas need improvement. Our property and asset managers can then develop an action plan, calculating the investment costs and ROI from energy gains.

We then install electrical boxes, meters and sub-meters throughout the buildings, enabling us to measure overall energy consumption from lights, electricity, heating and cooling systems, etc.

This data can then be tracked, and with the tenant's approval, be fed into our Deepki system, providing BNP Paribas REIM with exact information about how energy is used on the premises.

UPGRADING HEATING AND COOLING SYSTEMS

We improve heating and air conditions (HVAC) systems, installing double-flux ventilation systems with energy recovery mechanisms. By installing fan coolers, heat pumps, and VRV recovery pipes, we can improve heating and cooling coefficients, ensuring that energy is more evenly distributed and successfully recovered. Our teams also take into account the orientation of the asset, using specific tubes to heat the areas of the building that sit primarily in shadow, and cool the areas that receive direct sunlight.

LIMITING WATER CONSUMPTION

To reduce water consumption, we install dual-flush water tanks and low-flow faucets in all facilities around the building. BNP Paribas REIM also installs flow reducers for all valves and pipe fittings in kitchen and bathroom areas.

ENVIRONMENTALLY FRIENDLY LIGHTS, CARPET AND PAINT

For every building, BNP Paribas REIM installs LED lighting and motion detectors in every lighted area to help limit energy consumption. The carpet installed in our buildings is made from recycled fibres and materials, and we use paint made from organic compounds for building interiors and exteriors.

REGIONAL highlights

FOR OUR 2020 CSR PANEL OF 384 ASSETS

BNP Paribas REIM is a leading European real estate investment manager, acquiring and managing assets in major cities across Western Europe on behalf of its clients. In 2020, our fund, asset and property managers acquired numerous assets, choosing buildings with strong ESG performance or the potential to improve.



BENELUX

Renewing certification for a Dutch warehouse

The first addition to the ELF fund, the 'S-Heerenberg' was acquired in 2017 and is fully let to DSV, a Danish logistics company. The warehouse is located in the Ruhr region on the German border, and is preparing to renew its BREEAM New Excellent certification. In 2021, BNP Paribas REIM asset managers will be able to review data from the 'S-Heerenberg, and determine next steps for maintaining or improving ESG performance.

IRELAND

The One Building: big ESG plans for a Dublin-based office

The One Building, a 7,000 m² office space on Lower Grand Canal Street in Dublin, was acquired by BNP Paribas REIM in 2019 as part of the BNP Paribas Diversipierre fund. The building has a BREEAM Very Good certification and is located near a major transportation hub, making it a key asset for further ESG development.

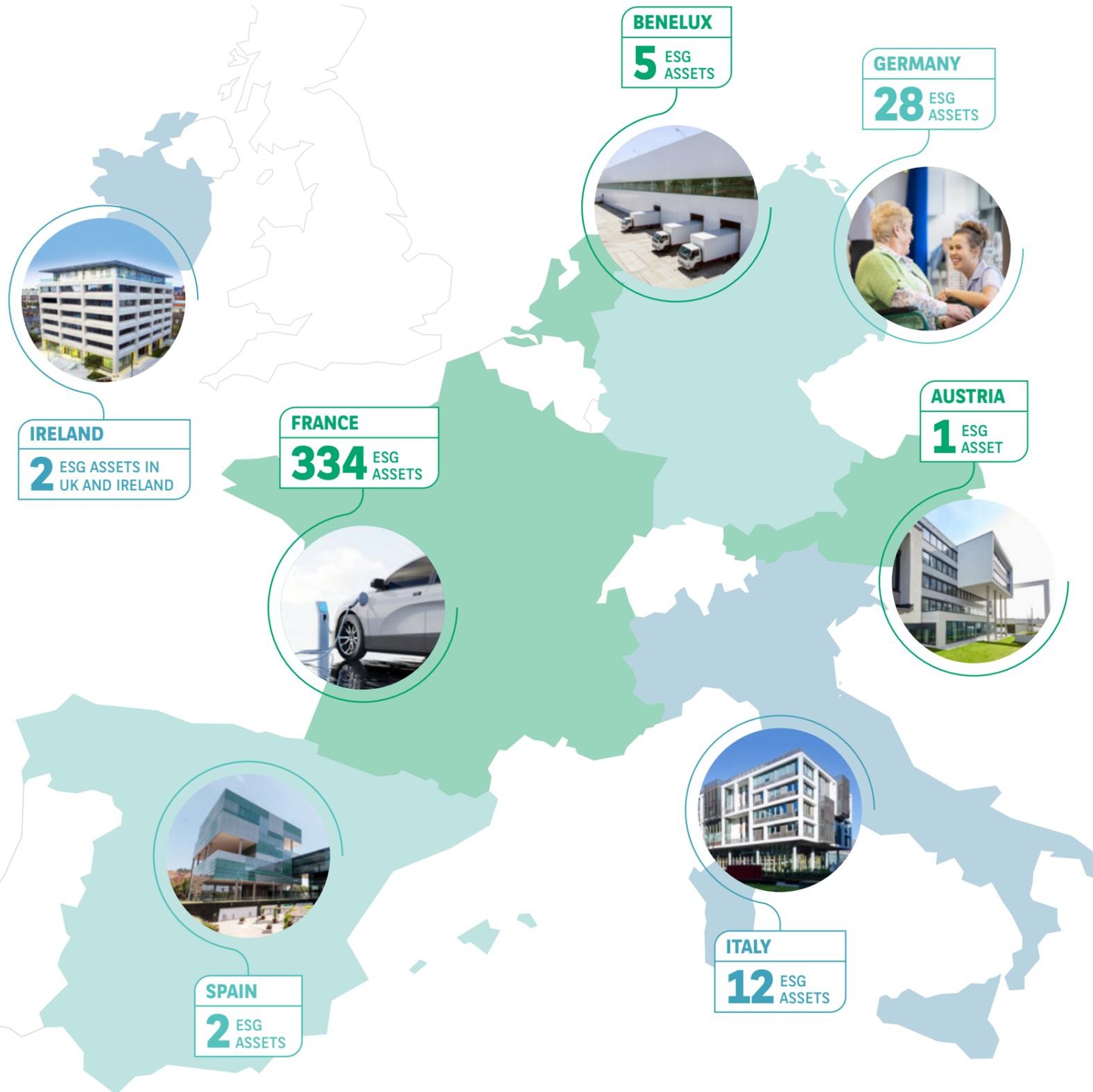
BNP Paribas REIM has budgeted for a number of ESG initiatives to begin between 2021 and 2023, including undergoing an ecological survey to increase biodiversity around the building. Reducing energy and water consumption are also key goals, with the installation of energy submeters, internal light control systems, water meters and a rainwater capture system.

SPAIN

Manteras 48: envisioning next steps for an ESG-friendly asset

Acquired in September 2019 by the NEIF III fund, Manteras 48 is located in the heart of Madrid's business district. The two office buildings stretch over 13,000 m², providing a home for national and international corporations in the industrial, financial and technology sectors.

Having earned a BREEAM In-Use Very Good certification in 2019, Manteras 48 is already a high-performing asset in terms of ESG. Thanks to data collected from the buildings and the GRESB assessment undertaken in 2020, BNP Paribas REIM asset and property managers can now determine next steps for further reducing energy and water consumption in 2021.



GERMANY

Major acquisitions in the healthcare sector

BNP Paribas REIM made two major acquisitions in Germany for the HPF Europe fund in late 2020 and early 2021. One portfolio comprises five nursing homes representing over 23,500m². A second acquisition, the 20,200m² VAMED Klinik hospital, specialises in the treatment of children and adults suffering from neurological illnesses as well as in treatment following neurological surgery.

FRANCE

Heron Parc: making retail accessible via sustainable transportation

Located in Villeneuve-d'Ascq, a suburb outside of the northern French city of Lille, Heron Parc is one of the numerous retail assets managed by BNP Paribas REIM in France. Acquired on behalf of BNP Paribas Diversipierre OPCI, the complex stretches over 13,000 m² of retail space. It includes twelve restaurants, a movie theatre and a variety of shops.

Acquired in 2016, Heron Parc underwent several ESG improvements in 2019 and 2020, including studies for the installation of outdoor light sensors and the renovation of technical installations. Most notably, 2020 saw the installation of electric vehicle recharging stations, enabling shoppers to use sustainable transportation methods to get to Heron Parc.

ITALY

Improving water and energy consumption in Milan

The 25 Via Tortona, an office located in the furniture district of the southwest of Milan, was acquired by BNP Paribas REIM in 2017 as part of the Concepto fund. The building is let to Deloitte, with whom BNP Paribas REIM is working closely to improve overall ESG performance.

The building already has BREEAM In-Use certification, and in August 2020, the Tortona received LEED Gold. In 2021, BNP Paribas REIM property and asset managers are putting a focus on limiting water consumption, looking to install automatic sensors for sinks in bathrooms and break areas.

Glossary

CSR
Corporate
Social
Responsibility

ESG
Environmental,
Social and
Governance

GRESB
Global Real Estate
Sustainability
Benchmark

PRI
Principles for
Responsible
Investment

SFDR
Sustainable
Finance Disclosure
Regulation

SRI
Socially
Responsible
Investment

Our publications

BNP Paribas Real Estate's **BuzzWords** collection explains the everyday jargon of the real estate business and its environment, with a focus on recent trends.



BuzzWords

We explain the term "smart building", digging into the three major influences behind this phenomenon and its benefits for personal wellbeing.



BuzzWords | #4

We dig into the differences between certifications, labels and standards, and the future criteria against which buildings will be assessed.



BuzzWords | #5

We examine how cities are rethinking infrastructure in terms of mobility, the driving forces behind this change and the future of electric mobility.

Statutory auditor's report

on a selection of social, environmental and governance indicators published by BNP Paribas REIM

—
Financial year ending December 31st, 2020

To the President,

In our capacity as statutory auditor of BNP Paribas REIM and upon your request, we have drafted this report on the basis of work conducted to enable us to express a moderate level of assurance concerning a selection of social, environmental and governance indicators (cf. Appendix 1) published by BNP Paribas REIM in 2020 and set out in the document entitled «ESG Report 2020» (hereinafter referred to as the «Indicators»), herewith attached and drafted in the framework of a voluntary inspection of these items. These Indicators were drafted under the responsibility of the management of BNP Paribas REIM, in accordance with the protocol (Asset ESG Roadmap) used by the Company (hereinafter the «Guidelines») available on request from the company's head office.

Our responsibility is to attest this information. We specify that the conclusions drawn in our report concern only this selection of Indicators and not all the social, environmental and governance data published by the company in 2020.

NATURE AND EXTENT OF THE WORK

We performed our work, which constitutes neither an audit nor a limited exam, in accordance with the French professional standards.

We have performed the following reviews, which lead to a moderate level of assurance that the selected social, environmental and governance indicators as set out in the annex to this document contain no significant anomalies. A higher level of assurance would have required more extensive work.

Our work consisted of the following:

- taking note of the reporting procedures introduced by the company for producing the information set out in the document attached herewith and examining their relevance, comprehensiveness, reliability, neutrality and clarity,
- implementing analytical procedures and, based on surveys, checking the calculations and the consolidation of data for producing social, environmental and governance indicators. This work was based in particular on interviews with personnel in the Asset Management Division to check that the procedures ensuing from the Guidelines have been properly understood and applied,
- implementing tests on the basis of sampling, consisting of checking the calculations made and comparing the data with the supporting documentation,
- checking the compliance of these Indicators with the principles and procedures for determination applied by the company as set out in the Guidelines,
- assessing whether this information has been presented in good faith.

The selected sample thus represents 57% of the funds and 21% of the assets of the CSR panel managed by BNP Paribas REIM at 31 December 2020 for the environmental, social and governance indicators selected.

To assist us in implementing this work, we used the services of our specialized sustainable development teams

CONCLUSION

Based on the work performed, we do not have any observations regarding the conformity, in all its significant aspects of the selected social, environmental and governance Indicators published by the company (cf. Appendix 1), with the principles and procedures of determination outlined in the Guidelines, nor the sincerity of the information that is the subject of this attestation.

One of the statutory auditor

Mazars SA

—

Paris La Défense, June 11th, 2020

—

Claire GUEYDAN

Partner

—

Edwige REY

CSR & Sustainable Development Partner

KEEP UP-TO-DATE WITH BNP PARIBAS REAL ESTATE'S NEWS
WHEREVER YOU ARE

#BEYONDBUILDINGS



**BNP PARIBAS
REAL ESTATE**

Real Estate
for a changing
world