



Real Estate for a changing world

## 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.



management



managed



under management



Assets under management with ESG KPIs measured



Funds with ambitious ESG objectives and measured KPIs in 2021



community meets

monthly



#### **KEY ACHIEVEMENTS**

#### 6 funds now successfully classified as SFDR Article 8

- ACCIMMO PIERRE BNP PARIBAS **DIVERSIPIERRE**
- NEIF III AFER Pierre
- Opus Real WWD
- · BNP Paribas MacStone

#### 5 funds with French ISR labels

- ACCIMMO PIERRE BNP PARIBAS DIVERSIPIERRE
- Opus Real
- AFER Pierre
- Accès Valeur Pierre

#### **EIPF**

1st climate impact report for this Article 9 fund

#### 6 funds participated in GRESB

+10% overall score increase between 2020 and 2021

#1 ranking for NEIF III compared to 13 similar products

## Driving ESG performance in a changing world

BNP Paribas REIM is committed to investing in living assets: buildings that make a difference to people's lives and to the life of our planet.

For BNP Paribas Real Estate Investment Management, 2021 was a year of strong development in Environmental Social Governance (ESG). We increased our work against a backdrop of growing public awareness and commitment to change and international discussions on climate at the COP 26. At the same time, we have seen tensions rise as a result of soaring energy prices and inflation, and a shifting landscape of sustainability commitments.

At BNP Paribas REIM, we see ESG as a strategic tool to enhance performance. In response to global shifts, we have strengthened our commitments and made them public. We initially published an objective in 2021 to transform 70% of our funds open to subscription by investors into sustainable funds by 2022. We have surpassed this objective: as of end-2022, 85% of funds will be classified as sustainable. We also re-assessed our methodology for evaluating and recognizing buildings' ESG performance.

#### **PEOPLE AND KNOWLEDGE, THE KEYS TO ESG-DRIVEN CHANGE**

The Covid-19 crisis marked a turning point in the status quo. The number of investors integrating ESG criteria into their investment criteria and process is increasing considerably. And while ESG considerations remain relatively low on retail investors' priorities, we anticipate that Millennials will begin to favour funds with solid ESG commitments.

1/ Investissement Socialement Responsable



In 2021, we made significant progress on ESG integration. We accelerated our strategy, made public commitments, and raised our standards across the board.

#### **Nathalie CHARLES**

Global Head of Investment Management BNP Paribas Real Estate

This reflects a broader societal shift. Now more than ever, people seek to work in a company that aligns with their values. BNP Paribas REIM has formulated strong ESG commitments to attract and retain best-in-class employees and enhance their motivation and satisfaction.

We also believe that engaging employees around sustainability considerations is key to becoming truly ESG driven. This starts with awareness. During 2021, we empowered our internal teams to share knowledge needed to integrate and achieve our ESG objectives. We launched internal training sessions, and ran initiatives for external stakeholders, including suppliers within the building industry. Our aim is that everyone we work with understands and applies ESG principles on a daily basis.

#### **RAISING THE BAR**

In a year in which ESG topics attracted increased attention from investors, tenants, employees and civil society, BNP Paribas REIM delivered on its ESG strategy. As of July 2022, five of our funds have acquired the French ISR1 label, and multiple funds moved up a category to comply with SFDR Article 8. While this progress is welcome, I know we can do even better.

There is currently huge momentum surrounding ESG. We need to ensure this commitment translates into concrete, long-term actions. There is still much to be done, and I am proud to say that BNP Paribas REIM is making a difference and is committed to growing our ability to do so every year.

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# 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 environmental certification)







## MANAGE ASSETS RESPONSIBLY

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

BY 2025

# 90% OF FUNDS'

open to subscription to investors will be classified as Sustainable<sup>2</sup>

(85% by end-2022)



#### BOOST STAKEHOLDER AWARENESS

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

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

**◆ Impact investing strategy SFDR** Article 9

FUND SUSTAINABILITY JOURNEY

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<sup>1 /</sup> 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

# OUR FUND PERFORMANCE

BNP Paribas REIM segments its funds according to their ESG profile, in line with the Sustainable Finance Disclosure Regulation (SFDR). Many funds in 2021-22 improved their overall ESG scores, achieved new labels and moved into the next segment.

## An Impact fund compliant with SFDR Article 9



The European Impact Property Fund is fully aligned with the Paris Agreement and the International Energy Agency's proposed climate trajectory. The fund aims to reduce  $\rm CO_2$  emissions by 40% across its European portfolio over the next decade through a core, diversified, incomedriven strategy. In 2021 it invested in four assets. A key differentiator of the fund is EIPF Lab, a community in which BNP Paribas REIM experts and partners share best practices and experience.

## NEIF III An ESG fund compliant with SFDR Article 8

The Next Estate Income Fund III (NEIF III) invests in already developed, recently refurbished and newly delivered offices, with environmental certifications, in major European cities. It primarily targets buildings occupied by high-growth industries, such as healthcare and technology. The fund achieved four stars and a #1 GRESB ranking in 2021 thanks to its fully certified portfolio and improved energy data collection.

#### BNP PARIBAS DIVERSIPIERRE

An ESG fund compliant with SFDR Article 8



BNP Paribas Diversipierre OPCI invests in commercial real estate and financial products across Europe. Assets under consideration for acquisition are scored against a customized SRI analysis grid. The fund focuses on improving energy performance and reducing CO2 emissions.

#### HPF EUROPE

### An ESG integration fund compliant with SFDR Article 6

BNP Paribas REIM's Healthcare Property Fund Europe (HPF Europe) focuses on private regulated assets in short, medium and long-stay healthcare facilities in key Eurozone countries. The fund offers anti-cyclical exposure to the healthcare market with a mixed allocation to hospitals, rehabilitation clinics and medicalized nursing homes. At end-July 2022 the fund held 20 assets, with a pipeline of assets under construction or in the process of acquisition.



The Influence building in Saint-Ouen, Greater Paris, held in the Accimmo Pierre fund, is leased to the Ile-de-France regional government. It has a BREEAM Very Good certification and an HQE Conception label.





CRESPI 26

The Italian headquarters of Richemont on Via Crespi, Milan was the **first acquisition for EIPF.** 

The fund has set a **-63% GHG emissions objective** for the asset, with a **green CAPEX programme** starting in summer 2022.





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