

SFDR – Article 4 of Regulation (EU) 2019/2088

[BNPP REAL ESTATE INVESTMENT MANAGEMENT

FRANCE / ITALY / GERMANY / LUXEMBOURG]

Transparency of adverse sustainability impacts at entity level

No consideration of adverse impacts of investment decisions on sustainability factors

The statement addresses requirements as set out in the Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR) specifically relating to the consideration of principal adverse impacts of investment decisions on sustainability factors.

Under this regulation, principal adverse impacts shall be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors.

BNP Paribas REIM being a management company with less than 500 employees, taking into account the principal adverse impact is not mandatory.

When the company chooses not to follow the provisions of the regulation, it is required to explain why implementation is not relevant at its level under the "comply or explain" principle.

BNP Paribas REIM business line entities provide clients with a broad range of real estate investment products and services. As such, real estate assets are the principal target of its investment decisions. The business line constituents aim to take into consideration the environmental and social criteria in their investment decisions or financial advices to their customers.

According to the Annex 1 of the Commission Delegated Regulation, two mandatory indicators have been defined to consider principal adverse impacts for Real Estate activity.

- Exposure to fossil fuels through real estate assets : Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels
- Exposure to energy-inefficient real estate assets: Share of investments in energy inefficient real estate assets

In order to assess these principal adverse impacts identified for Real Estate activity, BNP Paribas REIM business entities have to collect this data for all assets under management, which is requiring a progressive work with different stakeholders. It would be disclosed by June 2023 depending on the data collection coverage.

Therefore, although BNP Paribas REIM considers sustainability factors in its investment decisions, the data currently available does not ensure that the negative impacts on sustainability factors are fully taken into account. At this stage, BNP Paribas REIM cannot measure the effects of these impacts at the entity level, and accordingly, it does not consider principal adverse impacts of investment decisions on sustainability factors within the meaning of the SFDR regulation at the entity level. BNP Paribas REIM intends to consider such adverse impacts when the required data is available.

Nevertheless, all funds compliant with Article 8 or Article 9 of SFDR, from January 1st 2023, do take into consideration principal adverse impacts and will report on the above indicators in their respective annual reports.

At the business line level, these funds represent more than 40% of assets under management (based on September 30th 2022 asset market value).



About BNP Paribas REIM

With BNP Paribas REIM, you invest in REAL ESTATE AS LIVING ASSETS.

BNP Paribas REIM, a business line of BNP Paribas Real Estate, provides a wide range of real estate funds and investment solutions for investors, based on strong convictions.

Deeply European, we have a close understanding of local markets, a view of every square meter, every street, every neighborhood, every urban eco-system.

With our 350 employees, we care for assets as we care for living beings, aiming to build a better living environment for our 220+ institutional investors and 150,000+ private investors.

We believe in ESG to reconcile social, environmental and financial performance.

We apply innovation in order to better adapt to the risks and opportunities of today and tomorrow.

At the beginning of 2022, BNP Paribas REIM managed €29.7 billion of living European assets on behalf of institutional and private investors.



**BNP PARIBAS
REAL ESTATE**

Real Estate
for a changing
world