

**SFDR – Article 5 of Regulation (EU) 2019/2088**

**[BNPP REAL ESTATE INVESTMENT MANAGEMENT**

**FRANCE / ITALY / GERMANY / LUXEMBOURG]**

**REMUNERATION PRACTICES & SUSTAINABILITY RISKS INTEGRATION**

## **SUSTAINABILITY STRATEGY**

In a changing world, we focus on achieving long-term sustainable returns for our clients, to make a positive difference in people's futures.

BNPP REAL Estate Investment Management's strong commitment towards sustainable investment is described in its CSR report and more specifically in its sustainable ambitions with the development of responsible investment products and the incorporation of ESG criteria into our investment decisions.

BNPP REIM's Global Remuneration Policy is fully aligned with these sustainable ambitions, as CSR and sustainability represents a core element of BNPP REIM's DNA.

Set out below are the key remuneration practices that allow to make sustainability risks<sup>1</sup> integration, part and parcel of BNPP REIM's remuneration policy.

## **INCLUSION OF SUSTAINABILITY RISKS IN RELEVANT EMPLOYEES' INDIVIDUAL OBJECTIVES**

As mentioned in Section 3 of the principles of BNPP REIM's Remuneration Policy, "all of the employees, whose remuneration is decided during CRP (Compensation Review Process), are appraised through an annual review against a set of objectives that are specific to the nature of their role".

First, BNPP REIM's management recognizes that each team within BNPP REIM does contribute to the achievement of BNPP REIM's overall strategy, hence plays a role in reaching its sustainability goals.

More concretely, where relevant, such objectives related to sustainability risks are included in the annual appraisals.

## **INCLUSION OF SUSTAINABILITY RISKS IN OUR RISK ADJUSTED REWARD FRAMEWORK**

First, section 2 of the principles of BNPP REIM's Remuneration Policy explicitly mentions that the variation remuneration pool is determined annually taking into account "current and future risks (including sustainability ones<sup>1</sup>)".

In addition, section 3 of the principles of BNPP REIM's Remuneration Policy states that "Identified Staff and SMPs (holders of Senior Management Positions in a Group wide context) have mandatory Compliance and Risk objectives. If these two objectives are not met, the variable compensation of the concerned employees may be reduced under the supervision of the Remuneration Committee within the limit of the authority it possesses".

Meeting of the mandatory Risk objective is decided by examining the employee's manager appraisal and the assessment by the RISK function, during a Risk and Compliance review committee at the end of the Compensation Review Process.

Thus, more generally and based on its controls, RISK function is able to raise sustainability risks-related breaches, together with Compliance and HR:



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- during the Risk & Compliance review, leading to potential negative impacts on variable remuneration to be awarded at the end of the Compensation Review Process, and
- before the vesting of deferred bonus plans, leading to potential malus on the vesting amounts.

### **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.



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