

INDICATIVE STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS BASED ON VOLUNTARY DISCLOSURES NOT SUBJECT TO REGULATORY REQUIREMENTS

Financial market participant (not subject to PAI-reporting duty under SFDR¹): BNP Paribas Real Estate Investment Management Italy Societa' di Gestione del Risparmio P.A. P.A., 815600D376EA22493654

In 2022, BNP Paribas Real Estate Investment Management Italy Societa' di Gestione del Risparmio P.A., 815600D376EA22493654, did not consider principal adverse impacts of its investment decisions on sustainability factors due to the lack of available data and because the entity is below the threshold of 500 employees.

However, the BNP Paribas Real Estate Investment Management Italy Societa' di Gestione del Risparmio P.A. is disclosing at 30 June 2023, the data already collected for year 2022 on a voluntary basis. This statement does not qualify as a disclosure under Art. 4 (1) lit. a, (2) SFDR for year 2022.

Starting in 2023, BNP Paribas Real Estate Investment Management Italy Societa' di Gestione del Risparmio P.A. (BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A.), does consider principal adverse impacts of its investment decisions on sustainability factors.

The present statement is a voluntary consolidated statement on principal adverse impacts on sustainability factors regarding investments in real estate assets of BNP Paribas Real Estate Investment Management Italy Societa' di Gestione del Risparmio P.A..

This statement on principal adverse impacts on sustainability factors covers the reference period from January 1st to 31st of December 2022.

For this voluntary reporting for the year 2022, BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. decided to include only the two mandatory indicators for real estate assets.

Summary of the principal adverse impacts (PAIs)

This statement is established inspired by the rules defined by the Regulatory Technical Standards of European Regulation 2019/2088, known as

¹ Regulation (EU) 2019/2088 of the European Parliament and the Council of 27 November 2019.



SFDR, Sustainable Finance Disclosure Regulation. Its objective is to assess the principal adverse impacts on sustainability factors (so called PAI) collected from the real estate assets that are the subject of financial investments as part of the BNP Paribas fund management department within the BNP Paribas REIM business line. The PAIs are therefore indicators enabling this assessment. They require a large number of data points for their calculation, the reliability of which may vary depending on whether they are based on data that can be collected without the support or consent of third parties, whether data has to be provided by another entity, and on estimations made by data providers. It can also be noted that investment decisions, with respect to PAIs consideration, depends on the choice of data calculation and estimation they rely upon. Indeed, significant differences on data of certain PAIs have been identified due to choices in calculation and estimation (e.g., EPC level calculation; estimation on energy consumption and GHG emissions).

For this voluntary reporting for the year 2022, BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. decided to include just the two mandatory indicators for real estate assets. Optional indicators for real estate assets will be reported for the first time for the year 2023, by 30 June 2024. BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. and its funds are not invested in investee companies, sovereigns or supranationals and therefore do not disclose the respective PAIs.

The sustainable data market is in complete evolution, particularly on PAI data which is a new area. Moreover, limited data is collected by asset owners and reported as of today, due to the lack of maturity of the market and the timeline of the EU Regulations. The regulations defining these data and their publication have implementation dates either very recent (August 2022 for the obligation for producers of financial products to provide distributors with information on the sustainable characteristics of their products) or still to come (from January 2024 for CSRD, the directive requiring companies to publish a certain number of environmental, social and governance data). BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. therefore considered in 2022 that this lack of maturity regarding data collection did not allow PAIs to be taken into account in investment decisions of fund management.

BNP Paribas REIM's ambition in 2023 is to be able to rely upon more complete and consistent data and to progressively identify how to best integrate and manage the PAIs within its investment and portfolio management process.

Exclusions: Real estate mandates for which BNPP REIM is not the Alternative Investment Fund Managers (AIFM) are excluded from the following calculations. Real estate mandates that do not qualify as financial products are excluded from that calculation (e.g., separate accounts). For debt funds, considering the specificities of these funds and their eminent liquidation, a customized approach for their inclusion will be analyzed in 2023.



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Indicative description of the principal adverse impacts on sustainability factors based on voluntary disclosures not subject to regulatory requirements

| Indicators applicable to investments in real estate assets | | | | | |
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| Adverse sustainability indicator | | Metric | Impact 2022 | Explanation | Actions taken |
| Fossil fuels | 17. 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 | 0,0% | <p>- Coverage rate: High²</p> <p>- Source of reported data: Data collected by external property manager of AIFM in ESG data management platform.</p> <p>Any asset used to extract, transport or manufacture fossil fuels is considered as exposed to fossil fuels. Excluded from this definition is the storage of fossil fuels for the property's own energy demand (e.g., gas/ oil heating; fuel tanks for emergency generators). A certain exposure cannot be excluded from BNP Paribas REIMs portfolio due to assets that have a subordinate part of income generated from fossil activities (e.g., fuel stations as part of a shopping center).</p> | <p>These criteria are embedded into the investment process of BNPP REIM Italy Societa' di Gestione del Risparmio P.A. in 2023 for all assets managed and are monitored quarterly by Risk Management. Data coverage is enhanced in 2023.</p> <p>This PAI will be reported in a PAI Statement on 2023 data to be published by 30 June 2024.</p> <p>BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. is assessing the possibility of integrating thresholds regarding</p> |

² The following ranges are used for the coverage losses : Low: 0-50% / Medium: > 50-75% / High: > 75%

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| | | | | <p>The share is calculated based on the weighted market value of properties with exposure to fossil fuels in comparison to the market value of all properties managed by BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. (directly or indirectly via real estate companies). For calculating the share of assets exposed to fossil fuels, only those assets with data available were included in the calculations. A percentage of data coverage is also indicated to put this information in perspective.</p> | <p>exposure to fossil fuels for AIF that are classified under Article 8 or 9 SFDR in the next 24 months.</p> |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets | Share of investments in energy-inefficient real estate assets | 75,2% | <p>- Coverage rate: Low³</p> <p>- Source of reported data: Data collected by external property manager of AIFM in ESG data management platform.</p> <p>"Energy inefficient properties" are defined as properties that (i) were built before December 31, 2020 and have a building energy performance certificate (EPC) with an energy performance class of "C" or worse, or (ii) were built after December 31, 2020 and have a</p> | <p>These criteria are embedded into the investment process of BNPP REIM in 2023 for all assets managed and are monitored quarterly by Risk Management. Data coverage is enhanced in 2023.</p> <p>This PAI will be reported in a PAI Statement on 2023 data to be published by 30 June 2024.</p> <p>BNP Paribas REIM is</p> |

³ The following ranges are used for the coverage losses : Low: 0-50% / Medium: > 50-75% / High: > 75%



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| | | | <p>primary energy demand higher than that of a “nearly zero energy building” (“NZEB” according to national law).</p> <p>The “construction date” is defined as the date of application for a building permit.</p> <p>Assets for which it's not mandatory under local energy law to have an EPC, are excluded from the coverage of that indicator.</p> <p>Assets for which the EPC level, NZEB value, or local reference value for NZEB are unknown, are excluded from the calculation and not part of the data coverage.</p> <p>The share is based on the weighted market value of properties with poor energy efficiency in comparison to market value of all properties managed by BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. (directly or indirectly via real estate companies). For calculating the share of inefficient assets, only those assets with data available were included in the calculations. A percentage of data coverage is also indicated to put this information in perspective.</p> | <p>assessing the possibility of integration of thresholds regarding exposure to fossil fuels for AIF that are classified under Article 8 or 9 SFDR in the next 24 months.</p> |
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Description of policies to identify and prioritize principal adverse impacts on sustainability factors

Principal adverse impacts on sustainability factors refer to adverse impacts of investment decisions on sustainability factors that mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters

As financial market participant, BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. does not consider the impact of the underlying investment on sustainability factors in 2022. However, the entity will disclose the already integrated processes for 2022 on a voluntary basis.

For the year 2023, BNP Paribas Real Estate Investment Management Italy Societa' di Gestione del Risparmio P.A. (BNPP REIM), 815600D376EA22493654, does consider principal adverse impacts of its investment decisions on sustainability factors and will publish a PAI Statement by 30 June 2024.

For the avoidance of doubt, BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. does not consider the principal adverse impacts on sustainability factors on derivative instruments, liquidity, real estate mandates for which BNPP REIM is not the Alternative Investment Fund Manager (AIFM) or real estate mandates that do not qualify as financial products (e.g. separate accounts) or debt funds. Furthermore, the data collection process described is rolled out in phases. Therefore, integration of assets in the ESG data management collection process is an incremental process. BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. is transparent regarding the data coverage to avoid misunderstanding.

BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. does not have a Stewardship Strategy since the investment strategy is to invest in direct and indirect real estate assets and debt financing of direct and indirect real estate assets.

Analysis of real estate assets: BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. collects sustainability data correlating with PAI indicators within its ESG data management platform (among others data collection of energy-, water-, waste and electricity consumption; EPC Certificates; GHG Emissions).

Responsibility for the implementation of those policies: The BNP Paribas REIM ESG Global Team is responsible for the elaboration of BNP Paribas REIM's approach on adverse sustainability impacts and the BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A.'s fund management teams are responsible for implementing this policy in its portfolios.



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Methodologies to select optional PAI: These 5 optional PAI for real estate assets, on which BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. pays particular attention to in 2023 are not reported voluntarily in 2022. The selection of these PAIs will be specified in BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A.'s approach on adverse sustainability impacts thus making it possible to maintain an overall consistency between fund and entity level and investment and fund management process.

Any associated margin of error: Although the share of data directly collected is moderate for the two mandatory PAI indicators (PAI 17: 97,3% PAI 18: 40,8%) it has remained too low for the remaining PAI indicators in 2022. Therefore, the negative impacts of real estate assets assessed with these remaining indicators could not be sufficiently well captured. The data collection process described earlier is rolled out in phases. Therefore, integration of assets in the ESG data management collection process is an incremental process. BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. is transparent regarding the data coverage to avoid misunderstanding.

Data sources: The data is collected by external technical experts during investment process and by property and asset managers of BNPP REIM Italy Societa' di Gestione del Risparmio P.A. during the holding period. BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. cannot rely on external providers due to the fact that it is invested in real estate assets (direct and indirectly held).

Engagement policies

As BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. invests in buildings and not in companies, this is not relevant. BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A.'s engagement activities relate to tenants and Property Managers, including green leases, energy consumption data collection, regular meetings on ESG subjects, etc.

References to international standards

BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. is signatory to the UN's Principles for Responsible Investment (PRI).

BNP Paribas REIM Italy Societa' di Gestione del Risparmio P.A. has not yet identified a specific prospective climate scenario as



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reference for its consideration of PAIs for real estate assets.

Historical comparison

No historical comparison is available yet since this is the first year of reporting.

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 360 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.

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



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