ESG / SFDR APPENDIX

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: BNP Paribas Diversipierre **Legal entity identifier:** 69500VNDLJ20738FT46

Sustainable investment means an investment in an economic actlvity that con tri butes to an environmental or social objective, provided that the investment does not significantly harm anyenvironmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lnclude a list of socially sustainable economic activities. Sustalnable investments with an environmental objective might be aligned with the Taxonomy or not.

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Old this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ lt made sustainable investments with an environmental objective: ___%	☒ lt promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 63% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ 6% with an environmental objective in economic activities that qualifyas environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as envi ronmentally sus ta i na ble underthe EU Taxonomy	☒ 57% with an environmental objective in economic activities that do not qualifyas environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ lt made sustainable **investments with a social objective:** ___%	☐ lt promoted E/S characteristics, but **did not make any sustainable investments**

BNP Paribas Diversipierre holds 84.2% in direct real estate, 9.6% in stocks (listed REITs) and 6.2% in covered bonds. The percentages of the above alignment represent the entire portfolio, meaning direct real estate, equity and bonds. The responses to the questions below only concern the direct real estate portion of the portfolio. Information on the equity and bonds portions are in the appendices following this document. These are the same SFDR appendices completed for the equity and bonds section of the portfolio.

TO WHAT EXTENT WERE THE ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS PROMOTED BY THIS FINANCIAL PRODUCT MET?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The environmental characteristics promoted by the fund were achieved through implementing the fund's strategy.

The fund strategy aims to prevent asset obsolescence and to improve asset strength by implementing an environmental, social and governance (ESG) performance improvement strategy called Best-in-Progress. This approach inherently contributes to the non-destruction of asset value.

The fund promotes environmental and social characteristics by assessing investments using an SRI (Socially Responsible Investment) strategy, which is substantiated through the award of the SRI label. In 2022, all new acquisitions were analysed using this grid.

The primary objective in considering the ESG criteria within the BNP Paribas Diversipierre's real estate asset strategy has been to improve environmental performance.

Regarding the real estate portion, the fund applied its ESG criteria to all of the stages for real estate asset management: acquisition, ownership and disposal. The Management company developed an ESG analysis tool for real estate assets based on the following 10 ESG criteria:

- Energy efficiency / carbon footprint
- Pollution (soil pollution, asbestos, lead)
- Water management
- Waste management
- Social / environmental certifications and labels
- Biodiversity
- Occupant comfort and well-being
- Mobility and accessibility
- Building resilience
- Stakeholder responsibility: seller, property manager, tenant

As such, the ESG criteria were used to analyse new assets acquired by BNP Paribas Diversipierre in 2022, and to define the action plans for improving their ESG performance. For buildings already held by the funds, ESG action plans continued to be implemented.

How did the sustainability indicators perform?

For the real estate portion, the table below summarises the performance of sustainability indicators for direct investments. These indicators reflect Phase 1 of the fund's SRI labelling cycle; the assets for Phase 2 are not evaluated until the second cycle in early 2024.

Indicator	Unit of measurement	Phase 1 31.12.2022	Phase 1 31.12.2021
Energy performance	kWh net/sqm.yr	163	147
Greenhouse gas emissions	$kgCO_2eq/sqm$	20	28
Share of PM contracts including ESG clauses	% of PM contracts with an ESG clause	61%	61%
Distance from public transport	No. of assets	70%	48%
Electric vehicle charging stations	No. of assets	26%	31%
Building accessibility	No. of assets	74%	78%
Resilience audit	No. of assets	83%	0%
Tenant engagement on ESG matters	No. of tenants	48%	21%
Assets with no risk linked to asbestos	No. of assets	13%	14%

... and compared to previous periods?

See above table.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The sustainable investments made by the fund aim to meet the objective of making a substantial contribution to mitigating climate change.

A total of 63% of the fund's assets were considered as a sustainable investment that substantially contributed to mitigating climate change (54.51% of the portfolio represents assets held directly, 6.03% represents shares and 2.74% represents bonds). The contribution of directly held real estate assets is outlined in the table below. For each asset, the "Do No Significant Harm" (DNSH) criterium for considering the "Principal Adverse Impacts" (PAI) was validated. More information is available under the question "How were the indicators for adverse impacts on sustainability factors taken into account?".

Asset name	Portfolio weight (%)	Measurable goal demonstrating sustainable investment alignment
BODIO CENTER	9,21%	LEED Gold Construction Certification
DEICHTOR OFFICE CENTER	6,26%	ESG action plan progress at 100%
HERON PARC	4,61%	ESG action plan progress at 31%
EP1 - GRANDS MOULINS	2,48%	ESG action plan progress at 55%
18BIS / 20 AVENUE HOCHE	2,44%	ESG action plan progress at 95%
VISALTO - BD D'INDOCHINE	2,25%	ESG action plan progress at 50%
HORIZON	2,19%	ESG action plan progress at 73%, DNB Gold Construction Certification
ID Cologne A1 - Haus am Platz	2,07%	LEED Gold Construction Certification, EU Taxonomy alignment
LUXEMBOURG - 56 GRAND RUE	1,90%	ESG action plan progress at 69%
BORDEAUX - LE TRIBEQUA	1,85%	ESG action plan progress at 56%
PARIS 2 - RUE VIVIENNE	1,81%	ESG action plan progress at 92%
TANGER 66	1,69%	LEED Platinum Construction Certification, EU Taxonomy alignment
SCHWEDLER CARRE	1,67%	ESG action plan progress at 71%
KARRE 1 VAULX-EN-VELIN	1,54%	ESG action plan progress at 88%, BREEAM In-Use Outstanding Certification
LE MAGELLAN	1,53%	ESG action plan progress at 96%
THE ONE BUILDING	1,46%	ESG action plan progress at 60%, BREEAM In-Use Very Good Certification
THE HYPE	1,44%	ESG action plan progress at 81%
KIEL	1,35%	ESG action plan progress at 56%
ID Cologne A2 - Patio Haus	1,29%	LEED Gold Construction Certification, EU Taxonomy alignment
EP1-ARCUEIL 1 (LE VISIUM)	1,00%	ESG action plan progress at 96%
CITY EAST	0,97%	ESG action plan progress at 89%
EP1-CHATILLON 2 (CARAT 2)	0,86%	ESG action plan progress at 100%
EP1-AXEO	0,75%	ESG action plan progress at 100%
EP1-MARSEILLE	0,75%	ESG action plan progress at 92%
CITY SOUTH	0,74%	ESG action plan progress at 64%
MONTROUGE - CAMILLE PELLETAN	0,40%	ESG action plan progress at 100%

The methodology incorporates various criteria in its definition of sustainable investments which are considered essential for qualifying an asset as "sustainable". These criteria are complementary to each other. In practice, an asset must fulfil at least one of the criteria defined by BNP Paribas REIM France to be considered as contributing to an environmental or social objective.

These criteria are presented on the BNP Paribas REIM France website: [Our Commitment to Corporate Social Responsibility (bnpparibas.com)]

Objectives for investments aligned with the EU Taxonomy

Sustainable investments made by the fund aim to respond to the goal of substantial contribution to mitigating climate change.

A total of 6% of the fund's assets were considered aligned with the European Taxonomy and have substantially contributed to mitigating climate change (5.05% of the portfolio represents direct assets and 1.51% represents shares). The contribution of direct real estate assets is detailed in the table below.

For each asset, the DNSH criteria analysing the climate risk was validated. More information can be found under the question, "To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?".

Asset name	Portfolio weight (%)	Measurable goal demonstrating sustainable investment alignment
ID Cologne A1 - Haus am Platz	2.07%	DPE A
TANGER 66	1.69%	DPE A
ID Cologne A2 - Patio Haus	1.29%	DPE A

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Sustainable investments

The sustainable investments the fund partially made have not caused any significant harm to an environmentally or socially sustainable investment objective.

As such, the fund analysed the main adverse impacts on the sustainability factors by taking into account the adverse impact indicators defined in the SFDR Regulation. The relative indicators are presented below in response to the question, "How were the indicators for adverse impacts on sustainability factors taken into account?".

The Do No Significant Harm policy applies solely to the investments underlying the fund which take into account the European Union's criteria for sustainable environmental economic activities.

Investments aligned with the EU Taxonomy

The EU Taxonomy sets out a Do No Significant Harm (DNSH) policy by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

Investments aligned with the 'Substantial contribution to mitigate climate change' Taxonomy criteria that the fund made have not caused significant harm to another objective defined by the Taxonomy, either environmentally or socially.

For this taxonomy objective, the DNSH policy demands that a study be carried out for 'Climate change adaptation' to assess the exposure and vulnerability of the asset regarding climate change, and to identify the physical climate risks among those laid out in appendix A of the delegated regulation (EU) 2021/2139. The objective is also to identify and implement physical and non-physical solutions (adaptation solutions) that substantially reduce within five years the most significant physical climate risks which are important for the asset.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How were the indicators for adverse impacts on sustainability factors taken into account?

BNPP REIM adheres to a **responsible investment policy** by which the principle adverse impacts (PAI) are integrated into investment decisions and portfolio management.

The principal adverse impacts on sustainability factors are environmental, social and labour concerns, respect for human rights and fighting corruption. The principal adverse impacts on sustainability factors are measured using PAI indicators.

BNPP REIM takes into account the pertinence of the PAI according to the type of real estate asset. Thus, the principal adverse impacts on sustainability factors can vary from one fund to another.

BNPP REIM defines the mandatory PAI indicators for real estate investments under consideration and associated with the principal adverse impacts on the sustainability factors as follows:

Fossil fuel (mandatory indicator):

Percentage of real estate investments used for extraction, storage, transport or permanent production of fossil fuel.

Consumption of fossil fuel for heating buildings is not included. Additionally, storing fossil fuel for personal use (i.e., heating oil) or fuel used for generators is excluded.

Emphasis is exclusively on the specific use of the respective goods. The sectors in which the individual tenants (commercial) are active (i.e., administrative buildings for natural gas companies) are not taken into account.

Energy inefficiency (mandatory indicator):

For the principal adverse impact "energy inefficiency", the proportion of investments in energy-inefficient properties is determined according to the negative effects on sustainability factors. As such, the share of assets with an Energy Performance Certificate (EPC) of C or lower (built before 31 December 2020) or with a Primary Energy Demand (PED) that exceeds specifications for the "Nearly Zero Energy Building" (NZEB) (built after 31 December 2020), is calculated proportionately to total value of all the properties which are subject to the EPC and to the NZEB regulations (see the definitions in Annex I of the SFDR RTS).

For optional indicators, it is necessary to weigh the principal adverse impacts associated with each indicator. This has been done based on the following parameters:

a) probability of occurrence;
b) severity of the principal adverse effects;
c) degree of irreversibility.

Other than the two mandatory indicators "fossil fuel" and "energy inefficiency", BNPP REIM takes into account the two following optional indicators for the fund:

Greenhouse Gas Emissions (optional indicator):

Greenhouse gas emissions (according to the definition under Article 3, no. 1 of the EU regulation 2018/842) are:

- Scope 1 greenhouse gas emissions: all direct greenhouse gas emissions, created by combustion in their facilities
- Scope 2 greenhouse gas emissions: all emissions associated with purchased energy (electricity, urban heating)

Energy consumption (optional indicator):

This sustainability indicator considers the intensity of energy consumption as the principal adverse impact on sustainability factors, meaning the energy consumption of properties managed by BNPP REIM is determined in kWh per square metre.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Sustainable investments were in line with the OECD Guidelines for Multinational Enterprises and the UN Guidelines on Business and Human Rights.

For direct investments, the BNP Paribas Real Estate Group and its subsidiaries, including BNP Paribas REIM France, are committed to a number of national and international framework agreements to structure their responsible investment approach: the United Nations Global Compact, the Climate Principles, the Equator Principles and the Diversity Label.

BNP Paribas REIM France is committed to respecting the international human rights norms which are defined by the International Bill of Human Rights, the Modern Slavery Act in the United Kingdom and the International Labour Organisation. This commitment applies to its activities and investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-a/igned investments shou/d not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

HOW DID THIS FINANCIAL PRODUCT CONSIDER PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS?

The ESG rating for BNPP REIM takes into account and incorporates the potential adverse impacts of the assets on sustainable development factors for the funds which meet the requirements of Articles 8 and 9 of the EU Regulation 2019/2088 on the publication of information regarding sustainability in the financial services sector called the SFDR (Sustainable Finance Disclosure Regulation).

This ESG rating is carried out during acquisition due diligence and regularly updated to measure the ESG performance of the asset and to evaluate the negative impacts on sustainability.

The fund takes into account the principal adverse impacts on sustainability by evaluating the two mandatory indicators applicable to the real estate sector after acquisition:

For direct investments, the following mandatory indicators applicable to the real estate sector have been taken into account:

- Share of investments in the real estate assets involved in the extraction, storage, transport or fabrication of fossil fuel ▸ 0% on 100% of the direct real estate portfolio
- Share of investments in the real estate assets which are energy inefficient ▸ 36.5% of the total real estate portfolio, based on 55.4% of the portfolio with the information available

For direct investments, the following optional indicators were taken into account:

- Greenhouse Gas (GHG) emissions ▸ 29.73 kWh net/sqm.yr
- Final energy intensity ▸ 173.91 kgCO$_2$eq/sqm

For new acquisitions, data used to calculate the share of principal adverse impacts is collected during the ESG evaluation at the time of asset acquisition.

To measure the share of investments in energy-inefficient real estate assets, the EPD level was collected during the acquisition due diligence. In the absence of an EPD during acquisition, it is ordered by our Property Management teams.

WHAT WERE THE TOP INVESTMENTS OF THIS FINANCIAL PRODUCT?

The listincludes the i nvestments constituting the greatest proportion of investments of the financial product during the reference period which is: 1 January 2022 to 31 December 2022 .

Largest investments during the 2022 financial year (name of asset)	Sector	% Assets	Country
Bodio	Office	11%	Italy
Deichtor	Office	7%	Germany
51 Haussmann	Retail	7%	France
CM La Rosière	Hotels	5%	France
Héron Parc	Retail	5%	France
Heka	Health	5%	France
PowerHouse	Residential	4%	France
LES GRANDS MOULINS	Office	3%	France
18 avenue Hoche	Office	3%	France
Bergedorf	Residential	3%	Germany
Visalto	Office	3%	France
Horizon	Office	3%	Germany
Poséidon	Retail	3%	Portugal
Vigasio	Logistics	2%	Italy
ID Cologne A1	Office	2%	Germany

WHAT WAS THE PROPORTION OF SUSTAINABILITY-RELATED INVESTMENTS?

Asset alllocation describs the share of investments in specific assets.

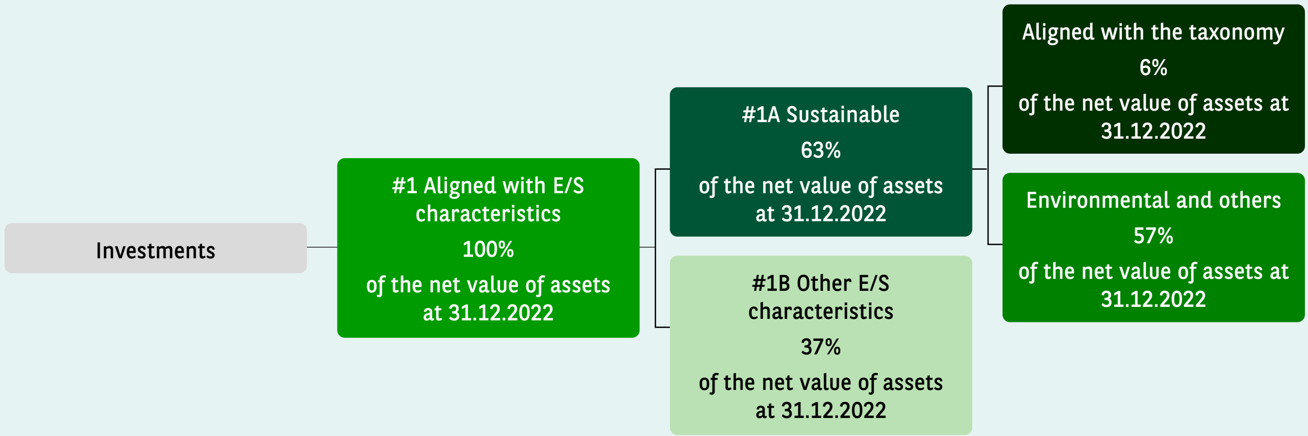
The proportion of sustainable developments that aim to substantially contribute to mitigating climate change relative to the SFDR Article 2(17) is 63%.

What was the asset allocation?

The proportion of sustainable developments that aim to substantially contribute to mitigating climate change relative to the SFDR Article 2(17) is 63%.

The share of sustainable investments with an environmental objective that is aligned with the European Taxonomy Regulation is 6%.

Compliance of these investments with the requirements laid out in Article 3 of the EU Regulation 202/852 has not been guaranteed by an auditor or a third party.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

In which economic sectors were the investments made?

All investments were made in the real estate sector, which aligns with activity '7.7 Acquisition and ownership of buildings' defined by the EU Taxonomy and eligible for the criteria of the European Taxonomy.

As the fund is diversified, the assets represent the following types of buildings: offices, residences, hotels, retail, logistics and healthcare.

TO WHAT EXTENT WERE THE SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE ALIGNED WITH THE EU TAXONOMY?

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

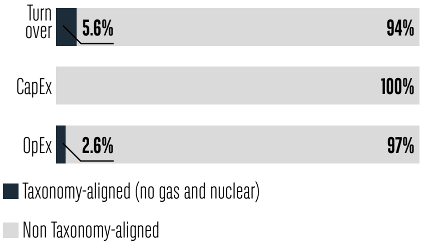
[1] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

Taxonomy-aligned activities are expressed as a share of::

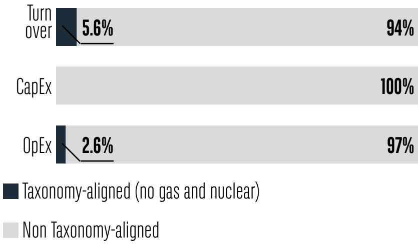
- **turnover** reflecting the share of revenue from green activities of investee compagnies;
- **capital expenditure** (CapEx) showing the green investments made by investee compagnies,e.g. for a transition to a green economy;
- **operationnal expenditure** (OpEx) reflecting green operational activities of investe companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph représent 100% of the total investments

** For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.*

What was the share of investments made in transitional and enabling activities?

The share of investments in transitional and enabling activities relative to the European Taxonomy Regulation was, for the period covered by this report, 0% for transitional activities and 0% for enabling activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

This annual report is the first of its kind containing an annex drawn up according to the format outlined in Annex IV of the Delegated Regulation (EU) 2022/1288. This section is not applicable to the current annual report.

WHAT WAS THE SHARE OF SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE NOT ALIGNED WITH THE EU TAXONOMY?

are sustainable lnvestments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The share of sustainable investments with an environmental objective which are not aligned with the European Taxonomy Regulation was, for the period relative to this current report, 57%.

These are assets which enter into the fund's SRI approach with a rating and an SRI improvement action plan, but that does not have an EPD A or is in the top 15% of the local benchmark. These assets are still sustainable investments and take into consideration the principal adverse impacts on sustainability.

The share of sustainable investments with an environmental objective that were aligned with the European Taxonomy Regulation for the period covered by this annual report was 6%. These assets are aligned with the 'Reduction of climate change' Taxonomy objective.

EU Taxonomy Alignment Procedure

The Taxonomy regulation is currently limited to determining if an economic activity is environmentally sustainable. To prove the Taxonomy alignments of an economic activity, the following four steps must be verified, and total compliance must be proven.

I. An investment is environmentally sustainable if it finances one or more economic activities judged to be environmentally sustainable according to the European Taxonomy Regulation.

II. To be considered as environmentally sustainable, an economic activity must substantially contribute to one of the following environmental objectives:

1. Climate change mitigation
2. Adaptation to climate change
3. Sustainable use and protection of water and ocean resources
4. Transition towards a circular economy
5. Pollution control and prevention
6. Protection and restauration of biodiversity and ecosystems

The taxonomy regulation defines the "substantial contribution" for each environmental objective. The economic activities which completely comply with the respective environmental objective constitute a substantial contribution. Additionally, economic activities which directly allow other activities to substantially contribute to environmental objectives (enabling activities) can also substantially contribute. For climate change mitigation, there is a third category of transitional activities. These are economic activities for which there are not currently any low-carbon economically viable alternatives, but which support the transition towards a carbon neutral economy. As such, these economic activities can also largely contribute to the climate change mitigation if they produce particularly low carbon emissions relative to the economic activities within their sector.

III. The economic activity must comply with the 'Do No Significant Harm' (DNSH) principle. All buildings aligned with the fund's taxonomy contribute substantially to the environmental objective of climate change mitigation and also comply with the selection criteria of the DNSH, so far available only for climate change adaptation.

The assets' climate risk exposure was evaluated with Deepki: earthquakes, fires, windstorms, heatwaves, drought, precipitation and landslides were assessed.

No significant risk exposure was found on ID Cologne A1 - Haus am Platz and ID Cologne A2 - Patio Haus assets. A heatwave risk (rating of 5) was identified on the Tanger 66 asset, which is not surprising, as the asset is located in Spain.

In each of the three cases, a more in-depth evaluation will be carried out in 2023 to ensure that no climate vulnerability has been found concerning the exposure to climate risks.

Compliance with the technical selection criteria concerning the principles of the DNSH is checked at least once a year.

IV. Finally, economic activity must be carried out in compliance with a minimum level of human rights and labour protections. Appropriate procedures must be implemented to ensure compliance with global agreements such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as international labour protection agreements. Consequently, compliance procedures and human resources procedures are established at the departmental level to ensure compliance with these minimum requirements.

BNPP REIM Taxonomic alignment verification process:

I. "Real estate and construction" is classified by the Delegated Acts of the EU Taxonomy into seven different economic activities. These economic activities are as follows:
- Construction and new buildings (1);
- Renovation of existing buildings (2);
- Installation and maintenance and repair of energy efficiency equipment (3);
- Installation and maintenance and repair of charging stations for electric vehicles in buildings (4);
- Installation and maintenance and repair of measuring and regulating instruments and devices (5);
- Installation, maintenance and repair of renewable energy technologies (6);
- Acquisition and ownership of buildings (7).

All buildings aligned with the taxonomy of the fund are classified as economic activities according to (7): Acquisition and ownership of buildings. Compliance with the technical selection criteria is checked at least once a year.

II. To be considered environmentally sustainable, an economic activity must make a substantial contribution to one of the environmental objectives.

All buildings aligned with the taxonomy of the fund substantially contribute to the environmental objective of mitigating climate change for the economic activity of 'acquisition and ownership of buildings'. Compliance with the technical screening criteria is verified at least once a year.

III. Economic activity must comply with the 'Do No Significant Harm' (DNSH) principle.

All buildings aligned with the fund's taxonomy contribute substantially to the environmental objective of climate change mitigation and also comply with the NHDR screening criteria of the other five environmental objectives. Compliance with the technical screening criteria for the NHDR principles is verified at least once a year.

IV. Lastly, economic activity must be carried out with a minimum level of protection of human and labour rights.

BNPP REIM is a member of many associations working on the development of a more sustainable real estate sector and providing benchmarks, studies and market trends. The BNPP Group and its subsidiaries have committed to finalising various national and international framework agreements to structure its approach, including the UN Principles for Responsible Investment (UN PRI) and the UN Global Compact (UN GC). BNP Paribas REIM France has been a signatory to the UN PRI since 2012, and all other REIM entities have been signatories since 2019. BNP Paribas REIM reports annually to UN PRI for all REIM entities. BNPP REIM has adopted and integrated CSR commitments into internal policies and procedures.

BNPP REIM entities invest solely on behalf of their managed funds (no stakeholder engagement for investments due to absence of investments). During the investment decision-making process for acquiring funds, the adverse effects are assessed, and the appropriate measures are taken to manage, reduce, prevent, mitigate or fix them, as far as the sustainable investment strategy of each fund is stated. Each year these actions are implemented, and their results are presented to the funds and entities.

WHAT WAS THE SHARE OF SOCIALLY SUSTAINABLE INVESTMENTS?

No minimum investment target for socially sustainable investments has been set. These funds did not have any socially sustainable investments during the reporting period.

WHAT INVESTMENTS WERE INCLUDED UNDER «OTHER», WHAT WAS THEIR PURPOSE AND WERE THERE ANY MINIMUM ENVIRONMENTAL OR SOCIAL SAFEGUARDS?

Category #2 Other includes the remaining investments of the fund that are neither aligned with environmental or social characteristics nor considered sustainable investments. This involves cash. There are no environmental or social safeguards for this cash, the purpose of which is to proceed with the withdrawal or exclusion of investors, as well as to acquire real estate assets or real estate underlying assets falling under the category '#1 Aligned with E/S characteristics'. Their use and proportion do not affect the sustainable investment objective of the fund.

WHAT ACTIONS HAVE BEEN TAKEN TO MEET THE ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS DURING THE REFERENCE PERIOD?

During 2022, the fund implemented SRI action plans which were set after the building analysis using the SRI grid. These action plans are set on a three-year cycle. The actions undertaken aim to improve the SRI performance of the buildings, and cover several themes:

- Energy efficiency / carbon footprint;
- Pollution (soil pollution, asbestos, lead);
- Water management;
- Waste management;
- Environmental and social certifications and labels;
- Biodiversity;
- Occupant comfort and well-being;
- Mobility and accessibility;
- Building resilience;
- Stakeholder responsibility: sellers, property managers, tenants.

A rating is set by theme and in an overall sense. Within the framework of the fund's SRI label, the overall evolution of the ESG rating for each asset is monitored as well as the progress of its ESG action plan. These are validated in an annual follow-up audit by an external auditor to demonstrate progress.

Key monitoring indicators can be found in the response to the question "How did the sustainability indicators perform?".

HOW DID THIS FINANCIAL PRODUCT PERFORM COMPARED TO THE REFERENCE BENCHMARK?

No benchmark index was defined..

Reference benehmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How does the reference benchmark differ from a broad market index?

N/A

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

N/A

How did this financial product perform compared with the reference benchmark?

N/A

How did this financial product perform compared with the broad market index?

N/A

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: BNPP Diversipierre Stocks

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ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Old this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ lt made sustainable investments with an environmental objective: ___%	☒ lt promoted **Environmental/Social (E/S) characteristics** and while it did not have as i ts objective a sustai nable investment, it had a proportion of 62.8% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an envi ronmental objective in economic activities thatqualifyas environmentally sustainableunderthe EU Taxonomy
☐ in economic activities that do not qualify as envi ronmentally sus ta i na ble underthe EU Taxonomy	☒ with an environmental objective in economic activities thatdo not qualifyas envi ronmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ lt made sustainable **investments with a social objective: ___%**	☐ lt promoted E/S characteristics, but **did not make any sustainable investments**

All data in the periodic report are calculated as of the closing date of the accounting year.

TO WHAT EXTENT WERE THE ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS PROMOTED BY THIS FINANCIAL PRODUCT MET?

The financial product promotes environmental and social characteristics by evaluating the underlying investments against environmental, social and governance (ESG) criteria using a proprietary ESG methodology, and by investing in issuers that demonstrate good environmental and social practices, while implementing sound corporate governance practices in their industry.

The Investment strategy consists of selecting businesses that apply ESG best practice in their industry. The ESG performance of an issuer is assessed against a combination of environmental, social and governance factors which include but are not limited to:

- On the environmental level: global warming and the fight against greenhouse gas (GHG) emissions, energy efficiency, saving natural resources, CO_2 emission levels and energy intensity;
- On the social level: employment management and restructuring, workplace accidents, training policy, remuneration, staff turnover and PISA (Programme for International Student Assessment) results;
- On the theme of corporate governance: the independence of the board of directors from management and control, the fight against corruption, respect for the freedom of the press;
- Negative screening, which applies exclusion criteria to issuers that violate international standards and conventions or are active in sensitive sectors as defined by the Responsible Business Conduct Policy (RBC Policy).

BNP Paribas Asset Management's sustainability strategy focuses on the fight against climate change. Given the importance of sovereign issuers in the fight against climate change, the in-country ESG methodology therefore includes an additional rating component that reflects the country's contribution to achieving the neutrality targets set by the Paris Agreement. Given the importance of sovereign issuers in the fight against climate change, the in-country ESG methodology therefore includes an additional rating component that reflects the country's contribution to achieving the neutrality targets set by the Paris Agreement. It combines the temperature alignment methodology for determining countries' contributions to climate change with an assessment of the legislation and policies in place to address climate change.

The management company also applies the sensitive countries framework of the BNP Paribas Group, which includes restrictive measures on certain countries and/or activities considered as particularly exposed to risks associated with money laundering or financing of terrorism.

Additionally, the management company aims to promote best practices by implementing an active engagement policy with their businesses towards responsible practices (individual and collective commitments for businesses, general assembly vote policy).

No benchmark standard has been defined to achieve the environmental or social characteristics promoted by the financial product.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The environmental and social targets to which the sustainable investments of the financial product have contributed are indicated under the question 'What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?'.

How did the sustainability indicators perform?

Les indicateurs de durabilité suivants sont utilisés pour mesurer la réalisation de chacune des caractéristiques environnementales ou sociales promues par le produit financier :

- The percentage of the financial product portfolio that complies with the RBC Policy: **100%**;
- The percentage of the financial product's portfolio (excluding cash held on an ancillary basis) that is covered by the ESG analysis based on the proprietary ESG methodology of the management company and external financial managers: **99.5%**;
- The average weighted ESG rating of the financial product's portfolio compared to the weighted average rating of the reference investment universe: **64.59 vs 64.30 (100% FTSE EPRA NAREIT Europe (25% UK Capped) 8/32 (EUR) NR (Lux tax rate)**;
- The percentage of the portfolio of the financial product invested in 'sustainable investments' as defined in article 2 (17) of the SFDR Regulation: **62.8%**.

... and compared to previous periods?

Not applicable for the first periodic report.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The sustainable investments made by the financial product aim to finance companies that contribute to environmental and/or social objectives through their products and services and their sustainable practices. The proprietary method includes different criteria in its definition of sustainable investments which are considered as essential components to qualify a business as 'sustainable'. These criteria are complementary to one another. In practice, an issuer must meet at least one of the criteria described below to be considered as contributing to an environmental or social objective:

1. A company whose economic activity is aligned with the objectives of the EU Taxonomy Regulation. A company can qualify as a sustainable investment if more than 20% of its revenues are aligned with the EU Taxonomy. A company qualifying as a sustainable investment through this criterion may, for example, contribute to the following environmental objectives: sustainable forestry, environmental restoration, sustainable manufacturing, renewable energy, water supply, sanitation, waste management and remediation, sustainable transport, sustainable buildings, sustainable information and technology, scientific research for sustainable development;
2. A company whose economic activity contributes to one or more of the UN Sustainable Development Goals (UN SDGs). A company qualifies as a sustainable investment if more than 20% of its revenues are aligned with the UN SDGs and less than 20% of its revenues are not aligned with them. A company meeting this sustainable investment criterion can, for example, contribute to the following goals:
   a. Environment: sustainable agriculture; sustainable water and sanitation management; sustainable and modern energy; sustainable economic growth; sustainable infrastructure; sustainable cities; sustainable consumption and production patterns; combating climate change; conservation and sustainable use of oceans, seas and marine resources; protection, restoration and sustainable use of terrestrial ecosystems; sustainable forest management; combating desertification, land degradation and biodiversity loss,
   b. Social: Eradication of poverty; alleviation of hunger; food security; healthy lives and well-being at all ages; inclusive and equitable quality education and lifelong learning opportunities; gender equality; empowerment of women and girls; availability of water and sanitation, affordable access; reliable and modern energy; inclusive and sustainable economic growth; full and productive employment and decent work; resilient infrastructure; inclusive and sustainable industrialization; reduced inequality; inclusive, safe and resilient cities and human settlements; peaceful and inclusive societies; access to justice and effective, accountable and inclusive institutions; global partnership for sustainable development;
3. A company operating in the high-greenhouse gas (GHG) emissions sector that is evolving its business model to meet the objective of keeping global temperature increase below 1.5°C. A company qualifying as a sustainable investment under this criterion may, for example, contribute to the following environmental objectives: reducing GHG emissions, combating climate change;
4. A company with best-in-class environmental or social practices compared to its peers in the relevant sector and geographical

region. The assessment of best-in-class E or S performance is based on BNPP AM's ESG rating methodology. The methodology evaluates companies and assesses them against a peer group comprising companies from comparable sectors and geographical regions. A company with a contribution score above 10 for either the environmental or social pillar is considered the best performer. A company meeting this sustainable investment criterion may, for example, contribute to the following objectives:

a. Environment: combating climate change; environmental risk management; sustainable natural resource management; waste management; water management; GHG emissions reduction; renewable energy; sustainable agriculture; green infrastructure,

b. Social: health and safety; human-capital management; good external stakeholder management (supply chain, contractors, data); business ethics readiness; good corporate governance.

Green, social and sustainable bonds issued to support specific environmental and/or social projects also qualify as sustainable investments provided that these debt securities receive a "POSITIVE" or "NEUTRAL" investment recommendation from the Sustainability Centre following an assessment of the issuer and the underlying project based on a proprietary green/social/sustainable bond assessment methodology.

Companies identified as sustainable investments must not significantly undermine other environmental or social objectives (DNSH) and must apply good governance practices. BNP Paribas Asset Management (BNPP AM) uses its internal methodology to assess all companies against these requirements.

Our analysis of the principal adverse impacts on the sustainability factors consists of the following exclusions:

- Issuers with significant controversy. This indicator is an absolute measure that depends on the severity of the controversy.
- Issuers in decile 10 of our ESG Scoring model; The ESG rating indicator is primarily relative to peers, but also includes a controversy indicator which is absolute;
- RBC Watchlist. This is an absolute indicator that identifies issuers that are at risk of breaching the standards set out in our RBC Guidelines (UGC, OECD MNEs and sector policy requirements).

Further information on the internal methodology can be found on the management company's website: Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com).

The share of the financial product's investments considered by the SFDR Regulation as sustainable investments contributes in the proportions described in the question on asset allocation to the environmental objectives defined in the EU Regulation on the taxonomy in force today: climate change mitigation and/or adaptation.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments that the financial product intends to partially make must do no significant harm (DNSH) to an environmental or social objective. In this respect, the management company undertakes to analyse the principal adverse impacts on sustainability factors taking into account the negative impact indicators as defined in the SFDR Regulation and not to invest in issuers that do not comply with the standards set by the OECD and UN guidelines on business and human rights.

How were the indicators for adverse impacts on sustainability factors taken into account?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

Throughout its investment process, the management company ensures that the financial product takes into account the principal adverse impact indicators relevant to its investment strategy in order to select sustainable investments for the financial product by systematically implementing, in its investment process the sustainable investment pillars defined in the BNP Paribas Asset Management Global Sustainability Strategy (GSS): Responsible business conduct; ESG integration; voting policy; dialogue and engagement; forward-looking vision: the "3Es" (Energy transition, Environmental sustainability, Equality & inclusive growth).

The RBC Policy establishes a common framework for all investments and economic activities that helps to identify sectors and behaviours that are at high risk of negative impacts in violation of international standards. Under the RBC Policy, sectoral policies provide a tailored approach to identifying and prioritising key negative impacts based on the nature of the economic activity and, in many cases, the geographical area in which it takes place.

The ESG Integration Rules include a series of commitments that are important to mitigate key negative impacts on sustainability factors and guide the internal ESG integration process. The proprietary ESG rating methodology includes the assessment of a number of negative impacts on sustainability factors caused by the companies in which we invest. The outcome of this assessment may impact valuation models as well as portfolio construction depending on the severity and importance of the negative impacts identified.

As a result, the management company considers key negative sustainability impacts throughout the investment process by relying on proprietary ESG ratings and creating a portfolio with an improved ESG profile compared to its benchmark investment universe.

As part of its forward-looking vision, the management company defines a set of objectives and performance indicators to measure how research, portfolios and commitments are aligned with three identified key themes, the "3Es" (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support all investment processes.

In addition, the Stewardship team regularly identifies negative impacts through ongoing research, collaboration with other investors and dialogue with NGOs and other experts.

The indicators for negative impacts on sustainability factors used in this framework are:

Mandatory indicators for companies:

1. Greenhouse gas (GHG) emissions

2. Carbon footprint

3. GHG intensity of investee companies

4. Exposure to companies active in the fossil fuel sector

5. Share of non-renewable energy consumption and production

6. Energy consumption intensity by high-climate impact sectors

7. Activities that negatively impact biodiversity-sensitive areas

8. Discharges to water

9. Ratio of hazardous waste and radioactive waste

10. Violations of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises

11. Lack of processes and compliance mechanisms to monitor compliance with the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises

12. Unadjusted gender pay gap

13. Gender balance in governance bodies

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Optional indicators for companies:
Environmental indicators

4. Investments in companies without carbon reduction initiatives

Social

4. Lack of a code of conduct for suppliers

9. Lack of a human rights policy

Mandatory indicators for sovereign assets

15. GHG intensity

16. Countries of investment with violations of social standards

BNPP AM's SFDR Statement: "Integration of sustainability risk and consideration of key adverse impacts" contains detailed information on the consideration of principal adverse impacts on sustainability factors.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Sustainable investments are regularly analysed to identify issuers that may be in breach of the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions cited in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This assessment is carried out by BNPP AM's Sustainability Centre on the basis of internal analysis and information provided by external experts, and in consultation with the BNP Paribas Group CSR team. In the event of a serious and repeated breach of these principles, the issuer is placed on an "exclusion list" and may no longer be invested in. Existing investments must be removed from the portfolio in accordance with an internal procedure. If an issuer is considered likely to breach any of the principles, it is placed on a "watch list", if appropriate.

The EU Taxonomy sets out a "do not significant harm"principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

HOW DID THIS FINANCIAL PRODUCT CONSIDER PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS?

The financial product addresses key negative impacts on sustainability factors by systematically implementing the responsible investment pillars defined in the GSS in its investment process. These pillars are governed by company-wide policies that define criteria for identifying, reviewing and prioritising, and managing or mitigating negative impacts on sustainability factors caused by issuers.

The RBC Policy establishes a common framework for all investments and economic activities that helps to identify sectors and behaviours that are at high risk of negative impacts in violation of international standards. Under the RBC Policy, sectoral policies provide a tailored approach to identifying and prioritising key negative impacts based on the nature of the economic activity and, in many cases, the geographical area in which it takes place.

The ESG Integration Rules include a series of commitments that are important to mitigate key negative impacts on sustainability factors and guide the internal ESG integration process. The proprietary ESG rating methodology includes the assessment of a number of negative impacts on sustainability factors caused by the companies in which we invest. The outcome of this assessment may impact valuation models as well as portfolio construction depending on the severity and importance of the negative impacts identified.

As a result, the management company considers key negative sustainability impacts throughout the investment process by relying on proprietary ESG ratings and creating a portfolio with an improved ESG profile compared to its benchmark investment universe.

As part of its forward-looking vision, the management company defines a set of objectives and performance indicators to measure how research, portfolios and commitments are aligned with three identified key themes: the '3Es' (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support all investment processes.

In addition, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other investors and dialogue with NGOs and other experts.

Measures to manage or mitigate key negative impacts on sustainability factors depend on the severity and significance of these impacts. These measures are based on the RBC Policy, the ESG Integration Rules and the Engagement and Voting Policy, which include the following provisions:

- Exclusion of issuers that violate international standards and conventions and issuers involved in activities that present an unacceptable risk to society and/or the environment;
- Dialogue with issuers to encourage them to improve their environmental, social and governance practices and thereby mitigate potential negative impacts;
- Voting at annual general meetings of portfolio companies to promote good governance and advance environmental and social issues;
- Ensure that all securities included in the portfolio are associated with successful ESG research;
- Manage portfolios to ensure that their overall ESG rating exceeds that of the benchmark;

Based on the above approach and depending on the portfolio composition of the financial product (i.e., the type of issuer), the financial product takes into account and manages or mitigates the following principal adverse impacts on the sustainability factors:

Mandatory indicators for companies:

1. Greenhouse Gas Emissions (GHG)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity by high climate impact sectors
7. Activities that negatively impact biodiversity-sensitive areas
8. Discharges to water
9. Ratio of hazardous waste and radioactive waste
10. Violations of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Gender balance in governance bodies
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Optional indicators for companies:
Environmental indicators

4. Investments in companies without carbon reduction initiatives

Social

4. Lack of a code of conduct for suppliers

9. Lack of a human rights policy

Mandatory indicators for sovereign assets:

15. GHG intensity

16. Countries of investment with violations of social standards

BNPP AM's SFDR: Integrating Sustainability Risk and Addressing Principal Adverse Impacts contains detailed information on the consideration of principal adverse impacts on sustainability factors.

The listincludes the i nvestments constituting the greatest proportion of investments of the financial product during the reference period which is: 1 January 2022 to 31 December 2022 .

WHAT WERE THE TOP INVESTMENTS OF THIS FINANCIAL PRODUCT?

Largest investments	Sector	% of assets*	Country
PSP SWISS PROPERTY AG N	Real estate	8.57%	Switzerland
SEGRO REIT PLC REIT	Real estate	6.50%	United Kingdom
GECINA SA REIT	Real estate	6.49%	France
VONOVIA	Real estate	5.78%	Germany
KLEPIERRE REIT SA REIT	Real estate	5.77%	France
LAND SECURITIES GROUP REIT PLC REIT	Real estate	5.06%	United Kingdom
COFINIMMO REIT SA REIT	Real estate	4.65%	Belgium
WAREHOUSES DE PAUW NV REIT	Real estate	4.19%	Belgium
AEDIFICA NV REIT	Real estate	4.06%	Belgium
MERLIN PROPERTIES REIT SA REIT	Real estate	4.03%	Spain
INMOBILIARIA COLONIAL SA REIT	Real estate	4.00%	Spain
UNIBAIL RODAMCO WE STAPLED UNITS REI_UNT	Real estate	4.00%	France
COVIVIO SA REIT	Real estate	3.95%	France
GRAINGER PLC	Real estate	3.95%	United Kingdom
UNITE GROUP PLC REIT	Real estate	3.71%	United Kingdom

Source: BNP Paribas Asset Management, as at 30.12.2022. Larger investments are based on official accounting data and on the transaction date.

**Any percentage differences with the financial statement portfolios are due to rounding differences.*

Asset allocation describs the share of investments in specific assets.

WHAT WAS THE PROPORTION OF SUSTAINABILITY-RELATED INVESTMENTS?

What was the asset allocation?

The investments used to meet the environmental or social criteria promoted by the financial product taking into account the binding elements of its investment strategy represent the proportion of assets with a positive ESG rating combined with a positive E rating or a positive S rating and the proportion of assets qualified as sustainable investments according to BNPP AM's internal ESG methodology.

The proportion of investments used to meet the environmental or social criteria promoted by the financial product is **82.3%**.

The proportion of sustainable investments is **62.8%**.

The remaining proportion of investments may include:

- The proportion of assets that do not meet the standards set by the management company, i.e., assets that do not have a positive ESG rating combined with a positive E or S rating and assets that do not qualify as sustainable investments. These assets are used for investment purposes or;
- Instruments that are primarily used for the purpose of liquidity, efficient portfolio management and/or hedging, such as cash, deposits and derivatives.

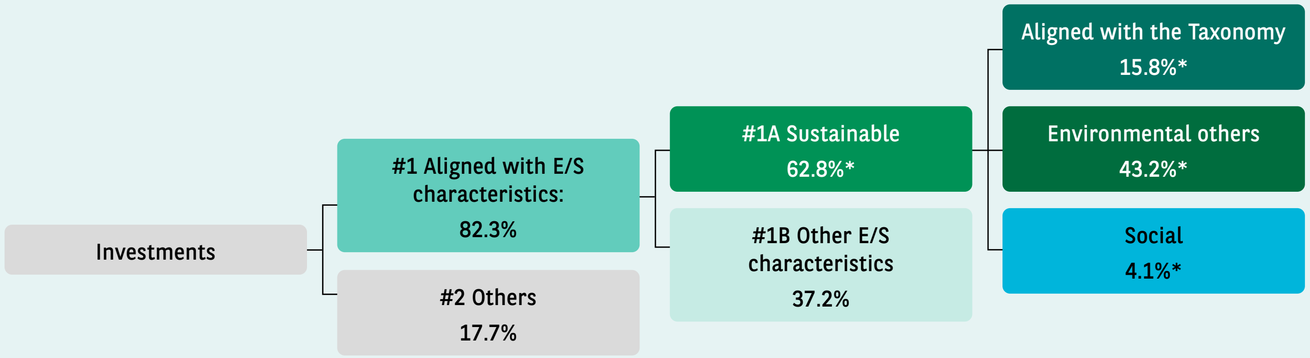
The management company will ensure that these investments are made while maintaining the ESG profile of the financial product. In addition, these investments are made in accordance with our internal processes, and with the following minimum environmental or social safeguards:

- Risk management policy. The risk management policy sets out the procedures necessary for the management company to assess the exposure of each financial product it manages to market, liquidity, sustainability and counterparty risks.
- The RBC Policy, where appropriate, excluding companies involved in controversies due to poor human and labour rights, environmental and corruption practices, as well as issuers active in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.) as these companies are considered to be in breach of international standards or to be causing unacceptable harm to society and/or the environment.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

**A security in the portfolio that qualifies as a sustainable investment may, given its overall activities, contribute to both a social and an environmental objective (whether or not aligned with the EU Taxonomy) and the figures shown take this into account. However, the same issuer can only be counted once as a sustainable investment (#1A Sustainable).*

In which economic sectors were the investments made?

Sectors	% Assets
Real estate	97.0%
Cash and cash equivalents	3.0%

Source: BNP Paribas Asset Management, as at 30.12.2022

The largest investments are based on official accounting data and on the transaction date.

TO WHAT EXTENT WERE THE SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE ALIGNED WITH THE EU TAXONOMY?

The financial product did not commit to a minimum proportion of sustainable investments with an environmental objective in economic activities that are considered environmentally sustainable according to the EU Taxonomy but did make some.

The two charts below illustrate the extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy and contribute to the environmental objectives of climate change mitigation and adaptation.

The Management company is currently improving its EU Taxonomy alignment data collection systems to ensure the accuracy and adequacy of sustainability disclosures under the EU Taxonomy Regulation. Further updates to the prospectus and the EU Taxonomy alignment of commitments may be made accordingly.

Economic activities that are not recognised by the EU Taxonomy are not necessarily environmentally harmful or unsustainable. Furthermore, not all activities that can make a substantial contribution to environmental and social objectives are yet included in the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[2]?

☐ Yes :

☐ In fossil gas ☐ In nuclear energy

☒ No

At the date of the end of the financial year and the preparation of the annual report, the data is not available, and the management company does not have the information for the previous financial year.

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of::

- **turnover** reflecting the share of revenue from green activities of investee compagnies;
- **capital expenditure** (CapEx) showing the green investments made by investee compagnies,e.g. for a transition to a green economy;
- **operationnal expenditure** (OpEx) reflecting green operational activities of investe companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***

2. Taxonomy-alignment of investments **excluding sovereign bonds***

** For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.*
*** Actual taxonomy alignment*
**** Actual taxonomy alignment. At the date of preparation of this periodic information document, the management company does not have all the necessary data to determine the alignment of investments with the taxonomy excluding sovereign bonds. The percentage of investments aligned with the taxonomy including sovereign bonds being by construction a minimum real proportion, this same figure is included accordingly.*

What was the share of investments made in transitional and enabling activities?

The share of investments in transitional and enabling activities according to the Taxonomy Regulation is 0% for transitional activities and 0% for enabling activities.

Enabling activities directly enable other activities to contribute substantially to the achievement of an environmental objective.

Transitional activities are activities for which carbon-neutral alternatives do not yet exist and, among other things, whose greenhouse gas emission levels correspond to the best achievable performance.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable for the first periodic report

WHAT WAS THE SHARE OF SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE NOT ALIGNED WITH THE EU TAXONOMY?

The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy Regulation is **43.2%**.

Therefore, the Management company is currently improving its EU Taxonomy alignment data collection systems to ensure the accuracy and adequacy of the published sustainability information under the EU Taxonomy Regulation. In the meantime, the financial product will invest in sustainable investments whose environmental objective is not aligned with the EU Taxonomy.

WHAT WAS THE SHARE OF SOCIALLY SUSTAINABLE INVESTMENTS?

Socially sustainable investments represent **4.1%** of the financial product.

WHAT INVESTMENTS WERE INCLUDED UNDER «OTHER», WHAT WAS THEIR PURPOSE AND WERE THERE ANY MINIMUM ENVIRONMENTAL OR SOCIAL SAFEGUARDS?

The remaining proportion of investments may include:

- The proportion of assets that do not meet the standards set by the management company, i.e., assets that do not have a positive ESG rating combined with a positive E or S rating and assets that do not qualify as sustainable investments. These assets are used for investment purposes or
- Instruments that are primarily used for liquidity, efficient portfolio management and/or hedging purposes such as cash, deposits and derivatives

The management company will ensure that these investments are made while maintaining the ESG profile of the financial product. In addition, these investments are, where appropriate, made in accordance with our internal processes, including compliance with the following minimum environmental or social safeguards:

- Risk management policy. The risk management policy sets out the procedures necessary for the management company to assess the exposure of each financial product it manages to market, liquidity, sustainability and counterparty risks.

are sustainable Investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- The RBC Policy, where appropriate, excluding companies involved in controversies due to poor human and labour rights, environmental and corruption practices, as well as issuers active in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.) as these companies are considered to be in breach of international standards or to be causing unacceptable damage to society and/or the environment.

WHAT ACTIONS HAVE BEEN TAKEN TO MEET THE ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS DURING THE REFERENCE PERIOD?

The financial product should comply with the RBC Policy by excluding companies involved in controversies due to poor human and labour rights, environmental and corruption practices, as well as issuers active in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.) as these companies are considered to be in breach of international standards or to be causing unacceptable damage to society and/or the environment

More information on RBC's policy, and in particular the criteria for sector exclusions, can be found on the management company's website: [Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com)](bnpparibas-am.com) ;

- The ESG analysis based on the proprietary ESG methodology must cover at least 90% of the assets of the financial product (excluding cash held on an ancillary basis);
- The weighted average ESG rating of the financial product's portfolio must be higher than the weighted average ESG rating of its investment universe after eliminating at least 20% of the lowest-rated stocks in that investment universe;
- The financial product must invest at least 30% of its assets in 'sustainable investments' as defined in Article 2 (17) of the SFDR Regulation, as indicated in the section on asset allocation below. The criteria for qualifying an investment as a 'sustainable investment' are set out in the question above, 'What are the objectives of the sustainable investments that the financial product partially intends to make, and how does the sustainable investment contribute to such objectives?', and the quantitative and qualitative thresholds are set out in the methodology available on the management company's website.

In addition, the management company has a voting and engagement policy in place. Several examples of commitments are detailed in the voting and commitment section of the Sustainability Report. These documents can be found at the following link: https://www.bnpparibas-am.com/fr/documentation-sustainability/

HOW DID THIS FINANCIAL PRODUCT PERFORM COMPARED TO THE REFERENCE BENCHMARK?

No benchmark has been designated to achieve the environmental or social characteristics promoted by the financial product.

How does the reference benchmark differ from a broad market index?

Non applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Non applicable.

How did this financial product perform compared with the reference benchmark?

Non applicable.

How did this financial product perform compared with the broad market index?

Non applicable.

Product name: BNPP Diversipierre Bonds

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Sustainable investment means an investment in an economic actlvity that con tri butes to an environmental or social objective, provided that the investment does not significantly harm anyenvironmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lnclude a list of socially sustainable economic activities. Sustalnable investments with an environmental objective might be aligned with the Taxonomy or not.

Old this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ lt made sustainable investments with an environmental objective: ___%	☒ lt promoted **Environmental/Social (E/S) characteristics** and while it did not have as i ts objective a sustai nable investment, it had a proportion of 44.2% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an envi ronmental objective in economic activities thatqualifyas environmentally sustainableunderthe EU Taxonomy
☐ in economic activities that do not qualify as envi ronmentally sus ta i na ble underthe EU Taxonomy	☒ with an environmental objective in economic activities thatdo not qualifyas envi ronmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ lt made sustainable **investments with a social objective: ___%**	☐ lt promoted E/S characteristics, but **did not make any sustainable investments**

All data in the periodic report are calculated as of the closing date of the accounting year.

TO WHAT EXTENT WERE THE ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS PROMOTED BY THIS FINANCIAL PRODUCT MET?

The financial product promotes environmental and social characteristics by assessing the underlying investments against environmental, social and governance (ESG) criteria using an internal ESG methodology, and by investing in issuers that demonstrate good environmental, social and governance practices.

Issuing companies

The investment strategy selects:

Issuers with good or improving ESG practices in their industry. The ESG performance of an issuer is assessed based on a combination of environmental, social and governance factors which include, but are not limited to:

- Environmental: climate mitigation, biodiversity, energy efficiency, land resources, pollution;
- Social: living conditions, economic inequalities, education, employment, health infrastructure, human capital;
- Governance: corporate rights, corruption, democratic life, political stability, security.

Exclusion criteria are applied in relation to issuers that are in violation of international standards and conventions, or that operate in sensitive sectors as defined by the Responsible Business Conduct Policy (RBC Policy).

In addition, the investment manager promotes better environmental and social outcomes by engaging with issuers and exercising voting rights in accordance with the Stewardship policy, where applicable. No benchmarks have been designated to achieve the environmental or social characteristics promoted by the financial product.

The environmental objectives as well as the social objectives to which the sustainable investments of the financial product contributed are indicated in the question, 'What were the objectives of the sustainable investments that the financial product partially made, and how did the sustainable investment contribute to such objectives?'

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The following sustainability indicators are used to measure the achievement of each of the environmental or social characteristics promoted by the financial product:

- Percentage of the financial product portfolio in compliance with the RBC policy: **100%**;
- Percentage of the financial product portfolio covered by an ESG analysis based on ESG's proprietary methodology: **98.7%**;
- The percentage reduction in the investment universe of the financial product due to the exclusion of securities with a low ESG rating and/or sector exclusions in accordance with the RBC Policy: **25.3%**;
- The weighted average ESG score of the financial product's portfolio compared to the weighted average ESG score of its investment universe: **64.4 VS 59.4 (BBG Euro Aggregate Securitized 500MM Index)**;
- The percentage of the portfolio of the financial product invested in «sustainable investments», as defined in article 2 (17) of the SFDR regulation: **44.2%.**

... and compared to previous periods?

Not applicable for the first periodic report.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The sustainable investments made by the financial product aim to finance companies that contribute to environmental and/or social objectives through their products and services and their sustainable practices.

The proprietary methodology incorporates various criteria in its definition of sustainable investments that are considered essential components of a company's sustainability credentials. These criteria are complementary to each other. In practice, an issuer must meet at least one of the criteria described below to be considered as contributing to an environmental or social objective:

1. A company whose economic activity is aligned with the objectives of the EU Taxonomy Regulation. A company can qualify as a sustainable investment if more than 20% of its revenues are aligned with the EU taxonomy. A company qualifying as a sustainable investment through this criterion may, for example, contribute to the following environmental objectives: sustainable forestry, environmental restoration, sustainable manufacturing, renewable energy, water supply, sanitation, waste management and remediation, sustainable transport, sustainable buildings, sustainable information and technology, scientific research for sustainable development;
2. A company whose economic activity contributes to one or more of the UN Sustainable Development Goals (UN SDGs). A company qualifies as a sustainable investment if it has more than 20% of its revenues aligned with the UN SDGs and less than 20% of its revenues not aligned with them. A company meeting this sustainable investment criterion can, for example, contribute to the following goals:
   a. Environment: sustainable agriculture; sustainable water and sanitation; sustainable and modern energy; sustainable economic growth; sustainable infrastructure, sustainable cities; sustainable consumption and production patterns; combating climate change; conservation and sustainable use of oceans, seas and marine resources; protection, restoration and sustainable use of terrestrial ecosystems; sustainable forest management; combating desertification; land degradation and biodiversity loss,
   b. Social: Eradication of poverty; alleviation of hunger; food security; healthy lives and well-being at all ages; inclusive and equitable quality education and lifelong learning opportunities; gender equality; empowerment of women and girls; availability of water and sanitation, affordable access; reliable and modern energy; inclusive and sustainable economic growth; full and productive employment and decent work; resilient infrastructure; inclusive and sustainable industrialization; reduced inequality; inclusive, safe and resilient cities and human settlements; peaceful and inclusive societies; access to justice and effective, accountable and inclusive institutions; global partnership for sustainable development;
3. A company operating in the high-greenhouse gas (GHG) emissions sector that is evolving its business model to meet the objective of keeping global temperature increase below 1.5°C. A company qualifying as a sustainable investment under this criterion may, for example, contribute to the following environmental objectives: reducing GHG emissions, combating climate change;
4. A company with best-in-class environmental or social practices compared to its peers in the relevant sector and geographical region. The assessment of best-in-class E or S performance is based on BNPP AM's ESG rating methodology. The methodology evaluates companies and assesses them against a peer group comprising companies from comparable sectors and geographical regions. A company with a contribution score above 10 for either the environmental or social pillar is considered the best performer. A company meeting this sustainable investment criterion may, for example, contribute to the following objectives:
   a. Environment: combating climate change; environmental risk management; sustainable natural resource management; waste management; water management; GHG emissions reduction; renewable energy; sustainable agriculture; green infrastructure,
   b. Social: health and safety; human-capital management; good external stakeholder management (supply chain, contractors, data); business ethics readiness; good corporate governance.

Green social and sustainable bonds issued to support specific environmental and/or social projects also qualify as sustainable investments provided that these debt securities receive a «POSITIVE» or «NEUTRAL» investment recommendation from the Sustainability Centre following an assessment of the issuer and the underlying project based on a proprietary green/social/sustainable bond assessment methodology.

Companies identified as sustainable investments must not significantly undermine other environmental or social objectives (DNSH) and must apply good governance practices. BNP Paribas Asset Management (BNPP AM) uses its internal methodology to assess all companies against these requirements.

Further information on the internal methodology can be found on the management company's website: [Sustainability documents - bnpp am corporate english (bnpparibas-am.com)](https://www.bnpparibas-am.com)

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments that the product intends to make in part must not significantly impair an environmental or social objective (DNSH). In this respect, the management company undertakes to analyse the principal adverse impacts on sustainability factors considering the negative impact indicators as defined in the SFDR Regulation and not to invest in issuers that do not comply with the standards set by the OECD and UN guidelines on business and human rights.

How were the indicators for adverse impacts on sustainability factors taken into account?

The ESG integration guidelines include a series of commitments that are important for the consideration of key negative sustainability impacts and guides the internal ESG integration process. The proprietary ESG rating framework includes an assessment of several negative sustainability impacts caused by the companies in which we invest. The results of this assessment may have an impact on the valuation models as well as on the portfolio construction, depending on the severity and materiality of the impact.

Thus, the Investment Manager takes into account the principal adverse impacts on sustainability throughout the investment process by using the sustainability assessment model throughout the investment process, using internal ESG scores and constructing the portfolio with an improved ESG profile compared to the investor's portfolio with an improved ESG profile compared to its investment universe.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

The forward-looking perspective defines a set of objectives and performance indicators developed to measure how the investment manager researches and implements sustainability strategies and performance indicators developed to measure the alignment of research, portfolios and commitments on the «3Es» (Energy transition, Environmental sustainability, Equality and inclusive growth) and thus support the investment processes.

In addition, the Responsible Care team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors and dialogue with NGOs and other experts.

The financial product considers and addresses or mitigates the following key indicators of negative impacts on sustainable development:

Mandatory indicators for companies:

1. Greenhouse gas (GHG) emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity by high climate impact sectors;
7. Activities that negatively impact biodiversity-sensitive areas
8. Discharges to water
9. Ratio of hazardous waste and radioactive waste
10. Violations of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Gender balance in governance bodies
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Optional indicators for companies:
Environmental indicators:

4. Investments in companies without carbon emission reduction initiatives

Social indicators:

4. Lack of a code of conduct for suppliers
9. Lack of a human rights policy

BNPP AM's SFDR Statement: "Integrating Sustainability Risk and Addressing Principal Adverse Impacts» contains detailed information on the consideration of key adverse impacts on sustainability factors: https://docfinder.bnpparibas-am.com/api/files/874ADAE2-3EE7-4AD4-B0ED-84FC06E090BF

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Sustainable investments are regularly analysed to identify issuers who may breach the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions cited in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This assessment is carried out by BNPP AM's Sustainability Centre based on internal analysis and information provided by external experts, and in consultation with the BNP Paribas Group CSR team. In the event of serious and repeated non-compliance with these principles, the issuer is placed on an 'exclusion list' and is no longer eligible for investment. Existing investments must be removed from the portfolio in accordance with an internal procedure. If an issuer is considered likely to breach any of the principles, it is placed on a 'watch list', if appropriate.

The EU Taxonomy sets out a "do not significant harm"principle by which Taxonomy-a/igned investments shou/d not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

HOW DID THIS FINANCIAL PRODUCT CONSIDER PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS?

The product addresses key negative impacts on sustainability factors by systematically implementing the sustainable investment pillars defined in the ESG strategy in its investment process. These pillars are covered by company-wide policies that define criteria for identifying, considering and prioritising as well as addressing or mitigating negative sustainability impacts caused by issuers.

The RBC Policy establishes a common framework for all investments and economic activities that helps to identify industries and behaviours that are at high risk of negative impacts in violation of international standards. Within the RBC Policy, sectoral policies provide a tailored approach to identifying and prioritising key negative impacts according to the nature of the company's activities.

The ESG integration guidelines include a series of commitments, which are important for addressing key negative sustainability impacts, and guide the internal ESG integration process. The proprietary ESG rating framework includes an assessment of several negative sustainability impacts caused by the companies in which we invest. The results of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and importance of the identified adverse impacts.

Thus, the investment manager considers the principal adverse impacts on sustainable development throughout the investment process by using internal ESG scores and constructing the portfolio with an improved ESG profile compared to its investment universe.

The forward-looking perspective defines a set of objectives and performance indicators developed to measure how research, portfolios and commitments are aligned with the «3Es» (Energy Transition, Environmental Sustainability, Equality and Inclusive Growth) and thus support investment processes.

In addition, the Stewardship team regularly identifies negative impacts through ongoing research, collaboration with other long-term investors and dialogue with NGOs and other experts.

Actions taken to address or mitigate key negative sustainability impacts depend on the severity and significance of those impacts. These actions are guided by the RBC Policy, the ESG Integration Guidelines and the Engagement and Voting Policy, which include the following provisions:

- Exclusion of emitters that violate international standards and conventions and issuers involved in activities that present an unacceptable risk to society and/or the environment;
- Dialogue with emitters to encourage them to improve their environmental, social and governance practices and thereby mitigate potential negative impacts;
- Voting at the annual general meetings of portfolio companies to promote good governance and advance environmental and social issues;
- Ensure that all securities included in the portfolio are associated with successful ESG research;
- Manage portfolios to ensure that their overall ESG rating exceeds that of the benchmark index or universe.

Based on the above approach and depending on the portfolio composition of the financial product (i.e., the type of emitter), the financial product considers and manages or mitigates the following principal adverse impacts on the sustainability factors:

Mandatory indicators for companies:

1. Greenhouse gas (GHG) emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity by high climate impact sectors
7. Activities that negatively impact biodiversity-sensitive areas
8. Emissions into water
9. Hazardous waste rate
10. Violations of the principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.
11. Lack of processes and mechanisms to monitor compliance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises.
12. Unadjusted gender pay gap
13. Gender diversity in the board of directors
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)

Optional indicators for companies:
Environmental indicators

4. Investments in companies without carbon reduction initiatives

Social

4. Lack of a code of conduct for suppliers
9. Lack of a human rights policy

BNPP AM's SFDR declaration: Integrating Sustainability Risk and Addressing Key Adverse Impacts contains detailed information on the consideration of key adverse impacts on sustainability factors.

The listincludes the i nvestments constituting the greatest proportion of investments of the financial product during the reference period which is: 1 January 2022 to 31 December 2022 .

WHAT WERE THE TOP INVESTMENTS OF THIS FINANCIAL PRODUCT?

Largest investments	Sector	% Assets*	Country
STADSHYPOTEK AB 0.38 PCT 13-MAR-2026	Finance	4.11%	Sweden
BANCO SANTANDER TOTTA SA 0.88 PCT 25-APR-2024	Finance	3.40%	Portugal
BPCE SFH 0.38 PCT 21-FEB-2024	Finance	3.05%	France
CREDIT AGRICOLE ITALIA SPA 0.38 PCT 20-JAN-2032	Finance	2.90%	Italy
CAJA RURAL DE NAVARRA S COOP DE CREDITO 0.88 PCT 08-MAY-2025	Finance	2.58%	Spain
UNICREDIT BANK AG 0.63 PCT 20-NOV-2025	Finance	2.20%	Germany
AXA HOME LOAN SFH 0.01 PCT 16-OCT-2029	Finance	2.13%	France
KOREA HOUSING FINANCE CORP 0.01 PCT 29-JUN-2026	Finance	2.04%	Republic of Korea
SOCIETE GENERALE SFH 0.50 PCT 28-JAN-2026	Finance	2.02%	France
COMMERZBANK AG 0.63 PCT 28-MAY-2025	Finance	1.98%	Germany
LANDESBANK BADEN-WUERTTEMBERG 0.01 PCT 17-JUN-2026	Finance	1.92%	Germany
IBERCAJA BANCO SA 0.25 PCT 18-OCT-2023	Finance	1.91%	Spain
ABN AMRO BANK NV 0.88 PCT 14-JAN-2026	Finance	1.78%	Netherlands
DZ HYP AG 0.01 PCT 27-OCT-2028	Finance	1.76%	Germany
LA BANQUE POSTALE HOME LOAN SFH SA 2.38 PCT 15-JAN-2024	Finance	1.62%	France

Source: BNP Paribas Asset Management, as at 30.12.2022
The largest investments are based on official accounting data and are based on the transaction date.
** Any percentage differences with the financial statement portfolios are due to rounding differences.*

Asset alllocation describs the share of investments in specific assets.

WHAT WAS THE PROPORTION OF SUSTAINABILITY-RELATED INVESTMENTS?

What was the asset allocation?

The investments used to meet the environmental or social criteria promoted by the financial product which consider the binding elements of its investment strategy represent, for investments in internal funds, the proportion of assets with a positive ESG rating combined with a positive E rating or a positive S rating and the proportion of assets qualified as sustainable investments according to BNPP AM's internal ESG methodology.

The proportion of investments used to meet the environmental or social criteria promoted by the financial product is **94.6%**.

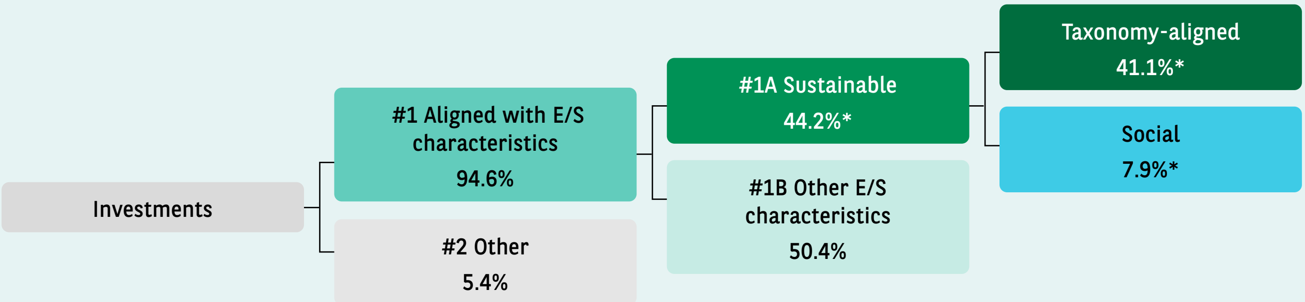
The proportion of sustainable investments is **44.2%**.

The remaining proportion of investments may include:

- The proportion of assets that do not meet the standards set by the management company, i.e., assets that do not have a positive ESG rating combined with a positive E or S rating and assets that do not qualify as sustainable investments. These assets are used for investment purposes or
- Instruments that are primarily used for liquidity, efficient portfolio management and/or hedging purposes, such as cash, deposits, and derivatives

The management company will ensure that these investments are made while maintaining the ESG profile of the financial product. In addition, these investments are made in accordance with our internal processes, and with the following minimum environmental or social safeguards:

- Risk management policy. The risk management policy sets out the procedures necessary for the management company to assess the exposure of each financial product it manages to market, liquidity, sustainability, and counterparty risks.
- The RBC Policy, where appropriate, excludes companies involved in controversies due to poor human and labour rights, environmental and corruption practices, as well as issuers active in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.) as these companies are considered to be in breach of international standards or to be causing unacceptable damage to society and/or the environment.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

** A security in the portfolio that qualifies as a sustainable investment may, given its overall activities, contribute to both a social and an environmental objective (whether or not aligned with the EU Taxonomy) and the figures shown take this into account. However, the same issuer can only be counted once as a sustainable investment (#1A Sustainable).*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

In which economic sectors were the investments made?

Sectors	% of assets
Finance	94.55%
Real estate	3.50%
Other	1.00%
Cash and cash equivalents	0.95%

Source: BNP Paribas Asset Management, as at 30.12.2022

The most important investments are based on official accounting data and are based on the transaction date.

TO WHAT EXTENT WERE THE SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE ALIGNED WITH THE EU TAXONOMY?

The financial product did not commit to a minimum proportion of sustainable investments with an environmental objective in economic activities that are considered environmentally sustainable according to the EU Taxonomy, nor did it make any.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[3]?

☐ Yes :
- ☐ In fossil gas
- ☐ In nuclear energy

☒ No

At the date of the end of the financial year and the preparation of the annual report, the data is not available, and the management company does not have the information for the previous financial year

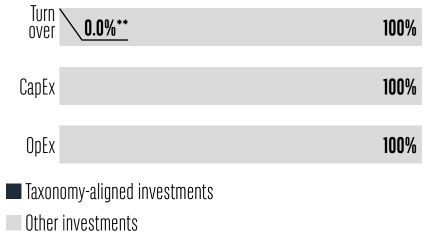
[3] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of::

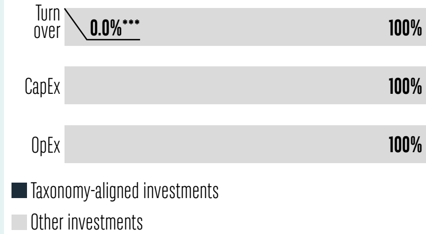
- **turnover** reflecting the share of revenue from green activities of investee compagnies;
- **capital expenditure** (CapEx) showing the green investments made by investee compagnies,e.g. for a transition to a green economy;
- **operationnal expenditure** (OpEx) reflecting green operational activities of investe companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Alignement des investissements sur la taxinomie, **dont obligations souveraines***



2. Alignement des investissements sur la taxinomie, **hors obligations souveraines***



** For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.*
*** Actual taxonomy alignment*
**** Actual taxonomy alignment. At the date of preparation of this periodic information document, the management company does not have all the necessary data to determine the alignment of investments with the taxonomy excluding sovereign bonds. The percentage of investments aligned with the taxonomy including sovereign bonds being by construction a minimum real proportion, this same figure is included accordingly.*

What was the share of investments made in transitional and enabling activities?

The share of investments in transitional and enabling activities according to the Taxonomy Regulation is 0% for transitional activities and 0% for enabling activities.

Enabling activities directly enable other activities to contribute substantially to the achievement of an environmental objective.

Transitional activities are activities for which carbon-neutral alternatives do not yet exist and, among other things, whose greenhouse gas emission levels correspond to the best achievable performance.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable for the first periodic report.

WHAT WAS THE SHARE OF SUSTAINABLE INVESTMENTS WITH AN ENVIRONMENTAL OBJECTIVE NOT ALIGNED WITH THE EU TAXONOMY?

The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy Regulation is **41.1%**.

The Management company is currently improving its EU Taxonomy alignment data collection systems to ensure the accuracy and adequacy of the published sustainability information under the EU Taxonomy Regulation. In the meantime, the financial product will invest in sustainable investments whose environmental objective is not aligned with the EU Taxonomy.

WHAT WAS THE SHARE OF SOCIALLY SUSTAINABLE INVESTMENTS?

Socially sustainable investments represent **7.9%** of the financial product.

are sustainable Investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

WHAT INVESTMENTS WERE INCLUDED UNDER «OTHER», WHAT WAS THEIR PURPOSE AND WERE THERE ANY MINIMUM ENVIRONMENTAL OR SOCIAL SAFEGUARDS?

The remaining proportion of investments may include:

- The proportion of assets that do not meet the minimum standard for meeting the environmental or social characteristics promoted by the financial product, i.e., the proportion of assets with a positive ESG score combined with a positive E score or a positive S score and the proportion of assets that qualify as Sustainable Investment, both based on BNPP AM ESG proprietary methodologies. These assets are used for investment purposes, or
- Instruments that are primarily used for liquidity, efficient portfolio management and/or hedging purposes, including cash, deposits and derivatives.

In all cases, the investment manager will ensure that these investments are made in a way that maintains the ESG profile of the financial product. In addition, these investments are made in accordance with our internal processes, including the following minimum environmental or social safeguards:

- Risk management policy. The risk management policy includes the procedures necessary for the management company to assess, for each financial product it manages, the exposure of that product to market, liquidity, sustainability and counterparty risks, and
- The RBC policy, where appropriate, excludes companies involved in controversies due to poor human and labour rights, environmental and corruption practices, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.), as these companies are deemed to violate international standards, or cause unacceptable damage to society and/or the environment.

WHAT ACTIONS HAVE BEEN TAKEN TO MEET THE ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS DURING THE REFERENCE PERIOD?

- The financial product must comply with the RBC Policy by excluding companies involved in controversies due to poor human and labour rights, environmental and corruption practices, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos, etc.), as these companies are deemed to violate international standards or cause unacceptable harm to society and/or the environment. Further information on RBC's policy, and in particular the criteria for sector exclusions, is available on the RBC website: Sustainability Documents - Sustainability Documents - BNPP AM Corporate English (https://www.bnpparibasam.com/sustainability-documents/)
- The financial product must have at least 90% of its assets (excluding ancillary liquid assets) covered by ESG analysis based on the internal proprietary ESG methodology
- The investment universe of the financial product will be reduced by at least 20% due to the exclusion of securities with a low ESG rating and/or sector exclusions in accordance with the RBC Policy
- The weighted average ESG rating of the financial product's portfolio must be higher than the weighted average ESG rating of its investment universe
- The financial product must invest at least 15% of its assets in «sustainable investments» as defined in Article 2 (17) of the SFDR. The criteria for qualifying an investment as a 'sustainable investment' are set out in the question above, 'What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?'. The quantitative and qualitative thresholds are mentioned in the main part of the annual report.

In addition, the management company has a voting and engagement policy in place. Several examples of commitments are detailed in the voting and commitment section of the Sustainability Report. These documents can be found on the following website: https://www.bnpparibas-am.com/en/sustainability-documents/.

HOW DID THIS FINANCIAL PRODUCT PERFORM COMPARED TO THE REFERENCE BENCHMARK?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No benchmark has been designated to achieve the environmental or social characteristics promoted by the financial product.

How does the reference benchmark differ from a broad market index?

Non applicable.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Non applicable.

How did this financial product perform compared with the reference benchmark?

Non applicable.

How did this financial product perform compared with the broad market index?

Non applicable.