SUSTAINABLE BY NATURE SEQUEL

HKGFA Biodiversity Training Series

ROBERT-ALEXANDRE POUJADE

MAY 2ND, 2024

BNPP AM is the main source of all data presented in this document, unless otherwise stated.

BNP PARIBAS
ASSET MANAGEMENT

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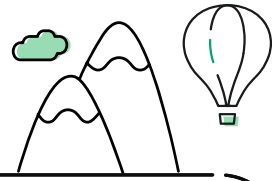
Advocating for nature since 2017



July 2017

Participated in the Natural Capital Protocol Finance Sector Workshop in London

October 2017

Integrated findings of "Bigger than carbon" report on natural capital from Julie Raynaud into BNPP AM's thinking

November 2018

Published our first explorative biodiversity footprint with CDC Biodiversité

September 2020

BNP Paribas co-chairs working group for the Taskforce for Nature-Related Financial Disclosures (TNFD), with Robert-Alexandre Poujade, Biodiversity Lead, representing BNPP AM

January 2020

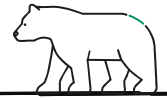
Call for biodiversity data provider launched jointly with AXA Investment Managers, Sycomore Asset Management and Mirova

March 2019

Launch of GSS: – Environmental sustainability is recognised as one of the 3 'E's – BNPP AM's focus areas of action, with targets for water and forest

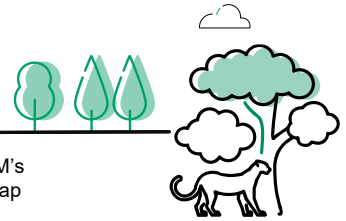
January 2019

Responsible Business Conduct: Mandatory requirements established for agriculture, palm oil and wood pulp



September 2020

Iceberg data lab and I Care & Consult selected to develop a tool to quantify investors' impact on biodiversity



May 2021

Launch of BNP PAM's Biodiversity Roadmap

June 2022

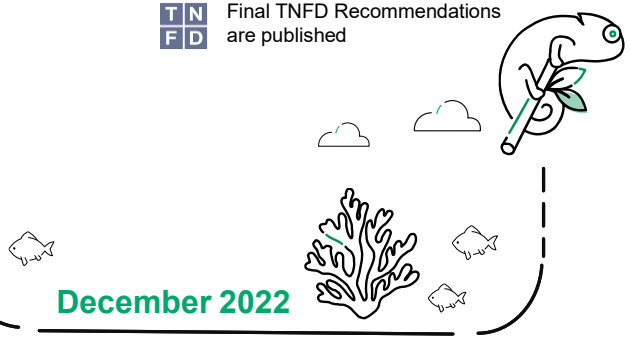
Launch of BNPP AM's Biodiversity Footprint, detailing initial findings of our collaboration with Iceberg Data Lab and I Care & Consult

December 2023

BNPP AM finalises Global Sustainability Strategy update, detailing 2023-2025 Roadmap for healthy Ecosystems

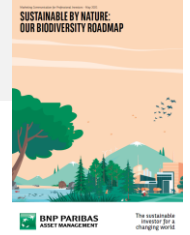
September 2023

TNFD Final TNFD Recommendations are published



December 2022

Nature Action 100 soft launched at COP15, where BNPP AM is part of the founding investor group



BNPP AM Biodiversity Roadmap: our strategy since 2021

1/ ESG INTEGRATION

- Collaborate with industry to enhance the quality and availability of biodiversity data
- Incorporate biodiversity into our approach to ESG integration
- Train investment teams on biodiversity risks/opps
- Pilot tool related to measuring biodiversity

2/ STEWARDSHIP

- Address biodiversity governance, risk management, and responsible lobbying
- Engage highest impact industries re. deforestation and water
- Work with portfolio managers to integrate corporate engagement into our relevant funds
- Play an active role on public policy related to biodiversity and investments

3/ RESPONSIBLE BUSINESS CONDUCT

- Continue to enhance the biodiversity aspects of our Responsible Business Conduct policies in their periodic reviews

4/ FORWARD LOOKING PERSPECTIVE

- Increase the understanding of biodiversity issues in the investment community
- Provide thought leadership on the role the investment community can play in safeguarding biodiversity

5/ SUSTAINABLE+ RANGE

- Provide our clients with a range of solutions targeted at solving biodiversity challenges
- Explore private market biodiversity offerings

6/ CSR

- Incorporate biodiversity issues into our operational practices
- Raise awareness of biodiversity issues through employee engagement and education initiatives

BNPP AM Biodiversity Roadmap: our area of focus for 2023-2025

	IPBES pressure	Area of focus for 2023-2025
Investments	Land/water/sea use change	Update our Forest analysis from 2021 Explore an evolution to our Agriculture policy, to address seafood and other ocean-related topics
	Resource use/replenishment	Update our Water analysis from 2021 Conduct new deep dives: planetary health diets, food waste Review our potential investment exposure to the IUCN[13] Red list Index, Red List of Ecosystems, Species Extinction risk
	Pollution	Update our Water analysis from 2021 Conduct new deep dives: plastics, pesticides, chemicals
	All pressures	Continue existing initiatives such as SUSTAIN, SELINA, PBAF or TNFD Strengthen and promote our range of nature-based solutions; Establish BNPP AM Future Forestry Fund (with IWC acquisition)

	IPBES pressure	Area of focus for 2023-2025
Stewardship	Land/water/sea use change	Participate in Nature Action 100; Investor Policy Dialogue on Deforestation (IPDD)
	Resource use/replenishment	Participate in Nature Action 100; ARE Sustainable Proteins; FAIRR
	Pollution	Participate in Nature Action 100; Investor Initiative on Hazardous Chemicals (IIHC); Business Coalition for a Global Plastics Treaty
	Invasive species and others	Participate in Nature Action 100; Blue Economy ETF engagement activity
	All pressures	Support and file shareholder resolutions; continue our role in the Open Letter to Governments on the Water Crisis
Operations	All pressures	Provide BNPP AM colleagues with opportunities for training and development, including biodiversity Fresk workshops, specific training and volunteer opportunities Reduce the impact on biodiversity of our operations.

Stewardship for Nature

Corporate Engagement

- **Investor Expectations:** Our expectations for corporations extend from board oversight of biodiversity impacts and dependencies to proactive lobbying for nature-positive public policies.
- We engage with the industries having the greatest adverse impacts on biodiversity, with a core focus on **deforestation and water issues** (2023 Non-Disclosure Campaign: lead engagement with 5 companies, co-signed letters to 1,590 companies).
- We **work with our portfolio managers** to integrate corporate engagement into funds with a thematic environmental focus.
- We act as co-chair of the steering group of Nature Action 100, a **collaborative investor stewardship initiative** to address biodiversity loss.

Proxy voting

We continue our record of strong support for sustainability-focused shareholder proposals and will consider submitting our own focused on the biodiversity crisis.

We opposed 1521 resolutions at 271 companies in 2023 for environmental and social reasons, of which a majority (1171) for biodiversity and climate reasons.

Public Policy

- We endorsed an investor call to global leaders during the 15th meeting of the Conference of the Parties (COP 15) to support the establishment of an ambitious and transformational post-2020 Global Biodiversity Framework (GBF).
- We joined CDP and 48 other financial institutions in November 2023 to call on governments for mandatory disclosure of plastic data. This follows our commitment to become an early member of the Business For A Plastics Treaty in September in 2022.

Our biodiversity-related initiatives & partnerships

Our roadmap on biodiversity includes a number of internal initiatives, as well as partnerships and collaborations with industry experts and other stakeholders

Ceres Working Group on Land Use and Climate

Biodiversity Working Group Advisory Committee Member

SPOTT

Member of the Technical Advisory Group of Zoological Society of London SPOTT Timber, Pulp and Paper / Palm Oil.

Business Coalition for a Global Plastics Treaty

led by the Ellen MacArthur Foundation and WWF

Partnership for Biodiversity Accounting Financials

Member of PBAF to contribute to a common approach to assessing and measuring the financial sector's impact on biodiversity

ENCORE tool

Piloting the ENCORE tool focusing on defining to what extent corporate activities depend on ecosystem services or impact nature (NCFA, UNEP, WCMC)

Investor Policy Dialogue on Deforestation

Engagement with public agencies and industry associations in Indonesia, Brazil and consumer countries.

AIGCC Forest & Land Use working group

Co-chair of the Working Group

Capitals Coalition

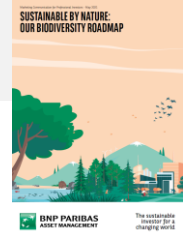
Participate in the Capitals Coalition working with investors, governments, regulators and rating agencies to better reflect natural, social and human capitals

TNFD

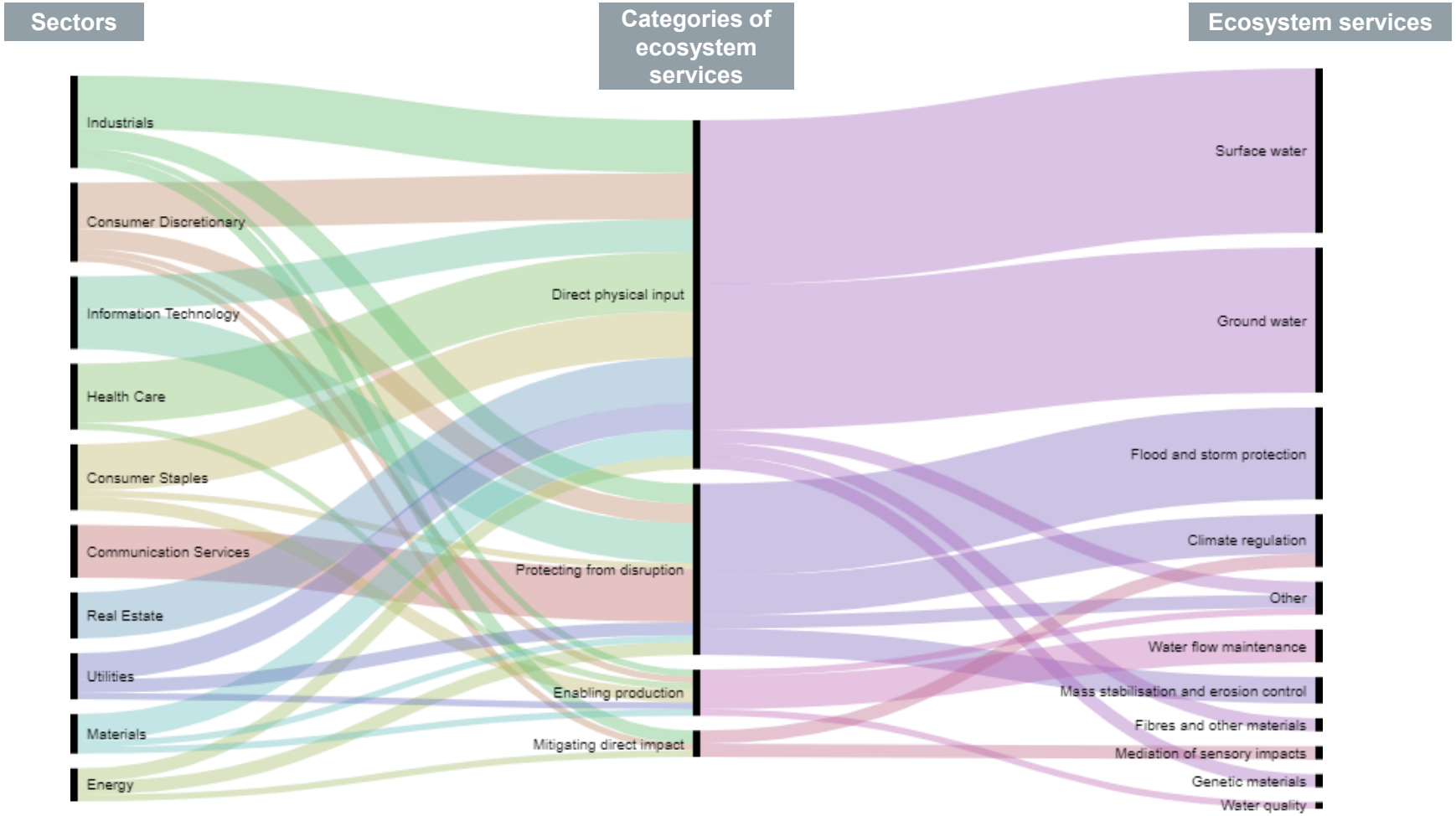
Member of the Taskforce for Nature-related Financial Disclosures (BNP Paribas Group)

Forest IQ

Piloted and provided feedback during design phase (Global Canopy, SEI, ZSL)

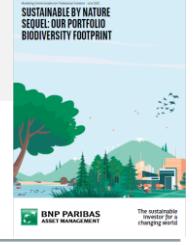


BNPP AM's dependencies on ecosystems services per euro invested



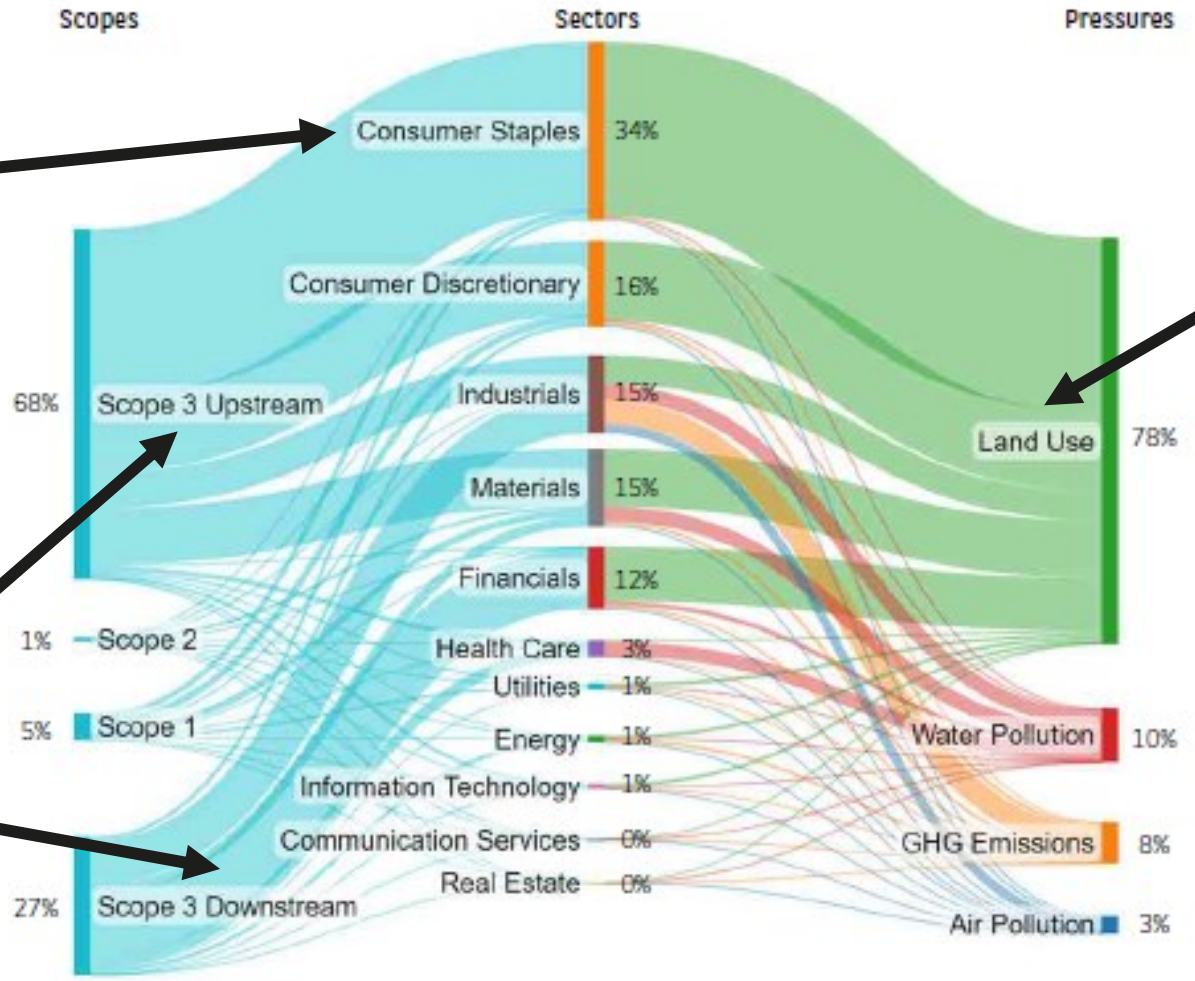
Source: BNP Paribas Asset Management, ENCORE *This is a preliminary assessment. Partial view of BNPPAM's current corporate investments (equities, fixed income). View by GICS sectors. Figure does not include the Financials sector.

Deep dive into BNPP AM weighted biodiversity intensity



The **consumer staples, consumer discretionary, industrials and materials sectors** are the principal contributors to our Corporate AUM weighted biodiversity intensity, which is mainly due to the biodiversity intensity of their Scope 3 impacts.

Impacts are predominantly situated **within value chains**



Land use change is the main environmental pressure, contributing approximately 80% of the weighted biodiversity intensity of our Corporate AUM, followed by **water pollution (10%), climate change (8%) and air pollution (3%).**

Latest pilots and deep dives in 2023

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