

INVESTING FOR A BETTER WORLD

2017 RESPONSIBLE INVESTOR REPORT



BNP PARIBAS
ASSET MANAGEMENT

The asset manager
for a changing
world

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We dedicate this annual report to our Global Head of Sustainability, Gaëtan Obert, who sadly passed away in May 2018. His very strong convictions on the subject of responsible investment and ESG issues have left an indelible mark on the culture of our company.



FRÉDÉRIC JANBON

CHIEF EXECUTIVE OFFICER
BNP PARIBAS ASSET MANAGEMENT HOLDING

INVESTING SUSTAINABLY for future generations



The global economic crisis of 2008 has led us to rethink the role of finance in our society. It has underlined the necessity for financial industry stakeholders to align themselves with the long-term interests of our economy. Climate change, population ageing and social inequalities pose new risks that are complex to grasp, and which could destroy value for investors in the medium term, as well as in the long term. It is our duty to take into account these risks: for our clients, of course, but also for our staff, our shareholders, our suppliers and our partners, as well as society as a whole and for future generations. At BNP Paribas Asset Management, we believe in a world with a low-carbon, more sustainable and more inclusive economic growth model.

A LOW-CARBON, SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH MODEL.

We are taking steps to direct our clients' investments towards sustainable solutions, and at the same time using our influence as shareholders to support those companies in which we invest in their transition to more responsible business practices. It is also our role to share our expertise and skills with our peers and with those institutional investors around the world that are committed to focusing public policy on the creation of a global economy that is more respectful of the environment and more equitable. Lastly, like every company, we seek performance and growth. But growth has no meaning unless it benefits all of society. Our vision is clear: to contribute to a better future through our responsible investment policy.



WHO WE ARE

INVESTING MEANS THE WORLD TO US

As the world changes around us, we will maintain an unwavering focus on achieving long-term sustainable returns for our clients. This single-minded philosophy has shaped our company and directs all we do: our strategy, our structure, the way we engage with our clients, our products, our processes and our culture. It's why we say, 'investing means the world to us'.

Here is why so many investors choose to work with us:

- ▶ **We manage assets with conviction & open minds**
We offer active, passive and quantitative investment products covering a broad range of asset classes combined with regional expertise and customised to each client's individual requirements.
- ▶ **We stay close to our clients and their investments**
Our local experts on the ground in over 30 countries, and more than 500 investment professionals worldwide, make us perfectly placed to build strong personal relationship with our clients and meticulously monitor their investments.
- ▶ **We invest responsibly with the world in mind**
We look beyond financial metrics to ensure we invest in responsible businesses as we believe such companies are inherently more sustainable and therefore capable of generating healthy long-term returns.
- ▶ **We harness the collective power of individuals**
By embracing cultural diversity and empowering our people, we offer clients a multi-faceted global perspective that generates more ideas for our clients' money.
- ▶ **We are built to stand the test of time**
Our clients expect us to grow and protect their assets long-term. They can trust us to do so, secure in the knowledge that we are supported by one of the world's biggest banks.

BNP Paribas Asset Management is the source for all data presented in this document, dated 31/12/2017, unless specifically indicated.



€569 billion

assets under management and advisory



Present in over

30

countries



1

dedicated ESG analysts team since 2002



72

different employee nationalities



+50

years of experience

WHAT WE STAND FOR



OUR VISION
TO MAKE A POSITIVE DIFFERENCE
TO PEOPLE'S FUTURE



Our mission and our value proposition

A LEADING PROVIDER OF QUALITY INVESTMENT SOLUTIONS
THAT HELP INVESTORS ACHIEVE THEIR GOALS



A quality-driven
investment house



Delivering more
than products



Through an efficient
and scalable platform



On a global
scale



With a culture
of performance





Investing FOR A SUSTAINABLE FUTURE

At BNP Paribas Asset Management, we invest responsibly for a better future. We are convinced that companies that embrace responsibility are intrinsically more sustainable and are therefore able to generate long-term value for our clients. Which is why we remain true to the responsible investment policy we introduced in 2012, and integrate Environmental, Social and Governance criteria (ESG) into all our open-ended funds.

We also implement a policy of engagement and dialogue with the companies in which we invest, and encourage them to adopt more responsible practices.

In 2015, we defined and introduced a 2°C Climate investment strategy that aligns with the Paris Climate Agreement and identifies the low carbon economy and combating climate change as priorities in the way we do business.

Over and above the fiduciary responsibility we have to our clients, the way we invest and our ability to influence decision-making bodies give us the opportunity to act positively for society as a whole in the promotion of sustainable and inclusive growth.



€233 bn

in assets under management meeting ESG* criteria

€35 bn

in SRI** assets under management

€35.5 bn

in low carbon assets under management

Rated A+

by PRI***

184

open equity funds whose carbon footprint is measured

1997

first distribution of an SRI fund

2012

application of a responsible investment policy and integration of ESG criteria into all our open-ended funds

2015

2°C Climate investment strategy aligned with the Paris Climate Agreement

* Environment, Social and Governance - ** Sustainable and Responsible Investment - *** Principles for Responsible Investment

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TIGHTENING OUR VOTING POLICY FOR GREATER CORPORATE TRANSPARENCY

In 2017, BNPP AM introduced the sustainable dividend concept as an integral part of its voting policy in order to make board compensation policies more transparent. The issue of shareholder compensation must be addressed by investors with a commitment to offering their clients long-term responsible asset management. The responsible dividend is integral to this approach.



“The wider issues around the fair distribution of added value within the company must be addressed more effectively going forward; not only in the best interest of stakeholders such as employees, but also for the benefit of shareholders who have consciously opted for long-term yield.”

MICHAEL HERSKOVICH

Head of Corporate Governance
at the BNPP AM Sustainability Centre



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CONTROLLING THE RISKS

BNPP AM is one of the first asset managers in the world to exclude tobacco from its range of open-ended investment funds. BNPP AM applied this exclusion policy as early as 2002 with the launch of its first SRI fund, having previously excluded companies operating the controversial arms trade and asbestos companies. According to World Health Organisation (WHO) figures, seven million people die worldwide every year as a direct or indirect consequence of tobacco use*. The exclusion decision responds directly to public health concerns, human rights concerns and the economic cost of tobacco, which is estimated - again by the WHO - at more than \$1,000 billion per year.

Around 180 countries have signed the WHO Framework Convention on Tobacco Control, which aims to cut consumption by 30% between now and 2025 through the introduction of new regulations and higher taxes.

* Source: <http://www.who.int/mediacentre/news/releases/2017/tobacco-control-lives/fr/>





HELPING
TO FINANCE
THE ECONOMY...

... by facilitating access to alternative credit for SMEs, BNPP AM entered into a strategic alliance with European alternative SME credit specialist Caple. This strategic alliance combines the needs of BNPP AM's investors with Caple's expertise as an originator of SME loans. The trend towards disintermediation and the growing need for SME funding creates opportunities for lending platforms.



TAKING ACTION
ON CORPORATE
GOVERNANCE

In 2017, BNPP AM engaged in dialogue with 210 of the companies it invests in to measure the ways in which they are integrating ESG criteria into their businesses. For example, the process of dialogue initiated by BNPP AM with Danone in the context of its commitment initiatives has enabled the introduction of a social/societal criterion into its compensation policy. This new commitment equates to 20% of the bonus and long-term plan performance criteria.



“Caple’s experienced local market credit teams, partner networks and proprietary technology, together with BNP Paribas Asset Management’s credit expertise and institutional distribution capability is a compelling combination. This alliance allows us to effectively address the significant gaps in the European funding landscape by offering access to alternative credit to complement traditional lending models.”

MICHIEL SLINKERT
CO-HEAD Caple





LEADING COALITIONS TOWARDS GREATER TRANSPARENCY

BNPP AM is a member of the Engagement Advisory Committee on methane emissions formed in 2017 by the PRI (Principles for Responsible Investment). The purpose of this committee is to give investors the help they need to gain a better understanding of their exposure to risks related to methane emissions, identify company good practices, and encourage stakeholders in the gas value chain to improve their management of methane emissions, reduce those emissions and be more transparent on this issue. BNPP AM acts on behalf of initiative members in a process of dialogue with two oil industry companies. During 2017, BNPP AM hosted two meetings with these companies to discuss their methane emissions goals and practices. These meetings were open to other members of the initiative, and proved a rich source of information and lessons for the future. Discussions will continue in 2018.



PROTECTING THE VALUE OF OUR CLIENTS' INVESTMENT

The Green Bond fund managed by BNPP AM is distinctively different from other green bond funds, because its methodology ensures that the issuing company and its actions have a real and measurable impact on climate change. In practical terms, the dialogue with green bond issuers is based on a two-stage analysis. Firstly, at the time of issue into the primary market, analysts meet the issuers to verify the environmental benefits delivered by the projects or assets funded. Secondly, when the impact report is published by the issuers, analysts challenge it to ensure that the ecological impact and green investment allocation are capable of protecting the value of the investments made. Rarely found in the world of SRI funds and green bonds, the innovative benefits of this type of dialogue are recognised by the PRI.



SUPPORTING ENTREPRENEURSHIP WITH A POSITIVE SOCIAL IMPACT...

... via the solidarity savings products offered by BNPP AM. In 2017, 28% of our solidarity investments were devoted to providing microfinance and support for entrepreneurs, providing 20,000 startup businesses with long-term funding and support. In this context, BNPP AM is one of the partners working with ADIE, a non-profit organisation that advances microloans to people excluded from the banking system to help them create their own businesses. We also work alongside Initiative France, which provides funding for entrepreneurs who make social solidarity and responsibility the core of their business. So our solidarity funds give investors the opportunity to fund the growth of companies engaged in projects that deliver high levels of social and/or environmental benefit.

€93 m

of solidarity investment in France
and in microfinance initiatives
for emerging countries



THIBAUD CLISSON
Senior ESG Analyst

STANDARDISED DATA

Key to measuring the impact
of our investments



The ability to demonstrate impact is now a crucial necessity for our industry. This ability is a very strong expectation expressed by our clients who want their savings to facilitate meaningful outcomes. But it is also a requirement for ourselves, as a responsible asset manager that wants to go further than the ESG analysis that covers all management processes, to measure the impact of our investments as the basis for managing them even more effectively. Since this impact is inherently indirect and occurs through the investments we make on behalf of our clients and companies, nation states and/or projects, we are dependent on the information available about these entities and their potential effects, whether positive or negative.

A MORE DEMANDING APPROACH

The level of analysis applied to ESG challenges is sophisticated and has become more professional over recent years. As a result, we are more demanding and more ambitious in our ESG approach and in the analyses we apply. This level of sophistication demands more data, more information and a higher quality of both. However, quality is improving in response to the impetus provided by investors, non-governmental organisations and some regulators, which have introduced mandatory publication of these data. But data availability and quality are still less than satisfactory, one of the biggest issues being a lack of consistency. Scope, definition, data depth and information are often absent, incomplete or simply wrong. All of which makes analysis an imperfect science to the point where calculating impact can sometimes become superficial.

MARKET STANDARDS

There is an example that usefully illustrates these flaws. One of the expectations of green bond issues, whose purpose is exclusively to provide funding for green projects, relates to the publication of impact indicators. The indicator preferred by investors is that relating to the volume of emissions prevented as a result of the project. There is currently no market standard regarding how these prevented emissions are calculated, with the result that each issuer is free to calculate these so-called 'non-emissions' as they wish. Since the assumptions underlying this calculation have a colossal impact on the result, the result itself is of very little relevance as things stand currently. So a power generator and a supranational agency providing funding for the same project can release totally different figures for the volume of emissions prevented, simply because they do not use the same basis of calculation or comparison. With support from public policy and the voluntary commitments made by our own industry via coalitions and collective or individual engagement initiatives, the availability and quality of ESG data should rapidly improve and become standardised, as should the way in which impact is measured, both of which will lend greater credibility to responsible investment.

“The availability and quality of ESG data should rapidly improve and become standardised.”



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CONTRIBUTING
TO COLLECTIVE
ENGAGEMENT ON
CLIMATE ISSUES

As part of its 2°C Climate investment strategy, BNPP AM maintains a process of regular dialogue with many companies, especially in the oil and gas sectors, to improve the level of transparency. In 2018, BNPP AM will continue this dialogue as part of the Climate Action 100+ coalition that includes some of the most influential investors in the world, whose five-year goal is to bring onboard the world's 100 largest emitters of greenhouse gases.



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SUPPORTING
MARKET INITIATIVES
FOR A LOW
CARBON ECONOMY

BNPP AM is one of the first asset managers to partner with the Transition Pathway Initiative. This new tool initiated by the UK Environment Agency and the London School of Economics enables investors to track and compare the future carbon performance of companies relative to international goals and national commitments entered into within the framework of the Paris Climate Agreement.



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INCORPORATING THE
RISKS ASSOCIATED WITH
CLIMATE CHANGE INTO
OUR VOTING POLICY

Promoting ESG good practice is part of our responsibility as an investor. In accordance with our voting policy, we can oppose the approval of financial statements or their endorsement where a company does not provide the required level of communication regarding its (Scope 1 and 2) CO₂ emissions, and neither communicates nor wishes to discuss its strategy for slowing - and adapting to - climate change. In 2017, such action was taken on seven occasions, focusing on major contributors to global warming.

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CHANGING
CORPORATE PRACTICES
TO COMBAT
GLOBAL WARMING

In 2017, we joined other shareholders in submitting an 'Aiming for A' resolution at Exxon Mobil. The resolution demanded greater transparency regarding company strategy on the risk of climate change, and more specifically the operational management of emissions, the resilience of the asset portfolio to post-2035 scenarios, and the research, development and investment strategies for low carbon emission energy. In a successful conclusion, the resolution was carried by 62% of the votes in 2017 (compared with 38% in 2016). This resolution has encouraged the company to provide greater detail about its climate change policy. We continue to discuss this issue with Exxon Mobil.

€900 m

under management
in green bonds



"We estimate that between now and 2030, USD 4,000 billion per year will be needed to deliver the energy transition to a low carbon economy. Green bonds offer one of the best options for supporting the development of this economy and funding activities that emit only low levels greenhouse gases."

FELIPE GORDILLO
Senior ESG Analyst

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HELPING
OUR CLIENTS
TO REDUCE PORTFOLIO
CARBON DEPENDENCY

The BNPP AM Green Bond strategy now offers the opportunity to invest in green bonds; a segment that already has more than €900 million under management. Green bonds offer one of the best options for funding activities that emit only low levels of greenhouse gases, and for supporting the development of a low carbon economy. We estimate that between now and 2030, USD 4,000 billion per year will be needed to deliver the energy transition to a low carbon economy. At present, the bond market in its entirety represents USD 100,000 billion's worth of securities in circulation. Green bonds are the missing link between the very high level of demand for capital to fund the Ecological and Energy Transition (EET) and the colossal assets available for investment in the bond market. Green bonds make it possible to diversify and add value to a portfolio, at the same time as generating real environmental and ecological benefits. In France, they are enabling an effective response to the obligations imposed by Article 173 of the French Energy Transition Law, because green bonds give investors the opportunity, for example, to offset the CO₂ emissions generated by other products within the portfolio.





LIGIA TORRES
CEO Asia-Pacific at BNPP AM

SUSTAINABLE INVESTMENT IN ASIA: READY FOR TAKE-OFF!



Interest in sustainable investment has been growing rapidly in Asia over the last couple of years, though compared to other geographies it is fair to say that it is still very early days for ESG criteria investing in Asia. According to the Global Sustainable Investment Review (GSIR) 2016, while globally sustainable assets stood at USD 23 trillion, when zooming in to Asia ex-Japan, the total figure was only USD 52 billion, representing less than 1% of Asia's total assets under management.

A NASCENT BUT FAST-GROWING SPACE

While overall ESG has been slower to gain ground in Asia, we believe broader adoption is now accelerating, in particular as we see a greater push by leading institutions or governments. In Japan, the signature of the UN-backed Principles for Responsible Investments (PRI) by the Government Pension Investment Fund (GPIF) in 2015 led to a 6,690% growth in sustainable investment between 2014 and 2016.

Over the last year, we have seen sustainable investment move to the forefront in Asia, with an ever-increasing number of events, conferences, media articles and conversations with our clients focusing on ESG. In China, the government has been promoting environmental investments, driving for instance issuances of green bonds, a market in which China has now become the largest issuer in the world. In Hong Kong, there are now 23 signatories to the PRI, nine of which joined since 2017. In Malaysia, the KWAP pension fund signed the PRI in February 2018, confirming its increasing focus on promoting better ESG practices.

BNPP AM: A PIONEER FOR SUSTAINABLE INVESTMENT IN ASIA

As a responsible investor, we have been a pioneer in engaging with clients on sustainable investment in Asia. We believe upholding the highest sustainability standards starts from within, which is why we conducted sustainability trainings for investors. Last year we organised a number of client trainings on sustainable investment across the region, including sessions of our Investment Academy. We also took part in the second Sustainable Future Forum in Singapore, which was a huge success attracting



“ Our thematic environmental portfolios are being on-boarded by more and more players ”

23

PRI signatories in Hong Kong

500 delegates including keynote speakers such as Erik Solheim, Executive Director of the UN Environment Programme. We also trained all our staff through sessions in partnership with the CFA Institute in Hong Kong. These efforts are now starting to bear fruit. In the distribution market, our thematic environmental portfolios are being on-boarded by more and more distributors in the region, as they fit well with Asian investors’ appetite for funds investing in businesses seizing promising environment-related business opportunities in fields such as water, new energy, waste or sustainable food.

In the institutional space, we are running several ESG mandates, including one focusing on Malaysian equities. Our pioneering position for sustainable investment in Asia has been rewarded by no less than 10 awards for 2017, including the much sought-after ‘Best Responsible Investor – Regional’ awarded by Asia Asset Management. Building on these solid foundations, we now aim to increasingly promote our existing investment solutions, while also developing new offerings and partnerships to meet Asian investors’ sustainable investment needs.



BNPP AM won the “Best Responsible Investor – Regional” award from Asia Asset Management in 2017

€35 bn

in SRI assets under management



“Although institutional investors remain the prime players in the SRI market through best-in-class funds, over the last few years we have seen a growing appetite for this type of investment among private investors, and especially private banking clients. The thematic approach is the preferred profile for this client base, since it responds in a more clearly understandable way to social and environmental challenges.”

BÉATRICE VERGER
Head of SRI
Development & Promotion

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DEVELOPING SRI
FOR HIGH
SUSTAINABILITY
INVESTMENTS

BNPP AM continues to expand its range of SRI funds, with particular focus on innovative themes, in order to continue offering its institutional and personal clients solutions that deliver high levels of social and environmental impact. In 2017, the company launched its Green Bond strategy, which invests in green bonds to provide investors with a way of making their contribution to the energy transition. Nevertheless, the other SRI strategies that have established BNPP AM as a leader in this sector are equally appreciated by private and institutional clients, evidencing their interest in investment vehicles that contribute a meaningful purpose to their savings. The Aqua strategy that identifies and selects companies whose business activities respond positively to the global challenges faced by the water industry had attracted more than €2 billion in assets under management by the end of 2017. The range of SRI funds developed since 2002 is one of the largest in the market, and includes funds invested in money markets, bonds and equities, whether under Best-In-Class management or theme based. At the end of December, the management company held a total of around €35 billion of SRI assets under management, reflecting a year-on-year growth of 38% and a record inflow of €7 billion in 2017 alone. This dynamic trend is being driven chiefly by the private investors of BNP Paribas networks in Belgium, France and Italy.





“Impact investing covers many different realities, ranging from some purist approaches that promote high social impact investments in a non-quoted environment like solidarity finance, to broader approaches that resemble thematic SRI, or even traditional SRI. Which is why at BNPP AM we ensure that products labelled as impact investing are more than simply a rebranding exercise.”

MARIE-GENEVIÈVE LOYS-CARREIRAS
Solidarity Investment Analyst

More than **€2 bn**
of water industry assets under management (the Aqua strategy)



DRIVING INNOVATION TO RAISE AWARENESS AMONG OUR PRIVATE CLIENTS

From a carbon footprint calculator to a virtual reality video, our teams vie to develop new ideas for raising individual investors awareness to the cause of sustainable development and responsible investment. Digital initiatives are conducted in partnership with the customer advisers of the networks we serve, such as BNP Paribas Fortis, which leads the SRI market in Belgium, with a 52% share (€10 billion in assets under management*). Eventually, the Belgian subsidiary intends to offer its clients a 100% SRI range.

* Source BNP Paribas Asset Management internal at the end of 2017

IMPROVING THE KNOWLEDGE AND SHARING OF BEST ENVIRONMENTAL PRACTICE...

.... by publishing educational brochures designed specifically for our private clients. Produced in partnership with the GoodPlanet Foundation, these publications offer solutions, tips and simple advice for everyday life, but also for savings decisions that can help to protect water and food resources, resist climate change and protect our planet.



ROBERT-ALEXANDRE POUJADE
ESG Analyst

ENHANCE THE VALUE OF NATURAL CAPITAL TO PROTECT OUR PLANET



At BNPP AM, we invest in companies whose activities can depend or have an impact on what we call “natural capital”. According to the Natural Capital Coalition, it’s the stock of renewable and non-renewable natural resources (e.g. plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people. As humans, we rely on nature’s ecosystem services and resources to provide us with our food, our medicines or our energy. For example, pollinators such as bees are responsible for five to eight percent of global food production ⁽¹⁾. Taken all together, the value of the total global ecosystem services in 2011 was estimated at USD125 trillion per year, which is almost twice the world’s gross domestic product ⁽²⁾.

AN OVERLOOKED CONCEPT

Unfortunately, this value is not known enough today among the investment community. Our industry tends to neglect natural capital and focus mainly on financial or social capital.

At BNPP AM, we think we must engage all our stakeholders to enhance the value of natural capital and protect it better.

If some components of natural capital, including carbon and water, are relatively well monitored by analysts and covered by ESG data, other key elements such as biodiversity and soils are not adequately covered by relevant metrics yet. This is precisely the reason why the investment community must keep engaging companies to disclose their impact and their dependency on natural capital.

USD **125**
trillion per year. It's the value
of the total global
ecosystem services in 2011.





“ At BNPP AM, we think we must engage all our stakeholders to enhance the value of natural capital and protect it better. ”

NATURAL CAPITAL RISKS

Companies in which we are investing today might have to pay for ecosystem services loss or for negative externalities such as air pollution or soil degradation. The financial risk is to be considered as well as the increasing environmental regulations: for example, some mining projects in water scarcity areas can be considerably delayed by local authorities because of unforeseen water desalination facilities requirements. The other main risk is reputation: think about the effect of boycotts from consumers on companies directly involved in deforestation. That’s why we started a natural capital assessment of our portfolios in 2017, leveraging on the fantastic work of the Natural Capital Coalition.



ASSESSING THE IMPACT OF “NATURAL CAPITAL” IN OUR PORTFOLIO

Taking natural capital into account in investment decisions is a complex task. The time has come for the investment community to increase its awareness of its dependencies and impacts on natural capital, and think beyond carbon. We are now measuring our impact on climate by publishing the carbon footprint of our portfolios. We need to go further and do it for biodiversity, soils and the forest... BNPP AM started by focusing our assessment on water; other natural capital assessments are already underway.

We know there are obvious methodological issues regarding the aggregation of data, but we are convinced that with the help of all our stakeholders and competitors, this will be achieved over time.

We are now measuring our impact on climate by publishing the carbon footprint of our portfolios. We need to go further and do it for biodiversity, soils and the forest.

(1) IPBES, The assessment report on pollinators, pollination and food production, p22
 (2) According R. Constanza and others Scientifics, 2014



Acting AS A RESPONSIBLE COMPANY

We must stand by the standards we demand from the companies in which we invest the savings of our clients and apply them to our own organisation. Doing business on the basis of ethical behaviour and fairness, and taking care to reduce the impact of our activities on the environment by relying on the committed men and women whose professional development we encourage, and for whom we put in place the right conditions for personal fulfilment by making this contribution to their wellbeing. That is what being a responsible company means.

A responsible company also needs to be profitable to grow. But not at any price. Although we seek growth, we must not be the only ones to benefit from its rewards. Growth, yes, but not at the expense of the wider society around us. Because helping society to grow with us is also a key element in ensuring the long-term future of our business.



3,200

employees worldwide:

43% and **57%**
women men

€83 m

invested in

25
social and solidarity
economy organisations
in France

14,944

hours of training
delivered in 2017
to our employees
in France

Around
€250,000
in donations



ANTOINE DE LA GUERONNIÈRE
CO-Head of Governance Practice

IMPLEMENTING GOVERNANCE BEST PRACTICE

The BNPP AM governance structure provides the management framework for our business, and is subject to increasingly intense scrutiny from stakeholders: clients, regulators, employees, shareholders, ratings agencies and community-based NGOs. It is the responsibility of the Board of Directors of BNPP AM Holding, the parent company of nearly all the asset management subsidiaries of the BNPP Group, to direct the global strategy of our business and supervise its decision-making and compliance mechanisms implemented cross-functionally by our management team in accordance with all applicable legal provisions. To ensure implementation of governance best practices, regardless of whether or not this is required under current regulations, the membership of the BNPP AM Board of Directors has included two

independent directors since 2011. The board currently includes eight directors: three women and five men. In accordance with French legislation, representatives of the BNPP AM works council are invited to attend all board meetings in a consultative capacity.

AN AUDIT AND RISK COMMITTEE

In line with governance best practices, the BNPP AM Holding Board of Directors introduced an Audit and Risk Committee in 2011, chaired by an independent director and a majority membership of other independent directors.

Following effective implementation of the AIFM Directive in 2014, this board set up a second committee with responsibility for compensation and the corresponding regulatory obligations, which, by delegation, apply to all asset managers with an AIFM and/or UCITS licence, as well as regulated employees working for delegated entities of these companies. Here again, the compensation committee is chaired by an independent director and has a majority membership of other independent directors.

“ The BNPP AM governance structure is subject to increasingly intense scrutiny from stakeholders. ”



“ ESG issues are becoming increasingly important, and are influencing our strategy definition in terms of voting policies and class actions. ”

BEHAVING AS WE EXPECT OTHERS TO BEHAVE...

As the strategy guidance body of the BNPP AM business, the BNPP AM Holding Board of Directors also has responsibility for key issues, including its financial statements, budgeting, sales management strategies and performance, business development, major regulatory reforms, systems, digitalisation, transformation and cyber security. ESG issues are becoming increasingly important, and are influencing our strategy definition in terms of voting policies and class actions. The result is even closer links with the business Corporate Governance teams, which put our voting policy into action with the issuers of the securities that make up our portfolios. This is because it would be unreasonable for BNPP AM to demand that they behave and apply business practices that are substantially different from its own.

TRAINING AND COORDINATION

Naturally, the BNPP AM business governance structure is not limited solely to that of BNPP AM Holding. As regulated entities, the operational local asset management and investment companies have their own specific obligations, which vary depending on the legal framework applying to them. So since the end of 2016, European asset management companies with UCITS licences must have two independent directors (or at least one-third of the board) when their equity capital is controlled by a banking group of which the custodian they use is also a member. Which is the case with us. The arrival of these new independent directors within our business governance structure has required a special level of input in terms of training (familiarity with our organisational structure, systems and methods) and coordination. The challenge lies in ensuring an optimum level of collective efficiency between the various boards of directors to release the synergies generated by pooling the resources, policies and practices of our business in accordance with local regulatory requirements and governance best practices.



2011

The year in which an Audit & Risk Committee was formed in accordance with governance best practice.



.....
**APPLYING
THE HIGHEST
STANDARDS OF
BUSINESS ETHICS**
.....

All our employees are required to ensure uncompromising compliance with all the laws, rules and regulations applying to their areas of business, and with the professional standards that apply to their specific activities. BNPP AM applies the BNP Paribas Code of Conduct published in 2016. International sanctions and embargoes, and measures to combat money laundering and the funding of terrorism are covered by mandatory training courses for employees concerned with these issues.

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**BRINGING TOGETHER
ALL OUR ESG EXPERTISE
IN A SINGLE SUSTAINABILITY
CENTRE**

The Sustainability Centre, created in 2017, brings together all our ESG commitment, integration and research expertise. Its purpose is to support our marketing, client servicing and investment activities to offer our clients sustainable, appropriate and innovative solutions.

The Centre works towards a number of clear goals:

- > to develop, promote and contribute to implementation of our responsible investment policy, including the coherent and ambitious application of ESG criteria to all asset classes (extending ESG coverage and increasing the level of governance between our portfolio managers and our ESG experts);
- > to work collaboratively with all teams on the development and promotion of our company's reputation as a provider of high-quality investment solutions;
- > to oversee and ensure a consistent and holistic approach to SRI solutions.

A Sustainability Committee chaired by Frédéric Janbon, the CEO of BNPP AM Holding, is responsible for defining and implementing a coherent and coordinated vision of responsible investment and for monitoring progress towards achieving the goals set.



MARION AZUELOS
Global Head of Human Resources
BNPP AM

GENERATING VALUE TOGETHER



In a changing world, BNPP AM is more conscious than ever of the challenges facing our people: attaining a balance between life and work, making sense of and finding meaning in what we do every day, and experiencing a safe environment where testing new approaches is not just welcomed, but also rewarded. In parallel, our population is evolving: in terms of age, gender and lifestyle choices, and also in terms of skillset. In this context, BNPP AM is mindful of an emerging challenge: that of recruiting, training and retaining our greatest assets so that we can achieve our ambition of being the sustainable asset manager for tomorrow.

FOUNDATIONS OF OUR NEW CORPORATE CULTURE

Over 2017, BNPP AM revamped its identity. Each building block of this identity was developed with members of staff, from all departments and geographies. Together, we laid the foundations of our new company culture. BNPP AM has a shared vision: to make a positive difference to people's futures; a shared philosophy: we focus on achieving long-term sustainable investment returns. This single-minded philosophy has shaped our company and directs all we do: our strategy, our structure, the way we engage with our clients, our products, our processes and our culture. It's why we say, 'investing means the world to us'.

It's a simple and strong proposition - and it's at the heart of our company's quest to become a leading provider of quality investment solutions for individual, corporate and institutional investors.

A SOURCE OF VARIED IDEAS AND CONVICTIONS

To achieve our purpose, we will generate value together. Our organisation is a collection of smart, driven people with the diversity of thought and conviction to make a difference. BNPP AM is a people business where we promote diversity and inclusion. We are committed to building trusted, long-term relationships with our clients and recognise that our people are our best asset. BNPP AM commits to offering an inspiring place to work, with a culture of excellence, where our people are able to grow, share and strive.

“BNPP AM commits to offering an inspiring place to work, with a culture of excellence.”

REACHING EXCELLENCE

Each of us needs to work together actively to promote actions that benefit the broader organisation and ultimately, our clients. We should understand how we contribute individually and as teams to client satisfaction. We must adopt a “can do” attitude to focus on solutions and deliver results. And in a changing world, we have to stay on our toes and seek out excellence in every task we achieve, seizing opportunities to develop our skills and expertise. 2018 will be a year to build on these new foundations and to enact our greatest conviction: Investing means the world to us.

At BNP Paribas Asset Management,
our teams can:

GROW:

our strong engagement to the relentless pursuit of excellence.

SHARE:

our open exchange of ideas, knowledge and expertise through fluid communication, teamwork and common responsibility to deliver on our objectives.

STRIVE:

consistently perfecting what we do daily, through a positive, can-do attitude and our willingness to adapt and change.



▼

PROMOTING
DIVERSITY AND
INCLUSION

At BNPP AM, the Group commitment to Diversity and Inclusion is a strategic priority central to our new corporate culture. BNPP AM employees are encouraged to take part in the Diversity events hosted in a number of our locations, and which range from dedicated week-long events to other shorter initiatives, including conferences in London, shows in France and cookery events in Asia.

Promoting more women to management positions is a major challenge for us as a company. The gender balance within our business was 43% women/57% men at the end of 2017, with women occupying 15% of senior management positions. During 2017, we renewed our agreement with the trade union organisations to encourage and facilitate a further improvement in workplace gender balance. We are, for example, offering bespoke personal development plans for women working towards team management posts. A number of female managers from a range of European countries have taken part in the UK/US Women in Leadership support programme, while others have engaged with a programme designed to prepare them for directorships in responsible investment companies. A training course held in London provided several women employees with the opportunity to stand back and consider their career development. We continue to extend teleworking to all employees (in France, two-thirds of teleworking staff are women) and we organise meetings structured around "Maternity and career development". We also provide nursery places, giving preference to women managers. In many countries, we extend our commitment to creating an improved work/life balance by inviting the children of employees to take part in Parenting days designed to give them the opportunity to see for themselves where their parents work.



▼

BEING
A LEARNING
COMPANY...

... by continuing the digital acculturation of our teams. In 2017, IT (Information Technology) created the Change Angels community to support and facilitate everyday tasks for those employees impacted by the digitalisation of our business activities. Around 40 volunteers worldwide are involved in this initiative, which is an important part of our company transformation. A 100% Agile method.

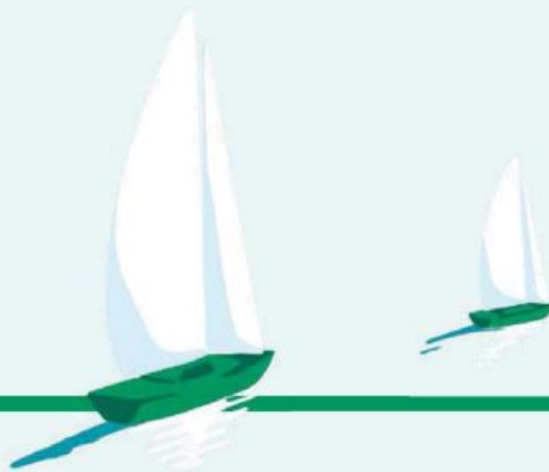
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ENCOURAGING THE
PROFESSIONAL DEVELOPMENT
AND COMMITMENT
OF OUR PEOPLE

Every year, BNPP AM measures the commitment of its employees by conducting an annual survey. In 2017, 70% of employees in 20 countries responded to the survey; 74% of them said they approved of the way in which BNPP AM exercises its social and environmental responsibility, and delivers on its commitments as a responsible asset manager (up 2% on 2016). 74% also said they approved of their working environment in terms of Diversity and Inclusivity*.

In 2017, an ambitious and far-reaching in-house training programme was rolled out for all employees worldwide. As a result, everyone has taken part in a 'culture and brand' workshop session to learn more about the history and culture of our company and to become its best ambassadors.

* Source: Global People Survey (GPS) 2017 and 2016



▼

SUPPORTING OUR PEOPLE IN THEIR VOLUNTARY WORK

Our partnership with the non-profit organisation Coup de Pouce Humanitaire dates back 2013, and gives us the opportunity every year to enable employees to volunteer for charity work overseas. Under the scheme, they can make their contribution to solidarity projects in health, education, and entrepreneurship by donating their time. In 2017, four of our employees had the opportunity to undertake assignments that enabled them to provide their input for construction and renovation projects alongside local communities.



"I've been competing in charity races for a long time, but I really wanted to get involved with a more hands-on project and immerse myself in a very different kind of experience... Travelling to Peru to help farmers of Cuncataca in Andahuaylas Province allowed me to experience another culture, meet some great people... And come home with an even more open mind."

NATHALIE RIBAUDEAU
Sales Assistant

▼

ENCOURAGING MUTUALLY SUPPORTIVE TEAM BUILDING

These solidarity events give our employees the opportunity to get involved with good causes during working hours in ways that also help to build team cohesion. In Malaysia, for example, the BNPP AM teams get together every year to work for a good cause as part of a mutually supportive team building event. This year, the money raised was donated to the Victory Children & Youth refuge that helps the children of families facing major hardship.



▼

SUPPORTING ALL LOCAL NON-PROFIT ORGANISATIONS

As part of the 'Make a Change' volunteer programme in Asia, our teams based in Hong Kong went out into the streets to deliver food to some of the city's poorest people. Every year in France, employees have the opportunity to vote for which charity races they would like BNPP AM to participate in by registering a team to represent the company. So in 2017, for example, 40 employees and their families competed in the Odyssea race to support cancer research.



**COMBATTING
EXCLUSION IN ALL
ITS FORMS**

At the end of 2017, the solidarity investments we have made in French companies providing socially supporting solutions, such as access to housing or employment, totalled €23 million and €6 million respectively.

In 2016, these investments facilitated the employment and support of around 25,000 people, and provided more than 4,000 homes for people living in some of the most vulnerable communities*. In terms of international solidarity, we provided funding for two new organisations in 2017: ALIMA, a medical NGO whose work in Africa focuses mainly on providing medical care and treatment to vulnerable communities, and Microfinance Solidaire, a company that funds the development of microfinance and social entrepreneurship in ways that benefit the poorest people in the world's developing countries.

* Data supplied by the socially-oriented enterprises, where available, and consolidated by BNPP AM.

1,034

people helped out of poverty via the Agrisud International partnership



**APPLYING A CORPORATE
PHILANTHROPY POLICY
FOCUSED ON
THE ENVIRONMENT...**

Working in collaboration with the GoodPlanet Foundation set up by Yann Arthus-Bertrand and sponsored by BNPP AM, the company has published *Génération Rio*. This educational book assesses how our planet has changed 25 years on from the Rio summit.



"We've already published five books with the GoodPlanet Foundation. Over the past 10 years or so, our partnership has sought to raise awareness among long-term investors of the role they can play in protecting our planet for future generations".

SONIA LIMAN

Head of CSR Communication

**... AND
SOLIDARITY**

In 2017, our partnership with Agrisud International allowed us to support 110 very small family farms through the development of sustainable agroecology and agroforestry projects in rural communities of Madagascar, Senegal and Haiti.

The result has been 385 jobs created or protected, 1,034 people helped out poverty, 690 tonnes of food produced, and €170,000 of net revenue generated.

Source : Agrisud International



HELENA VIÑES FIESTAS
Head of Sustainability
Research and Policy

FINANCE AT THE HEART OF THE SDGs FOR INCLUSIVE GROWTH

To achieve the Sustainable Development Goals (SDG) aimed at ending extreme poverty by 2030 as well as the overall ambition of achieving the 17 SDGs on a global scale ⁽¹⁾, it is essential to encourage inclusive growth as well as development and sustainable peace by increasing investments in Fragile and Conflict-affected Situations (FCS) markets. As such, there can be no sustainable peace without sustainable development ⁽²⁾.

Two billion people live in countries where development outcomes have been seriously affected by fragility, conflict, and violence ⁽³⁾. The World Bank estimates that extreme poverty will increasingly be concentrated in these contexts, rising from 17% of global poverty today to 46% by 2030, partly due to high population growth rates and weak economic development ⁽⁴⁾.

A JOINT EFFORT IS REQUIRED

It is now widely accepted that if all countries are to meet the SDGs, “trillions” not “billions” of dollars, will be required, in investments, both public and private in capital and in capacity, at national and global levels ⁽⁵⁾. Development aid does not have the financial capacity to meet the majority of the challenges on its own; a joint effort is required. First, investment and a proactive, responsible private sector, operating

with sensitivity to conflict-dynamics, can be key to stimulating inclusive economic growth, and job creation that, could help to create the sorts of economic foundations that will enable countries, committed to inclusion and building peace, to transition out of fragility over the long term ⁽⁶⁾.

DEALING WITH THE RISKS

These real and perceived risks are the main impediments to progress in attracting more and better investment to FCS. All too often, ‘red flag reflexes’ on the part of investors mean that all FCS tend to be tarred with the same brush and avoided by responsible investors, as too high risk. Responsible investors are also deterred from investing in geographical areas that are perceived, rightly or wrongly, to suffer from high levels of corruption, human rights or environmental violations. They do not wish to be associated with social or environmental controversies. These factors dissuade investors from making discerning choices, based on context-specific knowledge. Yet not all FCS are the same.

“ *It is essential to encourage an inclusive growth by increasing investments in Fragile and Conflict affected Situations (FCS) markets.* ”



FCS: OPPORTUNITIES FOR DOING BUSINESS AND DOING GOOD?

A new more nuanced narrative is called for, that enables investors to differentiate between countries and sectors, based on an understanding of the opportunities and not just the risks associated with doing business in FCS and doing good. FCS have the potential to be attractive as emerging markets for institutional investors. Demographic trends and a growing middle class in many FCS are generating a rising demand for consumer goods, infrastructure, services, and agribusiness, which could provide new opportunities for investors ⁽⁷⁾.

Real Risks (financial, reputational and political) can also be mitigated, in part by sharing and managing the associated risks and reducing the associated collateral costs. Perceived risks can be addressed by bridging the information and connection gap that currently exists in the investor community.

This can be overcome by making granular information available to investors, on where to invest, what to invest in, who to interface with, the actual risk-returns, and how to invest responsibly. Two financial instruments appear to have great potential in FCS: social bonds and social impact bonds for FCS. Although these are specifically tailored to FCS markets, these would require accompanying measures to enable would-be investors with the help of development agency partners, to identify ‘credible’ investment targets.

A MULTI-STAKEHOLDER INITIATIVE

Identifying ‘credible investment targets’ and ‘bridging the information gap’ may help to scale up investments in FCS, a more holistic approach is required, that acknowledges the political as well as economic weight of investors and potential investees in FCS context. Civil society organisations, development agencies, private sector actors, can play a critical role in ensuring that investors and investees work in ways that create opportunities to rebuild trust (between business and government, business and communities, between communities and government, between communities), which are critical for consolidating peace.

“One stop shops” can potentially serve as vehicles for this. They not only bring investors and potential investees together to identify business opportunities, but can also serve as opportunities to foster public-private dialogue and for monitoring and oversight by community / civil society stakeholders, about how investment decisions are made.

A COMMON EFFORT FOR INNOVATION

Feedback from investors, development actors and the Ministries of Finance of G7+ countries, suggests that innovation would be required to enable investors to deal with real and perceived risks, and to de-risk, both from a reputational and financial perspective. As well as making financial instruments that will enable to screen and label ‘investment-worthy’ companies and investment intermediaries (financial institutions) that operate in FCS and developing one-stop shops for facilitating the generation and dissemination of tailored sector and country-specific information.

(1) Measured as people living on less than USD 1.25 per day, one of the ‘facts and figures’ underpinning SDG 1, www.un.org/sustainabledevelopment/poverty/
(2) All 17 SDGs are critical. See <http://treasury.worldbank.org/cmd/htm/World-Bank-BNP-Paribas-TeamUp-2030-Agenda-Sustainable-Develop-Goals-Innovative-Finance.html>.
(3) OECD (2016), *States of Fragility 2016: Understanding Violence*, OECD Publishing, Paris. DOI: <http://dx.doi.org/10.1787/9789264267213-en>
(4) World Bank Fragility Conflict and Violence Overview, www.worldbank.org/en/topic/fragilityconflictviolence/overview (accessed 13 June 2017)
(5) World Bank Group et al (2015) *From Billions to Trillions: Transforming Development Finance Post-2015 Financing for Development: Multilateral Development Finance*, prepared jointly by the African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, International Monetary Fund, and the World Bank Group for the April 18, 2015 Development Committee meeting; UNCTAD (2014), *World Investment Report*, ‘Investing in the SDGs: An Action Plan’, UNCTAD, 2014, United Nations Publications.
(6) Paul Collier, professor of economics at Oxford University, has argued that robust economic growth is more critical than political reforms in preventing a return to conflict. Collier, P, et al, (2006), ‘*Post-Conflict Risks*’, Centre for the Study of African Economies, Working Paper, No.2006/12
(7) <http://data.worldbank.org/country/Nigeria> (accessed 13 June 2017)



"In 2017, International Dialogue on Peacebuilding and Statebuilding, a partnership between the OECD and the Governments and civil societies of 20 countries affected by conflict and fragility (G7+), and BNPP AM, explored ways of addressing the real and perceived risk concerns of potential investors that currently impede the scaling up of responsible investment in Fragile and Conflict affected Situations (FCS). The objective was to encourage a multi-stakeholder action both at individual and collective level, including investors, governments of these countries, their development aid partners and civil societies in order to enhance and increase investments in FCS."

KATHRYN NWAJAKU

Head of International Dialogue on Peacebuilding and Statebuilding Secretariat (OECD)

3 INITIATIVES

can help address real or perceived risks thus enabling investors to do good while doing good business

-1- INSTRUMENTS



"YELLOW BONDS"

Social Bonds & Social Impact Bonds for FCS as a vehicle to de-risk and pool investment into countries, sectors, and companies, with potential to consolidate peace.

-2- IDENTIFICATION



A SCREENING PROCESS

for "labelling" responsible investment-worthy opportunities that could contribute to sustainable peace.

-3- INFORMATION



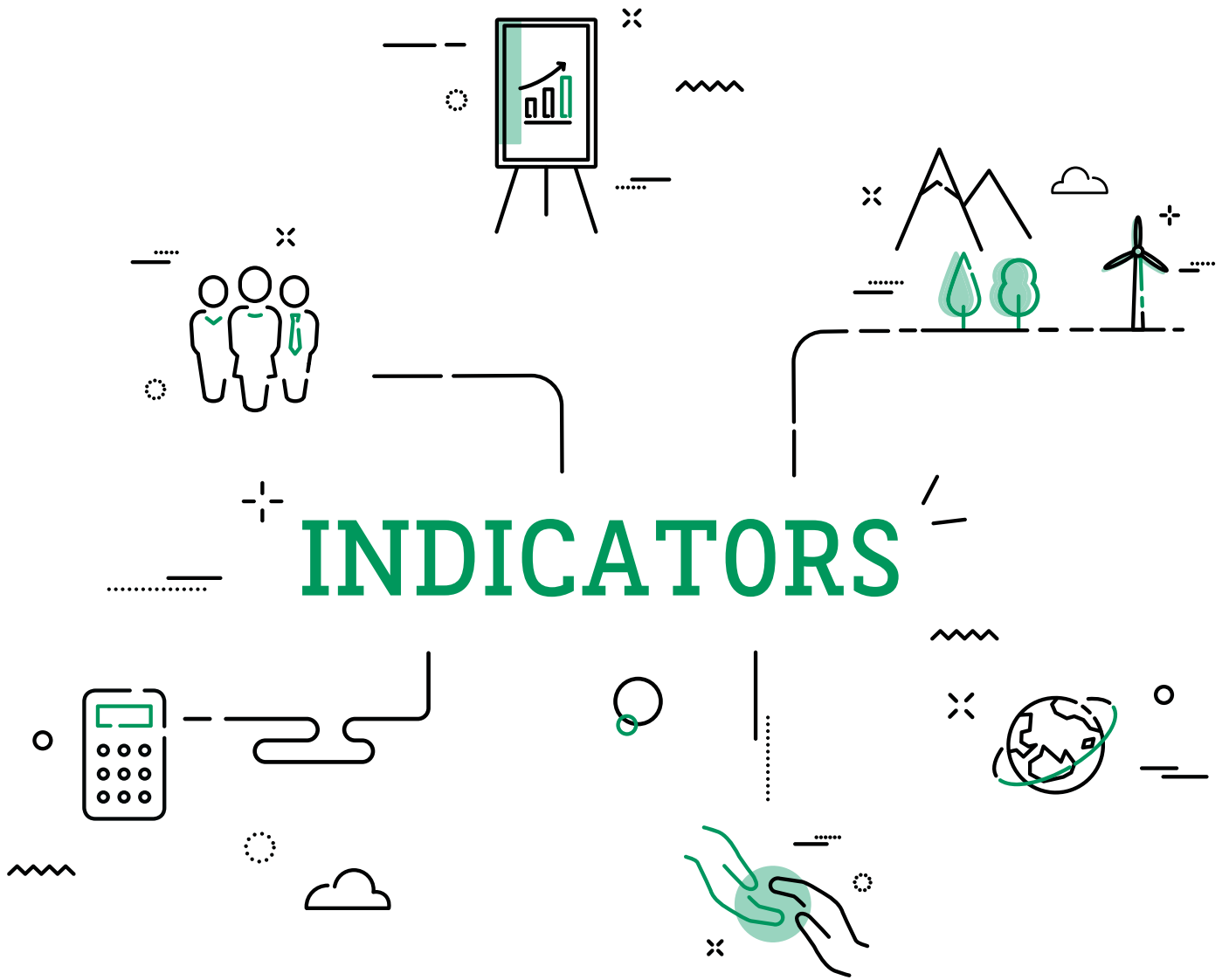
COUNTRY PLATFORMS

(one-stop shops, public-private dialogues) to bridge the knowledge gaps and connect investors with opportunities.

TAKING THIS FORWARD. Investment for peace in **FCS Lab**: a multi-stakeholder initiative to address investor risks

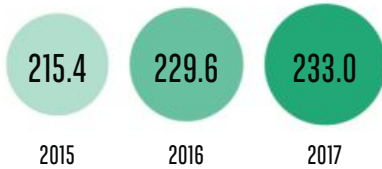


INDICATORS



ESG

ASSETS UNDER MANAGEMENT MEETING ESG CRITERIA (EUR BILLION)



VOTING STATISTICS



BREAKDOWN OF VOTES IN 2017	REGION	RESOLUTIONS VOTED ON	YES VOTES	NO VOTES	ABSTENTIONS	% ABSTENTIONS & NO VOTES
	EUROPE	9,157	7,463	1,325	369	18.5%
	NORTH AMERICA	5,415	4,481	520	414	17.2%
	JAPAN	1,321	825	480	16	37.5%
	OTHER	2,902	2,190	590	122	24.5%
	TOTAL	18,795	14,959	2,915	921	20.4%

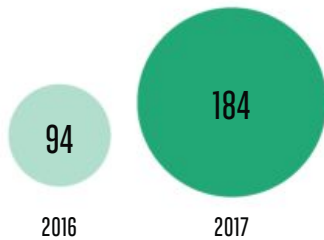
COMMITMENT



CARBON FOOTPRINT OF OUR EQUITY FUNDS ⁽¹⁾



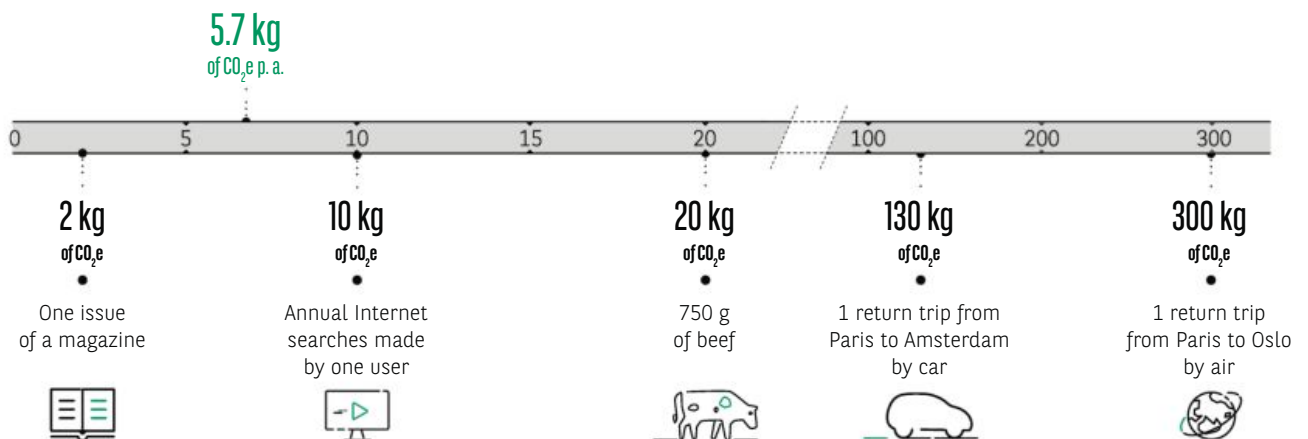
NUMBER OF MEASURED FUNDS



This indicator provides information about the carbon impact of investment funds. It seeks to assess the quantity of greenhouse gases associated with the investment choices made via those funds.

The carbon footprint is expressed in Kg of CO₂ equivalent per €100 invested in a fund, and is compared with the carbon impact of products used in everyday life ⁽²⁾.

► Example per €100 invested in a BNP Paribas Human Development fund



(1) In terms of all assets under management on 31/12/2017, based on those equity funds for which carbon footprint measurements were made.

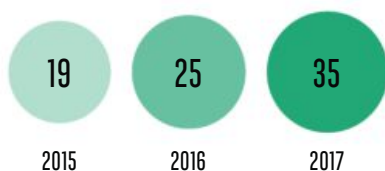
(2) Source: company CO₂e emissions data are provided by Trucost and the calculation methodology used by BNPP AM.

Source: S&P Trucost Limited © Trucost 2017. All rights in the Trucost data and reports vest in Trucost and/or its licensors. Neither Trucost, nor its affiliates, nor its licensors accept any liability for any errors, omissions or interruptions in the Trucost data and/or reports. No further distribution of the Trucost data and/or reports is permitted without Trucost's express written consent. Comparison elements used in the scale originate from following sources: ADEME, DGAC, theecologist.org, theguardian.com

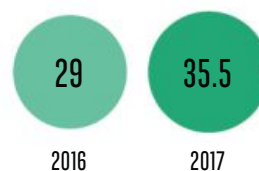
Investors must ensure that they are fully informed about the compartments, classes and sub-categories of shares or securities authorised for marketing in their country of residence, and any restrictions applicable in each of these countries.

SUSTAINABLE AND RESPONSIBLE INVESTMENT

SRI: ASSETS UNDER MANAGEMENT (EUR BILLION)



CARBON-FREE ASSETS UNDER MANAGEMENT (EUR BILLION)

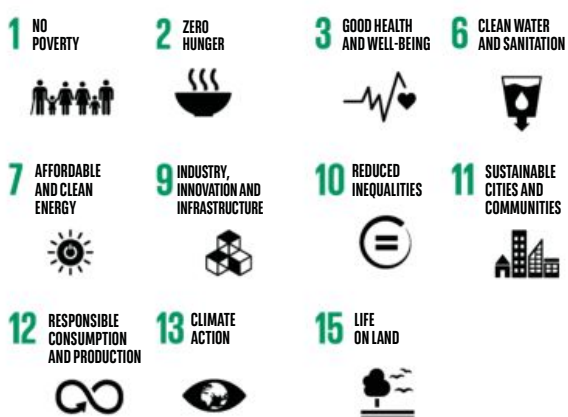


OUR CERTIFIED SRI FUNDS

					
AGIPI MONDE DURABLE	•				
BNP PARIBAS ACTIONS EUROPE RESPONSABLE	•				
BNP PARIBAS AQUA				•	
BNP PARIBAS EURO VALEURS DURABLES	•				
BNP PARIBAS OBLI RESPONSABLE	•	•			
BNP PARIBAS SOCIAL BUSINESS FRANCE		•			
BNP PARIBAS SOCIAL BUSINESS IMPACT FRANCE		•			
MAIF INVESTISSEMENT RESPONSABLE EUROPE	•				
MULTIPAR ACTIONS SOCIALEMENT RESPONSABLE	•		•		
MULTIPAR ÉQUILIBRE SOCIALEMENT RESPONSABLE	•		•		
MULTIPAR MONÉTAIRE SOCIALEMENT RESPONSABLE	•		•		
MULTIPAR SOLIDAIRE DYNAMIQUE SOCIALEMENT RESPONSABLE	•	•	•		
MULTIPAR SOLIDAIRE OBLIG SOCIALEMENT RESPONSABLE	•	•	•		
PARVEST AQUA				•	
PARVEST CLIMATE IMPACT				•	
PARVEST GLOBAL ENVIRONMENT				•	
PARVEST SMaRT FOOD					•
BNP PARIBAS L1 SMaRT FOOD					•
PARVEST SUSTAINABLE BOND EURO	•				
PARVEST SUSTAINABLE BOND EURO CORPORATE	•				
PARVEST SUSTAINABLE EQUITY EUROPE	•				

Investors must ensure that they are fully informed about the sub-funds, classes and sub-categories of shares or securities authorised for marketing in their country of residence, and any restrictions applicable in each of these countries. Investments made in funds referred to above are subject to market fluctuations and the inherent risks of investing in stocks and shares. The value of investments and the income they generate may rise or fall, and it is possible that investors may not recover their initial investment.

A RANGE OF SRI FUNDS THAT CONTRIBUTE TO 11 SUSTAINABLE DEVELOPMENT GOALS



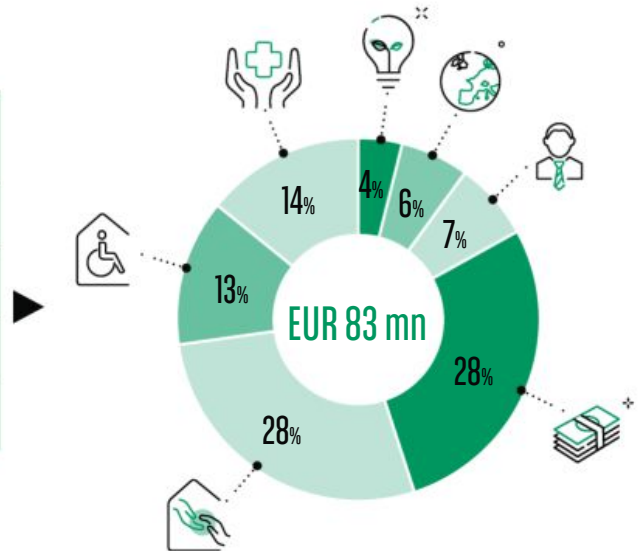
The 17 Sustainable Development Goals defined by the UN

- 1 – No Poverty
- 2 – Zero Hunger
- 3 – Good Health and Well-being
- 4 – Quality Education
- 5 – Gender Equality
- 6 – Clean Water and Sanitation
- 7 – Affordable and Clean Energy
- 8 – Decent Work and Economic Growth
- 9 – Industry, Innovation and Infrastructure
- 10 – Reduced Inequalities
- 11 – Sustainable Cities and Communities
- 12 – Responsible Consumption and Production
- 13 – Climate Action
- 14 – Life Below Water
- 15 – Life on Land
- 16 – Peace, Justice and Strong Institutions
- 17 – Partnerships for the Goals








Investments made in funds are subject to market fluctuations and the inherent risks of investing in stocks and shares. The value of investments and the income they generate may rise or fall, and it is possible that investors may not recover their initial investment.

SOLIDARITY INVESTMENTS

	2015	2016	2017
INVESTMENTS IN MICROFINANCE WORLDWIDE AND IN SOCIAL ENTREPRENEURSHIP IN FRANCE	EUR 65 mn	EUR 77 mn	EUR 93 mn
TOTAL INVESTMENT IN SOCIAL ENTREPRENEURSHIP IN FRANCE	EUR 55 mn	EUR 68 mn	EUR 83 mn
NUMBER OF SOLIDARITY PARTNERS	17	22	25
NUMBER OF MICROLOANS SUPPORTED	9,017	6,798	8,030
AVERAGE MICROLOAN AMOUNT	EUR 1,375	EUR 1,431	EUR 1,471



IMPACT DATA FROM OUR PARTNERS BY SOCIAL SECTOR ⁽⁴⁾

	2015	2016
 ACCESS TO JOBS people employed and/or helped	19,676	24,967
 MICROFINANCE & ENTREPRENEURSHIP SUPPORT projects funded for entrepreneurs	18,806	20,256
 ACCESS TO HOUSING homes available at 31/12/2016	4,044	4,390
 ACCESS TO HEALTHCARE AND CONTINUED INDEPENDENCE Beneficiaries ⁽²⁾	112,000	118,361
 HOUSING FOR PEOPLE IN NEED OF CARE > beds > places for senior citizens long-term care centres ⁽³⁾	3,314 44 long-term care centres ⁽³⁾	3,896 47 long-term care centres ⁽³⁾
 ENVIRONMENTAL PROTECTION > organic agricultural land cultivated > energy consumption, compared with the French average of 200 kWh/m ² > organic and fair-trade products sold	2,233 ha 82 kWh/m ² 1,7 million	3,497 ha 92 kWh/m ² 2,6 million
 INTERNATIONAL SOCIAL SOLIDARITY INITIATIVES > assisted > beneficiaries	58 countries 16 million	65 countries 17 million

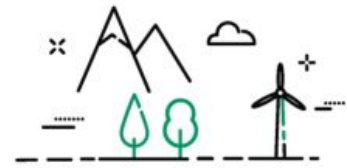
(1) Data supplied, when available, from solidarity companies activities for 2015 and 2016 and validated by BNPP AM

(2) French Red Cross: number of beneficiaries of the social and medico-social care sector

(3) Housing for dependent senior citizens

OUR ENVIRONMENTAL DATA

WORLDWIDE BUILDINGS	2015	2016	2017
ENERGY CONSUMPTION (MILLIONS OF KWH)	14.4	14.6	13.2
GREENHOUSE GAS EMISSIONS (TCO ₂ EQ)	3,064	3,289	2,142
WORLDWIDE BUSINESS TRAVEL	2015	2016	2017
DISTANCE (MILLIONS OF KM)	23	18	16.7
GREENHOUSE GAS EMISSIONS (TCO ₂ EQ)	3,273	3,023	2,553

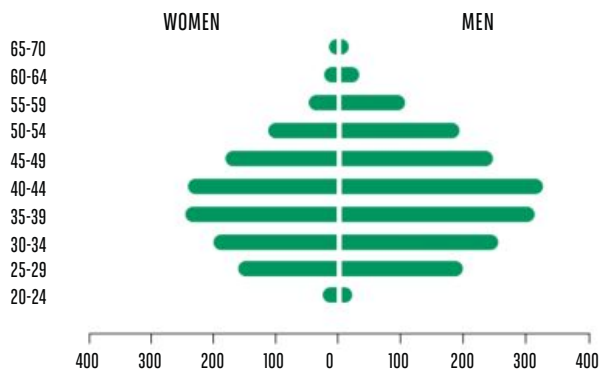


OUR SOCIAL DATA

STAFF NUMBERS

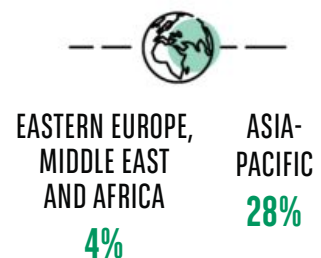
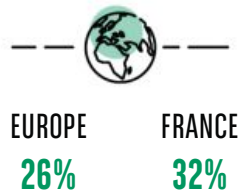
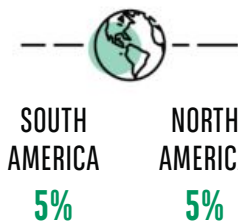
FTE	2015	2016	2017
PERMANENT CONTRACTS	2,265	2,283	2,439
FIXED-TERM CONTRACTS	60	54	64
JOINT-VENTURE PERSONNEL	724	764	674
TOTAL	3,049	3,101	3,177

THE AVERAGE AGE OF BNP PARIBAS ASSET MANAGEMENT EMPLOYEES IS **41**.



BREAKDOWN BY REGION

68% OF BNP PARIBAS ASSET MANAGEMENT EMPLOYEES WORK OUTSIDE FRANCE.



*UES BNPP AM France scope

BNP PARIBAS ASSET MANAGEMENT France, "the investment management company," is a simplified joint stock company with its registered office at 1 boulevard Haussmann 75009 Paris, France, RCS Paris 319 378 832, registered with the "Autorité des marchés financiers" under number GP 96002.

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