

BNP PARIBAS INVESTMENT PARTNERS INCREASES ITS COMMITMENT TO A LOW-CARBON ENVIRONMENT

- BNPP IP has published the carbon footprint of 26 funds in its international Parvest range in accordance with the commitments made when signing the Montréal Carbon Pledge, supported by the PRI, last May.
- BNPP IP has published a coal-free investment policy that it has applied to the €14 billion of assets in its open-ended SRI funds. BNPP IP has also joined the Portfolio Decarbonization Coalition, sponsored by UNEP, with an additional €18 billion of decarbonised assets.
- BNPP IP is increasing the promotion of its low-carbon investment solutions. It is assisting the French pension fund FRR in decarbonising a €600 million smart beta index mandate. It is additionally working on greater representation of energy transition players in the first low-carbon ETF, which was launched by BNPP IP in 2008 and is benchmarked against the Euronext Low Carbon 100 Europe® Index.

BNP Paribas Investment Partners is one of the world's first top-tier asset managers to publish its funds' carbon footprint and to commit to decarbonising its SRI portfolios.

When it signed the Montréal Carbon Pledge last May, BNPP IP demonstrated its commitment to a low-carbon economy. It is now one of the very first asset managers to **publish the carbon footprint** of its funds - for 26 equity funds in its international Parvest range. BNPP IP's teams have formulated an in-house carbon footprint calculation methodology that estimates the quantity of greenhouse gases linked to its investments. BNPP IP pledges to expand the publication of carbon footprint reporting to all its equity funds as reliable data on companies' carbon emissions is released.

Alongside joining the Portfolio Decarbonization Coalition, BNPP IP has established a **coal-free investment policy**^[1], which has been applied to the €14 billion of assets in its SRI open-ended funds. It complements the existing investment policies applied to the mining and electricity generation sectors, by requiring divestment from mining companies that generate more than 10% of their revenues from thermal coal and power producers that emit more than 600kg of CO₂/MWh.

BNPP IP is committed to helping its clients in their efforts to manage carbon risk. For example, it has **formulated a specific methodology with Fonds de Réserve pour les Retraites (FRR)**, a French public-sector pension fund. This initiative aims to reduce carbon footprints and exposure to stranded assets (i.e. assets that face unexpected or expected impairments) and to exclude the most heavily polluting companies from the North American index portfolio, which has €600 million under management. This methodology has helped reduce the portfolio's carbon footprint by more than 50%.

^[1] Companies that fail to comply with the following three constraints are also excluded: emission of more than 400Kg CO₂/MWh; emission of less than 30% CO₂ in installed capacities and emission of less than 30% CO₂ in the production mix.



In launching the **first ETF benchmarked to a carbon index**, the Euronext Low Carbon 100 Europe® (in 2008) BNPP IP was a pioneer in offering its clients the opportunity of investing in a low-carbon tracker. The index's scientific committee, of which BNPP IP is a member, is currently reviewing various options for refining the index's methodology to increase the weighting of sectors working towards energy transition.

Frédéric Janbon, CEO of BNP Paribas Investment Partners, comments:

"BNP Paribas Investment Partners has been committed to offering SRI solutions since 2002. With the COP21 conference opening shortly we are reiterating our commitment as a responsible investor and are taking concrete initiatives along these lines. We provide our clients with key indicators to address their growing concerns regarding the environmental and social impact of their investments and are developing our low-carbon offering to help them combat climate change."

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About BNP Paribas Investment Partners

BNP Paribas Investment Partners is the BNP Paribas Group's asset management specialist and an entity of the International Financial Services division of BNP Paribas. BNP Paribas Investment Partners offers the full range of asset management services to both institutional and private investors around the world. The company adopts a client-focused approach and is structured around three business lines: Institutional, Distributors and Asia-Pacific & Emerging Markets. BNP Paribas Investment Partners has 3,000 employees in 35 countries, including around 700 investment professionals, each specialised in a particular asset class or product type, and has assets under management totalling EUR 509 billion (source: BNP Paribas Investment Partners, as at 30 September 2015, assets under management and advisory).

Parvest is an umbrella fund registered under Luxembourg law and complies with European Directive 2009/65/EC. The value of investments and the income that they generate may fall as well as rise and it is possible that investors may not recover the entire value of their initial investment.