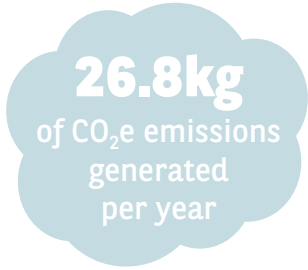


# BNP PARIBAS L1 ITALY CARBON FOOTPRINT

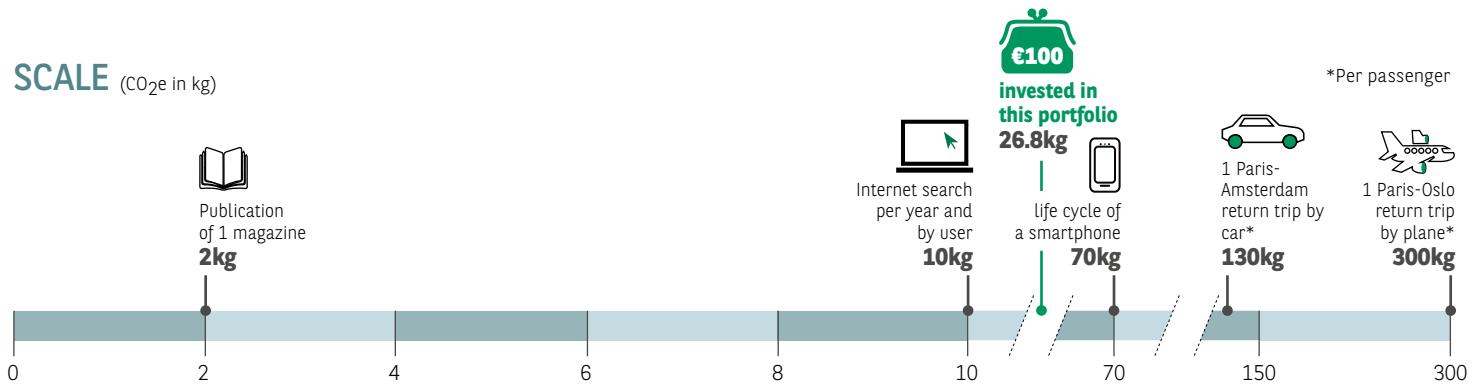
In addition to financial reporting, this document provides information on the investment fund's carbon impact. A fund's carbon footprint seeks to determine the amount of greenhouse gas (GHG) emitted by the investments selected through the fund. The footprint is measured in carbon dioxide equivalents (CO<sub>2</sub>e). This indicator assesses the global warming potential of six major greenhouse gases in CO<sub>2</sub>e.\*

To aid understanding, the fund's carbon footprint is compared to common features of daily life and is also broken down by business sector.

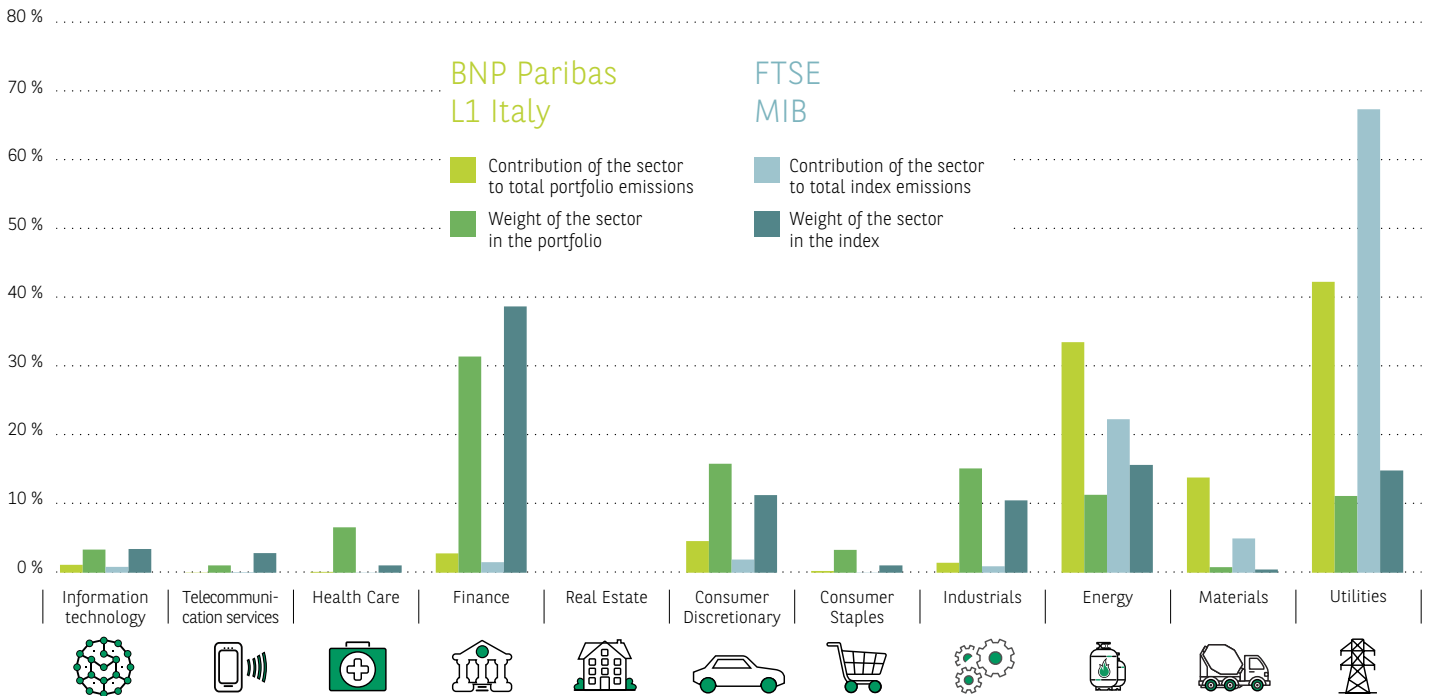
\*The six major greenhouse gases: CO<sub>2</sub>, CH<sub>4</sub>, SF<sub>6</sub>, N<sub>2</sub>O, HFCs, PFCs



## SCALE (CO<sub>2</sub>e in kg)



## CARBON EMISSIONS BY BUSINESS SECTOR (in %) - Carbon data provided by Trucost.



**BNP PARIBAS**  
**ASSET MANAGEMENT**

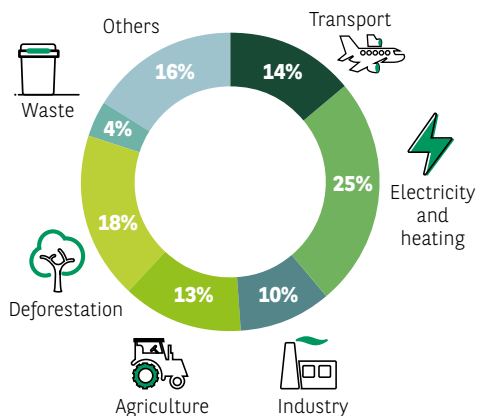
The asset manager  
for a changing  
world

## MONTRÉAL CARBON PLEDGE

In May 2015, BNP Paribas Asset Management was the first international asset manager to sign the Montréal Pledge. Launched under the United Nations' leadership, this initiative encourages investors to give greater consideration to carbon risk. Since signing the pledge, BNP Paribas Asset Management has been working to measure and publish its portfolios' carbon footprint and gradually incorporate this risk into its investment decisions. BNP Paribas Asset Management offers its institutional clients customised carbon-reduction solutions and encourages companies to publish and reduce their carbon footprint.

## WHERE DO CARBON EMISSIONS COME FROM?

BREAKDOWN OF GREENHOUSE GAS EMISSIONS WORLDWIDE\*



On a global scale, greenhouse gas emissions result from certain human activities, with fossil fuel consumption at the top of the list. Companies' involvement in these activities determines their carbon footprint.

\* Source: World Resource Institute

## BNP PARIBAS ASSET MANAGEMENT' CLIMATE CHANGE STRATEGY

We believe that exceeding 2°C of global warming will have a significant impact on the value of our investments in the long-run.

As an asset manager, we have formalised a climate change strategy of gradually moving our portfolio holdings towards a below 2 degree scenario in line with the Paris agreement (COP21).

Our strategy is based on three-folds:

- Allocation of capital: Identifying and measuring the carbon risks in our investments, Integrating and reducing carbon risks and developing our low-carbon offer and financing the energy transition.
- Responsible stewardship: Addressing climate change in our voting at AGMs and engaging in dialogue with issuers on their climate strategy.
- Commitment and transparency: Reporting on progress made oversight of our climate change strategy and raising awareness and client support.

It is an integral part of our overall Responsible Investment Policy and is based in our long-term approach to business and investment.

## CALCULATING YOUR CARBON FOOTPRINT

BREAKDOWN OF CO<sub>2</sub>E EMISSIONS FOR TWO BUSINESS SECTORS: EXAMPLES  
(in % of emissions per company)

The GHG Protocol\* establishes greenhouse gas emission reporting standards for companies. Emissions are broken down into three categories, with varying proportions depending on the company's line of business.

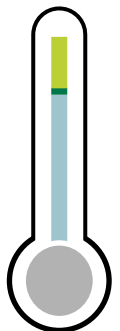
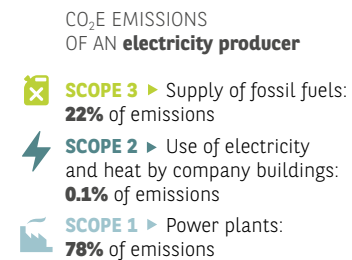
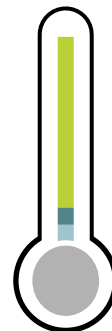
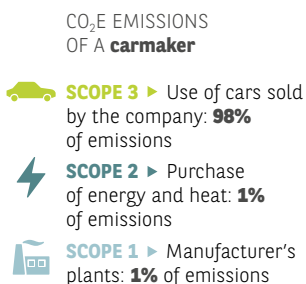
**SCOPE 1** ▶ Direct emissions from the company's facilities.

**SCOPE 2** ▶ Indirect emissions linked to the company's energy consumption.

**SCOPE 3** ▶ Other indirect emissions, including those related to the use of its products.

To calculate a fund's carbon footprint, companies' CO<sub>2</sub>e emissions are added up and weighted by market capitalisation and the companies' weight in the portfolios. The resulting indicator measures emissions generated for each euro invested in the fund.

Today, the measurement of Scope 3 emissions and avoided emissions\* is not standardised or considered sufficiently reliable to be used in reporting. As a result, the calculation of a company's carbon footprint currently focuses on Scope 1 and Scope 2 emissions. This method, however, will increase in efficiency as the data and indicators improve, with the aim of achieving greater relevance.



\* GHG Protocol: international standard for measuring greenhouse gas emissions

\*\* The emissions avoided by a company as a result of the sale of products that enable end-customers to reduce their emissions.

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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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