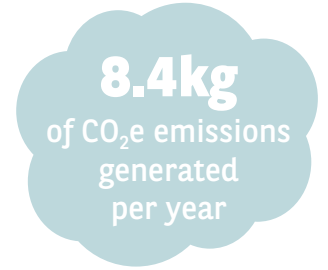


# BNP PARIBAS MIDCAP FRANCE CARBON FOOTPRINT

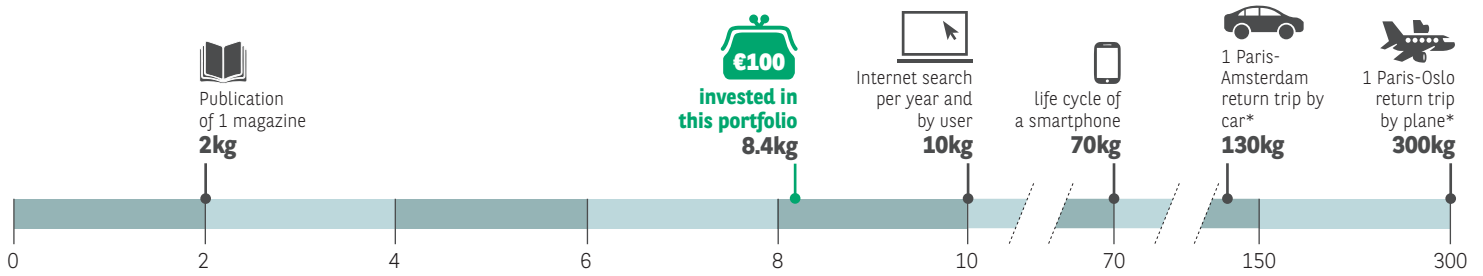
In addition to financial reporting, this document provides information on the investment fund's carbon impact. A fund's carbon footprint seeks to determine the amount of greenhouse gas (GHG) emitted by the investments selected through the fund. The footprint is measured in carbon dioxide equivalents (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.

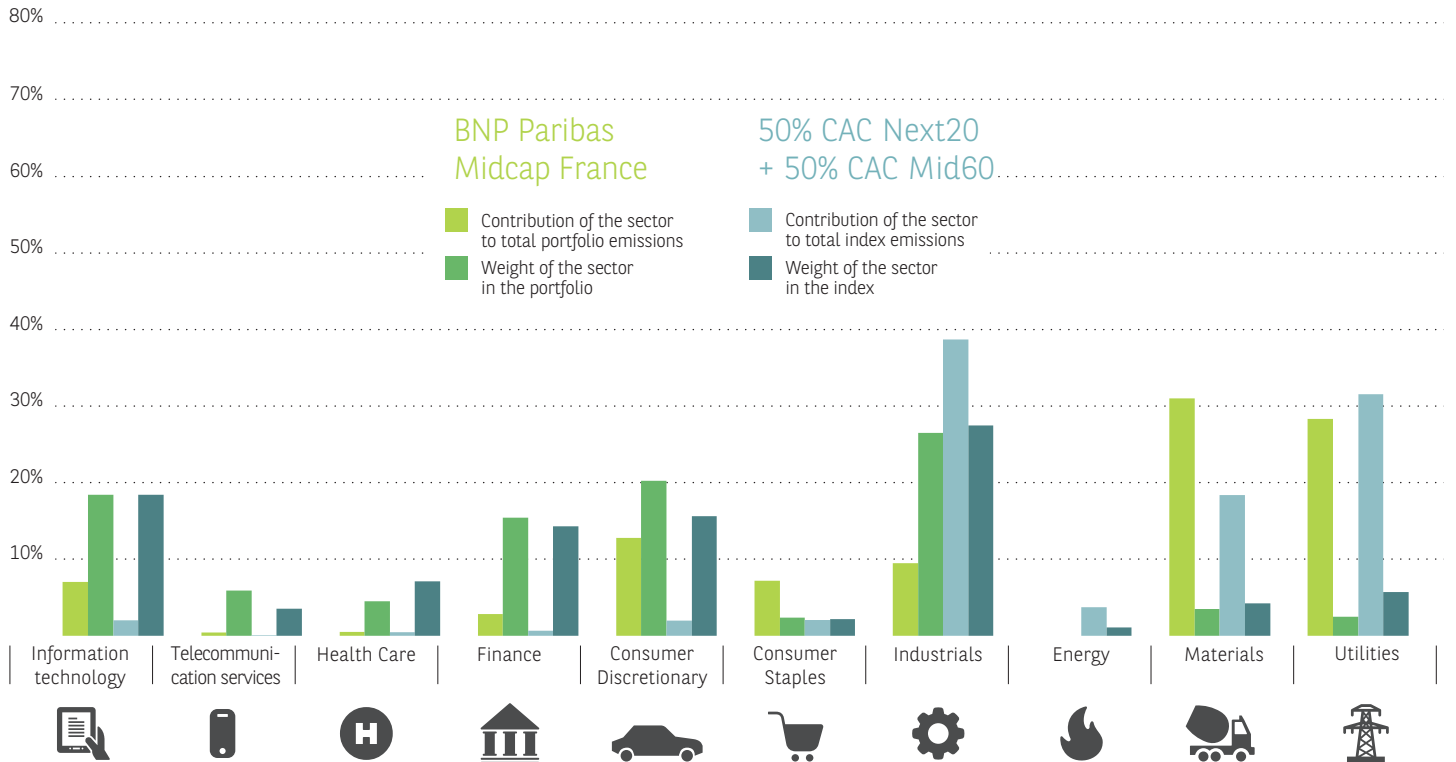
\*The six major greenhouse gases: CO<sub>2</sub>, CH<sub>4</sub>, SF<sub>6</sub>, N<sub>2</sub>O, HFCs, PFCs



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



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



**BNP PARIBAS  
INVESTMENT PARTNERS**

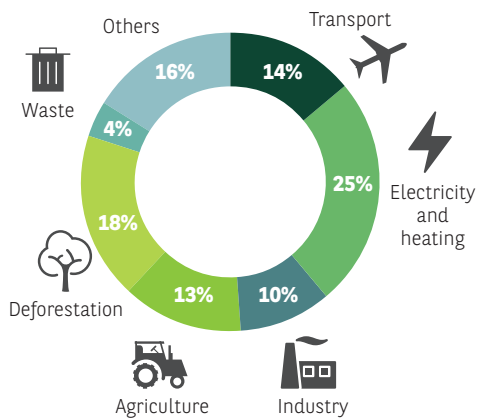
The asset manager  
for a changing  
world

## MONTRÉAL CARBON PLEDGE

In May 2015, BNP Paribas Investment Partners 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 Investment Partners has been working to measure and publish its portfolios' carbon footprint and gradually incorporate this risk into its investment decisions. BNP Paribas Investment Partners 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 INVESTMENT PARTNERS' CARBON STRATEGY

This commitment is a new step in BNP Paribas Investment Partners' sustainable and responsible investment (SRI) approach, which is already incorporating non-financial information into its company analyses and valuations. To build awareness of the general need to reduce our economy' carbon footprint, BNP Paribas Investment Partners is focusing its efforts on the following three areas:

- the publication of our funds' carbon footprint,
- a commitment to issuers and data providers in order to improve the quality, relevance and availability of carbon data,
- the implementation of tools for analysing and overseeing carbon performance.

With these measures, BNP Paribas Investment Partners is aiming to increase transparency and heighten its partners' awareness of their investments' carbon performance. This commitment supports and fosters the gradual improvement of research, analytical methods and relevant indicators in a fast-changing topic.

## CALCULATING YOUR CARBON FOOTPRINT

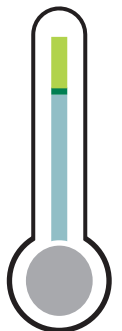
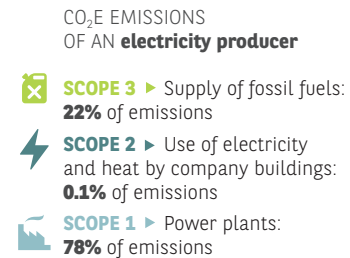
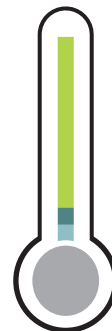
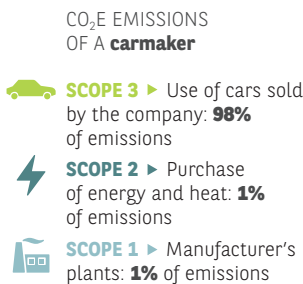
BREAKDOWN OF CO<sub>2</sub>E EMISSIONS FOR TWO BUSINESS SECTORS: EXAMPLES  
(in % of emissions per company)

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.

Investment made in these funds are submitted to market fluctuations and risks inherent to securities investment. Value of investments and earned income may record uptrends and downtrends, and investors may not recover the full amount of initial investment. Funds described all contain a certain risk of capital loss.

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\* BNPP AM is an investment manager registered with the "Autorité des marchés financiers" in France under no. 96002, a simplified stock company with a capital of 67.373.920 euros with its registered office at 1, boulevard Haussmann, 75009 Paris, France, RCS Paris 319.378.832.

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