

**BNP Paribas REIM**

# DELIVERING ON OUR STRATEGY

**ESG Report 2021**



**BNP PARIBAS  
REAL ESTATE**

Real Estate  
for a changing  
world

# TABLE OF CONTENTS

03. Driving ESG performance in a changing world

## 04 BNP PARIBAS REIM

- 05. How we create shared value
- 06. Regulation and key trends
- 07. Our response to trends and key achievements

## 08 OUR ESG ACTION PLAN 2021-2025

- 10. Environment
- 12. Social
- 14. Governance

## 16 OUR FUND PERFORMANCE

- 17. Impact fund
- 18. ESG funds
- 22. ESG integration fund
- 24. Mainstream funds
- 25. Focusing on data
- 26. Major developments target ESG objectives
- 27. Refurbishments target systematic improvements
- 28. Regional highlights

## 30 HOW WE MANAGE ESG INTEGRATION

- 32. Internal stakeholders
- 33. Internal engagement
- 34. External stakeholders
- 35. Partnerships and publications engagement

# Driving ESG performance in a changing world

**BNP Paribas REIM is committed to investing in living assets: buildings that make a difference to people's lives and to the life of our planet.**

For BNP Paribas Real Estate Investment Management, 2021 was a year of strong development in Environmental Social Governance (ESG). We increased our work in the context of international discussions on climate change at the COP 26 and growing public awareness and commitment to change. At the same time, we have seen tensions rise as a result of soaring energy prices and inflation, and a shifting landscape of sustainability commitments.

At BNP Paribas REIM, we see ESG as a strategic tool to enhance performance. In response to global shifts, we have strengthened our commitments and made them public. We initially published an objective in 2021 to transform 70% of our funds open to subscription by investors into sustainable funds by 2022. We have surpassed this objective: as of end-2022, 85% of funds will be classified as sustainable. We also re-assessed our methodology for evaluating and recognizing buildings' ESG performance.

### PEOPLE AND KNOWLEDGE, THE KEYS TO ESG-DRIVEN CHANGE

The Covid-19 crisis marked a turning point in the status quo. The number of investors integrating ESG criteria into their investment criteria and process is increasing considerably. And while ESG considerations remain relatively low on retail investors' priorities, we anticipate that Millennials will begin to favour funds with solid ESG commitments.



*In 2021, we made significant progress on ESG integration. We accelerated our strategy, made public commitments, and raised our standards across the board.*

**Nathalie CHARLES**  
Global Head of  
Investment Management  
BNP Paribas Real Estate

This reflects a broader societal shift. Now more than ever, people seek to work in a company that aligns with their values. BNP Paribas REIM has formulated strong ESG commitments to attract and retain best-in-class employees and enhance their motivation and satisfaction.

We also believe that engaging employees around sustainability considerations is key to becoming truly ESG driven. This starts with awareness. During 2021, we empowered our internal teams to share knowledge needed to integrate and achieve our ESG objectives. We launched internal training sessions, and ran initiatives for external stakeholders, including suppliers within the building industry. Our aim is that everyone we work with understands and applies ESG principles on a daily basis.

### RAISING THE BAR

In a year in which ESG topics attracted increased attention from investors, tenants, employees and civil society, BNP Paribas REIM delivered on its ESG strategy. Four of our funds acquired the French ISR<sup>1</sup> label, and multiple funds moved up a category to comply with SFDR Article 8. While this progress is welcome, I know we can do even better.

There is currently huge momentum surrounding ESG. We need to ensure this commitment translates into concrete, long-term actions. There is still much to be done, and I am proud to say that BNP Paribas REIM is making a difference and is committed to growing our ability to do so every year.

<sup>1/</sup> Investissement Socialement Responsable

# BNP PARIBAS REIM

**BNP Paribas REIM invests in real estate as a living asset. We deliver sustainable performance for both institutional and private investors through our investments in European real estate assets.**

BNP Paribas REIM is a real estate investment manager with more than 50 years of experience working in all sectors of the European market. We are active in seven countries and regulated in France, Germany, Italy and Luxembourg. We offer long-term real estate investments for clients in Europe, managing a diversified portfolio and providing investment solutions that match clients' needs and risk profiles.

BNP Paribas REIM is owned by BNP Paribas Real Estate, a company that is in turn 100% owned by the BNP Paribas banking group. This means that our business benefits from being a part of one of the

international real estate market's most prominent and experienced players. Our teams can access the wealth of experience of both parent companies, and lean on all BNP Paribas entities to help us perform at our best.

The BNP Paribas REIM business model closely follows that of BNP Paribas Real Estate. We manage a resilient, integrated, diversified portfolio of funds and assets with an excellent track record for performance and growth. We have a strong and robust risk management strategy that has been successfully tested and verified.

**€29.7bn**

Assets under management

**9.5m**

Total square metres of assets

**1,600+**

Buildings managed

**17**

Countries with assets under management

**7**

Countries where BNP Paribas REIM operates

**4**

Alternative investment fund managers (AIFM)

## How we create shared value

**BNP Paribas REIM's strategy is aligned with that of our parent company, BNP Paribas Real Estate: to create shared value through an innovative approach to real estate investment management.**

**AS FUND MANAGERS** We structure investment products, including funds, separate accounts and club deals, providing opportunities for institutional and retail investors.

**AS ASSET MANAGERS** We deploy capital raised to acquire, manage and improve assets, and build trust-based relationships with our tenants.



**ECONOMY**

As part of Europe's second largest banking group, BNP Paribas REIM has an economic impact on more than 220 institutional clients and over 140,000 private clients in more than a dozen countries. We have built a robust financial model, and our experts work to anticipate future evolutions in the financial market to stay ahead of new developments. We constantly look to optimise our assets, increasing their value while taking a responsible approach.



**ENVIRONMENT**

BNP Paribas REIM first formalised its commitment to improving sustainability performance in 2013, adopting the UN Principles for Responsible Investment (PRI). Since then, we have progressively improved the ESG profile and strategy of various products. ESG integration is one of BNP Paribas REIM's five strategic pillars, and ESG criteria are included in our investment, asset and fund management strategy. In 2021, six funds successfully evolved to become compliant with articles 8 or 9, four of which were awarded French ISR labels. With sustainable investing at the heart of our approach, BNP Paribas REIM aims to minimise our environmental footprint, as well as that of our investors and tenants.

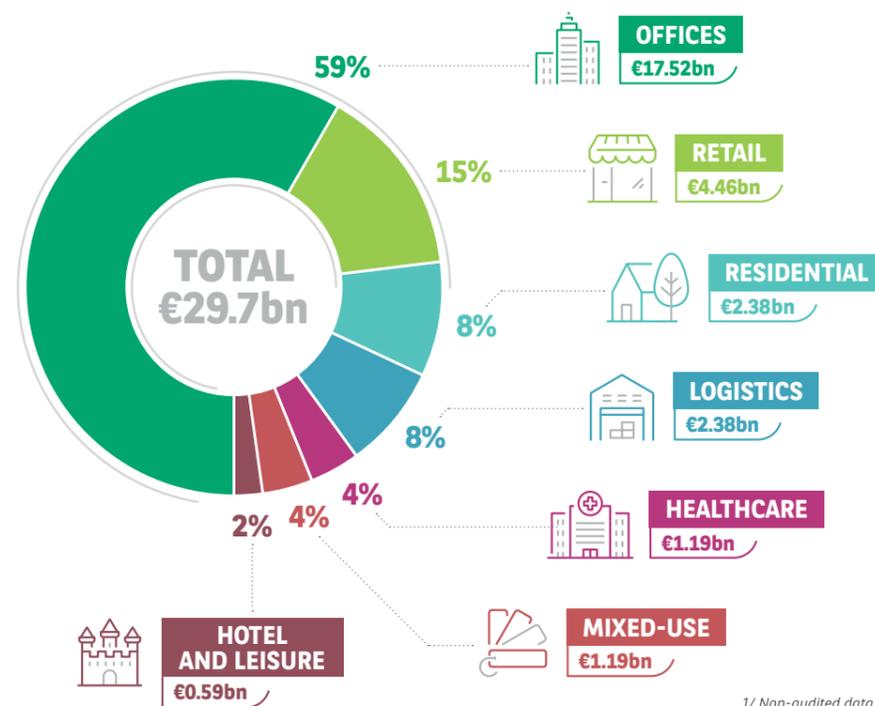


**CLIENTS**

BNP Paribas REIM takes an interactive approach to working with our investors and tenants, encouraging dialogue and collaboration. Our teams are attentive to changing client needs, conducting regular surveys of investor and tenant satisfaction. We aim to uphold the highest standards of ethics and compliance for investors, and occupational safety and well-being for tenants.

### OUR ASSETS UNDER MANAGEMENT

— AS OF 31 DECEMBER 2021<sup>1</sup> —



<sup>1/</sup> Non-audited data

**140,000+**

BNP Paribas REIM private clients

**220+**

BNP Paribas REIM institutional clients

**360+**

BNP Paribas REIM real estate specialists

# Regulation and key trends

Legislation and social expectations are reshaping the real estate investment landscape. BNP Paribas REIM is taking a holistic approach to achieving ESG-driven change across our business.

A major shift toward sustainable living is underway. Stakeholders increasingly expect environmental protection, social responsibility and internal accountability to be priorities for investors and investment managers.

This has been bolstered by waves of local, national and international legislation, including the Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy Regulation. Both frameworks require financial companies to adhere to specific standards for measuring and classifying their assets' impact. This approach enables investors to make informed decisions about investments, based on ESG criteria that are comparable across funds.

At BNP Paribas REIM, we adopted a new approach to investment, asset and fund management that continues to integrate ESG considerations into all aspects of our business. In 2020 we classified our funds based on ESG commitments, and incorporated ESG criteria at corporate, fund and asset levels.

Since then, we have set and advanced on targets for ESG improvement, determined a set of achievable actions, and begun implementing appropriate monitoring and reporting mechanisms. Our business line is compliant with the first level of SFDR requirements and in early 2022 we started delivering the second level of the SFDR requirements by integrating required information in fund annual reports.

## INTEGRATING ESG ACROSS OUR BUSINESS

To successfully integrate an ESG strategy across our business, we are taking on ESG challenges at all levels:

- **At an industry level**, we are participating in working groups to advance sustainability across the real estate market
- **As a company**, we are integrating ESG across departments, and increasing employee awareness of and buy-in for ESG initiatives
- **Our fund managers** are working to implement a selection of ESG criteria across portfolios and collaborating with investors to develop long-term strategies that deliver ongoing performance
- **For individual assets**, our transaction and asset managers are including ESG criteria in acquisition and management processes, while finding sustainable, cost-effective solutions to transform existing assets into ESG compliant assets

Increasingly, changing international and European climate targets are pushing the real estate industry to rapidly accelerate decarbonization. This has traditionally been a challenge for asset managers, as the investment profile of existing funds does not always allow for major CAPEX work of the type required to dramatically cut emissions.

This is why BNP Paribas REIM is collaborating with stakeholders to define measurable emissions reduction targets, improve assets' environmental performance, enhance ESG-driven funds and prove the long-term value of sustainable investments.



## HIGHLIGHTS

- ★ **EIPF**  
1st climate impact report for this Article 9 fund
- ★ **NEIF III**  
#1 GRESB ranking last year compared to 13 similar products  
4 star GRESB rating
- ★ **AFER Pierre**  
New fund launched in 2021 with French ISR label
- ★ **Six funds participated in GRESB**  
With an overall 10% score increase between 2020 and 2021
- ★ **Green Leases**  
Signed by tenants in Italy and Belgium
- ★ **Tenant survey**  
European-wide satisfaction survey
- ★ **11%**  
Assets with an In-Use environmental certification



# Our response to trends and key achievements

BNP Paribas REIM is dedicated to creating long-term sustainable investment returns for its investors by implementing new strategies to improve ESG performance. In recent years, the changes and demands of climate change, stakeholder awareness and calls for accountability across the sector have pushed us to improve the way we do business.

We strive to set ourselves apart with legitimacy and transparency by measuring our progress and adhering to independent, external grading and regulation systems. For example, we participate in the Global Real Estate Sustainability Benchmark (GRESB), seeing our strongest-ever performance in 2021. At the fund level, we closely adhere to the European regulations, including the SFDR and the European Taxonomy Regulation.

**50%**

Assets under management with ESG KPIs measured

**15**

Funds with ambitious ESG objectives and measured KPIs in 2021

The SFDR entered into force on March 10th 2021 and mandates transparency on information concerning the sustainability of financial products. It enforces the alignment of marketing materials with real-world practice. It does this by focusing on establishing comparability at the product and entity level of asset management companies, investment companies and financial advisors. The SFDR adheres to Regulatory Technical Standards (RTS) developed by three European Supervisory Authorities.

The EU Taxonomy Regulation is a complex system involving numerous regulatory texts that stipulate sustainable criteria across the industry. According to the Taxonomy, the most ambitious financial products are those that comply with Articles 8 and 9. Our categorization of funds, and the compliance with these articles that we seek, are based on robust criteria taken from these regulations.

We have classified our funds according to ESG objectives, and measure their progress based on the impact of the fund's assets. Special attention has been dedicated to carefully defining methodologies to ensure that the funds classified as Article 8 are compliant with rigorous checks and certifications.



## KEY ACHIEVEMENTS\*

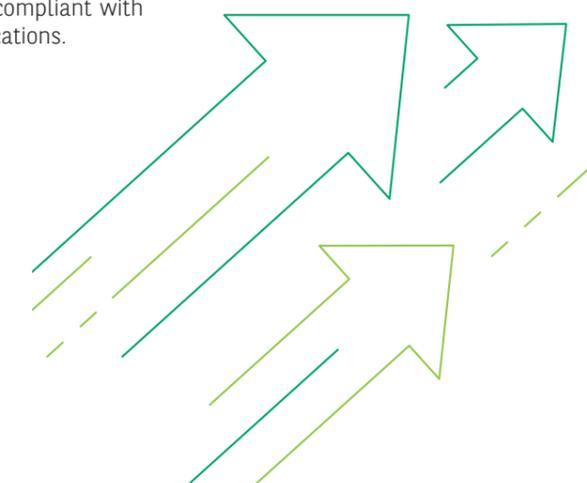
★ **7 funds now successfully classified as SFDR Article 8**  
ACCIMMO PIERRE, BNP PARIBAS DIVERSIPIERRE, NEIF III, AFER Pierre, Opus Real, WWD, BNP Paribas MacStone

★ **4 funds achieved French ISR labels**  
ACCIMMO PIERRE, BNP PARIBAS DIVERSIPIERRE, Opus Real, AFER Pierre

★ **Funds to be classified as "Sustainable"** under the SFDR framework (Article 8 or 9): on track for 90% of funds open to subscription by investors by 2025; 100% of funds for private investors by 2025

★ As of end-2022, 85% of funds will be classified as sustainable, surpassing our initial 2022 objective of 70%.

\*by June 2022



# OUR ESG ACTION PLAN 2021 > 2025

GO BEYOND MANAGING RISK TO DRIVE PERFORMANCE

## CUT CARBON EMISSIONS

**5 KPIs** to monitor asset adaptation to climate change (energy efficiency programmes, in-use environmental certification)

E

## MANAGE ASSETS RESPONSIBLY

**4 KPIs** to improve tenants' comfort, encourage sustainable mobility, promote waste sorting and ensure access to people with disabilities

S

## BOOST STAKEHOLDER AWARENESS

**4 KPIs** to commit to environmental and social initiatives with property managers and tenants

G

TAKE ACTION TO ACHIEVE ESG OBJECTIVES  
at corporate, fund and asset level

BY 2025

**90% OF FUNDS<sup>1</sup>** open to subscription to investors will be classified as Sustainable<sup>2</sup> (85% by end-2022)

WE SEGMENT OUR FUNDS ACCORDING TO THEIR ESG PROFILE, AND STRENGTHEN ESG-DRIVEN FUNDS' COMMITMENTS EACH YEAR.

### MAINSTREAM FUND

ESG essentials  
ESG assessment at acquisition

SFDR Article 6

### ESG INTEGRATION FUND

ESG roadmap with KPIs

SFDR Article 6

### ESG FUND

ESG roadmap with KPIs  
+ Binding legal commitments

SFDR Article 8

### IMPACT FUND

ESG roadmap with KPIs  
+ Binding commitments  
+ Impact investing strategy

SFDR Article 9

**FUND SUSTAINABILITY JOURNEY**

<sup>1</sup> / Pooled funds for private and institutional investors, excluding funds trading only on secondary markets

<sup>2</sup> / Under the framework of Europe's Sustainable Finance Disclosure Regulation (SFDR); European regulation (EU) 2019/2088 equal to compliance with Article 8 and Article 9

# ENVIRONMENT

## OUR ACTION PLAN

**Our key objective is to cut carbon emissions across the assets we manage**

Transitioning to a low-carbon economy demands significant effort from the real estate sector. BNP Paribas REIM has a major role to play as a leading European investment manager.

This is why our ESG strategy takes a rigorous, pragmatic approach to minimising the environmental impact of our assets, funds and business. We are working to reduce the carbon footprint of the assets we manage. We carry out energy and ESG audits on our assets, and define clear actions plans with CAPEX and OPEX, as well as undertaking stakeholder engagement. We know that today 30% of energy savings can be achieved simply through tenant behaviour: this is why we have been engaging actively with tenants to collect and share energy and CO<sub>2</sub> data. We are also taking measures to increase the adaptability of the assets we manage in the face of climate change.

Our focus is on the assets that comprise our CSR panel: around 430 buildings. These assets are part of our ESG-driven funds and their number tends to increase year-on-year.



### HOW WE MEASURE PROGRESS

BNP Paribas Real Estate has developed operational roadmaps for three key topics: low carbon, biodiversity and circular economy. At BNP Paribas REIM we have set five measurable KPIs to improve the environmental performance of assets and funds:

- **Reduce** CO<sub>2</sub> emissions via the implementation of energy efficiency plans
- **Obtain** significant data on energy consumption from both private and common areas
- **Target** in-Use certification for non-residential assets (e.g. BREEAM In-Use)
- **Remove** existing sources of on-site pollution (e.g. lead, asbestos, soil pollutants)
- **Develop** biodiversity initiatives for green spaces, natural light, water, flora and fauna

BNP Paribas REIM has increased the scope of our data collection for single and multi-let leases. Part of our ongoing efforts to collect reliable, measurable and actionable data includes the systematic completion of energy audits across all our assets.

**430**

assets with energy consumption and CO<sub>2</sub> emissions data collection in progress in 2021

**268**

assets for which we have more than 60% of data collected

**160**  
kWh/m<sup>2</sup>

Average energy consumption for 209 European office buildings<sup>1</sup>

**99.1**  
kgCO<sub>2</sub>eq/m<sup>2</sup>

Average CO<sub>2</sub> emissions for 209 European office buildings<sup>1</sup>

**2025**

Target date for reducing emissions for assets across all ESG-driven funds

<sup>1/</sup> Based on real data coverage rate of 50%

## KPIs / Achievements 2021

Set up an **Energy Efficiency plan** to reduce the carbon footprint



Obtain significant coverage of energy consumption data for both common and private areas



**CUT CARBON EMISSIONS**

Remove existing **pollution on-site**



Set up **biodiversity initiatives**



Set up **in-use certification**



<sup>1/</sup> Refers to assets with at least one biodiversity initiative in place

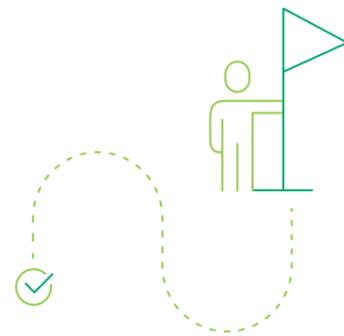
% achieved represents the unweighted average across 384 assets representing the CSR panel managed by BNP Paribas REIM at 31 December 2021.

# SOCIAL

## OUR ACTION PLAN

*Investing in real estate as a living asset means focusing on the well-being of tenants and end-users.*

BNP Paribas REIM integrates social responsibility into the management of our assets, putting an emphasis on the well-being and comfort of our tenants. Our approach includes increasing accessibility for people with reduced mobility and, where possible, acquiring buildings near sustainable transportation options.



### HOW WE MEASURE PROGRESS

- **Improve** the comfort and well-being of tenants (e.g. air quality, on-site services)
- **Ensure** building accessibility for users with reduced mobility
- **Promote** dedicated spaces that are appropriately equipped for sorting waste
- **Make** sustainable mobility available for tenants (e.g. bike parking, electric vehicles)

We regularly assess the progress of our social initiatives, and undertake an annual tenant satisfaction survey in France and Germany, which we aim to progressively extend to other European countries. This enables us to determine areas for improvement and collaborate directly with tenants to improve end-users' living and working conditions.

### IMPROVING TENANT COMFORT

*Living Workplace Experience* is a global vision to develop and enhance services for tenants focusing on comfort and well-being. Office design and renovating common areas are just two ways that we can actively enhance the social aspect of well-being.

Ensuring spaces are collaborative and outfitted with modern amenities like screens for better communication, complements structural improvements that increase comfort such as improving ventilation systems. The carpet installed in the buildings is made from recycled fibres and materials while exterior and interior paint is made of organic compounds. Furniture is sourced according to new eco-responsible guidelines.

1/ There are 4 levels of accessibility from 0 to 3

## KPIs / Achievements 2021

Improve comfort and well-being of tenants



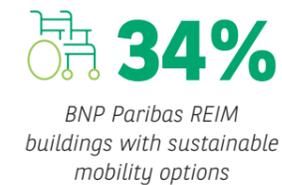
Work with tenants to encourage sustainable mobility



Ensure access for disabled people



Promote waste sorting with a dedicated space



# GOVERNANCE

## OUR ACTION PLAN

*Driving meaningful ESG performance across the board starts with stakeholder engagement – and managing reliable data.*



BNP Paribas REIM is taking an active approach to governance by boosting ESG awareness among stakeholders and increasing engagement among investors, managers and tenants. By transparently and regularly communicating about our initiatives, and collaborating with stakeholders to develop actionable ESG roadmaps, we can make positive changes to our assets and our industry.

A key aspect of this approach is collaborating with tenants to collect and measure energy and water consumption and CO<sub>2</sub> emissions from their buildings. We do this with our partner, Deepki, whose digital platform collects both energy consumption and CO<sub>2</sub> emissions data. The platform also provides reporting and analysis specific to the real estate sector. This enables BNP Paribas REIM to accurately determine the impact of ESG initiatives and increases accountability at all levels of management.

### HOW WE MEASURE PROGRESS

Communication and transparency are at the heart of our four KPIs for embedding governance into our fund and asset management strategy:

- **Increase** initiatives and collaboration between asset managers and property managers to ensure agreement on and proper implementation of ESG roadmaps
- **Formalize** meetings among asset managers, property managers and tenants to discuss ESG topics and develop action plans
- **Sign** an environmental appendix when mandatory (e.g. leases on French buildings larger than 2,000 m<sup>2</sup>) or agree to ESG actions with tenants on a voluntary basis
- **Integrate** energy data collection into lease renewals and new leases to help directly obtain data on tenants' energy and water consumption

### GOVERNANCE PROGRESS IN 2021

In 2021, we moved a step closer to collecting data across our assets. This requires ensuring that property managers understand and follow our ESG guidelines so that we can collect the data we need to track our progress and make changes. Launching environmental and/or civic initiatives between the asset management, the property manager and the tenant progressed strongly in 2021, leading to increased cooperation and progress on ESG subjects.

Other governance initiatives focus on environmental protection and tenant well-being. Purchases of some assets are conditional on the safe removal of environmentally hazardous or harmful products. Tenant satisfaction surveys have also been instated as de facto practices to ensure a good client relationship and retain tenants.



*KPIs for improving governance across all funds and assets*

## KPIs / Achievements 2021

Ensure energy data collection is integrated in new leases and lease renewals



ACHIEVED  
**12%**  
[2020: 5%]



Set up initiatives and dialogue between asset manager and property manager\*



ACHIEVED  
**35%**  
[2020: 31%]



\*or equivalent person

BOOST STAKEHOLDER AWARENESS  
TO ACHIEVE POSITIVE CHANGE



ACHIEVED  
**35%**  
[2020: 31%]



Sign an environmental appendix in leases



ACHIEVED  
**48%**  
[2020: 21%]



Set up environmental and / or civic initiatives and engage dialogue between asset manager / property manager and tenant

% achieved represents the unweighted average across 384 assets representing the CSR panel managed by BNP Paribas REIM at 31 December 2021.

# OUR FUND PERFORMANCE

## OUR APPROACH

BNP Paribas REIM segments its funds according to their ESG profile, which enables us to:

- **Focus** on a limited number of ESG objectives and KPIs
- **Track** ESG performance at the fund level
- **Improve** results monitoring and progress
- **Better differentiate** each fund's positioning
- **Align** with the principles of the EU Taxonomy
- **Account** for stakeholder values and expectations
- **Ensure** stakeholders receive clear information on our ESG performance

We adopt an ESG-driven approach to our fund segmentation and are committed to regularly strengthening funds' ESG performance. We put in place ESG Roadmaps that enable funds to progressively improve their ESG performance and move from one level to the next.

ESG topics are integrated into the real estate management strategy through an SRI Best-In-Progress approach. We have developed an SRI grid with 60 criteria, and a set minimum score expected by fund. This represents a required ESG baseline for each asset acquired by the fund. Using a Best-In-Progress approach means that this scoring must improve over time with a dedicated Action Plan. Minimum asset scores and the improvement timeline for each fund are given in the following pages.

## PERFORMANCE HIGHLIGHTS IN 2021

Many funds improved their overall ESG scores, achieved new labels and moved into the next segment.

- **7 funds** now successfully classified as SFDR Article 8: ACCIMMO Pierre, BNP Paribas Diversipierre, NEIF III, AFER Pierre, Opus Real, WWD, BNP Paribas MacStone
- **4 funds** received the French ISR label: BNP Paribas Diversipierre, AFER Pierre, ACCIMMO Pierre, Opus Real
- **NEIF III** was ranked first by GRESB in its category

Funds are divided into

## 4 categories

### MAINSTREAM fund

#### Compliant with Article 6 of the SFDR

Complies with our ESG essentials, including an ESG assessment at acquisition, checks on the seller and verification that no tenants are on the BNP Paribas Group exclusion list

### ESG INTEGRATION fund

#### Compliant with Article 6 of the SFDR

- ESG Essentials
- + Has a dedicated ESG roadmap with 13 KPIs for all assets

### ESG fund

#### Compliant with Article 8 of the SFDR

- ESG Essentials
- Has a dedicated ESG roadmap with 13 KPIs for all assets
- + Specific ESG engagements included in legal documentation

### IMPACT fund

#### Compliant with Article 9 of the SFDR

- ESG Essentials
- Has a dedicated ESG roadmap with 13 KPIs for all assets
- Specific ESG engagements included in legal documentation
- + Has an impact investing approach aimed at delivering measurable, positive environmental or social impact

## — BY 2025 —

90% of our funds open to subscription to investors will be classified as "Sustainable" meaning being compliant with Article 8 or Article 9 of the SFDR

# IMPACT funds



Impact investments refer to investments that have the intention to generate a positive change, as well as measurable social or environmental impacts alongside financial returns.

Impact funds tend to invest in assets with potential for ESG improvement, not in assets that already boast strong ESG performance. In doing so, they make a meaningful contribution to society's transition to a sustainable, low-carbon economy.

BNP Paribas REIM focuses part of its product development on Impact funds. In 2020, we launched our first Climate Impact fund, which sets concrete, science-based targets for emissions reduction aligned with the Paris Agreement. In 2022 we will take our Impact strategy further with the launch of a Social Impact fund for private investors.

## EIPF FUND

### An Impact fund aligned with the Paris Agreement and compliant with Article 9 of the SFDR



The European Impact Property Fund is fully aligned with the Paris Agreement and the International Energy Agency's proposed climate trajectory. In 2021, it achieved compliance with Article 9 of the SFDR. The minimum SRI score required for each asset in the fund is 30/100 at acquisition with a 10-year Action Plan.

The fund aims to reduce greenhouse gas (GHG) emissions by 40% across its entire European portfolio over the next decade through a core, diversified, income-driven strategy. BNP Paribas REIM will quantify the fund's positive impact on assets and measure the ongoing reduction of GHG emissions through a detailed reporting system.

Each asset in this fund benefits from a detailed action plan with specific KPIs established by a specialised advisor. Balance and diversity are the fund's watchwords. In 2021, it invested in four assets in Italy, the Netherlands, France and Germany. They include an office block, a residential building, a logistics premises, and a senior citizen residence.



## SOLAR PANELS IN MILAN

An 8,800 m<sup>2</sup> office building in Milan, Italy, occupied by Richemont Italia, uses its roof space to host solar panels, harnessing the power of the sun to generate green energy. The resulting carbon reduction is expected to reach -51%, thereby exceeding the -40% target for the asset.



### EIPF LAB

A key differentiator of the EIPF fund is EIPF Lab. Investors join a community in which BNP Paribas REIM experts and partners share best practices and experience on news, tools and regulatory developments, among other topics.

# ESG funds

BNP Paribas REIM's ESG funds, compliant with Article 8 of the SFDR, have binding commitments to take action on ESG criteria included in the relevant legal documentation. ESG funds must also have an ESG roadmap established by stakeholders that defines which ESG criteria they intend to prioritise, and describes how those improvements will be accomplished. BNP Paribas REIM managers are expected to implement these ESG objectives at both fund and asset level, identifying and implementing the necessary ESG actions.

While ESG funds aim to commit to and fulfil general or overall ambitions for improving ESG via processes and reporting, they are not bound by specific numbers (e.g. percentage reduction of carbon emissions). As of end-2022, 85% of funds will be classified as sustainable, surpassing our initial 2022 objective of 70%.

## BNP PARIBAS DIVERSIPIERRE FUND

An SRI-labelled fund with rigorous ESG investment criteria



One of the first BNP Paribas REIM funds to achieve the ESG fund category was BNP Paribas Diversipierre OPCI. Since 2020, it has carried France's ISR label.

The label divides funds into two categories: real estate and finance, and applies a practical, sustainable methodology to the selection and management of real estate assets, aiming to improve the ESG performance and resilience of all individual assets.

Assets under consideration for acquisition by BNP Paribas Diversipierre are initially scored by BNP Paribas REIM teams and their external partners using our customized SRI analysis grid. To be acquired by the fund, the initial asset score must be at least 15/100, with a three-year Action Plan. In addition, assets must meet specific ESG criteria, such as the absence of pollution that poses a risk to tenants' health.



BODIO CENTER

## GREEN BUILDING BEST PRACTICES AT THE BODIO CENTRE

The Bodio Centre is a 65,000 m<sup>2</sup> office complex in Milan's business district comprising offices, retail and service facilities and a car park. Surrounded by green areas, squares and fountains, it is 90% occupied, with 80% of rental income from five blue-chip companies.

In 2021, BNP Paribas REIM added mandatory green clauses to the centre's lease contracts obliging tenants to report on their energy and water use as well as their waste and GHG generation. The roof of the building was painted white to increase light reflectance and reduce energy consumption, electric charging stations were installed, and an electric car sharing program was implemented. In addition, energy meters were installed to allow for greater understanding of consumption, and the complex was re-lamped with LED lighting. Next steps include projects to improve management of waste and rainwater, reduce the use of energy in outdoor spaces, and create a wild garden and outdoor fitness area.



## AFER PIERRE FUND

A new diversified fund with a French ISR label



Launched in 2021, Afer Pierre is BNP Paribas REIM's most diversified fund in terms of asset typology and geography. It is open to real estate of all kinds, from office buildings, to residential, student housing, healthcare, and retail, with the exception of supermarkets, and its geographic targets include France (65%), Germany (15%), Benelux, the UK and Scandinavia. The fund's scope covers not only direct assets but also indirect products such as listed real estate companies and other collective undertakings for real estate investment (OPCIs).

The fund currently has one logistics asset in the Netherlands, two office buildings in France, and two residential assets in France and Belgium. The aim of the fund is to improve the SRI rating of buildings purchased by 20 points over three years. Afer Pierre obtained France's SRI label in December 2021.



# ESG funds

## ACCIMMO PIERRE FUND

One of the latest funds to achieve ESG fund status



Accimmo Pierre is an open-ended retail fund that contains mostly office buildings in France. Over 80% of assets are located in the Paris area and around 90% of its assets are under 20 years old. While the fund manager does not formally seek out buildings with strong ESG performance, many assets added to the fund hold ESG labels.

A handful of buildings held by Accimmo Pierre are refurbished, including the Influence building in Saint-Ouen, which has a BREEAM Very Good certification and an HQE Conception label. The fund's performance was outstanding in 2021, earning it the ISR label at the end of the year – taking it from a mainstream fund to an ESG fund.

## OPUS REAL FUND

A French mainstream retail fund investing in Germany



Opus Real is a mainstream retail fund focusing on German assets in six major population hubs: Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg and Munich. The portfolio includes over 25,000 m<sup>2</sup> of office and retail space, logistics buildings and hotels, with a focus on new buildings. While the fund does not specifically target ESG-friendly assets, it does acquire certified buildings. Currently, two out of the fund's five buildings have certification, with others working on WiredScore and LEED certification.

Efforts are underway to audit assets in Germany with a view to certifying the fund and achieving compliance with Article 8 of the SFDR. To do this, we aim to improve our ESG notation by 20 points or a weighted average of 60% over the next three years.



INFLUENCE BUILDING, GREATER PARIS

## MUNICH HOTEL FINDS ROOF ROOM FOR BEES

*In 2021, bee hives were installed on the roof of a 174-bed hotel in Munich. The building is 100% let to an operator responsible for managing the building and who is keen to invest in ESG goals. The building currently achieves 70/100 on BNP Paribas REIM's advanced ESG grid.*



## NEIF III FUND

#1 GRESB ranking for fund targeting offices with high ESG potential

The Next Estate Income Fund III (NEIF III) is an ESG Fund that acquires certified office buildings in key European cities. It specifically targets already developed, recently refurbished, and newly delivered offices, primarily those being used by high-growth industries, such as healthcare and technology. Almost 50% of NEIF III's 11 assets are located in France and Germany, and another third are located in capital cities or leading commercial centres in Italy, Spain and Belgium.

In 2021, NEIF III was ranked first in Western Europe by GRESB ahead of 12 other similar products assessed for the category Mid-Rise Office. This is thanks to the fund's fully green-certified portfolio and the integration of improved energy data collection. The fund currently holds a GRESB four-star rating and aims to achieve a fifth star in 2022. Moving forward, we will be targeting acquisitions with a focus on social topics, including buildings that integrate social and well-being services and cater to tenants with high ESG potential.

## BNP PARIBAS MACSTONE FUND

A diversified fund with environmental ambitions

BNP Paribas MacStone follows a sustainable investment strategy that capitalizes on three key megatrends: digitalization, demographic shifts and changing lifestyles. A retail fund for German investors, it targets investments outside the country with the aim of providing unit holders with a diversified portfolio in terms of both geography and use type, encompassing offices, retail, healthcare, logistics and hotels.

Our focus for this fund is on environmental criteria: energy, water and waste management. Investment priority is given to new buildings that hold green certifications, and assets purchased should feature long- to medium-term leases with maximum vacancy of 20%. The fund became compliant with Article 8 of the SFDR in October 2021.



## DIY RETAILING GOES GREEN IN BREMEN



*In December 2021, BNP Paribas REIM signed a sales agreement to acquire a new DIY store under construction in the port town of Bremen, Germany. The asset will be certified DGNB Gold and feature photovoltaic panels on its roof. The site will include a heat recovery system and an optimized ceiling to prevent heat loss. The store will also offer customers 70 bicycle parking spaces as well as charging stations for electric cars.*



# ESG INTEGRATION funds

BNP Paribas REIM's ESG Integration funds have a dedicated ESG roadmap for assets to improve their performance over time. This is a transition category, enabling funds to transition from mainstream fund to ESG fund. We assess the ESG potential of each fund and translate it into strong commitments to enable it be compliant with Article 8 of SFDR.

For these funds, we evaluate each asset's current ESG performance using 13 KPIs, along with their potential for short- and long-term improvement, using data collected via our ESG data hub. Our asset and fund managers then define ESG performance targets. Based on this, BNP Paribas REIM develops and implements a dedicated ESG roadmap that enables us to meet the objectives set for each ESG Integration fund and asset.

## HPF EUROPE FUND

### Targeting healthcare real estate with potential for improvement to create ESG impact

BNP Paribas REIM's Healthcare Property Fund Europe (HPF Europe) focuses on private regulated assets in short, medium and long-stay healthcare facilities in key Eurozone countries. The fund offers anti-cyclical exposure to the healthcare market with a mixed allocation to hospitals, rehabilitation clinics and medicalized nursing homes.

The fund's six assets in Germany include five nursing homes providing more than 500 beds and approximately 23,500 m<sup>2</sup> in total rental area. It also includes a rehabilitation clinic of over 20,000 m<sup>2</sup> in total rental area, specialised in the treatment of neurological illnesses as well as care following neurological surgery. In addition to its strong pipeline in France, the fund is now under exclusivity for properties in Southern Europe.



## ACCÈS VALEUR PIERRE FUND

Moving from Mainstream to ESG Integration, before targeting the French SRI Label in July 2022

With more than 200,000 m<sup>2</sup> of office space spread across 68 buildings, Accès Valeur Pierre is an excellent example of a former mainstream retail fund that has improved ESG performance. The fund is primarily made up of office buildings in the Paris area, for which asset managers undertake major renovation projects whenever possible.

Throughout 2021, our asset managers worked to define a long-term plan for ESG performance to enable Accès Valeur Pierre to make the transition from a Mainstream fund to an ESG Integration fund. Depending on tenant turnover in the next few years, we hope that Accès Valeur Pierre will achieve ESG fund status by summer 2022 and become compliant with Article 8 of the SFDR thanks to its target of obtaining the French SRI Label.



ISSY EBOUÉ, GREATER PARIS

## CUTTING CARBON IN A GREATER PARIS OFFICE RENOVATION

In the Greater Paris office district of Issy-les-Moulineaux, the Issy Eboué office building spanning 2,700 m<sup>2</sup> was able to reduce energy use and carbon emissions by 35%. Energy audits identified opportunities to reduce energy use by replacing and improving the quality and durability of insulation and joinery. Tangible reductions were made possible by installing more modern technical equipment, installing a dual flow air handling unit with heat recovery, and undertaking a thermal renovation of the entire roof. Prior to renovations, significant energy expenditure was a concern.

Reducing heat loss linked directly to reducing carbon emissions:

**60%**

reduction in heat loss after installing dual flow CTA

**79%**

less heat loss after replacing windows

**41%**

reduction in thermal loss after renovating roof, rafters, and terrace

### Educating and implementing best practices for energy use

Use of IT equipment accounts for a large portion of energy use in offices. In the building at 70 rue du Gouverneur Général Eboué, it represented 11% of electricity consumption. By informing and encouraging employees to adopt energy-saving habits – for example switching off computers when not in use – we anticipate an even greater reduction in building energy consumption.

# MAINSTREAM funds

Around 54% of assets\* managed by BNP Paribas REIM are held in the category of Mainstream funds, which are compliant with Article 6 of the SFDR. Mainstream funds are subject to a common baseline of ESG essentials criteria that BNP Paribas REIM considers important. By including an ESG grid at acquisition to assess sustainability risks, and excluding certain tenants on BNP Paribas Group's exclusion list, we ensure a baseline level of ESG performance.

In addition, when renovating assets held in mainstream funds, we apply standard ESG best practices in choice of materials and energy solutions. We can thereby upgrade the performance of assets in mainstream funds even without formal ESG targets in place, in some instances obtaining valuable certifications such as BREEAM. This is also how certain Mainstream funds have come to transition completely to the category of ESG funds. Opus Real, for example, became an ESG fund in 2021 and acquired France's SRI label.



## EUROZONE LOGISTICS FUND (ELF) FUND

Gaining sustainable certifications

ELF focuses on modern facilities in the Eurozone's major logistics centres. The rise of e-commerce has resulted in increased demand for logistics, allowing this asset class to become more institutionalized in recent years. In terms of asset management, the fund is proactively working to obtain green certifications.

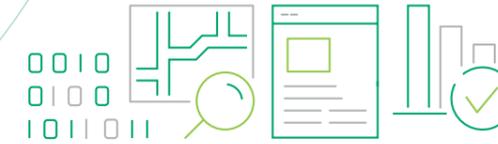
Since the beginning of the year, ELF successfully achieved certification of five assets: Amblainville (BREEAM In-Use Very Good), Liscate (BREEAM In-Use Very Good), Brembate (LEED Gold), Carquefou (BREEAM In-Use Good) and Anagni (BREEAM In-Use Very Good). The aim is to achieve a 100% green certified portfolio.



The asset located in Liscate belongs to Milan's inner logistics market. This new warehouse from 2017 has a total leasable area of approx. 15,000 m<sup>2</sup> and is fully let to an Italian third-party logistics operator for a secured duration of 6.5 years. Two logistics assets located in Anagni and Brembate cover a total area of approximately 58,000 m<sup>2</sup>. The pan-European platform is becoming increasingly focused on the sharing of operations.

\*Assets under management by value. Date: June 2022

# Focusing on data



**For BNP Paribas REIM, it is crucial that we accurately and regularly evaluate assets and funds' ESG performance. Comprehensive, reliable data allows our investors and tenants to track performance, and enables auditors to assess the conformity of an asset with ESG regulatory requirements.**

### BOOSTING DATA COLLECTION

To ensure asset managers, fund managers and clients can collect, evaluate and report on ESG data, BNP Paribas REIM draws on the support of our long-term partner Deepki. They provide us with a digital solution that allows us to gain an in-depth understanding of our assets' ESG performance.

In 2021, the BNP Paribas REIM asset management and property management teams strengthened our relationship with Deepki to increase and enhance energy data collection. As a result, we are

now able to use more than 1,600 meters to collect energy consumption data and convert it into carbon dioxide emissions data for 328 assets across 10 countries, out of the 430 assets which make up our CSR Panel. The Deepki solution plays a critical role in allowing us to monitor the decrease of CO<sub>2</sub> emissions on assets for which action plans have been launched. From 2019 to 2021, we witnessed a 30% reduction in CO<sub>2</sub> emissions across a specific scope of assets.

Once ESG data has been collected, assets' performance can be measured against sustainability benchmarks like the Global

ESG Benchmark for Real Assets (GRESB). For BNP Paribas REIM, this is a key measure, with six of our funds participating in GRESB's annual benchmark.

### ENERGY AUDITS FOR ACCIMMO PIERRE

A French regulation, the "Décret Tertiaire," requires major office owners to enter the energy data of buildings on a platform and propose energy saving plans. As such, BNP Paribas REIM is carrying out energy audits to set a baseline for improvement. In the ACCIMMO Pierre fund, 80 buildings currently have energy audits underway.



### REPORTING PROTOCOL

*In 2021, BNP Paribas REIM formalized a Reporting Protocol that describes procedures for measuring and reporting ESG (Environmental, Social and Governance) indicators concerning the assets, funds and activities managed by BNP Paribas REIM.*

# Major developments target ESG objectives

BNP Paribas REIM is committed to enhancing assets to be compliant with the highest environmental standards while meeting tenants' requirements. Prior to all major renovations, buildings are subject to rigorous energy audits, allowing managers to establish a long-term roadmap, measure and track progress and bring projects in line with ESG goals.

## REDUCING WASTE IN CONSTRUCTION

Recycling construction waste was a priority when renovating 185 Avenue Charles de Gaulle, completed in September 2021, 96% of waste was recycled and 34% carbon reductions were achieved, thanks to use of a pioneering recycling system. The building offers 14,600 m<sup>2</sup> of office space and provides a pleasant environment for occupiers, with 2,830m<sup>2</sup> of outdoor spaces.



185 CHARLES DE GAULLE

## AN ENERGY-EFFICIENT RENOVATION

A site at 51 rue de Provence underwent a complex renovation that combined three buildings into one spanning 2,760m<sup>2</sup>. The redevelopment received an HQE renovation label as the result of an innovative approach including the integration of features such as an energy-efficient curtain wall looking on to the courtyard and dual flow ventilation with heat recovery.



RUE VANEAU

## COMPLEX RENOVATION IN CENTRAL PARIS

An office building in rue Vaneau in Paris underwent an expansion of its office space and major structural work. The complex construction project of 3,690 m<sup>2</sup> was delivered in October 2021.

# Refurbishments target systematic improvements

Beyond the asset-specific considerations that each renovation entails, we have a standard checklist that every asset is subject to in order to bring them closer in line with ESG goals.



Every year, when BNP Paribas REIM entities launch partial renovations or refurbishments, we undertake baseline ESG commitments. We systematically address six areas for improvement: heating and cooling systems, energy consumption, water consumption, lighting, carpeting and paint.



## MINIMIZING ENERGY CONSUMPTION

Limiting energy consumption is a priority for our buildings. BNP Paribas REIM conducts an initial energy audit, performing a simulation of thermo-dynamic systems that helps us determine which areas need improvement. Our property and asset managers can then develop an action plan, calculating the investment costs and ROI from energy use reductions.

We then install electrical boxes, meters and sub-meters throughout the buildings,



enabling us to measure overall energy consumption from lighting, electricity, heating and cooling systems, etc.

This data can then be tracked, and with the tenant's approval, be fed into our Deepki system, providing BNP Paribas REIM with exact information about how energy is used on the premises.

## UPGRADING HEATING AND COOLING SYSTEMS

We improve heating and air conditions (HVAC) systems, installing double-flux ventilation systems with energy recovery mechanisms. By installing fan coolers, heat pumps, and variable refrigerant volume (VRV) recovery pipes, we can improve heating and cooling coefficients, ensuring that energy is more evenly distributed and successfully recovered. Our teams also take into account the orientation of the asset, using specific

tubes to heat the areas of the building that sit primarily in shadow, and cool the areas that receive direct sunlight.

## LIMITING WATER CONSUMPTION

To reduce water consumption, we install dual-flush water tanks and low-flow faucets in all facilities throughout the building. BNP Paribas REIM also installs flow reducers for all valves and pipe fittings in kitchen and bathroom areas.

## ENVIRONMENTALLY FRIENDLY LIGHTING, FLOORING AND PAINT

For all buildings, BNP Paribas REIM installs LED lighting and motion detectors in every lighted area to lower energy consumption. The carpet installed in our buildings is made from recycled fibres and materials, and we use paint made from organic compounds for building interiors and exteriors.

# REGIONAL HIGHLIGHTS

FOR OUR 2021 CSR PANEL OF 430 ASSETS

BNP Paribas REIM is a leading European real estate investment manager, acquiring and managing assets in major cities across Western Europe on behalf of its clients. In 2021, our fund, asset and property managers acquired numerous assets, choosing buildings with strong ESG performance or the potential to improve.



## BENELUX

### Logistics platform: first acquisition for Afer Pierre fund

Afer Pierre, a fund launched in 2021, is the most diversified of BNP Paribas REIM's funds. It targets a range of asset types, including office and residential buildings, retail units and logistics platforms. The first asset acquired by the fund was a logistics platform of 21,000m<sup>2</sup> near Eindhoven in the Netherlands. It is expected to be delivered in the fourth quarter of 2022 and is already fully pre-let under a long-term lease.



**BENELUX**  
10 ESG ASSETS



**GERMANY**  
36 ESG ASSETS

## GERMANY

### Multiple certifications for assets in the Opus Real Fund

The Opus Real Fund saw multiple buildings obtain certifications in 2021. In Ratingen, an office building of 11,000m<sup>2</sup> obtained LEED Platinum certification and a WiredScore Silver grading. In Hamburg, the fund is acquiring a new LEED Gold and WiredScore-certified building. All assets have an action plan, which they must implement to increase their score progressively over 3 years and keep their SRI label.

## IRELAND

### The One Building: major initiatives underway for a Dublin-based office

The One Building, a 7,000 m<sup>2</sup> office space on Lower Grand Canal Street in Dublin, was acquired by BNP Paribas REIM in 2019 as part of the BNP Paribas Diversipierre fund. The building has a BREEAM Very Good certification and is located near a major transportation hub, making it a key asset for further ESG development. A number of ESG initiatives are being carried out between 2021 and 2023, focusing on biodiversity, energy and water consumption.

**IRELAND**  
2 ESG ASSETS IN UK AND IRELAND

**FRANCE**  
363 ESG ASSETS



**AUSTRIA**  
2 ESG ASSETS



## FRANCE

### First acquisition for environmental Impact fund

BNP Paribas REIM acquired a Haussmann-style residential property in Paris's 18<sup>th</sup> arrondissement on behalf of its European Impact Property Fund (EIPF). The 1,700m<sup>2</sup> asset consists of 30 apartments and two shops on the ground floor. The acquisition is the first in France for EIPF. BNP Paribas REIM will address climate issues through a programme to improve technical installations and services, with the aim of reducing energy losses.

## SPAIN

### Determining next steps for a LEED Platinum-certified asset

Acquired in 2019 by the NEIF III fund, the D38 building is located in the Zona Franca district of Barcelona. The 20,000 m<sup>2</sup> asset is certified LEED Platinum. Thanks to data collected from the buildings and the GRESB assessment undertaken in 2021, we can now determine next steps for further reducing energy and water consumption in 2022 and beyond for the NEIF III fund.

**PORTUGAL**  
1 ESG ASSET



**SPAIN**  
2 ESG ASSETS

**ITALY**  
14 ESG ASSETS

## ITALY

### Exemplary renovation for Milan headquarters

This year, BNP Paribas REIM Italy SGR signed a 20-year lease with METRO Italia Cash & Carry for its new Italian headquarters called "Metro Village". The new headquarters set an exemplary standard in renovation with special attention paid to user comfort and well-being, and efficient use of space. The 18,600m<sup>2</sup> space is divided between exhibition and executive spaces.

# HOW WE MANAGE ESG INTEGRATION

**BNP Paribas REIM integrates ESG considerations at corporate, fund, and asset levels. We engage with our internal and external stakeholders, adjusting our approach to address their individual concerns and needs.**

## OUR GOVERNANCE

BNP Paribas REIM has a long-standing CSR policy in place to ensure that all of our investments are conducted safely, ethically and in compliance with regulatory standards.

BNP Paribas REIM's governance is aligned with that of BNP Paribas Group and BNP Paribas Real Estate, although we have our own management and decision-making bodies with ultimate authority. Several of our employees are members of BNP Paribas Real Estate's CSR Leaders Network, a committee dedicated to integrating CSR issues in the overall company's business lines and functions. CSR policies are also reviewed by the management board of each of our national

entities, and BNP Paribas REIM's Executive Committee. Laurent TERNISIEN, our Chief Client Officer, is the sponsor of all CSR activities within the Executive Committee.

## OUR INVESTMENT PROCESS

For several years, BNP Paribas REIM has been adapting its CSR policy to further encompass ESG criteria. In addition to creating a specific offer for clients looking to invest in responsible products, we have developed a new approach to asset acquisition that highlights and prioritizes ESG performance.

BNP Paribas REIM systematically considers ESG criteria when evaluating new investment opportunities, measuring their performance against our in-house ESG

grid. A specific grid exists for each type of asset (e.g. offices, logistics, residential and healthcare buildings) and supports the assessment of sustainability risks at acquisition. Our Investment Committee then signs off on the acquisition of those assets that meet our sustainability criteria. For Article 8 and Article 9 funds with a more advanced ESG approach, in-depth ESG due diligence is undertaken before acquisition of a new asset.

As well as being applied to our assets, ESG criteria are a priority for all our teams, from sales, to product development, to asset management. A dedicated team of researchers further supports our investment process, providing insights on ESG topics for assets, funds and companies.



*We have formalized and reinforced our ESG approach as a result of our work on impact funds. Everything from product development, to asset sourcing and investment decisions has been examined through an ESG lens.*

**Laurent TERNISIEN**  
Chief Client Officer  
BNP Paribas REIM

## ESG Assessment for New Investments

### All INVESTMENTS

Asset managers answer an ESG questionnaire prior to acquisition

- Label or certification
- Pollution
- Accessibility
- Energy
- Waste Management
- Biodiversity
- Comfort & Health
- Resilience
- Risks to reputation

### INVESTMENTS for ARTICLE 8 and 9 funds

- Detailed technical review of potential acquisition
- Development of a 3-year roadmap to improve ESG performance

- Energy Carbon GHG
- Pollution
- Water Management
- Waste Management
- Environmental Label or Certification
- Mobility
- Biodiversity
- Comfort & wellbeing
- Social Label or Certification
- Resilience
- Tenant
- Seller
- Property Manager

ESG THEMES

# Risk management

**BNP Paribas REIM's risk management strategy aims to identify risks to which the company could be exposed, map them, and then proactively manage them thanks to indicators within our investment funds. Our watchwords are identify, anticipate and remedy.**

## A DEDICATED AND SPECIALISED TEAM

To implement this strategy, we rely on four dedicated risk managers based in Italy, Germany, France and Luxemburg in addition to a pan-European manager in a coordination role. The independence of our risk managers is guaranteed by a system of double reporting to both our CEO and the Risk Management team at our parent company, BNP Paribas Real Estate.

Our risk managers' work is divided into two priority areas. They identify and mitigate financial risks for funds – for example, debt levels, exposure to tenant risk and liquidity – and address operational risk within our processes and policies.

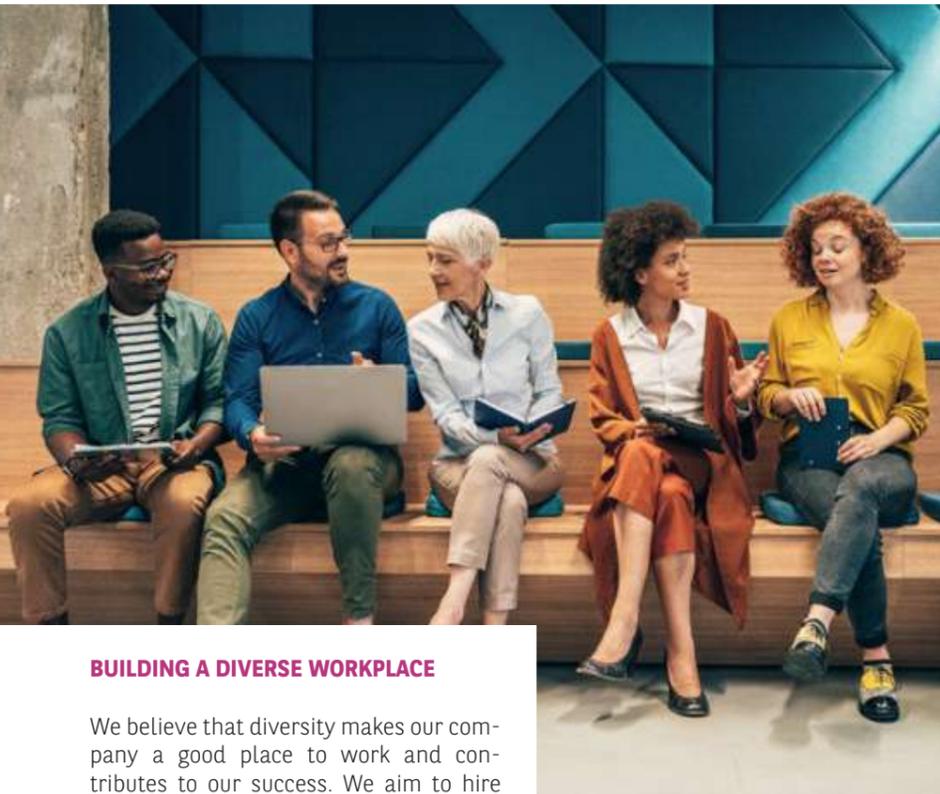
## TACKLING RISK AT EVERY LEVEL

Our risk management team seeks to address and mitigate risk on a number of levels. Company-wide, it is crucial that we adopt a rigorous approach to ESG and avoid any practices that could lead to charges of greenwashing. At a fund level, we are constantly readjusting to ensure we stay aligned with increasingly high investor expectations and maintain all our certifications, notably SRI labels. And at an asset level we work to overcome risk, ensuring that when we acquire assets, they are compatible with our ESG strategy and specific criteria, and have a green CAPEX plan in place. We also take into account their potential future obsolescence.

Recently, another major risk topic has come to the fore: climate resilience. When acquiring assets, we are starting to evaluate the resilience of the building's concept and usage based on current and predicted changes in our climate. We also study the impact of climate change on future asset CAPEX; for example, the need to install air-conditioning or adapt the asset to future regulation.

# Internal stakeholders

**We believe in creating a diverse workplace for our teams, providing excellent working conditions and career opportunities for employees of all backgrounds.**



## BUILDING A DIVERSE WORKPLACE

We believe that diversity makes our company a good place to work and contributes to our success. We aim to hire and promote employees of all ages, backgrounds and genders, bringing a mix of skills and experiences to our everyday activities.

From providing youth training programs, to eliminating gender wage gaps, BNP Paribas REIM strives to take a proactive approach to building and maintaining a diverse workplace.

We apply BNP Paribas Real Estate's Diversity Policy and HR policies: our hiring processes focus exclusively on each candidate's skills, professional experience and qualifications. At least one woman is included on the shortlist for every management position.

## ENCOURAGING GROWTH ACROSS ROLES

Our employees work in multiple European countries across a variety of different disciplines, including sales, asset management, product development, acquisitions and more. BNP Paribas REIM believes in developing the skills and expertise of our collaborators, providing internal training programs, mentorships and many paths to career development.

We value employee buy-in for our initiatives, encouraging our collaborators to embed ESG into their everyday activities and take an active part in implementing our new strategy.



## Giving back to the community

*REIM Social Days are the focus of our contribution to society and local communities. BNP Paribas REIM sponsors employees across Europe to raise money for children's cancer charities.*

*Last year, employees raised over €28,000. A total of 19 people took part in the annual Imagine for Margo race, raising €21,767. Meanwhile, 17 employees in Luxembourg raised €4,245 for the Foundation Kriibskrank Kanner, and in Italy, 21 employees raised €2,130 for FIAGOP.*



# Internal engagement

**At BNP Paribas REIM, integrating our ESG strategy has positively impacted our workplace. Striving for goals that have an impact on people and the planet is a source of motivation and satisfaction for our teams.**

**5**

*Lunch and Learn sessions to date (110 attendees)*

## Quizzes and training

*sessions organised for all types of stakeholders*

## 30-member

*ESG community meets monthly*

**6**

*projects created across 3 ESG pillars*

The result is positive momentum in integration of our ESG objectives across the business. It begins with informing, mobilizing, and empowering our people to implement the strategy first within their areas of expertise, and then within the wider community. This past year saw a series of initiatives and actions that took our teams from understanding, to acting and finally sharing their knowledge.

## LEADING CHANGE WITH LEARNING

Developing a culture of shared learning and best practices is important to ensure we adapt to ESG challenges and equip our people with the knowledge they need to deliver on our strategy. Internally, we rolled out Lunch and Learn sessions so that staff in all countries could ask questions, learn from and share successes at the asset, product, and fund level.

The success of our ESG strategy also relies on external stakeholders. For this reason, we also introduced webinars, quizzes, and e-learning modules, for suppliers, building managers and tenants.

Our goal is that everyone we work with encounters and understands our ESG framework and the part they have to play to successfully deliver on our commitments. With increased awareness and understanding we are laying the groundwork for a smoother transition and adoption of tools that enable us to achieve our objectives. These include methods such as roadmaps, following best practice guidelines and data reporting.



# External stakeholders

We place stakeholder engagement at the centre of our Corporate Social Responsibility (CSR) strategy. By creating an ongoing dialogue, we can quickly and accurately identify evolving stakeholder needs, enabling our investors and tenants to reach their ESG goals.

## INVESTORS

We are dedicated to meeting our investors' high expectations on asset and fund performance and ESG improvement. Our relationships are built on trust and transparency, prioritizing responsiveness and flexibility in our fund and asset managers. We work directly with investors to improve asset resilience and drive stable, long-term performance.

## TENANTS

We listen to our tenants and manage our assets to meet their expectations. These include on-site services, environmental performance, proximity to public transport, and building adaptability and accessibility. BNP Paribas REIM provides asset optimization, quality monitoring, technical and environmental improvement services, tenant support and CSR awareness campaigns at each of our locations.

## OUR COMMITMENT TO RESPONSIBLE INVESTING

BNP Paribas REIM is a proud member or signatory of numerous local, national and international organizations and initiatives that promote responsible investing practices.



*Developing and maintaining a strong relationship with our stakeholders is fundamental to integrating CSR and ESG at every level of fund and asset management.*

*We strive to ensure that all our collaborators have access to the necessary resources for prioritising ESG, while complying with BNP Paribas REIM's CSR policies.*

**Nehla KRIR**  
Head of Sustainability and CSR  
BNP Paribas REIM



# Partnerships driving industry engagement

We place stakeholder engagement at the centre of our Corporate Social Responsibility (CSR) strategy. By creating an ongoing dialogue, we can quickly and accurately identify evolving stakeholder needs, enabling our investors and tenants to reach their ESG goals.

From 2020 to end-2021, BNP Paribas Real Estate created a working group to bring contractors together around the theme of best practice for re-using resources. The working group met once a month to address themes such as biodiversity, low carbon, and circular economy with the goal of defining a strategy for the next five years. Many public projects were discussed and a database called the 'Re-use booster' was created to facilitate synergies

and help projects incorporate best practice elements for upcoming tender offers.

A new priority going forward focusses on diagnostics at the beginning of each project to determine the available materials and what can be saved and re-used on future buildings. These practices will be rolled out systematically to minimize waste, and reduce pressure on material supply chains.

# Key publications

BNP Paribas Real Estate carries out research and publishes digests on topics related to ESG and sustainable cities.



## Trend book

*Cities of Tomorrow* looks at how new technology, architecture, mobility and green initiatives impacts the lives of people in cities.



## BuzzWords

*Integrating ESG into real estate funds* provides insights and legislative context for institutional and private investors in response to growing interest in ESG-oriented products.



## Living Thoughts

*Our October research paper* explores how sustainability improvements directly improve financial performance, looking at six main indicators.

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WHEREVER YOU ARE

**#BEYONDBUILDINGS**



**BNP PARIBAS  
REAL ESTATE**

Real Estate  
for a changing  
world