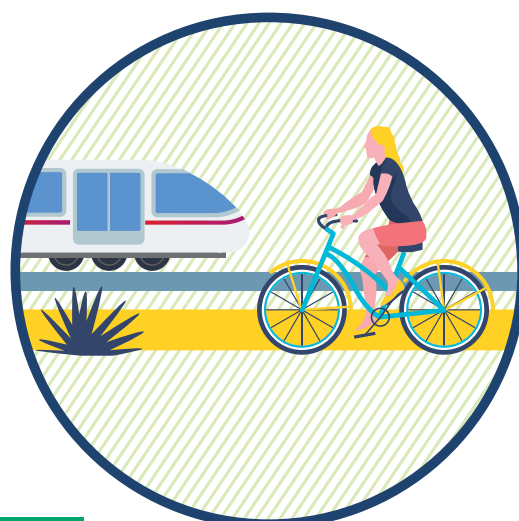
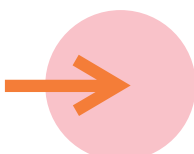
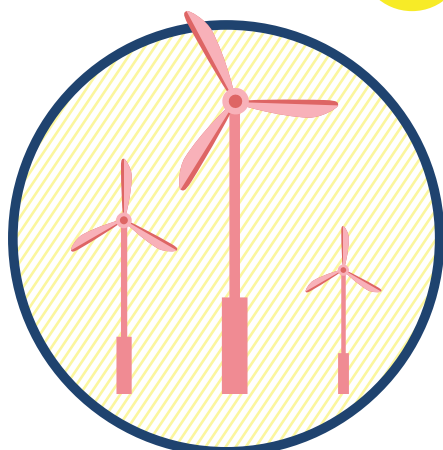


RESPONSIBLE INVESTMENT STRATEGY 2018



REPORT PURSUANT TO ARTICLE 173 - VI
of the French Energy Transition and Green Growthlaw



**BNP PARIBAS
CARDIF**

The insurer
for a changing
world

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EDITORIAL

Rating and creating a sustainable performance.

Renaud DUMORA

--> *Chief Executive Officer*

Commitment is at the heart of the team culture at BNP Paribas Cardif. We are committed to serving our distributing partners, their customers and our employees. In all countries in which we operate, we are committed to increasing the sustainable value of our development, by putting insurance to work serving society and the economy. Our actions are fully consistent with BNP Paribas Group's strategy to conduct an ambitious corporate social responsibility (CSR) policy.

Socially Responsible Investment (SRI) is a stronghold for this ambition. As an insurer, we are a leading asset owner. We manage the savings entrusted by our policy holders within a precise framework: combining financial performance, investment security, and the positive impact on society and the economy. In this respect, we are essential players in accelerating the energy and ecology transition, and we recently made new commitments to go even further in this issue.

Thanks to over ten years of experience in the SRI area, we are convinced that a company or State with robust governance, which manages its human capital fairly

and masters its environmental risks, creates the conditions for sustainable performance.

We are aware of the significant expectations of our customers, of our financial regulators, and of civil society towards insurers and institutional investors, specifically with regard to climate issues. As an insurer, we include these issues in our risk-management policy. As an investor, the priority focus that we have selected for the current year concerns the climate risks that weigh on our asset portfolio, as encouraged by the recommendations of the «Taskforce on Climate-related Financial Disclosure» (TCFD), in order to better support the energy and ecology transition.

This report gives an account of the actions undertaken and the results obtained in 2018 by BNP Paribas Cardif for the three working focus areas specific to investments, defined as part of our CSR strategy: measuring investment impact on the environment and the society, acting as an investor in the fight against climate change, and developing positive-impact investments. This report shows that we are delivering on our commitments. ■



I. BNP PARIBAS CARDIF, A RESPONSIBLE, COMMITTED INVESTOR



LAURENCE HONTARREDE

--> CSR and Prospective Manager
at BNP Paribas Cardif



OLIVIER HÉREIL

--> Chief Operating Officer,
Asset Management at BNP Paribas Cardif

« From convictions
to results. »

As part of its CSR strategy, in 2016, BNP Paribas Cardif decided to set itself ambitious targets for responsible investment: how would you assess this first implementation cycle?

Laurence Hontarrede: Our actions in terms of responsible investment stem directly from our CSR strategy, for two reasons: on the one hand, it has set the framework across the four focus areas (customers, employees, citizens and investors) that structure it, with the aim of raising awareness and committing the 35 countries in which BNP Paribas Cardif operates. On the other, it precisely defines the three core issues that make up our vision of responsible investment: promoting positive-impact investments, developing the inclusion of Environmental, Social and Governance (ESG) criteria in our investment decisions, and lastly, contributing to the fight against global warming by increasing our contribution to the 2°C trajectory.

Olivier Héréil: In 2008, we were among the pioneers in responsible investment, and we are not being complacent if we consider that the

indicators are green for the implementation of these three priority issues. For the first, in 2016, we undertook to double our green investments by 2020. We achieved this target in 2018 by reaching the milestone of €2.4 billion in green investments. We intend to continue this momentum and reach €3.5 billion in 2020. Our commitment to reduce the energy consumption of our real estate assets is also well under way.

We have also made significant progress in including ESG criteria in our investment decisions: 98% of the assets held directly by the General fund were subject to ESG filters in 2018. We are working to generalize this approach in the main countries in which we operate. We are striving to offer our customers a wide choice of SRI unit-linked vehicles in our life insurance contracts: the outstanding SRI amount in our unit-linked life insurance contracts has doubled in four years, reaching €3.8 billion in 2018.

Lastly, with regard to the contribution to climate change, this year, we have included new



metrics and indicators in our steering tools. For example, this report examines two temperature calculation methodologies for our portfolio. Moreover, in order to encourage companies to implement their energy transition, we actively exercise our voting rights in shareholders' meetings.

We increasingly observe initiatives from financial supervisors on issues related to climate risks; how do you view this structural trend ?

Laurence Hontarrede: It is effectively a fundamental trend: once financial regulators consider the climate as a systemic risk factor that weighs on the balance sheets of financial institutions and impacts their investment strategies, they increase their demands for analysis and measurement of the impact of these risks. This is specifically the purpose of the Task Force on Climate-related Financial Disclosures (TCFD), published in June 2017, which was supported by BNP Paribas Group from the start. With this report, we also intend to report on our actions in terms of the fight

against global warming, within the framework proposed by the TCFD.

Olivier Héreil: We have been faced with an acceleration in the number of regulations over the last few years. As a result, we are preparing for jump effects. We need to continue to work on climate scenarios and calculation metrics, but we are also endeavouring to improve our skills and actively participate in the professional groups on this subject. I would add that we have started to think about the measurements and analysis of the two major climate risks that may impact the value of asset portfolios: physical and transition risks. In order to anticipate the future regulatory changes, and in line with our strategy, we are reinforcing our sector policies in directly-managed equity portfolios for the General funds in our domestic markets; thus, BNP Paribas Cardif no longer holds securities in electricity production companies where over 30% of production capacities use coal. ■

1. More details on the TCFD on page 13

1. COMMITTING

A strategic ambition that structures the responsible investment policy of BNP Paribas Cardif

In 2016, BNP Paribas Cardif redefined its CSR policy around four main focus areas: responsible products and services, a company centred on people, a socially-responsible company, and responsible investments. This project, which places responsibility at the heart of our investment strategy, resulted in three commitments:

Deploying ESG criteria across all its investments, and gradually spreading this approach to its main countries of operation;

Taking action against climate change, by factoring in the carbon footprint of its financial assets and asserting its shareholder commitment to encourage companies to implement their energy transition;

Developing positive-impact investments, according to their positive social and/or environmental contribution.

This 2018 173-VI report is structured around these three commitments.

DEFINITION OF ESG CRITERIA

The ESG criteria refer to all environmental, social and governance criteria generally taken into account in non-financial analysis. For example:



ENVIRONMENTAL CRITERIA
waste management, carbon footprint, research and development in low-carbon technologies, etc.



SOCIAL CRITERIA
human resource management, workplace health and safety, gender equality, etc.



GOVERNANCE CRITERIA
independence and composition of the Board of Directors, internal audit, compensation, etc.



GREEN



ENERGY

BNP Paribas Cardif has stepped up its efforts regarding the energy and ecology transition and has defined target indicators.

€3.5 BILLION IN GREEN INVESTMENTS BY THE END OF 2020

In 2017, BNP Paribas Cardif committed to generating €2.4 billion in green investments by 2020. The acceleration of our green investment policy, with invested amounts doubled in two years, has enabled this target to be exceeded. BNP Paribas Cardif has decided to set a new, more ambitious target of €3.5 billion in green investments by the end of 2020.

-30% IN ENERGY CONSUMPTION FOR OUR OFFICE BUILDINGS BY 2020

BNP Paribas Cardif continues to implement demanding environmental management of its real estate assets. The Company has committed to reducing the energy consumption of the 55 office buildings that it manages directly (that it holds via its General fund and unit-linked vehicles in France) by 30% by 2020.

A committed player in national and international initiatives

BNP Paribas Cardif is involved in high-profile global initiatives and has formalised its commitment as a responsible investor.

Adherence to the Sustainable Real Estate Observatory (Observatoire de l'Immobilier Durable - OI.D). The OI.D brings together French private and public-sector real estate professionals with the aim of promoting sustainable development and innovation in real estate.

Signature of the Montreal Carbon Pledge. This approach aims to raise investor awareness on the global warming issue. BNP Paribas Cardif has undertaken to measuring the carbon footprint of its portfolios, and to publishing the results every year.



COAL

NO INVESTMENTS IN ELECTRICITY PRODUCTION COMPANIES WHERE OVER 30% OF PRODUCTION CAPACITY USES COAL

BNP Paribas Cardif continues to reduce its exposure to coal within security portfolios managed directly for the General fund in its domestic markets. The Company no longer finances any electricity production companies where over 30% of the installed electricity production capacity uses coal. This policy applies to investment flows and the inventory of securities already directly held in the General funds.



MINING

NO INVESTMENTS IN MINING COMPANIES WHERE OVER 10% OF REVENUE IS GENERATED BY COAL

The Company also applies a more restrictive policy for mining-sector companies. BNP Paribas Cardif does not hold any mining companies where over 10% of revenue is generated by coal.

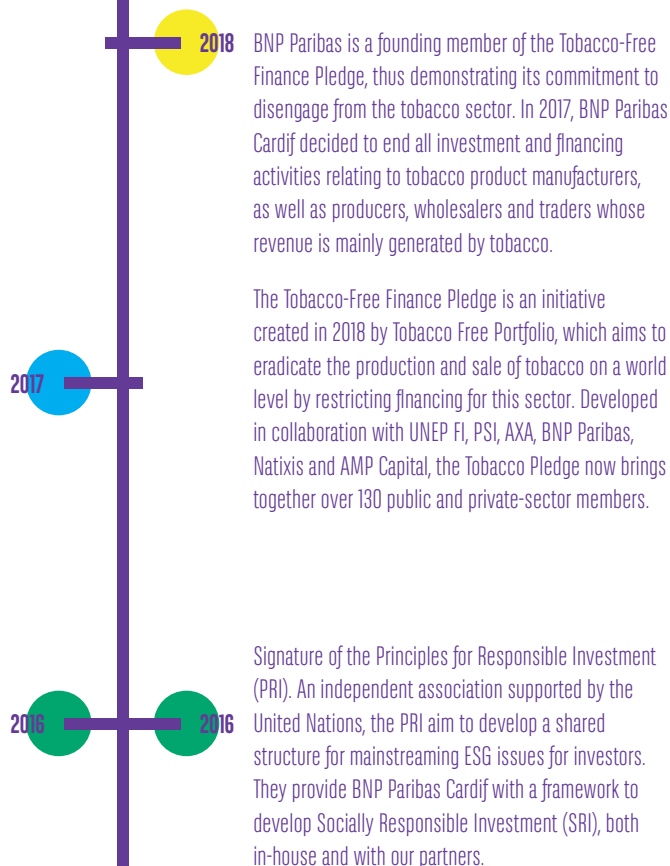


TOBACCO

NO INVESTMENTS IN COMPANIES FROM THE TOBACCO SECTOR

Since 2017, BNP Paribas has excluded from its General fund those production, wholesale and distribution companies whose revenues are mainly generated by tobacco.

MEMBERSHIP HISTORY



2. IMPLEMENTING

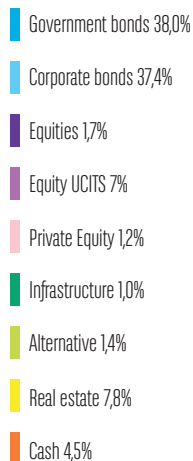


METHODOLOGICAL NOTE

limiting the reporting scope to France in accordance with Article 173 of the Ecological Transition and Green Growth Act, this report presents the results of BNP Paribas Cardif's responsible investment policy for its assets managed in France within the General fund and in the selection of unit-linked vehicles.

The graph below presents the breakdown of assets managed in the General Fund in France.

Source:
BNP Paribas Cardif



Deployment across the scope

BNP Paribas Cardif continues to deploy its responsible investment¹ policy across all of its asset categories under management, and also in the choice of its unit-linked vehicles offered to policyholders.

In 2018, BNP Paribas Cardif managed assets of €239 billion spread across General funds and unit-linked funds collected on its domestic markets (France, Italy and Luxembourg) and international markets, covering 35 countries, in Europe, Asia and Latin America.

In its General Fund France, BNP Paribas Cardif deploys an ESG analysis policy over a large share of its assets, and specifically invests in projects focused on social and environmental concerns. The graph below presents the different scopes of the «responsible investment» policy.

INCLUSION OF ESG ANALYSIS IN THE GENERAL FUND

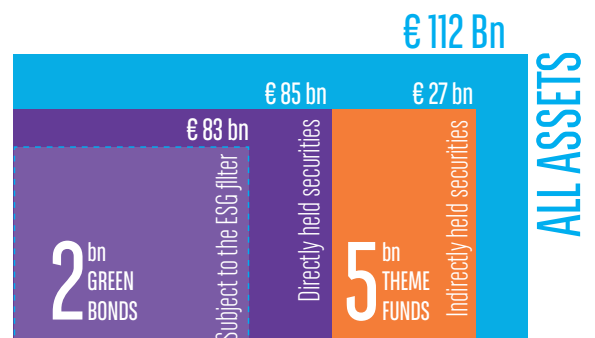
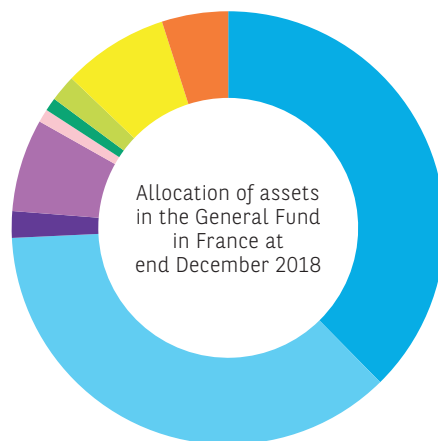
Environmental, social and governance (ESG) analysis is now applied to 83% of the assets in the General Fund in France (58% in 2017). This improvement is directly related to the increase in the number of directly-held securities subject to ESG filters (see page 17) and to the reinforcement of ESG demands through due diligence on indirectly-held securities (see page 20).

FOR DIRECTLY HELD SECURITIES €85 bn

Since 2008, BNP Paribas Cardif has selected all of its directly-held investments from a large universe according to ESG criteria. The selection of companies has been refined, notably with a restriction on coal securities. The ESG analysis process is presented in Section II of the report.

FOR INDIRECTLY-HELD SECURITIES €27 bn

For investments in funds (e.g. UCITS), ESG and Carbon criteria cannot be applied directly to the securities included. The ESG approach to management companies that manage these funds is analysed at the time of subscription or implementation of management mandates. The investment policy is applied to the choice of funds in several ways. In general, BNP Paribas Cardif selects its suppliers and deals with investment companies which are recognised for their ethical and responsible practices. In the specific case of asset management mandates and dedicated funds, BNP Paribas Cardif requires the implementation of sectoral policies and/or examines the ESG practices of the investment companies and funds to which it subscribes. Along with this approach, BNP Paribas Cardif strives to increase the share of responsible investments in its UCITS compartment.



1. Responsible investment consists of factoring Environmental, Social and Governance aspects into financial management in order to ensure the positive impact of investments on our society. Responsible investment is a lever for making the economy more sustainable, and notably for fighting global warming.

€112 Bn: all assets complying with sector policies and exclusions
Directly held securities: €85 bn of which €83 bn subject to the ESG filter and €2 bn of green bonds
Indirectly held securities: €27 bn of which €5 bn of ESG theme funds.

THEMATIC AND LABELLED FUNDS IN THE GENERAL FUND

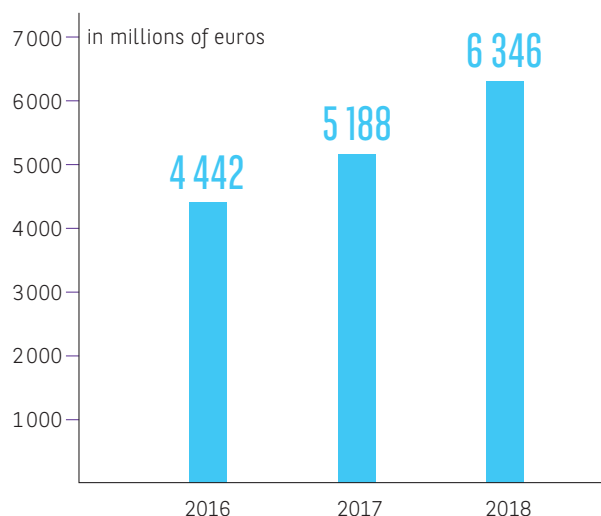
BNP Paribas Cardif also makes investments targeting especially social and environmental themes (SRI labelled funds, green investments, etc).

Thus, the Company had developed €6.35 billion in positive-impact investments at end 2018 by investing in:

- Funds that include extra-financial analysis using ESG criteria;
- Environmental and social funds;
- Funds with an independent label.

BNP Paribas' responsible investments include ESG inclusion funds and environmental and social funds. Fourteen of these funds have received external labelling: the ISR, Finansol, TEEC, or LuxFLAG label (7% of responsible investments).

The ESG inclusion funds were built by factoring in environmental, social and governance criteria. The Company has also developed these investments on specific themes. The themes covered by these responsible investments



mainly concern environmental issues such as the energy transition, green buildings and soil protection. The other SRI investments take part in the financing of social impact projects in the social and solidarity economy, social housing, or investments related to societal themes (sustainable food, ...).

Evolution on outstanding amounts in ESG inclusion, theme and SRI labelled funds (in € millions).

Source: BNP Paribas Cardif

Note: the figures were reassessed upwards in 2018, and now include green investments in real estate.

RESPONSIBLE INVESTMENT INCLUDING ESG, THEMATIC, AND SRI-LABELLED FUNDS IN THE GENERAL FUND IN FRANCE (IN € MILLIONS)

Source: BNP Paribas Cardif

Market value in €M	30/12/2016	29/12/2017	31/12/2018
ESG inclusion	1334	1367	1361
ESG Equity funds	1257	1289	1225
ESG Bonds	77	79	137
Environmental Theme	2972	3648	4814
Equity funds	312	396	399
Green Bonds	625	1041	1751
Private Equity/Infra./Private Debt		255	302
Real estate	2034	1957	2362
Social Theme	77	126	134
Equity funds	77	96	64
Private Equity/Infra./Private Debt		0	1
Real estate		30	48
Societal Theme	39	46	36
Equity funds	39	46	36
TOTAL	4422	5188	6346
Sub-total Green Investments	938	1692	2452

Deployment of BNP Paribas Cardif's responsible investment policy over its assets managed in France within the General Fund (in billions of euros)

Source: BNP Paribas Cardif

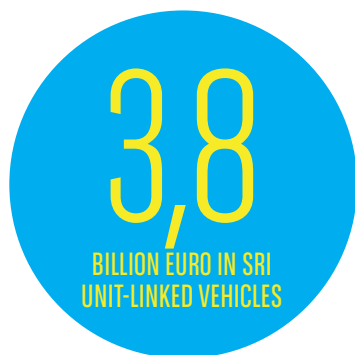
Unit-linked vehicles

INCLUSION OF ESG ANALYSIS IN UNIT-LINKED VEHICLES

The selection process for new Unit-Linked Vehicles includes an extra-financial analysis of the related funds. In some cases, a more in-depth qualitative analysis of the fund strategy is conducted by the Company's teams.

RESPONSIBLE-LABELLED UNIT-LINKED VEHICLES

At end 2018, BNP Paribas Cardif held over €3.8 billion in unit-linked vehicles considered to be «Socially-Responsible Investments», including 72 subjects to external labelling: ISR, Finansol, TEEC, LuxFLAG or FNG Siegel label.



THE DIFFERENT RESPONSIBLE-INVESTMENT LABELS

ISR LABEL

supported by the Ministry of the Economy and Finance, the ISR label is granted after a strict labelling process conducted by independent organisations.

FINANSOL

awarded for the first time in 1997, the Finansol label distinguishes solidarity savings products.

TEEC

created by the Ministry of the Environment, this label guarantees that investments will focus on the energy and ecology transition.

LUXFLAG

European ESG label, launched by the Luxembourg Luxflag agency that guarantees compliance with ESG criteria throughout the investment chain.

FNG SIEGEL

sustainable label mainly present in Germany, Austria, Switzerland and Liechtenstein.





Deployment of the strategy among the different stakeholders

1. The involvement of the company's management bodies in the definition and deployment of the CSR strategy and its responsible-investment aspect is a key factor in its success.

For this reason, the Company's Board of Directors examined the actions conducted and progress generated in terms of social and environmental responsibility and responsible investment.

The Cardif Days, an internal seminar bringing together all the Company's executive managers every two years, was organised in 2018 on CSR themes and our responsible commitments. The responsible-investment strategy, which is one of the four priority focus areas, was shared and discussed with all of the participants, bringing together the heads of the 35 countries and the Company's head office functions. The specific aim was to reinforce the extension of the SRI strategy to all countries, by reinforcing the local initiatives with numerical targets.

2. The implementation of a responsible investment strategy involves structuring the Company's internal processes, with a dual aim:

- On the one hand, to ensure compliance with regulations (Law on the Duty of Care of 27

March 2017) this law aims to identify and prevent the risks related to human rights abuse and fundamental freedoms, those related to the health and safety of individuals, and lastly, environmental risks. This is the role of the Compliance Committee set up in 2018;

- On the other hand, to play a monitoring role over all responsible-investment issues (regulations, competition, green and solidarity savings, etc.) and to promote best practices to asset-management players and to our distribution partner. This is the role of the CSR-Investment Committee, which met three times in 2018.

3. Employees' understanding of responsible-finance issues and of the policy implemented by the Company is essential to creating an internal domino effect. For this purpose, two internal conferences were organised - the first dealing with responsible finance and the second, solidarity finance - to raise employee awareness on these issues.

4. To support our customers in the choice of SRI offerings, clear, transparent communication is essential. In 2018, BNP Paribas Cardif drafted an annual information letter dedicated to SRI to raise customer awareness on social and environmental issues and provide information on the leverage that they, as policy holders, have to act on these issues.

TCFD GOVERNANCE FOCUS

BNP Paribas Cardif aims to involve its governance in climate-related risks and opportunities. In 2018, this was demonstrated by two aspects:

- A presentation of climate issues to the Board of Directors
- The commitment made by the Executive Committee to conduct a physical and transition risk analysis of its directly-held assets in 2019.

The role of the management bodies on these climate-related issues will be developed, in line with TCFD recommendations.

TCFD

3. REPORTING

The crucial role of reporting

For financial institutions, reporting on the strategy conducted, its gradual deepening, and the results noted corresponds to an increasing demand from regulators - Article 173 of the Energy Transition Act is the most tangible example. Demand from customers and civil society is also increasing.

For BNP Paribas Cardif, this report is a tool serving this transparency. It is a first stage in the framework of the TCFD recommendations published in 2017, which BNP Paribas Group supported alongside financial regulators.

«In signing this statement, we affirm our commitment to support the voluntary recommendations of the industry-led Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD). We believe that climate change will have significant impacts across many sectors and that we, as business leaders, have an important role to play in ensuring transparency around climate-related risks and opportunities..»

«How do you measure the long-term risks associated with climate change? You can take a snapshot: this corresponds to the disclosure of existing exposures, either voluntary, according to the Task Force (TCFD) chaired by Michael Bloomberg, or mandatory, which is already the case in France. And you can also take a more dynamic video: we are starting to envisage forward-looking stress tests for insurance companies and banks, based on scenarios of physical and economic change.»

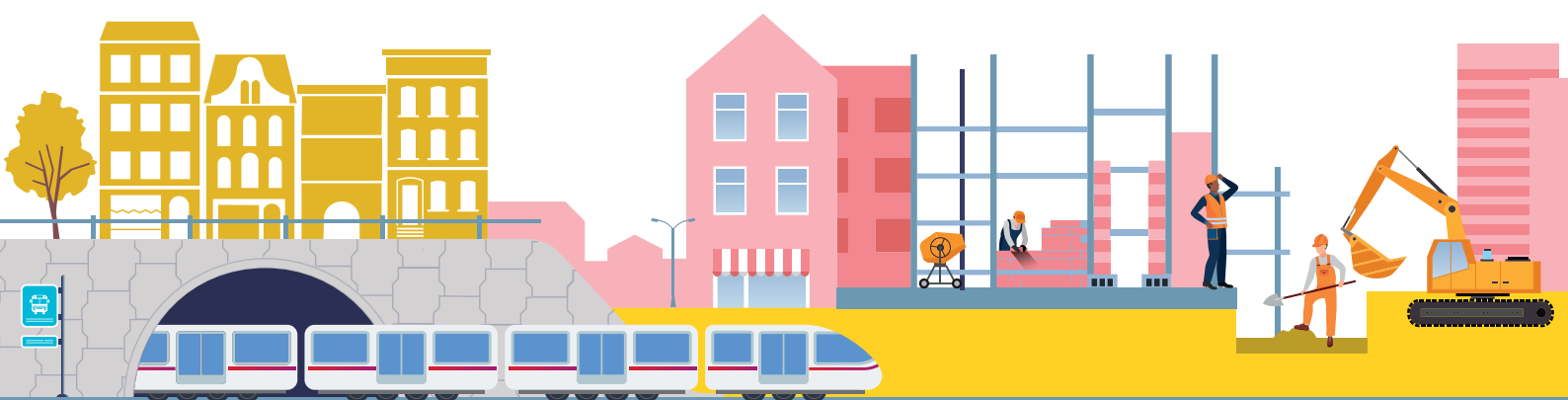
Letter of support for the conclusions of the TCFD- signed by Jean-Laurent Bonnafé- Chief Executive Officer of BNP Paribas (2017)

François Villeroy de Galhau- Governor of the Banque de France One Planet Summit 2 December 2017

Summary of the latest PRI report

BNP Paribas Cardif signed the Principles for Responsible Investment (PRI) in 2016. BNP Paribas Cardif is committed to complying with and promoting these six principles:

- 1 Incorporate ESG issues into investment analysis and decision-making processes
- 2 Be active investors and incorporate ESG issues into ownership policies and practices
- 3 Seek appropriate disclosure on ESG issues from the entities in which the company invests



Alignment with the TCFD

The Task Force on Climate-related Financial Disclosures (TCFD) is a working group created by the G20 after the Paris Agreements (COP21), with the aim of developing a financial-disclosure methodology on climate change.

In its report in June 2017, the TCFD proposes recommendations on how to structure and report the risks and opportunities related to climate change. These recommendations are based on four focus areas:



Promoted by the European Union, this common structure of financial and non-financial players enables better inter-party communication. For these reasons, BNP Paribas Cardif has undertaken to provide disclosures and analyses in line with TCFD recommendations for the coming years. For 2018, the TCFD's different categories are included in this report in the form of insets.

The transparency principle requires the annual completion of a questionnaire comprising 7 modules rated between A and E. BNP Paribas Cardif's assessment improved in six of these modules over one year from 2016 to 2017. BNP Paribas Cardif notably stands out with maximum ratings in the Strategy & Governance, Listed Equity and Real Estate modules. The results for 2018 will be published in August 2019 on the corporate website.

4 Promote acceptance and implementation of the Principles within the investment industry

5 Work together to enhance our effectiveness in implementing the Principles

6 Report individually on the activities and progress made in implementing the Principles



II. STRATEGIC INTEGRATION OF ESG CRITERIA



ÉRIC BEQUET

--> Head of Insurance
Asset Management
at BNP Paribas Cardif



MARIELLE DESNIER

--> Head of Equity
Investments
at BNP Paribas Cardif

Extra-financial analysis is a key aspect of your investment process; how is it conducted?

Éric Bequet: Extra-financial analysis takes place upstream of our investment process. We successively use different filters to limit environmental, social and governance risks within our portfolio. Firstly, we apply exclusions to our investment universe that are common to BNP Paribas Group or related to our specific commitments. Next, a filter analyses each sector with a «Best-in-Class» approach to select only those issuers with the best practices in terms of environmental, social and governance factors. And lastly, a «Best-in-Universe» selection based on the issuers' carbon footprint selects only the best-rated, or those that have made the best energy transition efforts, regardless of their activity sector.

Your asset management includes an ESG assessment that you implemented in 2008; what have been the significant changes to this approach?

Marielle Desnier: From 2008, we conducted an extra-financial estimate of our asset portfolio to find out where we were starting from. This led us to act firstly on flows by applying an ESG filter to all-new investments. After a few years, we worked to gradually «clean» our inventory. To date, in all our domestic countries, the assets held in our General Funds comply with our ESG filters. To this can be added the improvement to our selection criteria, specifically the reinforcement of our «Due Diligence» questionnaires for non-listed assets, inspired by the recommendations of the Principles for Responsible Investment (PRI).

We need to constantly adjust our ESG analyses. The quality of our work strongly relies on the quality of the available

information provided by the issuers and independent rating agencies. We monitor methodology harmonisation progress and the tangible and measurable aspects of the criteria that appear and that we select.

Does your SRI policy, and notably your ESG analysis, increase the performance of the General Fund?

Éric Bequet: The financial performance of our policy-holders' long-term assets cannot be to the detriment of the fundamental ESG values and our convictions. We are convinced that ESG analyses are an essential complement to financial analysis. They create long-term value and are a rampart against future value destruction related to insufficient governance and future carbon price changes due to climate change.

The extra-financial approach meets demands from our customers and civil society, and matches our convictions. Asset valuation increasingly includes these criteria, and lapses by the companies in which we may invest, and which do not meet these criteria, may be violently sanctioned by the stock markets. For this reason, SRI reduces long-term risks.

The ESG and Carbon analyses also enable us to detect new opportunities and create performance for our customers, whilst managing our risks, focusing our investment choices, and developing our positive impact on society.

Why is it necessary, in your opinion, to use different methods to analyse the contribution of your portfolio to the fight against global warming?

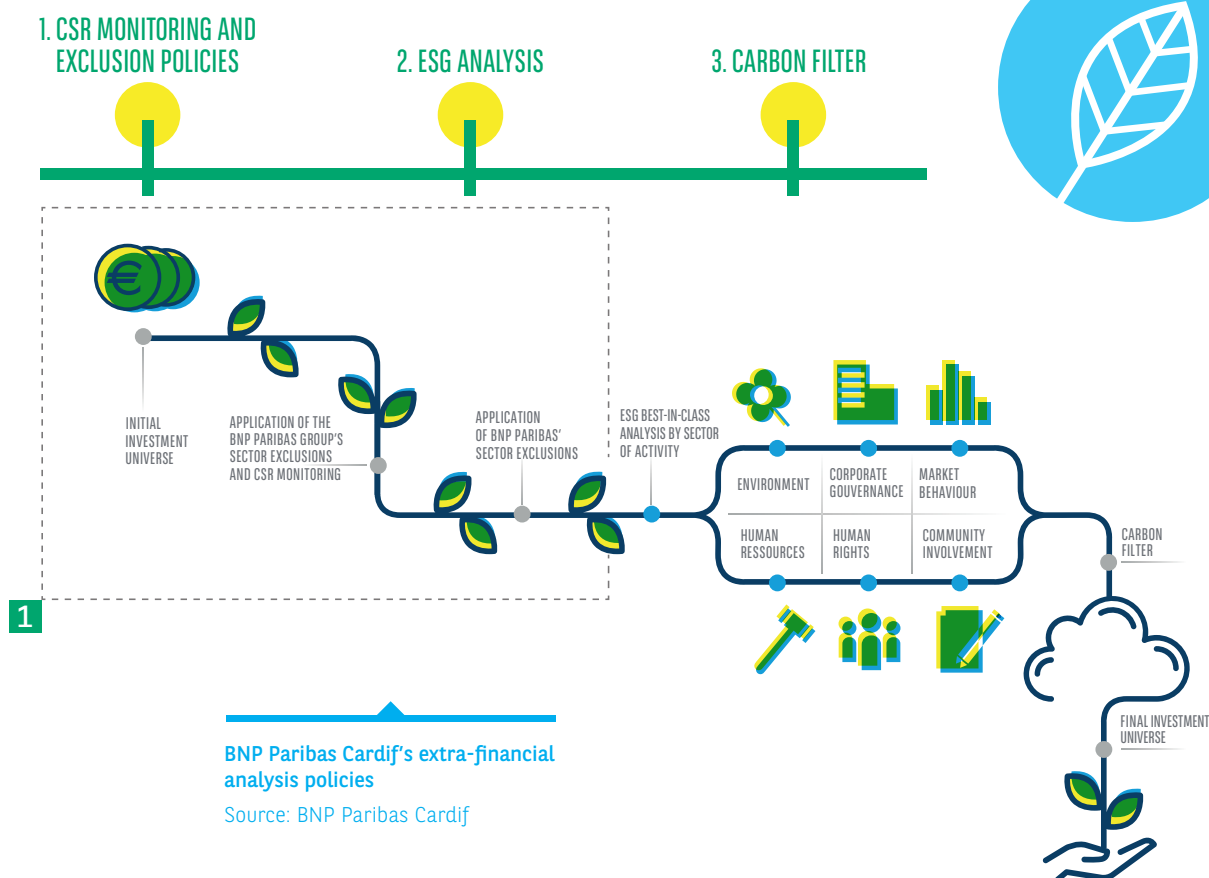
Marielle Desnier: The analysis methods are still being built and are still subject to academic research: they have not yet converged and may give very different results according to the methodologies used, for example taking into account only scopes 1 & 2 and/or factoring in scope 3.

In this unstable environment, we have opted for a multi-methodology approach, by calling on different extra-financial rating agencies and data providers (Vigeo Eiris, Carbone 4, I Care & Consult). The aim is to complement our analysis, monitor changes, and better understand the impact of our investments by also looking at the key issues that are specific to each issuers' economic sector.

In this report, you will find two methodologies for measuring the alignment with the 2°C trajectory set by the COP21. Our choice of using different indicators enables us to have a more comprehensive vision of the environmental performance of our assets. ■

1. GRADUALLY COMPLETING EXCLUSION POLICIES

In order to go from the initial to the final investment universe, BNP Paribas Cardif uses an extra-financial analysis process, which can be broken down into three key stages:



BNP Paribas Group's sector policies



BNP Paribas Cardif has implemented all of BNP Paribas Group's sector policies. As an international bank, BNP Paribas Group is required to finance and invest in sensitive sectors that are essential for security and the global economy. The Group has, therefore, decided to develop specific investment policies for these sectors, by including additional, regularly-updated ESG criteria.

BNP Paribas' actions focus on two areas: a first filter excludes issuers according to the Company's sector policies, then a second filter selects the issuers according to ESG and carbon criteria. All of these sector policies can be found on the BNP Paribas website. ■

EXAMPLES OF SECTOR POLICIES SPECIFIC TO BNP PARIBAS GROUP



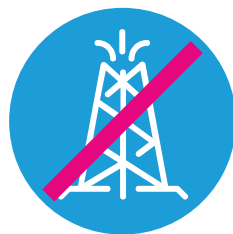
PALM OIL: A SUSTAINABLE COMMITMENT THROUGHOUT THE VALUE CHAIN

Amongst its mandatory criteria, BNP Paribas Group requires palm oil producing companies to be active members of the RSPO (Roundtable on Sustainable Palm Oil), an organisation that aims to ensure compliance with strict environmental criteria to promote sustainable palm oil production, in order to solve the social and environmental problems and guarantee the gradual adoption of best practices in this sector. Other issues are factored into the assessment criteria, such as protection of indigenous populations (Free Prior and Informed Consent), or compliance with environmental protection standards and the law by palm oil suppliers.



A MINING INDUSTRY OUTSIDE OF SENSITIVE ZONES

BNP Paribas Group excludes from its financing all projects in the sensitive zones identified by competent external organisations (UNESCO, Ramsar List, Alliance for Zero Extinction, and IUCN). The Group then bases its assessment criteria on issues such as population displacement, water pollution, and ecosystem protection.



UNCONVENTIONAL OIL AND GAS

BNP Paribas Group has decided to commit to promoting best practices in the energy sector, and to refusing all financing activities for diversified projects and companies⁴ in which the exploration and production of unconventional oil and gas, such as shale gas, represent a significant share of their total revenue. Projects and companies with low revenue related to unconventional oil and gas are analysed according to their performance and their inclusion of ESG criteria, such as health and safety.

BNP PARIBAS CARDIF'S MANAGEMENT DECISIONS



EXIT FROM THE TOBACCO SECTOR

Since 2017, BNP Paribas Cardif has excluded from its General Fund production those wholesale and distribution companies whose revenues are mainly generated by tobacco. The signature of the Tobacco-Free Finance Pledge in 2018 reinforced this position.

COAL: REINFORCING INVESTMENT REQUIREMENTS

To date, as part of its directly-managed assets, BNP Paribas Cardif no longer finances any electricity production companies where over 30% of the installed electricity production capacity uses coal. The application of this sector policy concerns investment flows and the inventory of securities already directly held in the General Funds of its domestic markets.



4. I.e. Companies with exploration and production activities as well as midstream and/or downstream activities.

2. DEPLOYING ESG ANALYSES AND WORKING ON INNOVATIVE INDICATORS

Deployment of ESG analysis in the investment policy

The ESG analysis is the second stage in the extra-financial analysis applied to assets held directly by the General Fund.

BNP Paribas Cardif uses Vigeo Eiris' rating method for its Environmental, Social and Governance (ESG) screening process. This independent, international agency works for investors and private, public, and non-profit organisations. It assesses the ESG performance and risks of each company in 38 sub-areas contained in six analysis areas:

ENVIRONMENT

Protection, safeguarding and prevention of damage to the environment; set-up of an appropriate management strategy; eco-design; protection of biodiversity; and rational control of environmental impacts over the entire product/service life cycle.

HUMAN RESOURCES

Continuous improvement of professional relations; employee relations and working conditions.

HUMAN RIGHTS IN THE WORKPLACE

Respect for freedom of association and collective bargaining rights; non-discrimination and promotion of gender equality; elimination of all forms of prohibited work (child labour and forced labour); prevention of inhuman and degrading treatment such as sexual harassment; protection of privacy and personal data.

MARKET BEHAVIOUR

Taking customers' rights and interests into account; integrating social and environmental standards in the selection of suppliers and across the entire supply chain; effectively preventing corruption; fair competition.



2

ESG analysis in BNP Paribas Cardif's extra-financial analysis process.

Source:
BNP Paribas Cardif

COMMUNITY INVOLVEMENT

Effectiveness; managerial integration of the commitment; contribution to the economic and social development of the countries of operation and their human communities; concrete commitments to control the social impacts of the products and services; transparent and participatory contribution to good causes.

CORPORATE GOVERNANCE

Efficiency and integrity; assurance of the independence and effectiveness of the Board of Directors; effectiveness and efficiency of audit and internal control mechanisms; inclusion of social responsibility risks; respect for shareholders' rights, in particular minority shareholders; and transparent and reasonable compensation of executives.

→ BNP Paribas Cardif's analysis is reflected across these criteria in the allocation of an internal rating to each security or issuer based on its ESG performance. This rating is obtained using the arithmetic average of the ratings for the six themes. Thanks to this overall rating, the securities are divided into deciles according to their quality. Securities with ESG ratings included in the last 3 deciles are excluded.

→ Companies obtaining the best extra-financial performance in their business sectors are favoured in the final investment decision. This process is part of the «Best-in-Class» sector approach. This approach is then supplemented by a carbon filter and an energy transition rating⁵.



5. see detail on p.25



METHODOLOGICAL NOTE

The NEC indicator is between -100% and 100% and assesses the extent to which the environmental performance of the products and services provided by the issuer contribute positively or negatively to environmental transition on a scale of -100 to +100 (the sector average being 0

BNP Paribas introduces an innovative, multi-issue indicator

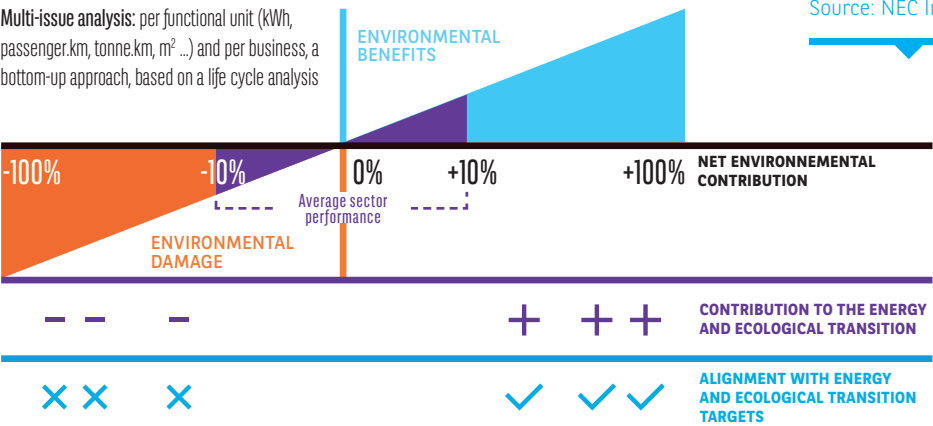
BNP Paribas Cardif wanted to have an environmental vision extended to include issues other than the carbon footprint of its assets, used in the investment decisions of the company. This analysis enables BNP Paribas Cardif to better understand the environmental impact of our directly-managed equity and bond portfolios thanks to the use of an innovative summary indicator.

BNP Paribas Cardif wanted to have an environmental vision extended to include issues other than the carbon footprint of its assets, used in the investment decisions of the company. This

analysis enables BNP Paribas Cardif to better understand the environmental impact of our directly-managed equity and bond portfolios thanks to the use of an innovative summary indicator :

- air quality for the automotive sector
- waste management for the nuclear industry
- the energy use of glass bottle production compared to plastic, etc..

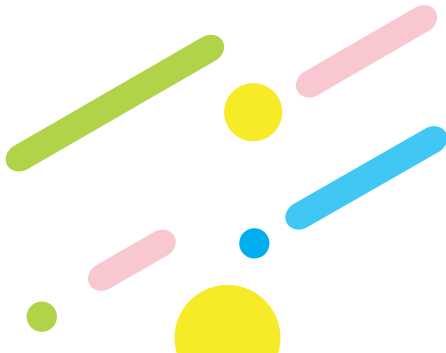
The following graph summarises this indicator's approach.
Source: NEC Initiative



Activities are classified as green if they contribute positively to the environmental transition, or brown when they have a negative contribution. However, this does not reflect the complex reality of the impact of our economy on the environment, so it is important to add a more precise contribution to the environmental transition.

Thus, the NEC places green and brown activities on a continuous axis, to take into account the different shades of green and brown. The NEC is based on the use of physical indicators that tangibly reflect the company's environmental performance

The NEC is based on a life cycle approach: it takes into account the key environmental impacts throughout the value chain: from product design to its end of life.



RESULTS

In view of this indicator, the average environmental performance of the products and services provided by the issuers, within BNP Paribas Cardif's equity and bond portfolio, is slightly higher than the average environmental performance of each sector. By construction, the average environmental performance of the products and services in a sector is 0%.

The net environmental contribution (NEC) rating for directly-managed equity and bond portfolios is 1.4% (average weighted by the weight of the analysed assets), -1.5% for shares, and +1.8% for company bonds. Considering this indicators in not used as an "ex ante" decision-making tool, the company's performance is an initial satisfactory result. It supplements and confirms the extra-financial analysis developed in house (sector exclusions, ESG filter, carbon filter and energy transition rating).

The results were calculated by I Care & Consult based on version 1.0 of the NEC methodology.

SUMMARY OF NEC RATINGS - EQUITY PORTFOLIO AT END DECEMBER 2018

Across the equity portfolio, 58.9% were subject to a detailed NEC analysis. The absence of data on banks, insurers and financial services means that BNP Paribas Cardif's entire portfolio cannot be analysed.

For key sectors such as «Electric Utilities», companies with «green», and notably renewable, technology mixes explain the very positive NEC. For the «Construction & Engineering» sector, the NEC is driven by building construction activities in a demanding regulatory context, and also by activities dedicated to renewable energies and energy services.

For the «Food and Beverages» sector, the NEC shows negative values for companies whose product mixes focus on animal proteins and/or who do not significantly focus on products from organic agriculture or that do not have «sustainable agriculture» certification.

	Weight in the portfolio	Average NEC companies by sector
DIVERSIFIED CHEMICALS	11,75%	-3%
IT	11,54%	5%
INTEGRATED OIL & GAS	7,38%	-20%
FOOD AND BEVERAGE	7,28%	-2%
INDUSTRIAL CONGLOMERATES	4,63%	8%
ELECTRIC UTILITIES	4,38%	20%
AUTOMOBILE MANUFACTURERS	3,75%	4%
AEROSPACE & DEFENCE	2,43%	-3%
CONSTRUCTION & ENGINEERING	2,15%	9%
AIRPORT SERVICES	1,49%	-41%
MULTI-UTILITIES	1,12%	9%
CONSTRUCTION MATERIALS	0,63%	-15%
OIL & GAS REFINING & MARKETING	0,35%	-4%
TOTAL	58,90%	-1,5%

SUMMARY OF NEC RATINGS - BOND PORTFOLIO AT END DECEMBER 2018

Across the bond portfolio, 22.45% were subject to a detailed NEC analysis. There again, companies that have not been analysed mainly include banks, insurers and financial services.

The good performance of the «Electric Utilities» sector (18%) is mainly due to the positive NEC of the bond portfolio, notably thanks to the weight of electricity companies generating a strong share of low carbon, and notably renewable, electricity.

We can also note that, thanks to the generalisation of environmental certification and better transparency of energy performance, Real Estate Investment Trusts present in the portfolio have significantly moved towards more environmentally-friendly strategies and have very positive NECs.

The sectors with lower ratings concern air transport. In practice, the NEC methodology for transports separates freight and passenger transport, and includes all available transport methods (maritime, air, rail, etc.). The carbon intensity per passenger/km is used as one of the components of the NEC: as air transport has the highest carbon intensity of the transport methods, the sector's NECs are often very negative.

	Weight in the total portfolio	Average NEC companies by sector
ELECTRIC UTILITIES	4,99%	18%
IT	3,70%	4%
INTEGRATED OIL & GAS	3,28%	-20%
FOOD AND BEVERAGE	2,02%	-5%
HIGHWAYS & RAILTRACKS	1,75%	-1%
REAL ESTATE INVESTMENT TRUSTS	1,69%	15%
MULTI-UTILITIES	0,73%	55%
AIRPORT SERVICES	0,56%	-52%
CONSTRUCTION & ENGINEERING	0,53%	10%
AIR FREIGHT & LOGISTICS	0,53%	-63%
OIL & GAS STORAGE & TRANSPORTATION	0,33%	3%
MINING	0,27%	-1%
DIVERSIFIED CHEMICALS	0,26%	-16%
INDUSTRIAL CONGLOMERATES	0,24%	-8%
GAS UTILITIES	0,21%	-3%
WATER UTILITIES	0,14%	100%
TOTAL	22,45%	+1,8%

Identification of ESG risks for real estate

BNP Paribas Cardif includes ESG criteria specific to real estate that the Company aims to diffuse and generalise with all players. For this purpose, BNP Paribas Cardif became a member of the Sustainable Real Estate Observatory (OID) in 2017.

The OID notably develops an ESG issue materiality questionnaire for real estate, focusing on 18 issues identified using the most widespread extra-financial guidelines. BNP Paribas Cardif is particularly attached to certain ESG issues, and is working on a higher weighting for these subjects that it considers as crucial (in colour in the charts below).



All Environment issues
Energy: BNP Paribas Cardif has set itself the target of reducing the average energy consumption (per square metre per year) of its real estate portfolio by 30% between 2011 and 2020. Each year, the Company measures the energy consumption of the buildings that it manages directly.
Carbon: Each year, BNP Paribas Cardif measures greenhouse gas emissions generated by the energy consumption of the office buildings held within the General Fund.
E3 - Resources and waste
Water: BNP Paribas Cardif will implement water consumption monitoring for its real estate assets during 2019.
Biodiversity
Mobility and travel
Resilience to climate change
All Social issues
Health and safety of occupants
Comfort and well-being
Territorial impact and employment
Accessibility
Services provided to occupants
Positive social impact: this issue has been anchored in BNP Paribas Cardif's real estate investment approach since its investments in the Intermediary Housing Fund (Fonds de Logement Intermédiaire) and Hemisphere Fund.
All Governance issues: a means for BNP Cardif to diffuse and feed discussions around sustainable real estate
Business ethics
Inclusion of ESG issues in the investment, management, and risk-control policy
Stakeholder relations: BNP Paribas Cardif participates in working groups on responsible real estate and communicates its energy data to independent organisations in order to advance knowledge and understanding of energy performance.
Internal governance: BNP Paribas Cardif reports to the Executive Management on a half-yearly basis and provides employees in the Real Estate department with access to the OID database.
Responsible purchasing

Strengthening of ESG requirements in due diligences

BNP Paribas Cardif apply ESG requirements on each general funds in private equity, infrastructure and Private Debt. In 2018, a ESG part of due diligences questionnaire have been strengthened regarding two axes:

- the integration of ESG criteria in the investment company selected
- the implementation of ESG criteria and the monitoring based on ESG criteria of the company funded.

These different extra financial components are taking into consideration during the final decision of the investment committee.

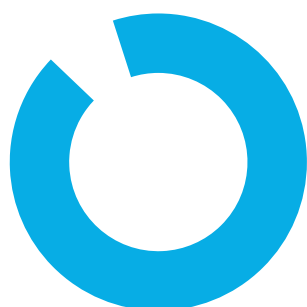
3. GRADUALLY REINFORCING THE VOTING POLICY

The exercise of voting rights during the shareholders' meetings of companies in which they invest is a very important tool for investors: the assessment of the quality of corporate governance (breakdown of powers and counter-powers within the governance, compliance with rights of minority shareholders...) is an integral part of the investment decision criteria.

In 2018, the insurer added a resolution analysis tool to specifically address environmental themes.

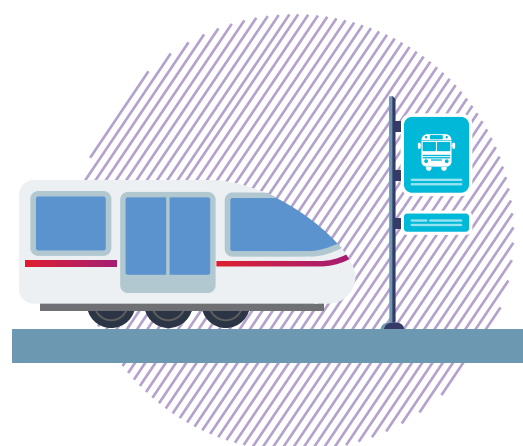
In 2018, BNP Paribas Cardif voted in 85% of the shareholders' meetings of companies invested in via the General Fund. This result takes into account the technical difficulties encountered in the exercise of voting rights in some foreign markets.

With regard to negative votes, resolutions were mainly related to governance issues and the protection of minority shareholders, such as the compensation and appointment of directors to the Board of Directors, or capital increases.



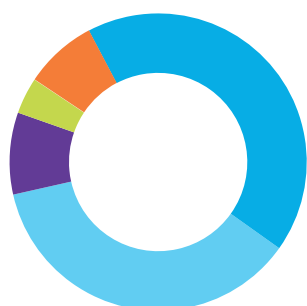
PARTICIPATION IN VOTING AT GENERAL MEETINGS BY INVESTED COMPANIES

85% NUMBER OF GENERAL MEETINGS
MARKET VALUE (€M)



DETAIL OF RESOLUTIONS VOTED

FOR
88%
AGAINST
12%

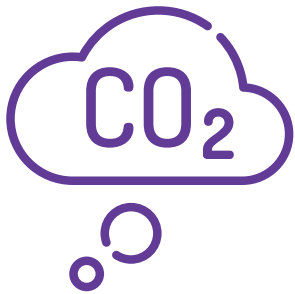


DETAILS OF RESOLUTIONS VOTED AGAINST

35% BOARD / DIRECTOR
APPOINTMENTS
35% BOARD / DIRECTOR
COMPENSATION
18% CAPITAL INCREASE
9% OTHER RESOLUTIONS
3% ANTI-TENDER OFFER



III. COMBATTING GLOBAL WARMING

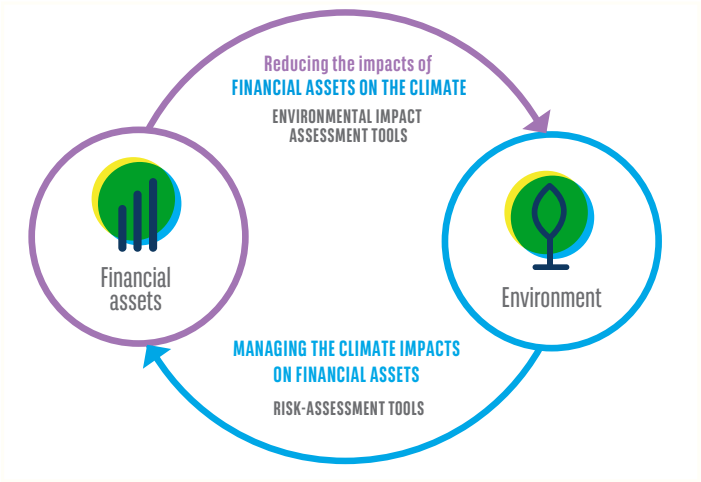


The relationships between financial assets and the climate are two-fold




On the one hand, extra-financial assets have a positive or negative impact on the climate, and it is important to assess using tools and indicators;

On the other hand, the climate is a risk factor for these assets. There again, the insurer, as a long-term investor, must attempt to analyse these risks and assess their financial impact. All of these analysis and assessment tools contribute to a shared target of gradually aligning financial management with the scenario of global warming of under 2°C, selected by the international scientific community (IPCC), supported by the governments who signed the Paris Agreements in 2015, and by financial regulators.

The reciprocal impacts between finance and environment



Our on-going actions

 <p>REDUCING THE IMPACT OF THE PORTFOLIO</p> <p>Measuring and steering the carbon footprint of directly-held securities</p> <p>Measuring and steering the carbon footprint of real estate assets</p> <p>Implementing a carbon filter in addition to ESG analysis</p> <p>Measuring and committing to a 2°C alignment</p>	 <p>REDUCING THE CLIMATE FINANCIAL RISK</p> <p>Commitment to measure and manage climate-related risks (physical risks, transition risks)</p>	 <p>PROMOTING THE 2°C TRANSITION</p> <p>Financing green projects (green bonds, thematic funds, real estate...)</p>
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1. REDUCING THE CLIMATE IMPACT OF THE PORTFOLIO

Carbon footprint of directly-securities

In 2016, BNP Paribas Cardif introduced the measurement and monitoring of the carbon footprint of its investment portfolio in France. By signing the Montreal Carbon Pledge in 2016, BNP Paribas Cardif undertook to publish and update this data annually. The measurement covers the General Fund's directly-held equities and corporate bonds in France (excluding government bonds and real estate investments), which account for 33% of the fund, i.e. around €36.7 billion at 31/12/2018. This calculation scope has increased compared to 2017, improved by the traceability of ESG analysis data in partnership with Vigeo Eiris.

Carbon footprint of directly-held securities (equity and corporate bonds) - France
Expressed in tonnes of CO2 equivalent per million euros of revenue.

(Vigeo Eiris methodology)

Source:
BNP Paribas Cardif

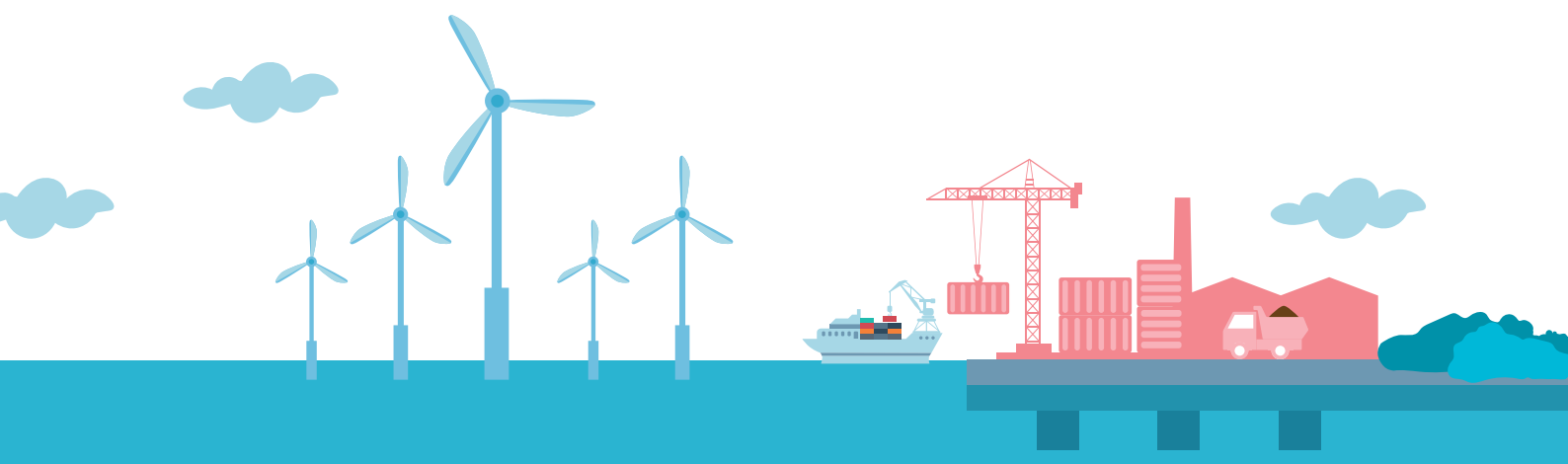
The equity and corporate bond portfolios in France registered a significant -55% decrease in their carbon footprint in 2018 compared to 2017. It is, however, necessary to underline the volatility of this indicator and understand the reasons for its changes.

This improvement is due to two events:

- The divestment of two significant issuers that strongly contributed to the portfolio's carbon footprint;
- The downward adjustment of the carbon footprints of some issuers within the portfolio, thus improving the overall footprint.

-55%

The equity and corporate bond portfolios in France registered a significant decrease in their carbon footprint in 2018

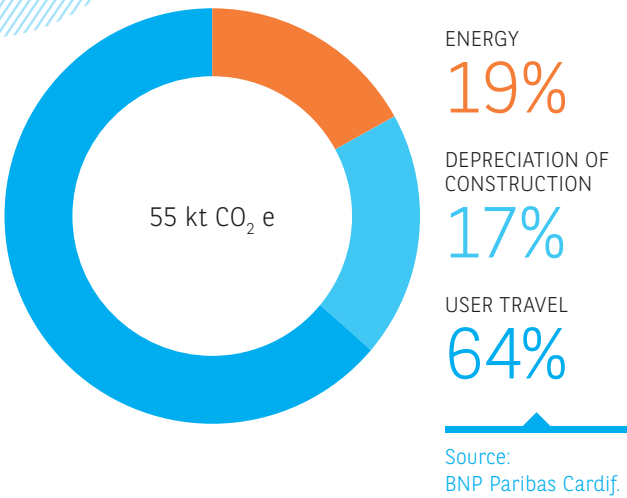




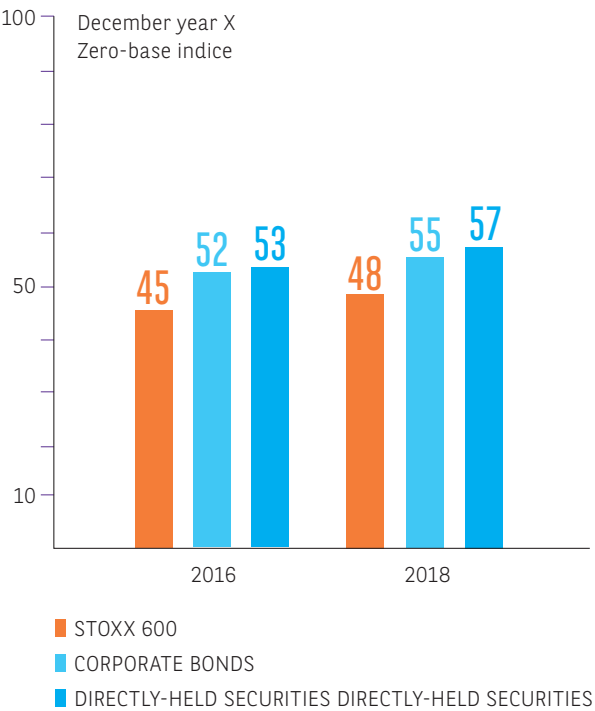
Carbon footprint of directly-securities

In order to better steer the carbon impact of its portfolios, BNP Paribas Cardif supplements its analysis with an Energy Transition rating which, unlike the carbon footprint, is a forward-looking measure. It identifies the level of corporate commitment towards a low-carbon business model.

The companies with the lowest ratings are excluded from the eligible investment universe. Thus, the companies invested in have a clearer commitment to a low-carbon strategy than the benchmark (Stoxx 600).



Source:
BNP Paribas Cardif.



Carbon footprint of real estate assets

In May 2018, BNP Paribas Cardif first published the carbon footprint of its directly-managed real estate portfolio (55 office buildings), presented by Carbone 4. The results show that BNP Paribas Cardif has few direct action levers to reduce this carbon footprint.

Energy consumption represents less than 20% of the total footprint, with most emissions (64%) related to user transport. These emissions are covered in mobility plans.



TCFD FOCUS INDICATORS AND TARGETS

BNP Paribas Cardif publishes the carbon footprint of its directly-held securities and real estate assets. The Company is also committed to reducing greenhouse gas emissions related to the energy consumption of its buildings. To align with the TCFD recommendations, in 2019, BNP Paribas Cardif began an analysis of climate-related risks of its assets.



Carbon filter and energy transition rating

The carbon filter and energy rating are the last stage in the extra-financial analysis applied to General Fund assets. The approach is presented below in its entirety.

BNP Paribas Cardif also applies a carbon analysis, conducted by Vigeo Eiris, in addition to its selection process using ESG criteria for the General Fund assets. Within this framework, two filters are successively applied to the investment universe:

1. The carbon rating, which classifies companies according to their carbon emissions in absolute value (tonnes of CO₂ equivalent). Data are provided to Vigeo Eiris by the Carbon Disclosure Project¹. Companies are rated according to their carbon footprint in ascending order from A to D, according to the following criteria:

Rating	Emissions (T CO ₂ EQ.)	Categories
A	<100,000	Moderate
B	>= 100,000 and < 1M	Significant
C	>1 and 10M	High
D	>= 10M	Severe

The issuers rated C and D are subject to additional analysis to assess their commitments in reducing their carbon footprint. It is then decided whether or not to reintegrate them in the investment universe.

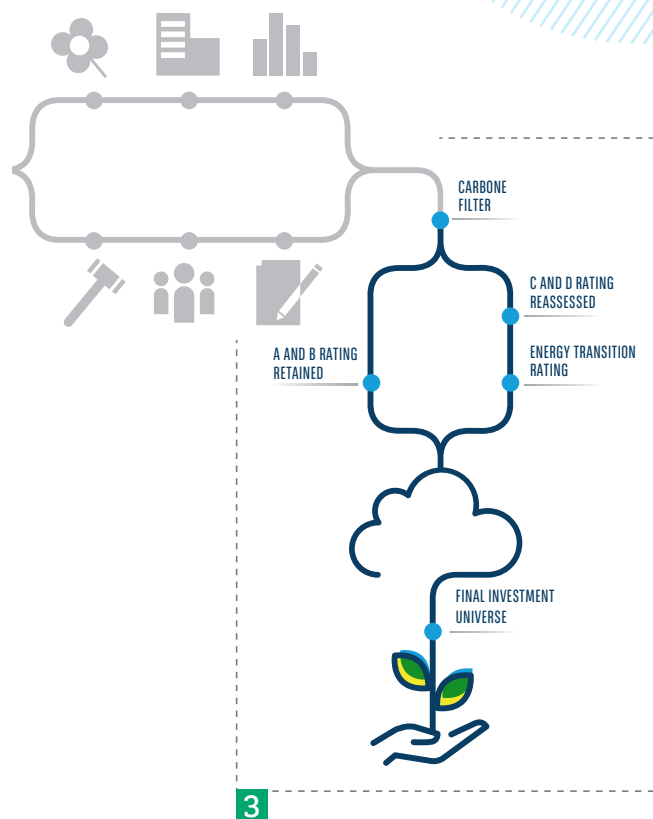
2. The additional «energy transition rating» filter only applies to categories C and D. This rating assesses the companies' energy transition strategy and focuses on three areas:

- the relevance of energy transition policies
- the consistency of the implementation of these policies
- the effectiveness of results obtained

The analysis of these factors makes it possible to determine an energy transition rating ranging between 0 and 100 and to establish a classification:

Scale	Energy Transition Score	Categories
++	60 - 100	Advanced
+	50 - 59	Robust
-	30 - 49	Begun
--	0 - 29	Weak

1. The Carbon Disclosure Project (CDP) is an international non-profit organisation that manages the most significant environmental reporting platform dedicated to companies and cities



Carbon filter and energy rating in BNP Paribas Cardif's extra-financial analysis process.

Source:
BNP Paribas Cardif



EXCLUSION FOR ENERGY TRANSITION

The ESG filter along with a finer selection on carbon criteria enables BNP Paribas Cardif to reduce its portfolio exposure to ESG risks and better identify companies committed to the transition towards a low-carbon economy.



21%
PART OF RENEWABLE ENERGY
IN THE ENERGY MIX OF INVESTED
UTILITIES

Commitment to a 2°C alignment

The target of a gradual alignment of the financial asset portfolios with a 2°C trajectory is an integral part of BNP Paribas Cardif's strategy. However, it raises numerous questions including, the climate scenarios to be used and the calculation metrics required. These questions are not simple and require additional research for financial intermediaries, regulators, and analysis service providers. For this reason, over one year ago, they created the «Network for Greening the Financial System» (NGFS), implemented during

the international One Planet Summit that took place in Paris on 12 December 2017.

Today, BNP Paribas Cardif uses two types of indicators.

ENERGY MIX FOR INVESTED UTILITIES¹

In order to monitor its progress towards a 2°C alignment for its investments, BNP Paribas Cardif publishes the energy mix of companies in the Utilities sector invested in within its General Fund (equities and bonds). In 2018, the investments concerning the most carbon-intensive fossil energies (coal and oil) represented 16% of the energy mix of Utilities, compared to a target of 40% used by the International Energy Agency (IEA) in its 2°C scenario. This figure of 16% is, therefore, in line with the global targets for the 2°C trajectory set by the IEA.

Moreover, the share of coal in the energy mix of invested Utilities went from 18% in 2017 to 14% at the end of 2018. This decrease is notably due to BNP Paribas Cardif's more restrictive policy on coal (see p.16). At the same time, the share of renewable energies also increased, reaching 21% of the energy mix in 2018 (compared to 17% in 2017).

Energy Mix for Invested Utilities (in percentage terms)



¹ Utilities: community service companies such as those which produce and distribute water, gas and electricity.

Temperature of directly-held security portfolios: methodological comparison

BNP Paribas decided to measure the estimated temperature of its portfolios, according to the 2°C trajectory promoted by the Paris Agreements. As the measurement methodologies are currently being improved, the insurer uses two methods with different results.

Following the Paris Agreements in 2015, numerous national and international initiatives have placed the 2°C target and trajectory at the heart of climate strategies, calling on investors to also measure the contribution of their investments to a 2°C scenario. This 2°C target aims to limit the consequences of an increase in the Earth's temperature on its ecosystems.

To date, there is no standard, consensual definition of a 2°C alignment indicator. In 2017, for the first time, BNP Paribas Cardif published the alignment of its directly-held security portfolios with the 2°C climate targets. This year, the Company continued its commitment to improve the existing analysis tools by publishing the results of two different methodologies:

- **Carbon Impact Analytics (CIA)**, conducted using the data from Carbone 4 in collaboration with Mirova, already used in 2017;
- **Science Based 2°C Alignment (SB2A)**, produced by I Care & Consult, used for the first time in 2018.

Both methods are based on the International Energy Agency's (IAE's) 2°C scenario. SB2A also uses Science-Based Targets (SBT). The methodologies convert company performance differences and 2°C trajectories into «equivalent temperature» across their respective scopes. These temperatures are indicated on a scale from 1.5°C to 6°C, with a 2°C portfolio coming under a trajectory of limited global warming to less than 2°C, according to the Paris Agreement.



METHODOLOGICAL NOTE

While awaiting a convergence in methodologies, it is both useful and meaningful to compare the results of their application and share them.

Methodologies

	CARBON IMPACT ANALYTICS	SCIENCE BASED 2°C ALIGNMENT
APPROACH	Based on the economic carbon intensity (tCO ₂ /€M/year), from emissions generated and avoided at company level, resulting from the performance of all their activities in a life cycle analysis compared to a benchmark scenario.	Based on the physical carbon intensity according to the sector. <i>E.g.: kgeq/m² for the real estate sector, kgeqCO₂/km for the transport sector.</i>
VISION	Considers the current and future carbon performance of companies through carbon emissions generated or avoided over the product life cycle.	Considers historical data for companies and their reduction commitments («forward-looking»).
COVERAGE	Focused on key sectors for transition for the detailed analysis and restricted to company reporting for sectors with limited interest from the transition point of view.	Focused on key sectors for transition, representing respectively 88% and 56% of the carbon footprints of bond and equity portfolios.
BIASES	The economic intensity ratios involve valuation biases that may have an influence on a company's climate performance.	The «forward-looking» view is based on declarative commitments that are not always binding for companies.

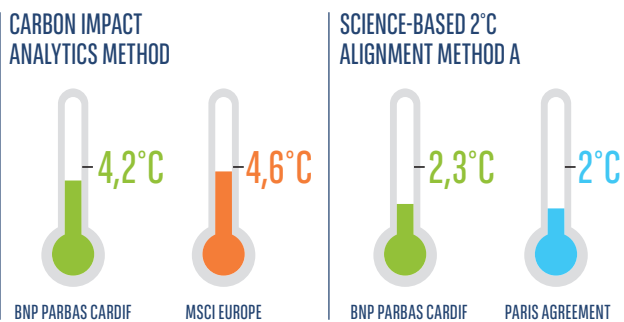
--> p. 27 *Temperature of directly-held security portfolios: methodological comparison*

RESULTS

The portfolio temperatures resulting from the application of the two methods are significantly different: those from the SB2A are significantly lower. This is due to the fact that the CIA method takes into account the carbon performance related to the company’s current activity without factoring in the company’s past or announced reduction momentum, which has the result of driving the «portfolio equivalent temperature» calculation upwards.

BNP PARIBAS CARDIF EQUITY PORTFOLIO

The **Carbon Impact Analytics (CIA)** method results in a current temperature of the General Fund equity portfolio of 4.2°C compared to the MSCI Europe benchmark index of 4.6°C.



The **Science Based 2°C Alignment (SB2A)** method gives an equivalent temperature of 2.3°C, gradually coming closer to the climate targets defined by the Paris Agreements. The portfolio has a carbon budget ratio of 118%. This signifies that the issuers exceed the total emissions that would be allocated to them in the IEA 2°C scenario by 18%¹. This calculation method does not enable a comparison of BNP Paribas Cardif’s results with those of other players.

The SB2A analysis was conducted for four sectors representing 26% of the equity portfolio: the electricity, oil and gas, transport, and industry sectors. These sectors have a considerable impact on the environment and climate change; For example, issuers from these four sectors represent 56% of the total carbon footprint of BNP Paribas Cardif’s equity portfolio.

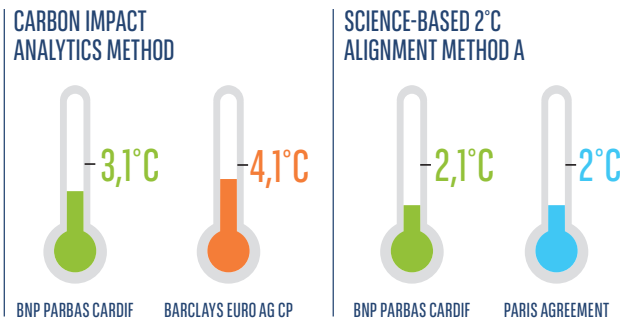
CLOSE-UP ON THE CORE CLIMATE SECTORS IN 2018	CARBON BUDGET RATIO	EQUIVALENT TEMPERATURE
Equities in BNP Paribas Cardif's General Fund portfolio	118%	2,3°C

BOND PORTFOLIO

Whatever the methodology, the bond portfolio gives a lower equivalent temperature to the equity portfolio.

The **Carbon Impact Analytics (CIA)** method highlights a slight decrease in the equivalent temperature in 2018: 3.1°C (3.2°C in 2017). BNP Paribas Cardif’s portfolio is one degree lower than the benchmark Barclays Euro AG CP index.

With the **Science Based 2°C Alignment (SB2A)** method, the bond portfolio has an equivalent temperature of 2.1°C, close to the trajectory required by a 2°C scenario. The portfolio slightly exceeds the carbon budget «allocated» in a 2°C scenario (by 4%). This calculation method does not enable a comparison of BNP Paribas Cardif’s results with those of other players.



The SB2A analysis was conducted for four sectors representing 13% of the bond portfolio (electricity, oil and gas, transport and industry sectors). For example, issuers from these four sectors represent 88% of the total carbon footprint of BNP Paribas Cardif’s bond portfolio.

CLOSE-UP ON THE CORE CLIMATE SECTORS IN 2018	CARBON BUDGET RATIO	EQUIVALENT TEMPERATURE
Bonds in BNP Paribas Cardif's General Fund portfolio	104%	2,1°C

TCFD STRATEGY FOCUS

BNP Paribas Cardif has published the temperature of its directly-held securities portfolio for the last two years. In 2018, a more in-depth methodological discussion was conducted to compare two methodologies based on different 2°C scenarios. This exploration of existing methodologies will then enable the impact of these scenarios to be included in BNP Paribas Cardif’s strategic decisions.



1. A 2°C aligned portfolio would have a carbon budget ratio equal to 100%.



2. REDUCING THE EXPOSURE TO CLIMATE RELATED RISKS

Risk management is at the heart of the insurance business. Climate change generates new risks that may affect the Company's business. BNP Paribas Cardif endeavours to assess the scale of these risks and gradually include them in its investment processes.

The risks related to climate change were defined by the TCFD, and distinguishes: the risks related to the transition towards a low-carbon economy, and the physical risks related to global warming.

TRANSITION RISKS

Transition risks are risks resulting from the implementation of a low-carbon economy. They can be subdivided into four sub-categories:

REGULATORY RISKS

the change in political actions with regard to climate change that aims either to require companies to pollute less or to serve as a support for more environmentally-friendly practices.

TECHNOLOGICAL RISKS

the technological improvements, innovations or breakthroughs to promote the transition towards a low-carbon-emission and energy-saving economic system.

MARKET/COST RISKS

the change in supply and demand of certain basic and other products and services.

REPUTATION RISKS

the change in customer and local authority perceptions with regard to the organisation's contribution to the transition towards a low-carbon-intensity economy, or hindrance to the transition towards such an economy..

→ *The transition to a much lower-carbon-intensity economy would, of course, limit the temperature increase, but would require significant adjustments to the different economic sectors, companies and consumers: the transition risks defined above are, therefore, much higher in such a system.*

PHYSICAL RISKS

Physical risks are the risks of damage directly caused by weather and climate phenomena. They can be broken down into two sub-categories:

ACUTE RISKS

related to events, including the increased severity of extreme weather phenomena, such as cyclones, hurricanes or floods.

CHRONIC RISKS

the long-term climate changes that may cause higher sea levels or chronic heat waves.

→ *The higher the temperature increase, the higher the physical risks. As temperature increases physical and transition risks are inversely evolving.*

TCFD INSET: RISK MANAGEMENT FOCUS

BNP Paribas Cardif has undertaken to include climate risks in the Company's overall risk management. For this, BNP Paribas Cardif will continue to identify and assess climate-related risks for its directly-held securities portfolio.

TCFD

3. PROMOTING THE TRANSITION TO A 2°C ECONOMY

Green investment policy

BNP Paribas Cardif has strongly invested in green projects, by financing green bonds, thematic funds, and structured products as part of its General Fund. With over €2.4 billion in green investments at 2018 end, the Company has raised its target by €1.1 billion to reach €3.5 billion in green investments⁹ by 2020. The environmental themes cover climate change, the energy transition, food waste, and the conservation of natural resources. Through these investments, the Company contributes to the energy transition by accelerating the change from a high-carbon to a low-carbon economy.

Responsible investments with environmental themes at BNP Paribas Cardif

Market value in €M	30/12/2016	29/12/2017	31/12/2018
Equity funds	312	396	399
Green Bonds	625	1041	1751
Private Equity/Infra./Private Debt		255	302
SUB-TOTAL GREEN INVESTMENTS	938	1692	2452
Real estate	2034	1957	2362
ENVIRONMENTAL THEME	2972	3648	4814

STRUCTURED PRODUCTS

BNP Paribas Cardif also invests in structured products to finance green projects.

Climate Impact Note is a BNP Paribas structured product combining a BNP Paribas green bond to finance environmental projects with positive impacts on the climate and an equity investment via a low-carbon index, «BNP Paribas Equity Europe Climate Care», which aims to reduce the carbon footprint by at least 50% compared to the Stoxx 600 benchmark index.

The residual carbon footprint of the underlying equity of the Climate Care Index is offset by a project in Southwest Kenya to preserve forests through economic incentives for the local community, thus reducing or avoiding greenhouse gas emissions.

This innovative initiative contributes to the energy transition by allowing carbon-neutral investments, in line with the United Nations' Sustainable Development Goals.



PROJECT EXAMPLE

Financing of environmental projects via the Climate Impact Note fund.

BONDS

BNP Paribas Cardif also contributes to environmental projects by financing bonds, both at a national level, as part of the French government's green bond issued in 2017, and at an international level, with the Sustainable Bond SDGs Everyone from the World Bank. In total, green bond financing increased by 68%, to €1.7 billion at end 2018.

In 2015, BNP Paribas Cardif contributed to financing the Tera Neva initiative, a climatically responsible bond from the European Investment Bank, for €100 million. This sustainable-investment solution, maturing in 2029, offers investors the possibility of combining financial investments and the fight against climate change. It was issued in connection with the Ethical Europe Climate Care Equity index. Since then, Tera Neva has financed 14 projects contributing to the energy transition (wind farms, waste treatment infrastructures, solar thermal plants, etc.) through the production of renewable energies or the deployment of high-energy-efficiency technologies.



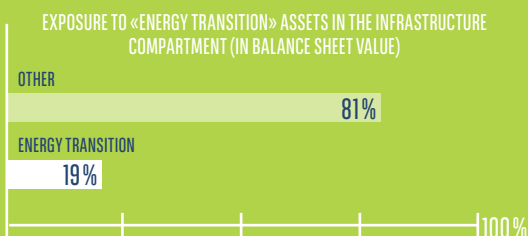
PROJECT EXAMPLE

Construction of offshore wind turbines 45 km from the coast in Belgium, producing energy equivalent to 186,000 households and saving 200,000 tonnes of CO₂ per year via the Tera Neva fund.



INFRASTRUCTURE

BNP Paribas Cardif has also deployed a green policy in its infrastructure investments. At end 2018, 19% of the investments in the infrastructure portfolio were related to energy transition. BNP Paribas Cardif aims to reinforce these positions.



Investments in renewable energies were a specific focus in 2018, with an acceleration in investments deployed on mainly pan-European opportunities through specialist funds. The production of decarbonised green energy via photovoltaic projects and wind farms was the team's priority. In 2019, the deployment of energy-transition assets continues to be an important focus for the infrastructure investment strategy.



PROJECT EXAMPLE

Acquisition and operation of photovoltaic fields in the Aquitaine region and the Alps in France with projects offering decarbonised green energy between 2.8MW and 10.3MW via the Conquest Fund.

PRIVATE EQUITY

Within its Private Equity funds, BNP Paribas Cardif finances projects with positive environmental impacts.

Soil deterioration, notably related to deforestation and intensive agriculture, is crucial in the fight against climate change. Land use (agriculture, breeding, deforestation, etc.) is a factor in 25% of greenhouse gas emissions (IPCC, 2014). To meet this challenge, BNP Paribas Cardif has invested in the Land Degradation Neutrality (LDN) fund managed by Mirova, with support from the UN, the European Investment Bank, and the Agence Française de Développement [French Development Agency]. This fund aims to protect and recover arable land, mainly in emerging countries, by financing sustainable land management projects (organic agriculture, reforestation, etc.) and supporting local communities.



PROJECT EXAMPLE

Coffee-planting programme in Peru, in partnership with small producer cooperatives. This project aims to replant almost 9,000 hectares of forest, reduce CO₂ by 1.3 million tonnes, and improve living conditions for 2,400 producers.

Source: BNP Paribas Cardif.



Sustainable real estate: a pillar of BNP Paribas Cardif's green investment policy

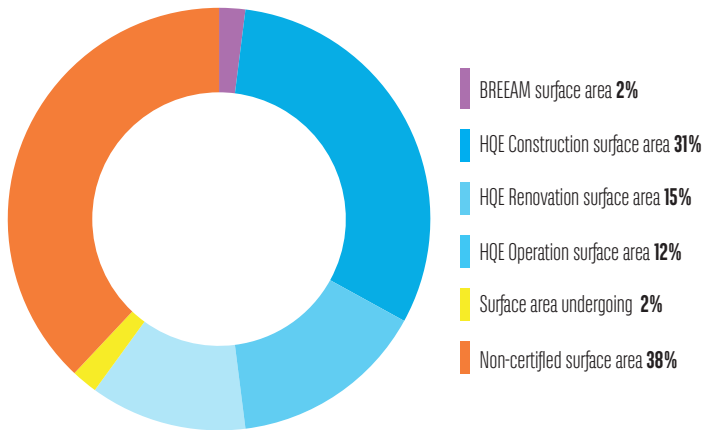
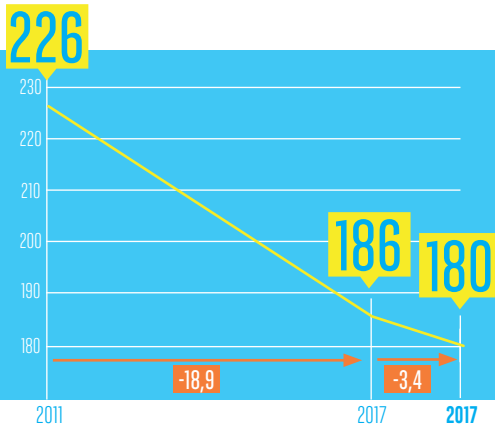
BNP Paribas Cardif directly manages a portfolio, with 55 office buildings representing over 650,000 m², located in the Ile-de-France region.

One of the main challenges of the real estate sector environmental transition is the reduction in buildings energy consumption. Several tools are available to deal with this issue. Labelling is important, but is not fully representative of the building actual energy performance. The carbon footprint, on the one hand, mainly comprises emissions related to «scope 3» (user transport, etc.), which are poorly understood today. Thus, building energy intensity is considered to be the most relevant indicator for steering building environmental performance. For new construction, it is essential to factor

in the materials used, as they largely contribute to a building carbon footprint. Developing wood-frame buildings also contributes to reinforcing this positioning.

BNP Paribas Cardif has set itself the ambitious target of reducing the average energy consumption (per square metre per year) of its real estate portfolio by 30% between 2011 and 2020. For 2017, a 20.5% reduction in energy consumption compared to 2011 has already been recorded.

The certification, however, remains an important focus of BNP Paribas Cardif's responsible strategy. The share of BREEAM¹ - and HQE-certified² buildings went from 50% in 2017 to 62% in 2018.



Average energy consumption (in KGeqCO2.m-2.year-1)

Note: this data is reported in final energy, not corrected for climate data.

Source: BNP Paribas Cardif.

HQE and BREEAM certification overview

Source: BNP Paribas Cardif.

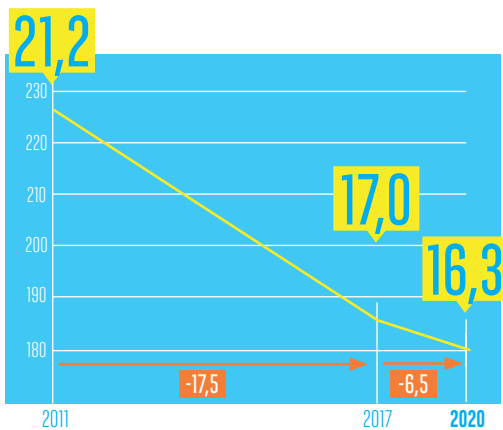


62%

OF BREEAM- AND HQE-CERTIFIED
BUILDINGS IN 2018.

During building operations, notably by reducing energy consumption. BNP Paribas Cardif assesses the change in greenhouse gas emissions in kilogrammes CO₂ equivalent:

- during building operations, notably by reducing energy consumption. BNP Paribas Cardif assesses the change in greenhouse gas emissions in kilogrammes CO₂ equivalent.
- during the construction phase, BNP Paribas Cardif has committed to investing in the wood sector with the construction of a wood-frame building (80 housing units).



Greenhouse gas emissions
in KGeqCO₂.m⁻².year⁻¹

Source: BNP Paribas Cardif.

→ A STUDY PROJECT

BNP Paribas Cardif aims to invest in the construction of 80 wood-frame housing units in Reuil Malmaison in 2019 to promote the development of this key material for the low-carbon transition.

1. BREEAM: Building Research Establishment Environmental Assessment Method 2. HQE: High Environmental Quality



IV. THE DEVELOPMENT OF POSITIVE-IMPACT INVESTMENTS

1. CONTRIBUTION OF INVESTMENTS TO THE SUSTAINABLE DEVELOPMENT GOALS



THE SDGS

The development programme set out in 2015 by UN Member States focuses on 17 Sustainable Development Goals (SDGs). These aim to build a sustainable future by meeting the main global challenges by 2030: ending poverty and hunger, promoting equality, and building sustainable cities, whilst protecting the planet.

Analysis of directly-held securities (equities) with regard to the Sustainable Development Goals

The role of global finance is essential for financing projects and promoting companies that provide solutions to deal with sustainable-development challenges.

For the second consecutive year, BNP Paribas Cardif carried out an analysis of the contribution of its investments in directly-held securities. For this, the Company uses the Vigeo Eiris method that brings together analyses on the contribution to SDGs in eight themes. Two angles are examined:

PRODUCTS AND SERVICES

Vigeo Eiris analyses the share of company revenue generated by products and services that contribute positively to the SDGs and those that concern controversial activities, in addition to controversy monitoring.

3 themes assessed:

- basic needs,
- development tools,
- climate change.

BEHAVIOUR

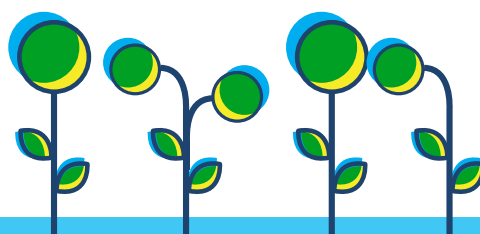
Vigeo Eiris assesses companies' ESG performance in addition to controversy monitoring and its major implications in negative-impact activities.

5 themes assessed:

- business ethics,
- corporate governance,
- well-being,
- decent work,
- natural resources.

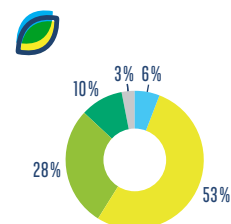
Between 2017 and 2018, across its directly-held equity portfolio, BNP Paribas Cardif improved its overall contribution to the SDGs. The share of directly-held equity investments that contributed positively or very positively went from 49% in 2017 to 53% in 2018. As a comparison, by using the same methodology, the Stoxx 600 index was 44%. This difference shows the relevance of the ESG filtering and selection process implemented by BNP Paribas Cardif.





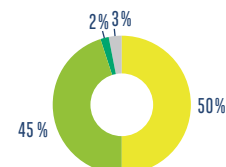
BASIC NEEDS

Products and services that responsibly meet global needs for food, health, water and sanitation.



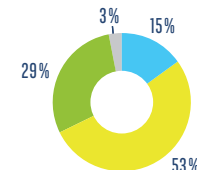
DEVELOPMENT TOOLS

Products and services enabling access to information, promoting education and employment, developing SMEs, supporting financial inclusion, and providing the necessary infrastructure.



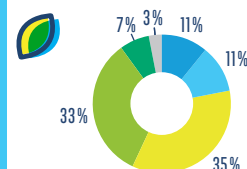
CLIMATE CHANGE

Products and services promoting the use of renewable energies, improving energy efficiency, reducing greenhouse gas emissions, protecting the environment, and repair damage.



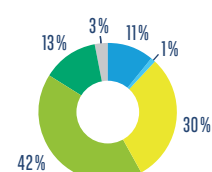
CORPORATE GOVERNANCE

Behaviour looking ensuring effective functioning of Boards of Directors, including ESG issues in risk management, conducting responsible audits and internal controls, guaranteeing fair and transparent compensation of managers, and complying with shareholder rights.



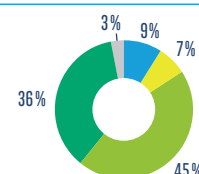
BUSINESS ETHICS

Behaviour preventing corruption and money laundering and anti-competitive practices, guaranteeing transparent and ethical dialogue with the public authorities, and maintaining healthy relationships with customers, suppliers, and sub-contractors.



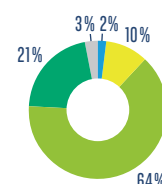
WELL-BEING

Behaviours respecting and promoting human rights, promote peace, and guaranteeing the development of inclusive societies and the fair payment of tax.



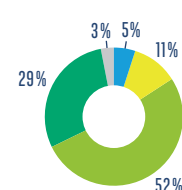
DECENT WORK

Behaviours protecting and guaranteeing employee well-being at work by promoting diversity, responsible working relations, fair compensation, and healthy, safe working conditions, including for suppliers and sub-contractors.



NATURAL RESOURCES

Behaviours reducing the environmental footprint via energy consumption, emissions reduction, water use, waste generation, protection of biodiversity, and minimisation of negative externalities, including for suppliers and sub-contractors.



Highly Adverse

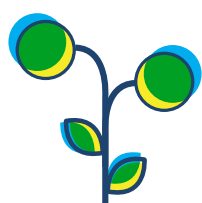
Adverse

Marginal

Positive

Highly Positive

Not covered



High-positive-impact investment initiatives

Investors have a role to play in the fight against inequality. They can invest in projects with a high social impact. This is why BNP Paribas Cardif has developed its investments in social-impact funds. One of this strategy's focus areas is to support the most fragile populations to ensure an access to housing, a fundamental right.

At end 2018, BNP Paribas Cardif committed €160 million to the Intermediary Housing Fund (Fonds de Logement Intermédiaire - FLI 1 and FLI 2) managed by CDC Habitat.

With a prior commitment of €80 million in the first Intermediary Housing Fund managed by CDC Habitat, BNP Paribas Cardif decided to add a further €80 million in 2018 to the second fund managed by CDC Habitat.

In addition, BNP Paribas Cardif directly acquired 43 intermediary rental housing units to be built for a total of €13 million. These housing units will be built of wood, in line with our environmental ambitions.

The commitment in France to social housing residences, via the Hémisphère fund, amounted to €20 million at end December 2018.

€M 160
AMOUNT COMMITTED BY BNP PARIBAS CARDIF
TO THE INTERMEDIARY HOUSING FUND
MANAGED BY CDC HABITAT

6000
EMERGENCY HOUSING UNITS
CREATED VIA THE
HÉMISPHERE FUNDS



INTERVIEW > NATHALIE ROBIN

--> Real Estate Director
at BNP Paribas Cardif



« In 2018, we supported via the Hémisphère funds 8,000 people in precarious situations. »

What tangible results have you obtained in terms of the social impact of your real estate investments?

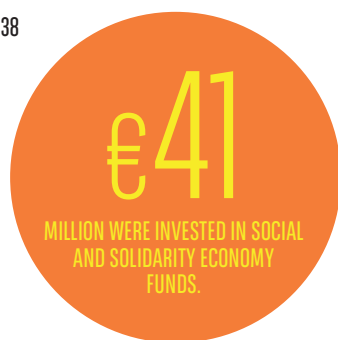
Nathalie Robin : The Hémisphère fund, in which we have a 20% stake, currently finances almost 6,000 emergency housing units. In 2018, it supported over 9,000 people in precarious situations. This support is carried out by social workers, thanks to support from several associations. The results are audited annually by an independent firm based on predetermined criteria: education of children, access to social rights, signature of an individual project, and exit solutions towards social or integration housing.

We are investing in intermediary housing and contributing, via our participation in the FLI 1 fund, in the creation of 8,000 new housing units, to increase the availability of affordable rental housing in major French cities. Thanks to this fund, for the 2,500 housing units delivered at end 2018, each tenant saves an average of around €1,300 per year, and €1,600 in the Ile-de-France region.

In 2019, we intend to continue our investment in the Intermediary Housing Fund 2, which will finance the production of over 11,000 housing units (80% of intermediary housing and 20% of senior or student residences), around the Grand Paris Express network and in major cities outside Paris.

2019 will mark our first direct investment in an intermediary housing operation. This is a focus that we intend to reinforce, subject to market offers.





2. FINANCING THE SOCIAL AND SOLIDARITY ECONOMY

BNP Paribas Cardif finances projects related to the social and solidarity economy.

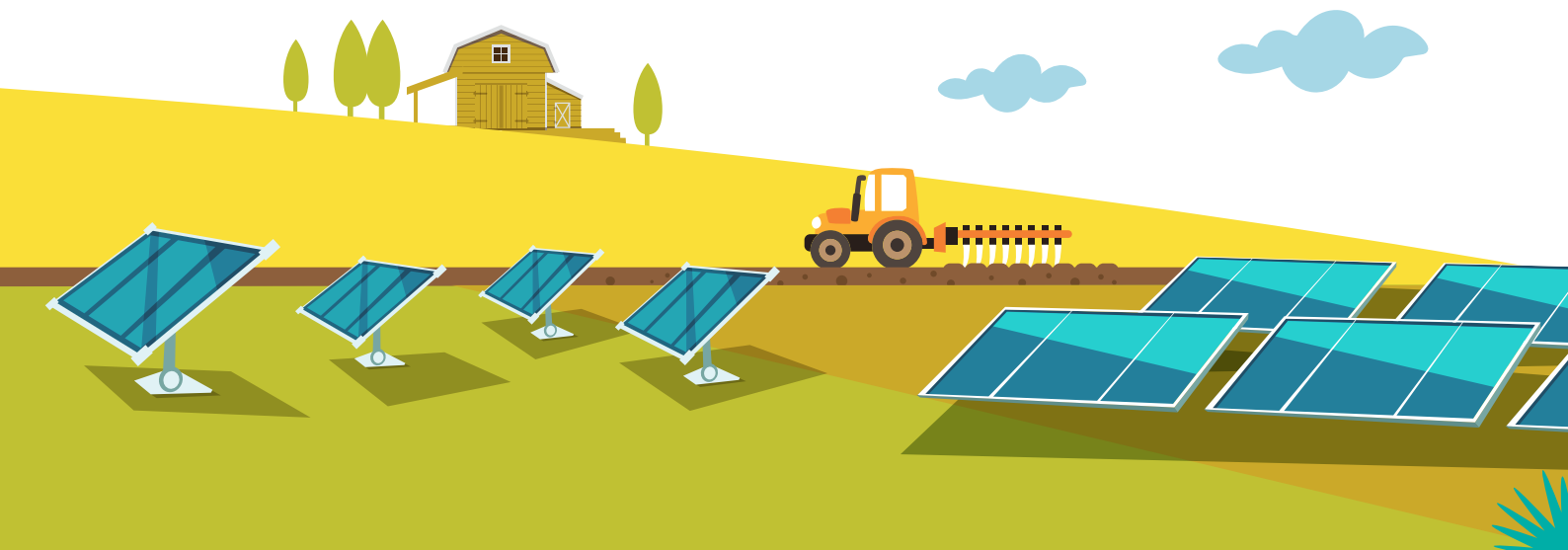
The Social and Solidarity Economy brings together public and/or private organisations (mutual funds, associations, cooperatives, foundations or businesses with a social purpose) that want to combine economic and social activities, notably by building on extra-financial principles such as democratic governance, solidarity, or social value. The SSE today represents 10% of French GDP and almost 2.3 million jobs, or over 10% of the employed workforce in France¹².

BNP Paribas Cardif specifically finances solidarity companies and structures, such as the BNP Paribas Insertion Salariés (Employee Integration) fund. This fund has enabled support or employment for 29,920 people since its creation. The insurer participates in the financing of French companies specialising in the fight against exclusion and for social innovation in the fields of health by contributing to the BNP Paribas Social Business France fund. The NovESS fund launched by the Caisse des Dépôts et Consignations helps Social and Solidarity Economy companies to change scale.

Following BNP Paribas Cardif's commitment in 2017 to invest in the Entreprendre & Croissance fund 1 for €5 million, €1 million has been paid in in 2018. This fund aims to invest in

French SMEs supported by Réseau Entreprendre (Entrepreneurship Network). Réseau Entreprendre supports entrepreneurs with high job-creation potential to help their company's creation, takeover, or growth succeed.

A percentage of the amount invested by the fund in a Réseau Entreprendre winner, as well as a portion of the fund's capital gains on disposal. It will be redistributed as donations to the Entreprendre Foundation or a member association of the Réseau Entreprendre supporting entrepreneurs, such as the FADEAR (an association that helps develop entrepreneurship in the agricultural sector), Entreprendre pour Apprendre (an association that brings schools and companies closer), or Les Pionnières (an association that promotes the development of women's entrepreneurship).



THE COMMITMENT OF BNP PARIBAS CARDIF'S EMPLOYEES

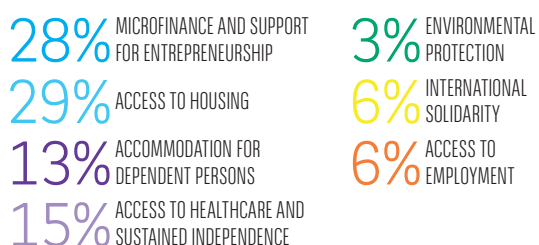
BNP Paribas Cardif's employees are also committed to promoting the local and solidarity economy. As part of the employee savings options offered by BNP Paribas Epargne & Retraite Entreprises, employees finance the development of solidarity companies and associations committed to projects with high social or environmental value throughout France. Almost €44 billion had been invested by Company employees in the BNP Paribas

Phéleis and BNP Paribas Perspectives lines at end 2018, of which 5% to 10% of assets are invested in «solidarity enterprise»-approved organisations.

To go into more detail, the BNP Paribas Phéleis investment offer brings together €85.5 M in solidarity investments in sectors close to the real, social and solidarity economy:

These sectors address several areas such as access to employment and environmental protection;

BREAKDOWN BY SOCIAL ACTION AREA



Source: Analysis of BNP Paribas Phéleis solidarity compartment at 31 December 2018.

PRIORITY INVESTMENT AREAS



Source: Analysis of BNP Paribas Phéleis solidarity compartment at 31 December 2018. Data for 2017, if available, is provided by the solidarity companies and aggregated by BNP Paribas AM.



CONCLUSION

Over the last 10 years, BNP Paribas Cardif has implemented a responsible-investment strategy in the management of its assets, in order to offer its customers sustainable saving product caring for people and their environment.

In this 2018 report, BNP Paribas Cardif has opted to take into account the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). New indicators and methodologies have been introduced to measure the impact of its portfolio on climate change and its contribution to the targets set by the Paris Agreements.

Over the last few years, the Company has reinforced its strategy and set new targets notably for green and positive-impact investments.

This responsible investment report for 2018 meets the regulatory requirement of Article 173-VI of the French Energy Transition and Green Growth Act of 17 August 2015.



GLOSSARY

CARBON FOOTPRINT OF A COMPANY

dioxide (CO₂ eq.) emitted in relation to the company's revenue. This is a prospective and dynamic measurement: it provides basic information on each company's capacity to reduce its future carbon emissions. It is an improvement initiative which goes beyond the simple will to reduce emissions. This indicator must thus be analysed in light of the progress made in taking ESG criteria into account.

Scope 1: Scope 1: sum of direct emissions generated through the combustion of fossil fuels (oil, gas, coal, peat, etc.) by facilities owned or controlled by the company;

Scope 2: sum of indirect emissions generated through the purchase or production of electricity;

Scope 3: sum of all other indirect emissions.

SSE (SOCIAL AND SOLIDARITY-BASED ECONOMY)

this term currently combines the initial social-economy players – i.e. NGOs, mutual insurance companies, cooperatives and foundations – with new forms of social entrepreneurship, i.e. commercial companies which pursue the goal of social value and choose to apply the principles of the Social and Solidarity Economy to their own businesses.

GENERAL FUNDS

also known as «euro funds», are life insurance contract supports, traditionally comprising bonds, equities, and real estate assets. For General Funds, the amount of the insurer's commitment is expressed in euros.

HQE (HIGH ENVIRONMENTAL QUALITY) AND BREEAM (Building Research Establishment Environmental Assessment Method)

these are environmental evaluation methods for the design and construction of buildings. HQE is a French label while BREEAM is a British label.

RESPONSIBLE INVESTMENT

This is a generic term which refers to the various approaches considering Environmental, Social and Governance aspects in financial management. When responsible investment is done in a well-structured, systematic way to select securities for a specific fund aimed at financing players in an inclusive, low-carbon economy, the term used is Socially Responsible Investment, or SRI (Source: Novethic).

GREEN INVESTMENT

is a practice related to Socially Responsible Investment (SRI or RI). It applies to all operations aimed at improving the environment, such as promoting the energy transition and mitigating the environmental footprint.

A GREEN BOND

is a bond issued with the aim of financing a specific project with high environmental added value. Green bonds may consist of securities issued by companies, entities or countries (in which BNP Paribas Cardif may invest directly) or funds (collective investment vehicles).

SDGs (SUSTAINABLE DEVELOPMENT GOALS)

these 17 goals are at the heart of the 2030 Agenda defined by the UN. The three dimensions of sustainable development (Economic, Social and Environmental) are now integrated across the board. The SDGs cover all issues, including climate, biodiversity, energy, water, as well as poverty, gender equality, economic prosperity and also peace, agriculture, education, etc.

A STRUCTURED PRODUCT

is a financial product generally comprising a bond component and another optional component. It is designed to meet specific objectives in a given market context, whether present or future.

INDIRECTLY-HELD SECURITIES

Unlike directly-held securities, these are collective vehicles which take the form of mutual funds of various types. In turn, these collective-investment vehicles are composed of directly-held securities chosen by the fund manager.

DIRECTLY-HELD SECURITIES

are securities which are directly held by BNP Paribas Cardif. They may consist of equities or bonds.

UNIT-LINKED VEHICLES

Like the General Funds, the unit-linked vehicles are life insurance investment vehicles. For unit-linked contracts, the insurer's commitment is expressed in units, the value of which varies according to market fluctuations

APPENDIX

The Group's sector policies

DEFENCE

While recognising the right of countries to defend themselves and ensure their national security, the Group takes into consideration the fact that the defence sector presents specific ESG risks linked to the status of certain arms, their potential end use, and the risk of corruption.

PALM OIL

This activity is an essential source of income and the livelihood of millions of people living in developing countries. However, the exploitation of palm oil plantations can result in various types of damage with respect to local communities, climate change and ecosystems.

PAPER PULP

The production of pulp is an important source of income which provides an adequate standard of living for millions of people in developed and emerging countries. However, demand for paper-based products is set to increase over the coming decade and this change is likely to have global impacts on the environment.

NUCLEAR ENERGY

The countries which have chosen to develop their nuclear industries consider that nuclear energy has a positive impact, in particular on economic development, the security of their power supply, and the reduction of greenhouse gases. By publishing this policy, BNP Paribas wants to ensure that the projects that it helps to finance comply with the principles of control and mitigation of environmental and social impacts applicable to the nuclear energy sector.

PRODUCTION OF ENERGY FROM COAL

Coal can contribute to the economic development of certain countries by providing economical and reliable access to electricity and by supporting energy independence. The right balance must therefore be found between the need for increased access to electricity and economic development, and the need to reduce CO2 emissions from human

activities, which is essential to limiting climate change.

AGRICULTURE

A key sector of the economy, agriculture is an important source of income and the livelihood of millions of people, in both developed and developing countries. However, if it is not managed in an appropriate way, the development of agriculture could have numerous adverse effects on local communities, ecosystems and climate change. It is possible to meet these environmental and social challenges by adopting a sustainable-growth strategy based mainly on agricultural practices (eco-systems and biodiversity).

MINING INDUSTRY

The mining industry extracts mineral resources, which are basic components for most economic sectors. It also accounts for a large part of GDP in numerous countries. However, these aspects must be examined in the light of the environmental, social and governance risks associated with the mining industry.

TOBACCO INDUSTRY

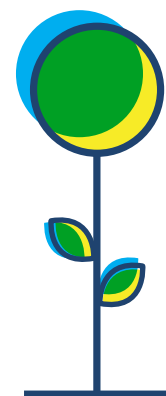
Smoking has been recognised by the WHO as one of the major causes of avoidable death worldwide. BNP Paribas considers that tobacco companies have a role to play to minimise the risks associated with tobacco production and consumption and to encourage its customers to conduct their activities in compliance with the best international practices.

UNCONVENTIONAL OIL AND GAS

The production of unconventional oil and gas currently represents almost 10% of total oil and gas production. This percentage should increase, given that unconventional oil and gas currently represent respectively 55% and 44% of recoverable resources. Within this policy, unconventional oil and gas resources include shale gas and oil, tar sands, and oil and gas resources located in the Arctic region.

For more information, please consult

<https://group.bnpparibas/decouvrez-le-groupe/responsabilite-sociale-environnementale/politiques-financement-investissement>



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