

ESG DATA

ROUND TABLE

12TH OF MARCH 2024

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BNP PARIBAS
ASSET MANAGEMENT

The sustainable investor for a changing world

Our analysis leverages multiple ESG research sources

Our ESG research findings are:

- Independent
- Based on various sources, not limited to ESG data providers
- Completed by regular direct contact and engagement with issuers

EXTERNAL SPECIALISED PROVIDERS

- Sustainalytics
 - ESG metrics, UNGC, controversies
- S&P Trucost, CDP, TPI, SBTi, Bloomberg
 - Climate change
- CDP, S&P Trucost, Forest 500, TRASE, SPOTT, FAIRR, Iceberg Data Lab
 - Water, deforestation, biodiversity
- ISS
 - Governance research
- Beyond Ratings, MapleCroft
 - Sovereign debt
- Bloomberg
 - EU Taxonomy
- Matter
 - SDGs
- ESG and mainstream brokers

IN-DEPTH QUALITATIVE RESEARCH

- Direct contacts and engagement with issuers and key stakeholders
- Carried out by both the Sustainability Centre and investment teams
- Academics
- Institutionals
- Civil society research
- Issuer official publications

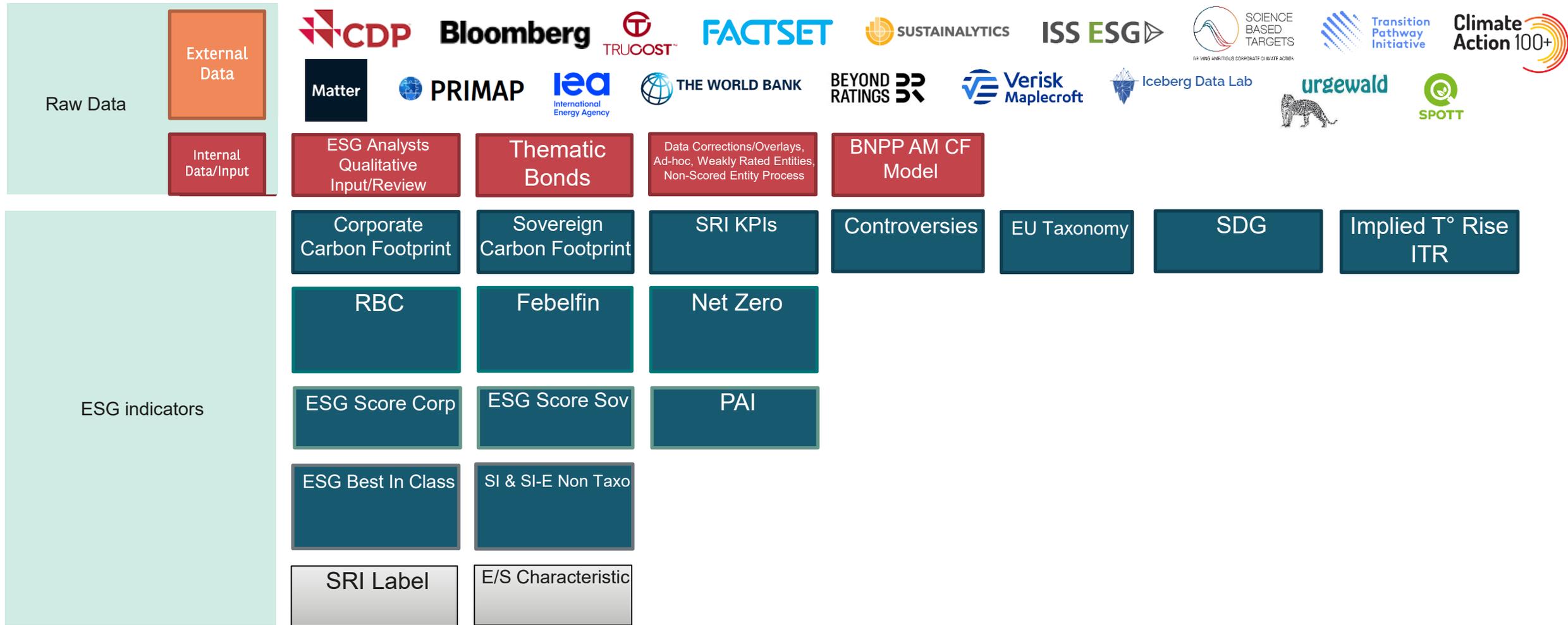
INTERNATIONAL INSTITUTIONS

- Eurostat
- OECD
- United Nations
- World Bank
- International Energy Agency
- World Health Organization
- World Resources Institute
- ADEME
- World Benchmarking Alliance

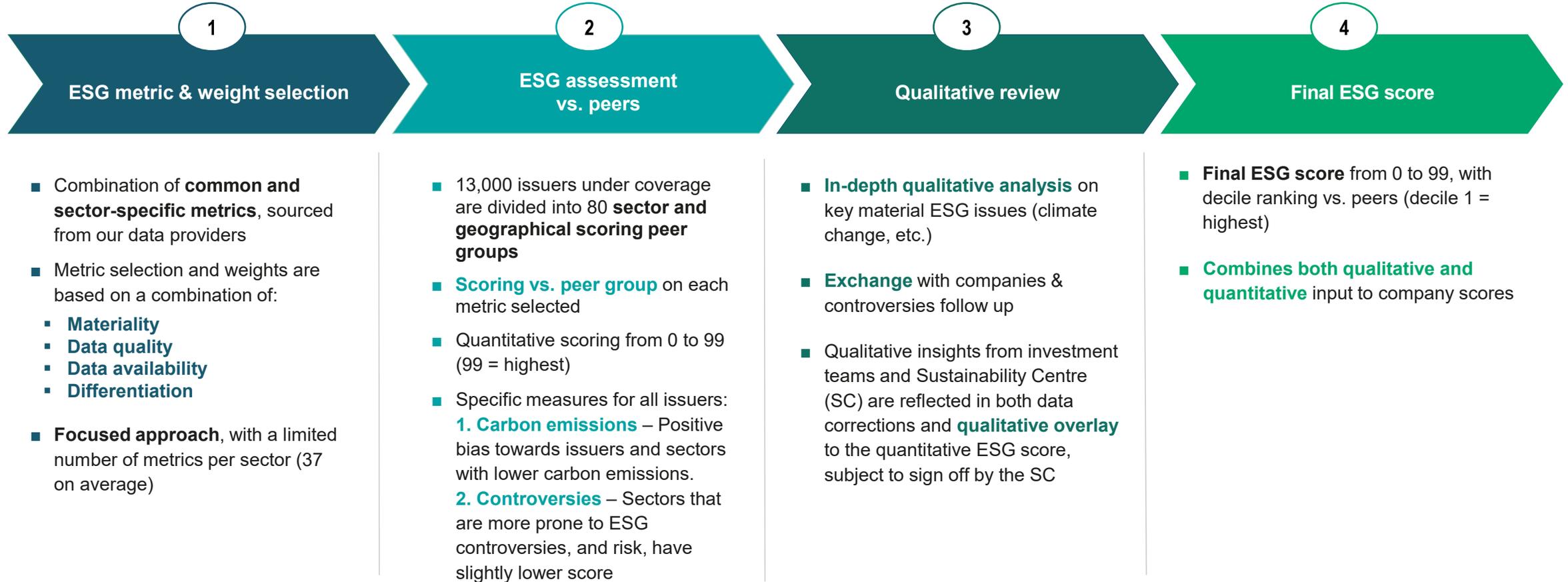
UNGC: UN Global Compact; SBTi: Science Based Targets initiative, TPI: Transition Pathway Initiative, ISS: Institutional Shareholder Services ADEME: French Environment and Energy Management Agency. The list above is not exhaustive.

Source: BNP Paribas Asset Management, January 2024

ESG Data architecture



Example : Corporate ESG scoring



Source: BNP Paribas Asset Management, January 2024

A sector-relative approach, with an absolute ‘tilt’

- Our ESG scoring framework is **primarily sector-relative**, reflecting the fact that ESG risks and opportunities are not always comparable between sectors and regions
- The 13,000+ companies under coverage are divided into 20 sector groups and 4 geographical areas, leading to **80 ESG scoring peer groups of geographical and sector peers**
- However, two universal issues that impact all companies are not scored relative to peers, introducing a **deliberate ‘tilt’ reflecting investment risk for the most exposed sectors**
 1. **Carbon Emissions** - As the world faces an absolute carbon emissions problem, we implement an absolute carbon emission measure, creating a positive bias towards issuers and sectors with lower carbon emissions.
 2. **Controversies** – Sectors that are more prone to ESG controversies have slightly lower scores, reflecting increased risk (‘headline’, reputational or financial risk).

Our ESG metrics cover 11 ESG themes



Source: BNP Paribas Asset Management, January 2024

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