

Launch of BNP Paribas Energy Transition fund



Launched in 2019, the BNP Paribas Energy Transition Fund invests in energy transition opportunities arising from increased energy demand, changing energy mix and the need for energy-efficient solutions to combat climate change.

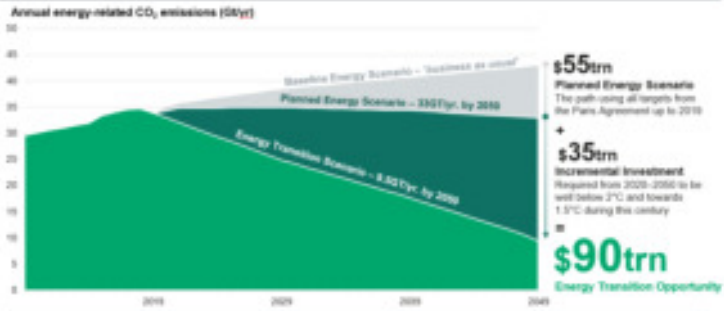
Starting date of the project	September 2 nd , 2019	
Project Localisation Places of implementation of the project at this stage and targeted geography if replicable.	Commercialization of the fund BNP Paribas Energy Transition in Austria, Belgium, Czech republic, Denmark, Finland, France, Germany, Greece, Hong Kong, Hungary, Ireland rep., Italy, Luxembourg, Macao, Norway, Poland, Portugal, Singapore, Slovakia, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom.	
Project objectives Type of climate innovation of the project with a description of the problem/issue addressed	The investment objective of the BNPP Energy Transition Fund is to invest in companies whose activities directly contribute to the transition of the global energy system.	
Detailed project description	<p>The global energy system today is responsible for 70% of global CO2 emissions. To keep within the Paris Agreement target, we need investments of an estimated \$90trn across Renewable Energy Production, Energy Efficiency & Technology as well as Energy Electrification & Infrastructure through 2050 (Source: Global Renewables Outlook, Energy Transformation 2050, April 2020).</p> <p>The fund is an actively managed global equity fund with a concentrated portfolio of 30-50 'best-in-class' energy transition companies across the globe. Energy transition themes include, but are not limited to, renewable and transitional energy, energy efficiency, eco-mobility, and green infrastructure and construction.</p> <p>The investment team is applying a disciplined four step investment process:</p> <ol style="list-style-type: none"> 1. The team identifies the most promising sub-industries globally from a top down approach across three core themes evolving around decarbonising, digitalising and decentralising the global energy system; 2. The team identifies best-in-class companies within the relevant sub-industries through fundamental and quantitative screens, as well as applying ESG screens based on UN Global Compact and BNP sector policies. 3. In-depth fundamental stock research and valuation work is then conducted whilst identifying risk/reward and scenario analysis as well as engaging with companies directly. 4. Position weights are based on conviction, correlation and risk/reward with risk actively monitored and adherence to strict sell discipline. <p>The fund is in line with BNP Paribas Asset Management's sustainable investment policy, which takes into account the Environmental, Social and Governance (ESG) criteria in the fund's investment process.</p>	
Main project's drivers for reducing the greenhouse gas emissions	Reduction levers	Details on aspects of the associated project
	<input type="checkbox"/> Energy efficiency and resources (in particular behaviours)	
	<input type="checkbox"/> Decarbonisation of energy	
	<input type="checkbox"/> Improving energy efficiency	
	<input type="checkbox"/> Improving efficiency in non-energy resources	
	<input type="checkbox"/> Emissions absorption: Creation of carbon sinks, negative emissions (BECCS, CCU/S, etc.)	
<input checked="" type="checkbox"/> Financing of low carbon issuers or divestment of carbonated assets	Financing of low carbon issuers (renewable energy actors, energy efficiency actors).	
<input type="checkbox"/> Reduction of other greenhouse gases		
Emission scope(s) on which the project has a significant impact and quantification of GHG emission reductions per emission scope	Project aspects contributing to emissions reduction by emission category	Quantifying associated GHG emissions by emission category

			Please respect the quantification methodology used in the Afep rating.
	Reducing the company's carbon dependency		
	Scope 1 <i>Direct emissions generated by the company's business.</i>		
	Scope 2 <i>Indirect emissions associated with the company's electricity and heat consumption.</i>		
	Scope 3 <i>Emissions induced (upstream or downstream) by the company's activities, products and/or services on its value chain.</i>	Financing of low carbon issuers	180.55 (Benchmark : 191.75): Carbon intensity (tons of CO2/€m, scope 1+2)
	Increasing carbon sinks		
	Emissions absorption <i>Carbon sink creation, (BECCS, CCU/S,...)</i>		
	GHG emissions avoided by the company in others		
	Emissions avoided <i>Emissions avoided by the activities, products and/or services of the company sponsoring the project or by financing emissions reduction projects.</i>		
	Calculation details or other remarks: The carbon intensity of the fund is the sum of the emissions (in tonnes of CO2) of Scope 1 and 2 divided by the company's revenues (€m), weighted by the weight of each company in the fund.		
Modality of verification of the quantification.	Calculation methods used (ADEME base, GHG protocol, etc.) : BNP Paribas Asset Management, TruCost, CDP Calculation verification (internal or external): Internal and external verification		
Other environmental and social benefits of the project	Projects funded by the BNP Paribas Energy Transition Fund relate in particular to SDGs 7 (clean and affordable energy), SDG 9 (industry, innovation and infrastructure) and SDG 11 (sustainable cities and communities).		
Project maturity level	<input type="checkbox"/> Laboratory prototype test (TRL 7) <input type="checkbox"/> Real Test (TRL 7-8) <input type="checkbox"/> Pre commercial prototype (TRL 9) <input type="checkbox"/> Small scale implementation <input checked="" type="checkbox"/> Medium to large scale implementation Remarks The project was built and delivered in September 2020.		
Capacity and conditions of the project reproducibility, with associated climate impact mitigation potential	NA		
Amount of investment made (in €)	Regular reports to investors on the life of funded projects <ul style="list-style-type: none"> Fund amount : 3 188 million EUR at 30th April 2021 		
Economic profitability of the project (ROI)	<input type="checkbox"/> CT (0-3 years) <input checked="" type="checkbox"/> MT (4-10 years) <input type="checkbox"/> LT (> 10 years old) Remarks: Not disclosed		
Engaged partnerships	No partnership has been engaged through this project.		
Open comments from the project owner	/		
Learn more about the project			
Contact the company carrying the project	BNPPAMFR.SupportcommercialFrance@bnpparibas.com		
Project URL links	https://www.bnpparibas-am.co.uk/professional-investors/our-funds/featured-funds/bnp-paribas-energy-transition-suite/		

Illustrations of the project

https://bnpparibas-am.libcast.com/videos-8/bnpp-fund_energy_transition_en_202003/player

Transitioning the Global Energy System is a \$90trn opportunity

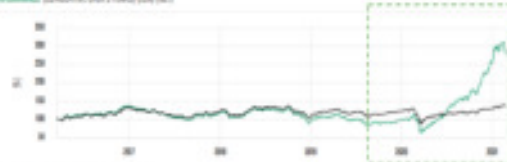


Cumulative Investment allocation by theme (2018 – 2050)



Source: Global Renewable Outlook, Energy Transition 2016, April 2016

PERFORMANCE (CUMULATIVE OVER FUND) (USD, %)



The BNPParibas Energy Transition Fund was awarded on 27th Aug 2019 with the Environmental Strategies Group being over the strategy and managing from the day onwards.

Cumulative Performance as at 30.09.2020 (%)

	YTD	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	4 Years	5 Years
FUND	7.26	-1.25	25.48	15.37	183.26	220.46	226.55	228.55	228.05
BENCHMARK	2.97	3.76	5.55	11.38	17.67	20.57	20.38	20.27	20.27

Calendar Performance as at 30.09.2020 (%)

	2018	2019	2020	2017	2016
FUND	124.57	6.46	25.57	11.22	16.82
BENCHMARK	8.22	24.92	22.28	-7.42	12.82

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 © 2020 BNPParibas. Following a takeover action on 27/08/2019, the performance data are those of the company that existed in a short period ending 30/09/2020 being throughout the fund has a different investment policy and different benchmark.
 Source: BNPParibas Asset Management

Source: BNPParibas Asset Management, Data as at 27th February 2021