



# RI TRANSPARENCY REPORT

2020

BNP Paribas Securities Services

## About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2020 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an 'at a glance' summary of reported information and to identify particular themes or areas of interest.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	✓	Public
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

Strategy and Governance			
Indicator	Short description	Status	Disclosure
SG 01	Responsible investment policy	✓	Public
SG 02	Norms used to develop policies	✓	Public
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	✓	Public
SG 05	Outsourcing of services	✓	Private
SG 06	Providing training/education	✓	Public
SG 07	Applying, advancing and promoting the PRI principles	✓	Public
SG 08	Actions taken to promote responsible investment	✓	Public
SG 09	Long term trends	✓	Public
SG 10	Interaction with asset owners	🔒	n/a
SG 11	Aligning approach with investor goals	✓	Public
SG 12	ESG recommendations not aligned with investor goals	✓	Public
SG 13	Seeking feedback from clients	✓	Public
SG 14	Managing conflicts of interest	✓	Public
SG End		✓	-

Reporting			
Indicator	Short description	Status	Disclosure
REP 01	Product type	✓	Public
REP 02	Reporting frameworks/standards/guidelines	✓	Public
REP 03	Incorporating ESG	✓	Public
REP 04	ESG in materiality analysis	✓	Public
REP 05	Assuring ESG	🔒	n/a
REP End		✓	-

## Active Ownership Services

Indicator	Short description	Status	Disclosure
AOS 01	Engagement and/or voting offerings	✓	Public
AOS 02	Acquiring ESG data and information	✓	Public
AOS 03	Identifying emerging ESG issues	✓	Private
AOS 04	Prioritizing engagement topics	🔒	n/a
AOS 05	Channels of engagement	🔒	n/a
AOS 06	Accessing the appropriate teams when engaging with companies	🔒	n/a
AOS 07	Monitoring engagements	🔒	n/a
AOS 08	Defining and measuring success	🔒	n/a
AOS 09	Companies changing practices/behavior following engagement	🔒	n/a
AOS 10	Engaging with policy makers and industry bodies	🔒	n/a
AOS 11	ESG in voting recommendations	✓	Public
AOS 12	Raising concerns with companies ahead of voting	✓	Private
AOS 13	Voting against management	✓	Public
AOS 14	Monitoring voting outcomes	✓	Public
AOS 15	Mechanisms for clients to review voting recommendations	✓	Public
AOS 16	Involvement in projects to improve voting trail and obtaining confirmation	✓	Public
AOS 17	Sharing ESG information on companies with clients	✓	Public
AOS End		✓	-

## Research and Data Provision

Indicator	Short description	Status	Disclosure
RDP 01	Product type	✓	Public
RDP 02	Sources for research and/or rating	✓	Public
RDP 03	Stakeholder input	🔒	n/a
RDP 04	Up-to-date assessment and ratings	✓	Public
RDP 05	Balanced research and assessment	✓	Public
RDP 06	Consistency and comparability	✓	Public
RDP 07	Emerging ESG issues and trends	✓	Public
RDP 08	Client use of outputs	✓	Public
RDP 09		✓	Public
RDP End		✓	-

## Confidence building measures

Indicator	Short description	Status	Disclosure
CM1 01	Other product offerings, processes and/or activities	✓	Private
CM1 02	Assurance of responses	✓	Private
CM1 End	Module confirmation page	✓	-

# BNP Paribas Securities Services

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic Information

OO 01

Mandatory

Public

Descriptive

OO 01.1

Select the location of your organisation's headquarters.

France

OO 01.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

OO 01.3

Indicate the regions where you have offices.

- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

OO 01.4

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

12071

OO 01.5

Additional information.[OPTIONAL]

90+ different nationalities and 12071 staff worldwide

1. Americas: 452 FTE in 6 countries
2. Europe/MEA: 8227 in 21 countries
3. Asia Pacific: 3392 in 8 countries

## Reporting Year

OO 02

Mandatory

Public

Descriptive

OO 02.1

Indicate the year end date for your reporting year.

31/12/2019

## Signatory category and services

OO 03

Mandatory

Public

Gateway

OO 03.1

Indicate which of the following categories reflect your core offering or main business activity:

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data Provision
- Other, specify (1)

BNP Paribas Securities Services is a leading global custodian offering multi-assets servicing solutions

- Other, specify(2)

OO 03.2

Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- Reporting

Reporting

- Yes
- No

- Active Ownership Services

Active Ownership Services

- Yes
- No

- Investment consultancy
- Research and Data provision

## Research and Data provision

Yes

No

Other, specify (3)

Other, specify (4)

None of the above

OO 04

Mandatory

Public

Descriptive

OO 04.1

Please describe your core offering or main business activity.

BNP Paribas Securities Services is a **multi-asset servicing specialist** committed to helping clients achieve their ambitions both in terms of investments and cross-border distribution.

Our extensive network of over 95 markets and the rich diversity of our people enable us to provide our institutional clients with the connectivity and local knowledge they need to navigate change in a fast-moving world.

### **Brief description of our services**

BNP Paribas Securities Services offers a comprehensive range of products and services covering the whole scope of post-trade services and has established a solid reputation of quality and performance. We have developed an innovative local-global model, allowing us to maintain the client proximity that has made us successful. Based on a solid local presence, client focus is maintained by our local teams who have extensive local market expertise while offering global coverage and operating model.

Our organisation is based on 4 client lines:

4. Financial intermediaries and Corporates
5. Asset managers
6. Asset owners
7. Alternative investors

BNP Paribas Securities Services is a one-stop shop with tailor-made and integrated solutions to all those operators involved in the investment cycle: sell side (financial intermediaries), buy side (asset managers, asset owners and alternative investors) and issuers (Corporates).

We offer a full suite of products listed here below:

- **Asset servicing and fund services for buy side clients:** Global Custody; Depositary/Trustee; Transfer agency and fund distribution support; Fund administration and middle-office outsourcing; Investment reporting, performance and risk measurement.
- **Clearing & custody for sell side clients:** Local clearing, settlement and custody; Global clearing, settlement and custody; Back-office outsourcing, Listed derivatives clearing
- **Corporate trust for corporates and issuers:** Structuring corporate actions; Global compensation & benefit plan services; Shareholder services; General Meeting Management; Debt Fund Servicing; Asset Protection Structures; Loan Administration; Debt Instruments Issuance Services
- **Market services for all clients:** Collateral management, cash servicing and financing, foreign exchange, passive overlay, securities lending

We are a core business of BNP Paribas Group and benefit from the Group's full support.

### **Key figures as of 31 December 2019**

- Assets under custody: USD 11.82 trillion
- Assets under administration: USD 2.81 trillion
- Funds administered: 10 484
- Transactions settled: 96,7 million





# BNP Paribas Securities Services

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

BNP Paribas Securities Services has an important role to play in helping its clients adopt and integrate ESG policies and demonstrate the value these can bring to an organisation. By signing to the PRI in the "service provider category", BNP Paribas Securities Services is committed to providing, developing and promoting services that support clients' implementation of the PRI's six Principles. The bank fully supports responsible investments and commits to reinforcing risk management among its clients. This represents the primary challenge of our long-term strategy. For example through our "ESGRA" (ESG Risk Analytics) solution we support our Institutional Investors' client objectives to have an independent and quantitative assessment of ESG scoring across their investees companies, through a dynamic portal to allow more informed investment decision-making. Our bank wide connectivity can also enhance our clients' sustainable analysis and investments, implement more efficient indices, allocate to "green" investments to improve risk return and properly meet their long term objectives. Within our ESGRA platform, we integrate external data providers to source the raw ESG data, ESG ratings & underlying datasets (for example to support carbon footprint). All the services that we offer are built on our best of breed risk & performance platforms, and serviced globally by our risk & performance specialists.

Another example is the already established development of our Planetshares solution (including "Votaccess" platform) that enable our customers to engage actively in shareholder meetings of the companies they invest in, allowing them to express their views on the incorporation of ESG issues into ownership policies and practices. We are convinced that we can have considerable influence over how our clients address ESG issues. In this respect, in order to better inform our customers, we regularly publish thought leadership papers and articles.

As part of our fiduciary duty and at the request of our Asset Owners clients, we perform specific ESG investment compliance controls on externally managed portfolios (negative/exclusionary screening for specific securities, sectors, countries or positives screening based on ESG criteria or indices). Acting as a depository for those institutional funds, we run compliance checks after each NAV publication.

We are supporting clients in aligning their securities lending programmes with Environmental, Social and corporate Governance (ESG) criteria, integrating ESG principles into the counterparty selection process and ensuring corporate engagement and shareholder actions are in line with our clients' ESG policies.

End 2018, we have launched "ClimateSeed", the first Social Business of BNP Paribas. ClimateSeed was developed with the support of Grameen Creative Lab, co-founded by Nobel Peace Prize laureate Professor Yunus. In line with Social Business principles, it reinvests all its profits in its development to maximise its positive impact on society and the environment. ClimateSeed is the climate-action partner to help organisations go beyond CO2 reduction. It launched several tools, including a voluntary carbon offsetting platform to connect organisations with tangible projects to cut carbon emissions. The ClimateSeed platform connects businesses looking to offset their unavoidable carbon emissions and contribute to the UN SDGs with project developers offering voluntary carbon credits and looking for funding. The launch of ClimateSeed is part of the commitment BNP Paribas has made to encourage decarbonisation and carbon neutrality. As well as supporting climate action, voluntary carbon offsetting projects often help bring more prosperity and social inclusion in local communities. ClimateSeed aims to increase the transparency, security and efficiency of the voluntary carbon market through a thorough verification process, that is built on simple, secure, and user-friendly digital platform and tools. For that purpose, ClimateSeed performs a three-level verification process on each project promoted on its platform including certification checks by a renowned International Standards, banking due diligence on the project developer and project analysis from a Sustainability Committee. ClimateSeed offers more than 30 carbon reduction projects including reforestation, forest conservation, energy efficiency, renewables, household devices, water and waste management in more than 20 countries. It combines the operational strength of a top tier bank, the agility of a startup ,and the legitimacy of a Social Business.

**SG 01.2**

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

**SG 01.3**

Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

**Policy components/types**

Policy setting out your overall ESG/RI approach

Public availability

URL

URL

<https://group.bnpparibas/en/financing-investment-policies>

Attachment

Not publicly available

Formalised guidelines on environmental factors

Public availability

URL

URL

<https://group.bnpparibas/en/financing-investment-policies>

Attachment

Attachment

[File 1:ocean\\_csrapublicposition\\_bnpparibas.pdf](#)

Not publicly available

Formalised guidelines on social factors

Public availability

URL

URL

[https://group.bnpparibas/uploads/file/the\\_ilo\\_global\\_business\\_disability\\_network\\_charter.pdf](https://group.bnpparibas/uploads/file/the_ilo_global_business_disability_network_charter.pdf)

Attachment

Attachment

[File 1:declaration\\_bnp\\_human rights.pdf](#)

[File 2:BNP Paribas Modern Slavery Act Statement 2016\\_20170523.pdf](#)

Not publicly available

Formalised guidelines on corporate governance factors

Formalised guidelines on engagement approach

Formalised guidelines on (proxy) voting approach

Other, specify (1)

BNP Paribas Securities Services strictly follows the sectors policies identified and implemented by BNP Paribas Group.

Public availability

URL

URL

<https://group.bnpparibas/en/financing-investment-policies>

Attachment

Not publicly available

Other, specify (2)

None of the above

**SG 01.4** Indicate how these are put into practice internally across the organisation.

Regular employee training on RI/ESG

Regular RI/ESG policy awareness building for employees

Establishment of policy review committee/team

Remuneration linked to achieving ESG objectives

Annual performance incentives

Other, specify (1)

Other, specify (2)

Other, specify (3)

No

SG 02	Mandatory	Public	Descriptive
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<b>SG 02.1</b>	Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.
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- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

SG 03	Mandatory	Public	Descriptive
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<b>SG 03.1</b>	Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.
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	Off the shelf	Tailored
Asset class-specific RI guidelines	<input type="checkbox"/>	<input type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input type="checkbox"/>
Screening/exclusions policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input type="checkbox"/>
(Proxy) voting policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input type="checkbox"/>
Conflict of interest management policy	<input type="checkbox"/>	<input type="checkbox"/>
Stockbroker allocation policy	<input type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

please specify (1) - Tailored

"ClimateSeed" a voluntary carbon offsetting platform

**SG 03.2** Provide a brief description of the key elements, any variations, or exceptions applying to these policies.

Thanks to "ClimateSeed", Corporates, Asset Managers/Owners can offset their carbon emissions and contribute to the SDGs with project developers offering voluntary carbon credits

SG 04	Mandatory	Public	Descriptive
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**Business area**

## Reporting

## How you include ESG/RI factors

We support our clients in integrating ESG factors into their investment strategy with our online reporting platform. Our flexible multi-provider reporting solution (ESGRA) supports clients in their ability to monitor their ESG risks and exposures:

- Multi-level ESG scoring using partnered data providers
- Business Involvement looks at whether a company derives a proportion of its revenues from certain potentially sensitive activities.
- Controversies are flags raised in response to a company's reputation in the public arena/media, in respect of key ESG issues
- Climate-related risks include carbon footprint metrics like carbon footprint, carbon emissions sales intensity and exposure to carbon intense companies, it give the investors the amount of carbon their investments are responsible for, allowing them to monitor it and set targets. Real life benchmarks allow to compare these metrics to real life indicators like the equivalent emissions of French households, Paris-New-York round trip by plane and others.

Leveraging on our existing look-through functionality we offer institutional investors a harmonized, transparent and consolidated analysis over their direct and delegated investments. Consistent data and methodology help our clients. BP2S' tool independently assesses their asset managers' ESG activity and allows for onwards communication to the Asset Owners stakeholders.

## Active Ownership Services

## How you include ESG/RI factors

Our offering to issuers is oriented to support Corporate Governance requirements in terms of ESG. Thanks to our online tools, being made accessible to both issuers and investors/shareholders, we will continue to accompany Corporates to share information and to facilitate voting for stakeholders.

We provide our clients with a global offer -spanning more than 80 markets- enabling a customised and high quality service and access to a proven and reliable technology. We are currently working on a new solution to provide corporate governance metrics on securities in custody.

## Research and Data Provision

## How you include ESG/RI factors

Publication of a biannual report - the ESG Global Survey- based on an online survey of over approximately 350 asset owners and asset managers. Respondents include ESG practitioners and those who ultimately decide on the sustainable investing strategy and vision: the C-suite. The research is complemented by a series of in-depth interviews with senior industry figures. The report shows the trends in relation to ESG integration and the governance and data challenges in integrating ESG. The 2019 edition can be found at: <https://securities.bnpparibas.com/global-esg-survey.html>

Building innovative solutions in co-design with leading institutional investors to help them efficiently and with increased transparency to assess their footprint linked to the SDGs framework. A prototype has been built and tested with the client.



A data scientists team has been put in place this year to address several sustainability data issues as testing ESG fintech data providers, how they can be included in our research and reporting, building a prototype on controversies monitoring, new solutions for coverage enhancement, climate modelling and others.

We made part of UNEP FI Impact assessment working group, having a deep dive on how different industries and products influence positively or negatively the society, environment and the sustainable growth.

#### Other, specify (1)

As a leading global custodian, we are active in our promotion and support dialogue in the industry around sustainability and responsible investment issues.

#### How you include ESG/RI factors

We published a wide-range of thought leadership papers and articles which include:

- An 'ESG made simple' guide for institutional investors, adapted to the specific characteristics of three markets (Dutch pensions, UK pension funds and institutional investors) and translated into six languages
- A research study called 'Stress-testing equity portfolios for climate change impacts: the carbon factor', made available in three languages :  
([https://securities.bnpparibas.com/files/live/sites/web/files/medias/documents/thoughtleadership/art\\_carbon\\_en\\_2016-11-16.pdf](https://securities.bnpparibas.com/files/live/sites/web/files/medias/documents/thoughtleadership/art_carbon_en_2016-11-16.pdf)).
- A paper on "Fintech and the ESG Data Challenge" :  
[https://securities.bnpparibas.com/files/live/sites/web/files/medias/documents/thoughtleadership/art\\_fintechs\\_esg\\_2019-09-09.pdf](https://securities.bnpparibas.com/files/live/sites/web/files/medias/documents/thoughtleadership/art_fintechs_esg_2019-09-09.pdf)
- Special ESG editions of our Quintessence news bulletin :  
<https://securities.bnpparibas.com/insights/quint-magazines.html>
- Interviews with our specialists and articles:
  - <https://securities.bnpparibas.com/insights/esg-building-bridges.html>,
  - <https://securities.bnpparibas.com/insights/social-hardest-define-integrate.html?themes=attitudes-to-risk>,
  - <https://securities.bnpparibas.com/insights/esg-dating-tips-asset-managers.html?themes=attitudes-to-risk>,
  - <https://securities.bnpparibas.com/insights/fintechs-esg-data-case-studies.html?themes=attitudes-to-risk>
- ESG Risk Analytics Case study/video with one of the largest Australian superannuation funds
- Two global ESG surveys, one released in 2017 and one released in April 2019, focusing on international trends in sustainability among large institutional investors.

Throughout the year, we sponsor, organise and participate in sustainable industry events and conferences (Sustainable forum in Singapore, PRI in person held in Paris,...)

We are also a member of UN PRI global working group on SDGs and Asset Allocation and the AIMA global working group on ESG, contributing to the dialogue, research and knowledge share efforts in those communities.

#### SG 04.2

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.

Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input type="checkbox"/>	<input type="checkbox"/>
Directors	<input type="checkbox"/>	<input type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input type="checkbox"/>	<input type="checkbox"/>
Other chief-level staff	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block; margin-top: 5px;">Please specify</div> Head of Asset Owners & Managers Clients line Head of Product Domains (Investment Analytics and Data Services, Custody, Fiduciary & Depositary services, Market and Financing Services, Investment & Collateral Services) Head of Global CSR	<input type="checkbox"/>
Other heads of department	<input type="checkbox"/>	<input type="checkbox"/>
Dedicated ESG/RI staff	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SG 04.3**

Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

- Staff training on ESG/RI incorporation
- Including ESG/RI knowledge factors in personal development goals
- Having development plans that aim to enhance ESG/RI knowledge of certain departments/teams/individuals
- Including ESG in selection requirements when hiring new employees
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)

**SG 04.4**

Indicate whether your organisation has any ESG/RI linked incentives for its employees.

- Yes

**SG 04.5**

Describe the ESG/RI linked incentives.

Our organisation links incentives to ESG results through our Group Sustainability and Incentive Scheme: eight of the Group thirteen CSR indicators are used in calculating the deferred variable compensation of the Group's top 6,300 managers and account for 20% of the conditions for attributing this compensation

- No
- Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.

**SG 06****Mandatory****Public****Descriptive****SG 06.1**

Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)
- None of the above

**SG 07****Mandatory****Public****Descriptive**

**SG 07.1**

Describe how your organisation applies, advances and promotes the PRI Principles.

BNP Paribas Securities Services fully supports sustainability and responsible investment practices, and commits in supporting prudent long-term risk management among our clients. This is one of the key pillars of our long-term strategy. BNP Paribas Securities Services is contributing to the establishment of a range of responsible financial services solutions that help our clients to fulfil their social, environmental and governance responsibilities and their CSR issues at large.

For example through our "ESGRA" (ESG Risk Analytics) solution we support our Institutional Investors' client objectives to have an independent and quantitative assessment of ESG scoring across their investees companies, through a dynamic portal to allow more informed investment decision-making. Our bank wide connectivity can also enhance our clients' sustainable analysis and investments, implement more efficient indices, allocate to "green" investments to improve risk return and properly meet their long term objectives.

Another example is the already established development of our Planetshares solution (including "Votaccess" platform) that enable our customers to engage actively in shareholder meetings of the companies they invest in, allowing them to express their views on the incorporation of ESG issues into ownership policies and practices. In that respect, in 2018, we have expended the digitalisation of General Meeting centralisation from listed companies (via "Votaccess" platform) to also unlisted companies via "MyVotaccess" platform. Thanks to such online solutions we encourage issuers to provide information to shareholders and ease the access to such information from investors perspective.

End 2018, we have also launched "ClimateSeed", the first Social Business of BNP Paribas. ClimateSeed was developed with the support of Grameen Creative Lab, co-founded by Nobel Peace Prize laureate Professor Yunus. In line with Social Business principles, it reinvests all its profits in its development to maximise its positive impact on society and the environment. ClimateSeed is the climate-action partner to help organisations go beyond CO2 reduction. It launched several tools, including a voluntary carbon offsetting platform to connect organisations with tangible projects to cut carbon emissions. The ClimateSeed platform connects businesses looking to offset their unavoidable carbon emissions and contribute to the UN SDGs with project developers offering voluntary carbon credits and looking for funding. The launch of ClimateSeed is part of the commitment BNP Paribas has made to encourage decarbonisation and carbon neutrality. As well as supporting climate action, voluntary carbon offsetting projects often help bring more prosperity and social inclusion in local communities. ClimateSeed aims to increase the transparency, security and efficiency of the voluntary carbon market through a thorough verification process, that is built on simple, secure, and user-friendly digital platform and tools. For that purpose, ClimateSeed performs a three-level verification process on each project promoted on its platform including certification checks by a renowned International Standards, banking due diligence on the project developer and project analysis from a Sustainability Committee. ClimateSeed offers more than 30 carbon reduction projects including reforestation, forest conservation, energy efficiency, renewables, household devices, water and waste management in more than 20 countries. It combines the operational strength of a top tier bank, the agility of a startup ,and the legitimacy of a Social Business.

**SG 07.2**

Highlight whether there are any ways that your organisation would like to engage further with the PRI. [OPTIONAL]

- Publish thought leadership papers (approved by PRI) to inform and educate clients partnering with PRI when possible
- Promote PRI when participating to global/local initiatives
- Potential collaboration with PRI on knowledge share sessions for asset owners and asset managers on various topics (e.g. Art 173, FSB, SDGs...)
- Active participation in UNPRI/UNEP FI conferences globally
- Take part in PRI collaborative initiatives and thought leadership

**SG 08****Mandatory****Public**

**SG 08.1**

Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

**SG 08.2**

Additional information. [OPTIONAL]

We are active in our commitment and support dialogue in the industry around sustainability and responsible investment issues. In this respect we:

- Have regularly published thought leadership papers and articles, such as :
  - our global ESG survey. The 2019 edition can be found at <https://securities.bnpparibas.com/global-esg-survey.html>
  - a paper on "Fintech and the ESG Data Challenge" : [https://securities.bnpparibas.com/files/live/sites/web/files/medias/documents/thoughtleadership/art\\_fintechs\\_esg\\_2019-09-09.pdf](https://securities.bnpparibas.com/files/live/sites/web/files/medias/documents/thoughtleadership/art_fintechs_esg_2019-09-09.pdf)
  - an article on "ESG analytics : building bridges to harmonization" studying how institutional investors have a key role to play in addressing the major environmental and other sustainability issues facing our planet. While regulations are evolving fast and investors are increasingly setting ESG targets, harmonization and transparency are essential. <https://securities.bnpparibas.com/insights/esg-building-bridges.html>
- Have sponsored, organised and participated to several "sustainable events / conferences" in the market actively (i.e. organisation of the Sustainable Future Forum held in Singapore)
- Have participated at the Impact investing panel at the Global Investment Forum in 2019, an international conference with participants from 20 countries and presented our SDGs and Impact reporting approach
- Have had multiple interviews focused on sustainability matters in specialised media and articles published
- Were admitted to the UN PRI working group on SDGs asset allocation
- Have been part of the SDCI Network in 2019 becoming a Founding Member of the G17Eco Platform. The fintech World Wide Generation (WWG) has become the technology partner for the UK Government and City of London backed Sustainable Development Capital Initiative (SDCI). They are developing G17Eco, a combined monitoring and marketplace platform that could solve transparency and trusted data challenges using blockchain technology.

**SG 09****Mandatory****Public****Descriptive**

**SG 09.1**

Indicate which of the following long-term trends are addressed in your product outputs.

- Changing demographics
- Climate change

**SG 09.2**

Explain how this long-term trend affects your product outputs.

With the increased focus on climate change, and the risks this poses to economies and thus to investor portfolios, we are proactively addressing climate change through various measurement practices and through developing solutions to support our clients address the impacts of climate change.

In the multi-year roadmap within our risk & performance business line, this commitment is driven a series of initiatives that support our clients' ability to be compliant with Article 173 (LTE: French Energy Transition Law), comprising carbon footprint indicators, alignment with climate-related goals, and exposure to climate-related risks (physical and transition).

For example, for the past three years we have been studying the effects of climate change, the levels of CO2 emitted into the atmosphere, and the overall rise in the Earth's core temperature and how this will affect the overall value of a portfolio or investment scheme.

We break this down by looking at carbon pricing over 6 markets globally, understanding regulations in the local markets where investments are made, with a heavy focus on the energy, utilities, materials, and industrial sectors. We believe these sectors are disproportionately affected by the price of carbon and are more sensitive to changes in regulation around CO2 emissions. Lastly, we examine whether these companies would be able to pass on an increase in carbon prices to their customers, or whether they would need to absorb part or all of an increase in carbon costs.

This strategy helps our clients in two ways: 1. It allows us to help our clients to understand the emissions they are responsible for as an owner of a particular company, 2. It also helps us to model the future profitability of companies with heavy exposure to carbon emissions.

With evolving regulations ongoing in Europe but also globally, we are studying regulatory requirements evolution and how it can be integrated in our existing solutions. This study is done in collaboration with Regulatory Reporting team and Regulatory reporting BNP Paribas Group working groups. For example, it includes Climate taxonomy integration study in our existing products.

- Resource scarcity

**SG 09.2**

Explain how this long-term trend affects your product outputs.

We are partnering with an asset manager to look at water scarcity and how this will affect investments decisions by region. More to follow on, as this product develops.

- Technology developments
- Other, specify (1)

Contribution to the Sustainable Development Goals (SDGs)

**SG 09.2**

Explain how this long-term trend affects your product outputs.

Post the announcement of the Sustainable Development Goals (SDGs) by the UN, BNP Paribas has undertaken a strong commitment across the Corporate and Institutional Banking (CIB) business, in several dimensions, including SDG indices, reporting and various partnerships with industry and clients. Within BNP Paribas Securities Services, this commitment is underlined through development of analysis and reporting solutions to support our clients who incorporate the SDGs into their investment and business policies. We envision this to be as well driven by a multiphase roadmap across the Securities Services business, incorporating the roadmap highlighted in 11.2.

The first SDG we focused on was Climate. This is a two steps approach looking at absolute emissions of an investment portfolio first, based on both equity and bond holdings compared to the

enterprise value of the company. The second approach is through our scenario analysis looking at how various different increases in the Earth's temperature (2 degree C increase, 2.74 degree C increase, 3.5 degree C increase, 4 degree C increase, 6 degree increase) will affect an investment portfolio, and how the physical and transitional risks associated with these temperature changes will affect the investment landscape.

We are also looking at new ways to incorporate other SDGs into our portfolio analysis products, with a particular aim at targeting:

8. How gender equality affects the governance measurement of the ESG score, and how this translates to performance and risk mitigation.
9. How affordable and clean energy generation affects the price of energy and how companies in the energy and utilities sectors will need to adapt to stay profitable.
10. How companies who subscribe to Sustainable Production goals with sustainable business models can outperform their peers who do not in the long term.

Other, specify (2)

None of the above

SG 11	Mandatory	Public	Descriptive
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SG 11.1	Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.
---------	---

Describe

BNP Paribas Securities Services aims to be the reference custodian bank for sustainable finance. Sustainability is a strategic pillar in the 2020-2024 strategy defined end of 2019. To this end, BNP Paribas Securities Services is part of the Sustainable Finance and Investment Program within BNP Paribas CIB, which is dedicated to meeting the needs of our institutional and corporate clients. Under the Sustainable Finance and Investment program, BNP Paribas Securities Services helps its clients explore more sustainable business models by enabling asset owners and asset managers to integrate ESG factors more easily into their investment decision-making process.

This is not relevant for my organisation

SG 12	Mandatory	Public	Descriptive
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SG 12.1	Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.
---------	--

Describe

This is not relevant for my organisation

SG 13	Mandatory	Public	Descriptive
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SG 13.1	Indicate whether you seek feedback from clients on your RI/ESG services and product offerings
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Yes

**SG 13.2**

Describe how you use this feedback in your RI/ESG services and product offerings.

We have an active engagement model with our clients to seek feedback on our services and product offers. This is underscored by the firm belief that holistic solutions to support our clients in their ESG integration journey are best served through continuous feedback and a partnership approach. A clear example is the development of our ESGRA solution, which was co-innovated with a large asset owner in an agile and collaborative manner. We continue to work with this asset owner, and other key clients, on further developments.

We constantly seek feedback from our clients and industry through hosting workshops, knowledge share sessions and active participation in industry working groups (e.g. ISO 14097, Transition Pathway Initiative), to analyse current and potential needs for services and product offers, as well as to upgrade our current reporting services.

Continuing our successful launch of ESGRA, we have formalised the agile development organisation for our product that aims to facilitate the sharing with clients with dedicated sprint development sessions for co-creation with them.

We are enhancing our sustainable finance offering to support our clients in their sustainable journey. In addition to existing solutions: ESG Risk Analytics, shareholders engagement, screening (negative/exclusions and positive screening based on Reference index and ESG criteria), Debt solutions (N°1 Listing agent in Lux Green Exchange), ESG lending (selection of counterparties based on ESG criteria), we are working on new products & solutions such as watch lists and climate reporting dashboards, corporate governance metrics,...

No

**SG 14****Mandatory****Public****Descriptive****SG 14.1**

Indicate whether your organisation has a policy for managing potential conflicts of interest.

Yes

**SG 14.2**

Describe how you manage potential conflicts of interest.

BNP Paribas Securities Services has adopted the BNP Paribas' Code of Conduct which defines the rules of professional behaviours.

[https://group.bnpparibas/uploads/file/codeofconduct\\_en\\_11\\_01\\_2018\\_40p.pdf](https://group.bnpparibas/uploads/file/codeofconduct_en_11_01_2018_40p.pdf)

**SG 14.3**

Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

BNP Paribas Securities Services has defined code of conduct aimed at safeguarding good practices and also to protect employees who may be in a situation of conflict of interest situation or in possession of privileged information.

No



# BNP Paribas Securities Services

## Reported Information

### Public version

### Reporting

## PRI disclaimer

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## Type of reporting and assurance

REP 01	Mandatory	Public	Gateway
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**REP 01.1** Indicate the type of reporting that you prepare on behalf of clients. Tick all that apply.

- Integrated reporting
- RI reporting
- Sustainability reporting
- Financial reporting
- Other, specify (1)  
ESG Risk Analytics (ESGRA) solution
- Other, specify (2)
- None of the above

**REP 01.2** Indicate whether your services include any variety of third party assurance or certification/labelling scheme of clients' ESG/RI data, processes or products.

- Yes
- No

## Reporting frameworks/standards/guidelines

REP 02	Mandatory	Public	
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**REP 02.1** Indicate what reporting frameworks/ standards/ guidelines you typically use when preparing reports for clients. Tick all that apply.

- OECD Guidelines for Multinational Enterprises
- OECD Principles of Corporate Governance
- ILO
- ISO, specify
- UN Global Compact
- GRI
- SASB
- IIRC
- PRI
- CDP
- Stewardship code
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Other, specify (1)  
Article 173 of the French Energy Transition Law

Other, specify (2)

**REP 02.2** Additional information. [OPTIONAL]

Our ESGRA solution has been developed to respond to the PRI guidelines. Our offer is based on a multi-phase roadmap that takes into consideration the adopted article 173 (French Energy Transition law), FSB guidelines, IORP II directive and upcoming international recommendations /regulations (i.e. CMU/HLEG)

## Incorporating ESG

**REP 03**

**Mandatory**

**Public**

**REP 03.1** Indicate whether you incorporate ESG factors into your reporting products for clients.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not

**REP 03.2** If yes, describe how you typically incorporate E, S, and G factors into the reporting.

Our reporting solution "ESGRA" is the first of its kind in the custodian industry, offering our institutional clients the ability to measure and monitor the exposures to ESG factors in their portfolios and benchmarks at multiple levels. ESGRA is an interactive and online solution. ESGRA incorporates metrics on key themes within the three pillars, including:

1. Environmental: resource reduction, emission reduction and product innovation
2. Social: employment quality, health & safety, training & development, diversity & opportunity, community, product responsibility and human rights
3. Governance: board structure, compensation policy, board functions, shareholder rights, vision & strategy

ESGRA supports clients in their ability to monitor their ESG risks and exposures through:

- Multi-level ESG scoring using two key datasets ("Multi-level ESG scoring using partnered data providers): investors are able to analyse their ESG exposures and risks at a company level and to aggregate from a company level to analyse ESG risks across a portfolio (and benchmarks as appropriate).
- Business Involvement (BI) looks at whether a company derives a proportion of its revenues from certain potentially sensitive activities (such as alcohol, tobacco / gaming). Typically two thresholds are studied - absolute (yes or no) or 5% of revenues.
- Controversies are flags raised in response to a company's reputation in the public arena / media, in respect of key ESG issues. Examples include: shareholder rights, community issues, human rights, environmental issues and labour rights. Controversies are a useful level of analysis because they forewarn investors of issues impacting the investee company and that may therefore impact the company's profit, and ultimately, shareholder value).
- Climate-related risks include carbon footprint metrics like carbon footprint, carbon emissions sales intensity and exposure to carbon intense companies, it gives the investors the amount of carbon their investments are responsible for, allowing them to monitor it and set targets. Real life benchmarks allow to compare these metrics to real life indicators like the equivalent emissions of French households, Paris-New-York round trip by plane and others.

## ESG in materiality analysis

**REP 04**

**Mandatory**

**Public**

**Descriptive**

**REP 04.1**

Indicate whether ESG is part of the materiality analysis you perform when preparing clients' reports.

- Yes, ESG is systematically part of the materiality analysis
- Yes, ESG is occasionally part of the materiality analysis
- No, ESG is not part of the materiality analysis

**REP 04.3**

Describe the process you undertake for materiality analysis. [OPTIONAL]

We work with our institutional clients in a series of interactive workshops to undertake a rigorous analysis of what factors are material and important to them. Typically our process involves:

1. Initial knowledge sharing: assessing the stage at which the client is at in their ESG journey - screening / integration / higher / lower.
2. Scoping of their ESG policies: assessment of how they view ESG and what key success criteria they employ, frequency of monitoring and reporting
3. Mapping of ESG policy needs with our reporting capabilities, to assess gaps if any
4. Proof of concept: highlighting in practical terms what the ESG analysis would look like and provide
5. Production: regular reporting offered via ESGRA

# BNP Paribas Securities Services

## Reported Information

## Public version

## Active Ownership Services

## PRI disclaimer

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## Active ownership services

AOS 01	Mandatory	Public	Gateway
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**AOS 01.1** Indicate which active ownership services are part of your business offerings. Tick all that apply.

- Engagement
- Voting

**AOS 01.2** Indicate which markets your organisation covers.

- Developed markets
- Emerging markets

AOS 02	Mandatory	Public	Descriptive
--------	-----------	--------	-------------

**AOS 02.1** Indicate where you acquire your ESG data and information.

- Regulatory sources
- Information from stakeholders and NGOs
- In-person meetings or calls with company, industry, municipality or government representatives
- Media reporting (including social media, blogs and similar)
- Primary data (self-reported from companies or other organisations)
- Secondary data (from ESG research provider databases)
- Other, specify (1)  
Not applicable.
- Other, specify (2)
- Other, specify (3)

**AOS 02.2** Describe how this information is used in your product/service offerings.

ESG data and information is not used in the specific frame of our service offerings related to proxy collector. Indeed, as per its Global Custodian status, BNP Paribas Securities Services does not provide any recommendation in voting (including ESG resolutions).

## Voting

AOS 11	Mandatory	Public	Descriptive
--------	-----------	--------	-------------

**AOS 11.1** Describe how ESG factors are taken into consideration in voting recommendations.

Being a Global Custodian, BNP Paribas Securities Services can not provide any recommendation in voting: we are in charge to inform investors/individual shareholders with voting resolutions in a neutral mode. Through our issuers' services on top of our proxy collector activities for investors, we encourage our clients to adopt solutions that are ESG compliant.

AOS 13	Mandatory	Public	Descriptive
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**AOS 13.1** Indicate the proportion of votes where you have communicated the rationale to companies when you, on behalf of your clients, abstain or vote against management proposals.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we do not abstain or vote against management recommendations

**AOS 13.3** Additional information [OPTIONAL]

Being a Global Custodian, BNP Paribas Securities Services can not provide any recommendation in voting: we are in charge to make informed investors/individual shareholders with voting resolutions in a neutral mode.  
We are only processing our clients' voting instructions.

AOS 14	Mandatory	Public	Descriptive
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**AOS 14.1** Describe how you monitor voting outcomes.

Our offer takes into consideration any type of voting: electronic, in situ or via power of attorney (through proxy collector). Thanks to our capabilities we enlarge the scope of voters (depending on the methodology they prefer to vote) and we support shareholders in exercising their voting rights. A certification process is performed all along the votes' casting management so as to ensure final validity of the vote. In this Framework, we are continuously reviewing our processing management thanks to internal and external audits. Associated audits results and recommendations are taken into consideration in order to improve our service delivery.

Next challenges, in the frame of transparency related to voting outcome will be to create additional value by accompanying our clients, both issuers and investors, in the way they will implement associated stewardship policies. We have engaged discussions with our clients (both issuers and investors) to adapt our offer in the frame of the implementation in 2020 of the European Directive "Shareholders Right Directive2" .

**AOS 14.2** Describe how you typically decide what recommendations for next steps to give to clients.

- Yes, we do provide recommendations for next steps
- We do not provide recommendations for next steps

AOS 15	Mandatory	Public	
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**AOS 15.1** Indicate whether you have formal mechanisms in place for clients to review your voting recommendations.

- Yes
- No

**AOS 15.3** Additional information [OPTIONAL]

BNP Paribas Securities Services does not provide voting recommendations as this is not part of our service offer.

<b>AOS 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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**AOS 16.1** Describe your involvement in any project to improve the voting trail and/or to obtain vote confirmation for your clients.

Yes, we are involved in projects to improve the voting trail and/or to obtain vote confirmation for our clients

In the framework of the European "Shareholders Right Directive2", we have implemented projects in order to be more transparent towards both issuers and investors. Three main projects have been engaged and covered:

1. Shareholders identification from issuers perspective,
2. Notification of general meeting to shareholders
3. Voting trail and confirmations.

Not applicable

**Communication and sharing ESG information**

<b>AOS 17</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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**AOS 17.1** Indicate whether you proactively disclose your engagement and/or voting outcomes to clients and the public.

Voting

Clients

- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc/as requested



Public

- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc/as requested

**AOS 17.2**

Indicate how you ensure all ESG information on companies gained as a result of engagement and/or voting activities is shared with clients.

Voting

- We proactively ensure that all ESG information is made available.
- We share all ESG information upon request.
- We do not make any additional ESG information available.

**AOS 17.3**

Additional information [OPTIONAL]

Please kindly note that referring to AOS17.1, this information is not relevant for our activities for issuers and investors services.

# BNP Paribas Securities Services

## Reported Information

## Public version

## Research and Data Provision

## PRI disclaimer

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## Product level

RDP 01

Mandatory

Public

**RDP 01.1** Indicate your product type. Tick all that apply.

- Analysis
- Benchmarking reports
- ESG ratings
- Credit ratings
- ESG indices
- Raw data
- Second party opinion on green or social bonds
- Surveys
- Other, specify

**RDP 01.2** Indicate whether you make any of your products publicly available.

- Yes, all products
- Yes, some products
- No, we do not

**RDP 01.3** Additional information. [OPTIONAL]

Since 2017 we have been committed to a research partnership with Sycomore AM to develop a new environmental indicator: The Net Environmental Contribution. The metric allows to measure companies impact on the environment and their strategical alignment with a transition to a low carbon economy with a score ranging from -100% to +100%. The methodology of this indicator will ultimately be open source for the sake of transparency and broader use. This partnership resulted with a research paper studying the relationship between the "Net Environmental Contribution" and the couple financial risk - performance of investments ( <https://quantis-intl.com/net-environmental-contribution/>)

## Research/process level

RDP 02

Mandatory

Public

**RDP 02.1**

Indicate the types of sources you use for research and/or ratings of companies/sectors/geographies or similar. Tick all that apply.

- Your organisation`s independently collected data from public sources
- Regulatory sources
- Information from NGOs and other stakeholders
- In-person meetings or calls with company or industry representatives
- Primary data (self-reported from companies or other organisations)
- Secondary data (from other research provider databases)
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

**RDP 02.2**

Indicate how ESG factors are incorporated into your research and/or rating methodology

- Identifying exposure and risk to ESG factors
- Considering responses to self-assessment questions on ESG
- Assessing current and future capacity to manage or mitigate ESG risks
- Assessing past and potential future performance on ESG factors
- Assessing alignment and compliance to different policies and regulations
- Assessing alignment and compliance explicitly to the Sustainable Development Goals (SDGs)
- Assessing current and future positive ESG impacts
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

**RDP 02.3**

Describe how you define materiality and how this is captured in your research and/or rating methodology as well as final product.

Materiality is defined by the independent third-party data providers in terms of the key issues and topics that impact each of the pillars in ESG. This can be specified according to industry or sector or country or on a transversal basis, depending on the key issue and the data provider.

**RDP 02.4**

Additional information. [OPTIONAL]

The NEC assessment is designed to be sourced on annual reports and CSR reports. Whereas the NEC methodology has been created based on a selection of various (over a hundred) relevant sources such as NGOs, regulatory sources, independent organisations, academic studies, secondary sources. Such sources helped assessing and defining the greatest stakes for each sector on which the methodology focuses. It results on each sector methodology focusing on 2 to 4 environmental stakes.

**RDP 04****Mandatory****Public****Descriptive**

<b>RDP 04.1</b>	Indicate how you ensure that your ESG assessment of companies/ sectors/ geographies or similar is up-to-date and that new information is incorporated or new assessments are conducted at reasonable intervals.
-----------------	---

- Regular update cycles (annual or more frequent)
- Allowing assessments/ ratings to be adjusted at any time by your organisation
- On-going alerts systems in place for new events and information that might have implications on the original assessment/ ratings
- On-going monitoring of possible controversies and compliance to conventions, regulations and similar
- Providing tools for companies/ sectors or others to update the researcher, rating agency or data provider with new information
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

<b>RDP 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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<b>RDP 05.1</b>	Indicate how you typically ensure a balanced approach to your research methodology and assessing/rating of companies/sectors/geographies or similar. Tick all that apply and explain your approach to each option.
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**Type of indicators**

- Balancing quantitative and qualitative indicators

	Explain your approach
--	-----------------------

Our third party data providers provide KPIs, scores and ratings, that are based on both qualitative (e.g., does the company have a policy on...), and quantitative (e.g., how many of...). We consume data points and data point elements into our ESGRA analytics platform.

- Balancing management/process oriented indicators and performance indicators
- Balancing reference to past and current performances, such as whether the rating object's performance is improving or deteriorating

	Explain your approach
--	-----------------------

Our ESGRA analytics platform measures the ESG score momentum for individual issuers, and at the investment strategy level, across the E/S/G pillars. This allows our clients to be able to assess if the scores are improving/deteriorating, and the causes.

- Balancing environmental, social and governance indicators

	Explain your approach
--	-----------------------

Our ESGRA analytics platform does not bias between one or the other pillars; we provide an equal weighting to E/S/G scores to allow our clients to be able to make their own independent assessments.

- Balancing self-reported and public data
- Other, specify (1)
- Other, specify (2)
- None of the above

<b>RDP 05.2</b>	Additional information. [OPTIONAL]
-----------------	------------------------------------

The NEC methodology is designed to focus on environmental impact only. The balance between all environmental themes is assured by an assessment of the major stakes for each sector based on external studies, ad hoc quantitative studies, or eventually expert opinion. The methodology for each sector is based on both qualitative and quantitative data, even though qualitative data is mostly transcribed into quantitative data yet based on external studies or ad hoc quantitative studies.

<b>RDP 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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<b>RDP 06.1</b>	Describe the control processes in place to ensure quality of research.
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All the data fed into our ESGRA analytics platform undergoes a rigorous quality assessment and control, relying on established market data management practices that we use for our wider investment analytics services (attribution, risk analytics, performance). Our processes are ISAE3402 certified (type 2), and globally consistent. This allows our clients to rely upon a consistent service quality globally.

<b>RDP 07</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>
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<b>RDP 07.1</b>	Indicate whether you identify and prioritise ESG issues and emerging trends.
-----------------	--

Yes

<b>RDP 07.2</b>	Describe how you incorporate the identified ESG issues and trends in your product offerings and business activities.
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We are active in the ESG / sustainability field, through 3 key dimensions:

1. A dedicated sustainable finance & investment programme that brings together business leaders and SMEs across our organisation to focus on key ESG issues / trends, with a global governance
2. An active market participation through industry conferences, seminars (e.g. UNEP and UN PRI roundtables), and membership to working groups (e.g., UN PRI SDGs asset allocation)
3. Hosting, and facilitating industry forums, including our global series of Sustainable Future Forums

Not applicable for our organisation

<b>RDP 07.3</b>	Additional information
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no additional information

<b>RDP 08</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>
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**RDP 08.1**

Describe how research and data provision outputs are used by clients.

- Describe
- Not applicable for our organisation

**RDP 09**

**Voluntary**

**Public**

**Descriptive**

**RDP 09.1**

Provide examples of cases where ESG was incorporated into your services and the tracked impact it had for investor clients in their decision making process and/or active ownership activities.

- Case example 1

Description of ESG service provided and the impact it had on investor client's investment decision making and/or active ownership activities.

BNP Paribas Securities Services co-innovated the ESGRA solution with the seventh Australia's biggest superfund (Unisuper):

<https://www.professionalpensions.com/professional-pensions/analysis/3004405/unisuper-an-australian-approach-to-esg>

The key aspects of where our solution has helped our client are:

- Transparency across their portfolios and benchmarks in ESG scoring, wrt controversial exposures and key business involvements
- Allows targeted engagement with their investee companies on key issues / topics of concern
- Proactively manage their ESG risk exposures across their internal and external mandates

- Case example 2

Description of ESG service provided and the impact it had on investor client's investment decision making and/or active ownership activities.

Lagun Aro is one of the most important EPSV (Pension Fund) in Spain and use the ESG Risk Analytics reporting. The interest shown by the client was a requirement from the Executive Committee. They check in deep the results provided in order to take investment decisions and to have the best risk-profitability performance in their portfolios.

- Case example 3
- Case example 4
- Case example 5

# BNP Paribas Securities Services

## Reported Information

## Public version

## Confidence building measures

## PRI disclaimer

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