



10 COMMITMENTS FOR A LOW-CARBON PATHWAY

The significance of the weight of buildings and real estate in carbon emissions, coupled with the scope of our real estate activities and their operations in Europe, have led BNP Paribas Real Estate to make a strong commitment to a low-carbon pathway.

Real estate in the broadest sense, both in terms of construction and energy consumption, is responsible for around 30% of carbon emissions on a European scale, i.e. a volume of emissions like that of the transport sector.

Through its various business lines (Residential and Commercial Development, Investment Management, Property Management, Transaction, Valuation and Advisory) BNP Paribas Real Estate intervenes at all stages of the building life cycle, both in France and in several European countries.

Given this responsibility, set out in a low-carbon policy for our entire company, we have committed to reducing carbon emissions in a concrete and effective way in all our businesses.

Our low-carbon policy is based on 10 commitments structured according to 5 principles, which consider the emissions linked to our own actions as well as the emissions linked to the buildings we build and those managed by REIM or by the Property Management department.

Reduce emissions from our own operations

1. Reduce emissions from our activities - offices and business travel

Reduce emissions from products built, renovated and managed by our businesses

2. Understand carbon emissions
3. Reduce energy consumption and associated emissions
4. Reduce emissions from material and equipment during

construction and renovation

Maximise use and limit the risk of building obsolescence

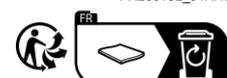
5. Allow for more diversified and intensive uses
6. Extend the life of building and delay their obsolescence
7. Encourage low-carbon mobility in buildings

Support and facilitate emission reductions

8. Discuss, co-construct and communicate good practices with our stakeholders
9. Train our employees and raise awareness of low-carbon issues among our stakeholders

Store and offset our residual emissions

10. Research and initiate solutions for storage and compensation of residual emissions



F O R E W O R D

OUR 10 COMMITMENTS



Our 10 commitments for a low-carbon pathway aim to reduce our emissions from the 3 scopes¹, whether it be our internal carbon footprint (scope 1 and 2 + 3 for business travel), or that of the sq m built, renovated and those managed (scope 3).

Commitment 1 focuses on our own activity, on the carbon emissions associated with our operations, including offices and business travel, where significant progress has been made over the last 5 years.

Commitments 2, 3 et 4 address emissions from the buildings we build, renovate and manage. The reduction potential on these products and services is considerable, representing almost 50 times the emissions from our business.

Commitments 5, 6 et 7 relate to measures to increase the carbon performance of buildings.

Commitments 8 et 9 focus on measures to facilitate and accompany this low carbon policy.

Commitment 10 is about committing to offsetting actions. Reducing a building's carbon emissions very significantly will not lead to the 2050 goal of zero emissions. It will only be possible to achieve this goal by implementing carbon capture solutions for the building's residual emissions.

Thierry LAROUÉ-PONT
CEO

Catherine PAPILLON
Head of Sustainability/CSR

¹ **Scope 1** direct emissions linked to the company's activity, **Scope 2** indirect emissions linked to the purchase or production of energy **Scope 3** other indirect emissions outside the company's organisation but necessary for its activity (purchases of raw materials or services, business travel, etc.)

REDUCE EMISSIONS FROM OUR OPERATIONS



COMMITMENT 1: Reduce emissions from our activities-office and business travel

BNP Paribas carries out actions to reduce its direct environmental impacts, with the aim of being consistent with its commitments in its financing and investment activities, setting an example and raising the awareness of its employees. Thus, BNP Paribas has measured its energy consumption and greenhouse gas emissions within its operational scope (scope 1, scope 2 and scope 3 for business travel) since 2012 and is gradually reducing them by reducing energy consumption for its premises, less energy-consuming IT equipment and supervision of business travel, as well as by developing the use of low-carbon energies.

In 2016, BNP Paribas Real Estate committed to measuring and reducing the carbon emissions of its operations. The annual carbon footprint considers:

- Scope 1: the direct emissions of this operation, caused by the energy consumption of our offices
- Scope 2: indirect emissions, linked to the production and distribution of the energy consumed (electricity, heating networkd, cooling networks)
- The part of scope 3 corresponding to emissions from business travel

BNP Paribas Real Estate measures and monitors its GHG emissions through a carbon assessment carried out at the BNP Paribas Group level. This reporting is verified by independent third-party auditors. The data collected for BNP Paribas Real Estate is consolidated and returned to each entity in the scope.

The continuous improvement carried out has made it possible to reduce these emissions very significantly, from 1.78 tCO₂e/FTE⁽²⁾⁽³⁾ in 2023 to 1.35 tCO₂e/FTE in 2024 (-24%).

The 2025 target of 1.85 tCO₂e/FTE has already been achieved.

We are continuing our efforts to reduce the emissions linked to our activity, based on:

- Reducing the energy consumption of our offices and our IT equipment
- Our new mobility policy implemented from 2021 (decarbonation of the professional fleet, development of alternative carbon-free mobility)

Our action:

Continue our effort to achieve a carbon emission

² tCO₂eq: tons of CO₂ equivalent – aggregation of different greenhouse gases under a common unit in this case carbon dioxide

³ FTE: full time equivalent – a count of employees that reduces

REDUCE EMISSIONS OF PRODUCTS BUILT, RENOVATED AND MANAGED BY OUR BUSINESSES



Commitment 2: Understand carbon emissions

As a real estate developer, asset manager and property manager, BNP Paribas Real Estate intervenes in a very large number of buildings. The potential for reducing these emissions is significant, in the region of 50 times the carbon emissions generated by our own operations. It is therefore first necessary to assess the potential for improving the carbon emissions of each building by identifying their origin and then assessing them.

For new buildings, carbon performance is assessed using calculation tools. In France, these are laid down in the new environmental regulations, known as RE2020, which will apply to operations for which a building permit has been submitted from 2021. This carbon performance considers the construction phase (carbon in the materials and equipment used) and the operating phase (carbon emitted by the building's energy consumption). This method, or an equivalent adapted to local specificities, can be transposed to other countries where assessment is not yet mandatory to measure the carbon performance of new or renovated buildings.

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For existing buildings, carbon emissions are mainly a consequence of their energy consumption. It is therefore necessary to have knowledge of all consumption, both in the common areas and in the private areas. In France, the so-called “Tertiary Decree”, issued in application of the Elan law, has made it compulsory to measure and monitor the total energy consumption of the building to achieve the maximum consumption targets set for the first deadline in 2030. Carbon emissions can be deducted from energy consumption, based on the carbon weight of the energy consumed.

The asset Management business line has put in place the tools to have knowledge of energy consumption and associated carbon emissions by prioritizing the largest buildings and the funds that are likely to be certified. The Property Management business line offers a range of services to record energy consumption, audit energy consumption and manage energy efficiency actions.

Our action:



For new and renovated buildings that our development teams produce, establish the carbon weight of the materials used and the expected energy consumption throughout the life cycle:

- For all construction starts from 2022 for all office operations
- For all building permits submitted from 2022 for all residential operations in France
- For all construction starts in all countries from 2023



For existing buildings under management (asset management) and regarding its low-carbon strategy, BNP Paribas REIM has decided to prioritise a panel of 450 buildings. This panel includes buildings belonging to funds compliant with Articles 8 and 9 of SRDF and all buildings located in France which are subject to the “Tertiary Decree” (buildings with more than 1000 sqm of tertiary or service sector use). This panel, called the “CSR panel”, represent 50% of the management assets (in market value):

For the CSR panel, BNP Paribas REIM commits to collecting at least 70% of actual annual energy consumption data for all energy sources and uses, and the assets’ associated carbon emissions. This commitment applies to:

- 100% of buildings in France that are subject to the Tertiary Decree from the end of 2022
- 100% of other buildings in the CSR panel from the end of 2023

For the other assets – those not included in the CSR panel- BNP Paribas REIM commits to having knowledge of the annual energy consumption for all energy sources and uses and of the associated carbon emissions:

- Of 25% of managed assets, in value, by 2025

It is to be noted that the most important assets, in value, will be dealt with first, as they are the most likely to allow for significant reduction measures.

Each year, from the end of 2022, BNP Paribas REIM will assess the total energy consumption and the associated GHG emissions for each building subject to this commitment to evaluate the obtained reductions.



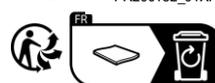
For buildings we manage (Property Management):

- Offer an “energy carbon footprint” service for all buildings with BMS (Building Management System) from 2022 in France and from 2023 for European countries
- Offer an “energy carbon footprint” service for buildings under rental management from 2023 in France and from 2025 for other European countries
- Establish an annual carbon footprint for operations where the “energy carbon footprint” service has been set up, starting in 2022.



Commitment 3: Reduce energy consumption and associated emissions

The carbon weight of the energy consumed by a building is determined by its total energy consumption as well as by its energy mix. To reduce these, the reduction in energy consumption and the use of low-carbon energy sources are the two factors that must be addressed.



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In the new buildings, the new French regulation, known as RE2020, applicable to buildings for which a building permit is submitted from 2022 onwards, provides for a reduction of around 30% in energy consumption compared to the previous regulation, as well as a maximum threshold for energy related carbon emissions assessed by ICÉnergie index, expressed in kgCO₂eq/sqm

These minimum energy and carbon performances to be met will be progressively tightened in 2022, 2025, 2028 and 2031.

In existing buildings, energy consumption for all purposes is the main source of carbon emissions. In France, the recent “tertiary eco-energy” regulation (known as the “tertiary decree”) has set an initial target of a 40% reduction in energy consumption, all uses combined, by 2030, for buildings with more than 1,000 sqm of tertiary activities.

Our action:



For new buildings developed by our development teams:

- For construction starts in 2022 and 2023 for buildings not subject to RE2020, achieve energy savings levels that exceed the regulations in force by at least 20% in residential buildings and at least 30% in offices on average on the floor area.
- From 2023 onwards, for construction starts of office projects to RE2020, achieve carbon and energy performance levels above the regulatory performance level for the period in question (2022-2025-2028) of -20% on 30% of the area of the relevant projects.
- From 2023 onwards, for constructions starts of residential operations subject to RE2020, achieve carbon energy performance levels above the regulatory performance level for the period in question (2022-2025-2028) of -20% on 30% of the area of relevant projects.
- Check the carbon energy performance levels on delivery of the project against the performance level announced at the start of the project.
- Generalise the monitoring of this energy and carbon performance of our new buildings through environmental certifications or accreditations.

For tertiary buildings other than offices and educational establishments, which are not covered by RE2020, these objectives will be assessed on a case-by-case basis, as the performance levels vary greatly on the type of building.



For existing buildings managed by REIM or by the Property Management department, implement optimization solutions to reduce energy consumption and carbon emissions progressively but significantly, by progressively reducing the energy consumed and by retaining the least carbon-intensive energy-mix. These solutions will be determined according to:

- The technical characteristics of the building (shell and equipment) and their level of performance
- The conditions of occupation of the building (vacant or occupied) and its intensity of use.
- The type of BNP Paribas Real Estate mandate (Investment Management or Property Management)
- The economic context of the project



For buildings under management (Asset management):

For the buildings in the CSR panel, BNP Paribas REIM commits to proposing a reduction plan for energy consumption and associated carbon emissions.

- For 100% of buildings located in France and subject to the Tertiary Decree by the end of 2022
- For 100% of other buildings belong to the CSR panel by the end of 2023

In this context, if relevant, an energy audit will be conducted.

It is specified that these actions and their financial impacts will be:

- Launched for the buildings located in France and subject to the Tertiary Decree from 2023 onwards (mandatory regulation with reduction target of 40% by the end of 2030)
- Arbitrated according to the objective (both financial and extra financial) and the governance rules of each financial vehicle for the buildings.

Every year, BNP Paribas REIM will assess the reduction of energy consumption and the carbon emissions of the buildings belonging to the CSR panel based on the measures implemented.

A similar approach will be launched in 2023 for the buildings not included in the CSR panel.

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For managed buildings (Property Management):

- Advise all our clients on the work to be undertaken to reduce energy consumption and the carbon emissions.
- From 2022 onwards, annually establish an assessment of the service offers proposed aiming at reducing energy consumption and carbon emissions.
- From 2022, report annually on the carbon emission reductions achieved for each building treated.



Commitment 4: reduce emissions from materials and equipment during construction and renovation

The main source of carbon emissions from buildings throughout its life cycle is the materials and equipment used. The reduction of emissions at this level is more important as they occur from the first year(s) of the building's life when it is constructed or renovated: in residential buildings, they account approximately 50% of the building's carbon weight over a 50-year life cycle (Life Cycle Assessment), reaching nearly 75% in the office sector.

Our action:

To reduce these emissions, both new construction and renovation:

- Make construction choices for materials and equipment that are low-carbon as possible, whether they are low-carbon, bio-sourced or recycled materials.
- Systematize the assessment of resources during major renovations and refurbishment to identify the sources of materials and equipment to be re-used.
- Retain existing buildings or parts of buildings where it is possible to limit carbon emissions from new materials.
- Continue to generalize the control of the carbon performance of our buildings' materials and equipment through certifications and environmental accreditations.

In response to the requirements of RE2020 in the construction phase:

- From 2023 onwards and for construction starts in France (housing and offices), reduce carbon emission (IC Construction) by 20% compared to the RE2020 regulatory performance level for the period in question (2022-2025-2028) on 20% of the area thanks to efficient construction solutions.
- Check the carbon performance levels of the construction on delivery of the project against the performance level announced at the start of the project.
- Generalise the control of this carbon construction performance on our new buildings through certifications or environmental accreditations.

For tertiary buildings other than offices and educational establishments, which are not covered by RE2020, these objectives will be assessed on a case-by-case basis, as the performance levels vary greatly depending on the type of building.

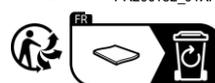
MAXIMISE USE AND LIMIT THE RISK OF OBSOLESCENCE OF BUILDINGS



Commitment 5: allow for more diversified and intensive uses

The carbon performance of a building is also linked to the uses and services provided. The most carbon-intensive sqm is the one that is not used or is used very little in relation to its functional capacity.

It is therefore necessary to design technical and architectural features that allow for intensive and diversified use of buildings and thus reduce the risk of obsolescence by increasing their lifespan.



Our action:

Promote intensity of use and potential for change in use

- By allowing large and diverse occupancy of the buildings (security provisions, sanitary installations, technical equipment)
- By providing flexible, shared spaces that are open to the city, to residents, businesses or associations: meeting rooms, auditoriums, coworking spaces, concierge services, shared gardens, common living areas, car parks, etc.



Commitment 6: extend the life of buildings and delay their obsolescence

Whether for residential or office buildings, the criteria for the choice of buildings by occupants and users change overtime. Location strategy, technical characteristics of the building, societal, environmental and climatic changes, and changes in work organization expose buildings to the risk of no longer being adapted to the uses of their time.

To limit the risk of obsolescence of buildings and to maximize their useful life for at least 50 years, it is necessary to anticipate solutions that will guarantee their durability, ability to adapt and to perpetuate the conditions of comfort, health, safety and well-being of future users.

Our action:

In the development of our new construction and renovation and for the buildings we manage.

- Consider foreseeable changes in the climate and in particular thermal comfort in summer, and anticipate possible physical risks (flooding, shrinkage/swelling of clay, earth movements, ect ...)
- Make provisions to easily adapt to opportunities for less carbon-intensive energy sources and more efficient technologies.
- Provide for the possibility of changing uses, such as grouping or splitting residential properties, or even completely transforming offices into residential accommodation.



Commitment 7: encourage low-carbon mobility in buildings.

Travel related to the use of buildings can represent a very significant carbon burden, sometimes greater than that of the operation of the buildings.

For new buildings and renovations, we favor operations close to public transport.

For new and existing buildings, the installation of equipment that encourages or enables various forms of mobility or less carbon-intensive uses can also be considered electric charging stations, bicycle racks, carpooling, shared fleet, repair workshop, changing rooms, showers, lockers, etc.

Our action:

Assess the appropriate solutions for each project, considering its location, urban environment and public transport connections.

SUPPORT AND FACILITATE EMISSION REDUCTIONS



commitment 8: discuss, co-construct and communicate good practices with our stakeholders

Increasing the awareness of building owners and supporting users to ensure proper operation also means making them aware of their own ability to reduce their carbon footprint and maintain the performance and attractiveness of the building.

Through its position as a major player in the European market, BNP Paribas Real Estate can also involve its suppliers in their development of low-carbon skills and to benefit in return from their know-how and innovative solutions.

Our action:

For occupiers and users:

- Distribute to the tenants of the buildings we manage the climate best practice guide alongside the tenant' guide to make them aware of eco-actions. This guide also obliges us to provide the conditions for maintenance and optimal adjustment of the installations.
- Generalise the use of clause attached to the lease or contract specifying the conditions for dialogue and data feedback between the owner/tenant/service providers with the aim of knowing and sustaining the energy and carbon reduction pathway.

For our stakeholders:

- Continuing our commitment to our suppliers, initiated with the systematic signing of our Responsible Purchasing Charter involving both our suppliers and ourselves.
- Encourage construction companies to integrate into contracts and markets the use of products with a clear description of their environmental footprint to further develop this product information.
- Develop our purchasing ranges by favoring products from suppliers/manufacturers committed to low-carbon and sustainable approaches.



commitment 9: train our employees and raise awareness of low-carbon issues among our stakeholders

BNP Paribas Real Estate is closely involved with the real estate industry companies, local authorities, associations, and professional organizations working on the field of sustainable building and must act both internally and with its external partners.

Our action:

- Actively participate in the actions of public authorities and organizations such as the "Plan Batiment Durable" and ADEME and in the initiatives of the professions, both in France (e.g. IFPEB, HQE, OID or BBCA) and in other European countries (DGNB, BREEAM, etc), to contribute to dissemination of knowledge and good practice in the field of low carbon to these partners.
- Develop our internal expertise by implementing low-carbon training and awareness-raising actions, by identifying internal technical ambassadors for each business line, who are themselves responsible for developing their community of specialists by offering internal conferences or by training our employees.
- Communicate on the low-carbon actions carried out and eventually integrate CSR criteria into the reporting and commitment criteria for projects.

STORE AND OFFSET RESIDUAL EMISSIONS



Commitment 10: research and initiate solutions for storage and compensation of residual emissions

Reducing the carbon emissions of our buildings as much as possible is the priority. However, eliminating all forms of carbon emissions from a building during the construction and operating phases remains impossible.

Achieving the goal of zero emissions by 2050 will therefore require offsetting solutions that contribute to carbon capture, for example through the development of carbon-capturing forest parks.

It is therefore important to start developing this type of solution while ensuring that it is effective.

BNP Paribas has undertaken several initiatives in this area, including reforestation or sustainable forest management solutions that contribute to carbon capture and storage (carbon credits verified by international standards from audited projects).

This solution has been implemented in our own operations and has enabled us to offset approximately 5,500tCO₂/year.

Our action:

- Continue to implement solutions to compensate for our internal operations through reliable and controlled capture solutions.
- Offer these solutions to our buyers and users.



These 10 commitments will be monitored for progress and performance related to GHG emissions of our products and services by our CSR department.

This monitoring will ensure the implementation and continuous improvement of dedicated action plans in our different businesses and countries.

For priority actions (commitments 1, 2, 3 et 4) we are setting up indicators for each business line to monitor progress and evaluate the reduction in carbon emissions achieved. This includes:

In new construction and renovation, life cycle emission reductions beyond regulatory requirements

In existing buildings, annual reductions in energy consumption and associated carbon emissions

For support actions (commitments 5 to 10) we set up a qualitative follow-up of the implemented actions.

Find out more about our global CSR strategy *Inspire Real Estate*:

<https://inspire.realestate.bnpparibas/fr/>