

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: BNP Paribas Funds Sustainable Multi-Asset Stability

Legal entity identifier: 213800X77ZBZRGKT7B43

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of sustainable investments with an environmental objective: \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of sustainable investments with a social objective: \_\_\_\_%



It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 35% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but will not make any sustainable investments



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social and Governance (ESG) criteria, and by investing directly, or indirectly through funds, in bonds or shares of issuers selected based on their practices and activities linked to sustainable development through either the best-in-class approach or sustainable thematic approach.

The best-in-class approach consists in assessing ESG performance of issuers against a combination of environmental, social and governance (ESG) factors and investing in issuers that demonstrate superior environmental and social practices, while implementing robust corporate governance practices within their sector of activity.

The sustainable thematic approach consists in investing in :

- Companies that offer products services and solutions helping to address specific environmental and/or social challenges;

- o Green bonds, social bonds or sustainability bonds issued by corporates, supranational sovereign agencies, local entities and/or government to support projects with environmental and/or social objectives

When investing through passive funds and/or external funds, the investment manager relies on ESG methodology and exclusion policies used by third-party asset managers and index providers as well as their engagement and voting policies and practices.

The external fund analysis team within the investment manager is dedicated to select external funds using a proprietary methodology.

In addition to the usual selection criteria (quantitative analysis, qualitative analysis and risk due diligence), the team offers a ranking based on extra-financial (or ESG) criteria for each recommended manager or fund in each sector. The team applies a qualitative rather than quantitative ESG rating to the funds and managers selected in order to assess the effective implementation of ESG practices and the inclusion of extra-financial criteria in their investment process.

The ESG rating system for the team is based on fundamental principles:

- Consistency of approach systematically applied across all asset classes and sectors to ensure consistency in rating
- A proprietary methodology applicable to all funds, with well-defined rules to limit any subjectivity
- An ESG rating for both the management company and the fund (the last including the ESG rating of its management company) The team also analyses a specific SRI (Socially Responsible Investment) selection based on complementary approaches (negative screening, best-in-class / best-effort, positive screening / impact investing)

As all external funds under selection, SRI funds must go through a selection process in three stages (quantitative analysis, qualitative analysis and risk due diligence). Therefore the ESG criteria applied to the investment process are assessed by examining in particular (non-exhaustive list):

- The extra-financial constraints applicable to the Fund's investment universe
- The use of quantitative and qualitative criteria and ESG research in the investment process
- Taking financial and extra-financial requirements into account in the construction of the portfolio
- Monitoring and compliance check with the constraints of socially responsible investment

When investing directly or through internal active funds, the investment manager relies on a proprietary ESG methodology and applies exclusion criteria with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the Responsible Business Policy (RBC Policy).

The ESG performance of an issuer is evaluated against a combination of environmental, social and governance factors which include but not limited to :

- o Environmental: energy efficiency, reduction of emissions of greenhouse gases (GHG), treatment of waste;
- o Social: respect of human rights and workers' rights, human resources management (workers' health and safety, diversity);
- o Governance: Board of Directors independence, managers' remuneration, respect of minority shareholders rights.

Furthermore, the investment manager promotes better environmental and social outcomes through engagement with issuers and the exercise of voting rights according to the Stewardship policy, where applicable.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the direct investments and internal active funds compliant with the RBC Policy;
- The percentage of the direct investments covered by ESG analysis based on the ESG internal proprietary methodology;
- The percentage of the investment universe reduction of the direct investments due to exclusion of securities with low ESG score and/or sector exclusions as per the RBC Policy;
- The percentage of the indirect investments which comply with either a selectivity approach (exclusion of at least 20% of the worst ESG-rated securities of the investment universe) or a rating upgrade approach (ESG score better than the investment universe from which at least 20% of the worst ESG-rated securities have been excluded);
- The percentage of the financial product's portfolio invested in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments made by the financial product are to indirectly finance companies that contribute to environmental and/or social objectives through their products and services, as well as their sustainable practices.

The Sustainable Investment minimum commitment of the financial product is calculated on an asset under management (AuM) weighted methodology without any minimum required for any underlying funds. As such, a look-through approach is applied in order to calculate the financial product's sustainable investment minimum proportion based on the data reported by the underlying funds.

Any sustainable investment commitment reported by external active and/or passive funds, selected by the dedicated internal team, are assessed thanks to specific methodologies developed by third-party asset managers and/or index providers.

Any sustainable investment commitment reported by direct investments or through internal active and/or passive funds are assessed thanks to the proprietary sustainable investment methodology as described below.

The internal methodology, as defined in the main part of the Prospectus, integrates several criteria into its definition of sustainable investments that are considered to be core components to qualify a company as sustainable. These criteria are complementary to each other. In practice, a company must meet at least one of the criteria described below in order to be considered as contributing to an environmental or social objective:

1. A company with an economic activity aligned with the EU Taxonomy objectives. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the EU Taxonomy. A company qualifying as sustainable investment through this criteria can for example contribute to the following environmental objectives: sustainable forestry, environmental restoration, sustainable manufacturing, renewable energy, water supply, sewerage, waste management and remediation, sustainable transportation,

sustainable buildings, sustainable information and technology, scientific research for sustainable development;

2. A company with an economic activity contributing to one or more United Nations Sustainable Development goals (UN SDG) targets. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the SDGs and less than 20% of its revenues misaligned with the UN SDGs. A company qualifying as sustainable investment

through this criteria can for example contribute to the following objectives:

- a. Environmental: sustainable agriculture, sustainable management of water and sanitation, sustainable and modern energy, sustainable economic growth, sustainable infrastructure, sustainable cities, sustainable consumption and production patterns, fight against climate change, conservation and sustainable use of oceans, seas and marine resources, protection, restoration and sustainable use of terrestrial ecosystems, sustainable management of forests, fight against desertification, land degradation and biodiversity loss;
  - b. Social: no poverty, zero hunger, food security, healthy lives and well-being at all ages, inclusive and equitable quality education and lifelong learning opportunities, gender equality, women and girls empowerment, availability of water and sanitation, access to affordable, reliable and modern energy, inclusive and sustainable economic growth, full and productive employment and decent work, resilient infrastructure, inclusive and sustainable industrialization, reduced inequality, inclusive, safe and resilient cities and human settlements, peaceful and inclusive societies, access to justice and effective, accountable and inclusive institutions, global partnership for sustainable development.
3. A company operating in a high GHG emission sector that is transitioning its business model to align with the objective of maintaining the global temperature rise below 1.5°C. A company qualifying as sustainable investment through this criteria can for example contribute to the following environmental objectives: GHG emissions reduction, fight against climate change;
  4. A company with best-in-class environmental or social practices compared to its peers within the relevant sector and geographical region. The E or S best performer assessment is based on the BNPP AM ESG scoring methodology. The methodology scores companies and assesses them against a peer group comprising companies in comparable sectors and geographical regions. A company with a contribution score above 10 on the Environmental or Social pillar qualifies as best performer. A company qualifying as sustainable investment through this criteria can for example contribute to the following objectives:
    - a. Environmental: fight against climate change, environmental risk management, sustainable management of natural resources, waste management, water management, GHG emissions reduction, renewable energy, sustainable agriculture, green infrastructure;
    - b. Social: health and safety, human capital management, good external stakeholder management (supply chain, contractors, data), business ethics preparedness, good corporate governance.

Green bonds, social bonds and sustainability bonds issued to support specific environmental and/or social projects are also qualified as sustainable investments provided that these debt securities receive an investment recommendation "POSITIVE" or "NEUTRAL" from the Sustainability Center following the issuer and underlying project assessment based on a proprietary Green/Social/Sustainability Bond Assessment methodology.

Companies identified as a sustainable investment should not significantly harm any other environmental or social objectives (the Do No Significant Harm "DNSH" principle) and should follow good governance practices. BNP Paribas Asset Management (BNPP AM) uses its proprietary methodology to assess all companies against these requirements

More information on the internal methodology can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/en/sustainability).

*How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

Sustainable investments that the product partially intends to make, through investments into direct lines or internal active funds, should not significantly harm any environmental or social objective (DNSH Principle). In this respect, the investment manager commits to consider principal adverse impacts on sustainability factors by taking into account indicators for adverse impacts as defined in SFDR, and to not invest in companies that do not meet their fundamental obligations in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

However, when investing through external funds and/or passive funds selected by the dedicated internal team, the investment manager relies on third-party asset manager and index providers assessment and reporting to perform the DNSH analysis in accordance with the regulatory requirements.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The investment manager ensures that throughout its investment process, the financial product, through investments into direct lines or internal active funds, takes into account all the principal adverse impact indicators that are relevant to its investment strategy to select the sustainable investments that the financial product partially intends to make by systematically implementing the sustainable investment pillars defined in the BNP Paribas Asset Management Global Sustainability Strategy (GSS) into its investment process: RBC policy, ESG integration guidelines, Stewardship, the forward-looking vision – the ‘3Es’ (Energy transition, Environmental sustainability, Equality & Inclusive Growth).

The RBC policy establishes a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The ESG Integration Guidelines includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. The proprietary ESG scoring framework includes an assessment of a number of adverse sustainability impacts caused by companies in which we invest. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified.

Thus, the Investment Manager considers principal adverse sustainability impacts throughout the investment process through the use of the internal ESG scores and construction of the portfolio with an improved ESG profile compared to its investment universe.

The Forward-looking perspective defines a set of objectives and developed performance indicators to measure how the researches, portfolios and commitments are aligned on three issues, the “3Es” (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support investment processes.

Furthermore, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

As regards the sustainable investments that the financial product intends to make, the following principal adverse sustainability impacts are taken into account:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:

Environment

4. Investments in companies without carbon emission reduction initiatives

Social

4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Sovereign mandatory indicators

15. GHG intensity
16. Investee countries subject to social violations

More detailed information on the manner in which principal adverse impacts on sustainability factors are considered can be found in the BNP PARIBAS ASSET MANAGEMENT [SFDR disclosure statement: sustainability risk integration and Principal Adverse Impacts considerations](#).

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

However, when investing through external funds and/or passive funds selected by the dedicated internal team, the investment manager relies on third-party asset managers and index providers assessment and reporting for consideration of adverse impacts on sustainability factors.

— — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The investment universe of the financial product, through investments into direct lines or internal active funds, is periodically screened with a view to identify issuers that are potentially in violation or at risk of violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights, including the principles and

rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This assessment is conducted within the BNPP AM Sustainability Centre on the basis of internal analysis and information provided by external experts, and in consultation with BNP Paribas Group CSR Team. If an issuer is found to be in serious and repeated violations of any of the principles, it will be placed on an “exclusion list” and will not be available for investment. Existing investments should be divested from the portfolio according to an internal procedure. If an issuer is at risk of violating any of the principles, it is placed on a “watch list” monitored, as appropriate.



However, when investing through external funds and/or passive funds selected by the dedicated internal team, the investment manager relies on third-party asset managers and index providers assessment and reporting for alignment of sustainable investments with the above-mentioned international norms and conventions.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

The product considers some principal adverse impacts on sustainability factors. When investing through external funds and/or passive funds selected by the dedicated internal team, the investment manager relies on third-party asset managers and index providers assessment and reporting for consideration of adverse impacts on sustainability factors.

On the other hand, all its investments into direct lines or internal active funds systematically implement the sustainable investment pillars defined in the GSS into the financial product's investment process. These pillars are covered by firm-wide policies that set criteria to identify, consider and prioritise as well as address or mitigate adverse sustainability impacts caused by issuers.

The RBC policy establishes a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The ESG Integration Guidelines includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. The proprietary ESG scoring framework includes an assessment of a number of adverse sustainability impacts caused by companies in which we invest. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified.

Thus, the Investment Manager considers principal adverse sustainability impacts throughout the investment process through the use of the internal ESG scores and construction of the portfolio with an improved ESG profile compared to its investment universe.

The Forward-looking perspective defines a set of objectives and developed performance indicators to measure how the researches, portfolios and commitments are aligned on three issues, the “3Es”

(Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support investment processes.

Furthermore, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, ESG Integration

Guidelines, and Engagement and Voting Policy which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their environmental, social and governance practices and, thus, mitigate potential adverse impacts;
- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring all securities included in the portfolio have supportive ESG research.
- Managing portfolios so that their aggregate ESG score is better than the relevant benchmark or universe.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

- 4. Exposure to companies active in the fossil fuel sector
- 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

More detailed information on the manner in which principal adverse impacts on sustainability factors are considered can be found in the BNP PARIBAS ASSET MANAGEMENT [SFDR disclosure statement: sustainability risk integration and Principal Adverse Impacts considerations](#).

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, Environmental, Social and Governance (ESG) criteria that it promotes are taken into account at each step of its the investment process .

For internal investments, the Investment Manager integrates ESG ratings and criteria into the assessment of issuers. The ESG score is built by BNP Paribas Asset Management's Sustainability Centre using a proprietary ESG scoring methodology.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



While investing in external funds and/or passive funds selected by the dedicated internal team, the used ESG criteria are defined in the framework of the proprietary ESG methodology of the third-party asset manager and/or index provider.

Then the binding elements of the investment strategy described in the question below are constantly integrated to construct an investment portfolio with an improved ESG profile compared to its investment universe.

In addition, issuers that contribute to environmental and/or social objectives will be determined in accordance with sustainable investment methodologies disclosed in the answer to the question *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives*.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The financial product shall invest directly or through internal funds in compliance with the RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com) ;

- At least 90% of the direct investments (excluding ancillary liquid assets) shall be covered by the ESG analysis based on the ESG internal proprietary methodology;
- At least 20% of the investment universe of the direct investments, being the Bloomberg Barclays Euro Aggregate 500MM, is eliminated based on low ESG scores and/or sector exclusions as per the RBC Policy;
- At least 90% of funds selected (i.e. UCITS, UCIs, or ETFs) shall comply with either a selectivity approach (exclusion of at least 20% of the worst ESG-rated securities of the investment universe) or a rating upgrade approach (ESG score better than the investment universe from which at least 20% of the worst ESG-rated securities have been excluded);
- The financial product shall invest at least 35% of its assets in “sustainable investments” as defined in Article 2 (17) of the SFDR regulation. Criteria to qualify an investment as “sustainable investment” are indicated in the above question *“What are the objectives of the sustainable investments that the financial product partially intends to make and does the sustainable investments contribute to such objectives”* and the quantitative and qualitative thresholds are mentioned in the main part of the Prospectus.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● *What is the policy to assess good governance practices of the investee companies?*

When investing through direct lines or internal active funds, the investment manager relies on its internal proprietary assessment of good governance practices of the investee companies performed by the BNP Paribas Asset Management’s Sustainability Centre as described below.

The ESG scoring framework assesses corporate governance through a core set of standard key performance indicators for all sectors supplemented by sector specific metrics.

The governance metrics and indicators to assess good governance practices such as sound management structures, employee relations, remuneration of staff and tax compliance include but are not limited to:

- Separation of power (e.g. Split CEO/Chair),
- Board diversity,
- Executive pay (remuneration policy),
- Board Independence, and key committees independence
- Accountability of directors,
- Financial expertise of the Audit Committee,
- Respect of shareholders rights and absence of antitakeover devices
- The presence of appropriate policies (i.e. Bribery and corruption, whistleblower),
- Tax disclosure,
- An assessment of prior negative incidents relating to governance.

The ESG analysis goes beyond the framework to look at a more qualitative assessment of how the insights from our ESG model are reflected in the culture and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company’s approach to corporate governance.

However, when investing through external funds and/or passive funds, selected by the dedicated internal team, the investment manager relies on third-party asset managers and index providers to assess good governance practices of the investee companies.

Asset allocation describes the share of investments in specific assets.



**What is the asset allocation planned for this financial product?**

At least 75% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

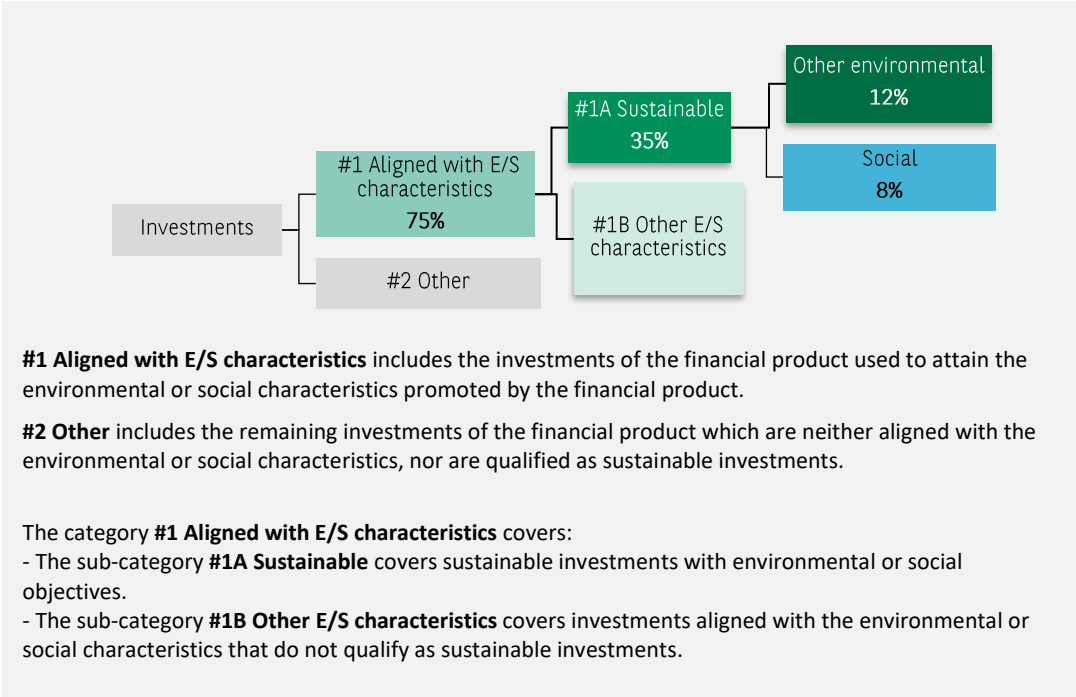
For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 35%.

The remaining proportion of the investments is mainly used as described under the question: “What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?”

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



*How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

Yes:

In fossil gas

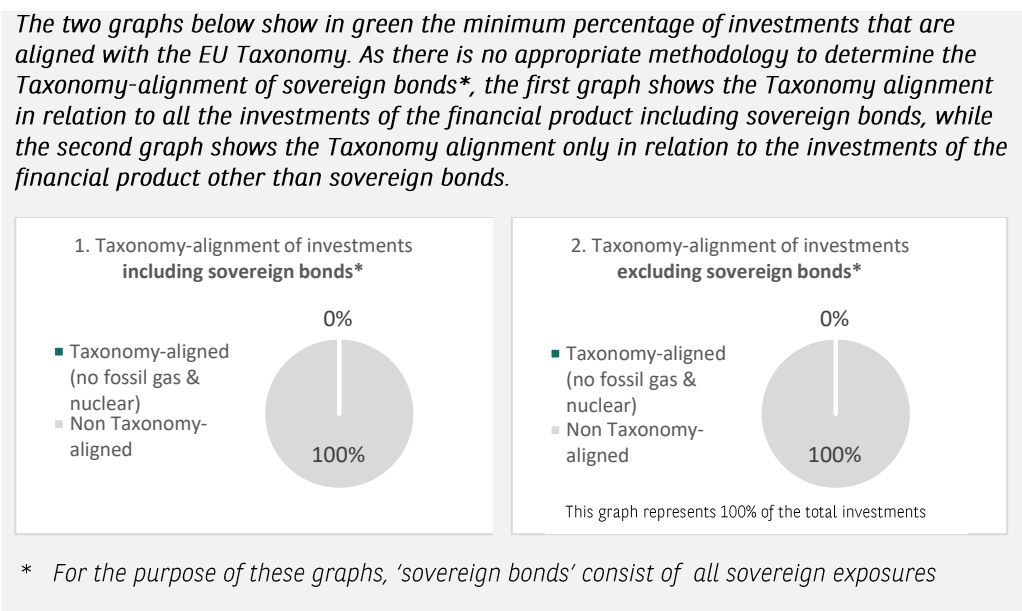
In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



What is the minimum share of investments in transitional and enabling activities?

Not applicable.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 12%.

The minimum share is intentionally low as the objective of the investment manager is not to prevent the product from investing in funds exposed to taxonomy-aligned activities within the framework of the investment strategy of the product.

The Management Company is improving its Taxonomy-alignment data collection to ensure the accuracy and suitability of its Taxonomy sustainability-related disclosures. In the meantime, the financial product will invest in funds exposed to sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments within the financial product is 8%.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining proportion of the investments may include :

- For direct lines or internal funds, the proportion of assets that are not used to meet the environmental or social characteristics promoted by the financial product. These assets are used for investment purposes, or

- For external funds, the proportion of assets that do not attain the minimum standard to meet environmental or social characteristics promoted by the underlying fund, according to third-party asset managers and index providers reporting, or
- instruments which are mainly used for liquidity, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives.

In any case, the investment manager will ensure that those investments are made while maintaining the improvement of the ESG profile of the financial product. In addition, those investments are made in compliance with our internal processes, including the following minimum environmental or social safeguards:

- the risk management policy. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks. And
- the RBC policy, where applicable, through the exclusion of companies involved in controversies due to poor practices related to human and labour rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

## DISCLAIMER

Every ad hoc pre-contractual document, shall be read in conjunction with the prospectus in force. In case of discrepancy between an ad hoc pre-contractual document and a pre-contractual document included in the version of the prospectus in force, the version in the prospectus shall prevail.

