Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088
and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: BNP PARIBAS FUNDS Energy Transition legal identifier:213800MKBV8QXZDC9E79

SUSTAINABLE INVESTMENT OBJECTIVE

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☒ Yes

- ☒ It will make a minimum of **sustainable investments with an environmental objective**: 51%
  - ☒ 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**: 1%

☐ No

- ☐ 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 __% 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 is the sustainable investment objective of this financial product?

The sustainable investment objective of the BNP Paribas Energy Transition fund is to participate in the transition to-a sustainable world by investing in companies which provide environmental solutions facilitating the transition to a low carbon economy with the aim to deliver a positive environmental contribution. As such, the selection of the underlying issuers will be made by focusing on generating a net reduction of global greenhouse gas emissions to mitigate climate change.

At all times, this financial product invests in equities and/or equity equivalent securities issued by worldwide companies that have at least 20% of their economic activities (measured via Revenue, CapEx or OpEx) aligned to the provision of energy transition solutions.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Energy transition themes include, but are not limited to renewable energy production, energy technology & materials and energy infrastructure & mobility.

Renewable Energy Production: This theme relates to decarbonising the energy system through production of renewable energy and carbon capture. Examples include clean power, hydrogen production, and renewable installation.

Energy Technology & Materials: This theme relates to digitalising the energy system through electrification, efficiency and technology. Examples include batteries for electric vehicles, environmental data analytics, and critical raw materials.

Energy Infrastructure & Mobility: This relates to decentralising the energy system through new infrastructure, distributed energy, and battery storage. This includes electric vehicle charging, hydrogen mobility and micro eMobility.

The extent to which sustainable investments with an environmental objective contribute to the environmental objectives set out in Article 9 of Regulation (EU) 2020/852: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and/or the protection and restoration of biodiversity and ecosystems and are aligned with the EU Taxonomy are disclosed in the two graphs below in the document.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective of the financial product.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The following sustainability indicators are used to measure the attainment of sustainable investment objective of the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct policy (RBC Policy);
- The financial product shall invest in companies with at least 20% of revenue, profit or invested capital aligned with the financial product's thematics;
- The percentage of the initial thematic universe that is reduced in order to define the final thematic universe (based on SDG alignment and DNSH criteria);
- The percentage of the financial product's assets covered by the ESG analysis based on the proprietary ESG methodology (excluding ancillary liquid assets);
- The percentage of the financial product's assets covered by the SDG alignment and DNSH analysis based on the proprietary sustainable investments methodology (excluding ancillary liquid assets);
- The percentage of the financial product's portfolio invested in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation;
- The percentage of the financial product's portfolio aggregate Revenue which is "EU Taxonomy Aligned" as defined by Regulation (EU) 2020/852.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

Sustainable investments that the product partially intends to make 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 where these are relevant and material to the investment strategy, 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.

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 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 and as further detailed below in this document; 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. The result of this assessment leads to the exclusion of companies that are not aligned with the SDGs.

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.

The financial product considers and addresses or mitigates the following principal adverse sustainability impacts indicators:

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.

<u>Corporate mandatory indicators:</u>

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

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

The investment universe of the financial product 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.

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 principal adverse impacts on sustainability factors by systematically implementing the sustainable investment pillars defined in the GSS into its 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. The result of this assessment leads to the exclusion of companies that are not aligned with the SDGs.

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.

Based on the above approach, and depending on 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:

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

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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?

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

This Product is actively managed. The reference benchmark MSCI AC World (EUR) NR is used for long-term performance comparison only. The Product is not benchmark constrained and its performance may deviate significantly from that of the reference benchmark.

The Product seeks to increase the value of its assets over the long term by investing in shares issued by worldwide companies that engage in energy transition.

Energy transition themes include, but are not limited to, renewable energy production, energy technology & materials and energy infrastructure & mobility.

Renewable Energy Production: this theme relates to decarbonising the energy system through production of renewable energy and carbon capture.

Energy Technology & Materials: this theme relates to digitalising the energy system through electrification, efficiency and technology.

Energy Infrastructure & Mobility: this relates to decentralising the energy system through new infrastructure, distributed energy, and battery storage.

It may be invested in P-Notes.

It may be exposed to Mainland China by investing in China A shares via the Stock Connect.

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

It may be exposed to emerging markets up to 35% of its assets, including exposure to China.

The investment team applies also BNP PARIBAS ASSET MANAGEMENT's Responsible Investment Policy, which takes into account Environmental, Social and

Governance (ESG) criteria such as but not limited to reduction of emissions of greenhouse gas, respect of human rights, respect of minority shareholders rights at each step of the investment process of the Product.

The Product follows the Sustainable Thematic approach which means that it invests in companies or projects which products, services or operations positively contribute to the environmental and/or social challenges addressed by the theme.

The Product seeks to allocate capital to specific themes of the transition towards a more sustainable economy and to benefit from future growth anticipated in these themes.

An extra-financial strategy may comprise methodological limitations such as the ESG Investment Risk as defined by the asset manager.

- *What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?*

▪ The financial product shall comply 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).

▪ The financial product shall invest in companies with at least 20% of revenue, profit or invested capital aligned with the financial product's thematics;

▪ At least 20% of the initial thematic universe is reduced in order to define the final thematic universe (based on SDG alignment and DNSH criteria);

▪ The financial product shall have at least 90% of its assets (excluding ancillary liquid assets) covered by the ESG analysis based on the proprietary ESG methodology;

▪ The financial product shall have at least 90% of its assets covered by the SDG alignment and DNSH analysis based on the proprietary sustainable investments methodology (excluding ancillary liquid assets);

▪ The financial product shall invest at least 85% of its portfolio in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation. Criteria to qualify an investment as "sustainable investment" and the quantitative and qualitative thresholds are indicated in the main part of the Prospectus.

▪ The financial product's shall invest at least 10% of its assets in companies "EU Taxonomy Aligned".

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

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:

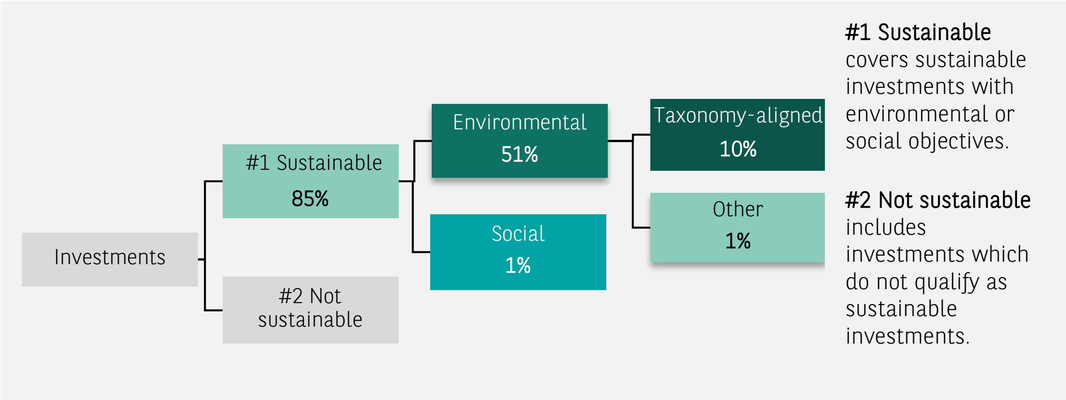
- Separation of power (e.g. Split CEO/Chair),
- Board diversity,
- Executive pay (remuneration policy),
- Board Independence, and key committees independence
- Accountability of directors,
- Financial expertise of the Audit Committee,
- Respect of shareholders rights and absence of antitakeover devices
- 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.

What is the asset allocation and the minimum share of sustainable investments?

The minimum proportion of the investments used to meet the sustainable investment objective in accordance with the binding elements of its investment strategy is 85%.

Asset allocation describes the share of investments in specific assets.



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 sustainable investment objective?

Financial derivative instruments may be used for hedging and/or efficient portfolio management, if applicable. These instruments are not used to attain the sustainable investment objective of the product.

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

The extent to which sustainable investments with an environmental objective contribute to the environmental objectives set out in Article 9 of Regulation (EU) 2020/852; climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and/or the protection and restoration of biodiversity and ecosystems and are aligned with the EU Taxonomy are disclosed in the two graphs below in the document.

are environmentally

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.

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 ad among others have greenhouse gas emission levels corresponding to the best performance.

The Management Company is improving its Taxonomy-alignment data collection to ensure the accuracy and suitability of its Taxonomy sustainability-related disclosures. Further subsequent prospectus and Taxonomy-alignment commitments updates will be made accordingly.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. In addition, all activities that can make a substantial contribution to environmental as well as social objectives are not yet part of the Taxonomy Regulation.

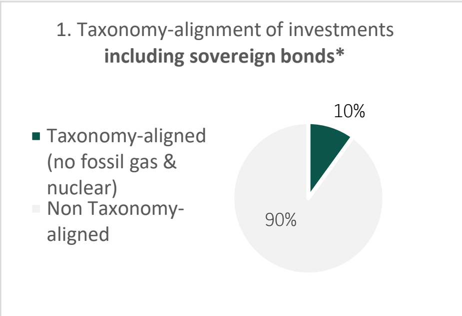
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

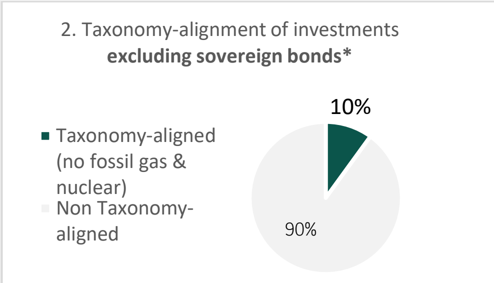
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*





This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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

Not applicable.

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

[1] 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.

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 1%.

The objective of the investment manager is not to prevent the product from investing in 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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

The minimum share of socially sustainable investments within the financial product is 1%.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The remaining proportion of the investments is made in instruments used for liquidity and/or hedging purposes, such as cash, deposits and derivatives.

The investment manager will ensure that those investments are made while maintaining the sustainable investment objective 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 meet the sustainable investment objective?

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective of the financial product.

- *How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?*

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- *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

Where can I find more product specific information online?

More product-specific information can be found on the website: 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.