

INFORMATION ON FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 8 (1) OF REGULATION (EU) 2019/2088 (ART 10 SFDR L1) AND OF REGULATION (EU) 2022/1288 (ART 24 TO 36 SFDR L2)

Product Name: **The Responsible Investment Discretionary Portfolio Management Mandate**

Legal Identifier: **UAIAINAJ28P30E5GWE37**

Scope: **The following financial products, promoting environmental or social characteristics (Art. 8 SFDR):**

Profiled Mandates (Responsible Investment Fund Mandates):

- Conservative,
- Balanced,
- Dynamic

Crystal Mandates:

- Conservative SRI EUR
- Balanced SRI EUR

Index:

- (a) 'Summary' (Art.25 L2)
- (b) 'No sustainable investment objective' (Art.26 L2);
- (c) 'Environmental or social characteristics of the financial product' (Art.27 L2);
- (d) 'Investment strategy' (Art.28 L2);
- (e) 'Proportion of investments' (Art.29 L2);
- (f) 'Monitoring of environmental or social characteristics' (Art.30 L2);
- (g) 'Methodologies' (Art.31 L2);
- (h) 'Data sources and processing' (Art.32 L2);
- (i) 'Limitations to methodologies and data' (Art.33 L2);
- (j) 'Due diligence' (Art.34 L2);
- (k) 'Engagement policies' (Art.35 L2);
- (l) where an index is designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark' (Art.36 L2).

(a) 'Summary' (Art.25 L2)

Please see below a summary of each section of this document. For more details, please refer to each of them.

The financial product, being the SRI Discretionary Portfolio Management (DPM) Mandate (the "Financial Product") invests in investment funds and ETFs.

The Conservative SRI mandate promotes environmental or social characteristics but does not have the objective of sustainable investment.

The Financial Product promotes environmental and social characteristics by evaluating all investments against ESG criteria, and by investing in asset managers' underlying products that demonstrate superior ESG practices or activities, while excluding financial instruments ranked below 5 clovers according to the proprietary BNP Paribas ESG scoring methodology, which is deployed by its Wealth Management division (ESG clover-rating methodology).

For Investment Funds and ETFs, the clover score reflects the sustainability level of the management company and the fund itself. BNP Paribas gathers sustainability information from asset managers, based on a proprietary due diligence questionnaire. (See 2 pager notes on the entity website - Sustainability-related disclosures | BGL BNP Paribas).

- Funds: more than 130 questions covering 6 areas, either on the management company and/ or the fund regarding the investment policy, ESG practices and exclusions, voting and engagement policies, transparency, responsibility of the asset management company, sustainable thematic, impact
- ETFs: 50 questions covering the 6 above mentioned areas
- Open-ended Alternative Investment Funds: covering 7 areas (6 above + 1 specific related to AIF)

The respect of the ESG commitments follows a process validated by the control functions of BNP Paribas and auditable. It is checked on a sample basis once a year. Information on non-securities instruments is obtained directly from the management companies and the rating is subject to a 4-eyes control which guarantees the quality of the result obtained.

The Financial Product invests at least 90% of its portfolio in funds or ETFs with an ESG rating of 5 or more clovers. Up to 10% of total investments may not include environmental or social characteristics, which corresponds to the share of liquidity and/or derivatives that, by definition, do not have sustainable characteristics.

Moreover, the Financial Product commits to select the financial instruments that best limit negative impacts on sustainable factors

At Financial Product level, BGL BNP Paribas intends to promote financial instruments that best limit the negative impacts on Environmental, Social and Governance factors altogether.

To reach this commitment, the Financial Product commits to hold financial instruments which take into consideration at least one adverse impact on each of Environmental, Social and Governance pillars.

The PMS Compartments underlying the Crystal mandates obtained the LuxFLAG ESG Label in 2022 and the Profile mandates obtained the label LuxFLAG ESG Discretionary Mandate in January 2023.

(b) 'No sustainable investment objective' (Art.26 L2);

This Financial Product promotes environmental or social characteristics but does not have the objective of sustainable investment.

(c) 'Environmental or social characteristics of the financial product' (Art.27 L2);

The Conservative SRI mandate invests in investment funds and ETFs.

The Financial Product promotes environmental and social characteristics by evaluating all investments against ESG criteria, and by investing in asset managers' underlying products that demonstrate superior ESG practices or activities, while excluding financial instruments ranked below 5 clovers according to the proprietary BNP Paribas ESG scoring methodology (ESG clover-rating), which is deployed by its Wealth Management division.

(d) 'Investment strategy' (Art.28 L2);

In order to meet the environmental or social characteristics of the Financial Product, the investment strategy will respect the following rules:

- (i) Select the financial instruments that best limit negative impacts on sustainable factors;
- (ii) Use the BNP Paribas ESG scoring methodology, to assess corporate governance of the management companies (funds, ETFs) through a core set of standard KPIs for all sectors, supplemented by sector specific metrics.

(e) 'Proportion of investments' (Art.29 L2);

The Financial Product invests at least 90% of its portfolio in funds and ETFs with an ESG rating of 5 or more clovers.

(f) 'Monitoring of environmental or social characteristics' (Art.30 L2);

BGL BNP Paribas relies on a robust BNP Paribas proprietary ESG scoring process aiming at rating and monitoring the sustainability level of financial instruments in a consistent way across asset classes.

(g) 'Methodologies' (Art.31 L2);

The 5-clover minimum threshold used as a principle of selectivity to identify the best financial instruments in terms of ESG practices induces a reduction of around 20% of the investible universe.

Moreover, the investible universe is further reduced through the consideration at the Financial Product level of commitments on adverse impacts.

(h) 'Data sources and processing' (Art.32 L2);

BGL BNP Paribas relies on a robust BNP Paribas proprietary ESG scoring (ESG clover-rating).

For funds and ETFs, BNP Paribas relies on a set of data provided by the asset managers through the European ESG template (EET).

These data are used to compute the ESG clover rating. This internal methodology is reviewed by an external audit firm, Deloitte, which ensures the quality of the clover rating.

(i) 'Limitations to methodologies and data' (Art.33 L2);

The limitations are the following:

- Non-comprehensive data from issuers (equities and bonds) until the CSRD regulation is implemented;
- Data from asset managers relying upon non-comprehensive data from issuers;
- Time to spread and take into account the data update, from the issuers to the asset managers and then to the portfolio manager

(j) 'Due diligence' (Art.34 L2);

BGL BNP Paribas controls that the ESG commitments of the Financial Product are performed regularly.

Moreover, BGL BNP Paribas relies on BNP Paribas' controls on the clover rating process. A consistency check of the classification of external funds is performed through the clover-rating process, BNP Paribas having no access to the controls performed by the external asset managers.

(k) 'Engagement policies' (Art.35 L2);

BGL BNP Paribas doesn't have its own engagement policy but, for funds and ETFs where BNP Paribas Asset Manager is the asset manager, relies on the Environmental, Social and Governance (ESG) expertise and engagement policy of BNP Paribas Asset Management:

- The Stewardship Strategy that includes exercise of voting rights.
- The Responsible Business Conduct policy aimed at companies' compliance with fundamental rights
- The Forward-looking perspective: an energy transition to a low carbon economy; environmental sustainability; and equality and inclusive growth.
- (l) 'Designated reference benchmark' (Art.36 L2).

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Financial Product.