BNP PARIBAS WEALTH MANAGEMENT

The bank for a changing world

ESG Rating disclosure
BNP Paribas Wealth Management's Clover evaluation
July 2026

This document sets out the disclosures required under Annex III, point 1, of Regulation (EU) 2024/3005 in relation to BNP Paribas Wealth Management's proprietary ESG rating for financial products, which is used by BGL BNP Paribas.

This document details the methodology of the Clover evaluation. It should be read together with the information on BNP Paribas Wealth Management's ESG rating methodology available on BNP Paribas Wealth Management website: [The Clover Evaluation]

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(a) an overview of the rating methodologies used and changes thereto, including whether analysis is backward-looking or forward-looking and the time horizon covered;

The Clover evaluation is a proprietary analysis created by BNP Paribas Wealth Management to assess the responsibility level of recommended investment products of every asset class.

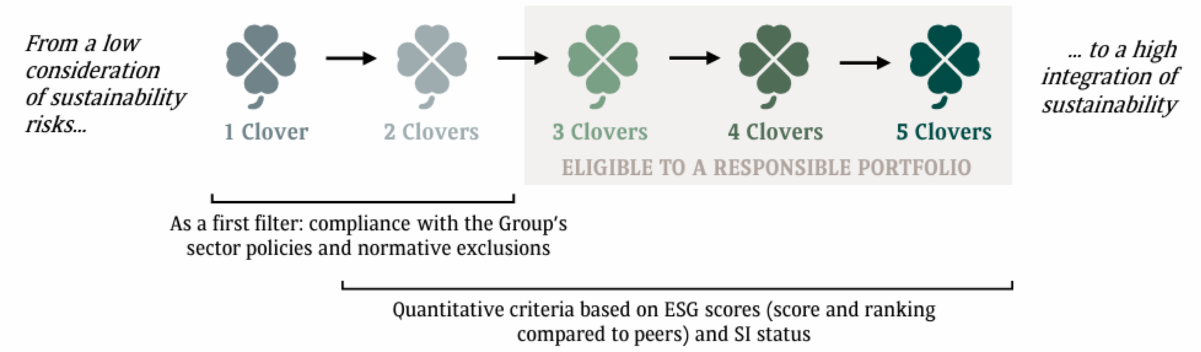
The Clover evaluation goes from 1 Clover (lowest level) to 5 Clovers (highest level) reflecting the responsibility level of recommended instruments (equities, bonds, long-only funds, ETFs, hedge funds, private assets and some structured products). As from 3 Clovers, for all asset classes, BNP Paribas Wealth Management considers a product to be responsible and eligible to a responsible portfolio.

Clover ratings embark the same logic across asset classes – the lowest grades focus on criteria linked to negative filters (e.g. Do No Significant Harm under SFDR[1]), while upper levels focus on criteria linked to positive filters (Sustainable Investment under SFDR[2], etc.). Yet, all methodologies are adapted to the different asset classes to consider their specificities. As such, every level of the 1-to-5 scale is associated with minimal requirements that are specific to each asset class and coherent with the evaluation of other asset classes.

Equities, corporate bonds, sovereign bonds, long-only funds, ETFs, alternative funds and structured products obtain the Clover rating corresponding to the last rating for which all mandatory criteria have been validated.

The detailed methodologies for each asset class are available on BGL BNP Paribas website. They consider a wide range of criteria for each asset class, making the Clover evaluation both a backward-looking and forward-looking analysis.

Examples of mandatory criteria for equities and corporate bonds:



For equities and corporate bonds for example, the evaluation methodology is both backward-looking and forward-looking as it looks simultaneously at issuers' ESG score and their level of alignment to the Paris Agreement (among other indicators).

(b) the industry classification used;

The Clover evaluation uses industry classification through BNP Paribas Asset Management's corporate ESG scores, which are one of the core mandatory criteria that are considered for the evaluation of equities and corporate bonds. Industry classification is also used through BNP Paribas Asset Management's sovereign ESG score, considered for the evaluation of sovereign bonds.

BNP Paribas Asset Management's corporate ESG scoring methodology uses a proprietary sector-based classification combined with geographical segmentation to assess issuers against relevant peer groups. This sector-based approach is broadly aligned with widely recognised frameworks such as MSCI GICS, while being adapted to BNP Paribas Asset Management's internal ESG analysis. In particular, certain sectors with similar ESG characteristics may be combined to ensure sufficiently robust and meaningful peer groups. Issuers under coverage are therefore grouped into sector and geographical scoring peer

[1] Sustainable Finance Disclosure Regulation (Regulation EU 2019/2088)

[2] Sustainable Finance Disclosure Regulation (Regulation EU 2019/2088)

groups, reflecting the view that ESG risks and opportunities are not always comparable across sectors and regions. The framework uses common and sector-specific metrics, with metric selection and weighting tailored to the most material ESG factors for each sector.

Regarding BNP Paribas Asset Management's sovereign ESG score, the relevance of ESG risks and opportunities for a country depends to a significant degree on its level of economic development. Therefore, the weightings of individual indicators in the overall score differ according to the country's income group. The expected level for each indicator is determined as the average per income group within five income classifications as defined by the World Bank: Low Income, Lower Middle Income, Upper Middle Income, High-Income non-OECD and High-Income OECD.

(c) an overview of data sources, including whether data is sourced from sustainability statements required under Directive 2013/34/EU or from information disclosed under Regulation (EU) 2019/2088 and whether sources are public or non-public, and an overview of data processes, estimation of input data in case of unavailability and frequency of data updates;

Data sources

The Clover evaluation relies on a mix of public and private data sources from:

- BNP Paribas Asset Management for the following issuers' indicators: ISIN; Responsible Business Conduct status; list of countries subject to social violations; DNSH; Sustainable Investment status; ESG score (from 0 to 100); ESG decile; Governance pillar score. BNP Paribas Asset Management own ESG data sources are detailed on BNP Paribas Asset Management website.
- Refinitiv for funds' composition information: ISIN of the fund; ISIN of the allocation; share of the allocation; Investment type; index replication method.
- For the qualitative analysis of long-only funds, data is collected from the Asset Management Companies by BNP Paribas Wealth Management's Sustainability Office.

Data processes and estimation of input data in case of unavailability

Once the data is gathered from the different sources, a python code allows BNP Paribas Wealth Management Sustainability Office to calculate Clover ratings according to the criteria defined for each Clover level and asset class. The data does not follow any transformation step.

In case of unavailability, there is no estimation of input data. For single lines, the financial product will not be rated. For long-only funds, the fund will be rated quantitatively or qualitatively depending on the data coverage.

Frequency of updates

Clover ratings are updated monthly unless underlying clover rating data remains unchanged. The Asset Management Companies' ratings underlying funds and ETFs' ratings are updated on a biannual basis.

(d) the ownership structure of the ESG rating provider;

BNP Paribas Wealth Management is a business line of BNP Paribas SA (Société Anonyme).

(e) information on whether and how the rating methodologies are based on scientific evidence;

The Clover evaluation analyses a large number of criteria in different areas, building on the Group's expertise and in particular on BNP Paribas Asset Management's data.

BNP Paribas Asset Management's corporate ESG scoring methodology is grounded in a structured analytical framework that draws on empirical evidence, sector materiality research and recognised market references to identify the most relevant ESG factors for each sector. Metric selection and weighting are based on a combination of materiality, data quality, data availability and differentiation, with a preference for measurable performance indicators over policies or programmes. The methodology is regularly reviewed to reflect evolving sustainability knowledge, data availability and market practices.

(f) information on the ESG rating's clearly defined objective and marking whether the rating is assessing risks, impacts, or both, according to the double materiality principle, or any other dimensions, and in the case of double materiality the proportion of the risk and impact materiality;

The Clover scale takes into consideration potential negative and positive impacts on society and the environment. Mandatory criteria associated with the lowest ratings focus on avoiding ESG risks when criteria linked to upper levels focus on potential positive impacts on the environment and society.

In particular, the Clover evaluation includes criteria based on ESG scores and the Sustainable Investment (as per SFDR) status of companies, based on BNP Paribas Asset Management's data and methodology. Both indicators consider the materiality of sustainable issues for issuers. More details on BNP Paribas Asset Management's website.

(g) the ESG rating's scope, namely, whether it covers an individual E, S, or G factor or whether it is an aggregated rating aggregating E, S and G factors, or whether it covers specific issues such as transition risks;

The Clover evaluation assesses recommended financial products based on asset-class-specific criteria, which serve as the minimum requirements tied to the 1-to-5 scale levels. This evaluation covers Environmental (E), Social (S), and Governance (G) factors comprehensively, though it does not assign fixed weights to each. Some criteria combine E, S, and G factors, while others focus on a single factor. For instance, the Clover evaluation incorporates:

- EU regulatory framework criteria, such as funds and ETFs' classification under the SFDR and Sustainable Investments status, which cover all E, S and G pillars;
- Transparency assessments, including reporting by Asset Management Companies (AMCs) on stewardship and fund-level disclosures, also covering E, S and G pillars;
- Individual E, S and/or G scores (depending on asset classes).

(h) in the case of an aggregated ESG rating, the weighting of the three overarching E, S and G categories of factors (for example 33 % for the E factor, 33 % for the S factor, 33 % for the G factor), and the explanation of the weighting method, including weight per individual E, S and G category;

The Clover evaluation considers numerous ESG criteria across the three overarching E, S, and G pillars. As explained in (g), the Clover evaluation uses a scale with mandatory criteria associated to each 1-to-5 levels. The Clover evaluation methodologies associated with each asset class cover a wide range of criteria.

In particular, it considers BNP Paribas Asset Management corporate ESG score, for the assessment of corporate equities and corporates bonds, long-only funds and ETFs. The weighting of the E, S and G pillars of BNP Paribas Asset Management's ESG scores is not fixed across all sectors. Instead, pillar, theme and metric weights are determined at sector level based on the relative materiality of ESG issues, data quality, data availability and the ability of the selected indicators to differentiate issuers meaningfully. As a result, the contribution of each pillar to the final score may vary depending on the sector. The final score is derived from the aggregation of the weighted contributions of the selected metrics through 11 common sustainability themes and the three E, S and G pillars.

For the assessment of sovereign bonds, the Clover evaluation particularly considers BNP Paribas Asset Management sovereign ESG score. This model has an equal weight for each of the E-pillar, S-pillar and G-pillar with the same percentage of contribution.
To enable fair comparison among countries, the performance for each ESG indicator is calculated relative to the expected level given the country's degree of economic development. The expected level for each indicator is determined as the average per income group within five income classifications as defined by the World Bank.

Further details on the methodology are available on BNP Paribas Asset Management's website.

(i) within the E, S or G factors, specification of the topics covered by the ESG rating, and whether they correspond to the topics from the sustainability reporting standards developed pursuant to Article 29b of Directive 2013/34/EU;

The wide range of criteria considered in the Clover evaluation takes into account a number of themes closely aligned with those reflected in the Article 29b of Directive 2013/34/EU.

For instance:

Themes covered in relation to the E factor	Climate change, Environmental Risk Management, Use of natural resources, emissions and waste, Environmental incidents, Energy infrastructure needs, Water scarcity, Biodiversity, etc.
Themes covered in relations to the S factor	Human capital management, Health and safety, External Stakeholders, Social incidents, Labour & social protection, Economic inequality, etc.
Themes covered in relations to the G factor	Corporate Governance, Business Ethics Preparedness, Governance Incidents, Corruption, Political stability, Democratic life, etc.

(j) information on whether the rating is expressed in absolute or relative value;

The Clover rating is expressed in absolute value on a 1 to 5 scale, 5 being the best rating.

(k) where applicable, reference to the use of artificial intelligence in the data collection or rating process including information about current limitations and risks of using artificial intelligence;

The Clover evaluation does not use Artificial Intelligence in the data collection nor rating process. However, some BNP Paribas Wealth Management data providers whose inputs may be used, including in relation to certain quantitative data, may themselves rely on artificial intelligence in their own data collection or processing activities.

(l) general information on criteria used for establishing fees charged to clients, specifying the various elements taken into consideration, and general information on the business/payment model;

The Clover rating is dedicated to both internal and external usage. While it can be shared with clients in marketing reports, it is included free-of-charge in the service provided to clients.

(m) any limitation in data sources and methodologies used for the construction of ESG ratings;

Main limitations of the Clover evaluation include:

- Scope: All products of the recommended universe will be rated, except for:
    - Structured products that are not based on Green, Social and Sustainability bonds.
    - Equities and bonds when the data available is not sufficient.
    - Non UCITs long-only funds, ETFs and hedge funds (e.g. US alternative funds) that cannot be rated as the rules differ on responsible policies (no recognition of some international treaties for example)[3].
- Interoperability: There is no direct link between Clover ratings and SRI label, nor MiFID ESG characteristics set out by the ESG preferences EU regulatory questionnaire.
- Comparability: While Clover ratings are coherent and embark the same logic across asset classes, every level of the 1-to-5 scale is associated with minimal requirements that are specific to each asset class. This limits comparability across asset classes.
- Data providers' limitations: The Clover evaluation faces inherent dependencies on third-party data providers' limitations. For corporates and sovereign ESG scores that are included in the Clover evaluation, limitations are detailed on BNP Paribas Asset Management's website.

(n) the main risks of conflicts of interest and the steps taken to mitigate them;

Link with BNP Paribas Asset Management

The BNP Paribas Wealth Management Clover evaluation is a proprietary evaluation that has been created independently from producers of financial instruments, including from BNP Paribas Asset Management.

[3] N.B.: Some European non-UCITS funds can be rated (e.g. FCP).

The data used for the Clover evaluation is partly sourced from BNP Paribas Asset Management. BNP Paribas Asset Management's data was judged to be comprehensive and qualitative for the Clover evaluation. In addition to the quality of the data, selecting BNP Paribas Asset Management as the data provider for the Clover evaluation allows us to capitalize on BNP Paribas SA's internal work and offer a coherent ESG assessment of issuers.

Link with other entities of BNP Paribas SA

In case of conflict of interest with recommended corporate issuers, they are temporally removed from Wealth Management recommendations, i.e. Clover ratings are no longer visible.

(o) if an ESG rating of a rated item covers the E factor, information on whether that rating takes into account the targets and objectives of the Paris Agreement or any other relevant international agreements;

The Clover rating evaluation considers whether the financial product assessed is a Sustainable Investment under SFDR and according to BNP Paribas Asset Management's Sustainable Investment methodology. The "Sustainable Investment" methodology includes a criteria linked to the assessment of issuers' alignment with a Net-Zero pathway, including with the objective of maintaining the global temperature rise below 1.5°C, as set by the Paris Agreement.

Additionally, the Clover evaluation considers BNP Paribas Asset Management's corporate ESG scores. This scoring methodology takes into account climate-related objectives and relevant international frameworks in relation to the environmental factor, including the goals of the Paris Agreement where relevant. This is reflected through the assessment of climate-related metrics, including carbon emissions, climate change and environmental risk management, as well as transition-related risks and broader environmental performance indicators. While the methodology is not designed to measure formal alignment with the Paris Agreement, it incorporates elements intended to reflect climate-related risks and performance in a manner consistent with internationally recognized sustainability objectives.

Within the Clover assessment of sovereign bonds, the BNP Paribas Asset Management's sovereign ESG scoring methodology also takes into account climate-related objectives and relevant international frameworks in relation to the environmental factor, including the goals of the Paris Agreement. This is reflected through the assessment of climate-related KPIs, including climate mitigation, climate legislation, physical climate risk as well as Environmental metrics. Given the vital role of sovereigns in addressing climate change, the scoring methodology emphasises countries' climate commitments. The climate mitigation and adaptation assessment evaluates the measures countries have in place to combat climate change. It supplements the evaluation of current climate performance, which is part of the 'E' pillar of the ESG performance assessment. This component combines a quantitative assessment of the country's climate ambitions with a qualitative evaluation of the laws and policies it has in place to support those ambitions.

Further details on BNP Paribas Asset Management's corporate and sovereign ESG scoring methodologies are available on its website.

(p) if an ESG rating of a rated item covers the S and G factors, information on whether that rating takes into account any relevant international agreements;

For the assessment of equities and corporate bonds, the Clover evaluation assesses the issuer's compliance with BNP Paribas asset Management's Responsible Conduct Policy (RBC) Policy. The latter takes into account the following information and their respective objectives on ESG factors:

- BNP Paribas Asset Management expect companies to meet their fundamental obligations in the areas of human and labour rights, protecting the environment and ensuring anti-corruption safeguards, wherever they operate, in line with the UN Global Compact Principles (UNGCPs), OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines) and UN Guiding Principles on Business and Human Rights (UNGPs). These are shared frameworks, recognised worldwide and applicable to all industry sectors, based on the international conventions in the areas of human rights, labour standards, environmental stewardship and anti-corruption.

- As part of the RBC, BNP Paribas Asset Management also have a series of sector policies, that set out the conditions for investing in sensitive sectors and guide screening requirements and stewardship activities. These criteria are based on relevant international conventions and regulations, BNP Paribas Group CSR Policies, and voluntary industry standards. In each sector, BNP Paribas Asset Management highlight mandatory sector RBC requirements which have to be met by issuers in order for BNP Paribas Asset Management to invest. The details of those requirements and relevant international conventions and standards are available within BNP Paribas Asset Management Responsible Business Conduct Policy.

While mostly focused on S and G pillars, the RBC also takes into account internationals agreements related to the E pillar.

Additionally, BNP Paribas Asset Management's corporate ESG scoring methodology takes into account relevant international agreements and norms in relation to social and governance factors, notably through its assessment of issues such as human rights, labour standards, business ethics and corporate governance.

On top of this, any company involved in the manufacturing or the selling of weapons targeted by the Oslo Convention on Cluster Munitions (2008), the Ottawa Treaty on Landmines (1999), the Biological and Toxin Weapons Convention (1972) and the Chemical Weapons Convention (1993) will not be able to enter BNP Paribas Wealth Management recommended universe and, as such, will not be rated by the Clover evaluation.

(q) any limitation on the information available to ESG rating provider

The information available to BNP Paribas Wealth Management may be limited by the availability, completeness, comparability, timeliness and quality of data disclosed by issuers and obtained from its data providers. Coverage may vary across sectors, geographies and indicators, and certain information may be unavailable, estimated or reported with a time lag. These limitations may affect the assessment of some ESG factors.

For some funds and ETFs, in case data on underlying assets is insufficient, Clover assessments are operated qualitatively through due diligence questionnaires, when possible and relevant.