BGL BNP PARIBAS STATEMENTS ABOUT PRODUCT CLASSIFICATION

December 31, 2022

Pursuant to Regulation (EU) 2019/2088 (SFDR), which applies from 10 March 2021, BGL BNP Paribas makes available to you information in particular in relation to financial products.

1 .General information

BNP Paribas Group's mission is to contribute to responsible and sustainable growth by financing the economy and advising clients according to the highest ethical standards. The Group's Corporate Social Responsibility (CSR) policy is one of the main components of this approach. In line with the United Nations' Sustainable Development Goals (SDGs), it is based on four pillars (economic, social, civic and environmental) that reflect its CSR challenges, as well as the Bank's concrete achievements.

In 2019, BNP Paribas Group has published its corporate purpose, a text which was prepared by the BNP Paribas Executive Committee, based on three texts resulting from a work with many different employees. These include: the Shared Convictions (Mission and Vision), the Code of conduct and the Engagement Manifesto.

Moreover, BNP Paribas Group has been committed for several years by setting itself additional obligations in several sensitive sectors through:

- financing and investment policies in the following sectors: agriculture, palm oil, defense, nuclear energy, paper pulp, coal energy, mining and non-conventional hydrocarbons (for an updated list of policies, please see Financing and investment policies - BNP Paribas (group.bnpparibas) https://group.bnpparibas, in the section "All Publications – CSR Publications".
- a list of excluded goods and activities such as tobacco, drift nets, the production of asbestos fibers, products containing PCBs (polychlorinated biphenyls), or the trading of any species regulated by the CITES convention (Convention on international trade in endangered species of wild fauna and flora) without the necessary authorization.
- Restriction lists which define the level of monitoring and constraint applied to companies which do not fully meet the Group's CSR requirements.

In line with the United Nations' SDGs, the Group actively participates in designing and implementing long-term social and environmental solutions within the framework of both the Principles for Responsible Investment (PRI) and the Principles for Responsible Banking (PRB).

2. DPM mandates financial product classification

2.1 CLASSIC MANDATES (SFDR"ARTICLE 6"):

Crystal mandates:

- Short Term Invest EUR
- Short Term Invest USD
- Bonds EUR
- Bonds USD
- Yield Opportunity EUR
- Conservative EUR
- Conservative USD
- Flexible 30 EUR
- Alti-Select EUR
- Alti-Select USD
- Balanced EUR
- Balanced USD
- Flexible 60 EUR
- Dynamic EUR
- Flexible 100 EUR
- Equity Premium EUR
- Equity Premium USD

Profiled Mandates (classic & funds)

- Bonds
- Conservative
- Balanced
- Dynamic
- Equity

Flexible Mandates:

- Flexible 30
- Flexible 60
- Flexible 100

Equity Premium Mandate :

- Smart Asset Allocation mandates:
- Smart Asset Allocation 10
- Smart Asset Allocation 20
- Smart Asset Allocation 45
- Smart Asset Allocation 55
- Smart Asset Allocation 65
- Smart Asset Allocation 80

Smart Global Income mandates:

- Smart Global Income 1
- Smart Global Income 2
- Smart Global Income 3
- Smart Global Income 4

Smart Fixed Income mandates:

- Smart Fixed Income Core
- Smart Fixed Income Higher income
- Smart Fixed Income High Yield

Smart Vol mandates:

- Smart Vol 5
- Smart Vol 10

The investments underlying these DPM mandates products do not take into account the EU criteria for environmentally sustainable economic activities.

When selecting investment products, BGL BNP Paribas explicitly takes into account the exclusion of certain activities (see sector policies above), and implicitly considers sustainability risks via the regular risk-return assessment of each covered product.

For its whole offering of products and services, whether sustainable or not, BGL BNP Paribas is aiming to have a sustainability rating of its whole selection universe with BNP Paribas Wealth Management's proprietary methodology (see WM sustainable rating methodology). This enables BGL BNP Paribas, as a financial market participant, to assess the level of environmental, social and governance risks from its investments as unmanaged or unmitigated sustainability risks can impact the returns of financial products.

For instance, should an environmental, social or governance event occur, it could cause a material negative impact on the value of an investment. The occurrence of such event may lead to the reshuffle of the portfolio strategy, including the exclusion of securities of certain issuers. In addition, the likely impact from sustainability risks can affect issuers via a range of mechanisms including:

1) lower revenue;
2) higher costs;
3) damage to, or impairment of, asset value;
4) higher cost of capital; and
5) fines or regulatory risks.

Due to the nature of sustainability risks and specific topics such as climate change, the chance of sustainability risks affecting the returns of financial products is likely to increase over longer-term time horizons.

BGL BNP Paribas integrates this risk assessment explicitly in its product selection process, next to the standard risk return assessment. For equivalent financial risk–return products, priority is given to the best ESG players.

Information on sector policies and BNP Paribas Wealth Management sustainable rating methodology is available on the website: [Sustainability-related disclosures | BGL BNP Paribas](#).

2.2 SRI MANDATES (SFDR "ARTICLE 8"):

Crystal mandates:

- Conservative SRI EUR
- Balanced SRI EUR

Profiled Mandates (Funds SRI Mandates):

- Conservative
- Balanced
- Dynamic

The Socially Responsible Investments (SRI) mandates do not have a sustainable investment as their objective however they integrate ESG characteristics. Therefore, equity, bond and alternative funds in which the mandates are invested will be chosen mostly according to the evaluation of the way they take into account the Environmental, Social and Governance (ESG) criteria.

While these SRI mandates promote environmental characteristics within the meaning of Article 8 of the SFDR, they do not currently commit to investing in any "sustainable investment" within the meaning of the SFDR or the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment ("Taxonomy Regulation"). Accordingly, it should be noted that these SRI mandates do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and their portfolio alignment with such Taxonomy Regulation is not calculated. Therefore, the "do not significant harm" principle in relation to the Taxonomy Regulation, does not apply to any of the investments of these SRI mandates.

The PMS Conservative SRI Euro and PMS Balanced SRI Euro sub-funds, corresponding to the Crystal Conservative SRI EUR and Balanced SRI EUR mandates, were awarded the LuxFLAG ESG Label in 2022.

The Profiled, Conservative, balanced and dynamic mandates were awarded the LuxFLAG ESG Discretionary Mandate Label in January 2023

When selecting investment products, BGL BNP Paribas explicitly takes into account the exclusion of certain activities (see sector policies), and implicitly considers sustainability risks via the regular risk-return assessment of each covered product.

For its whole offering of products and services, whether sustainable or not, BGL BNP Paribas is aiming to have a sustainability rating of its whole selection universe with BNP Paribas Wealth Management's proprietary methodology (see WM sustainable rating methodology). This enables BGL BNP Paribas, as a financial market participant, to assess the level of environmental, social and governance risks from its investments as unmanaged or unmitigated sustainability risks can impact the returns of financial products.

For instance, should an environmental, social or governance event occur, it could cause a material negative impact on the value of an investment. The occurrence of such event may lead

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to the reshuffle of the portfolio strategy, including the exclusion of securities of certain issuers. In addition, the likely impact from sustainability risks can affect issuers via a range of mechanisms including:

1) lower revenue;
2) higher costs;
3) damage to, or impairment of, asset value;
4) higher cost of capital; and
5) fines or regulatory risks.

Due to the nature of sustainability risks and specific topics such as climate change, the chance of sustainability risks affecting the returns of financial products is likely to increase over longer-term time horizons.

For its sustainable offering, BGL BNP Paribas integrates this risk assessment explicitly in its product selection process, next to the standard risk return assessment. For equivalent financial risk-return products, priority is given to the best ESG integration. In addition, the sustainable mandate promotes ESG criteria and as such selection is mainly performed among financial instruments having at least 5 clovers. The sustainable mandate targets a minimum weighted scoring average of 5 clovers (ex cash).

Information on sector policies and BNP Paribas Wealth Management sustainable rating methodology is available on the website: Sustainability-related disclosures | BGL BNP Paribas.

2.3 PMS SICAV

PMS has a majority of article 6 SFDR sub- funds.

The investments underlying these sub-funds do not take into account the EU criteria for environmentally sustainable economic activities.

PMS also has a minority of article 8 SFDR sub- funds.

These sub-funds do not have a sustainable investment as their objectives however they do integrate ESG characteristics. Therefore, equity, bond and alternative funds in which the sub-funds are invested will be chosen mostly according to the evaluation of the way they take into account the Environmental, Social and Governance (ESG) criteria in their investment process.

While these sub-funds promote environmental characteristics within the meaning of Article 8 of the SFDR, they do not currently commit to investing in any "sustainable investment" within the meaning of the SFDR or the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment ("Taxonomy Regulation"). Accordingly, it should be noted that these sub-funds do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and their portfolio alignment with such Taxonomy Regulation is not calculated. Therefore, the "do not significant harm" principle in relation to the Taxonomy Regulation, does not apply to any of the investments of these sub-funds.

It is only possible to subscribe to the PMS sub-funds via the Crystal DPM mandates.

2.4 SRI MANDATES with pocket of sustainable investments (SFDR "ARTICLE 8 with article 9 pocket"):

Crystal mandates:

- Dynamic Responsible and Engaged EUR

Profiled Mandates (Funds SRI Mandates):

- Conservative Responsible and Engaged EUR
- Balanced Responsible and Engaged EUR
- Dynamic Responsible and Engaged EUR
- Equity Responsible and Engaged EUR

These mandates do not aim at sustainable investment but incorporates ESG characteristics. Therefore, the equity, bond and alternative funds in which it is invested will be selected primarily on the basis of an assessment of how they take into account Environmental, Social and Governance (ESG) criteria in their investment process

These mandates promote environmental and social characteristics by assessing the underlying investments against environmental, social and governance (ESG) criteria using a proprietary ESG methodology, and by investing in issuers with superior or improving environmental and social practices, while implementing strong corporate governance practices in their industries.

In addition, BNP Paribas Asset Management seeks to promote better practices by implementing an active engagement policy with companies towards responsible practices (individual and collective engagement with companies, voting policy at general meetings).

These mandates aim to improve their ESG profile and reduce their carbon footprint, as measured by greenhouse gas emissions, relative to its investment universe.

They only invests in BNP Paribas Asset Management's Article 9 or Article 8 UCITS with a sustainable investment component according to the SFDR Regulation.

The ESG performance of an issuer is assessed in the underlying funds against a combination of environmental, social and governance factors, which include but are not limited to :

- Environmental: global warming and greenhouse gas (GHG) emissions, energy efficiency, natural resource conservation, CO2 emission levels and energy intensity;
- Social: employment management and restructuring, accidents at work, training policy, remuneration, staff turnover and PISA (Programme for International Student Assessment) results;
- Corporate governance: the independence of the board.

Exclusion criteria are applied to issuers that violate international standards and conventions or are active in sensitive sectors

This assessment is carried out by BNPP AM's Sustainability Center on the basis of internal analysis and information provided by external experts, and in consultation with the BNP Paribas Group CSR team. In the event of serious and repeated non-compliance with these principles, the issuer is placed on

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an "exclusion list" and is no longer eligible for investment.

Existing investments must be removed from the portfolio in accordance with an internal procedure. If an issuer is considered likely to breach any of the principles, it shall be placed on a "watch list", where appropriate

The minimum proportion of investments aligned with the environmental and social characteristics promoted, aligned with E/S characteristics, by the mandates is 90%.

10% of these investments will be considered sustainable investments.

These mandates do not currently commit to investing in any sustainable investments as defined by the EU taxonomy. However, this position will be reviewed as the underlying rules are finalised and the availability of reliable data increases over time.

The Balanced Responsible and Engaged EUR mandate was awarded the LuxFLAG ESG Discretionary Mandate in January 2023.

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