



BGL BNP PARIBAS STATEMENTS ABOUT POLICIES ON THE INTEGRATION OF SUSTAINABILITY RISKS IN INVESTMENT ADVICE, PORTFOLIO MANAGEMENT ACTIVITIES AND INSURANCE ADVICE

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Pursuant to Regulation (EU) 2019/2088 (SFDR) article 3, which applies from 10 March 2021, BGL BNP Paribas makes available to you information in relation to its policies on sustainability risks.

Sustainability risks means an environmental, social or governance (ESG) event or condition that, if it occurs, could cause actual or potential material negative impact on the value of the investment

BGL BNP Paribas S.A, as financial advisor and as financial market participant, takes into account sustainability risks when selecting or recommending financial instruments to its clients.¹

BGL BNP Paribas S.A. does so, through the application of BNP Paribas Group's sector policies to securities, bonds and investment products manufactured by BGL BNP Paribas S.A. and its subsidiaries, and thus, takes sustainability risks into account via the regular risk-return assessment of each covered product.

With respect to financial instruments manufactured by other asset managers or product manufacturers, the information on their sector policies is collected and taken into consideration through our proprietary Clover methodology which is explained below.

The occurrence of an environmental, social or governance event can have a negative impact on the value of an investment, insofar as it can affect issuers of financial instruments in several ways: a decrease in income, an increase in costs, an impairment or damage in the value of the asset, an increase in the cost of capital, or fines and regulatory risks. Such an event may therefore lead to a change in the portfolio strategy, for example by excluding certain issuers.

The long-term increase in these sustainability risks with a negative impact on financial instruments is to be expected, in particular due to climate change.

In addition, BGL BNP Paribas S.A. uses an internal rating called the Clover methodology to assess and compare the sustainability level of these investment products with or without sustainability features.

This proprietary methodology is being deployed within the recommended investment universe. This score is shown on a scale from 0 to 10 which allows BGL BNP Paribas to identify the sustainability risks and integrate those risks in investment decisions or when advising clients on financial instruments or insurance products.

This rating enables BGL BNP Paribas, as a financial advisor and as a financial market participant, to identify investment products for which the occurrence of an event or situation, in the environmental, social or governance field, could have a real or potential negative impact on the value of these products.

More information on the methodology is available on our website : [Sustainability-related disclosures | BGL BNP Paribas](#).

However, financial instruments with a high level of sustainability risk can be invested or recommended to clients if it meets client's objectives, investor profile or diversification needs.

In addition, BGL BNP Paribas S.A. commits to maintaining an open, constructive relationship with its external stakeholders (customers, suppliers, SRI investors, advocacy NGOs, etc.) to achieve three objectives: anticipate change in its business lines and improve products and services, optimise risk management and have a positive impact on society.

¹ For insurance products distributed by BGL BNP Paribas, the sustainability risks and principal adverse sustainability impacts are taken into account by

Cardif Lux Vie when designing these products. Please refer to Cardif Lux Vie statement.