



# **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.<sup>1)</sup>

A long-term increase of these “outside-in” sustainability risks is to be expected, in particular due to climate change.

BGL BNP Paribas S.A. takes therefore, in addition to the risk/return analysis, as much as possible “outside-in” sustainability risk into account.

For this purpose, BGL BNP Paribas S.A. uses a BNP Paribas Wealth Management internal rating called Clover methodology. This internal rating is used to assess and compare the responsibility level and the sustainable risk of investment products.

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 as much as possible sustainability risks and integrate those risks in investment decisions or when advising clients on financial instruments or insurance products. More information on the methodology is available on our [website](#).

For securities and bonds within the BNP Paribas Wealth Management recommended investment universe, the “outside-in” sustainability risk analysis is being performed by BNP Paribas Asset Management. The higher the potential sustainability risk, the lower the BNP Paribas Asset Management ESG score, which in turn is being translated into the proprietary Clover methodology of BNP Paribas Wealth Management. With respect to investment products manufactured by other asset managers or product manufacturers, the analysts at BNP Paribas Wealth Management are responsible for analysing sustainability risks

which are respected within the Clover Rating. The lower the Clover Rating, the higher the potential sustainability risk.

In addition, BGL BNP Paribas S.A. takes sustainability risks into account, through the application of the relevant sector policies to securities, bonds and investment products fully manufactured by BNP Paribas S.A. and its subsidiaries. With respect to investment products manufactured by other asset managers or product manufacturers, the information on their sector policies is collected and taken into consideration through the proprietary Clover methodology of BNP Paribas Wealth Management.

The Clover methodology enables BGL BNP Paribas S.A., 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.

However, investment products with a high level of sustainability risk can be invested or recommended to clients if they meet the client’s other investment objectives, investor profile or diversification needs.

Finally, BGL BNP Paribas S.A. commits maintaining an open, constructive relationship with its external stakeholders (customers, suppliers, sustainable investors, 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.

<sup>1</sup> 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.