

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 HARMONY 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

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 HARMONY Discretionary Portfolio Management (DPM) Mandate (the "Financial Product") invests in investment funds and ETFs.

The HARMONY 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 investments against ESG criteria, and by investing in asset managers' underlying products that demonstrate superior ESG practices or activities, while excluding financial instruments not ranked or ranked below 5 clovers according to the proprietary BNP Paribas Wealth Management ESG scoring methodology.

For Investment Funds / Exchange-Traded Funds: the clover score reflects the responsibility level of the management company and the Fund itself. BNP Paribas Wealth Management gathers responsibility information from asset managers, based on a proprietary due diligence questionnaire.

- 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)

BNP Paribas Wealth Management completes its ESG analyses with additional information asset managers & companies provide to comply with SFDR disclosure regulation (PASI indicators, etc.)

The Financial Product invests at least 80% of its portfolio in funds or ETFs with an ESG rating of 5 or more clovers. Up to 20% 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

BGL BNP Paribas S.A. selects for this DPM mandate only UCITS falling under Article 9 or Article 8 of the SFDR Regulation.

This DPM mandate 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 or are either not ranked or ranked below 5 clovers according to the proprietary BNP Paribas Wealth Management ESG scoring methodology.

This DPM mandate intends to promote financial instruments that best limit the negative impacts on Environmental, Social and Governance factors altogether.

To reach this commitment, this DPM mandate commits to hold financial instruments which take into consideration certain adverse impacts on Environmental, Social and Governance pillars described below, thanks to the 10-clover scale, aiming at rating the responsibility level of financial instruments and services in a consistent way across asset classes (see question below for further information).

By investing in minimum 5-clover rated financial instruments, the DPM mandate can demonstrate it promotes financial instruments that limit adverse impacts on sustainable factors. Within the clover methodology associated

with investment funds, 2 compulsory criteria are integrated for a product to get 5 or more clovers: PAI 10 (Violations of United Nations (UN) Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises)¹ and PAI 14 (exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)² must be taken into account. Hence, all funds invested that are 5 or more clovers declare taking into account violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises and excluding exposure to controversial weapons.

The DPM mandate HARMONY was awarded the label LuxFLAG ESG Discretionary Mandate in January 2023, January 2024, and December 2024. The PMS HARMONY was awarded the label LuxFLAG ESG in December 2022, 2023, and 2024.

(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 HARMONY 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 Wealth Management ESG scoring methodology (1 – 10 clovers)**.

(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:

- The ESG analysis based on the proprietary ESG methodology must cover at least 80% of the assets of the DPM mandate.
- Exclusion of the financial instruments with the weakest ESG ratings.
- Exclusion criteria aligned with the LuxFLAG ESG label's exclusion policy

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

The Financial Product invests at least 80% 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 responsibility 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 70% of the investible universe.

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

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

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

These data are used to compute the ESG clover rating.

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

The limitations are the following:

- Non-comprehensive data from issuers (equities and bonds);
- 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 relies on BNP Paribas Wealth Management controls performed through the clover rating process.

Moreover, BGL BNP Paribas controls that the clover ratings are performed regularly.

(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 Management is the asset manager, BGL BNP Paribas 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 BNP Paribas Group's investment and financing policies;
- 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.