SFDR

Statement on principal adverse impacts of investment decisions on sustainability factors

June 2024

BNP PARIBAS

The bank for a changing world

Financial market participant: BNP Paribas S.A. (including the German branch), LEI R0MUWSFPU8MPRO8K5P83

BNP Paribas S.A. considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of BNP Paribas S.A. and its branch, BNP Paribas Germany.
Within BNP Paribas S.A., discretionary portfolio management (DPM) is carried out by the BNP Paribas Wealth Management business line[1], which ncludes BNP Paribas BCEF[2] and within the German branch of BNP Paribas S.A., two departments[3] servicing different client segments (BNP Paribas Wealth Management Germany). For the sake of clarity, the DPM activity within BNP Paribas S.A. will be designated within this report under the name of BNP Paribas Wealth Management business line (BNP Paribas Wealth Management).

This statement on principal adverse impacts on sustainability factors covers the **reference period** from January 1st 2023 to December 31st 2023.

Summary of the principal adverse impacts

This statement is established in accordance with the rules defined by the Regulatory Technical Standards of European Regulation 2019/2088, known as SFDR, Sustainable Finance Disclosure Regulation. Its objective is to assess the principal adverse impacts on sustainability factors (so called PAIs) generated by companies or governments that are the subject of financial investments as part of the discretionary portfolio management activities within BNP Paribas Wealth Management.
The PAIs are therefore quantitative indicators enabling this assessment. They require a large number of data for their calculation, the reliability of which may vary depending on whether they are based either on the statements of issuers (Corporates, States, etc.) or on estimates made by data providers.
The sustainable data market is in complete evolution, particularly on PAI data which is a new area. The regulations defining these data and their publication are very recent, like CSRD requiring companies to publish a certain number of environmental, social and governance data which came into force in January 2024 .

Given this situation, a policy of qualitative consideration of the main negative impacts is in place in discretionary portfolio management activities since 2022, as explained below in the section entitled "Description of policies to identify and prioritise main adverse impacts on sustainability factors". Indeed, the ESG analysis of financial assets carried out by BNP Paribas Asset Management is based on indicators from external providers, internal qualitative research and International Institutions, that are for some correlated with Principal Adverse Impacts (PAIs). The impact of these indicators and their weight in the final sustainability rating of

[1] With the exception of discretionary management mandates managed by the Corporate activity, representing 0.04% of assets
[2] Banque Commerciale En France (Commercial Banking In France): includes the Private Banking in France and the Corporate activity. The DPM activity within Corporate was initiated in 2023, and currently includes a very limited number of clients and assets (2 mandates).
[3] Wealth Management Germany and Private Banking Germany

the asset vary according to the specificity of the asset class, the issuer, the region or the sector concerned and are described in the methodologies of specific ESG analysis.

It can also be noted that discretionary portfolio management, when investing in external funds, with respect to PAIs consideration, depends from: (i) the management choices of the external asset managers, known a posteriori and (ii) the choice of data providers they rely upon, as their data may significantly vary from the ones of BNP Paribas Asset Management's data providers. Indeed significant discrepancies on quantitative data of certain PAIs have been identified from one data provider to another.

For the reporting of 2022, BNP Paribas Wealth Management chose Clarity AI as data provider to calculate the PAIs. All the information are available in the reporting published in 2023. To ensure consistency within the Group, BNP Paribas Wealth Management decided in 2023 to rely upon BNP Paribas Asset Management approach and methodology, and therefore to use its data providers, benefiting from its in-depth due diligence on data quality and coverage. This due diligence allowed the selection of the providers offering the most relevant data for each PAI. For more details, please refer to the Data Source section below.

For the sake of transparency and comparability, BNPP Paribas Wealth Management has decided to recalculate the indicators published last year with the BNP Paribas Asset Management methodology in order to compare properly the indicators published in 2023 with the ones publish in 2024. In this document, column Impact 2022 shows data recalculated with the BNP Paribas Asset Management methodology, to be compared with the data within column Impact 2023 calculated with the same methodology.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact 2022[4]**	**Impact 2023[5]**	**Explanation**	**Actions taken and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions (GHG)	1. GHG emissions[6]	Scope 1 GHG emissions (tons CO2e)	260 201	249 590	**1. GHG emissions** Issuers coverage rate[7] - Scope 1 & 2: 95%	Regarding the selection of equities and bonds and BNPP AM funds, BNP Paribas Wealth Management has applied the Oil and Gas sector policy of BNP Paribas Group, including unconventional oil and gas[8]. The policy was
		Scope 2 GHG emissions	62 462	73 217		

[4] PAIs based on BNP Paribas Asset Management data computed for 2022, so as to better enable comparison with 2023. As a reminder, BNP Paribas published in the 2022 PAI statement PAIs based on Clarity AI data

[5] PAIs based on BNP Paribas Asset Management data

[6] On scopes 1, 2 and 3, the difference observed between the coverage and the eligible rates tend to underestimate the PAI absolute value. To avoid underestimation and provide a more complete assessment, a higher value of the PAI is computed, by extending to the perimeter of eligible issuers without any data, the average amount observed on the rest of the eligible issuers, i.e. a pro rata is performed based on the eligible issuers already reporting values on scopes 1, 2 and 3

[7] The issuer coverage rate is computed by dividing the coverage rate by the eligible rate. Eligible rate is the percentage of eligible assets for a specific PAI, meaning categories of assets that are suitable to receive a non-null value for that specific PAI. The coverage rate for a specific PAI is the percentage of assets that have a non-null value for that specific PAI.

[8] Unconventional oil and gas exclusion criteria:

- BNP Paribas Group excludes companies involved in unconventional oil and gas activities, that do not comply with applicable local laws and regulations as well as with international conventions ratified by their operating countries.
- BNP Paribas Group excludes companies for which the business linked to unconventional oil and gas represents a significant part of their revenues.
- BNP Paribas Group excludes companies involved in unconventional oil and gas that do not comply with the following principles:
  - Companies must have their headquarters located in countries that are not under financial sanctions from France, EU, USA and UN.
  - Companies must not use child or forced labour as defined in the International Labour Organization (ILO) Conventions.
  - Companies must have a policy in place to protect their workers' health and safety and disclose or provide their track record regarding health and safety at company level.
  - Companies must disclose or provide information at company level on their performance related to water use, waste generation, energy consumption, GHG emissions, and land reclamation strategy.

Excluded companies are not part of the BNP Paribas Wealth Management Recommended Universe.

		(tons CO2e)			Regarding scope 1&2, BNP Paribas Asset Management has decided to supplement corporate disclosure with estimation methods, in order to provide better reporting of environmental impact and to support carbon reduction in the absence of reported data.	strengthened in 2023, excluding issuers not respecting a set of criteria[9]. BNP Paribas Wealth Management also applies the BNP Paribas Asset Management exclusions[10], available in the [BNP Paribas Asset Management RBC Policy.] The consequence for BNP Paribas Wealth Management is to apply on its Recommended Universe[11] [12] both the exclusions of BNP Paribas Group and of BNP Paribas Asset Management.

[9] Criteria:

- BNP Paribas Group excludes energy companies that derive 10% or more of their activities from unconventional oil and gas, from a previous threshold of 30%
- BNP Paribas Group now excludes energy companies that derive 10% or more of their exploration and production activities from the Arctic region
- BNP Paribas Group now excludes energy companies with oil and gas reserves in the Amazon as well as those actively developing related infrastructure in the Amazon
- Companies that do not meet the mandatory criteria are excluded. By exception, some of them may be added to a monitoring list, meaning they are eligible for investment subject to regular review, if they have credible climate commitments and realistic transition plans.

BNP Paribas Wealth Management provides its clients with products (equities, bonds and internal funds) that comply with this policy and encourages external managers to adopt the standards defined in this policy.

[10] Mining Companies that match with one of the following criteria are excluded:

- are developing or planning to develop thermal coal extraction capacities (new mines or expansion of existing ones)
- derive more than 10% of their revenues from the mining of thermal coal
- produce more than 10 million tons of thermal-coal per year
- do not have a strategy to exit from thermal coal activities by 2030 in European Union and OECD countries and by 2040 for the rest of the world.

Electricity production: BNPP Asset Management will exclude all power generators that meet any of the following criteria:

- are adding operational coal-fired power generation capacity
- have a carbon intensity above the 2017 global average of 491 gCO2/kWh. This exclusion will be further tightened following the Paris-compliant trajectory for the sector as determined by the International Energy Agency ('IEA') Sustainable Development Scenario (SDS). This means power generators' carbon intensity will need to fall to 327 gCO2/kWh by 2025, otherwise they will be excluded from the investment portfolios.

[11] The Recommended Universe means the financial instruments selected by BNP Paribas Wealth Management and recommended to its clients

[12] Since June 2023, issuers excluded under the RBC policy of BNP Paribas Asset Management and belonging to the following sectors: (i) Mining, (ii) Electricity generation, (iii) Thermal coal mining industry and coal fired power generation, are also excluded from the recommended investment universe of the discretionary

						Furthermore, BNP Paribas Asset Management has defined a roadmap to achieve Net Zero portfolio emissions by 2050[13] Finally, the ESG scoring methodology for issuers by BNP Paribas Asset Management takes into account the carbon footprint reduction trajectory as defined by the IEA[14]. This methodology is reflected in the clover rating used by BNP Paribas Wealth Management for the discretionary portfolio management. Regarding funds managed by external asset managers, BNP Paribas Wealth Management carries out an assessment of these external asset managers, based on a due diligence questionnaire, including questions on:
		Scope 3 GHG emissions (tons CO2e)	1 979 596	1 615 753	Scope 3 Issuers coverage rate: 5,4% While GHG emissions disclosure has improved, most companies worldwide still do not disclose this information. This is even more problematic for Scope 3 GHG emissions. BNPP AM has decided to use only the highest quality disclosed data and to not supplement the data with estimates. Scope 3 GHG emissions estimates vary dramatically across vendors.	

management of BNP Paribas Wealth Management. Before June 2023, the issuers excluded by BNP Paribas Asset Management were already rated with a zero Clover scoring, without exclusion from the Recommended Universe.

[13] Out of 10 commitments, the following ones will notably impact investments:

- Reducing the carbon footprint of its investments by 30% by 2025, and by 50% by 2030 (against a 2019 baseline)
- Aligning its investments with net zero, targeting 60% of in-scope investments to be in companies Achieving, Aligned or Aligning with Net Zero by 2030, growing to 100% by 2040
- Exiting coal by 2030 in European Union and OECD countries and by 2040 in the rest of the world

Other commitments concern the shareholder commitment and operations of BNP Paribas Asset Management.

It can be noted that under this methodology, the assets under management of BNP Paribas Wealth Management in 2023 have the following breakdown: 5% relate to issuers that have reached carbon neutrality, 44% relate to issuers aligned with the objectives of the Paris Agreement, 22% relate to issuers in the process of aligning, 29% relate to non-aligned issuers.

[14] International Energy Agency

					Therefore the coverage and quality of Scope 3 GHG emissions data is considered to be very low which could lead to distorted reporting figures and make them difficult to interpret by market participants independently and in reference to other asset managers.	- their membership to the Net Zero Asset Manager initiative and details of the commitments made - the validation by SBTi (Science Based Target initiative) of their decarbonisation plan - the methodology for measuring and publishing their GHG emissions - participation in collaborative engagement initiatives such as Climate Action 100 + or Carbon Disclosure Project (CDP)
		Total GHG emissions (tons CO2e)	445 187	416 367	Total GHG emissions Issuers coverage rate: 95% While the overall effective coverage figure is high, please note that issuers for which data on Scope 3 was not available were assigned a 0 for this indicator. This explains why the total GHG emissions are lower than the sum of scopes 1, 2 and 3. Considering the scope 3 GHG emissions low data quality and volatility, a trend in our total GHG emissions based on scope 1, 2 and 3 GHG emissions cannot be asserted.	
	2. Carbon footprint	Carbon footprint (tons CO2e / EUR M invested)	86	68	**2 - Carbon footprint:** - Issuers coverage rate : 95% -For information, scopes 1&2 amount to 53 tons CO2e / EUR M invested.	

					Please refer to PAI 1 explanations about scope 1 & 2, scope 3 and total for the calculation methodology of PAI 2. Considering the scope 3 GHG emissions low data quality and volatility, a trend in our carbon footprint based on scope 1, 2 and 3 GHG emissions cannot be asserted.	
	3. GHG intensity of investee companies	GHG intensity of investee companies (tons CO2e / EUR M revenue)	169	122	**3 - GHG intensity of investee companies:** - Issuers coverage rate : 95% -For information, scope 1&2 amounts to 97 tons CO2e / EUR M revenue. Please refer to PAI 1 explanations about scope 1 & 2, scope 3 and total for the calculation methodology of PAI 3. Considering the scope 3 GHG emissions low data quality and volatility, a trend in our GHG intensity based on scope 1, 2 and 3 GHG emissions cannot be asserted.	

	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	7.70%	7.01%	**4 – Exposure to companies active in the fossil fuel sector:** - Issuers coverage rate : 99% Identification of companies active in the fossil fuel sector has been achieved based on percentages of revenue derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade of thermal coal, natural gas and oil. The underlying data is not identifying companies involved in "distribution of gas" but BNPP AM has engaged with the data provider in order to assess the feasibility of capturing this activity in the near future.	

	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	5.1 – Consumption: 63% 5.2 – Production: 54%	5.1 – Consumption: 62% 5.2 – Production: 53%	**5.1 – Consumption:** - Issuers coverage rate: 83% **5.2 – Production:** - Issuers coverage rate: 3% This PAI is actually two indicators in one: Production and consumption. The production indicator is only relevant to energy producers (e.g. utilities). The consumption indicator is more broadly applicable across sectors. Both production and consumption information are inconsistently disclosed by market actors though coverage ratios tend to be much higher for consumption. The underlying data used is based on reported data only and the exhibited low coverage could lead to distorted reporting figures and make them difficult to interpret by market participants independently and in reference to other asset managers.	These PAIs and/or PAI-adjacent indicators have been taken into account in the clover qualitative methodology used in discretionary portfolio management[16]: - For equities and bonds and BNP Paribas Asset Management funds, these PAIs are embedded in BNP Paribas Asset Management ESG scoring methodology. - For external asset managers funds, BNP Paribas Wealth Management assesses the way they address controversies and negative impacts on ESG factors. With the gradual improvement of data reported by issuers, BNP Paribas Wealth Management will continue to progressively integrate these PAIs within its Responsible Investment policy.

[16] Please refer to the section below: ”Description of policies to identify and prioritise principal adverse impacts on sustainability factors”

	6. Energy consumption intensity per high impact climate	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate GWh / EUR M revenue NACE Sectors: A (agriculture, forestry and fishing) B (mining and quarrying) C (manufacturing) D (electricity, gas, steam and air conditionning supply) E (water supply; sewerage, waste management and remediation activities) F (construction) G (wholesale and retail trade; repair of motor vehicles and motorcycles) H (transportation and storage) L (acommodation	Total: 1.45 A: 1.18 B: 0.68 C: 0.59 D: 3.98 E: 3.42 F: 0.27 G: 0.52 H: 3.46 L: 0.73	Total: 0.79 A: 0.38 B: 1.05 C: 0.45 D: 3.67 E: 3.03 F: 0.18 G: 0.28 H: 2.59 L: 0.74	**6 – Energy consumption intensity per high impact climate sector** - Issuers coverage rate: 51% (Total data) An exact fit for this PAI does not exist since the exact split of energy consumption per high impact climate sector is not provided by any data vendor. Therefore, an assumption has been made that one company belongs to its primary NACE[15] and the total energy consumption figure is associated with this primary NACE code. Therefore, there is no sector-related split of energy consumption per company.	

[15] The Statistical classification of economic activities in the European Community, abbreviated as NACE

		and food service activities)				
Biodiversity	7. Activities negatively affecting biodiversity- sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	8.46%	7.72%	**7. Activities negatively affecting biodiversity-sensitive areas** - Issuers coverage rate: 98% This PAI is not directly reported by companies and therefore the assessment is based on incidents research to identify negatively affecting activities performed by companies which then can be matched spatially to sensitive areas as defined by the Natura 2000 network of protected areas, the UNESCO World Heritage Sites as well as other protected areas referred to by the Delegated Regulation. This approach has the following limitations: 1) The access to the Key Biodiversity Area (KBA) database is not public, hence reducing the	In 2021, the BNP Paribas Group decided to further strengthen its commitments to biodiversity. Based on the studies of the Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services (IPBES), the BNP Paribas Group has published a public position to better explain and structure its actions in the face of the five major threats[17] to biodiversity. This PAI and/or PAI-adjacent indicators have been taken into account in the clover qualitative methodology used in discretionary portfolio management[18]: - For equities and bonds and BNP Paribas Asset Management funds, this PAI is embedded within BNP Paribas Asset Management ESG scoring methodology[19]. BNP Paribas Asset Management's rating system includes nature related indicators, which reflect real negative events that have occurred, such as water pollution, deforestation, presence in key areas for biodiversity, etc. BNP Paribas Wealth Management's clover rating methodology is based on this rating system. Although this data already provides valuable information to its management teams, BNPP Asset Management intends to develop more accurate biodiversity impact indicators. For this purpose, a partnership has been formed with Iceberg Data Lab and iCare & Consult[20] to

[17] Land-use and marine-use changes, direct exploitation of certain organisms, climate change, pollutions, invasive species

[18] Land-use and marine-use changes, direct exploitation of certain organisms, climate change, pollutions, invasive species

[19] Please refer to BNP Paribas Asset Management Biodiversity Roadmap: 940B42EF-AFFF-4C89-8C32-D9BFBA72BF24 (bnpparibas-am.com)

[20] The Enterprise Biodiversity Footprint of Iceberg Data Lab and iCare & Consult is determined using lifecycle analysis data to quantify environmental pressures

					possibility to match locations 2) An assessment of operations located in or near to biodiversity sensitive areas would require a spatial perspective which, as of now, is not available due to the lack of asset level databases. Hence, the only spatially explicit data that we use is provided by the data vendor's incidents research.	develop and provide biodiversity data tailored to the needs of a global investor. - For external asset managers funds, BNP Paribas Wealth Management assesses the way they address controversies and negative impacts on ESG factors. With the gradual improvement of data reported by issuers, BNP Paribas Wealth Management will continue to progressively integrate the PAI within its Responsible Investment policy.
Water	8. Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested,	0.064	0.074	**8. Emissions to water** - Issuers coverage rate: 14% Most companies worldwide still do not disclose this	This PAI and/or PAI-adjacent indicators have been taken into account in the clover qualitative methodology used in discretionary portfolio management[21]: - For equities and bonds and BNP Paribas Asset Management funds, this PAI is embedded within BNP Paribas Asset Management ESG

throughout the supply chain of a given company, using data on production assets if available. To date, terrestrial biodiversity and aquatic biodiversity are relatively well documented in scientific literature and environmental models such as GLOBIO3, developed by the Dutch Environmental Assessment Agency. GLOBIO3 is used in the methodology of the biodiversity footprint of companies to establish a link between quantified environmental pressures and the loss of biodiversity (expressed in km ² MSA, see below). Environmental pressures currently covered by the Footprint methodology Corporate biodiversity is as follows:
- Change in land use (land use, transformation, encroachment, fragmentation),
- Air pollution (nitrogen and sulphur deposition),
- Water pollution (eutrophication, acidification, freshwater ecotoxicity, plastic entanglement),
- Climate change.

To be noted that invasive species are not included yet as data are not available yet.

Each environmental pressure is then translated into a quantified impact on biodiversity, then aggregated to calculate the biodiversity footprint of a given company, expressed in km ² MSA (ie the average abundance of species - Mean Species Abundance).

21 Please refer to the section below: "Description of policies to identify and prioritise principal adverse impacts on sustainability factors"

		expressed as a weighted average (tons / EUR M invested)			information. Companies also inconsistently report pollutants. Data providers capture different emission types and there is some uncertainty about which should be considered as per the regulation. For these reasons, BNPP AM decided to employ a more conservative approach and get data from a data provider which captures a more comprehensive list of pollutants for the purpose of this metric: Direct emissions of nitrates, phosphate, and pesticides, and direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council (e.g., heavy metals, loads of organic pollutant parameters such as biochemical oxygen demand (BOD) and chemical oxygen demand (COD), nitrogen and phosphorus compounds). The exhibited very low coverage could lead to distorted reporting figures and make them difficult to interpret by market participants independently and in reference to other asset managers.	scoring methodology. - For external asset managers funds, BNP Paribas Wealth Management assesses the way they address controversies and negative impacts on ESG factors. With the gradual improvement of data reported by issuers, BNP Paribas Wealth Management will continue to progressively integrate the PAI within its Responsible Investment policy.

Waste	9. Hazardous waste ratio	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average (tons / EUR M invested)	2.09	1.75	9. Hazardous waste ratio - Issuers coverage rate: 54% Most companies worldwide still do not disclose this information. BNPP AM captures both hazardous and radioactive waste as reported by companies.	This PAI and/or PAI-adjacent indicators have been taken into account in the clover qualitative methodology used in discretionary portfolio management[22]: - For equities and bonds and BNP Paribas Asset Management funds, this PAI is embedded within BNP Paribas Asset Management ESG scoring methodology. - For external asset managers funds, BNP Paribas Wealth Management assesses the way they address controversies and negative impacts on ESG factors. With the gradual improvement of data reported by issuers, BNP Paribas Wealth Management will continue to progressively integrate the PAI within its Responsible Investment policy.
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.09%	0.07%	**10 – Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.** - Issuers coverage rate: 96% For this indicator there is wide variance across data vendors due to different assessment of the PAI. Most vendors rely on news article analysis and AI/NLP models in order to	In 2022, BNP Paribas Wealth Management has applied a zero Clover scoring on each issuer excluded by BNP Paribas Asset Management. Those exclusions are associated with serious and repeated breaches of UNGC Principles and/or mandatory requirements related to controversial s and products. Criteria regarding these BNP Paribas Asset Management exclusions are available in

[22] Please refer to the section below: "Description of policies to identify and prioritise principal adverse impacts on sustainability factors"

					flag potential violations. In some cases, some data vendors perform a manual review in order to opine on the validatation of the identified cases. BNPP AM employs an approach which consists of multiple layers of manual assessment performed by specialised research teams (both external and internal), company contact and engagement (in some cases) as well as additional governance layers and review committees which can further evaluate and challenge the final assessments. Please note that the performed assessment is based on all UNGC principles and OECD guidelines, including environmental norms.	BNP Paribas Asset Management RBC Policy. In June 2023, BNP Paribas Wealth Management has strengthened its policy, excluding from its Recommended Universe all issuers subject to exclusion according to BNP Paribas Asset Management RBC Policy. That policy will lead to a reduction of the exposure to issuers who are in breach with UNGC Principles and/or OECD MultiNational Entreprises guidelines.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to	40%	41%	**11 - Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD-GME.** - Issuers coverage rate: 71% For this indicator there is wide variance across vendors due to different interpretations of the PAI.	

		address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.			Some vendors flag very few issuers as non-compliant with the PAI, whereas others flag almost all as non-compliant. Data providers reporting low figures typically rely on the existence of policies addressing any UNGC principle or OECD guideline, not policies addressing all UNGC principles. Market reporting of this value could change dramatically in either direction based on future clarifications from regulators which may be forthcoming. Please note that the performed assessment is based on all UNGC principles and OECD guidelines, including environmental norms.	

	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	3.3%	2.5%	**12. Unadjusted gender pay gap** - Issuers coverage rate: 10% Most companies worldwide still do not disclose this information. Some vendors attempt to report figures disclosed by companies which are not based on the exact regulatory definition which could lead to data inconsistencies. Some vendors increase the coverage for this indicator by relying on figures provided by international companies' local branches and thus not fairly representing the truly global footprint of the company and the impact it has on this indicator. BNPP AM has decided to rely on reported figures which are strictly consistent with the regulatory definition and to not use proxy values.	These PAIs and/or PAI-adjacent indicators have been taken into account in the clover qualitative methodology used in discretionary portfolio management[23]: - For equities and bonds and BNP Paribas Asset Management funds, these PAIs are embedded within BNP Paribas Asset Management ESG scoring methodology. - For external asset managers funds, BNP Paribas Wealth Management assesses the way they address controversies and negative impacts on ESG factors. With the gradual improvement of data reported by issuers, BNP Paribas Wealth Management will continue to progressively integrate the PAIs within its Responsible Investment policy.
	13. Board gender diversity	Average ratio of female to male board members in investee companies	39%	40%	**13. Board gender diversity** - Issuers coverage rate: 92% The underlying data is collected directly from companies (by BNP Paribas Asset Management chosen data provider)	

[23] Please refer to the section below: "Description of policies to identify and prioritise principal adverse impacts on sustainability factors"

	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	**14. Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)** - Issuers coverage rate: 99% Identification of companies involved in controversial weapons has been achieved based on research performed by the data provider and identifying evidence of activity and involvement in anti-personnel mines, cluster munitions and biological and chemical weapons.	BNP Paribas Wealth Management policy excludes investee companies involved in the manufacturing or the selling of controversial weapons

Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact 2022	Impact 2023	Explanation	Actions taken and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries (tons CO2e / EUR M GDP)	27	22	**15. GHG intensity** - Issuers coverage rate: 95% For Scope 1 & 2, BNPP AM has decided to use a dataset that combines country level reporting from multiple sources with estimation models that	This PAI and/or PAI-adjacent indicators have been taken into account in the clover qualitative methodology used in discretionary portfolio management[24]: - For equities and bonds and BNP Paribas Asset Management funds, this PAI is embedded within BNP Paribas Asset Management ESG scoring methodology. - For external asset managers funds, BNP Paribas

[24] Please refer to the section below: "Description of policies to identify and prioritise principal adverse impacts on sustainability factors"

					ensure that data is available for all countries across any given year. It has also been decided to include estimated emissions related to land use, land-use change and forestry (LULUCF) which leads overall to higher reported figures. However, Scope 3 data are available only until 2018 which is inconsistent with Scope 1 & 2 data availability which covers 2019 and therefore Scope 3 is not included in the reported figures	Wealth Management assesses the way they address controversies and negative impacts on ESG factors. With the gradual improvement of data reported by issuers, BNP Paribas Wealth Management will continue to progressively integrate the PAI within its Responsible Investment policy.

Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Relative: 3% Absolute: 4	Relative: 4% Absolute: 4	**16. Investee countries subject to social violations** - Issuers coverage rate: 96% The definition of what constitutes a "social violation" as mentioned in this PAI is not explicitely described in the regulation. Other frameworks such as the Towards Sustainability label exist but are more prescriptive. Identification of countries subject to social violations has been achieved based on research performed by the data provider and identifying relevant controversies related to social topics. The social topics considered are the following: civil conflict, state repression, transnational conflict, violent crime, labour rights, discrimination.	This PAI and/or PAI-adjacent indicators has been taken into account in the clover qualitative methodology used in discretionary Portfolio Management : - For equities and bonds and BNP Paribas Asset Management funds, this PAI is embedded within BNP Paribas Asset Management ESG scoring methodology, based on several indicators linked to social violations. - For external asset managers funds, BNP Paribas Wealth Management assesses the way they address controversies and negative impacts on ESG factors. With the gradual improvement of data reported by issuers, BNP Paribas Wealth Management will continue to progressively integrate the PAI within its Responsible Investment policy.

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2022	Impact 2023	Explanation	Actions taken and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	Not applicable: No direct investments in real estate assets	Not applicable: No direct investments in real estate assets
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	Not applicable: No direct investments in real estate assets	Not applicable: No direct investments in real estate assets

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric	Impact 2022	Impact 2023	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	43%	40%	**4. Investments in companies without carbon emission reduction initiatives** - Issuers coverage rate: 99% The regulatory definition of this PAI raises some questions on the meaning of "aimed at aligning with Paris agreement" and "carbon emission reduction initiative". BNPP AM took a conservative approach by considering only companies with targets aligned with the Paris agreement (<=2oC) as successfully passing this PAI.	On-going works to strengthen the BNP Paribas Wealth Management policy and best take into account this PAI (see mandatory PAIs 1-4).

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

	SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Adverse sustainability impact	**Adverse sustainability impact (qualitative or quantitative)**	**Metric**	**Impact 2022**	**Impact 2023**	**Explanation**	**Actions taken and actions planned and targets set for the next reference period**
	Indicators applicable to investments in investee companies					
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	4.0%	2.8%	**9. Lack of a human rights policy** - Issuers coverage rate: 92% Identification of companies with lack of Human Rights policy has been achieved based on research performed by the data provider and identifying relevant evidence.	In 2022, BNP Paribas Wealth Management has applied a zero Clover scoring on each issuer excluded by BNP Paribas Asset Management. Those exclusions are associated with serious and repeated breaches of UNGC Principles and/or mandatory requirements related to controversial s and products. Criteria regarding these BNP Paribas Asset Management exclusions are available in BNP Paribas Asset Management RBC Policy. In June 2023, BNP Paribas Wealth Management has strengthened its policy, excluding from the BNP Paribas Recommended Universe all issuers subject to exclusion according to BNP Paribas Asset Management RBC Policy. That policy will lead to a reduction of the exposure to issuers who are in breach with UNGC Principles and/or OECD MultiNational Entreprises guidelines.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

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Principal adverse impacts on sustainability factors refer to adverse impacts of investment decisions on sustainability factors that mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters

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As financial market participant, BNP Paribas Wealth Management takes into account the impact of the underlying investment on sustainability factors (environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters).

BNP Paribas Wealth Management considers principal adverse impacts in its portfolio management decisions through the approach detailed hereafter.

BNP Paribas Wealth Management approach on principal adverse impacts relies on a set of extra-financial data sources and analyses:

a. **The BNP Paribas Group policies:** they enable the BNP Paribas Group to coordinate investment actions in sensitive s, excluding a number of s or companies, see BNP Paribas Group public *policies* developed in cooperation with independent experts. On each, the BNP Paribas Group takes into consideration a set of mandatory requirements, of evaluation criteria and of good industry practices when they exist.

b. **The BNP Paribas Asset Management issuers' ESG[25] screening: regarding bonds and equities,** BNP Paribas Wealth Management relies on the BNP Paribas Asset Management information, sources and policies specifically designed towards sustainability. Regarding the selection process of issuers, the pillars of the Global Sustainability Strategy developed by BNP Paribas Asset Management enable to deploy a classification of issuers based on various sustainability factors:
   - **The** ESG assessment**,** based on materiality, measurability, data quality and availability, focuses on a limited set of robust ESG metrics, among these sources:
     - **External providers:** organizations specializing in ESG data and research, as well as ESG and mainstream brokers,
     - **Internal qualitative research**: insights from BNP Paribas Asset Management's ESG analysts assessing ESG performance and reviewing provider data, based on direct contacts with issuers, academics, institutions, civil society research, issuer official publications,
     - **International institutions**: Eurostat, OECD, United Nations, Worldbank, International Energy Agency, World Health Organization.
   - **The Stewardship Strategy** includes proactive engagement with corporate and other issuers, and engagement with public policy makers on sustainability issues.

[25] Environmental, Social and Governance

- **The Responsible Business Conduct policy** aims at avoiding reputational, regulatory risks; it fosters companies' compliance with fundamental rights, in the areas of human and labour rights, environment protection and anti-corruption, based on the 10 **United Nations Global Compact Principles.**
- **The Forward-looking perspective** or the '3Es'measure the exposure to the three key issues being Energy transition, Environmental healthy Ecosystems sustainability and Equality and inclusive growth.

Based on the data provided by BNP Paribas Group and BNP Paribas Asset Management, BNP Paribas Wealth Management is in a position to:

- Exclude or select issuers (equities and bonds),
- Identify equities and bonds when possible, according to 'sustainability preferences' as defined by the MiFID delegated regulation[26],
- Rate equities and bonds according to the WM proprietary clover methodology
- Consider and address PAI number 10 by relying on a number of international standards that BNP Paribas adheres to, in particular: The UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises which may lead to the exclusion of companies active in certain s. PAI number 10 is considered and addressed by BNP Paribas Asset Management Responsible Business Conduct which evaluates and excludes companies exposed to issuers who are in breach with UNGC Principles and/or OECD Multinational Entreprises guidelines.
- Consider and address PAI number 14, in particular: exposure to controversial weapons. The following controversial weapons conventions are taken into account to consider and address PAI 14: Oslo Convention on Cluster Munitions (2008) and Ottawa Treaty on Landmines (1999), Biological and Toxin Weapons Convention (1972), Chemical Weapons Convention (1993). All investee companies involved in the manufacturing or the selling of controversial weapons are excluded. More information on the Clover methodology is available on BNP Paribas Wealth Management website.

c. Analysis of asset management companies and recommended funds and ETFs[27]:

BNP Paribas Wealth Management gathers sustainability information from asset managers, based on a proprietary due diligence questionnaire:

- **Funds:** comprehensive questions covering 6 areas, either on the management company and/ or the fund regarding ESG practices and exclusions, voting and engagement policies, transparency, sustainability of the asset management company, sustainable thematic, impact,
- **ETFs:** questions covering the 6 above mentioned areas,
- **Open-ended Alternative Investment Funds:** comprehensive questions covering 7 areas.

[26] Article 2(7) MIFID Delegated Regulation 2017/565

[27] Exchange-Traded Fund

BNP Paribas Wealth Management looks at the percentage of available investment universe excluded based on ESG considerations, i.e., -based exclusions, norm-based exclusions, activity-based exclusions and worst ESG ratings among peers. Due diligences also identify the way ESG controversies are taken into account during the fund investment process.

BNP Paribas Wealth Management relies on the set of data provided by the asset manufacturers on the financial product ESG characteristics according to the European ESG template (EET format defined by Findatex), i.e.:

- Data on taxonomy aligned investment within the financial instrument (percentage of alignment, based on the E.U. Taxonomy Regulation),
- Data on sustainable investment within the financial instrument (percentage of sustainable investment, based on the SFDR regulation), and
- Data on mandatory Principle Adverse Sustainable Indicators.

Thanks to this double level of analysis when selecting funds and ETFs, BNP Paribas Wealth Management is in a position to:

- Select asset managers, funds and ETFs;
- Classify, when possible, funds and ETFs according to MIFID definition of 'sustainable preferences'[28].
- Consider and address PAI number 10 by relying on several international standards that BNP Paribas Group adheres to, in particular: UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. For this purpose, BNP Paribas Wealth Management reviews European ESG Templates (EET) and the precontractual documents within the sales prospectus provided by Asset Management companies to ensure PAI number 10 is considered. In case of non-consideration BNP Paribas Wealth Management takes steps to mitigate risk and/or minimize exposure on PAI 10 violation.
- Consider and address PAI number 14, in particular: exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons). For this purpose, BNP Paribas Wealth Management reviews European ESG Templates (EET) and the precontractual documents within the sales prospectus provided by Asset Management companies to ensure PAI number 14 is considered. In case of a non-consideration or an exposure the financial product will be excluded.

For the avoidance of doubt, BNP Paribas Wealth Management does not at this stage consider on derivative instruments and on Article 6 SFDR financial products[29] the principal adverse impacts on sustainability factors.

The date on which the governing body of the financial market participant approved those policies

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[28] Article 2(7) MIFID Delegated Regulation 2017/565
[29] ETFs and external funds

BNP Paribas Wealth Management Policy on adverse sustainability impacts has been approved end of March 2021 and updated in June 2024.

Responsibility for the implementation of those policies

The BNP Paribas Wealth Management Sustainability Office is responsible for the elaboration of the clover methodology and for the attribution of clovers scoring to financial instruments of the BNP Paribas Wealth Management recommended universe. The BNP Paribas Wealth Management discretionary portfolio management teams are responsible to activate this policy in portfolios.

Methodologies to select optional PAI

The optional PAIs 4 and 9 are linked to mandatory PAIs 1-4 and 10-11, on which BNP Paribas Wealth Management pay particular attention to. The selection of these PAIs, identical to those of BNP Paribas Asset Management, thus making it possible to maintain an overall consistency of the ESG scoring methodological framework.

Any associated margin of error: the fact that (i) eligible issuers are not fully covered, and (ii) among covered issuers, a part of data has been estimated by data providers when data directly reported by issuers was not available, could generate some margin of error.

Data sources

The data provider of PAI computation is BNP Paribas Asset Management[30].

The ESG research analysis and findings of BNP Paribas Asset Management are independent and based upon a wide variety of sources not limited to ESG data providers. They include the knowledge gained from participating in various investment forums and communities, relationships with academic institutions and aspects of civil society (a list of the initiatives BNP Paribas Asset Management participates in is available in its most recent Sustainability Report). With respect to market data providers, BNPP Asset Management selects them using a two-step due diligence process.

- Its Quantitative Research Group begins by analysing providers' data sets, which includes examining the coverage of data and its quality, and a statistical review of estimation methodologies, among other items.
- At the same time, the Sustainability Centre performs a qualitative review of methodologies used and the relevance of selection criteria.

BNP Paribas Asset Management's market data team oversees governance related to the relationship with the providers, and as part of this process, performs an annual review of its contracts.

The external data providers of BNP Paribas Asset Management are the following:

- Sustainalytics provides raw data metrics that BNPP AM uses selectively to feed its ESG scoring model and PAI reporting. BNPP AM also uses this provider for preliminary UNGC analysis, controversies offerings, and research related to PAI metrics.
- Trucost, CDP, Maplecroft, TPI and SBTi are uses for climate change and physical risk analysis. Trucost also provides scope 1 and 2 carbon emissions data.
- CDP also provides underlying data for selected PAI metrics.

[30] Please refer to more detailed information regartding BNP Paribas Asset Management's selection of providers p.40-41 of the latest BNP Paribas Asset Management Sustainability report

- CDP, Trucost, Forest 500, TRASE, SPOTT, FAIRR, and Iceberg Data Lab provide deforestation and biodiversity metrics used to assess and report on the biodiversity footprints of portfolios.
- ISS and Proxinvest provide their governance research.
- Beyond Ratings provides data and research on sovereign issuers.
- ESG and mainstream brokers provide research papers and other market information.

When information is not readily available

The priority is to rely on data directly reported by issuers. In case the level of disclosure of some PAIs by issuers is very low, BNP Paribas Asset Management has then considered estimated data from data providers when the data quality is deemed sufficient.

In addition, it has been engaging with some data providers to further improve the data quality of some PAIs. Through its rigorous data provider selection process and ESG Research analysis BNP Paribas Asset Management strive to ensure the best level of data quality to assess the PAIs.

Engagement policies

BNP Paribas Wealth Management has no engagement policy as part of its discretionary portfolio management activities: each client directly exercises his or her voting rights regarding shares in companies held in the portfolio.

Regarding funds managed by BNP Paribas Asset Management and selected by BNP Paribas Wealth Management, the engagement policy is as follows:

BNP Paribas Asset Management takes a holistic view in their engagements, focusing on issues that may be financially material as well as those that present the most salient risks to society or the environment, consistent with its obligations under the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the set of international treaties and laws that underpin the UN Global Compact Principles.

BNP Paribas Asset Management is also consistent with its obligations, as fiduciary, to do what it can to mitigate systemic risks that impact their clients and future investment opportunities, such as climate change, biodiversity loss and inequality. These systemic risks are often the focus of BNP Paribas Asset Management's long-term thematic engagements. More details are available in the BNP Paribas Asset Management Global Sustainability Strategy, detailing the overarching thematics, i.e. the '3Es' (Energy transition, healthy Ecosystems, and Equality) that BNP Paribas Asset Management believes are necessary conditions for a sustainable economic system.

As mentioned above, BNP Paribas Asset Management stewardship activities contribute to considering and addressing the different PAIs. Through engagement and proxy voting, it addresses topics related to the 14 mandatory Corporates PAI (with the exception of PAI 12s), the 2 voluntary Corporate PAIs, as well as the 2 Sovereign PAIs. For example, for PAIs 1, 2, 3, as a member of the Climate Action 100+ initiative (CA100+), it advocates for Paris-aligned corporate climate lobbying, and engages with portfolio companies about their decarbonization efforts. In terms of proxy voting, BNP Paribas Asset Management considers the topics covered by PAIs 1, 2, 3 through its voting activity on climate and environmental proposals (whether through shareholder or management proposals), but also applies climate and environmental considerations to other key items on the agenda (see Section III. Voting guidelines, Sub-section 5. Environmental and social proposals and considerations of the Governance & Voting Policy). For instance, by doing so, it opposes management resolutions of companies that do not properly report on their carbon footprint, and can support shareholder proposals that align with its ESG expectations (see Sub-section 6. Shareholder Proposals).

The Stewardship approach of BNP Paribas Asset Management is based on the following engagement strategies: (i) engagement linked to voting; (ii) thematic engagement, with a focus on the '3Es'; and (iii) engagement linked to issuer performance. More details are available on each category in our 2024 Stewardship Policy.

Investor-issuer dialogue is the foundation of good stewardship, allowing for trusting relationships to be built over time and permitting solution-oriented discussions about issues that might not otherwise be addressed. However, there are times when stronger measures are necessary to encourage a company to reform its practices, or even to come to the table and discuss BNP Paribas Asset Management' concerns. Therefore, the stewardship approach includes provisions for escalation when engagement produces insufficient progress. In such cases where more robust action is called for, BNP Paribas Asset Management may, inter alia, vote against a company's board discharge or elections or financial accounts, submit private questions to companies' top management, submit public questions, file/ co-file shareholder proposals at general meetings, rarely, but when deemed appropriate, announce its voting intentions ahead of time; and additional legal strategies.

As a last resort, BNP Paribas Asset Management may divest entities that do not respond to engagement and show no sign that they will place greater emphasis on sustainability in the future. These decisions are taken on a case-by-case basis, to ensure that BNP Paribas Asset Management' concerns have been properly heard and dealt with. BNP Paribas Asset Management' shareholder proposal filing strategy is approved by the Stewardship Committee once a year, as are specific decisions about filing each shareholder proposal.

Each year, BNP Paribas Asset Management monitors the performance of issuers linked to the topics covered under the different PAIs and takes it into account when reviewing engagement priorities and proxy voting decisions. As an illustration, on PAI 1, it monitors the disclosure of GHG emissions by publicly listed corporates and applies sanction votes on key items at their general meetings (Discharge of Board and Management / Board Re-elections / Financial Statements and Director and Auditor Reports) when they fail to disclose their absolute GHG emissions appropriately. On the engagement side, BNP Paribas Asset Management considers the GHG emissions and related reduction targets, prioritizing the dialogue with companies identified as the world's largest GHG emitters as part of the Net Zero Company Benchmark. Its engagement focuses on the alignment of their climate strategy with an ambition to achieve net-zero GHG emissions by 2050 or sooner, underpinned by credible decarbonisation strategies and intermediary targets, in line with global efforts to limit warming to 1.5 degrees Celsius. Escalation measures taken on a case-by-case basis are based on the monitoring of their performance from year-to-year, including opposition votes on key items at the general meetings, public statements, and filing shareholder proposals.

Regarding funds from external asset managers selected by BNP Paribas Wealth Management, the engagement policy is one of the assessment criteria for the clover rating. Through its proprietary methodology, BNP Paribas Wealth Management analyses and assesses the policies and the voting and engagement exercise of asset managers outside the BNP Paribas Group, selected among the financial products recommended to its clients. BNP Paribas Wealth Management collects sustainable information from asset managers, based on an internal due diligence questionnaire adapted to the specificities of each asset class:

- Funds: nearly 140 questions covering 6 areas about the management company and/or the fund, regarding ESG practices and exclusions, voting and engagement policies, transparency, sustainability of the management company, sustainable theme, impact.
- ETFs: around 30 questions on the 6 areas mentioned above.
- Open Alternative Investment Funds: around 150 questions covering 7 areas (6 areas specific to traditional funds and one specific area covering short positions).

BNP Paribas Wealth Management analyses collected information, and, with respects to funds, provides a feedback to asset managers in the form of an email highlighting the areas of satisfaction and the improvements expected in terms of commitment.

References to international standards

BNP Paribas Wealth Management approach on principal adverse impacts above mentioned, relies upon a number of international standards that BNP Paribas Group adheres to, in particular:

- The OECD Principles for Multinational enterprises and the United Nations Global Compact which may lead to the exclusion of companies active in certain s. PAI 10 is considered and addressed by the RBC policy of BNP Paribas Asset Management which evaluates companies for exposure to violations of the OECD Principles for Multinational enterprises and the United Nations Global Compact. This analysis is taken into account by the BNP Paribas Wealth Management clover methodology. Regarding bonds and equities, BNP Paribas Wealth Management takes into account the exclusions decided by BNP Paribas Asset Management. Regarding funds and ETFs, in case of non-consideration of the PAI 10 by an asset manager, BNP Paribas Wealth Management takes steps to mitigate risk and/or minimize exposure on PAI 10 violation.

- Controversial weapons conventions[31] are taken into account to consider and address PAI 14, namely the following ones: Oslo Convention on Cluster Munitions (2008) and Ottawa Treaty on Landmines (1999), Biological and Toxin Weapons Convention (1972), Chemical Weapons Convention (1993). All investee companies involved in the manufacturing or the selling of controversial weapons are excluded.

BNP Paribas Wealth Management has not yet identified a specific prospective climate scenario in its consideration of PAIs for its Discretionary Portfolio Management activity.

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[31] Oslo Convention on Cluster Munitions (2008) and Ottawa Treaty on Landmines (1999), Biological and Toxin Weapons Convention (1972), Chemical Weapons Convention (1993)

Historical comparison

Historical comparison is available on 2022 and 2023 since this is our second year of reporting.

As mentioned in the introduction of the document, for the reporting of 2022, BNP Paribas Wealth Management chose Clarity AI as data provider to calculate the PAIs. All the information are available in the [reporting published in 2023]. To ensure consistency within the Group, BNP Paribas Wealth Management decided in 2023 to rely upon BNP Paribas Asset Management approach and methodology, and therefore to use its data providers, benefiting from its in-depth due diligence on data quality and coverage. This due diligence allowed the selection of the providers offering the most relevant data for each PAI.

For the sake of transparency and comparability, BNPP Paribas Wealth Management has decided to recalculate the indicators published last year with the BNP Paribas Asset Management methodology in order to compare properly the indicators published in 2023 with the ones publish in 2024. In this document, column Impact 2022 shows data recalculated with the BNP Paribas Asset Management methodology, to be compared with the data within column Impact 2023 calculated with the same methodology.

We observe a positive trend for most of the PAIs, with performance improving between 2022 and 2023, which is encouraging though this trend needs to be confirmed thoughout the years. For PAIs 1, 2, 3, the very low data quality of scope 3 GHG emissions brings important volatility and makes historical comparison challenging.