

Section 1

BNP Paribas S.A.

Statement related to the disclosure's obligations relating to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR)

BNP Paribas Group's mission is to contribute to responsible and sustainable growth by financing the economy and advising clients according to high 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 Group's concrete achievements.

In 2019, BNP Paribas Group has published its corporate purpose, a text which was endorsed 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 many years by setting itself additional obligations in several sensitive sectors through:

- Financing and investment policies in the following sectors: agriculture, palm oil, defence, nuclear energy, paper pulp, coal energy, mining and non-conventional hydrocarbons... (for an updated list of policies, please see the [link](#));
- A [list of excluded goods and activities](#) such as tobacco, drift nets, the production of asbestos fibres, 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 authorisation;

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 BNP Paribas 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).



Scope of the statement

The information specified in the statements apply to BNP Paribas SA and its branch in Germany.

Within BNP Paribas SA, discretionary management activities are mainly carried out by the BNP Paribas Wealth Management business line, which concerns BNP Paribas BCEF and the German branch of BNP Paribas S.A. BNP Paribas BCEF's corporate activity also includes discretionary management, but this, initiated in 2023, currently concerns a very limited number of clients and assets (4 mandates).

Investment advice is provided by BNP Paribas SA only through its BNP Paribas Wealth Management business line.

The reference to BNP Paribas Wealth Management business line refers to the Banque Privée France Private Banking & Wealth Management in Germany.

Note that specific information can be inserted in the local statements to cover the local specificities of the different business lines.



Section 2

Information about BNP Paribas S.A. policy on integration of sustainability risks in investment decision-making process and investment or insurance advice

Sustainability risk 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.

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

A long-term increase of these “outside-in” sustainability risks is to be expected, in particular due to climate change. Therefore, in addition to the risk/return analysis BNP Paribas S.A. considers, as much as possible, “outside-in” sustainability risk.

First of all, 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 evaluation of BNP Paribas S.A.

After the application of this first filter to the investable universe, BNP Paribas can use its proprietary Clover evaluation assessing the responsibility level of financial instruments of each asset class. On top of regulatory information when available, it offers an insight on how products take into account sustainable development challenges. It is being deployed within the recommended investment universe of BNP Paribas Wealth Management, attributing a rating of 0 to 10 Clovers to the recommended products it analyses. The evaluation allows BNP Paribas to identify as much as possible how sustainability risks are considered by each product so it can be taken into account in investment decisions or when advising clients on financial instruments or insurance products. More information on the methodology is available on [BNP Paribas Wealth Management’s website](#).

More particularly, 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 Clover rating given by BNP Paribas Wealth Management.

With respect to investment products manufactured by asset managers or product manufacturers, the analysts at BNP Paribas Wealth Management are responsible for analysing

¹ For insurance products distributed by BNP Paribas ERE to its corporate clients, the sustainability risks and principal adverse sustainability impacts are taken into account by BNP Paribas Cardif when designing these products. Please refer to BNP Paribas Cardif statement.



sustainability risks which are reflected in the Clover rating given to each instrument. The lower the Clover Rating, the higher the potential sustainability risk.

The Clover methodology enables 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, BNP Paribas S.A. commits maintaining an open, constructive relationship with its external stakeholders (customers, suppliers, sustainable 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 and on the environment.



Section 3

Information about BNP Paribas S.A. policy as Financial Market Participant on considering the Principal Adverse Impacts on sustainability factors for portfolio management²

Principal Adverse Impacts on sustainability factors (PAI) 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.

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:

(1) FOR SINGLE LINES

a. Information used as a mandatory negative filter to build BNP Paribas Wealth Management's recommended universe

As part of the BNP Paribas Group, BNP Paribas Wealth Management applies [the Group's positions and sector policies](#). They lay down some strict ESG criteria to govern financing and investments in sensitive areas. They include mandatory requirements, evaluation criteria and good industry practices when they exist. In particular, for its investment activities, BNP Paribas Wealth Management applies the Group's positions and policies considering **the Responsible Business Conduct (RBC) policy of BNP Paribas Asset Management which is in line with the Group's positions and policies. Compared to the Group's framework, the RBC addresses a wider scope of issuers, in line with BNP Paribas Asset Management's investable universe.** The RBC policy aims at avoiding reputational and 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. BNP Paribas Asset Management's RBC is also, by definition, applied to products manufactured by BNP Paribas Asset Management.

² SFDR regulation article 4.1a, 4.2, 4.5a and SFDR Delegated regulation article 11



At BNP Paribas Wealth Management's level, the RBC is **applied to the single lines investable universe of BNP Paribas Wealth Management as a negative filter**. On the basis of this first filter, BNP Paribas Wealth Management selects the products of its recommended universe considering other extra-financial criteria as well as financial ones.

b. Complementary information used for the selection of products or for further insights on products of BNP Paribas Wealth Management's recommended universe: BNP Paribas Asset Management's ESG screening of bonds and equities

- **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, World bank, 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;
- **The Forward-looking perspective** or the "3Es" measures the exposure to 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 regulation³;
- Rate equities and bonds according to the BNP Paribas Wealth Management's proprietary Clover evaluation;
- Consider and address PAI 10 by relying on a number of international standards that BNP Paribas adheres to, in particular: the UN Global Compact (UNGC) principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises which may lead to the exclusion of companies active in certain sectors. PAI number 10 is considered and addressed by BNP Paribas Asset Management Responsible Business Conduct by which companies are evaluated and excluded if they are in breach with UNGC Principles and/or OECD Multinational Enterprises guidelines.

³ Article 2(7) MIFID Delegated Regulation 2017/565



- Consider and address PAI 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 evaluation is available on BNP Paribas Wealth Management's [website](#).

(2) FOR FUNDS AND ETFs⁴

- c. **For funds and ETFs, BNP Paribas Wealth Management applies BNP Paribas Asset Management's RBC on a best-effort basis** as restriction of activity lists cannot be communicated externally. This does not apply to funds manufactured by BNP Paribas Asset Management⁵ and distributed by BNP Paribas Wealth Management as, by definition, they are in line with BNP Paribas Asset Management's RBC.
- d. **Analysis of asset management companies and recommended funds and ETFs:**
BNP Paribas Wealth Management gathers sustainability information from asset managers, based on a proprietary due diligence questionnaire:
 - **Funds:** comprehensive questions covering seven areas: (1) Responsibility of the asset management company (ESG integration and Corporate Social Responsibility or CSR initiatives); (2) ESG practices and exclusions applied by the fund and the asset management company (quality of ESG analysis, selectivity, monitoring and controls, sector and normative exclusions); (3) Voting and engagement policies related to financial instruments held; (4) Transparency of investments and the analysis methodology; (5) Relevance and implementation of the sustainability theme; (6) Quality of the approach of investing in Green, Social and Sustainability bonds; (7) Positive impact on society or on the environment;
 - **ETFs:** questions covering the seven above mentioned areas;
 - **Open-ended Alternative Investment Funds:** comprehensive questions covering seven areas as well as one area specific to hedge funds.

BNP Paribas Wealth Management looks at the percentage of available investment universe excluded based on ESG considerations, i.e., sector-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);

⁴ Exchange-Traded Fund

⁵ Except where noted



- 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:

- Classify, when possible, funds and ETFs according to MIFID definition of “sustainable preferences”⁶;
- Consider and address PAI 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) 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 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) 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 consider the Principal Adverse Impacts on sustainability factors for derivative instruments nor financial products⁷ classified as Article 6 under SFDR.

On an annual basis, the statement of BNP Paribas S.A. on the Principal Adverse Impacts of investment decisions on sustainability factors will be published on its website.

⁶ Article 2(7) MIFID Delegated Regulation 2017/565

⁷ ETFs and external funds



Section 4

Information about BNP Paribas S.A. policy as financial adviser on considering the Principal Adverse Impacts of investment advice on sustainability factors⁸

BNP Paribas S.A. sustainability classification and selection of the financial instruments:

The classification and the selection of financial instruments regarding Principal Adverse Sustainable Impacts (PAI) rely on various methodological approaches according to the type of financial instrument:

- a. Funds and structured products:** based on the PAI published by the asset managers or by the manufacturers of structured notes, a financial instrument is considered as taking into account the environmental or social category of principle adverse sustainable Indicators (PAI) if one at least of the mandatory environmental or social PAI⁹ is taken into account.
- b. Equities and bonds:** based on the data feed of BNP Paribas Asset Management, the sustainability of the financial instruments is rated taking into account the ESG criteria of the activity and practice of the company, as well as the ESG criteria of the sector it operates in. In its proprietary ESG scoring framework, BNP Paribas Asset Management takes into account the mandatory PAI, cf. Appendix 1 of the SFDR Disclosure Statement detailing for each PAI how it is embedded within the scoring methodology.

The analysis, realised by BNP Paribas S.A. as financial advisor, allows the classification, when possible, of financial instruments according to MIFID definition of “sustainability preferences”¹⁰.

BNP Paribas S.A. when providing advice on equities and bonds, considers and addresses the following Principal Adverse Impacts when advising on sustainability factors:

- PAI number 10 by relying on several international standards that BNP Paribas adheres to, in particular: The UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises OECD Principles for Multinational enterprises which may lead to the exclusion of companies active in certain sectors. 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 Enterprises guidelines.

⁸ SFDR Delegated regulation art.11⁹ PASI being listed in table 1 of Appendix 1 of SFDR RTS.

⁹ PASI being listed in table 1 of Appendix 1 of SFDR RTS.

¹⁰ Article 2(7) MIFID Delegated Regulation 2017/565



- 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.

BNP Paribas S.A., when providing advice on funds and ETFs of third-party asset management companies, considers and addresses the following PAI:

- PAI number 10, for the part of clients' portfolios with sustainability preferences according to MiFID II, by relying on several international standards that BNP Paribas 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 S.A. reviews European ESG Templates (EET) provided by Asset Management companies to ensure PAI number 10 is considered. In case of non-consideration BNP Paribas S.A. takes steps to mitigate risk and/or minimize exposure on PAI 10 violation.
- PAI number 14 for, the part of clients' portfolios with sustainability preferences according to MiFID II, in particular: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons). For this purpose, BNP Paribas reviews European ESG Templates (EET) 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 does not at this stage consider on derivative instruments and on Article 6 SFDR financial products the Principal Adverse Impacts on sustainability factors.

For Reception and Transmission of Orders (RTO) and/or reverse solicitations the client does not receive any advice and no investment recommendations. In this case BNP Paribas S.A. does not consider the above-mentioned PAIs.



Section 5

Information about BNP Paribas S.A. policy as financial adviser on considering the Principal Adverse Impacts of insurance advice on sustainability factors¹¹

Insurance companies are manufacturers of life insurance contracts that are subject to SFDR disclosure requirements. In particular, for Cardif Assurance Vie and Cardif Retraite, contracts distributed by BNP Paribas S.A., you can refer to their [SFDR statements](#).

As a financial adviser, BNP Paribas S.A. relies on the information provided by insurance companies on their general funds and on their unit-linked, as per SFDR classification, to take into consideration PAIs.

Regarding the Euro Funds of Cardif Assurance Vie and Cardif Retraite, they consider Principal Adverse Sustainability Impacts: details are available on [BNP Paribas Cardif CSR web page](#).

At BNP Paribas level, as a distributor, the classification and the selection of unit-linked regarding Principal Adverse Sustainable Impacts by BNP Paribas is based on:

- **For underlying options based on funds, ETFs, structured products:** the Principle Adverse Sustainable Indicators provided by the manufacturers to BNP Paribas, a unit-linked being considered as taking into account the E, S or G category of Principle adverse sustainable Impact (PAI) if at least one of the mandatory PAI of the E, S or G category is taken into account.
- **For unit-linked based on equities and bonds:** the methodology relies on data from BNP Paribas Asset Management. It includes an ESG scoring of instruments that considers the ESG criteria of the company's activity and practice, as well as the ESG criteria of the sector and region it operates in. Mandatory PAIs are also taken into account in this assessment methodology, cf. Appendix 1 Mandatory corporate indicator of [the document](#) detailing for each PAI how it is embedded within the scoring methodology.

The analysis realized by the BNP Paribas as an insurance advisor, allows the classification, when possible, of unit-linked according to IDD definition of 'sustainable preferences'.

¹¹ SFDR Delegated regulation art.11



Section 6

Information on Transparency of remuneration policy in relation to the integration of sustainability risks

BNP Paribas S.A. societal commitment involves promoting sustainability and limiting sustainability risks.

To promote employee involvement in its subjects, BNP Paribas S.A. has for several years integrated sustainability risks into its compensation policies, in particular through CSR indicators representative of the four pillars of the Group's policy and impacting in part of the annual variable compensation for both the Group executive directors and the beneficiaries of the Group three-year fidelity plan.

For Group executive directors, CSR components (including climate and environmental criteria) are taken into account in the calculation of their annual variable compensation for 15% of the global amount awarded. Among these 15%:

- 5% is assessed by the Board of directors depending on achievements and key developments around a line of action focused on climate and social challenges;
- 5% is assessed by the market through the positioning of BNP Paribas in the top quartile of the Banks sector in the extra-financial performance ranking of FTSE and S&P Global CSA;
- 5% is aligned with the achievement of the CSR objectives of the Group CSR Dashboard (used for the Group's key employees retention plan, see hereafter), in particular, in terms of:
 - Greenhouse gas emissions in tons of CO₂ equivalent / full-time employees (2025 objective: 1.85 teq CO₂/FTE);
 - Amount of the support enabling clients to transition to a low carbon economy (2025 objective: €200bn);
 - Amount of financing to companies contributing to protect terrestrial and marine biodiversity (2025 objective: €4bn).

In addition to this CSR component, compensation of Group executive directors also embeds a qualitative criterion for 10% that is assessed by the Board of directors taking into account social and environmental issues.

For beneficiaries of the Group three-year fidelity plan known as the Group Sustainability and Incentive Scheme (attributed to more than 9,000 key Group employees in 2024), the payment of 20% of the amount awarded is subject to the achievement of the objectives of the Group CSR Dashboard (same as climate and environmental objectives as the ones described above for Group executive directors).

In addition, the profit-sharing agreement for BNP Paribas SA, BNP Paribas Financial Markets includes CSR criteria:



- one on reduction of greenhouse gas emissions per employee (energy consumption from buildings and business trips);
- one on number of solidarity hours performed by employees (#1MillionHours2Help).

Moreover, the BNP Paribas Group's remuneration principles require that the variable compensation of financial market participants and financial advisors does not lead them to take excessive sustainability risks through the investments and investment advice they are required to give to their clients on financial products governed by the European SFDR regulation. These elements must be taken into account for the persons concerned in the annual performance appraisal process.

At the same time, BNP Paribas S.A. compensation policy aims to promote professional behaviour in line with the principles set out in the Group's Code of Conduct, any breach of these principles being taken into account in the assessment of individual performance for all employees, and in particular for the Group's regulated populations. A Conduct objective is assigned to all staff members within the Group.

This Code of Conduct sets out the Group's rules and requirements to support its aspirations to contribute to responsible and sustainable global development and to have a positive impact on society at large.

This involvement rests on three pillars: (i) promoting respect for human rights, (ii) protecting the environment and combating climate change, and (iii) acting responsibly in public representation.

