

Product name : BNP Paribas Funds Seasons

Legal Entity Identifier: 213800NAF4CIGP4Q7Q29

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?

Yes

No

<p><input type="checkbox"/> It made <b>sustainable investment with an environmental objective</b>: ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%</p>	<p><input checked="" type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of <b>49.5%</b> of sustainable investments</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>
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Unless otherwise specified, all actual data, within this periodic report are expressed as a quarterly weighted average.



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The financial product, through its investments in “risky asset”, promotes environmental and social characteristics by assessing options underlying investments against Environmental, Social, and Governance (ESG) criteria. As such, the product is partially exposed to issuers that demonstrate superior or improve environmental and social practices, while implementing robust corporate governance practices within their sector of activity.

Such issuers’ selection is done through:

- o A negative screening applying
  - exclusion of issuers that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions;
  - exclusion of companies involved in Controversial Weapons, Military Contracting, Tobacco and Thermal Coal.

- A positive screening using a selectivity approach. This involves evaluation of Environmental, Social, and Governance (ESG) performance of an issuer and selection of the ones with the highest ESG score

Furthermore, the investment manager, through its investments into “low risk asset”, promotes better environmental and social outcomes through engagement with issuers and the exercise of voting rights according to the Stewardship policy, in collaboration with BNP Paribas Asset Management’s Sustainability Centre.

The EuroStoxx 50 ESG Index is the options’ underlying and has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product.

The environmental objectives as well as the social objectives to which the sustainable investments of the financial product have contributed are indicated in the question “What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?”.

● ***How did the sustainability indicators perform?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the “risky asset” which is exposed to the reference benchmark: **65.6%**
- The percentage of the financial product’s reference benchmark portfolio compliant with the reference benchmark eligible stock criteria taking into account sectorial and controversial policies: **100%**
- The minimum percentage of the financial product’s reference benchmark investment universe reduction due to exclusion of securities with low ESG score and/or sector exclusions and/or any other extra financial criteria: **20%**

● ***...and compared to previous periods ?***

Indicator	2022*	2023**	Comment
The minimum percentage of the “risky asset” which is exposed to the reference benchmark	56.8%	65.6%	In line with the financial product’s commitment
The percentage of the financial product’s reference benchmark portfolio compliant with the reference benchmark eligible stock criteria taking into account sectorial and controversial policies	100%	100%	In line with the financial product’s commitment
The minimum percentage of the financial product’s reference benchmark investment universe reduction due to exclusion of securities with low ESG score and/or sector exclusions and/or any other extra financial criteria	20%	20%	In line with the financial product’s commitment

\*Figures reported in 2022 were calculated on the closing date of the accounting year

\*\* Figures reported in 2023 are expressed as a quarterly weighted average.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments made by the financial product are to finance companies that contribute to environmental and/or social objectives through their products and services, as well as their sustainable practices.

As of the date of the annual report, the sustainable investments to which the financial product is exposed and described below are the ones of the underlying securities of the financial derivative instruments used on a continuous basis for achieving the investment policy.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The internal methodology, as defined in the main part of the Prospectus, integrates several criteria into its definition of sustainable investments that are considered to be core components to qualify a company as sustainable. These criteria are complementary to each other. In practice, a company must meet at least one of the criteria described below in order to be considered as contributing to an environmental or social objective:

1. A company with an economic activity aligned with the EU Taxonomy objectives. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the EU Taxonomy. A company qualifying as sustainable investment through this criteria can for example contribute to the following environmental objectives: sustainable forestry, environmental restoration, sustainable manufacturing, renewable energy, water supply, sewerage, waste management and remediation, sustainable transportation, sustainable buildings, sustainable information and technology, scientific research for sustainable development;

2. A company with an economic activity contributing to one or more United Nations Sustainable Development goals (UN SDG) targets. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the SDGs and less than 20% of its revenues misaligned with the UN SDGs. A company qualifying as sustainable investment through this criteria can for example contribute to the following objectives:

a. Environmental: sustainable agriculture, sustainable management of water and sanitation, sustainable and modern energy, sustainable economic growth, sustainable infrastructure, sustainable cities, sustainable consumption and production patterns, fight against climate change, conservation and sustainable use of oceans, seas and marine resources, protection, restoration and sustainable use of terrestrial ecosystems, sustainable management of forests, fight against desertification, land degradation and biodiversity loss;

b. Social: no poverty, zero hunger, food security, healthy lives and well-being at all ages, inclusive and equitable quality education and lifelong learning opportunities, gender equality, women and girls empowerment, availability of water and sanitation, access to affordable, reliable and modern energy, inclusive and sustainable economic growth, full and productive employment and decent work, resilient infrastructure, inclusive and sustainable industrialization, reduced inequality, inclusive, safe and resilient cities and human settlements, peaceful and inclusive societies, access to justice and effective, accountable and inclusive institutions, global partnership for sustainable development.

3. A company operating in a high GHG emission sector that is transitioning its business model to align with the objective of maintaining the global temperature rise below 1.5°C. A company qualifying as sustainable investment through this criteria can for example contribute to the following environmental objectives: GHG emissions reduction, fight against climate change;

4. A company with best-in-class environmental or social practices compared to its peers within the relevant sector and geographical region. The E or S best performer assessment is based on the BNPP AM ESG scoring methodology. The methodology scores companies and assesses them against a peer group comprising companies in comparable sectors and geographical regions. A company with a contribution score above 10 on the Environmental or Social pillar qualifies as best performer. A company qualifying as sustainable investment through this criteria can for example contribute to the following objectives:

a. Environmental: fight against climate change, environmental risk management, sustainable management of natural resources, waste management, water management, GHG emissions reduction, renewable energy, sustainable agriculture, green infrastructure;

b. Social: health and safety, human capital management, good external stakeholder management (supply chain, contractors, data), business ethics preparedness, good corporate governance.

Green bonds, social bonds and sustainability bonds issued to support specific environmental and/or social projects are also qualified as sustainable investments provided that these debt securities receive an investment recommendation 'POSITIVE' or 'NEUTRAL' from the

Sustainability Center following the issuer and underlying project assessment based on a proprietary Green/Social/Sustainability Bond Assessment methodology.

Companies identified as a sustainable investment should not significantly harm any other environmental or social objectives (the Do No Significant Harm 'DNSH' principle) and should follow good governance practices. BNP Paribas Asset Management (BNPP AM) uses its proprietary methodology to assess all companies against these requirements.

More information on the internal methodology can be found on the website of the investment manager: <https://docfinder.bnpparibas-am.com/api/files/14787511-CB33-49FC-B9B5-7E934948BE63>

The share of financial product investments considered by the SFDR regulation to be sustainable investments contributes in the proportions described in the question on the allocation of assets to the environmental objectives defined in the European Regulation on Taxonomy in force to date: climate change mitigation and/or adaptation to climate change.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Sustainable investments that the product partially intends to make should not significantly harm any environmental or social objective (DNSH Principle). In this respect, the investment manager commits to consider principal adverse impacts on sustainability factors by taking into account indicators for adverse impacts as defined in SFDR, and to not invest in companies that do not meet their fundamental obligations in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

The investment manager ensures that throughout its investment process, the financial product takes into account all the principal adverse impact indicators that are relevant to its investment strategy to select the sustainable investments that the financial product partially intends to make by systematically implementing the sustainable investment pillars defined in the BNP Paribas Asset Management Global Sustainability Strategy (GSS) into its investment process : RBC policy, ESG integration guidelines, Stewardship, the forward-looking vision the '3Es' (Energy transition, Environmental sustainability, Equality & Inclusive Growth).

The RBC policy establishes a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The ESG Integration Guidelines includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. The proprietary ESG scoring framework includes an assessment of a number of adverse sustainability impacts caused by companies in which we invest. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified.

Thus, the Investment Manager considers principal adverse sustainability impacts throughout the investment process through the use of the internal ESG scores and construction of the portfolio with an improved ESG profile compared to its investment universe.

The Forward-looking perspective defines a set of objectives and developed performance indicators to measure how the researches, portfolios and commitments are aligned on three issues, the '3Es' (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support investment processes.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Furthermore, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Engagement with issuers and exercise of voting rights, if any, are only applied for the Financing Assets underlying securities.

As regards the sustainable investments that the financial product intends to make, the following principal adverse sustainability impacts are taken into account:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:

Environment

4. Investments in companies without carbon emission reduction initiatives

Social

4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Sovereign mandatory indicator:

15. GHG intensity
16. Investee countries subject to social violations

More detailed information on the manner in which principal adverse impacts on sustainability factors are considered can be found in the BNP PARIBAS ASSET MANAGEMENT SFDR disclosure statement: <https://docfinder.bnpparibas-am.com/api/files/874ADAE2-3EE7-4AD4-BOED-84FC06E090BF>

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The investment universe of the financial product is periodically screened with a view to identify issuers that are potentially in violation or at risk of violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This assessment is conducted within the BNPP AM Sustainability Centre on the basis of internal analysis and information provided by external experts, and in consultation with BNP Paribas Group CSR Team. If an issuer is found to be in serious and repeated violations of any of the principles, it will be placed on an 'exclusion list' and will not be available for investment. Existing investments should be divested from the portfolio according to an internal procedure. If an issuer is at risk of violating any of the principles, it is placed on a 'watch list' monitored, as appropriate.

*The EU Taxonomy sets out a 'do not significant harm' principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors ?

The product considers principal adverse impacts on sustainability factors.

The «low risk asset» consists in an investment in a portfolio of equity securities which systematically implement the sustainable investment pillars defined in the GSS into its investment process. These pillars are covered by firm-wide policies that set criteria to identify, consider and prioritise as well as address or mitigate adverse sustainability impacts caused by issuers.

The RBC policy establishes a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The ESG Integration Guidelines includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. The proprietary ESG scoring framework includes an assessment of a number of adverse sustainability impacts caused by companies in which we invest. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified.

Thus, the Investment Manager considers principal adverse sustainability impacts throughout the investment process through the use of the internal ESG scores and construction of the portfolio with an improved ESG profile compared to its investment universe.

The Forward-looking perspective defines a set of objectives and developed performance indicators to measure how the researches, portfolios and commitments are aligned on three issues, the '3Es' (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support investment processes.

Furthermore, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, ESG Integration Guidelines, and Engagement and Voting Policy which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment
- Engagement with issuers with the aim of encouraging them to improve their environmental, social and governance practices and, thus, mitigate potential adverse impacts

- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues
- Ensuring all securities included in the portfolio have supportive ESG research
- Managing portfolios so that their aggregate ESG score is better than the relevant benchmark or universe

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:

Environment

4. Investments in companies without carbon emission reduction initiatives

Social

4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Sovereign mandatory indicator:

15. GHG intensity
16. Investee countries subject to social violations

More detailed information on the manner in which principal adverse impacts on sustainability factors are considered can be found in the BNP PARIBAS ASSET MANAGEMENT SFDR disclosure statement: <https://docfinder.bnpparibas-am.com/api/files/874ADAE2-3EE7-4AD4-BOED-84FC06E090BF>

Regarding the "risk asset", to determine which PAI is considered and addressed or mitigated, the investment manager uses ESG methodology and disclosures of the reference benchmark.

The policy framework in order to analyse how principle adverse impacts are considered for the financial product mainly relies on the three following pillars:

- 1- Analysis of the embedded exclusion process leading the investment strategy to remove industries and behaviours that present a high risk of adverse impacts in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- 2- How the ESG ratings used throughout the investment process include in their methodology consideration of principal adverse impacts on sustainability factors, and to what extent those ratings are used in the investment strategy;
- 3- Engagement and voting policy, when applicable



## What were the top investments of this financial product?

The sub-fund is invested into “low risk asset” to support the NAV protection level. It consists in an investment in a portfolio of equity securities, the performance of which is swapped against a monetary rate performance. The table below displays this part of the financial product.

Largest investments**	Sector	% Assets*	Country**
BNP PARIBAS SA	Financials	8,70%	France
ORANGE SA	Communication Services	7,80%	France
TOTALENERGIES	Energy	7,76%	France
SOCIETE GENERALE SA	Financials	7,44%	France
BNPP MOIS ISR I C	Cash	6,15%	France
ENGIE SA	Utilities	4,79%	France
CREDIT AGRICOLE SA	Financials	4,47%	France
VEOLIA ENVIRON. SA	Utilities	4,43%	France
SANOFI SA	Health Care	4,08%	France
AMUNDI SA	Financials	3,99%	France
DANONE SA	Consumer Staples	3,67%	France
MICHELIN	Consumer Discretionary	3,47%	France
VINCI SA	Industrials	2,78%	France
AXA SA	Financials	2,57%	France
PUBLICIS GROUPE SA	Communication Services	1,66%	France

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: From 01.01.2023 to 29.12.2023

Source of data: BNP Paribas Asset Management, expressed as a quarterly weighted average.

The largest investments are based on official accounting data and are based on the transaction date.

\* Any percentage differences with the financial statement portfolios result from a rounding difference.

\*\* Any difference with the portfolio statements above are coming from the use of different data's sources.



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation ?

The financial product is invested in “risky asset” through options instruments. Consequently, the asset allocation for this financial product and the proportion described below are the ones of the derivative instruments such as listed options used on a continuous basis for achieving the investment policy.

Given the variable exposure to the “risky asset” in relation to the protection mechanism and the market conditions, and in accordance with the binding elements of the investment strategy of the financial product, the proportion of such investments used to meet the environmental or social characteristics promoted by the financial product are between 0% and the maximum allocation to the “risky asset” enabled by the investment strategy.

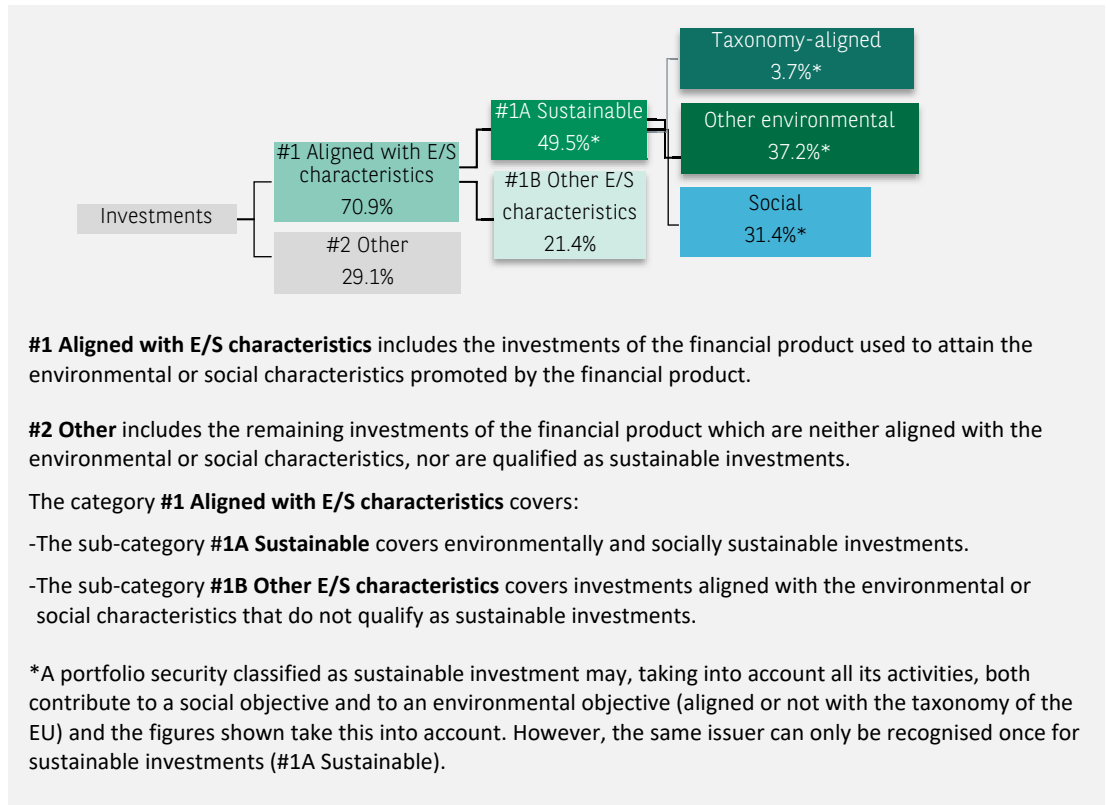
Based on the “risky asset” exposure during the reporting period, the proportion of the investments of the financial product used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product is **70.9%**.

The proportion of sustainable investments of the financial product is: **49.5%**

**Asset allocation** describes the share of investments in specific assets.



The remaining proportion of the investments is mainly used as described under the question: “What investments were included under 'other', what was their purpose and were there any minimum environmental or social safeguards?”



● *In which economic sectors were the investments made ?*

The sub-fund is invested into “low risk asset” to support the NAV protection level. It consists in an investment in a portfolio of equity securities, the performance of which is swapped against a monetary rate performance. The table below displays this part of the financial product

Sectors	% Asset
Financials	23,45%
Derivatives	13,64%
Cash	12,63%
Communication Services	10,42%
Utilities	9,41%
Energy	7,76%
Integrated Oil & Gas	7,76%
Consumer Discretionary	6,51%
Consumer Staples	4,88%
Industrials	4,31%
Health Care	4,08%
Information Technology	1,87%
Materials	1,04%

Source of data: BNP Paribas Asset Management, expressed as a quarterly weighted average. The largest investments are based on official accounting data and are based on the transaction date.



## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The financial product did not commit itself to having a minimum proportion of sustainable investments with an environmental objective in economic activities that are considered environmentally sustainable within the meaning of the EU Taxonomy, but did do so.

The two graphs below illustrate, according to the data available, the extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy and contribute to the environmental objectives of climate change mitigation and adaptation.

The management company uses data from third-party providers to measure the proportion of investments that are aligned with the EU Taxonomy. Providers collect companies' self-reported alignment KPIs and may use equivalent information where these are not readily available in public disclosures. More information on BNPP AM the methodology and the providers used can be found here: <https://docfinder.bnpparibas-am.com/api/files/OEE37EC2-8612-48A5-8AA1-D5C09CCB58DD>

The management company is improving its systems for collecting data in line with the EU Taxonomy to ensure the accuracy and adequacy of published sustainability information under the European Taxonomy Regulation. Further updates of the prospectus and the alignment of commitments with the EU Taxonomy may be made accordingly.

Economic activities that are not recognised by the EU taxonomy are not necessarily harmful to the environment or unsustainable. Moreover, not all activities that can make a substantial contribution to environmental and social objectives are yet integrated into the EU Taxonomy.

The compliance of those investments with the requirements laid down in article 3 of Regulation (EU) 2020/852 (Taxonomy Regulation) has not been subject to an assurance provided by an auditor or review by a third party.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

### ● *Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy <sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

No:

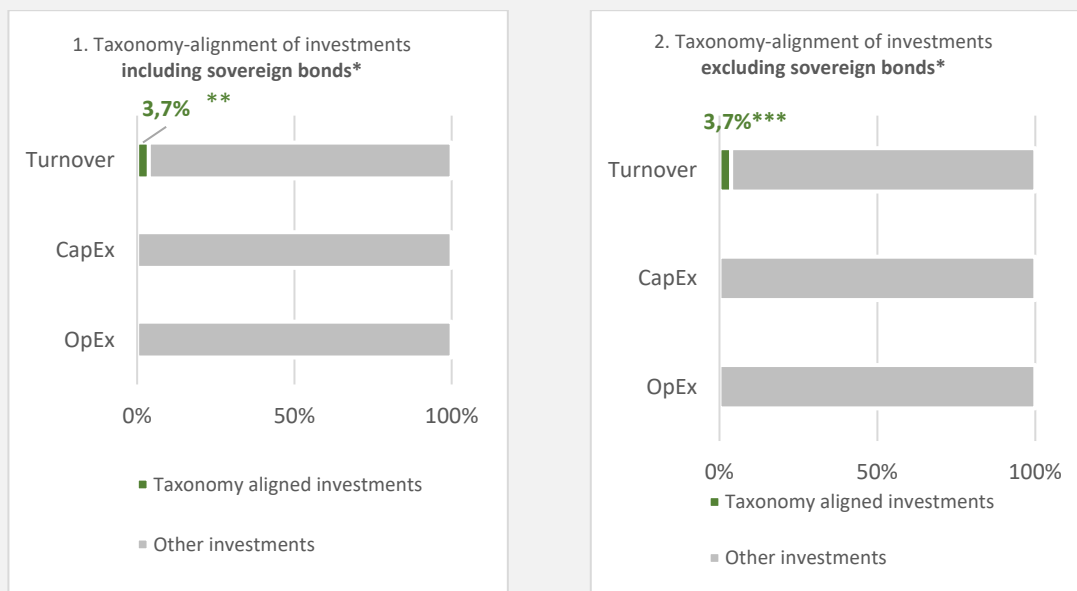
The data covering the proportion of taxonomy-aligned activities related to fossil gas and nuclear energy and on which the report is based in this respect were solely available starting from the last quarter of the accounting year.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* Real taxonomy aligned

\*\*\*Real taxonomy aligned. At the date of this periodic information document, the management company does not have all the necessary data to determine the alignment of investments with the taxonomy excluding sovereign bonds. The percentage of alignment of investments with the taxonomy including sovereign bonds being by construction a real minimum proportion, this same figure is used accordingly.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What was the share of investments made in transitional and enabling activities?**

The share of investments in transitional and enabling activities within the meaning of the Regulations Taxonomy is 0% for transitional activities and 0% for enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods ?**

	Revenue
2022*	0.0%
2023**	3.7%

\*Figures reported in 2022 were calculated on the closing date of the accounting year

\*\* Figures reported in 2023 are expressed as a quarterly weighted average.

The proportion of taxonomy-aligned economic activities in CapEx or OpEx are not disclosed given the current level of data at the disposal of the management company related to such information.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



## What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that are not aligned with the European Taxonomy Regulation is **37.2%**.

The management company is improving its systems for collecting data in line with the EU Taxonomy to ensure the accuracy and adequacy of published sustainability information under the European Taxonomy Regulation. Meanwhile, the financial product will invest in sustainable investments whose environmental objective is not aligned with the EU Taxonomy.



## What was the share of socially sustainable investments?

Socially sustainable investments represent **31.4%** of the financial product.



## What investments were included under 'other', what was their purpose and were there any minimum environmental or social safeguards?

The remaining proportion of the investments may include :

- The proportion of assets that are not used to meet the environmental or social characteristics promoted by the financial product, or
- Instruments which are mainly used for liquidity, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives

In any case, the investment manager will ensure that those investments are made while maintaining the improvement of the ESG profile of the financial product. In addition, those investments are made in compliance with our internal processes, including the following minimum environmental or social safeguards:

- The risk management policy. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks. And
- The RBC policy, where applicable, through the exclusion of companies involved in controversies due to poor practices related to human and labour rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment



## What actions have been taken to meet the environmental and/or social characteristics during the reference period ?

- The minimum percentage of the "risky asset" which is exposed to the reference benchmark represents at least 50%
- The financial product reference benchmark portfolio shall comply with the eligible stock criteria by excluding companies involved in controversies due to poor practices related to human and labour rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;
- The financial product's reference benchmark investment universe shall be reduced by a minimum of 20% due to exclusion of securities with low ESG score and/or sector exclusions and/or other extra-financial criteria.

There is no guarantee that extra-financial filter or criteria is applied at any moment. For instance, between two strategy reshuffles, if a company were deemed to not fulfil anymore an ESG criteria, it may be excluded only at the next reshuffle following the reference benchmark administrator rules.

In addition, the management company has implemented a voting and engagement policy. Several examples of commitments are detailed in the vote and commitment section of the Sustainability Report. These documents are available at the following link: <https://www.bnpparibas-am.com/en/sustainability-documents/>



## How did this financial product perform compared to the reference benchmark?

The EuroStoxx 50 ESG Index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product.

The methodology used for the calculation of the reference benchmark can be found at: [ESG Indices - Qontigo](#)

- ***How does the reference benchmark differ from a broad market index?***

The reference benchmark incorporates environmental or social criteria in its asset allocation methodology whereas a relevant broad market index does not and is usually market-capitalization weighted.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

The environmental or social characteristics promoted by the financial product are directly linked to the ones of the reference benchmark as the "risky asset" part of the financial product is partially invested via the use of the reference benchmark. Consequently the performance of the financial product with regard to sustainability indicators representative of the alignment of the reference benchmark with the environmental or social characteristics promoted are the ones disclosed above under the question "How did the sustainability indicators perform?", weighted by the allocation to the reference benchmark according to the protection mechanism

During the reporting period, the percentage of the "risky asset" which is exposed to the reference benchmark is 65.6%

- ***How did this financial product perform compared with the reference benchmark?***

The environmental or social characteristics promoted by the financial product are directly linked to the ones of the reference benchmark as the "risky asset" part of the financial product is partially invested via the use of the reference benchmark. Consequently, the extra-financial performance of the financial product and the one of the reference benchmark weighted by its exposure according to the protection mechanism are very close.

During the reporting period, the percentage of the "risky asset" which is exposed to the reference benchmark is 65.6%

- ***How did this financial product perform compared with the broad market index?***

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.