

**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.

Product name : THEAM QUANT- Equity Europe Climate Care Protection 90% Legal Entity Identifier: 213800289GODMV3CYH32

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?

Yes

No

<p><input type="checkbox"/> It made sustainable investment with an environmental objective: ___%</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 sustainable investments with a social objective : ___%</p>	<p><input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of <b>27.4%</b> of sustainable investments</p> <ul style="list-style-type: none"> <li><input 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 promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using ESG external and/or internal proprietary methodology(ies). As such, the product is exposed to issuers that demonstrate superior or improving environmental and social practices, while implementing robust corporate governance practices within their sector of activity.

The investment strategy selects issuers through:

- o A positive screening using a selectivity approach. This involves evaluation of Environmental, Social, and Governance (ESG) performance of an issuer against a combination of environmental, social and governance factors which include but not limited to :
  - Environmental: energy efficiency, reduction of emissions of greenhouse gases, treatment of waste;

- Social: respect of human rights and workers' rights, human resources management (workers' health and safety, diversity);
  - Governance: Board of Directors independence, managers' remuneration, respect of minority shareholders rights.
- o A negative screening applying exclusion criteria with regard to issuers that are in violation of international norms and convention, such as the UN Nations Global Compact principles and OECD Guidelines for Multinational Enterprises, or operate in sensitive sectors as defined by the Responsible Business Conduct Policy (RBC) policy.

Furthermore, the investment manager promotes better environmental and social outcomes through engagement with issuers and the exercise of voting rights, according to the Stewardship policy, where applicable.

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

The BNP Paribas Equity Europe Climate Care Paris-Aligned NTR Index 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 financial product's reference benchmark economic exposure compliant with the RBC policy : **100%**
- The percentage of the financial product's reference benchmark economic exposure covered by the ESG analysis based on external and/or ESG proprietary methodology(ies) : **100%**
- The minimum percentage of the financial product's reference benchmark economic exposure investment universe reduction due to exclusion of securities with low ESG score and/or sector exclusions as per the RBC policy and/or any other extra financial criteria : **25.0%**
- The average carbon footprint of the financial product's reference benchmark economic exposure compared to the average carbon footprint of its investment universe : **31.1 vs 78.7 tCO<sub>2</sub> eq/EV (STOXX Europe 600 Net Return EUR Index)\***
- The percentage of the financial product's reference benchmark economic exposure in "sustainable investments" as defined in Article 2 (17) of SFDR : **27.4% (taking into account the allocation to the reference benchmark)**

During the reporting period, the allocation to the reference benchmark was 40.4% according to the protection mechanism, expressed as a quarterly average.

\*Source: BNP Paribas Asset Management. Another provider of extra-financial data (e.g. ESG score, carbon footprint) as well as a slightly different initial investment universe may be used to determine and implement extra-financial targets of the investment strategy. For data availability purposes regarding this periodic reporting, the figures provided are based on BNP Paribas Asset Management data and may not strictly reflect these targets.

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

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

Indicator	2022*	2023**	Comment
The percentage of the financial product's reference benchmark economic exposure compliant with the RBC policy	100%	100%	In line with the financial product's commitment
The percentage of the financial product's reference benchmark economic exposure covered by the ESG analysis based on external and/or ESG proprietary methodology(ies)	100%	100%	In line with the financial product's commitment
The minimum percentage of the financial product's reference benchmark economic exposure investment universe reduction due to exclusion of securities with low ESG score and/or sector exclusions as per the RBC policy and/or any other extra financial criteria	25.0%	25.0%	In line with the financial product's commitment
The average carbon footprint of the financial product's reference benchmark economic exposure compared to the average carbon footprint of its investment universe	36.0 vs 85.44	31.1 vs 78.7	In line with the financial product's commitment
The percentage of the financial product's reference benchmark economic exposure in "sustainable investments" as defined in Article 2 (17) of SFDR	0.0%	27.4%	In line with the financial product's commitment

\*Figures reported in 2022 were calculated on the closing date of the accounting year. As of 30.12.2022, the allocation to the reference benchmark was 0% according to the protection mechanism.

\*\* 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 financial product applies synthetic replication. Consequently, 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 such as Total Return Swaps (TRS) used on a continuous basis for achieving the investment policy.

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>

● ***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.

**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.

--- *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 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.

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

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

The financial product considers and addresses or mitigates the following principal adverse sustainability impacts indicators:

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 indicators

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 by systematically implementing 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

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

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>



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

The financial product applies synthetic replication.

The top investments disclosed below are therefore twofold:

- The assets physically held at the level of the financial product
- The assets of the reference benchmark underlying portfolio of the financial derivative instruments such as Total Return Swaps (TRS) used on a continuous basis for achieving the investment policy.

Assets physically held at the level of the financial product:

Largest investments**	Sector	% Assets*	Country**
DANONE SA	Consumer Staples	9,23%	France
ADOBE INC	Information Technology	6,14%	United States
TESLA INC	Consumer Discretionary	4,26%	United States
MICROSOFT CORP	Information Technology	4,23%	United States
ALPHABET INC CLASS A A	Communication Services	4,21%	United States
ADVANCED MICRO DEVICES INC	Information Technology	4,20%	United States
SALESFORCE INC	Information Technology	4,18%	United States
PAYPAL HOLDINGS INC	Financials	4,03%	United States
VERTEX PHARMACEUTICALS INC	Health Care	3,88%	United States
TEXAS INSTRUMENT INC	Information Technology	3,87%	United States
REGENERON PHARMACEUTICALS INC	Health Care	3,83%	United States
AMGEN INC	Health Care	3,50%	United States
INTUITIVE SURGICAL INC	Health Care	3,13%	United States
INTEL CORPORATION CORP	Information Technology	3,10%	United States
ULTA BEAUTY INC	Consumer Discretionary	3,10%	United States

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.

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



Assets of the reference benchmark underlying portfolio of the financial derivative instruments such as Total Return Swaps (TRS) used on a continuous basis for achieving the investment policy:

Largest investments**	Sector	% Assets*	Country**
Logitech International SA	Technology	1,08%	Switzerland
Kuehne + Nagel International AG	Industrials	1,08%	Switzerland
Rexel SA	Consumer Goods	1,07%	France
BPER Banca	Financials	1,07%	Italy
RELX PLC	Consumer Goods	1,06%	Great Britain
Schneider Electric SE	Industrials	1,06%	France
Publicis Groupe SA	Telecommunications	1,06%	France
SAP SE	Technology	1,06%	Germany
STMicroelectronics NV	Technology	1,06%	France
London Stock Exchange Group PLC	Financials	1,06%	Great Britain
Assa Abloy AB	Industrials	1,06%	Sweden
Aena SME SA	Industrials	1,06%	Spain
Informa PLC	Telecommunications	1,05%	Great Britain
Infineon Technologies AG	Technology	1,05%	Germany
Beiersdorf AG	Consumer Goods	1,04%	Germany

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

The largest investments are based on the underlying portfolio data of the investment strategy 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.

During the reporting period, the allocation to the reference benchmark was 40.4% according to the protection mechanism, expressed as a quarterly average.



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

### ● What was the asset allocation ?

As of the date of the annual report, the financial product applies synthetic replication. Consequently, the asset allocation for this financial product is the ones of the underlying portfolio of the financial derivative instruments such as Total Return Swaps (TRS) used on a continuous basis for achieving the investment policy.

Given the variable exposure to the reference benchmark in relation to the protection mechanism and the market conditions, the proportion of such investments used to meet the environmental or social characteristics promoted by the financial product is between 0% and the maximum allocation to the reference benchmark enabled by the investment strategy.

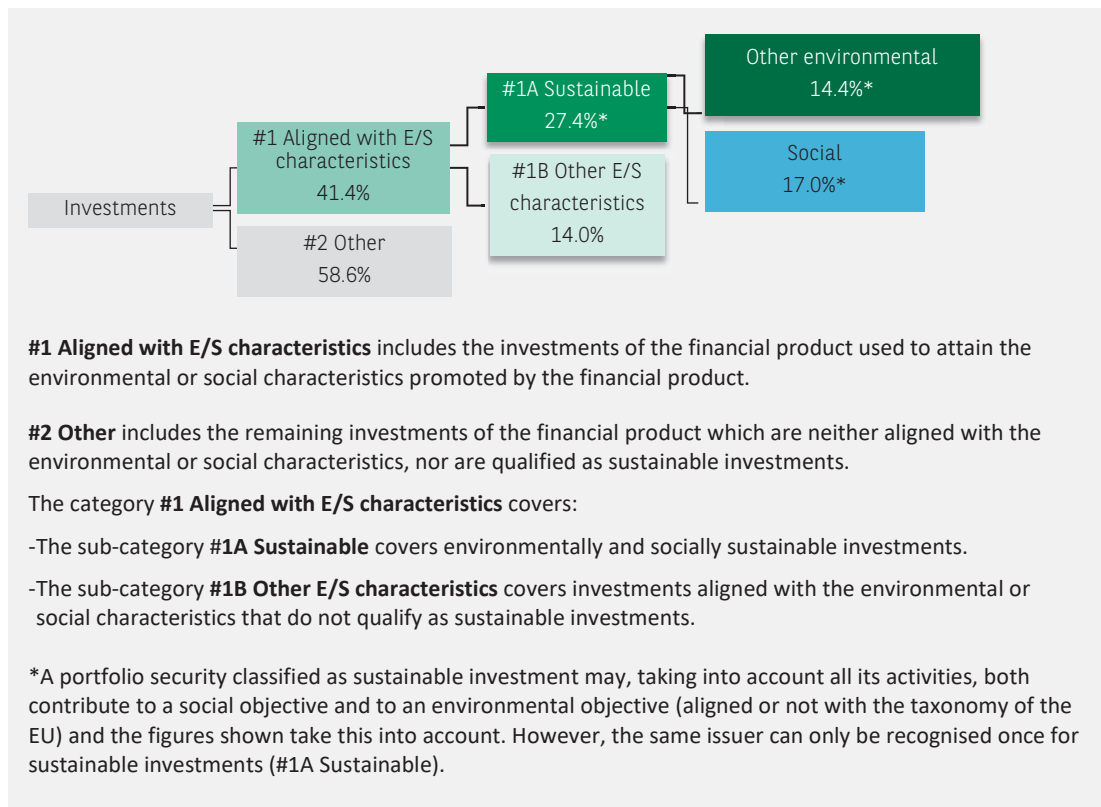
During the reporting period, the allocation to the reference benchmark was 40.4% according to the protection mechanism, expressed as a quarterly average.

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 **41.4%**.

The proportion of sustainable investments of the financial product is **27.4%**.

**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 financial product applies synthetic replication. The top investments disclosed below are therefore twofold:

- The assets physically held at the level of the financial product
- The assets of the reference benchmark underlying portfolio of the financial derivative instruments such as Total Return Swaps (TRS) used on a continuous basis for achieving the investment policy.

*Assets physically held at the level of the financial product:*

Sectors	% Asset
Information Technology	32,32%
Health Care	22,56%
Cash	14,26%
Consumer Discretionary	12,35%
Consumer Staples	12,15%
Communication Services	6,38%
Materials	3,69%
Industrials	1,80%
Financials	-5,51%

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.

Assets of the reference benchmark underlying portfolio of the financial derivative instruments such as Total Return Swaps (TRS) used on a continuous basis for achieving the investment policy:

Sectors	% Asset
Consumer Goods	36,27%
Financials	16,81%
Industrials	16,21%
Telecommunications	8,77%
Technology	8,47%
Basic Materials	7,79%
Utilities	3,93%
Oil & Gas	1,74%

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

The sector breakdown is based on the underlying portfolio data of the investment strategy and is based on the transaction date.

During the reporting period, the allocation to the reference benchmark was 40.4% according to the protection mechanism, expressed as a quarterly average.



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

The financial product did not commit 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, and it did not do so.

### ● *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.

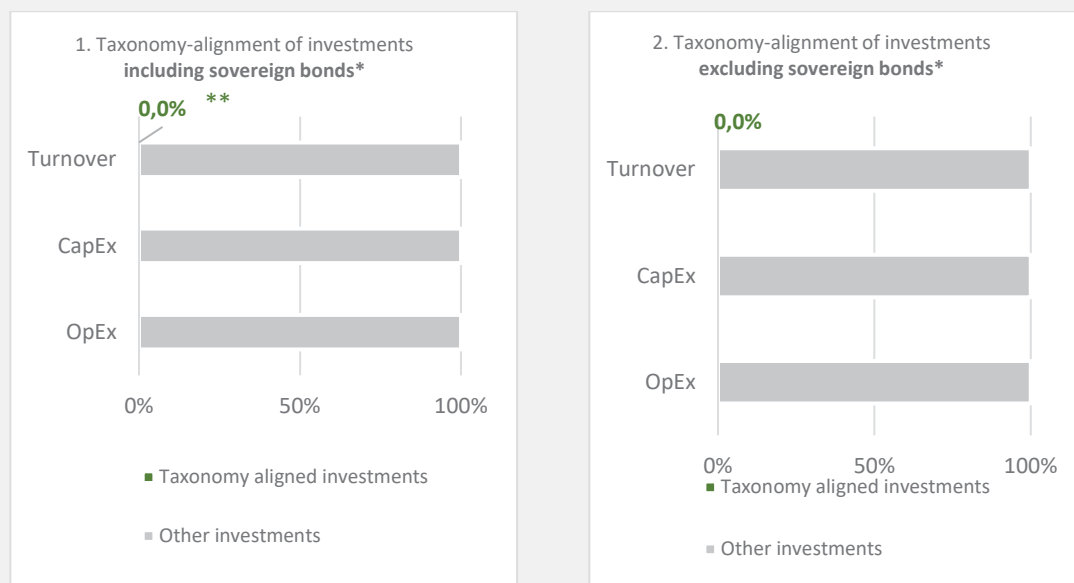
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for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

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.

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

● **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.

**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.

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

	Revenue
2022*	0%
2023**	0%

\*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 **14.4%**.

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 **17.0%** 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 financial product reference benchmark investment strategy shall comply with the RBC Policy 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, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com).

- The financial product reference benchmark investment strategy shall have at least 90% of its investment strategy underlying securities covered by the ESG analysis based on the proprietary and/or external ESG methodology.

- The financial product's reference benchmark investment universe of the investment strategy shall be reduced by a minimum of 25% due to exclusion of securities with low ESG score and/or sector exclusions as per the RBC Policy and/or other extra-financial criteria.
- The financial product's reference benchmark economic exposure shall have a weighted average carbon footprint at least 50% lower than the weighted average carbon footprint of its investment universe, as defined in the Prospectus.
- The financial product's reference benchmark economic exposure shall have a year-on-year self-decarbonization trajectory of at least 7%.

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 BNP Paribas Equity Europe Climate Care Paris-Aligned NTR 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: <https://indx.bnpparibas.com/nr/BNPIECLO.pdf>.

### ● *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 investment strategy of the financial product is implemented 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 allocation to the reference benchmark was 40.4% according to the protection mechanism, expressed as a quarterly average.

### ● *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 investment strategy of the financial product is implemented 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 allocation according to the protection mechanism are very close.

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



During the reporting period, the allocation to the reference benchmark was 40.4% according to the protection mechanism, expressed as a quarterly average.

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

	Carbon footprint (tCO <sub>2</sub> eq/EV) <sup>1,2</sup>	ESG score <sup>2</sup>
Financial product	31.1 x allocation to the reference benchmark <sup>4</sup>	65.3 x allocation to the reference benchmark <sup>4</sup>
Broad market index <sup>3</sup>	78.7	59.4

- (1) The carbon footprint is the sum of each carbon emission divided by its simplified enterprise value, multiplied by the weight in the portfolio. Carbon emissions represent the sum of a company's scope 1 (direct emissions from installations) and scope 2 (indirect emissions linked to the company's energy consumption) emissions. Simplified enterprise value measures a total value and is calculated as the sum of market capitalization and total debt. The footprint is expressed in tons of CO<sub>2</sub> equivalent per million euros of enterprise value.
- (2) Source: BNP Paribas Asset Management. Another provider of extra-financial data (e.g. ESG score, carbon footprint) as well as a slightly different initial investment universe may be used to determine and implement extra-financial targets of the investment strategy. For data availability purposes regarding this periodic reporting, the figures provided are based on BNP Paribas Asset Management data and may not strictly reflect these targets.
- (3) STOXX Europe 600 Net Return EUR Index
- (4) During the reporting period, the allocation to the reference benchmark was 40.4% according to the protection mechanism, expressed as a quarterly average.