

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
**CLASSIC PROFILED RESPONSIBLE AND
ENGAGED BALANCED**

Legal entity identifier:
UAIAINAJ28P30E5GWE37

Environmental and/or social characteristics

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.

Did this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments with an environmental objective: __%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective: __%**

It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 10% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



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

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

The discretionary portfolio management mandate (hereinafter – the DPM mandate) promoted environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using an ESG internal proprietary methodology. The underlying funds invested in issuers that demonstrated good environmental and social practices, while implementing robust corporate governance practices within their sector of activity.

In order to meet the environmental or social characteristics, the DPM mandate invested in BNP Paribas Asset Management UCITS and ETFs falling under Article 9 or Article 8 with a sustainable investment component as defined in the SFDR Regulation. In addition, the DPM mandate performed its selection among financial instruments with the highest level of ESG integration, targeting financial instruments with an internal extra financial rating of 5 clovers or more (out of 10) according to the proprietary BNP Paribas Wealth Management ESG scoring methodology.

The underlying funds, to which the DPM mandate invested, assessed the ESG performance of issuers against a combination of environmental, social and governance factors which include but are not limited to:

- Environmental: energy efficiency, reduction of emissions of greenhouse gases (GHG), 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.

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

The Board of LuxFLAG granted the LuxFLAG ESG Discretionary Mandate Label to the DPM Mandate, for a period of one year, starting on the 16th of January 2023 and ending on the 31st of December 2023 (“the label validity period”).

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the DPM mandate.



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

As outlined in the precontractual information, the following sustainability indicators were used to measure the achievement of each of the environmental or social characteristics promoted by the DPM mandate. As of the 31st of December 2023:

- 100% of the DPM mandate's assets in portfolio complied with the Responsible Investment Policy of BNP Paribas Asset Management;
- 93.5% of the DPM mandate's assets was covered by ESG analysis based on the proprietary ESG methodology of BNP Paribas Asset Management¹;
- 63.51 was the weighted average ESG rating of the DPM mandate's portfolio compared to the 57.02 weighted average rating of the benchmark investment universe².
- The DPM mandate committed on a weighted average carbon footprint reduction of its portfolio of at least 50% compared to the weighted average carbon footprint of its investment universe. As of 31st of December 2023, the weighted average footprint of the DPM mandate is 54% lower than its reference index.
- 35% of the underlying investment funds portfolio were invested in "sustainable investments" as defined in Article 2 (17) of the SFDR.

As stipulated in the precontractual information too, the ESG analysis based on the proprietary ESG methodology of BNP Paribas Wealth Management must cover at least 90% of the assets of the DPM mandate. As of the 31st of December 2023, 100% of the assets in portfolio (excluded cash) were ranked at least 5 Clovers according to the proprietary BNP Paribas Wealth Management ESG scoring methodology.

¹ The effective coverage of the mandate represents the coverage of the eligible assets which could potentially have an ESG score or carbon footprint measure. Non-eligible assets include assets such as cash, derivatives, and external funds.

² Pre-contractual disclosures mention a comparison to the investment universe. During 2023, BGL used a reference index that reflects its investment universe. The reference index is a composite of major indices (Euro Stoxx 600 22.96% + S&P500 Index 20.22% + BBG Euro Aggregate Corp Index 17.93% + HFRX Global Hedge Fund EUR Index Price Return 14.98% + BBG Euro Treasury 1-10 years index 11.94% + 1 month Euribor Index 4.99% + MSCI Emerging Markets Standard NET (standalone) Index 4.98% + TOPIX Large Index 1.25% + TOPIX Medium Index 0.56% + TOPIX Small Index 0.18%). Source: BNP Paribas Asset Management.

... and compared to previous periods?

This is not applicable for the first periodic report.



- ***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 DPM mandate committed on a 10% minimum percentage of Sustainable Investments in 2023 within the meaning of Article 2(17) of Regulation (EU) 2019/2088. As of the 31st of December 2023, the R&E achieved 35% of Sustainable Investments.

With respect to sustainable investments, BGL BNP Paribas selects for the DPM mandate only BNP Paribas Asset Management UCITS and ETFs falling under Article 9 or Article 8 with a sustainable investment component as defined in the SFDR Regulation, which aim to finance companies that contribute to environmental and/or social objectives through their products and services and their sustainable practices.

The proprietary methodology of BNP Paribas Asset Management incorporates different criteria in its definition of sustainable investments that are considered essential components to qualify a company as "sustainable", and that are complementary to each other. In particular, to be considered as a sustainable investment, a company derived more than 20% of its revenues from activities aligned with the SDGs. The proportion of the underlying investment funds' investments in economic activities considered by the SFDR as sustainable investments contributed to the environmental objectives defined in the EU Taxonomy Regulation: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and/or protection and restoration of biodiversity and ecosystems.



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

The sustainable investments that the DPM mandate made must not significantly impair an environmental or social objective (the "do no significant harm" principle). In this respect, the management company of the underlying funds undertook to analyse the main negative impacts on sustainability factors taking into account the negative impact indicators as defined in the SFDR Regulation and not to invest in issuers that did not comply with the standards set by the OECD and UN guidelines on business and human rights. In this respect, 71.9% of issuers within the mandate are signatories to the UN Global Compact vs 70.3% of the benchmark.

In addition to this, the DPM mandate obtained the LuxFLAG ESG Discretionary Mandate label in January 2024, for the 2nd year in a row. This label's eligibility criteria encompass 7 criteria, among which the implementation of an ESG screening to 100% of the products' investments, the analysis of the product manufacturer's practices in terms of responsible investment strategy, and the compliance with a dedicated exclusion policy, comprehending notably controversial weapons, tobacco, nuclear energy, controversial behaviour and controversial jurisdictions³.

³ <https://luxflag.org/labels/esg-discretionary-mandate/>

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

The consideration of negative impact indicators was carried out by BNP Paribas Asset Management, the manager of the underlying funds.

Throughout its investment process, BNP Paribas Asset Management ensured that the underlying investment funds took into account the main negative impact indicators relevant to their investment strategy in order to select sustainable investments for the investment funds by systematically implementing in its investment process the sustainable investment pillars defined in BNP Paribas Asset Management's Global Sustainability Strategy (GSS) and as further detailed below: Responsible Investment Policy, ESG integration; voting policy, dialogue and engagement, Forward-looking vision: the "3Es" (Energy transition, Environmental sustainability, Equality & inclusive growth).

Besides, by investing in minimum 5-clover rated financial instruments, the DPM Mandate can demonstrate it promoted financial instruments that limit adverse impacts on sustainable factors. Within the clover methodology associated with investment funds, 2 compulsory criteria are integrated for a product to get 5 or more clovers: PAI 10 (Violations of United Nations Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises)⁴ and PAI 14 (exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons))⁵ must be taken into account.

⁴ Principal Adverse Impact number 10 listed in Table 1, Annex I, of Commission Delegated Regulation (EU) 2022/1288

⁵ Principal Adverse Impact number 14 listed in Table 1, Annex I, of Commission Delegated Regulation (EU) 2022/1288



Hence, all funds invested that are 5 or more clovers declare taking into account violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises and excluding exposure to controversial weapons.

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

Checks to identify issuers that may be in breach of the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions referred to in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights, will be carried out by BNPP AM, the manager of the underlying funds.

In 2023, 71.9% of issuers within the mandate are signatories to the UN Global Compact vs 70.3% of the benchmark. In addition, 1.5% of the issuers within the mandate are exposed to material environmental, social or governance controversies vs 5.7% for the benchmark.

This assessment is carried out by BNPP AM's Sustainability Center on the basis of internal analysis and information provided by external experts, and in consultation with the BNP Paribas Group CSR team. In the event of serious and repeated non-compliance with these principles, the issuer is placed on an "exclusion list" by BNP Paribas Asset Management and is no longer eligible for investment. Existing investments must be removed from the underlying funds in accordance with an internal procedure. If an issuer is considered likely to breach any of the principles, it shall be placed on a "watch list", where 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 EU 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 DPM mandate considers the main negative impacts on sustainability factors by selecting only BNP Paribas Asset Management funds that systematically implemented the responsible investment pillars defined in the Global Sustainability Strategy of BNP Paribas Asset Management in their investment processes. These pillars are governed by company-wide policies that define criteria for identifying, reviewing, and prioritising, and managing or mitigating negative impacts on sustainability factors caused by issuers.

The Responsible Investment Policy of BNP Paribas Asset Management establishes a common framework for all investments and business activities that helps to identify sectors and behaviours with a high risk of negative impacts in violation of international standards. As part of the Responsible Investment Policy, sector policies provide a tailored approach to identifying and prioritising key negative impacts based on the nature of the economic activity and, in many cases, the geographical area in which it is carried out.

The ESG Integration Rules of BNP Paribas Asset Management include a series of commitments that are important to mitigate key negative impacts on sustainability factors and guide the internal ESG integration process. The proprietary ESG rating methodology of BNP Paribas Asset Management includes the assessment of several negative sustainability impacts caused by the companies in which we invest. The outcome of this assessment may have an impact on valuation models as well as on portfolio construction depending on the severity and importance of the identified negative impacts. Therefore, BNP Paribas Asset Management considers key negative sustainability impacts throughout the investment process by relying on proprietary ESG ratings and the creation of a portfolio with an improved ESG profile compared to its benchmark investment universe.

As part of its forward-looking vision, BNP Paribas Asset Management defines a set of objectives and performance indicators to measure how research, portfolios and commitments are aligned with three key themes which have been identified: the "3Es" (Energy transition, Environmental sustainability, Equality) and thus support the entire investment process. In addition, BNP Paribas Asset Management's Stewardship team regularly identifies negative impacts through ongoing research, collaboration with other investors and dialogue with NGOs and other experts. Measures to manage or mitigate key negative impacts on sustainability factors depend on the severity and significance of these impacts. These measures are based on the Responsible Investment Policy, the ESG Integration Rules and the engagement and voting policy, which include the following provisions:

- dialogue with issuers to encourage them to improve their environmental, social and governance practices and thereby mitigate potential negative impacts: in 2023, BNP Paribas Asset Management had a total of 181 engagements with companies invested in the mandate, on themes such as, for example, carbon emissions, deforestation, human rights, freedom of expression, capital allocation, bribery, and corruption.
- voting at the annual general meetings of portfolio companies to promote good governance and advance environmental and social issues: in 2023, BNP Paribas Asset Management voted a total of 14 494 resolutions and at 1 001 general meetings within the mandate⁷.

⁷For more information regarding BNP Paribas Asset Management voting and engagement policies, please visit BNP Paribas Asset Management webpage: <https://www.bnpparibas-am.com/en/sustainability-bnpp-am/our-approach/>

- ensure that all securities included in the portfolio are associated with successful ESG research since 98% of the portfolio is covered by BNP Paribas Asset Management ESG methodology, compared to 79% for its reference index.
- manage portfolios to ensure that their overall ESG rating exceeds that of the relevant index or benchmark universe with an average ESG score of 63.51 vs 57.02⁸ for its benchmark.

⁸ ESG score goes from 0 (worst) to 99 (best).



What were the top investments of this financial product?

The following table is a list of the top 15 investments as of the 31st of December 2023.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: **31 December 2023**

Largest	Sector	% Assets	Country
<i>BNPP SUST EURO BD-PRIV CAP</i>	6,28%	Bonds//Corporate	Europe
<i>BNPP EASY EUR CORP BD 1-3Y-TRACK I-</i>	5,97%	Bonds//Corporate	Europe
<i>BNPP EASY S&P 500 ESG UCITS ETF</i>	5,14%	Equities//USA	Europe
<i>BNP PARIBAS MOIS ISR FCP -IC-</i>	4,91%	Cash//Cash eur	Europe
<i>BNPP SUST MA GROWTH -PRIVILEGE-CAP</i>	4,59%	Investments//Other Altern Invest	World
<i>BNPP EASY MSCI EUR ESG FILT-T P-CAP</i>	4,52%	Equities//Europe	Europe
<i>BNPP EURO EQ-PRIV CAP</i>	4,49%	Others	Europe
<i>BNPP SUST EURO CORP BD-PRIV CAP</i>	4,43%	Bonds//Corporate	Europe
<i>AMSELECT ALLIANZ EUR CT -PRIVILEGE-</i>	4,42%	Bonds//Corporate	Europe
<i>BNP GREEN BOND -PRIVILEGE- CAP</i>	4,16%	Bonds//Corporate	Europe
<i>BNPP EASY MSCI WSSS 5CP-TRACK I-CAP</i>	4,10%	Equities//Other Equities	World
<i>BNPP US GROWTH-PRIV CAP</i>	4,06%	Equities//USA	USA
<i>BNPP SUST US VALUE MF EQ -PRIV-CAP</i>	4,04%	Equities//Other Equities Altern	USA
<i>EXANE PLEIADE -A- CAP</i>	3,75%	Investments//Other Altern Invest	N/A
<i>BNPP GREEN TIGERS -PRIVILEGE- CAP</i>	3,15%	Equities//Other Equities	Emerging Markets

The quantitative data published in this table correspond to the average of the DPM mandate's model portfolio with the same risk profile as yours. Your portfolio may differ from these values for various reasons: recent contribution/withdrawal of cash or securities, management constraints, etc.

Please contact your usual contact person to find out more.



Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

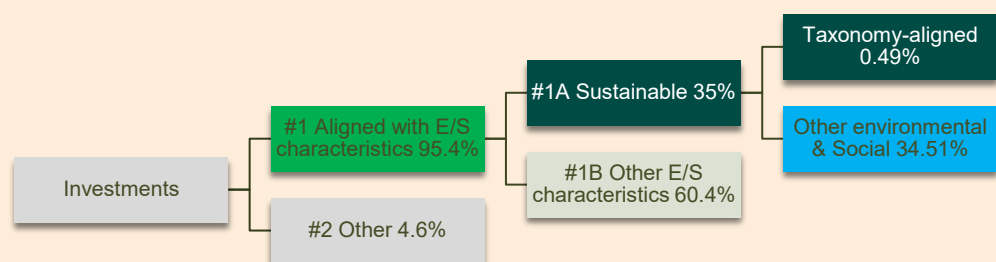
The DPM mandate committed on a 10% minimum percentage of Sustainable Investments in 2023 within the meaning of Article 2(17) of Regulation (EU) 2019/2088. As of the 31st of December 2023, the R&E achieved 35% of Sustainable Investments

● What was the asset allocation?

95.4% of the DPM mandate was aligned with environmental or social characteristics, i.e., 95.4% was composed of financial instruments rated 5 clovers or above according to the proprietary BNP Paribas Wealth Management ESG scoring methodology (#1 Aligned with E/S characteristics). The remaining part was made of cash (#2 Other), which corresponded to 4.6%.

As of the 31st of December 2023, in the invested funds, the asset allocation was the following:

Bonds: 31.38%
Equities: 50.76%
Alternatives: 8.3%
Monetary: 4,91%



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **# 1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

Economic sectors are part of the key factors guiding investment decisions in equity. Therefore, the following table is a list of the economic sectors invested as of the 31st of December 2023 in the equity basket.

NB: The equity pocket is around 50.76% in the DPM mandate's model portfolio with the same risk profile as yours. In the table below, the percentage weight is rebalanced on 100%.

The classification used here is the Global Industry Classification Standard. Please contact your usual contact person to find out more.

Sector	Weight (%)
Real Estate	0.95%
Materials	3.09%
Communication Services	3.23%
Consumer Cyclical	6.75%
Consumer Defensive	5.55%
Energy	1.73%
Financials	7.96%
Healthcare	7.70%
Industrials	12.37%
Technology	11.53%
Utilities	2.13%



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

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

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.

Even if this product has no commitment on taxonomy-aligned investments, the weighted average of sustainable investments with an environmental objective aligned with the EU Taxonomy as of the 31st of December 2023 was 0.49%.

● Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁹?

- Yes: In fossil gas In nuclear energy
- No

⁹ 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.



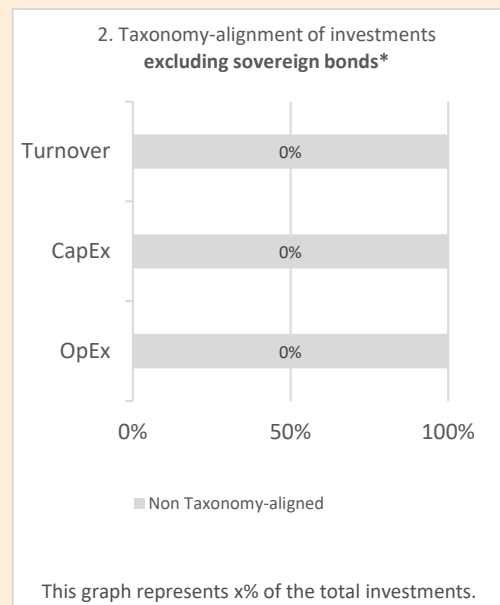
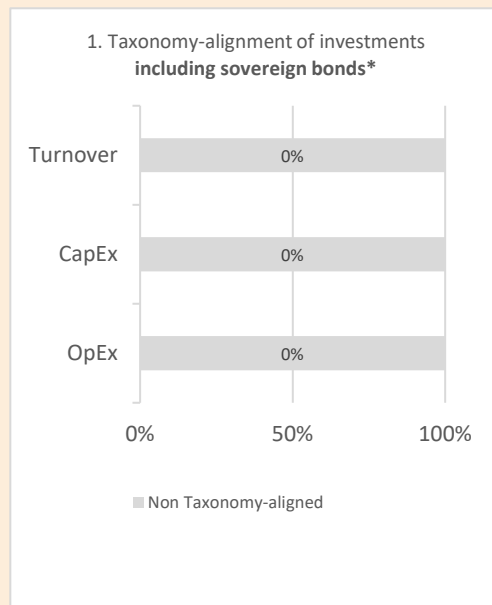
Taxonomy-aligned activities are expressed as a share of:

- **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 two 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.

At the date of this periodic information document, the data is marginal for a more granular reporting on these metrics. Relevant data should improve over time subject to market evolutions.

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

The DPM mandate made no commitment as of a minimum share of investment in transitional and enabling activities in the sense of the EU Taxonomy for transitional activities and for enabling activities.

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

This is not applicable.



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



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

The DPM mandate committed to a minimum of 10% of sustainable investments with an environmental objective aligned with SFDR. These investments could be aligned with the EU taxonomy, but the portfolio manager is currently unable to specify the exact proportion of the DPM mandate's underlying investments that considers the EU criteria for environmentally sustainable economic activities. However, this position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.



What was the share of socially sustainable investments?

This is not applicable.



What investments were included under "Other", what was their purpose and were there any minimum environmental or social safeguards?

The remaining proportion of investments may include a proportion of assets that do not meet the following standards set by the Management Company: 1) a positive ESG rating and a positive E or S rating or 2) cash or derivatives that are primarily used for liquidity, efficient portfolio management and/or hedging purposes.

These investments, if any, were made in accordance with our internal processes, including the risk management policy and the Responsible Investment Policy, where applicable. The risk management policy set out the procedures necessary for the management company to assess the exposure of each DPM mandate it managed to market, liquidity, sustainability, and counterparty risks.

The cash amount for the DPM Mandate was 4.6% (monetary fund 4.91%) as of the 31st of December 2023.



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

As of the 31st of December 2023, 100 % of the instruments in portfolio (cash excluded) were ranked at least 5 Clovers according to the proprietary BNP Paribas Wealth Management ESG scoring methodology.

The average number of clovers was 7 at the end of 2023.

Within the framework of LuxFLAG labellisation, regular ex-ante and ex-post post lookthrough checks were performed on exclusion criteria.



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

No index has been designated as a reference benchmark for attaining the environmental or social characteristics promoted by the DPM mandate.

Reference

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

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

This is not applicable.

- ***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?***

This is not applicable.

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

This is not applicable.

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

This is not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.bgl.lu/en/official-documents/sfdr.html.