

This document is a Supplement to the Prospectus dated 15 March 2024 issued by BNP PARIBAS EASY ICAV (the “ICAV”). This Supplement forms part of, and should be read in conjunction with, the Prospectus.

The value of Shares may go up or down and you may not get back the amount you invested. Investors’ attention is drawn to the risk warnings contained in the section headed Risk Factors in the Prospectus and, in particular, to the risk warnings contained in the section of this Supplement entitled “Risk Factors”.

The Fund is an actively managed fund.

Words and expressions defined in the Prospectus, unless the context otherwise requires, have the same meaning when used in this Supplement.

## **BNP PARIBAS EASY ICAV**

(an open-ended Irish collective asset management vehicle which is constituted as an umbrella fund with variable capital and segregated liability between its sub-funds and registered in Ireland with registration number C496041 and authorised by the Central Bank of Ireland as a UCITS)

### **SUPPLEMENT**

**Dated 15 July 2024**

**in respect of**

## **BNP PARIBAS EASY SUSTAINABLE US UCITS ETF**

(a sub-fund of the ICAV, the “Fund”)

The Directors of the ICAV, whose names appear in the Directory in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

## THE FUND

---

### Investment Objective

The investment objective of the Fund is to provide exposure to the US equity market while taking into account Environmental, Social and Governance (“ESG”) criteria.

### Investment Policy

The Fund’s investment universe (the “**Investment Universe**”) consists of the securities of the S&P 500 Net Total Return Index (SPTR500N Index) (the “**Index**”).

To achieve its investment objective, the Fund implements an active strategy which consists of applying a binding and significant ESG integration approach to select securities from the Investment Universe with a view to improving the Fund’s ESG profile compared to that of the Index (which is a broad market index) (the “**Strategy**”).

The Strategy is implemented by selecting securities from the Investment Universe for the Fund to consistently achieve the following targets:

- a higher ESG score than that of the Index after eliminating at least 30% of securities based on ESG Scores and exclusions applied to the Fund;
- a carbon footprint at least 50% lower than that of the Index;
- a lower greenhouse gas (“**GHG**”) intensity than that of the Index;
- a portfolio of companies with a board gender diversity ratio higher than that of the Index; and
- a minimum proportion of 45% of the portfolio invested in sustainable investments as defined in Article 2 (17) of SFDR.

In addition, and in the framework of the implementation of the Strategy, the Investment Universe is reduced by removing companies that do not comply with the Investment Manager’s Responsible Business Conduct (“RBC”) Policy which includes: 1) norms-based screens, such as the UN Nations Global Compact principles and OECD Guidelines for Multinational Enterprises, and 2) the Investment Manager’s sector policies, as set out in the section of the Prospectus titled “**ESG-related Disclosures – Responsible Business Conduct Standards**”.

The review of the Investment Universe through the ESG integration approach is made against three ESG criteria:

- Environmental: such as energy efficiency, reduction of emissions of greenhouse gases, and treatment of waste;
- Social: such as respect of human rights and workers’ rights, and human resources management (workers’ health and safety, diversity); and
- Governance: such as board independence, managers’ remuneration, and respect of minority shareholders rights.

ESG scores, as defined by the Investment Manager’s proprietary scoring framework, are used as part of this assessment. Further details of the Investment Manager’s ESG scoring framework can be found in the Prospectus under the heading “**Index Funds and Active Funds: ESG Scoring Framework**”.

As such, the extra-financial analysis coverage is at least 90% of the assets of the Fund (excluding ancillary liquid assets) and is based on the Investment Manager proprietary extra-financial framework as further described in the section of the Prospectus titled “**ESG-related disclosures**”.

While the Investment Universe consists of the Index constituents, further to the application of the ESG integration approach and stock selection, the weightings of the Fund’s portfolio will deviate from those of the Index and the Fund may not invest in some of the Index constituents. In addition though, and as part of the application of the Strategy, the Fund uses tracking-error and sector controls to limit performance deviation from the Index. As a result, the Fund’s returns may be close to those of the Index.

### *Other Investments*

At least, 51% of the Fund's net assets will be invested at all times in equity securities, however, the Fund may make other investments as outlined below where consistent with its investment objective and policy.

The Fund may invest up to 10% of its net assets in equity securities or equity-related securities (i.e. Depositary Receipts) issued by companies not included in the Index, in the units/shares of Eligible Collective Investment Schemes where such investments satisfy the requirements of the Central Bank. The Fund may invest up to 10% of its net assets in Money Market Instruments to be held as ancillary liquid assets.

The Fund may also engage in transactions in FDIs for investment, hedging and/or efficient portfolio management purposes. The Fund may use the following FDIs: foreign exchange swaps, forwards, interest rate swaps, futures and options. Further details on FDIs and how they may be used are set out in the Prospectus under the heading "**Use of Derivatives and Hedging**".

The equity securities and FDI investments of the Fund will be listed, traded and dealt with on one or more of the Regulated Markets set out in Schedule 1 to the Prospectus.

### **Securities Financing Transactions**

The Fund may invest in total return swaps for currency hedging purposes only subject to the requirements of the Securities Financing Transactions Regulation, the UCITS Regulations and the Central Bank UCITS Regulations. This is more particularly described in the Prospectus under the heading "**Securities Financing Transaction Regulations Disclosure**". Up to 105% of a Class' net assets may be subject to total return swaps at any time, however the amount subject to total return swaps is not generally expected to exceed 100% of a Class' net assets.

The Fund will not engage in lending or borrowing of securities or repurchase/reverse agreements within the meaning of the Securities Financing Transactions Regulation.

### **Transparency of the Promotion of Environmental or Social Characteristics – Information relating to SFDR and Taxonomy**

The Fund is an Article 8 fund as defined in the Prospectus.

The Fund promotes environmental and/or social characteristics by investing in companies assessed according to ESG criteria such as environmental opportunity, pollution and waste, carbon emission, human capital, corporate governance and based on their efforts to reduce their exposure to coal and unconventional fossil fuels. As a result, companies involved in sectors with a potentially high negative ESG impact, those subject to significant violations of the UN Global Compact principles and those involved in severe ESG-related controversies are excluded from investment by the Fund.

The Fund promotes superior or improving environmental and social practices among investee companies. The promoted environmental and social characteristics are namely: (i) international norms and convention, by excluding issuers in violation of such norms and convention or operating in sensitive sectors as defined by the Investment Manager's Responsible Business Conduct (RBC) Policy; (ii) exposure to a portfolio with higher ESG score compared to the Investment Universe; (iii) reduced carbon footprint and greenhouse gas (GHG) intensity compared to the Investment Universe; and (iv) increased board gender diversity compared to the Investment Universe. The characteristics promoted by the Fund are more particularly described in the annex to this Supplement.

The Fund achieves this by integrating ESG criteria as detailed in the Investment Policy. The Investment Manager measures the attainment by the Fund of the environmental and/or social characteristics as detailed in the annex to the Supplement.

The Fund commits to invest a minimum of 45% of its net assets in sustainable investments. The Investment Manager determines whether the Fund's investments are sustainable investments in accordance with its proprietary methodology which integrates several criteria into its definition of

sustainable investment and of which criteria a company must meet one in order to be deemed to contribute to an environmental or social objective and which also includes consideration of not doing significant harm to any other sustainable objective and provided the company follows good governance practices. Further detail on the Fund's minimum investment in sustainable investments and the Investment Manager's methodology to determine sustainable investments (including its assessment of do no significant harm and good governance) and the Fund's consideration of principal adverse impacts can be found in the annex to this Supplement.

The Taxonomy Regulation aims to establish the criteria for determining whether an economic activity is considered environmentally sustainable. The Taxonomy Regulation is a classification system establishing a list of environmentally sustainable economic activities in respect of the six environmental objectives as defined in the Taxonomy Regulation.

The Fund commits to a minimum proportion of investment in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation and that contribute to one or more of the environmental objectives as further detailed in the annex to this Supplement. The minimum percentage of investments aligned with the Taxonomy Regulation is 1% and the minimum share of investments in transitional and enabling activities is 0%.

In respect of the Taxonomy Regulation, the "do no significant harm" principle only applies to the investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities. Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. All activities that can make a substantial contribution to environmental as well as social objectives are not yet part of the Taxonomy Regulation.

Further details are contained in the Prospectus under the heading "**ESG-related Disclosures**".

**In compliance with the Article 8 of SFDR and the Article 6 of Taxonomy Regulation, pre-contractual disclosures about the environmental or social characteristics relating to this Fund are available in the annex of the Supplement.**

The Investment Manager integrates sustainability risk into its investment decision-making process by assessing the constituents of the Investment Universe against three ESG pillars involving the application of the Investment Manager's proprietary ESG scoring methodology and exclusions, as further described in the section of this Supplement titled "**Investment Policy**", and selecting securities for investment by the Fund based on the results of this assessment. The likely impacts of the integration of sustainability risks on the returns of the Fund is expected to be low.

### **Base Currency**

The Base Currency of the Fund is USD.

**There is no guarantee that the Fund will achieve its investment objective.**

### **PROFILE OF A TYPICAL INVESTOR**

---

A typical Investor would be one who is an investor who is seeking diversification of their investments in equities, is willing to accept higher market risks in order to potentially generate higher long-term returns, can accept significant temporary losses and can tolerate volatility.

### **SHARE CLASSES**

---

Details of the Classes available in the Fund are set out below.

<b>Classes</b>	<b>TER (maximum)</b>	<b>Distribution Policy</b>	<b>Distribution Frequency</b>	<b>Hedging Policy</b>	<b>Initial Offer Period Status</b>	<b>Initial Offer Price</b>

						<b>per Share</b>
USD CAP	0.20%	Capitalisation	N/A	Unhedged	New	10
EUR CAP	0.20%	Capitalisation	N/A	Unhedged	New	10
EUR CAP R	0.20%*	Capitalisation	N/A	Unhedged	New	10000
EUR H CAP	0.20%	Capitalisation	N/A	Hedged	New	10

\* of which 0.08% covers the management fees.

The Directors reserve the right to differentiate between persons who are subscribing for or redeeming Shares and to waive or reduce the Minimum Subscription Amount and Minimum Redemption Amount for any such person or to refuse an application for the subscription of Shares in their absolute discretion.

Additional Classes may be created in accordance with the requirements of the Central Bank.

## **DIVIDENDS**

---

Where the ICAV intends to declare dividends with respect to one or more Classes of the Fund, the proposed frequency of such dividend declarations shall be as set out in the table in the section entitled "**Share Classes**".

It is not the current intention of the Directors to declare dividends in respect of the Classes identified as "capitalisation" classes in this Supplement. The income and earnings and gains of the Funds will be accumulated and reinvested. Any change to this dividend policy shall be set out in an updated version of the Supplement and notified to the Shareholders in advance.

It is intended to declare dividends in respect of the Classes identified as "distribution" classes in this Supplement. Distributions in respect of these Classes will be declared at such frequency as disclosed under the heading "**Share Classes**" from time to time.

The Directors may determine annually, after the end of the relevant accounting year, if and to what extent the Fund will pay dividends. Any dividend payments will be confirmed in writing to the relevant Shareholders.

Please refer to the "**Distribution Policy**" section in the Prospectus for further information.

## **DEALING IN SHARES OF THE FUND**

---

Only Authorised Participants or Authorised Investors may subscribe for and redeem Shares in the Fund directly with the ICAV in accordance with the section of the Prospectus entitled "**Procedures for Subscriptions and Redemptions**" having regard to the information set out below:

<b>Business Day</b>	means a day on which banks, markets and exchanges are open for business in Ireland and such other days as the Directors shall determine.
<b>Dealing Day</b> (D)	means, unless otherwise determined by the Directors and notified in advance to Shareholders, each Business Day on which the Index is published excluding days on which the constituent of the Index with a weighting that represents a significant proportion of the Index (in excess of 10%) are not tradable.
<b>Initial Offer Period</b>	The Initial Offer Period shall commence at 9:00 a.m. (Dublin time) on 16 July 2024 and shall end at 3:00 p.m. (Dublin time) on 15 January 2025 or such other time as the Directors may determine.
<b>Minimum Subscription Amount</b>	means : - on the Primary Market: The number of Shares equivalent to USD 1 million, rounded up to the nearest whole number of Shares - on the Secondary Market: None The Directors and/or the Manager reserve the right to waive such Minimum Subscription Amount.
<b>Minimum Redemption Amount</b>	1 Share
<b>Redemption Fee</b>	Up to 3%.
<b>Settlement Time</b> (Maximum D+3)	means, in respect of subscriptions, maximum three Business Days after the relevant Dealing Day (unless otherwise stipulated by the Manager or its delegate); and, in respect of redemptions, maximum three Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
<b>Subscription Fee</b>	Up to 3%.
<b>Trade Cut-Off Time</b> (D)	means 4.30 p.m. (CET) on the relevant Dealing Day.
<b>Valuation Day</b> (D+1)	means one Business Day after the relevant Dealing Day where the Net Asset Value per Share is calculated.  The last Business Day of the year will always be a Valuation Day
<b>Valuation Point</b>	means 11.59 p.m. (Irish time) on the Dealing Day or such time as the Directors, in consultation with the Manager, may decide and notify to Shareholders in advance, this time being the time of reference where all relevant available market closing prices are retrieved for NAV calculation.

## **FEES AND EXPENSES**

A TER will be paid out of the assets of each Class to the Manager. The TER for each for each Class is set out under the heading "TER" in the table included under the heading "**Share Classes**".

This section should be read in conjunction with the section headed "**Fees, Costs and Expenses**" in the Prospectus.

## **RISK FACTORS**

---

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “**Risk Factors**” section of the Prospectus, including without limitation: Extra-financial Criteria and Sustainable Investments Risk and Equity Risk.

## **RISK MANAGEMENT**

---

The ICAV will use the commitment approach for the purposes of calculating global exposure for the Fund. The Fund’s global exposure will be limited to 100% of Net Asset Value using the commitment approach.

While it is not the Investment Manager’s intention to leverage the Fund, any leverage resulting from the use of FDIs will be done in accordance with the UCITS Regulations.

Further detail on the calculation of global exposure is set out in the financial derivative instrument risk management process of the Fund (“**RMP**”). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.

## **THE INDEX**

---

### **General Description**

The Index is an equity index calculated, maintained and published on a real-time basis by Standard & Poor Dow Jones’ and is denominated in US Dollars. The Index is composed of the 500 largest and most liquid US stocks. The Index is designed to provide investors the return of the US large cap equity market.

The stocks comprising the Index are weighted according to their free float market capitalization.

The Index is used to define the investment universe, for allocation and performance comparison purposes. It does not apply environmental and social criteria.

### **Index Rebalancing**

The Index is reviewed quarterly.

### **Index Publication**

Further information on the Index, its composition, calculation and rules for monitoring and periodic rebalancing, as well as information on the general methodology common to all S&P indices, can be found at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).

## DISCLAIMERS

---

"S&P 500®" is product of S&P Dow Jones Indices LLC, a division of S&P Global, or of affiliated companies ("SPDJI"), the use of which is granted under licence to BNP Paribas Asset Management Europe. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"); Dow Jones® is a trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); they are subject to a user licence in favour of SPDJI and sub-licences for specific purposes in favour of BNP Paribas Asset Management Europe. An index is not a direct source of investment. BNP PARIBAS EASY SUSTAINABLE US UCITS ETF is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, nor by any of their respective affiliates (collectively referred to as "S&P Dow Jones Indices"). S&P Dow Jones Indices make no representation nor do they issue any guarantee, whether explicit or implicit, vis-à-vis the owners of BNP PARIBAS EASY SUSTAINABLE US UCITS ETF or any member of the public recommending investment in securities in general or in BNP PARIBAS EASY SUSTAINABLE US UCITS ETF in particular, or with regards to the ability of S&P 500® to track overall market performance. Past performance of an index should not be taken as any indication of future performance. The only obligation of S&P Dow Jones Indices vis-à-vis BNP Paribas Asset Management Europe regarding the S&P 500® relates to the granting of an index licence, certain trademarks, service trademarks and/or trading names of S&P Dow Jones Indices. The S&P 500® is established, defined and calculated by S&P Dow Jones Indices with no consideration given to BNP Paribas Asset Management Europe or the BNP PARIBAS EASY SUSTAINABLE US UCITS ETF. S&P Dow Jones Indices are under no obligation to take into account the needs of BNP Paribas Asset Management Europe or of the owners of the BNP PARIBAS EASY SUSTAINABLE US UCITS ETF whenever establishing, defining or calculating the S&P 500®. S&P Dow Jones Indices are not responsible for nor have they taken any part in establishing the prices or amount of the BNP PARIBAS EASY SUSTAINABLE US UCITS ETF, nor are they responsible for the programme of issues or sales of the BNP PARIBAS EASY SUSTAINABLE US UCITS ETF, nor for establishing or calculating the equation by which the BNP PARIBAS EASY SUSTAINABLE US UCITS ETF is to be converted into cash, acquired or redeemed, as applicable. S&P Dow Jones Indices are under no responsibility or obligation regarding the management, distribution or trading of the BNP PARIBAS SUSTAINABLE US UCITS ETF.. S&P Dow Jones Indices LLC does not act in any capacity as an investment or tax advisor. You should consult a tax advisor in order to assess the impact that any tax-free security could have on the portfolios and the tax repercussions related to any investment decision. The inclusion of a security in an index does not constitute any recommendation on the part of S&P Dow Jones Indices to buy, sell or hold any such security, nor does it constitute any investment advice.

NEITHER S&P DOW JONES INDICES NOR THE THIRD-PARTY LICENSOR MAKE ANY GUARANTEE REGARDING THE PERTINENCE, ACCURACY, APPROPRIATENESS AND/OR THE EXHAUSTIVENESS OF THE S&P 500® OR OF ANY RELATED DATA OR COMMUNICATION INCLUDING, BUT NOT LIMITED TO, ANY COMMUNICATION IN WRITTEN OR ORAL FORM (NOTABLY ELECTRONIC COMMUNICATIONS) RELATED HERETO. S&P DOW JONES INDICES SHALL NOT BE HELD RESPONSIBLE NOR BE LIABLE FOR ANY PREJUDICE RESULTING FROM ANY ERROR, OMISSION OR DELAY WITHIN THE CONTEXT HEREOF. S&P DOW JONES INDICES PROVIDE NO GUARANTEE, WHETHER EXPLICIT OR IMPLICIT, AND EXPRESSLY REJECT ANY GUARANTEE REGARDING THE MERCHANTABILITY OR APPROPRIATENESS VIS-A-VIS ANY PARTICULAR USE OR PURPOSE OR REGARDING ANY RESULTS ANTICIPATED BY BNP PARIBAS ASSET MANAGEMENT EUROPE, THE OWNERS OF THE BNP PARIBAS EASY S&P 500 UCITS ETF OR ANY OTHER NATURAL PERSON OR LEGAL ENTITY RELATING TO THE UTILISATION OF THE S&P 500® OR ANY DATA RELATED THERETO. WITHOUT IN ANY WAY LIMITING THE FOREGOING, IN NO CIRCUMSTANCES MAY S&P DOW JONES INDICES BE HELD LIABLE FOR ANY INDIRECT, SPECIFIC, ACCESSORY, PUNITIVE OR CONSEQUENTIAL DAMAGE, INCLUDING BUT NOT LIMITED TO, ANY LOSS OF PROFIT, COMMERCIAL LOSS, LOST TIME OR CLIENT LOSS, EVEN WHERE THE LATTER HAVE BEEN ADVISED OF THE POSSIBLE OCCURRENCE OF SUCH PREJUDICE, WHETHER IN CONTRACT, TORT, UNDER STRICT LIABILITY OR OTHERWISE. THE THIRD-PARTY LICENSORS OF S&P DOW JONES INDICES ARE THE SOLE THIRD-PARTY BENEFICIARIES OF ANY AGREEMENT OR UNDERSTANDING ENTERED INTO BY S&P DOW JONES INDICES AND BNP PARIBAS ASSET MANAGEMENT EUROPE.



Template pre-contractual 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: BNP PARIBAS EASY SUSTAINABLE US UCITS ETF

Legal entity identifier: 635400XHYB6RWAKQMD62

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of 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 will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 45% 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 promotes E/S characteristics, but will not make any sustainable investments

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes superior or improving environmental and social practices among investee companies.

The promoted environmental and social characteristics are namely :

- international norms and convention, by excluding issuers in violation of such norms and convention or operating in sensitive sectors as defined by the Investment Manager's Responsible Business Conduct (RBC) Policy;
- exposure to a portfolio with higher ESG score compared to the Investment Universe;
- reduced carbon footprint and greenhouse gas (GHG) intensity compared to the Investment Universe;
- increased board gender diversity compared to the Investment Universe.

The manner in which the characteristics are achieved are more particularly described in the section of this SFDR Annex relating to the binding elements of the investment strategy.

Accordingly, the financial product assesses underlying investments against Environmental, Social and Governance (ESG) criteria using an internal ESG proprietary methodology and invests in issuers that demonstrate superior or improving environmental and social practices, while implementing robust corporate governance practices within their sector of activity and through the use of the sustainability indicators described below.

The ESG performance of an issuer is evaluated against a combination of environmental, social and governance factors which include but not limited to:

- Environmental: energy efficiency, reduction of emissions of 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 promotes better environmental and social outcomes through engagement with issuers and the exercise of voting rights according to the Stewardship policy, where applicable, in collaboration with BNP Paribas Asset Management's Sustainability Centre (being the ESG research and analysis department within BNP Paribas Asset Management).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

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 portfolio compliant with the RBC Policy
- The percentage of the portfolio covered by the ESG analysis based on the ESG internal proprietary methodology
- The weighted average ESG score of the portfolio compared to the weighted average ESG score of the Investment Universe.
- The weighted average carbon footprint of the portfolio compared to the weighted average carbon footprint of the Investment Universe.
- The weighted average GHG intensity of the portfolio compared to the weighted average GHG intensity of the Investment Universe.
- The weighted average board gender diversity ratio of the portfolio compared to the weighted average board gender diversity ratio of the Investment Universe.
- The percentage of the financial product's portfolio invested in 'sustainable investments' as defined in Article 2 (17) of the SFDR regulation.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does 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.

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,

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

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;
2. A company with an economic activity contributing to one or more United Nations Sustainable Development goals (UN SDG) targets;
3. A company operating in 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;
4. A company with best-in-class environmental or social practices compared to its peers within the relevant sector and geographical region.

Under the BNPP AM internal methodology, 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 Centre following the issuer and underlying project assessment based on a proprietary Green/Social/Sustainability Bond Assessment methodology. For the avoidance of doubt, the financial product does not invest in green bonds, social bonds and sustainability bonds.

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.

The proportion of investments of the financial product made in economic activities and that qualify as sustainable investments under the SFDR may contribute to the environmental objectives as defined under Taxonomy Regulation: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, the protection and/or restoration of biodiversity and ecosystems. The extent to which the sustainable investments with an environmental objective are aligned with the EU Taxonomy will be disclosed in the annual report of the financial product.

More information on the internal methodology can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com).

● *How do the sustainable investments that the financial product partially intends to make, 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 have the indicators for adverse impacts on sustainability factors been 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

**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.

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 the 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.

As regards the sustainable investments that the financial product intends to make, the following principal adverse sustainability impacts indicators 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 indicators

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

*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.*

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: [sustainability risk integration and Principal Adverse Impacts considerations](#).

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

--- *How are the 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 investment strategy 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.



**Does this financial product consider principal adverse impacts on sustainability factors?**

- ✘ Yes, 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 the construction of the portfolio with an improved ESG profile compared to the 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 all 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 Policy, Engagement and Voting Policy and include the following:

- 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, 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

More detailed information on the manner in which BNPP AM considers principal adverse impacts of investment decisions on sustainability factors taking due account of the size, the nature and scale of its activities and the types of financial products managed can be found in the BNPP AM SFDR disclosure statement: [sustainability risk integration and Principal Adverse Impacts considerations](#).

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No

## What investment strategy does this financial product follow?

The investment objective of the financial product is to provide exposure to the US equity market while taking into account Environmental, Social and Governance (ESG) criteria. The Investment Universe consists of the securities of the S&P 500 Net Total Return Index and, to achieve its investment objective, the investment manager implements an active strategy which entails applying a binding and significant ESG integration approach to select securities from the Investment Universe. The financial uses tracking-error and sector controls to limit performance deviation from the Index. As a result, the Fund's returns may be close to those of the Index.

As such, to achieve the investment objective of the financial product, the investment manager takes into account at each step of its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The Investment Universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the Investment Universe. The in-house sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

Then the investment manager integrates ESG ratings and criteria into the assessment of issuers. ESG ratings are built by BNP Paribas Asset Management's Sustainability Centre using a proprietary ESG methodology.

The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to the Investment Universe.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.





In addition, the investment manager relies on the internal sustainable investment methodology, as defined in the answer to the question *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives*, to determine issuers that contribute to environmental and/or social objectives.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The financial product 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 (<https://www.bnpparibas-am.com/sustainability-documents/>).

- The financial product shall have at least 90% of its assets (excluding ancillary liquid assets) covered by the ESG analysis based on the ESG internal proprietary methodology.
- The financial product shall have the weighted average ESG score of its portfolio higher than the weighted average ESG score of the Investment Universe after eliminating at least 30% of the worst securities based on ESG Scores and exclusions applied to the financial product.
- The financial product shall have the weighted average carbon footprint of its portfolio at least 50% lower than the weighted average carbon footprint of the Investment Universe.
- The financial product shall have the weighted average GHG intensity of its portfolio lower than the weighted average GHG intensity of the Investment Universe.
- The financial product shall have the weighted average board gender diversity ratio of its portfolio higher than the weighted average board gender diversity ratio of the Investment Universe.
- The financial product shall invest 45% of its assets in "sustainable investments" as defined in Article 2 (17) of SFDR. Criteria to qualify an investment as "sustainable investment" are indicated in the above question *"What are the objectives of the sustainable investments that the financial product partially intends to make and does the sustainable investments contribute to such objectives"* and the quantitative and qualitative thresholds are mentioned in the main part of the Prospectus.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

The ESG scoring framework assesses corporate governance, through a core set of standard key performance indicators for all sectors supplemented by sector specific metrics.


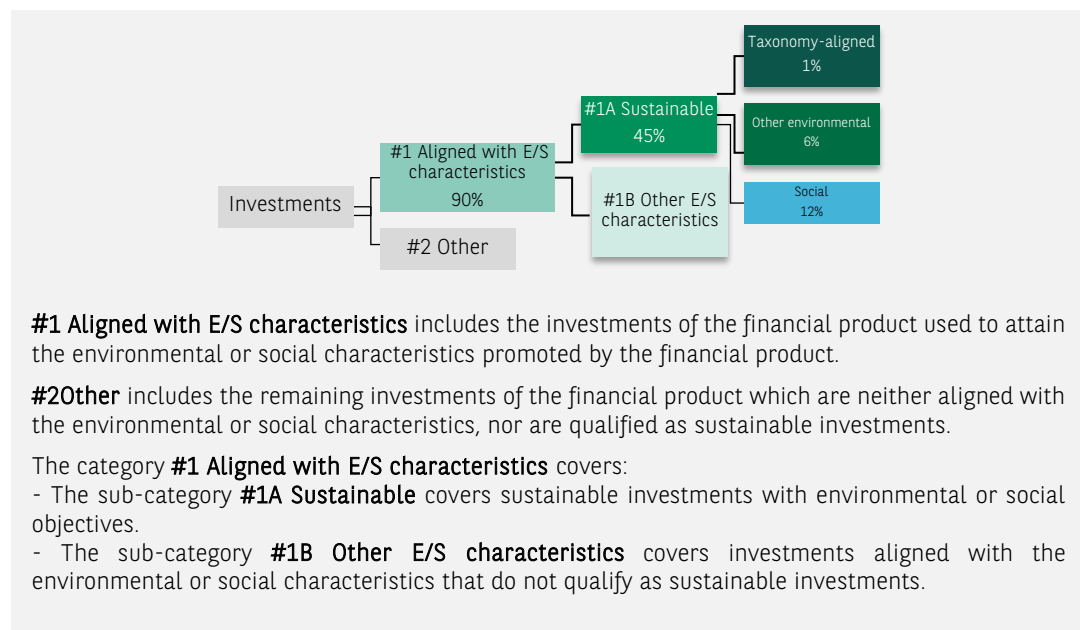


The governance metrics and indicators to assess good governance practices such as sound management structures, employee relations, remuneration of staff and tax compliance, include but are not limited to:

- Separation of power (e.g. Split CEO/Chair),
- Board diversity,
- Executive pay (remuneration policy),
- Board Independence, and key committees independence
- Accountability of directors,
- Financial expertise of the Audit Committee,
- Respect of shareholders rights and absence of antitakeover devices
- The presence of appropriate policies (i.e. Bribery and corruption, whistleblower),
- Tax disclosure,
- An assessment of prior negative incidents relating to governance.

The ESG analysis goes beyond the framework to look at a more qualitative assessment of how the insights from our ESG model are reflected in the culture and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company's approach to corporate governance.

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

### What is the asset allocation planned for this financial product?

At least 90% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum and the exact percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 45%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"

● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for hedging and/or efficient portfolio management purposes. These instruments are not used to attain the sustainable investment objective of the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The financial product commits to 1% investment in sustainable investments with an environmental objective are aligned with the EU Taxonomy and that contribute to the environmental objectives climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and/or the protection and restoration of biodiversity and ecosystems.

The investment manager is improving its Taxonomy-alignment data collection to ensure the accuracy and suitability of its Taxonomy sustainability-related disclosures. Further subsequent prospectus and Taxonomy-alignment commitments updates will be made accordingly.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. In addition, all activities that can make a substantial contribution to environmental as well as social objectives are not yet part of the Taxonomy Regulation.

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

Yes:
  In fossil gas
  In nuclear energy

No

On the date of this pre-contractual information document, the investment manager does not have the data to indicate whether the financial product intends to invest in fossil gas and/or nuclear energy activities that comply with the EU taxonomy; the "No" box is ticked accordingly.

<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 objectives – 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

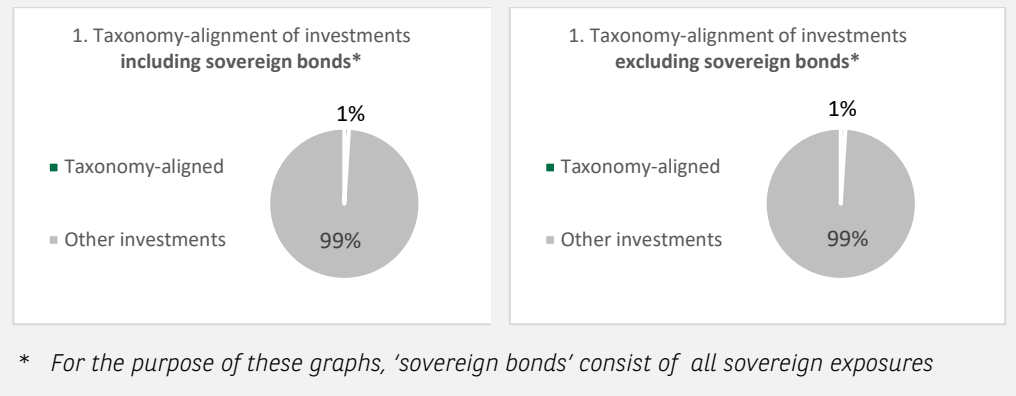
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

(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 minimum percentage of investments that are 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.



● **What is the minimum share of investments in transitional and enabling activities?**

The minimum share of investments in transitional and enabling activities in the meaning of the Taxonomy Regulation is 0% in transitional activities and 0% in enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 6%.

The investment manager is improving its Taxonomy-alignment data collection to ensure the accuracy and suitability of its Taxonomy sustainability-related disclosures. In the meantime, the financial product will generally invest in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy subject to the financial product's minimum commitment to sustainable investments which are aligned with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments within the financial product is 12%.



**What investments are included under "#2 Other", what is their purpose and are 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 environmental or social characteristics promoted by the financial product. These assets are used for investment purposes , 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:

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- 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.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective of the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

- *How does the designated index differ from a relevant broad market index?*

Not applicable.

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable.

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



### Where can I find more product specific information online?

More product-specific information can be found on the website: <https://www.bnpparibas-am.com> after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.