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: THEAM QUANT – NUCLEAR OPPORTUNITIES **Legal entity identifier: 2138002A4FHXBFASW770**

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:** __%	☐ 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 __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments 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 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 financial product aims to improve its ESG profile compared to its investment universe.

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 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

o The exclusion criteria are applied with regard to issuers that are in violation of international norms and convention, 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 Exane Nuclear Energy Opportunities Index has been designated as a reference benchmark 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?***

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

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 economic exposure compliant with the RBC policy;

§ The percentage of the financial product's economic exposure covered by the ESG analysis based on external and/or ESG proprietary methodology(ies);

§ The average carbon footprint of the financial product's reference benchmark economic exposure compared to the average carbon footprint of its investment universe.

- ***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 financial product does not intend to make any sustainable investment.

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 do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The financial product does not intend to make any sustainable investment.

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

Not applicable.

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

Not applicable.

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.



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 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 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 ESG profile 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

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

More detailed information on the manner in which principal adverse impacts on sustainability factors are considered 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 strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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 and/or are based on an ESG external proprietary 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 its investment universe.

Environmental, social and governance (ESG) criteria contribute to, but are not a determining factor, in the strategy decision making.

- ***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 (bnpparibas-am.com).

§ The financial product excludes companies violating international norms, exposed to tobacco or to controversial weapons in accordance with the Article 12. 1 (a-c) of (EU) delegated regulation 2020/1818 of the Commission. The details on how the exclusions are applied, depending on the asset classes, are available on our website (https://docfinder.bnpparibas-am.com/api/files/2895a45a-bb7a-44f6-8e48-990be2616498/ – section « CTB exclusions for ESMA Guidelines »).

§ The financial product 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 economic exposure shall have a weighted carbon footprint at least 20% lower than that of its initial investment portfolio.
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.

- ***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?***

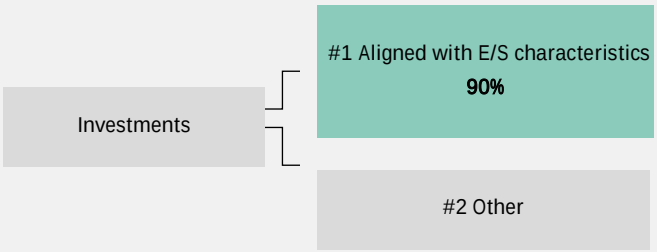
The BNPP AM ESG scoring framework assesses corporate governance through a core set of standard key performance indicators for all sectors supplemented by sector specific metrics.

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:

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

§ 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.



#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.

#2Other 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.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

As of the date of the prospectus, the financial product applies synthetic replication. Consequently, the asset allocation planned for this financial product, as well as any minimum proportion described below, are 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.

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 0%.

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?***

  In synthetic replication, financial derivative instruments such as Total Return Swaps (TRS) are used on a continuous basis for achieving the investment policy which promotes environmental or social characteristics while ensuring that the securities physically held by the financial product (the ‘Financing Assets’), performance of which is swapped against the performance of the investment strategy, respect minimum extra-financial safeguards.

  Synthetic replication is a framework where the TRS counterparty hedges its position and thus brings liquidity to all or a significant part of the ESG underlyings.

  Financial derivative instruments may also be used for efficient portfolio management and hedging purposes. These instruments are not used to attain the environmental or social characteristics promoted by the product.

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.

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

Not applicable.

- *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?*

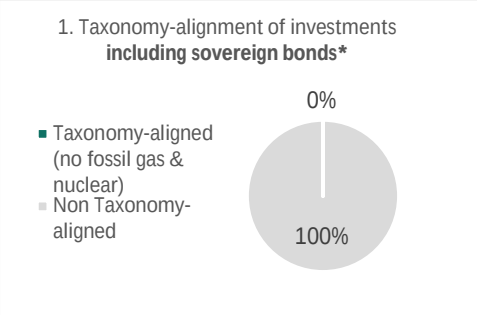
☐ Yes:

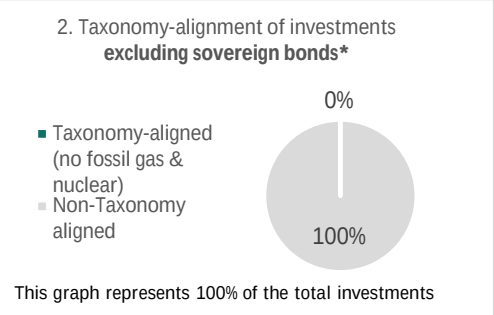
☐ In fossil gas ☐ In nuclear energy

☒ No

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.

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.





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

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

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

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

Not applicable.

[1] 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 an 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.

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

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

Not applicable.

What is the minimum share of socially sustainable investments?

Not applicable.

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 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.

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?

The BNP Paribas Exane Nuclear Energy Opportunities Index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product.

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

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

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.

The reference benchmark is rule-based and therefore continuously apply its methodology, including environmental or social characteristics.

However, 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.

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

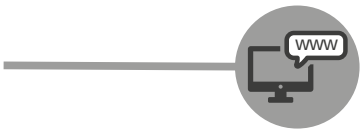
  The alignment of the investment strategy with the methodology of the index is intrinsic to the investment objective of the financial product which is to get exposed to the performance of a portfolio implemented via the use of the reference benchmark.

- *How does the designated index differ from a relevant 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.

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

  The methodology used for the calculation of the reference benchmark can be found at: https://indx.bnpparibas.com/



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.

DISCLAIMER

Every ad hoc pre-contractual document, shall be read in conjunction with the prospectus in force In case of discrepancy between an ad hoc pre-contractual document and a pre-contractual document included in the version of the prospectus in force, the version in the prospectus shall prevail.