

Sustainability Rating

Methodology to assess the sustainability of single lines



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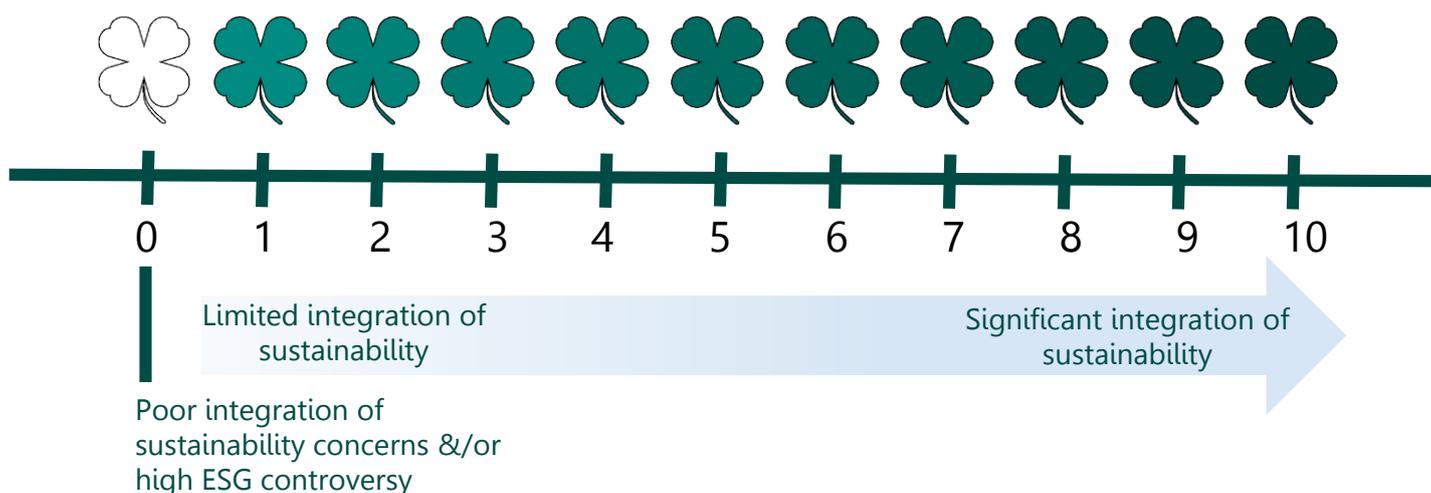
Compare the sustainability of Equities & Bonds

A sustainability rating for recommended Equities and Bonds is assigned. It analyses the ESG (Environmental, Social, corporate Governance) impact of activities for issuers in each sector.

The methodology analyses:

- **The integration of sustainable development principles** in companies activities
- The quality of **corporate governance**
- The potential **controversies**

Sustainability Rating of single lines (Equities & Bonds)

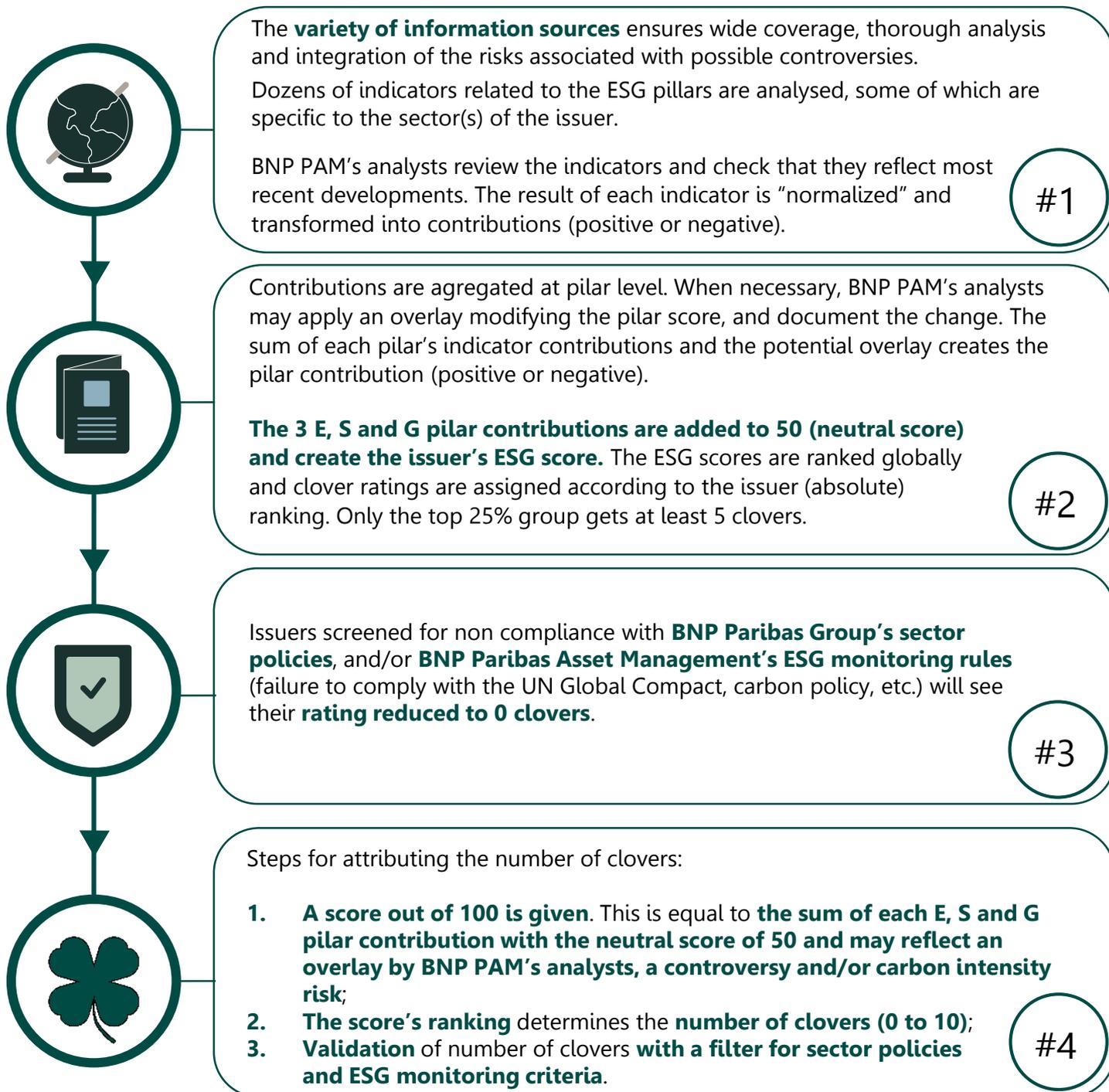


A rating based on the best sources

<div style="background-color: #004a4a; color: white; border-radius: 15px; padding: 5px; display: inline-block; margin-bottom: 10px;">#1</div> <div style="background-color: #004a4a; color: white; border-radius: 15px; padding: 5px; display: inline-block;">Comprehensive coverage</div> <ul style="list-style-type: none"> • More than 1,000 shares and 5,000 bonds recommended • Coverage of European, US and Asian issuers • All sectors analysed • Companies of all sizes (large-caps, mid-caps and small caps) 	<div style="background-color: #4a697d; color: white; border-radius: 15px; padding: 5px; display: inline-block; margin-bottom: 10px;">#2</div> <div style="background-color: #4a697d; color: white; border-radius: 15px; padding: 5px; display: inline-block;">Recognized and varied sources</div> <ul style="list-style-type: none"> • Sustainalytics • Trucost/S&P/Carbone 4 • ISS ESG • Vigeo Eiris • Brokers and Asset Managers involved in ESG • International organisations (UN, OECD, WHO, etc.) • Issuer publications 	<div style="background-color: #004a4a; color: white; border-radius: 15px; padding: 5px; display: inline-block; margin-bottom: 10px;">#3</div> <div style="background-color: #004a4a; color: white; border-radius: 15px; padding: 5px; display: inline-block;">A differentiated approach</div> <ul style="list-style-type: none"> • Issuers are positioned on a granular scale from 0 to 10 clovers • Only 25% of issuers within rating coverage (12,000) are rated 5 clovers and above • The rating is documented and updated on a monthly basis
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A 4-step methodology

The aim is to assess all single lines, whether sustainable or not



Key points

- The sustainability methodology for single lines incorporates the ESG criteria for companies' practices and activities.
- We draw on the best sources of information available and the research of ESG analysts at BNP Paribas Asset Management.
- Our rating methodology follows the same logic and a common approach across all asset classes to compare all financial instruments (funds, equities, bonds, etc.) in a portfolio.

GLOSSARY

ESG
In the financial community, these initials refer to the Environmental, Social and Governance (ESG) criteria, which are used to complete the traditional financial analysis of issuers. ESG criteria assess the extent to which issuers are responsible for the environment and their stakeholders (employees, customers, suppliers, subcontractors, partners, local community, etc.).

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