



BNP PARIBAS WORLD CLIMATE CARE RC8 AR INDEX

SUSTAINABILITY

MARKETING COMMUNICATION PRODUCED FOR INFORMATION PURPOSES AND FOR THE EXCLUSIVE USE OF PROFESSIONAL CLIENTS | APRIL 2022

The BNP Paribas World Climate Care RC8 AR Index ("the Index") provides exposure to the World Climate Care Index, while targeting 8% volatility and using Euro Bonds to deleverage. An annual fixed-percentage deduction of 2.5% is withdrawn from the Index performance on a pro-rata basis.

DRIVING SUSTAINABLE INVESTING

A portfolio that offers elements linked to Socially Responsible Investing (SRI) with variable exposure to:

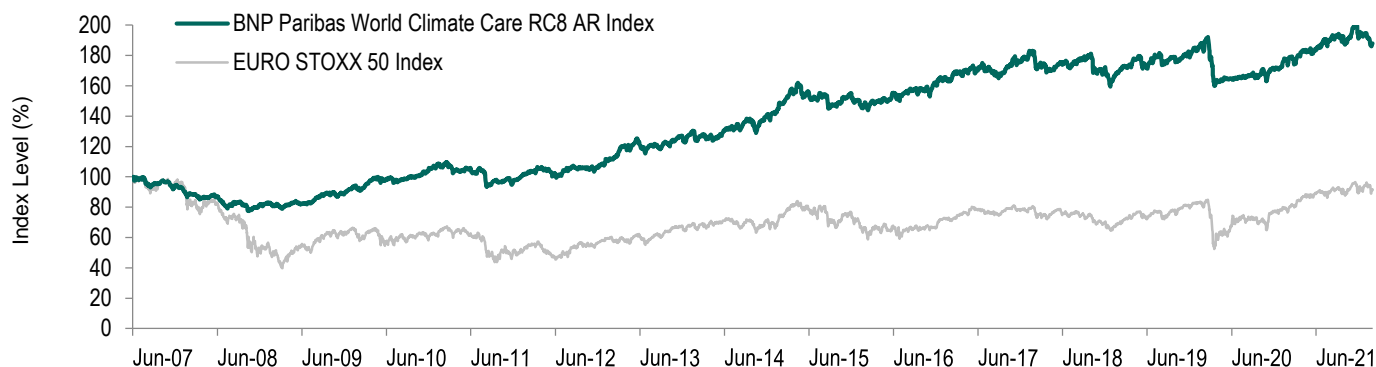
- A leading equity index, the **BNP Paribas Equity World Climate Care NTR Index**, providing exposure to the performance of companies worldwide demonstrating strong Environmental, Social and Governance (ESG) standards, a positive financial outlook and strong commitment to energy transition;
- A portfolio of bonds composed of rolling future indices on two different maturities: BNP Paribas EUR 10Y Futures Index (BNPIFE10), the **long term bond Index**; BNP Paribas EUR 2Y Futures Index (BNPIFEU2), the **short term bond Index**.

VOLATILITY CONTROL MECHANISM

The volatility control mechanism allows to benefit from the decorrelation between equities and bonds. In this way, we aim to reduce the impact of severe market drawdowns during changing market periods and stabilise returns. The mechanism will dynamically adjust exposure to the BNP Paribas Equity World Climate Care NTR Index in order to keep it in line with the target volatility of 8%:

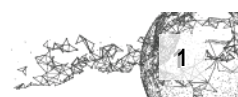
- If the volatility level of **BNP Paribas Equity World Climate Care NTR Index** is higher than 8%, the Index will allocate into bonds by creating a portfolio composed of the BNP Paribas Equity World Climate Care NTR Index and the Bond Portfolio.
- If the volatility of the portfolio composed of the Index and Bond Portfolio is still higher than 8%, the Index will deleverage into cash.

PERFORMANCE



Jun 07 – Apr 22	BNP Paribas World Climate Care RC8 AR Index	EURO STOXX 50 Index
Annualised Performance	4.16%	-1.21%
Annualised Volatility	7.99%	23.10%
Sharpe Ratio	0.52	-0.01
Correlation	0.55	
Maximum Drawdown	-22.69%	-60.29%
ESG score	49.14	60.10

Source: BNP Paribas, as of 30 April 2022. Performance simulations in euros from 1 June 2007 to 1 August 2021, historical data thereafter. Comparative index: EURO STOXX 50 50 PR Index EUR, Bloomberg code: <SX5E Index>. Indices levels rebased at 100% on 1 June 2007. Simulated or historical past performance is not an indicator of future performance.



INDEX SUMMARY

The BNP Paribas World Climate Care RC8 AR Index selection is obtained starting from a liquid eligible investment universe of companies (listed in the major equity markets worldwide) also eligible for the BNP Paribas Equity World Climate Care NTR Index and selecting, on a quarterly basis, the portfolio passing the following criteria:



Investment universe ESG screening

- Exclusion of companies involved in controversial activities (alcohol, civilian firearms/military, gambling, nuclear power, pornography or tobacco).
- Exclusion of companies not complying with the UN Global Compact Principles.¹



Financial constraints

- Average daily volume at or above 10 million euros for each stock in the portfolio.
- Selection of the top 50% companies based on profitability, prospects and valuation.
- Weighting of each company between 0% and 1%.
- Expected tracking error vs STOXX Global 1800 Net Return Index not exceeding 5% per annum.



Climate objective

- Among intense CO₂ emitters, only those with the best energy transition strategy in their sector (in each region) can be selected.
- Average carbon footprint reduced by at least 50% compared to the investment universe.
- The final selection will maximise its energy transition score² under the other portfolio constraints.



TARGET VOLATILITY

A volatility control mechanism is applied with the objective of keeping realised volatility at 8%



FIXED-PERCENTAGE DEDUCTION

An annual fixed-percentage deduction of 2.5% is withdrawn from the Index Level on a pro-rata basis

Moody's ESG Solutions

IMPROVED ESG SCORE

As assessed by Moody's ESG Solutions, a global provider of ESG research and services



THEMATIC INDEX

The index maximises exposure to companies with a strong commitment to energy transition

¹ Ten principles in the areas of human and labour rights, environment and anti-corruption.
² Score calculated by Moody's ESG Solutions.

FIXED-PERCENTAGE DEDUCTION

Reinvestment of net dividends paid on the equities that comprise the index
Fixed-percentage deduction of 2.5% per year

- This fixed deduction, set when the index was designed, has a negative impact on the level of the index compared to the same index with net dividends reinvested without a fixed fee.
- If the net dividends paid out are lower (higher) than the fixed deduction, the index performance will be lower (higher) than that of a traditional index with dividends not reinvested.
- Similarly, if the net dividends paid out are lower (higher) than the fixed deduction, the probability of automatic redemption of products linked to this index will be lower (higher) and, as applicable, the risk of capital loss on these products during their lifetime or at maturity will be higher (lower).

TABLE OF CHARACTERISTICS

CURRENCY	TYPE OF INDEX	BLOOMBERG CODE	REUTERS CODE	LAUNCH DATE
EUR	Decrement Index	BNPIEWC8 Index	.BNPIEWC8	2 August 2021

For more details on the Index (including full composition), please visit the dedicated page:

<https://indx.bnpparibas.com/Strategy/Index?pid=8DY1QZvR916ZV0grTRIBA%3D%3D&subid=1xCJuer%2FyF%2Bbs1sk4fKmqQ%3D%3D>

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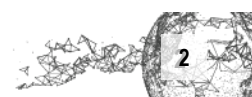
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