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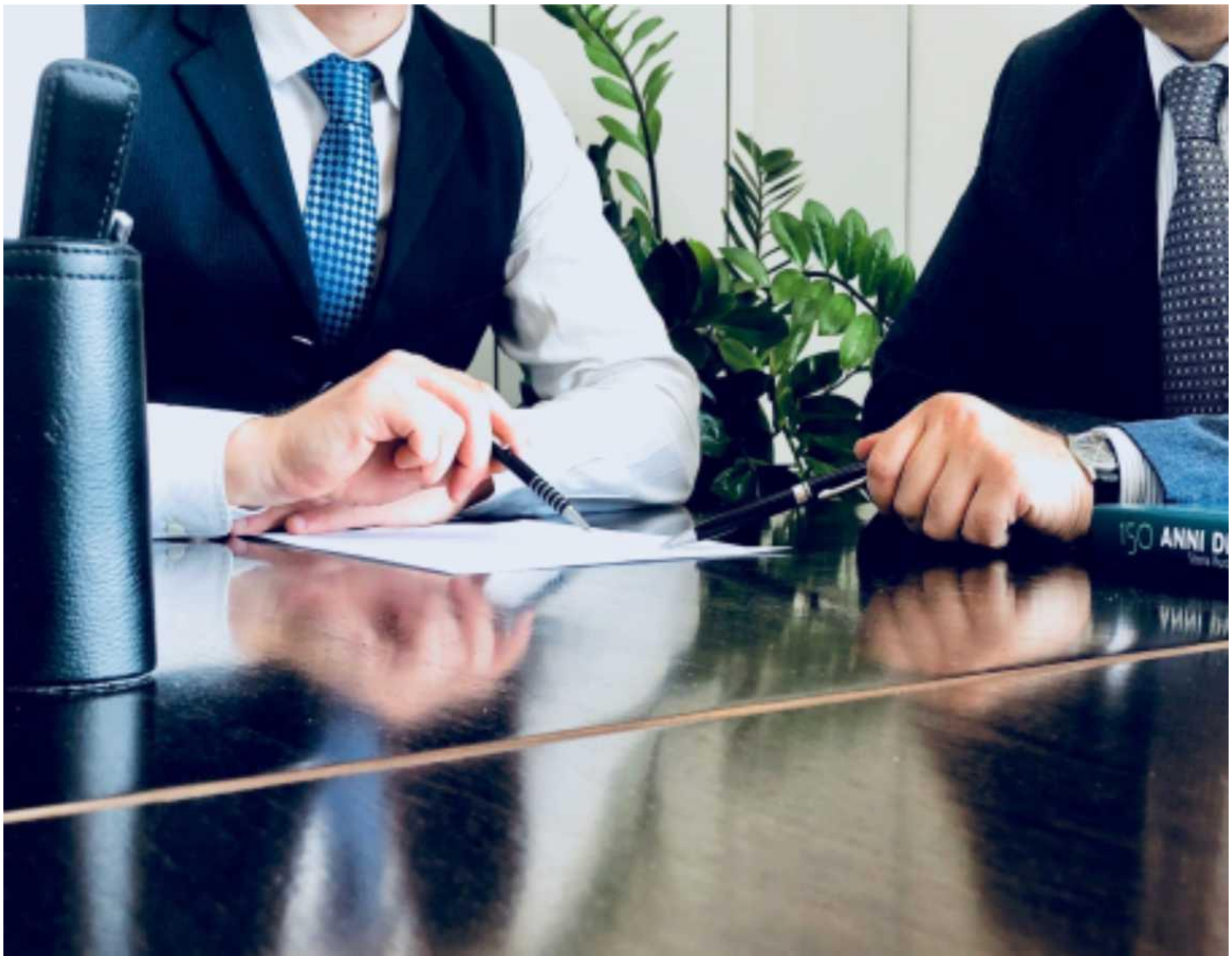

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1) INTRODUCTION

Underlying Concept

There is wider recognition that human activity contributes to climate change due to the unsustainable ways individuals and legal entities extract and degrade the flora, fauna, and natural resources from the land, oceans, and air. Subsequently, ESG frameworks direct private sector firms to "promote the positive contributions multinational enterprises can make to economic, environmental and social progress." While there are no established universal ESG factors, there is a body of knowledge developing around the three areas. Our land, oceans, and air are being degraded at alarming rates while juxtaposed with a growing threat from transnational criminal organizations profiting from the illegal wildlife trade, logging and fishing, modern slavery and human trafficking, and other illicit behaviors. In addition, there is a convergence of ESG, AML compliance, and social concerns prompted by investigative stories, such as the Pandora Papers, on corruption and high-profile money laundering cases.

Defining ESG

ESG is a short acronym composed of three components, outlining an approach to investing, risk mitigation, and decision-making tools. The three components are:
- Environment, which examines human impact on the natural eco-system;
- Social concerns, which focuses on human activity and civil society challenges, and;
- Governance, which scrutinizes organizational frameworks to judge whether legal entities and individuals make appropriate, sustainable decisions.

Table 1: Sample ESG Factors

Environmental	Social	Governance
Air and water pollution	Community relations	Audit/board structure
Biodiversity	Customer satisfaction	Board independence
Carbon emissions	Data privacy and security	Bribery and corruption
Climate change	Employee engagement	Fair competition
Deforestation	Gender and diversity	Fair tax and accounting
Ecosystem integrity	Health and safety	Shareholder rights
Energy efficiency	Human rights and labor practices	Transparency
Natural resource management		Whistleblower programs
Waste management		

United Nations'17 Sustainable Development Goals

The United Nations has outlined seventeen sustainable development goals (SDGs). It should not be a surprise that many financial predicate crimes and typologies have a tangible effect on more than just SDG 16 ("Peace, Justice, and Strong Institutions").

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2) MiFID II and ESG

The Directive 2014/65/EU on Markets in Financial Instruments ("MiFID II") determines that BPER Bank Luxembourg S.A., as a credit institution, has to obtain the necessary information regarding:

- Your knowledge and experience in the investment field relevant to the specific type of product or service
- Your financial situation including your ability to bear losses and
- Your investment objectives including your risk tolerance

In August 2021, the European Commission published a delegated regulation (the "Delegated Regulation") providing that investment firms should also identify the client's sustainability preferences.

This is why it is important for us to have your reply to the following questions:

At BPER Bank Luxembourg S.A. we have undertaken a process to fulfill your needs- if you have- concerning ESG world for a responsible investment.

Growth and sustainability are two of the Group's distinctive traits. Our development strategy is based on the conviction that ethics and profits can and indeed must go hand in hand, as in the long term there

cannot be economic growth without social and environmental progress as well.

Responsible, proper and transparent conduct enhances and protects reputation, credibility and consensus over time, laying the foundation to develop further sustainable business practices and create value for all clients