

BNP PARIBAS AND THE EXERCISE OF ITS CSR



CSR Department
September 2015



BNP PARIBAS

The bank for a changing world



Introduction

BNP Paribas Group

A European leader with responsibilities in three key areas

BNP PARIBAS GROUP STORY

	1999	2001	2001	2014
				
<i>Number of Employees</i>	50 000	30 000	80 000 (Including 55 000 in France)	187 900
<i>International presence</i>	France, North African countries, India, Hong Kong...	Main Financial Markets: London, New York, Frankfurt, Paris...	83 countries	75 countries
<i>Activities</i>	Retail Corporate Banking	Investment Banking Specialized Financial Services	Retail Corporate & Investment Banking Specialized Financial Services Asset Management & Services	Retail Banking Corporate & Investment Banking Investment Solutions

RETAIL BANKING

MORE THAN HALF OF BNP PARIBAS' REVENUES FROM RETAIL BANKING ACTIVITIES

- 7000 branches in 49 countries, around 133,020 employees
- 27 million individual
- 1 million professional and small business and corporates
- Over 16 million active customers at Personal Finance

Operational entities

BDDF

BNL bc

BNP Paribas Fortis

BGL BNP Paribas

Europe Mediterranean

BancWest

Personal Finance

Equipment Solutions

Personal Investors



BNP PARIBAS
FORTIS



BGL
BNP PARIBAS



BICIG
GROUPE BNP PARIBAS



TEB
BNP PARIBAS JOINT VENTURE



BANCWEST
BNP PARIBAS GROUP



BNP PARIBAS
Personal Finance



BMCI
GROUPE BNP PARIBAS



UBCI
GROUPE BNP PARIBAS



УКРСИББАНК
BNP PARIBAS GROUP



بنك المغرب
BNP PARIBAS GROUP



BNP PARIBAS
EQUIPMENT SOLUTIONS



BICIGUI
GROUPE BNP PARIBAS



BICIM
GROUPE BNP PARIBAS



BNL
GRUPPO BNP PARIBAS



BNP PARIBAS
NAJMAH



BICIS
GROUPE BNP PARIBAS



BMOI
GROUPE BNP PARIBAS



BICICI
GROUPE BNP PARIBAS



First Hawaiian Bank

A BNP PARIBAS company



BNP PARIBAS
PERSONAL INVESTORS

INVESTMENT SOLUTIONS

PROFESSIONALS AND SERVICES DEDICATED TO INVESTORS

- 26,460 employees in 65 countries
- Strong international presence in Europe and abroad (India, Brazil, Singapore, Middle East, etc.)

Business Units



**BNP PARIBAS
CARDIF**



**BNP PARIBAS
SECURITIES SERVICES**



**BNP PARIBAS
INVESTMENT PARTNERS**



**BNP PARIBAS
WEALTH MANAGEMENT**



**BNP PARIBAS
REAL ESTATE**

CORPORATE AND INVESTMENT BANKING

LOCAL SOLUTIONS FOR GLOBAL ACTIVITIES

- 19,000 employees in 45 countries
- A powerful client-driven business model
- First-class core products and services
 - Global leadership in Financing
 - A European powerhouse in Capital Markets
 - A world leader in Derivatives
 - A dynamic Advisory franchise in Europe and Asia
- A reinforced leadership in Europe and in those countries where our CIB platform is the strongest
- Around 23% of Group's revenues



A RESPONSIBLE BANK: 4 PILLARS AND 12 COMMITMENTS



Governance supporting
THE LONG-TERM STRATEGY OF THE BNP PARIBAS GROUP

- Best practice in governance
- A stable executive team that guarantees long-term deployment of strategic objectives
- Compensation policy aligned with the long-term interests of the BNP Paribas Group

THE BNP PARIBAS CHARTER

OUR MISSION, OUR RESPONSIBILITY



- Drawn up by senior management in early 2012
- Updated in early 2014 in compliance to the 2014-2016 business development plan
- Distributed to all staff and clients
- Sets out the essential commitment that BNP Paribas makes to both its clients and the wider world
- Translated in 8 languages and spread across all Group's entities
- Three main imperatives :
 - Remaining true to our primary mission: long-term service to our clients
 - Being prepared to take risks, while ensuring close risk control
 - Following a strict business ethic

STRONG PUBLIC COMMITMENTS

PARTICIPATION IN KEY INDUSTRY INITIATIVES

- United Nations Global Compact (2003)
- Equator Principles (2008)
- Socially Responsible Investment Principles (2006)
- Institutional Investors on Climate Change – IIGCC (2007)
- United Nations Women’s Empowerment Principles (2011)
- Roundtable on Sustainable Palm Oil (2011)
- Green Bond Principles - voluntary guidelines to develop the green bond market (2014)
- Global Impact Investing Network (2014)
- Soft Commodities Compact (2014)



STRONG PUBLIC COMMITMENTS

BNP PARIBAS SPECIFIC PUBLIC COMMITMENTS ENDORSED BY CHAIRMAN AND CEO

■ Environmental commitments (2011)

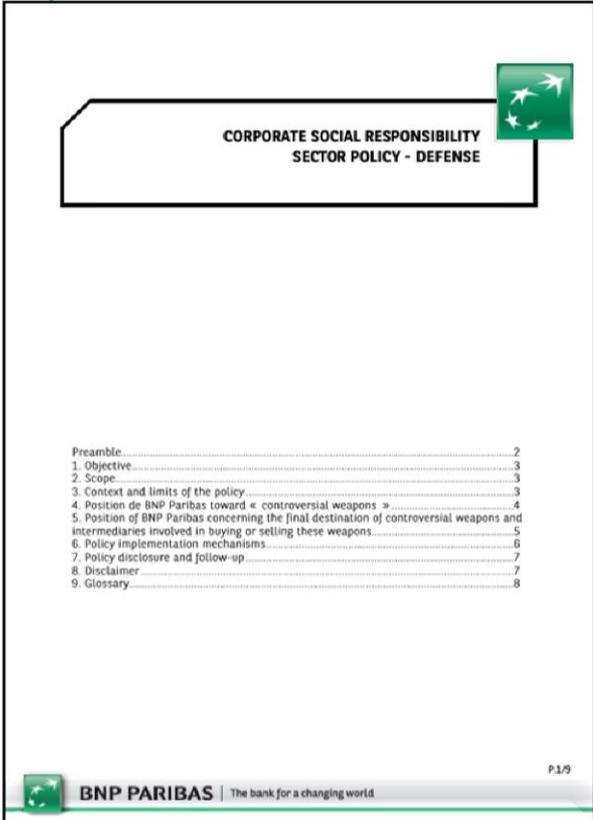
- Focus on the fight against climate change
- Reduction of direct impact on the environment
- Take environmental impact into account in business activities
- Support the transition to a low carbon economy

■ Statement of BNP Paribas on Human Rights (2012)

- Commitment to respecting the internationally accepted Human Rights standards as defined in the International Bill of Human Rights
- Acknowledgement of the core labor standards set out by the International Labor Organization
- Acknowledgement of its own responsibility within its sphere of influence: its employees, its suppliers and sub-contractors, its clients and the communities

STRONG PUBLIC COMMITMENTS

BNP PARIBAS SPECIFIC PUBLIC COMMITMENTS



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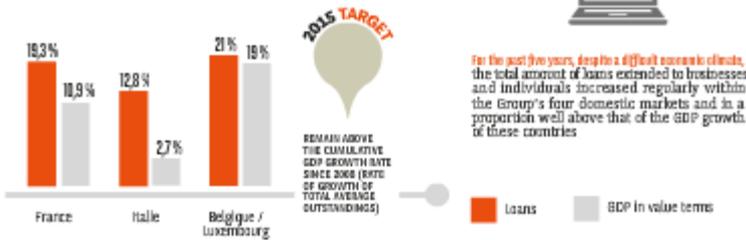
BNP PARIBAS | The bank for a changing world

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- CSR sector policies governing financing and investments
 - Defense (Dec. 2010)
 - Palm oil (Dec. 2010) and Wood pulp (Sept. 2011)
 - Nuclear power generation (Feb. 2011)
 - Coal-fired power generation (Sept. 2011)
 - Mining (2013)
 - Tar sands (2013)
 - Agriculture (2015)
- Goods and activities on exclusion list (Dec 2011)
- Charter for responsible representation with respect to the public authorities (Nov 2012)
- Supplier CSR Code of Conduct (May 2012)

OUR KEY PERFORMANCE INDICATORS (1/2)

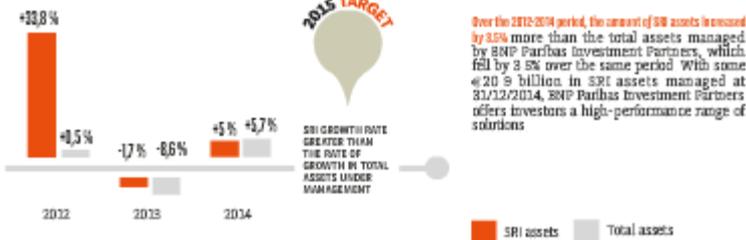
CUMULATIVE RATE OF GROWTH IN LENDING SINCE 2008 COMPARED TO CUMULATIVE CHANGE IN GDP IN VALUE TERMS OVER THE PERIOD



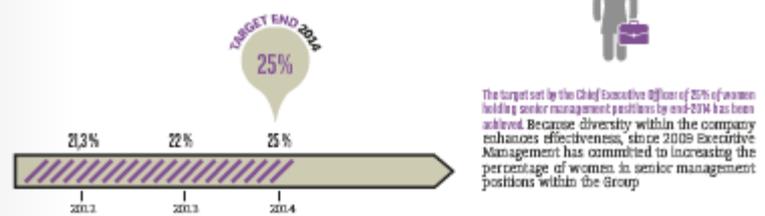
OVERALL SATISFACTION SCORES FOR INDIVIDUAL CUSTOMERS IN THE FOUR DOMESTIC MARKETS (ON A SCALE FROM 1 TO 10)



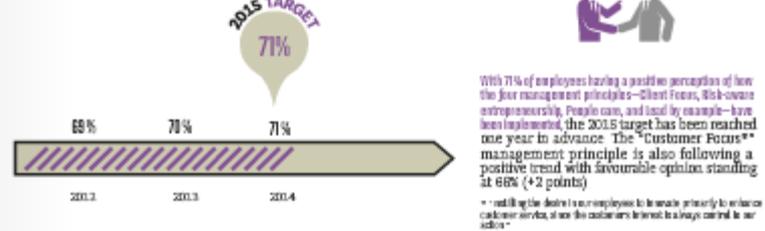
ANNUAL RATE OF GROWTH IN SOCIALLY RESPONSIBLE ASSETS UNDER MANAGEMENT (SRI) COMPARED TO ANNUAL CHANGES IN TOTAL OUTSTANDINGS



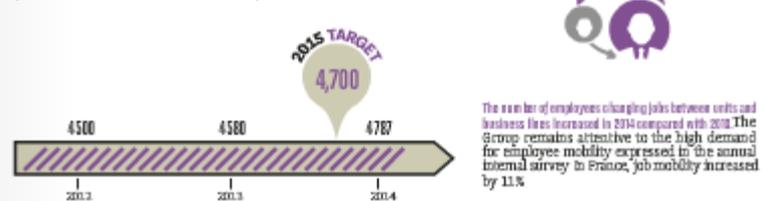
PROPORTION OF WOMEN APPOINTED TO SENIOR MANAGEMENT POSITIONS



PROPORTION OF EMPLOYEES WITH A POSITIVE OPINION REGARDING IMPLEMENTATION BY THE GROUP OF THE FOUR MANAGEMENT PRINCIPLES

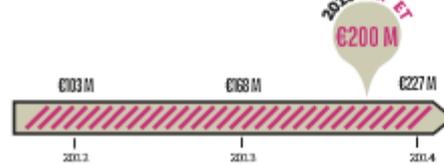


NUMBER OF MOBILITY ASSIGNMENTS BETWEEN UNITS AND BUSINESS LINES (ANNUAL AVERAGE BETWEEN 2010 AND 2015)



OUR KEY PERFORMANCE INDICATORS (2/2)

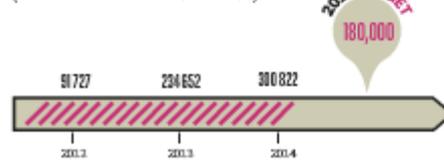
AMOUNT OF GROUP SUPPORT FOR SOCIAL ENTREPRENEURSHIP AND MICROFINANCE



In 2014, the Group's support for microfinance and social entrepreneurship to SMEs, including loans to SMEs, increased by more than 35% compared to 2013, and has already exceeded the 2015 target. This trend is set to continue by making use of all means: loans, equity investments, subcontracting.



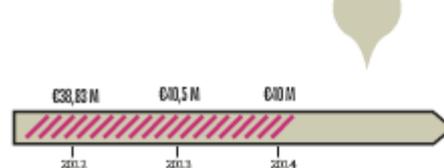
NUMBER OF PEOPLE WHO ATTENDED FINANCIAL-EDUCATION PROGRAMMES DESIGNED AND/OR RUN BY THE GROUP (ANNUAL AVERAGE BETWEEN 2013 AND 2015)



Financial education has demonstrated its effectiveness in combating exclusion and encouraging economic growth. In 2014, more than 300,000 people in Europe, the US, India and Singapore were able to access programmes designed by or directly involving the Group.



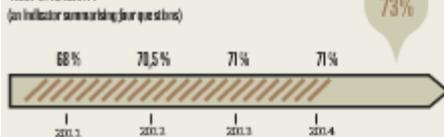
SIZE OF THE BNP PARIBAS GROUP'S ANNUAL CORPORATE PHILANTHROPY BUDGET



In 2014, the BNP Paribas Foundation celebrated its 30th anniversary, and restructured its actions in three areas: the arts, solidarity and the environment. In financial terms, the overall amount of funding dedicated to the Group's corporate philanthropy actions remained stable, despite an adverse economic environment.



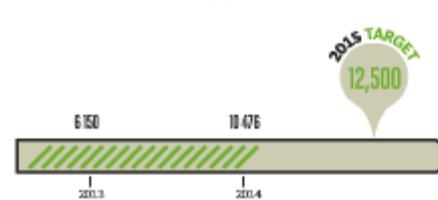
NUMBER OF EMPLOYEES WITH A FAVOURABLE OPINION ON HOW THE GROUP EXERCISES ITS CORPORATE SOCIAL RESPONSIBILITY



Employees' perception of how the Group exercises its corporate responsibility remains stable, with favourable opinions reaching 71%. It is worth noting the significant increase in the perception of how the Group exercises its environmental responsibility which, given the specific context which BNP Paribas faced in 2014, may be considered a good result.



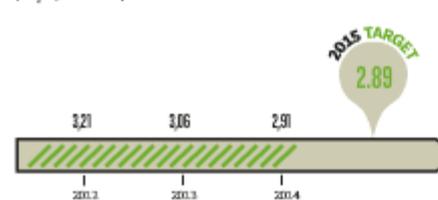
NUMBER OF EMPLOYEES TRAINED ONLINE IN SECTORIAL POLICIES



Sectorial policies affect many Group employees who must therefore be trained how to implement them. Since December 2013, 10,476 employees have been trained online in at least one policy. The target for 2015 is to train 12,500 employees concerned by these policies' implementation.



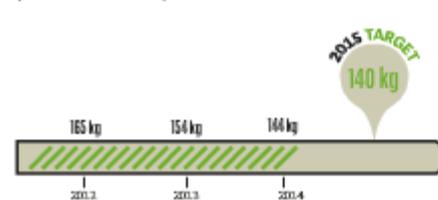
GREENHOUSE GAS EMISSIONS (TCO, EQ/EMPLOYEE)



BNP Paribas' greenhouse gas emissions are the result of energy consumption in premises and business travel. Thanks to energy-efficiency actions undertaken in buildings, awareness-raising among employees as well as fair weather, the ratio per employee continued to fall in 2014, and the target for 2015 is set to be reached.



TOTAL PAPER CONSUMPTION (INTERNAL AND CUSTOMER) PER EMPLOYEE



The reduction seen is in line with the 15% reduction target by 2015. It comes mainly from reduced internal paper consumption following the installation of multi-function photocopiers and the transition to a more "paperless" relationship with customers in retail markets.



INTEGRATION OF CSR CRITERIA IN THE VARIABLE COMPENSATION



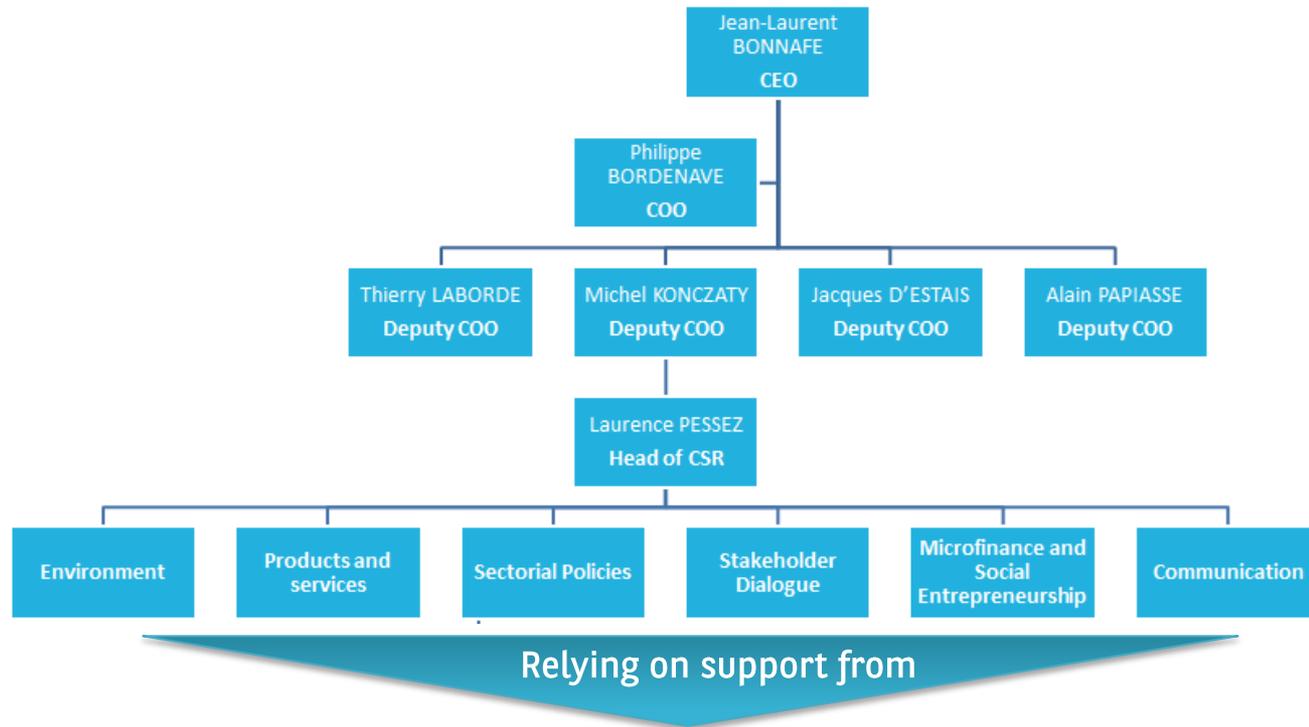
Group Sustainability and Incentive Scheme :

20 % of the long-term incentive plan is determined by 9 CSR criteria

	Indicator	2013 Value	2014 Value	2015 Objective
Economic	Cumulative credit growth since 2008 compared to the cumulative growth of real GDP over the period	France 18,7% vs 6,7% Italie 14,6% vs -1% Bel/Lux 18,5% vs 14%	France 19,3% vs 10,9% Italie 12,8% vs 2,7% Bel/Lux 21,0% vs 19,0%	Remain above the cumulative growth of real GDP since 2008 (rate of growth of total average outstandings)
	Overall satisfaction scores of individual customers from the 4 Domestic Markets (on a scale from 1 to 10)	BDDF 7,5 BNP Paribas Fortis 7,7 BNL 7,1 BGL BNP Paribas 7,4	BDDF 7,5 BNP Paribas Fortis 7,6 BNL 7,1 BGL BNP Paribas 7,2	2013-2015 maintain score
	Annual growth of SRI assets under management compared to annual growth of total assets	- 1,7 % vs - 8,6 %	+5 % vs +5,7 %	Growth of SRI assets higher than that of total assets under Management
Social	Percentage of women in senior management	22 %	25%	25% (objective by end-2014)
	Percentage of employees with a positive opinion on the Group's implementation of the 4 management principles	70 %	71%	71%
	Number of mobility assignments between entities and business lines	4 580	4 787	4,700 (annual average between 2013 and 2015) The 2015 target was recalculated on the basis of an error in the 2012 base line.
Civic	Amount of Group's support to social entrepreneurship and microfinance	EUR 168 Million	EUR 227 Million	EUR 200 million excluding loans to social enterprises
	Number of beneficiaries of the financial education courses designed or given by the Group	234 652	300 822	180 000
	BNP Paribas Group's annual corporate sponsorship budget	EUR 40,5 Million	EUR 40,6 Million	Average annual budget over 2013/2015 greater or equal to the 2012 Budget
Environmental	Percentage of employees trained on-line on sector policies	6 150 employees trained	10 476 employees trained	Train 66% of the 5,000 employees
	GHG assessment	3,06 teq CO2 /employee	2,91 teq CO2 /employee (-9,25 % vs 2012)	2.89 teq CO2/employee (-10% compared with 2012)
	Total paper consumption (internal and client)/employee	154 kg / employee	144 kg / employee (-12, 7% vs 2012, 165)	140kg/employee (-15% compared with 2012))
Gov.	Percentage of employees having a favourable opinion on the way the Group conducts its corporate responsibility (indicator summarising 4 questions)	71 %	71 %	73%

STRENGTHENING OF CSR FUNCTION

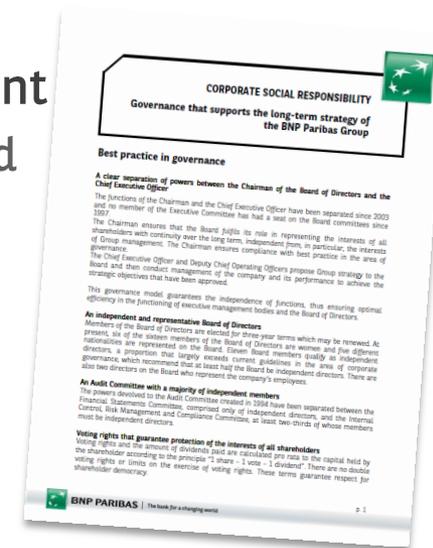
- The CSR function reports directly to Michel Konczaty, Deputy Chief Operating Officer of BNP Paribas, member of the Executive Committee
- The missions and responsibilities of the CSR Department are defined by instructions issued by General Management
- Correspondents within the Business Divisions, Subsidiaries, Functional departments and strategic geographical areas (130 people)...
 - One representative on the Entity Comex
 - One Head of CSR (frequently as part-time post)
- ... an internal network of experts (300 people)
 - Environment, SRI, micro-finance, etc



BEST PRACTICES IN GOVERNANCE

GOVERNANCE SUPPORTING THE LONG-TERM STRATEGY OF THE BNP PARIBAS GROUP

- Best practice in Governance are stated in a public document
 - ➔ Clear separation of powers between the Chairman of the Board of Directors and the Chief Executive Officer
 - ➔ An independent and representative Board of Directors
 - ➔ An Audit Committee with a majority of independent members
 - ➔ Voting rights that guarantee protection of the interests of all shareholders
- Compensation policy aligned with the long-term interests of the BNP Paribas group
 - ➔ Transparency and controls on executive bonuses
 - ➔ Transparency and controls on the bonuses for regulated employees
 - ➔ Integrating ways to assess that are not only financial and take into account the CSR dimension in the qualitative criteria contributing to the determination of compensation



EXTENSIVE DIALOGUE WITH STAKEHOLDERS

- Employees, Central European Committee, etc.: a regular dialogue and an annual Group's internal survey (125,701 employees surveyed in 2014, with a 72% response rate)
- Suppliers: BNP Paribas encourages its suppliers to embrace its vision of corporate social responsibility
- SRI investors: 25 meetings in 2014, including 2 meetings organized with now former COO F. Villeroy de Galhau
- Engagement and dialogue on CSR issues with clients (see economic and env. pillars)
- NGOs: Around 15 meetings at Group level and ongoing exchanges on around 60 subjects in 2014
 - Coal
 - Food security and deforestation
 - Defence
 - Human rights

GREENPEACE


netwerk
Anders omgaan met geld



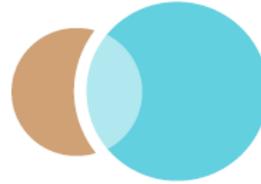
 Amnesty International
The logo consists of a stylized black candle with a flame, set against a white background. To the right of the candle, the words "Amnesty International" are written in a black, sans-serif font.

BANKTRACK

POSITIVE APPRAISAL OF THE GROUP CSR STRATEGY AND ACHIEVEMENTS BY NON FINANCIAL RATING AGENCIES



No.2 bank in the sector of diversified bank according to **Vigeo's ranking with an overall rating of 63/100**



BNP Paribas is present in major CSR indexes:

- **DJSI World and DJSI Europe**
- **Vigeo World 120, Europe 120, France 20**
- **FTSE4Good Index series**
- **UN Global Compact 100 Index***
- **Stoxx Global ESG Leaders**



BNP Paribas entered in 2014 the '**Global 100 Most Sustainable Corporations in the world**', a ranking that gathers the 100 most performing companies regarding sustainable development.



No. 9 in the banking sector out of 221 companies assessed (78/100) according to **Sustainalytics'** ranking



BNP Paribas carbon reporting was scored **95A- by Carbon Disclosure Project** in 2014

- ✓ introduction in the **Carbon Disclosure Leadership Index**

* 6 french companies: Accor SA, Alcatel-Lucent SA, BNP Paribas, L'Oreal SA, PSA Peugeot Citroen, Technicolor SA



BNP Paribas and the exercise of its Corporate Social Responsibility

Our Economic Responsibility:

financing the economy in an ethical manner

Our Social Responsibility:

pursuing a committed and fair human resources policy

Our Civic Responsibility:

combating exclusion, promoting education and culture

Our Environmental Responsibility:

Support for combating climate change



Financing the economy in an ethical manner

Sustainable financing for the economy

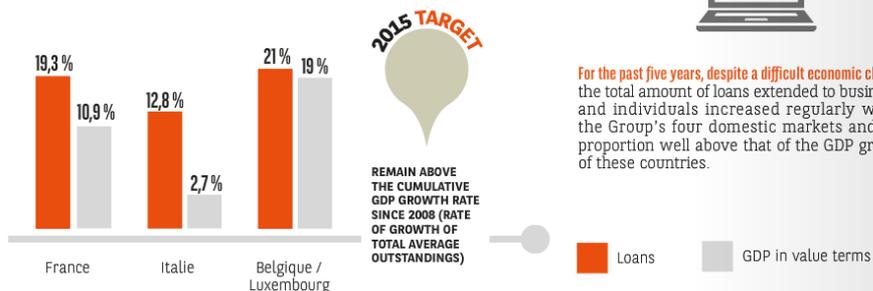
Business ethics

A range of responsible credit and savings products

OUR ECONOMIC RESPONSIBILITY

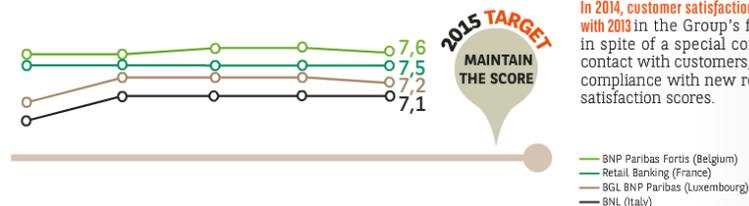
Objectives for 2015

CUMULATIVE RATE OF GROWTH IN LENDING SINCE 2008 COMPARED TO CUMULATIVE CHANGE IN GDP IN VALUE TERMS OVER THE PERIOD



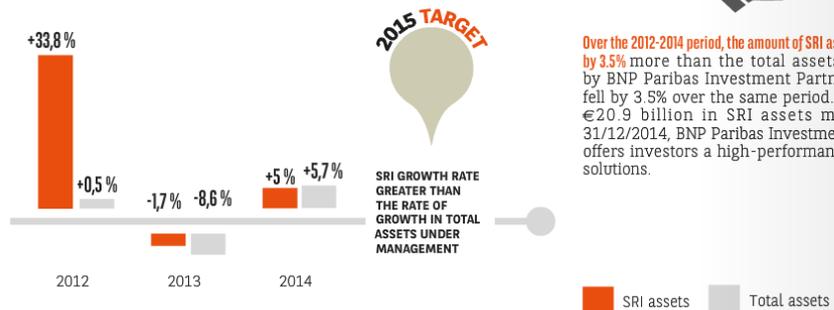
For the past five years, despite a difficult economic climate, the total amount of loans extended to businesses and individuals increased regularly within the Group's four domestic markets and in a proportion well above that of the GDP growth of these countries.

OVERALL SATISFACTION SCORES FOR INDIVIDUAL CUSTOMERS IN THE FOUR DOMESTIC MARKETS (ON A SCALE FROM 1 TO 10)



In 2014, customer satisfaction remained stable compared with 2013 in the Group's four domestic markets in spite of a special context. In Luxembourg, contact with customers, notably to ensure their compliance with new regulations, weighed on satisfaction scores.

ANNUAL RATE OF GROWTH IN SOCIALLY RESPONSIBLE ASSETS UNDER MANAGEMENT (SRI) COMPARED TO ANNUAL CHANGES IN TOTAL OUTSTANDINGS



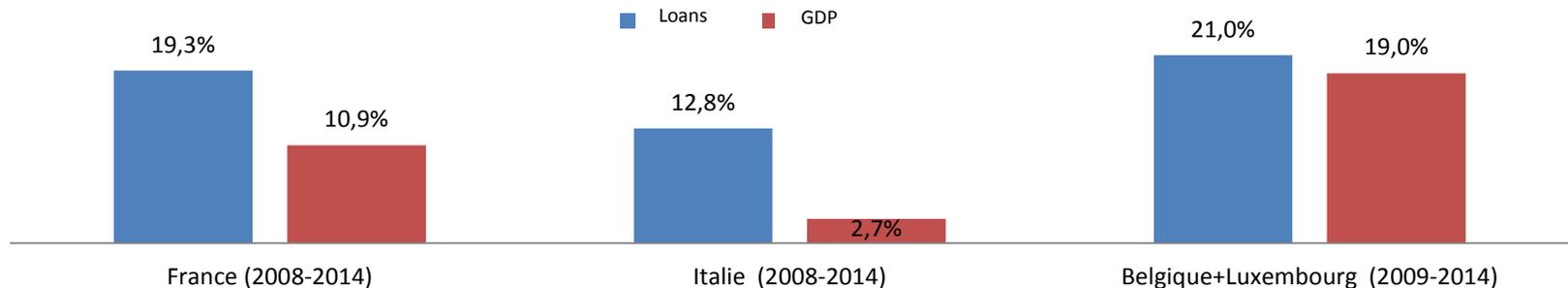
Over the 2012-2014 period, the amount of SRI assets increased by 3.5% more than the total assets managed by BNP Paribas Investment Partners, which fell by 3.5% over the same period. With some €20.9 billion in SRI assets managed at 31/12/2014, BNP Paribas Investment Partners offers investors a high-performance range of solutions.

Sustainable financing for the economy

SUPPORT FOR BUSINESSES

BNP PARIBAS SUPPORTS THE LOCAL ECONOMY BY FINANCING BUSINESSES IN ALL ITS MARKETS

- **Faster growth in loans provided to businesses and individuals than GDP growth rate in all domestic markets**



France : strong commitment towards SMEs : EUR 10 billions in loans made available (including 4 billions for cash management solutions). 75% of this objective was reached in November 2014.

Belgium : the 2014 commitment to financing more than 65 000 SMEs projects has been fulfilled

- **United States**

- ➔ Outstanding loans to SMEs have reached USD 1,3bn in 2014 (x 2,8 since 2010)

- **Africa**

- ➔ In Mali and Senegal, BICIM and BICIS signed portfolio guarantees with the Agence Française du Développement, representing **4.6 billion CFA Francs in order to finance 163 local SME's investments**

- ➔ In Guinea since November 2013, BICIGUI is the **first bank to offer leasing solutions**. This product is particularly adapted to the local development needs

SUPPORT FOR BUSINESSES

Contribute to the development of French businesses

■ **Fonds Stratégique de Participations**

- ➔ Created in 2012 by BNP Paribas Cardif and 3 other insurers
- ➔ Long-term investment in Arkema and SEB Group

■ **BNP Paribas France Crédit mutual fund**

- ➔ Created in 2012 to invest BNP Paribas Cardif assets in 23 french SME, representing EUR 191 Million (+124% from 2013 to 2014)

■ **BNP Paribas Investment Partners' Funds**

- ➔ BNP Paribas Investment Partners promoted the thematic « contribute to SME's development » to its individual clients with 3 funds : BNP Paribas Midcap France, BNP Paribas Small Cap Euroland et BNP Paribas Actions PME. Furthermore for institutional clients, BNP Paribas IP manages the Novo Fund with 360 millions of assets under management and detains also an Italian mandate over the BNP Paribas Bond Italia PMI.

Business ethics

RESPONSIBLE RELATIONSHIPS WITH CUSTOMERS

FRENCH RETAIL BANKING: AN APPROACH ALIGNED WITH CUSTOMER NEEDS AND EXPECTATIONS

- **Greater clarity for rates and fees**
 - A table enabling easy comparison of rates is available to customers in branches and on the Web
- **Planned contacts**
 - Dates and objectives of customer appointments are established before the meeting with account officers
- **Commissions better adapted to neutral advice**
 - Based on sales efforts and not on individual sales targets
 - Defined by universe of customer needs
 - Partially delayed compensation to ensure actual use by customer
- **Satisfaction measurement based on use of products 3 months after sale**

To adapt itself to the new trends of banking services, FRB is also developing a new approach ...

RESPONSIBLE RELATIONSHIPS WITH CUSTOMERS

... FRENCH RETAIL BANKING: THE NEW "PREFERENCE CLIENTS" APPROACH

4 pillars to enhance Customer relationship and create the branch of tomorrow

- More Service
- More Expertise
- More Transparency
- More Connected

With a EUR 210 millions investment over 3 years in the network, human resources and digital, BNP Paribas reaffirms the key role of its branches, its customer advisors and technology in banking services.



“RESPONSIBLE CREDIT” BY BNP Paribas PERSONAL FINANCE

BNP Paribas PERSONAL FINANCE PUT IN PLACE A COMPREHENSIVE APPROACH FOR REVOLVING LOANS

- A flexible, transparent and responsive product that helps clients manage their cash flow more effectively.
- Cetelem : Functioning and marketing certified in 2013 as ‘responsible’ for an 18-month period by Vigeo Enterprise. The new audit conducted in autumn 2014 led to a renewal of the certification.
- Ahead of law
 - Main requests of *Loi Lagarde* were in place before its enforcement
 - Average interest rate well below legal maximum rate
 - Allowing customers to choose from among six repayment options
 - Transparency over the pricing and costs
 - Customers are able to switch easily between those options
- Improve financial literacy
 - Information and training (teaching videos,etc.)
 - ✓ Customers can receive a text alert if the monthly payment exceeds a set limit
 - ✓ A website, jegeremesfinsdemois.com, has been designed to help them understand how to manage their budget
 - Dedicated website: www.moncreditresponsable.com
 - Upon request, annual budget review



COMMITTED FINANCING POLICIES IN SENSITIVE SECTORS

■ Sector policies, position paper and exclusion list

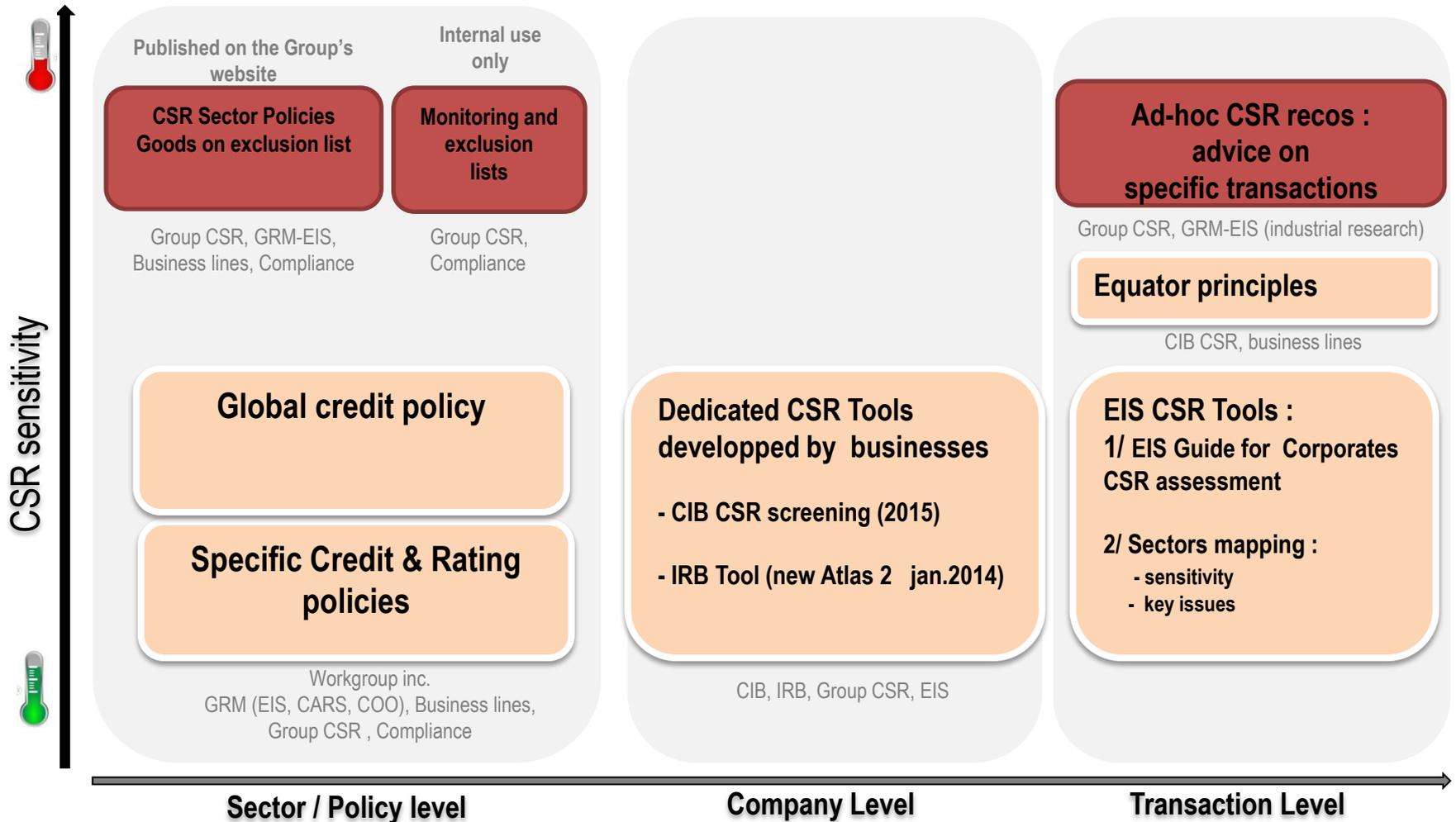
- ➔ BNP Paribas sector policies cover defense, nuclear power, coal-fired power generation, wood pulp and palm oil, mining industries (2013), tar sands (2013) and agriculture (2015)*
- ➔ BNP Paribas published a Position Paper on essential food commodities
- ➔ Goods and activities on exclusion list

■ Sector policies implementation

- ➔ A strong teams' involvement:
 - The implementation relies on both the **Risk function** (more than 6,000 employees) and **Compliance** (more than 3,000 employees within the Group)
 - Since 2012, more than **10 476 collaborators** were trained regarding the sector policies
 - e-learning trainings have been translated in 7 languages
- ➔ In 2014, 56 of 481 transactions were rejected

**Except for Defence, these sector policies are detailed in the Environmental Responsibility (4th pillar), see slides: 73 to 76*

OVERVIEW OF BNP PARIBAS' CSR ASSESSMENT PROCESS OF ESG RISKS



SECTOR POLICY: DEFENCE

■ POLICY OBJECTIVES

- Avoid financing of illegal weapons under the terms of the Ottawa and Oslo Conventions: cluster munitions and anti-personnel mines
- Avoid financing of “controversial weapons”: biological and chemical weapons, depleted uranium ammunition
- Avoid contributing to the sale of weapons to conflict zones (trade and export finance)

■ PRINCIPLES

- Exclusion of companies that produce controversial weapons: a list is consolidated with external expertise and validated by Group Executive Committee
- Financing of weapons exported to a number of countries is prohibited:
 - Countries under embargo (regulatory constraints)
 - Countries where occur violations of children rights in armed conflicts (children soldiers)
- Increased monitoring of financing for all types of weapons exported to sensitive countries
 - List established by BNP Paribas according to transparency and political stability factors

■ CONCRETE ACTIONS

- A list of prohibited companies is regularly updated (121 companies excluded and 33 are being watched)
- Refusal of financing transactions through the application of standard compliance channels
- **Revision of the sector policy in March 2012 (integrates corruption, small arms, etc.)**
- **In 2014, 49 of 241 transactions were revised by CSR teams**

PROTECTING CLIENTS' INTERESTS THROUGH A COMPREHENSIVE APPROACH TO COMPLIANCE

- Compliance is tasked with anticipating, expanding the range of robust tools, ensuring staff training, and strengthening internal control processes
- Publication of a procedure on training requirements regarding anti-money laundering, financing of terrorism, and compliance with international sanctions in 2013:
 - lists the employees by type of training in relation to their risk exposure, program's content and reporting requirements
- Risk Academy - continuous internal training program on risk management - to strengthen the Group's risk management culture
 - Flagship theme of this academy : "Protecting the client's interests"
- Compliance teams went from 700 to 2051 FTE between 2004 and 2014
- Revision of the internal anti-corruption Group policy and reinforcement and revision of the internal Group policy regarding gifts received by the staff in 2011
- Disclosure of a summary of the internal anti-corruption Group policy in end-2011
- Update of the Group Code of Conduct in 2011: it includes *"the necessity for each employee to act in a responsible manner by complying with BNP Paribas commitments relating Corporate Social and Environmental Responsibility"*

TAX HAVENS

The location of the Group's offices is driven not by tax consideration, but in the interest of serving customers around the world

- In 2014, BNP PARIBAS paid EUR 2.2 billion in taxes representing an effective tax rate* of 30%
- Studies refer to lists of unofficial "tax havens" and five statistics on operations in tax havens that do not correspond to any operational reality
 - ➔ Some countries included in the lists of tax havens belong to the Group's Domestic Markets, such as Belgium :
 - ✓ 15 000 employees
 - ✓ 816 branches
 - ✓ 3,6 individual and professional customers
 - ✓ 12,000 corporate clients
- As regards non-OECD countries that could be considered to operate favourable tax regimes, BNP Paribas continues to reduce its presence there

**A range of responsible credit
and savings products**

DEVELOP AND PROMOTE SRI: EXPAND SRI OFFER

- Around **EUR 20,9 billion assets managed** by BNP Paribas Investment Partners at 31 December 2014
- BNP Paribas Investment Partners has been awarded the **Investor Awards SRI Prize** in 2014
- **29 SRI funds accredited in 2014**, two complementary approaches:
 - focused on committed issuers (“**best-in-class**”)
 - **theme based approach** targeting activities related to environmental protection and/or social well-being

Nom des Fonds	Labels			
	Label Novethic (renouvellement annuel en septembre)	LuxFLAG Label (renouvellement annuel en décembre)	Finansol	CIES
				
BNP Paribas Etheis	X			
Parvest Sustainable Equity Europe	X			
MAIF Investissement Responsable Europe	X			
BNP Paribas Euro Valeurs Durables	X			
Parvest Green Tigers		X	X	
Parvest Sustainable Bond Euro	X			
BNP Paribas Obli Etheis	X		X	
BNP Paribas Obli État	X			
Parvest Sustainable Bond Euro Corporate	X			
BNP Paribas mois ISR	X			
BNP Paribas Aqua		X	X	
BNP Paribas L1 Equity World Aqua		X	X	
Parvest Environmental Opportunities		X	X	
Parvest Global Environment		X	X	
	X			
SICAV Paribas Retraite (Retraite Horizon)				
BNP Paribas Social Business France			X	
			X	
Multipar Funds			X (2 fonds)	X (5 fonds)



DEVELOP RESPONSIBLE STRUCTURED PRODUCTS

'SRI NOTE' & 'SMART INVEST BOND SRI' PRODUCT GROUPS



➤ Structured bond with a guaranteed savings component and a redemption premium linked to the **positive performance of the Ethical Europe Equity Index***

➤ The paid-up capital is invested according to social and ethical criteria, in companies, organizations or projects that

➤ Can be considered as socially innovative **OR**

➤ Can be considered as “social entrepreneurship” or “social project” **OR**

➤ Focus on environmental-friendly or sustainable products **OR**

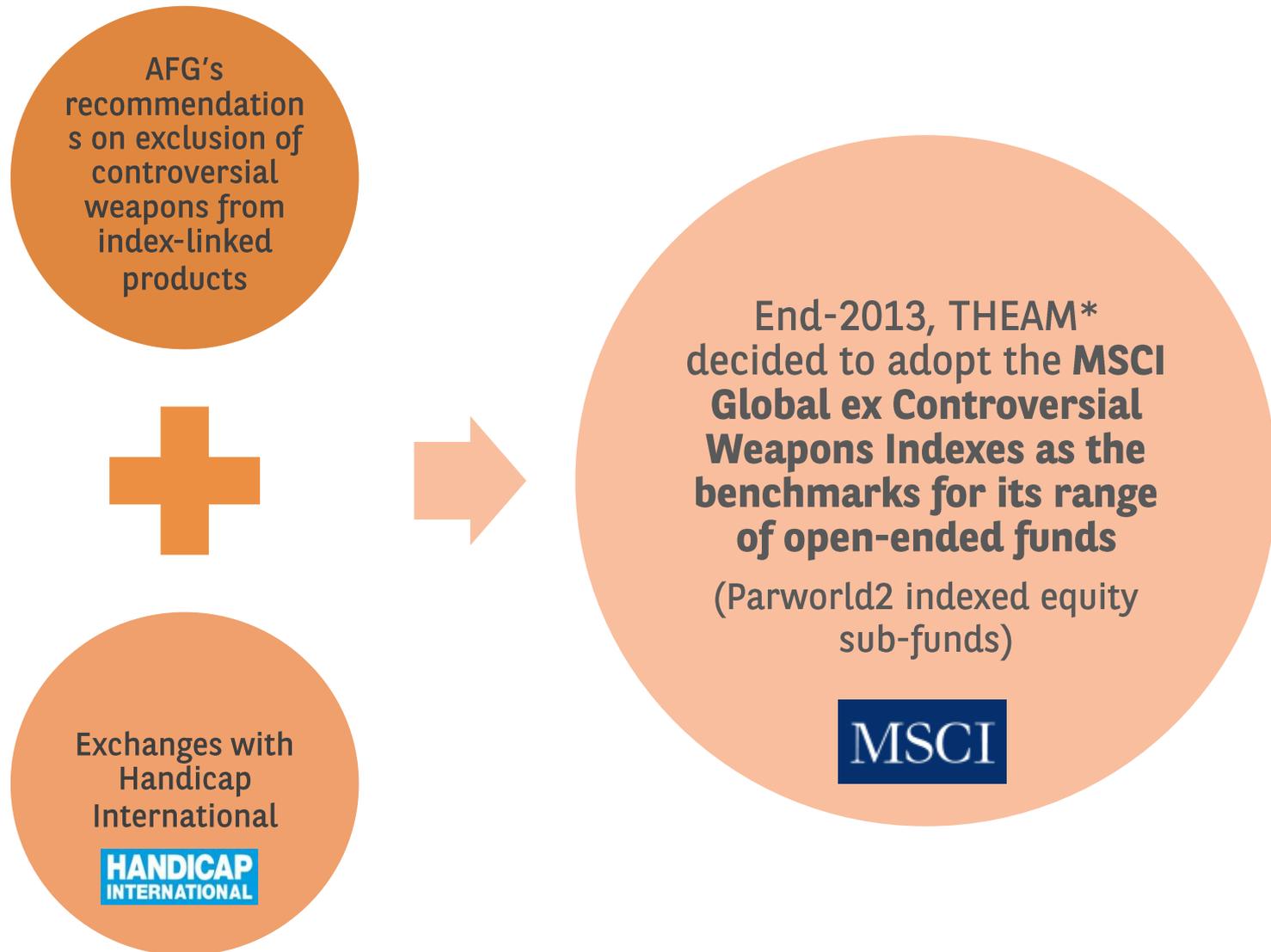
➤ Offer an exceptional range of products or services in terms of environmental and/or social quality



➤ SRI Note is a **commercial success with more than €228M of AuM** (July 2014)

*Developed by Structured Solutions AG, on demand of BNP Paribas and in collaboration with Vigeo and Forum ETHIBEL. The index is composed of 30 European stocks, selected by Vigeo via the best-in-class principle on the base of their ESG and ethical performance, as well as financial criteria.

1st European industry player to adopt indices excluding controversial weapons for its range of indexed open-ended funds



EMBED ESG CRITERIA IN ALL ASSET MANAGEMENT ACTIVITIES

OBJECTIVE: ASSURE ALL BNP PARIBAS CLIENTS THAT ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES HAVE BEEN TAKEN INTO ACCOUNT IN THE MANAGEMENT OF THEIR ASSETS

- **INVESTMENT PARTNERS:** systematic integration of extra-financial criteria
 - Signatory to the UN Principles for Responsible Investment (**UN PRI**) and UN Global Compact's ten principles
 - **Sector policies** taken into account for all AUM
 - Signatory to the **Montreal Carbon Pledge**, it commits investors to measuring and publicly disclosing the carbon footprint of their investment portfolios on an annual basis, in accordance with the Portfolio Decarbonization Coalition (PDC)
- **CARDIF (Insurance) : 49 % of the main euro fund** run by BNP Paribas Cardif was screened using an ESG filter

VOTING RIGHTS

BNP PARIBAS ASSET MANAGEMENT'S VOTING POLICY

- **Voting at assembly general meetings** is a **key component** of the **ongoing dialogue with companies** in which we invest on behalf of our clients and forms an integral part of our **investment process**. BNP Paribas Asset Management strives to vote in the best interest of its clients
- **The voting policy's objectives:** To enhance the long-term value of our shareholdings and to foster corporate governance best practices, business ethics, economic development, social cohesion & environmental protection.
- **Corporate governance practices which we support include:**
 1. Acting in the long-term interests of shareholders
 2. Protecting shareholders' rights
 3. Ensuring independent and efficient board structure
 4. Aligning incentive structures with long-term interests of shareholders
 5. Disclosing accurate, adequate, & timely information
 6. Good environmental & social performance
- In 2014, BNP Paribas Investment Partners **participated at 1,411 Annual General Meetings** and voted on **17,771 draft resolutions**, abstaining from, opposing or voting against close to 17,8% of them.

PRODUCTS WITH A POSITIVE SOCIAL IMPACT

OBJECTIVE: INNOVATE TO ANSWER THE SPECIFIC NEEDS OF THE YOUNG PEOPLE, THE CUSTOMERS WITH MAJOR DISEASES, AND THE ASSOCIATIONS

- **PERSONAL FINANCE France:** specific credit offer dedicated to employees with limited-term working contracts (18-30 years old)
 - Since 2011, 18 574 loans were provided by BNP Paribas Personal Finance to customers working on fixed-term contracts

- **INSURANCE:** make insurance available to customers with major diseases to enable them to take out loans
 - Asthma
 - Paralysis of accidental origin (paraplegics and tetraplegics)
 - People with heart disease

- **BNP Paribas Wealth Management:** No 1 global private bank in philanthropic services by The Banker and Professional Wealth Management (Financial Times Group)

PRODUCTS WITH A POSITIVE SOCIAL IMPACT

OBJECTIVE: FACILITATE THE ACCESS TO BANKING SERVICES IN EMERGING MARKETS

- Simplified forms of access to banking services, at prices well below those charged for the usual entry-level packages
 - Pack Trankil : Bank account, ATM Card, account monitoring by SMS and advice for 1 000 CFA/month (1.52 €)
 - Pack Mertah : Bank account, ATM Card, savings account, account monitoring by SMS and overdraft facility

- Mobile banking in Africa to foster banking services accessibility
 - Partnership with telephone operators to develop mobile payments
 - BICIs serve more than 8 million clients in West Africa (+2,7 million / 2013)

- Products designed for specific needs : “Back to school loan” in Africa
 - To fund education on a 11-month basis
 - More than 5,000 loans approved in 2014



Pursuing a Committed and Fair Human Resources Policy

Developing the four Group Management Principles

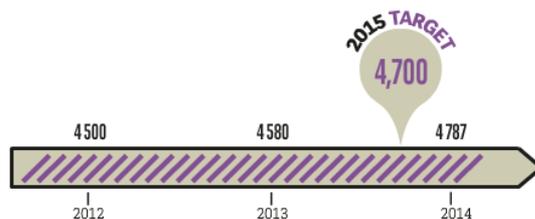
Recruitment, mobility and training

Promoting diversity

Responsible management of employment

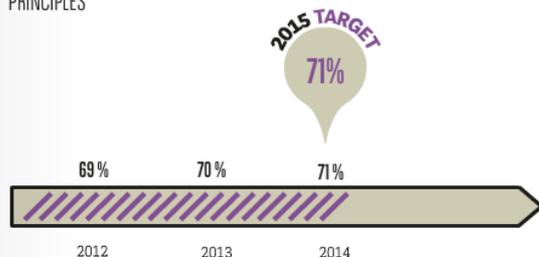
OUR SOCIAL RESPONSIBILITY Objectives for 2015

NUMBER OF MOBILITY ASSIGNMENTS BETWEEN UNITS AND BUSINESS LINES (ANNUAL AVERAGE BETWEEN 2013 AND 2015)



The number of employees changing jobs between units and business lines increased in 2014 compared with 2013. The Group remains attentive to the high demand for employee mobility expressed in the annual internal survey. In France, job mobility increased by 11%.

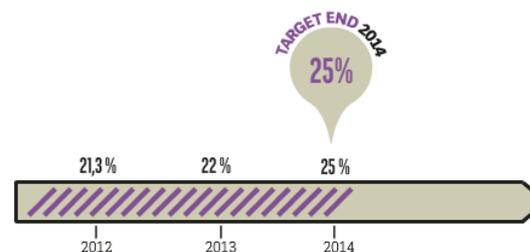
PROPORTION OF EMPLOYEES WITH A POSITIVE OPINION REGARDING IMPLEMENTATION BY THE GROUP OF THE FOUR MANAGEMENT PRINCIPLES



With 71% of employees having a positive perception of how the four management principles—Client Focus, Risk-aware entrepreneurship, People care, and Lead by example—have been implemented, the 2015 target has been reached one year in advance. The “Customer Focus*” management principle is also following a positive trend with favourable opinion standing at 66% (+2 points).

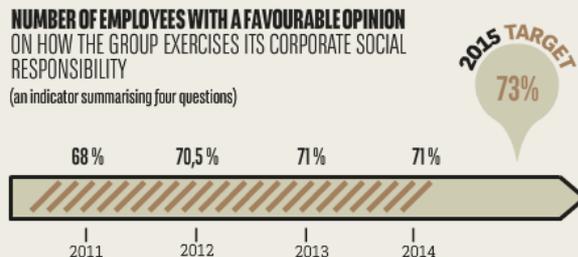
* “Instilling the desire in our employees to innovate primarily to enhance customer service, since the customer’s interest is always central to our action.”

PROPORTION OF WOMEN APPOINTED TO SENIOR MANAGEMENT POSITIONS



The target set by the Chief Executive Officer of 25% of women holding senior management positions by end-2014 has been achieved. Because diversity within the company enhances effectiveness, since 2009 Executive Management has committed to increasing the percentage of women in senior management positions within the Group.

NUMBER OF EMPLOYEES WITH A FAVOURABLE OPINION ON HOW THE GROUP EXERCISES ITS CORPORATE SOCIAL RESPONSIBILITY (an indicator summarising four questions)



Employee perception of how the Group exercises its corporate responsibility remains stable, with favourable opinions reaching 71%. It is worth noting the significant increase in the perception of how the Group exercises its environmental responsibility which, given the specific context which BNP Paribas faced in 2014, may be considered a good result.



Developing the Four Group Management Principles

FOUR MANAGEMENT PRINCIPLES

■ CLIENT FOCUS

→ Inspire our people to focus in an innovative way on the client first, as the interest of the client is always at the center of our action

■ RISK-AWARE ENTREPRENEURSHIP

→ Undertake initiatives for development and efficiency while:

- Being accountable
- Acting in an interdependent and cooperative way with the other entities to serve the global interest of the Group and its Clients
- Being continuously vigilant of the risks related to our area of responsibility and to empower our people to do the same

■ PEOPLE CARE

→ Care for our people, by showing them respect, promoting equal opportunities, acknowledging performance and developing their talents and skills

■ LEAD BY EXAMPLE

→ Set an example through our own behavior and ethics by:

- Respecting the regulations and compliance rules,
- Behaving in a socially responsible way

In 2014: 71% of the employees were satisfied by the way BNP Paribas implements its four Management Principles, with 66% on Client focus (+2pts)



Recruitment, Mobility and Training

KEY RECRUITER, WHILE PRIORITISING INTERNAL MOBILITY

■ Trends in the workforce

- **Total workforce end-2014: 187,903 FTE** (184,545 FTE in 2013) as a result of the acquisition of BGZ in Poland and of LaSer by BNP Paribas Personal Finance.
- **17,432 staff recruited worldwide:** BNP Paribas comfortably met its commitment to hire 15,000 new staff
- Countries recruiting the most (in 2014): the United States, France, Turkey, India, and Ukraine. 54% of the new recruitments are in Europe, with France hiring 2,265 new employees, followed by the UK and Belgium.
- *External recruitment remains at a high level, in a context where the priority is given to mobility and training.*

■ Top Employer in Europe

- To increase its ability to attract and retain promising candidates, the Group has developed its “employer brand”
- BNP Paribas has been certified as “Top Employer” in Belgium, France, Italy, Poland, Turkey and Europe for the second consecutive year.



MOBILITY AS A FOCUS OF THE HUMAN RESOURCES POLICY

- **To manage employment in a responsible way and as an answer to the expectations by the employees expressed in the GPS (the annual internal “Global People Survey”)**
 - ➔ With an active community and communication on mobility, our internal mobility tool is available to around 80% of employees in 40 countries. The number of positions published increased by 40% and the number of positions filled in internally by 47%.
 - ➔ In France, a centralized process covering eight domains (Conformity, Communication, Finance, Legal, Human Resources, Marketing, Risks and Organization/Project Management) made transversal mobility more fluid. The number of positions published increased by 27% and of positions filled internally by 17%.
 - ➔ The Group launched the **“Mobility Days”** simultaneously in 13 countries, covering 72% of total staff, with 24 seminars, 11 forums, and 6 web conferences organised including 220 RH staff, 300 managers and 4,000 employees.

TRAINING AND DEVELOPING THE SKILLS OF ALL EMPLOYEES IS A MAJOR CONCERN

- Training: in terms of total number of hours and employees*, resulting in on average 25h of training per employee

	2012	2013	2014
Total number of employees trained	136,918	148,875	157,083
Total number of training hours	4,208,901	4,697,071	4,603,606

- E-learning

- ✓ The e-learning program is now available in 8 languages and to all employees. 79% of the users have completed more than one module, and 23% have completed more than ten, of which 59% dedicated to risks & compliance, 31% to business skills and 5% to Group culture.

	2012		2013		2014	
Number of employees	66,241		84,729		112,895	
% of employees trained	M: 50.5%	W: 49.5%	M: 50.4%	W: 49.6%	M: 50%	F: 50%
Number of modules completed	238,962		441,237		765,015	

* Physical headcount taking into account 86% of Group headcount in 44 countries



Promoting Diversity

PROMOTE DIVERSITY

- **Feminisation and internationalisation of senior management**
 - ➔ The objective of 25% women in senior management positions was reached by the end of 2014.
 - ➔ Comparatively, with 43% non-French senior managers (compared to 40% in 2013) the Group and its senior management keeps becoming more international.
- **The fight against all types of discrimination is reaffirmed by the Executive Committee and the promotion of diversity intensifies as measures were implemented throughout the Group.**
- **Group Diversity Governance**
 - ➔ 29 Diversity Officers in charge of deploying the diversity policy in each of the Group's business areas and countries worldwide
- **66% of employees approve the Group actions on Diversity**
 - ➔ 64% consider that BNP Paribas promotes diversity at work through respect and acceptance for individual differences (+2points in 1 year, +8points en 5 years).

PROMOTE DIVERSITY

■ Promoting equal opportunities for men and women

- On 16 September 2014, BNP Paribas signed with the European Council and the European unions FECEC and UNI, an agreement on Gender equality. It covers 20 countries and 67,6% of total staff and guarantees equal treatment between men and women all along their professional career.
- In France, BNP Paribas SA signed a 15-commitment Charter on work-life balance initiated by the Ministry of Women Rights and OPE (“L’Observatoire de l’ Equilibre des Temps et de la Parentalité entreprise”).



■ Raising awareness and training

- The Diversity week was celebrated for the first time in 11 countries (UK, HK, Australia, Korea, France, Belgium, Poland, ...) and mobilized +5,000 staff, with speakers, round tables and activities through all offices.
- The networks are key actors in the development of the Group Diversity Governance, with 5 networks constituted in the UK, 9 professional “Business Networking Groups ” in the US and 2 additional MixCity networks in India and Germany.



PROMOTE DIVERSITY

■ Promoting the employment and insertion of disabled people

- In France, the application of the 2nd disability agreement (2012-2015) resulted in 134 new recruitments in 3 years, 319 employees retained at work (262 in 2013) and 1,057 supporting actions (+25%), in addition to training and awareness actions.
- In Belgium, 120 agencies became “Handi access free” and 1,200 audio DAB were installed for clients visually impaired.
- In 2014 the Group counted worldwide 2,931 disabled employees, 150 of them newly recruited in 10 countries

■ Employees parenthood

- In France, CIB, Wealth Management & Investment Partners open their offices to a parent/children day.
- Cardif and Personal Finance regularly organize conferences with specialists on parenthood.
- A mapping of maternaty/paternity leaves within the Group is under way.



Responsible Employment Management

EMPLOYMENT MANAGEMENT

■ Employment management in France

- The Group confirms its commitments to avoid compulsory redundancies during reorganizations in France through a rigorous agreements signed in October 2013.
 - Where necessary, this will be achieved through internal mobility, margins for manoeuvre offered by natural turnover processes and, where necessary, scenarios for recourse to voluntary departure.

■ Talent development Program

- Talent development Program now have about 3,000 employees.
- 360 employees have completed one of the three programs (“Leadership for Development”, “Go to Lead”, and “Share to Lead”) and two sessions have taken place for the first time in Singapore's Group campus.

■ Career management

- Appraisal and development of all talents
 - HR focuses on career management of all talent: identifying, assessing and developing skills ; internal mobility and diversified careers

DIALOGUE AND CARE FOR PEOPLE

■ Quality employee-management dialogue

- Active dialogue with employee representatives at local/national level
 - There are staff or unions representatives in 36 countries representing 86% of total workforce.
 - More than 4,300 official meetings between representatives of staff and management resulting in 174 collective agreements signed in 16 countries, of which: 76 in France, 62 in Italy and 10 in Belgium.

■ European Works Council new mandate (for 4 years)

- The secretary and 2 assistants (2 men and 1 woman) of the European Works Council are Luxembourgian, Belgian and Spanish. They reflect the diversity of the Group and a strong European footprint.

■ Employee care

- Entities from 10 countries (representing the majority of the Group workforce) have signed favorable agreements about health and safety or take favorable protective measures.
- Entities from 20 countries (representing $\frac{1}{4}$ of the Group workforce) have taken additional protective measures in 2014, even though the social protection system and the life or incapacity insurance system are already very good.

COMPETITIVE COMPENSATION POLICY

- **Integration of CSR criteria in a 3-year incentive scheme awarded to 5,000 Group key employees**
 - Since 2013, a 3-year incentive plan called “International Sustainability and Incentive Scheme” (ISIS) has been awarded annually to roughly 5,000 Group key employees.
 - 20 % of each beneficiary’s award is contingent upon achieving 3-year targets related to the Group Corporate Social Responsibility (CSR) policy, based on the four pillars of the Group’s CSR.
- **Measures in favour of Equal Pay**
 - In France and Luxembourg, a budget envelope was granted to reduce the salary gap between men and women.
- **Performance incentive**
 - In France, the Group gives employees an interest in performance by means of profit sharing and incentive schemes and will pay to 66,604 employees, respectively, EUR 99 million and 150 million.
 - At BNP Paribas Fortis, a part of the variable compensation known as “collective” compensation is linked to sustainable development objectives such as customer satisfaction, diversity promotion, improvement of well-being in the workplace, awareness of risk and conformity and the reduction of the Bank’s negative impact on the environment.
 - In Luxembourg, local legislation makes no provision for profit-sharing scheme, however in 2014, the Group paid non-management employees a profit-sharing close to EUR 4.3 million.



Combating exclusion, promoting education and culture

Combating exclusion and supporting social entrepreneurship

BNP Paribas Corporate Philanthropy: philanthropy that brings people together

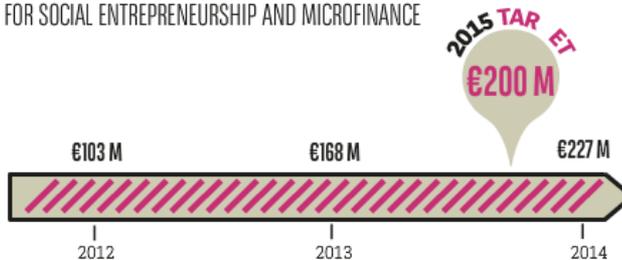
Employee involvement in solidarity initiatives

Special importance attached to human rights

OUR CIVIC RESPONSIBILITY

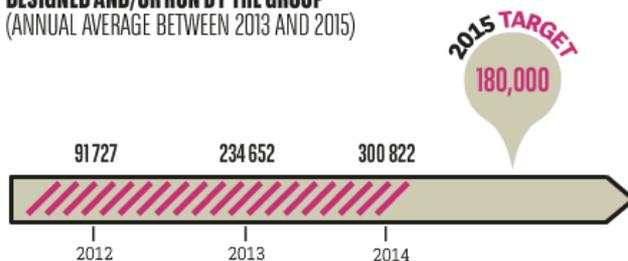
Objectives for 2015

AMOUNT OF GROUP SUPPORT FOR SOCIAL ENTREPRENEURSHIP AND MICROFINANCE



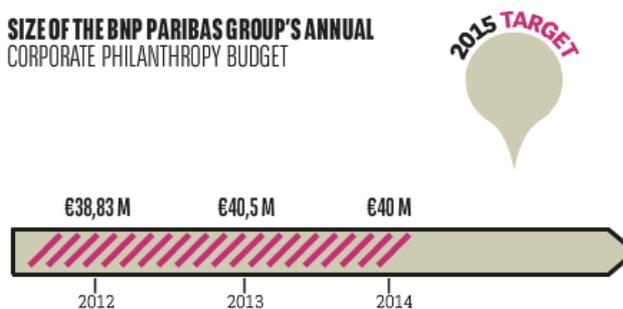
In 2014, the Group's support for microfinance and social entrepreneurship (SE), excluding loans to SE, increased by more than 35% compared to 2013, and has already exceeded the 2015 target. This trend is set to continue by making use of all means: loans, equity investments, subcontracting.

NUMBER OF PEOPLE WHO ATTENDED FINANCIAL-EDUCATION PROGRAMMES DESIGNED AND/OR RUN BY THE GROUP (ANNUAL AVERAGE BETWEEN 2013 AND 2015)



Financial education has demonstrated its effectiveness in combating exclusion and encouraging economic growth. In 2014, more than 300,000 people in Europe, the US, India and Singapore were able to access programmes designed by or directly involving the Group.

SIZE OF THE BNP PARIBAS GROUP'S ANNUAL CORPORATE PHILANTHROPY BUDGET



In 2014, the BNP Paribas Foundation celebrated its 30th anniversary, and restructured its actions in three areas: the arts, solidarity and the environment. In financial terms, the overall amount of funding dedicated to the Group's corporate philanthropy actions remained stable, despite an adverse economic environment.

Combating exclusion and supporting social entrepreneurship

LONGSTANDING SUPPORT FOR SOCIAL AND SOLIDARITY-BASED ECONOMY VISION

Social and solidarity-based economy (SSE)

Social entrepreneurship + non for profit organisations and other non-public entities with general interest purpose

SSE

Leadership position in financing associations

Market share in France: 11,54% (2014)

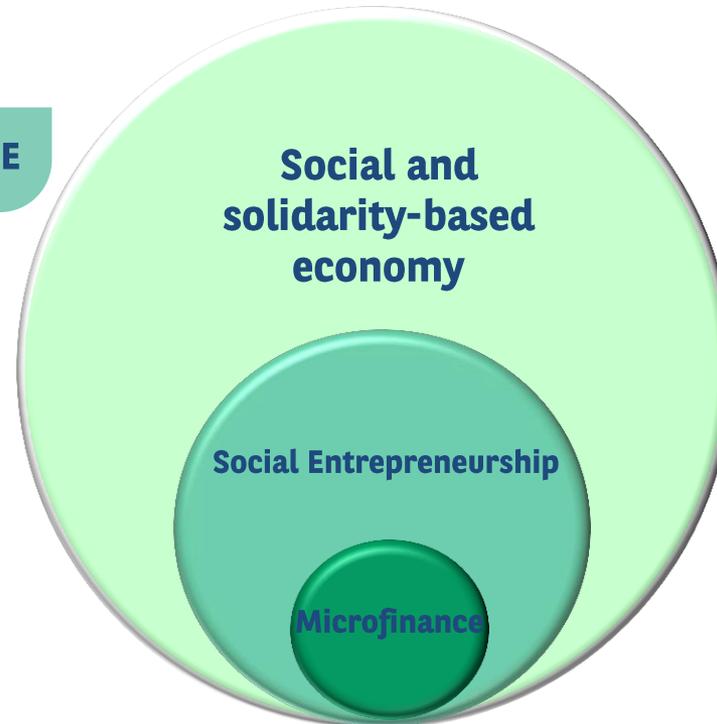
Growing market underserved by « traditional banks »

Social Entrepreneurship (SE)

Economically sustainable companies

- Explicit social mandate
- Social performance comes before financial performance
- Most of the benefits are reinvested in the company
- Not linked to a specific legal status

SE



Microfinance (MF)

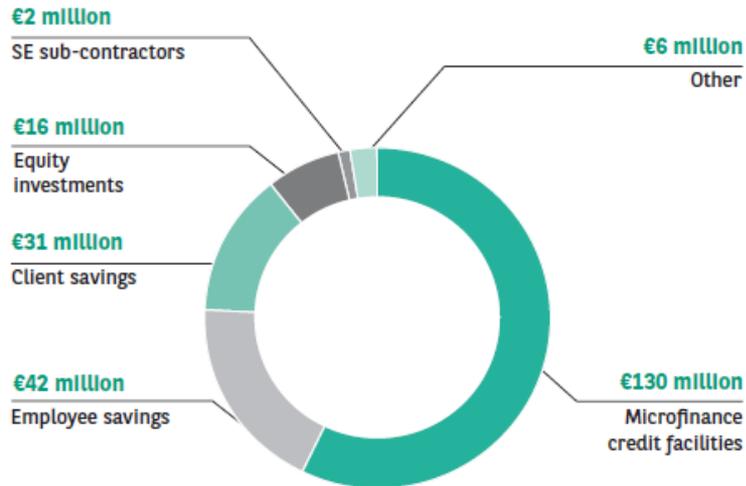
Financial products (including microcredit) to impoverished population in order to support them in developing productive activities

MF

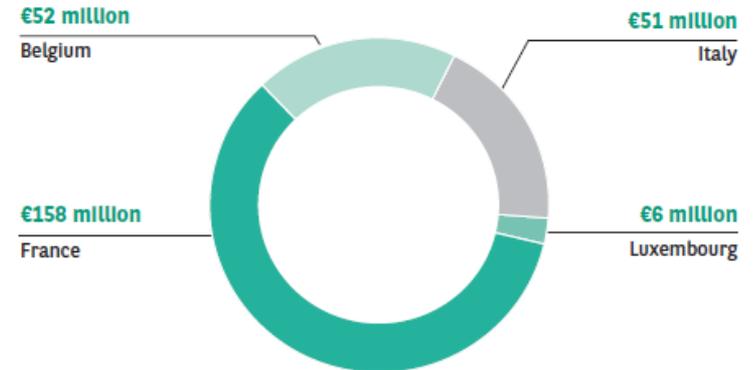
BNP Paribas has been a well-known player for years.

BNP PARIBAS' SUPPORT TO MICROFINANCE AND SOCIAL ENTREPRENEURSHIP

Support for Microfinance and Social Entrepreneurship (excluding loans): EUR 227 M*



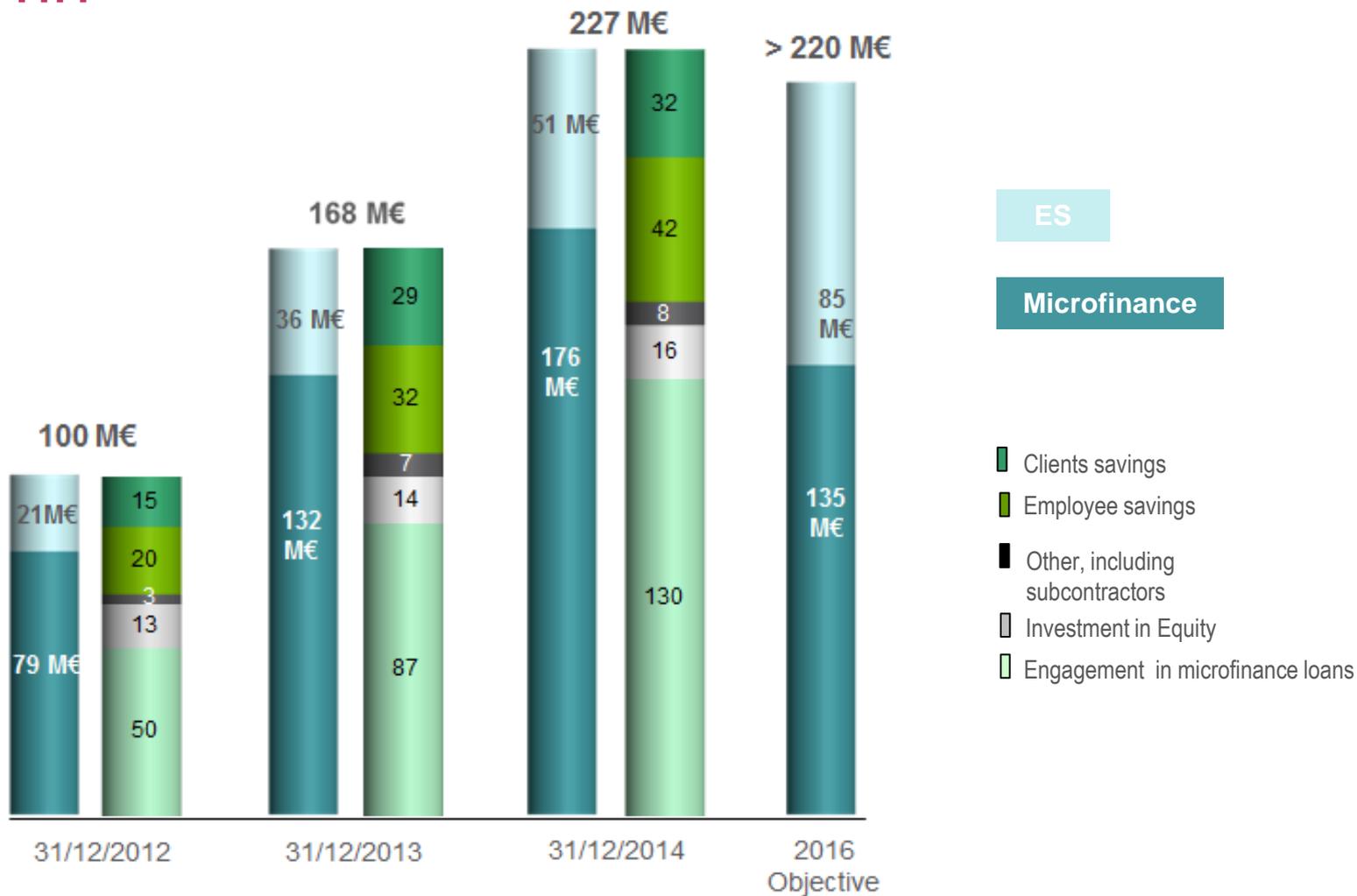
Loans to Social Enterprises: EUR 267 M*



**Credit expansion close to 20% in 2014
70 new clients among social enterprises**

*at 31/12/2014

THE 2016 TARGET OF EUR 220M (*) FOR THE SUPPORT TO SOCIAL ENTREPRENEURSHIP AND MICROFINANCE HAS ALREADY BEEN HIT



(*) Loans to Social Enterprises excluded

« PROJET BANLIEUES »

EUR 1.2 MILLION TO SUPPORT DEPRIVED URBAN AREAS IN 2014

BNP Paribas

No 1 private employer in Seine-Saint-Denis

No 2 private employer in Marseille

Launched
in 2006

A program that provides long-term support for disadvantaged neighborhoods through three main focuses

Job creation & integration into the labor market

- Financing of 16 ADIE centers in France in 9 years
- **6,243 micro-businesses created and more than 8,000 jobs**
- BNP Paribas has become the ADIE's primary partner: more than **EUR 7,72 million in subsidies** since 2006

Supporting education

- Help with schooling for more than 7,600 young people in deprived areas in partnership with AFEV (Association de la Fondation Etudiante pour la Ville) in 2013 - 2014
- "Odyssée Jeunes" program to support the organization of school trips

Proximity and local presence

- Local action to support local initiatives
- **300 local associations** supported financially and through the involvement of the branch network since 2006 and 107 for the sole year 2014

SUPPORT FOR VULNERABLE CUSTOMERS

■ A tailored offer for customers in financial difficulty

- **French Retail Banking:** In 2014 BNP Paribas' French Retail Banking segment finalised its system for supporting customers facing, or likely to face, difficult circumstances. More than 400 experts at eight commercial negotiation regional branches throughout France are now wholly dedicated to the needs and expectations of these customers. A new range of *alternative payment instruments* has been developed to accompany them in hard times.
- **CETELEM** has set up a special mechanism for detecting customers who could find themselves in difficulties. A dedicated team offers an in-depth exploratory interview to discuss the households' financial health as soon as the clients are identified.

2014 :

- 8,500 customers in difficulty detected
- In 40% of the cases, the difficulty proved very real
- A solution put in place for the client for 80% of the cases

Cetelem also relies on **its partnership with CRESUS** association with which it has jointly developed a **specific support programme**.

■ Branch accessibility for the greatest number:

- **Belgium:** A new process has been designed
 - 120 branches adapted to receive clients with disabilities
 - Cash dispensers with vocal prompts to guide the unsighted and enable them to carry out banking transactions: 1,200 such machines are now available throughout Belgium.
 - A platform created to gather 20 associations and employees with disabilities to improve the supply of services for customers with disabilities.

PROMOTING TRAINING OF THE GENERAL PUBLIC ON FINANCIAL MATTERS

Over 300,000 PEOPLE TRAINED OR INFORMED IN FINANCIAL EDUCATION IN 2014

- In some countries, financial education is focused on families and entrepreneurs:
 - ➔ **Turkey:** the TEB Family Academy assists households in managing their budgets, credit card, borrow wisely, better manage their expenditure and save effectively
 - ➔ **United States:** First Hawaiian Bank organized 18 workshops to which 3 731 clients and SMEs took part

- In other countries, financial education is focused on the youth:
 - ➔ **Maroc:** 48 branches of the BMCI took part to the “Week of financial education for children and the youth”, contributing to train more than 3,000 children
 - ➔ **World:** BPSS’s financial education program (Securities services for education) offers trainings for example to young women entrepreneurs from rural areas on topics such as auditing or performance management

- Where financial education has long been present in local practice, initiatives are aimed at all sectors of the public:
 - ➔ **France:** The Cetelem Foundation provides training tools, educational support and financial assistance to trainers, contributing to train 11,500 young people in 2014
 - ➔ **Italy:** EduCare programme aims at educating people about topics such as savings, management of expenses and how banking services work

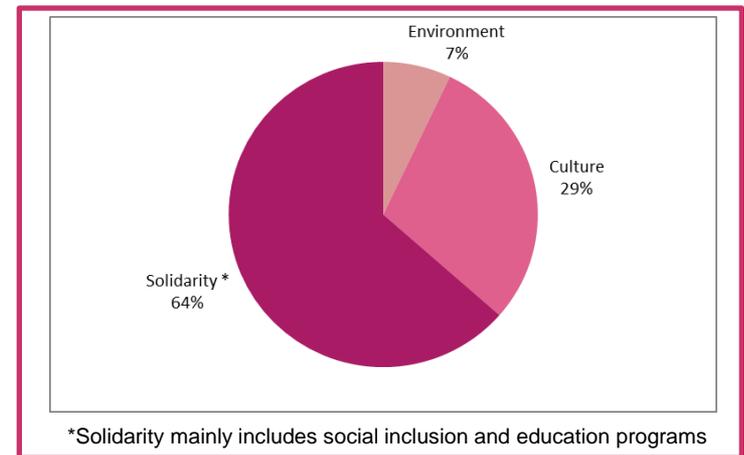
**BNP Paribas Corporate
Philanthropy: philanthropy
that brings people
together**

CORPORATE PHILANTHROPY

- **SOLIDARITY:** helping people into work, education and preventative measures
 - Fight against destitution (Resto du coeur, Samusocial)
 - Support Education and Inclusion (“Dream-up”, Adie, France Active, etc.)
 - Develop international solidarity action (anti-malaria action plan in Western Africa)
- **CULTURE:** preserving museum treasures and encouraging artistic creation
 - 20th anniversary of the “BNP Paribas for Art” Program (Restoration campaigns)
 - Founding Patron of the first International Biennial of the Circus art in Marseilles, 2014
- **ENVIRONMENT:** financing and supporting research into climate change

2014

Over 39.5 M€
and over 4,080 programs supported



Employee involvement in solidarity initiatives

PROPOSING VOLUNTARY ASSIGNMENTS OR SKILLS SPONSORSHIP PROGRAMS

■ Benevolab' (ex MFSF):

Provides skills-based volunteering to MFIs in emerging countries, enabling them to benefit from the banking skills and qualifications of BNP Paribas' active and retired employees

→ More than 109 people have volunteered in France, Belgium, the UK, the USA, Argentina, Luxembourg and Tunisia (66 missions for 27 countries in all)

■ Bénévolat de compétences et solidarité (BCS):

An association which promotes skills-based volunteering by the Group's active and retired employees



Over 55,000 hours of volunteering devoted to MFSF and BCS projects

SUPPORTING EMPLOYEES INVOLVED OUTSIDE THE COMPANY

■ **PHILANTHROPY:** Helping Hand (Coup de Pouce) program supports projects in which staff are personally involved.

→ Over 68 projects funded in France in 2014 totaling over EUR 180,300

→ Implemented in 17 countries, 600 projects supported worldwide since 2003

UNIFYING EMPLOYEES' GENEROSITY



- Rescue & Recover endowment fund: a long-term solution to help victims of humanitarian disasters launched in November 2012

A unique initiative

- A pioneering solidarity tool: permanently open to all BNP Paribas employees around the world
- Each employee donation is matched by BNP Paribas and paid to the 3 NGOs partnered by the fund: CARE, the French Red Cross and Doctors Without Borders (Médecins Sans Frontières)
- Chaired by Baudouin Prot, former Chairman of BNP Paribas

Positive results

- 3 fundraising campaigns in 2014: floods in the Balkans, floods in Jammu-and-Kashmeer, refugees worldwide
- More than 1 500 000€ donated since launching
- 290 000 € in 2014



**Special importance attached to
human
rights**

RESPECTING THE UN'S GUIDING PRINCIPLES CONCERNING HUMAN RIGHTS

- Statement of BNP Paribas on Human Rights (2012)
- Protecting our employees in countries at risk
 - Mapping of employee human rights in about 40 countries in order to identify the strengths and weaknesses of the entities in the regions where the Group operates in 2013 and 2014. Action plan due in 2015
- Commitments expected of suppliers and subcontractors
 - Reinforced supplier assessment for particularly sensible goods (25 suppliers assessed by an independent rating organism)
- Controlling the indirect impact of our financing and investments
 - Human Rights criteria in financing and investment policies
 - Engagement with clients suspected to be involved, directly or indirectly, in human rights abuses (e.g. on cluster munitions production)
- Training and raising awareness of Human Rights
 - BNP Paribas is a founder member of Entreprises pour les Droits de l'Homme aiming to improve companies' understanding in terms of respecting fundamental human rights (trainings)



One of the top 30 companies in terms of observation of Human Rights (Vigeo, 2012)

One of the most advanced in terms of integration of Children's Rights and business principles in France (Vigeo, 2013)



Combating climate change

Financing policy commitments

A range of products and services helping to combat climate change

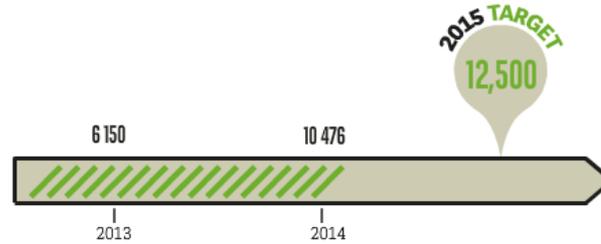
Limiting the Group's environmental footprint

Corporate philanthropy supporting research into climate change

OUR ENVIRONMENTAL RESPONSIBILITY

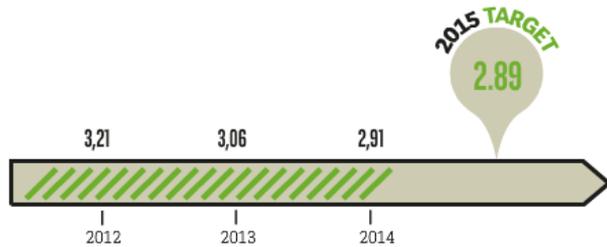
Objectives for 2015

NUMBER OF EMPLOYEES TRAINED ONLINE IN SECTORAL POLICIES



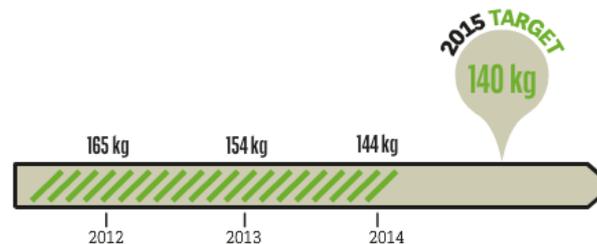
Sectoral policies affect many Group employees who must therefore be trained how to implement them. Since December 2012, 10,476 employees have been trained online in at least one policy. The target for 2015 is to train 12,500 employees concerned by these policies' implementation.

GREENHOUSE GAS EMISSIONS (TCO₂ EQ./EMPLOYEE)



BNP Paribas' greenhouse gas emissions are the result of energy consumption in premises and business travel. Thanks to energy-efficiency actions undertaken in buildings, awareness-raising among employees as well as fair weather, the ratio per employee continued to fall in 2014, and the target for 2015 is set to be reached.

TOTAL PAPER CONSUMPTION (INTERNAL AND CUSTOMER) PER EMPLOYEE



The reduction seen is in line with the 15% reduction target by 2015. It comes mainly from reduced internal paper consumption following the installation of multi-function photocopiers and the transition to a more "paperless" relationship with customers in retail markets.



Financing policy commitments

EQUATOR PRINCIPLES

29 transactions reviewed against the Equator Principles in 2014

	2011	2012	2013	2014
Category A	5	2	3	6
Category B	20	10	13	18
Category C	5	1	5	2
Project finance Advisory mandates*				7
Total	30	13	21	29

* a breakdown by category is not available

Category A : Projects with potentially significant environmental and social impact for which attenuation or corrective actions are required

Category B : Projects with limited or moderate environmental and social impact

Category C : Projects with minimal or zero impact

SECTOR POLICY: COAL-FIRED POWER GENERATION



■ OBJECTIVES

→ Addressing social and environmental issues of the coal fired power generation sector and conducting business in a responsible manner

■ Grounds for exclusion for projects:

- Insufficient legal framework regarding Health and Safety and environment in the host country
- **Net energy efficiency depending on location and size** of the project and whether or not the project is Carbon Capture and Storage Ready (except for retrofitting)
- When applicable, no compliance with the applicable WB/IFC Environmental, Health, and Safety Guidelines
- No operating license or no compliance with existing social and environmental laws and international regulations
- No adequate social and environmental impact assessment

■ Grounds for exclusion for companies:

→ Inadequate disclosure of safety track record or environmental data

■ Complementary environmental, social and governance due diligence on the project, the company and the host country

■ Policy update in 2013: allow the financing of new small coal-fired power plants in developing countries

- Best solution available locally to generate electricity (geographical constraints or small amount of local demand)
- Provided they are built using the best available technologies

■ Concrete actions:

- Since 2011, more than 20 transactions declined (poor energy efficiency) representing around 138 MteqCO₂ per year avoided
 - **Representing around 30% of France's annual GHG emission avoided** and 260 times the annual GHG emission of BNP Paribas Group in 2014

SECTOR POLICY: NUCLEAR POWER



■ OBJECTIVES

→ Address key CSR issues: safety, security, non-proliferation, protection of people and the environment, etc.

■ Grounds for exclusion for power plant projects:

- Inadequate legal framework, international cooperation, Nuclear Safety Agency or political instability in the host country
- Unsatisfactory results of the technical, environmental and social due diligence
- Reactor design neither from a Reference Nuclear Country nor validated by NSA of a Reference Nuclear Country
- Insufficient arrangements to ensure radiation monitoring, protection of workers and adequate temporary storage of nuclear waste

■ Grounds for exclusion for nuclear companies:

- Operating license suspended or owns or operate NPPs whose nuclear reactors has not been validated by the NSA of a Reference Nuclear Country
- No independent chain of control to monitor safety of nuclear operations, or inadequate global policy ensuring radiation monitoring, prevention of radiation emission and the protection of workers

■ Complementary environmental, social and governance due diligence on the project, the company and the host country

■ Policy update in 2013: integrating the lessons learned from the Fukushima nuclear accident

→ Any application for financing a nuclear power plant now requires verification of additional criteria relating to the country's nuclear safety authority.

■ Concrete actions:

- BNP Paribas **has not financed any nuclear power plant since 2006**; the group regularly finances maintenance (spare parts, engineering...) or modernization of existing power plants
- This policy leads us to ask complementary E&S audits and to develop dialogue with clients

SECTOR POLICY: AGRICULTURE

■ OBJECTIVES

- Avoid financing or investing in companies which activities may have adverse environmental (ecosystem and biodiversity, water use and water pollution, GHG emissions, use of agrochemicals), social (poor working conditions, health and safety issues) and governance (land grabbing, food security issues, food safety and traceability issues and animal mistreatments) impacts.
- Monitor the Group's activities in agricultural commodities hedging and investment products

- Agricultural commodities producers are encouraged to certify their crop fields or plantations against RTRS, BCI, Bonsucro or UTZ. Forest managers and processors of timber products are encouraged to have their forest concessions certified against the FSC or the PEFC standard by 2020.
- **BNP Paribas is signatory of the BEI Soft Commodities' Compact, an initiative that aims to mobilize the banking industry to help transform soft commodity supply chains, thereby helping clients to achieve Zero net deforestation by 2020.**
- **Grounds for exclusion for agricultural projects:**
 - Are located on sensitive areas (UNESCO World Heritage Sites, Wetlands on the Ramsar list, Alliance for Zero Extinction sites, IUCN Category I-IV areas or Peat lands)
 - Use child or forced labour
 - Do not have a policy in place to obtain the Free, Prior and Informed Consent (FPIC) of the local communities
- **Grounds for exclusion for agricultural companies:**
 - Do not have a water management plan
 - Engage in Land grabbing practices
 - For physical agricultural products merchants and traders, do not have a policy on food safety and traceability covering their sourcing and their own operations
- **Specific position on Agriculture commodities**
 - BNP Paribas has made a commitment not to offer individual and institutional investors BNP Paribas internal funds containing exposure to agricultural commodities

SECTOR POLICY: PALM OIL

1st SECTION OF FORESTRY POLICY



■ OBJECTIVES

→ Avoid financing or investing in companies that actively contribute to deforestation (loss of biodiversity, aggravation of climate change, etc.) and address concerns of NGOs

■ **BNP Paribas encourages companies in the sector to certify their production according to principles defined by the RSPO (Roundtable on Sustainable Palm Oil)**

■ Grounds for exclusion:

- For upstream palm oil companies, no compliance with existing social and environmental laws and international regulations
- Use child or forced labour
- No consultation process, acceptable compensation process and grievance mechanism
- New plantations on high conservation value forests and protected areas
- No no-burn policy or no clear and stringent peat land management procedures in place for any new plantation development

■ Concrete actions:

- Annual review of the palm oil companies by the research and audit provider The Forest Trust
- End 2013, BNP Paribas palm oil policy was acknowledged by the NGO Les Amis de la Terre France as one of the reasons why Wilmar announced more demanding CSR commitments than the RSPO
- Revision of the policy in 2014: integrate new “zero deforestation” commitments by producers and emblematic ordering parties linked with the “High carbon stock” forestry assessment and promote the “Free Prior and Informed Consent” process for potentially impacted local communities

SECTOR POLICY: WOOD PULP

2nd SECTION OF FORESTRY POLICY



■ OBJECTIVES

- Avoid financing or investing in companies that actively contribute to deforestation (loss of biodiversity, aggravation of climate change, etc.) and address concerns of NGOs
- BNP Paribas encourages companies to adopt best international industry practices and to move towards higher standards of sustainability (FSC and PEFC) and is also a signatory of the “Soft Commodities Compact” from the Banking Environment initiative and the Consumer Goods Forum
- **Grounds for exclusion for upstream pulp companies:**
 - No compliance with existing social and environmental laws and international regulations
 - Use of child or forced labour or no regular monitoring plan of health and safety conditions
 - No consultation process, acceptable compensation process and grievance mechanism
 - Use of illegally harvested wood or new plantations on high conservation value forests
 - No stringent peat land management procedure or no no-burn policy
- **Grounds for exclusion for pulp producers:**
 - Wood sourcing does not respect the above requirements
 - No compliance with existing social and environmental laws and international regulations
 - No use of Elementary Chlorine Free or Totally Chlorine Free process in new pulp mills or no actual transition in existing pulp mills
 - No regular monitoring plan of the workforce’s health and safety conditions

SECTOR POLICY: MINING



■ OBJECTIVES

- Financing or investing responsibly in the mining sector by taking into account governance, social and environmental issues

■ Grounds for exclusion for projects:

- Located on protected areas or in countries under financial sanctions or in conflict area
- Use of child or forced labor or do not respect Health and Safety requirements as defined in the ILO Conventions
- Do not include a site reclamation plan or cannot provide a health and safety management plan and track record
- Extract asbestos, artisanal or small-scale mining activities, Appalachian MTR projects or use riverine or shallow marine tailings disposal

■ Grounds for exclusion for mining companies:

- Have their headquarters located in countries under financial sanctions or cannot disclose information on their performance related to water use, waste, GHG emissions and land reclamation
- Use child or forced labour as defined in the ILO Conventions or cannot provide a track record regarding health and safety at company level
- Are involved in asbestos extraction or significant producers of coal extracted from Appalachian MTR operations

■ Complementary environmental, social and governance due diligence on the project and the company

SECTOR POLICY: OIL SANDS



■ OBJECTIVES

→ Financing or investing only in the companies willing to develop oil sands reserve in a balanced and responsible manner and address NGOs' concerns

■ Grounds for exclusion for projects:

- Outside of Canada (only country with sufficient governance and regulation on oil sands projects)
- No targets to minimize: the use of fresh water, GHG NOx and SOx emissions, energy consumption
- Adversely impact protected areas or high conservation value habitats or no measure to limit impact on biodiversity
- No formal engagement and adequate consultation process to minimize impacts on aboriginal peoples
- No grievance mechanism
- When applicable, no plan to manage the tailings ponds
- When applicable, less than 90% of the water used by oil sands in situ recovery projects recycled or no use of brackish water

■ Grounds for exclusion for oil sands companies:

- Involved in severe controversies related to violations of any UN Global Compact Principles
- No policies and targets or no multi-stakeholders efforts on Key Environmental and Social Issues
- For Producing Oil sands companies: no disclosure of safety track records and Environmental performance data
- No formal public engagement and aboriginal consultation process
- No grievance mechanism
- Adversely impact protected areas or high conservation value habitats or no measure to limit impact on biodiversity

■ Complementary environmental, social and governance due diligence on the project and the company

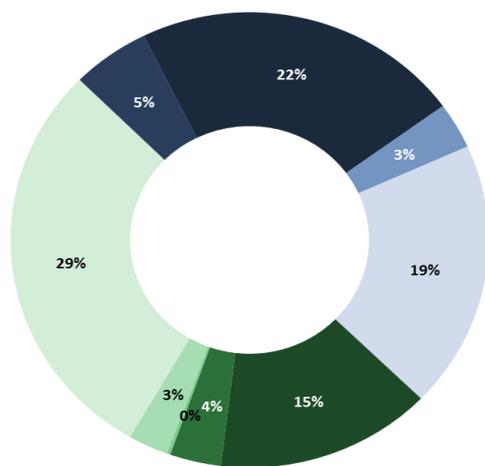
A range of products and services helping to combat climate change and financing the Energy Transition

FINANCING RENEWABLE ENERGIES AND GREEN INFRASTRUCTURES

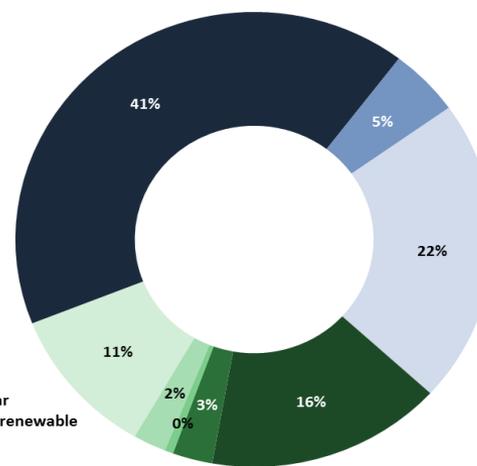
Total credit authorizations of close to **EUR 6.9 billion** at 31 Dec 2014, of which over EUR 2,4 billion for project financing

Financing or advice for more than **106 projects around the world**, with a total installed capacity of more than 12,500 MW at end-2014, equivalent to the annual consumption of 13 million French households. For example:

- Europe: Gemini, wind power generation project (600 MW in North Sea).
 - ➔ The biggest windmill farm ever financed in the world, for € 2,1 billion in all. At the end in 2017, it will provide power for 785,000 households and represent around 1,25 MteqCO2 per year avoided
- United States: BNP Paribas Capstar acted as advisor to EDF Énergies Renouvelables in five transactions:
 - ➔ 4 **wind projects**: Pacific Wind (140MW in California), Spearville 3 (102MW in Kansas), Shiloh IV (103MW in California) and Spinning Spur (161MW in Texas)
 - ➔ 1 **solar project**: Catalina Solar (144MW in California).



BNPP – Financed electricity production in 2013



IEA – Global electricity production in 2013

GREEN PRODUCTS FOR INDIVIDUALS AND CORPORATES

Products and services that **encourage environmentally-friendly behavior** in the housing and commercial property sectors

■ Domofinance:

- Joint venture between EDF and BNP Paribas Personal Finance specialized in **financing for energy consumption management**
- 51,000 projects financed in 2014 allowing for energy savings at a level equivalent to the annual consumption of close to 39,500 households

■ Arval:

- Innovative solutions such as an eco-driving training programme, an AutoPartage offer or since December 2014, a fleet management optimizer tool

■ BNP Paribas Real Estate:

- Noda building (Zenora complex) certified Exceptional HQE (design phase), and BREEAM International's Outstanding rating (design phase) with the **best European score to date** in this category: 92.07%
- BNP Paribas Real Estate developed a new guarantee of energy intrinsic performance, CARE (Comfort And Responsible Energy building), that outperforms French regulations by 40%



■ For SMEs : BNL's Green Desk:

- In 2014, BNL introduced a Green Desk: 7 employees dedicated to dispensing advice and to the financing of renewable energy or energy efficiency projects. The advice is provided at a reduced price if the project is financed with BNL. In 2014, the average loan amount to SMEs was EUR 1.5 million. This Green Desk received the Green Globe Banking Award 2014. Since April 2014, the platform has received over 150 projects.

BNP PARIBAS' GREEN SERVICES FOR INSTITUTIONAL INVESTORS

Development of green bonds

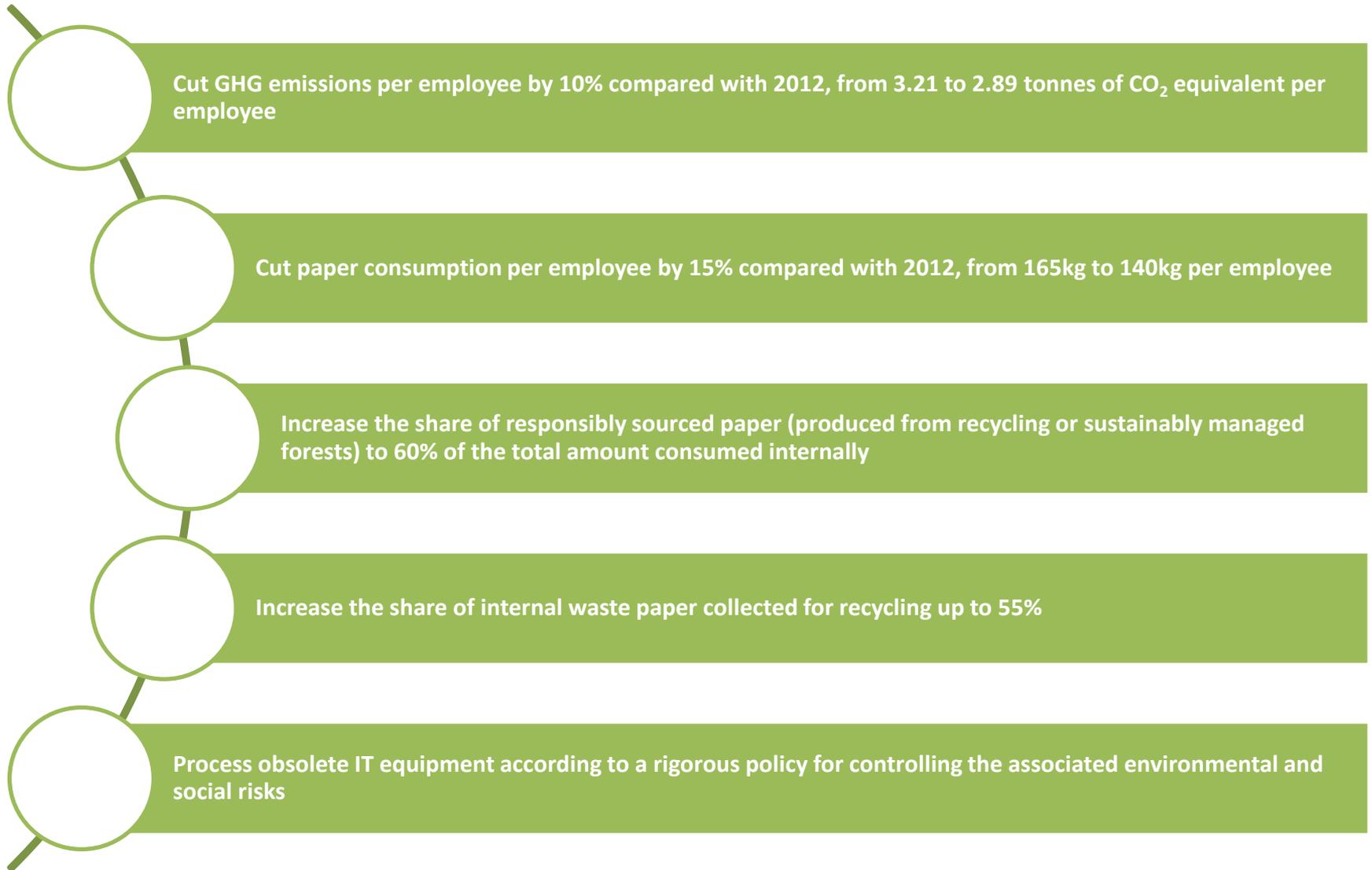
In 2014, BNP Paribas set up a Sustainable Share Capital Markets team to advise customers and respond to the growing interest for bonds to finance sustainable, green and/or socially responsible projects. Four major transactions were completed since then:

- Associate bookrunner for the green bond for the French Development Agency (AFD), for a total of €1 billion over ten years : "climate" bond, destined to finance carbon footprint reduction projects.
- One of the seven banks of the consortium that supported GDF Suez green bond – €2.5 billion for a duration of 6.5 years – to finance projects to fight against climate change.
- Overall coordinator and structuring advisor for the Hera green bond, first issue of an Italian green bond of €500 million over ten years.
- BNP Paribas developed an original type of structured green bond and enabled the World Bank to issue a series of this new type of instrument and thus rally new investors. The performance of these **Green Growth Bonds** is linked to that of the Ethical Europe index, made up of shares selected by the extra-financial rating agency, Vigeo, according to SRI principles. The World Bank uses the funds to finance projects promoting adaptation to climate change or contributing to its limitation. This transaction is the first of its type on the market. After 1 year of promotion and more than 10 transactions over USD500 million have been collected all around the World (USA, Europa, Asia) and from all types of customers (Major European banking networks, Swiss private bankers, Insurers, Pension funds, etc.)



Limiting the Group's environmental footprint

REDUCE OUR DIRECT IMPACT: QUANTIFIED OBJECTIVES FOR 2015



REDUCE OUR DIRECT IMPACT: WHAT'S AT STAKE?

- 210 kWh/sq. m. consumed in our buildings – total of 1,513 GWh of which three-quarters for electricity
- 4,591 km/FTE for business travel (plane, train, car)
- Renewable energy represented 18,6% in 2014 (18.2% in 2013) of total energy consumption in buildings



547,230 tonnes of CO₂ equivalent emissions, or 2,91 tonnes of CO₂ equivalent /FTE

75,1% for buildings and 24,9% for business travel

- 144 kg paper consumed/FTE of which 53,7% is responsible
- 22,58 cubic m. water consumed/FTE in our buildings
- 173 kg waste/FTE, of which 38,9% is recycled
- 21.7% environmentally-friendly office supplies products purchased



BNP Paribas' environmental reporting quality rated 95A-/100 by the Carbon Disclosure Project in 2014

REDUCE OUR DIRECT IMPACT: A GLIMPSE OF OUR ACTION PLANS

Reduce GHG emissions

- Include energy efficiency in the French “-10% carbon footprint” program
- Display the CO₂ emissions in the French travel booking tool, and offers a more environmentally friendly means of travel whenever one is available
- Purchase renewable energy certificates and produce renewable energy (e.g. photovoltaic systems at First Hawaiian Bank and at BNL in Italy)
- Use remote meetings (e.g. at BNP Paribas Personal Finance, roughly 500 meetings are held every month in 35 dedicated rooms)
- Operate sustainable buildings (e.g. extension of BGL Luxembourg’s headquarters certified DGNB, BREEAM and HQE)

Paper: consume less, consume better

- Replace individual printers with shared equipment
- Use eco-designed office supplies

Reduce wastes and recycle

- Recycle paper (e.g. BNP Paribas Fortis is the first Belgian company to obtain a recycling certificate for recycling and reusing its own used paper)
- Recycle food (e.g. In one of the Group’s buildings in the UK, food waste is transformed into biogas and agricultural fertilizer)
- Give a second life to obsolete computer equipment by donations or resale whenever possible

Combat loss of biodiversity

- Use responsibly sourced paper to protect forest ecosystems and their biodiversity
- Take measures to boost the biodiversity of the 23-hectare Domaine des Voisins park in Louveciennes, France

A LEADER IN CERTIFICATIONS

- With 71 ISO 9001 certifications, the Group is a leader in the banking and insurance sector
 - 16 843 employees work in an organization certified ISO 9001
- 25 ISO 14001 certifications
 - 25,836 employees work in an entity certified ISO 14001
 - Integrated approach for French Retail Banking
 - The branch network, document publishing, factoring and data centers have all received ISO 14001 certification
 - Broad approach for Arval in France and in Europe
 - Launch of an ambitious certification program at CIB UK (start in England in 2014, ought to be expanded to the whole UK in 2015)
- 7 ISO 20000 certifications (Information System) and 4 ISO 27001 certifications (Information security management system)
- The Group is integrating the new ISO 26000 standard alongside other CSR standards to establish its framework for CSR initiatives and define action plans





Corporate philanthropy supporting scientific research on climate change

CLIMATE INITIATIVE: A MAJOR INTERNATIONAL PROGRAM WITH STRONG SCIENTIFIC CREDIBILITY AND A LONG-TERM VISION, ACHIEVING SUCCESS RIGHT FROM YEAR ONE

- **BUDGET:** EUR 3 million for three years for the 2014 call for projects
- **INTERNATIONAL CALL FOR PROJECTS**
- **SUBJECTS:**
 - Fundamental climate research
 - Transition to a low carbon economy
 - Adaptation to future climate changes
- **EVALUATION CRITERIA**
 - Scientific credentials and credibility of project leaders
 - Consistency with BNP Paribas positioning
 - Project timeframe (3 years on average)
 - Potential for communication
 - International scope
 - Visibility of BNP Paribas's support
- **FINAL SELECTION BY SCIENTIFIC COMMITTEE**
 - Comprised of 5 eminent members
 - Chaired by Philippe Gillet, Vice President of Academic Affairs EPFL (Ecole Polytechnique Fédérale de Lausanne)



47 grant applications received in 2014



5 projects selected with general objective of contributing to the advance and promotion of climate science