

BNP PARIBAS AND THE EXERCISE OF ITS CSR



CSR Department
July 2018



BNP PARIBAS

The bank for a changing world






Introduction

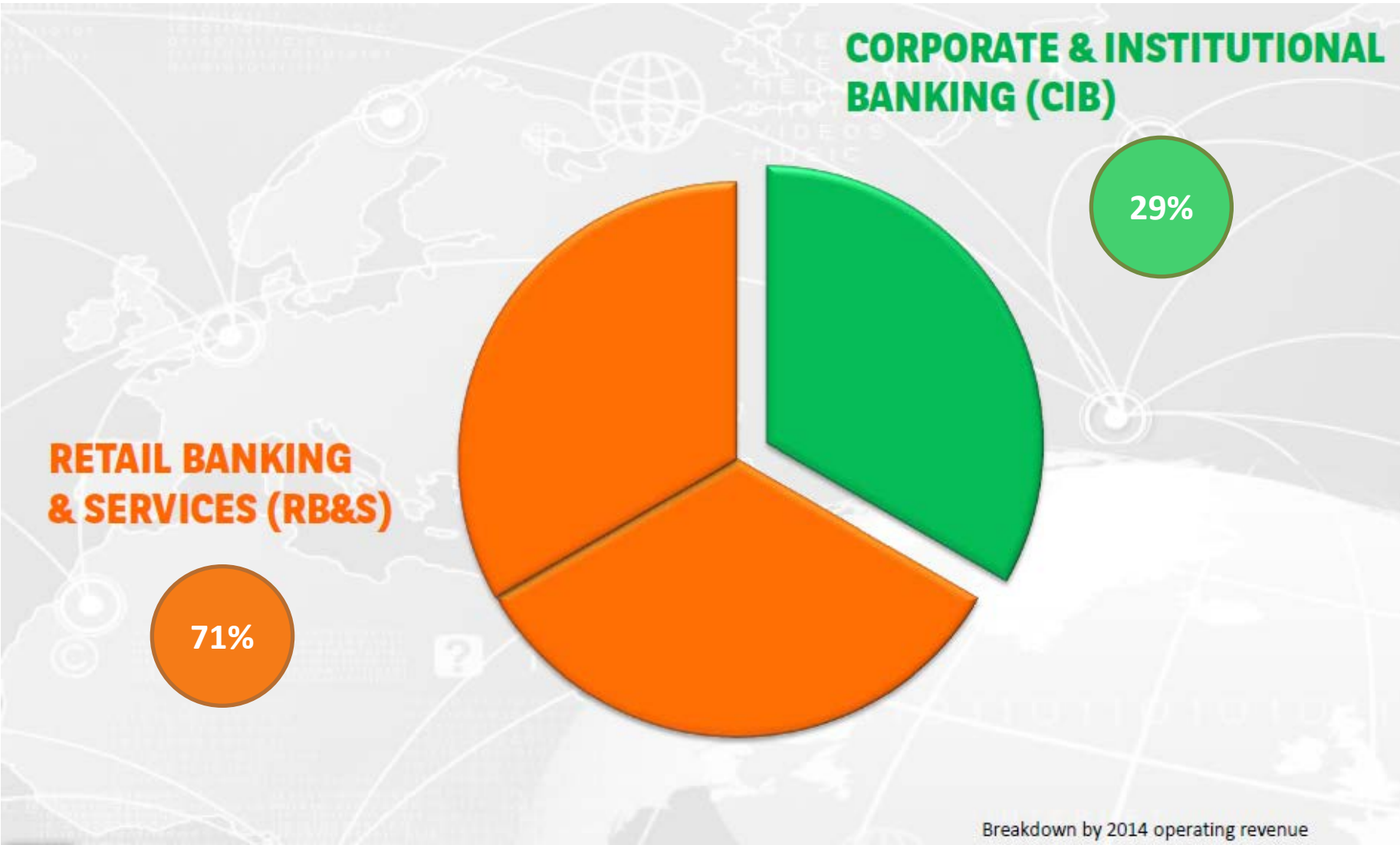
BNP Paribas Group

A European leader with responsibilities in three key areas

BNP PARIBAS GROUP STORY

	1999	2001	2017
			
<i>Number of Employees</i>	50,000	30,000	80,000 (Including 55,000 in France)
<i>International presence</i>	France, North African countries, India, Hong Kong...	Main Financial Markets: London, New York, Frankfurt, Paris...	83 countries
<i>Activities</i>	Retail Corporate Banking	Investment Banking Specialized Financial Services	83 countries
		Retail Corporate & Investment Banking Specialized Financial Services Asset Management & Services	Retail Banking & Services Corporate & Institutional Banking

| 2 ACTIVITIES



Breakdown by 2014 operating revenue

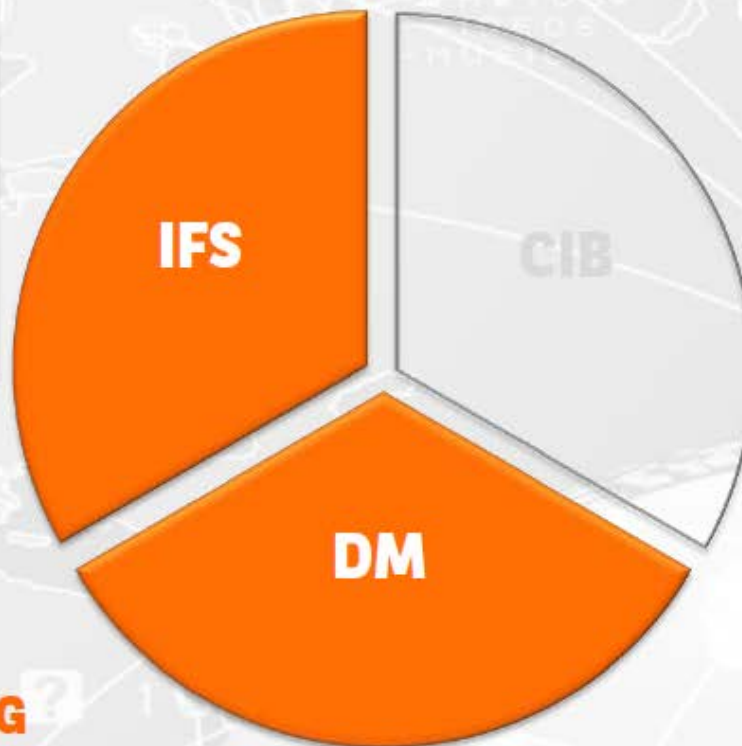
RETAIL BANKING AND SERVICES

RETAIL BANKING & SERVICES: this activity comprises two entities:
International Financial Services and Domestic Markets

INTERNATIONAL FINANCIAL SERVICES

International Retail Banking
BNP Paribas Personal Finance
BNP Paribas Cardif

BNP Paribas Wealth Management
BNP Paribas Investment Partners
BNP Paribas Real Estate



DOMESTIC MARKETS

French Retail Banking
BNP Paribas Fortis
BNL
BGL BNP Paribas

Arval
BNP Paribas Leasing Solutions
BNP Paribas Personal Investors

Retail Development & Innovation (RD&I)

**RETAIL BANKING
& SERVICES (RB&S)**

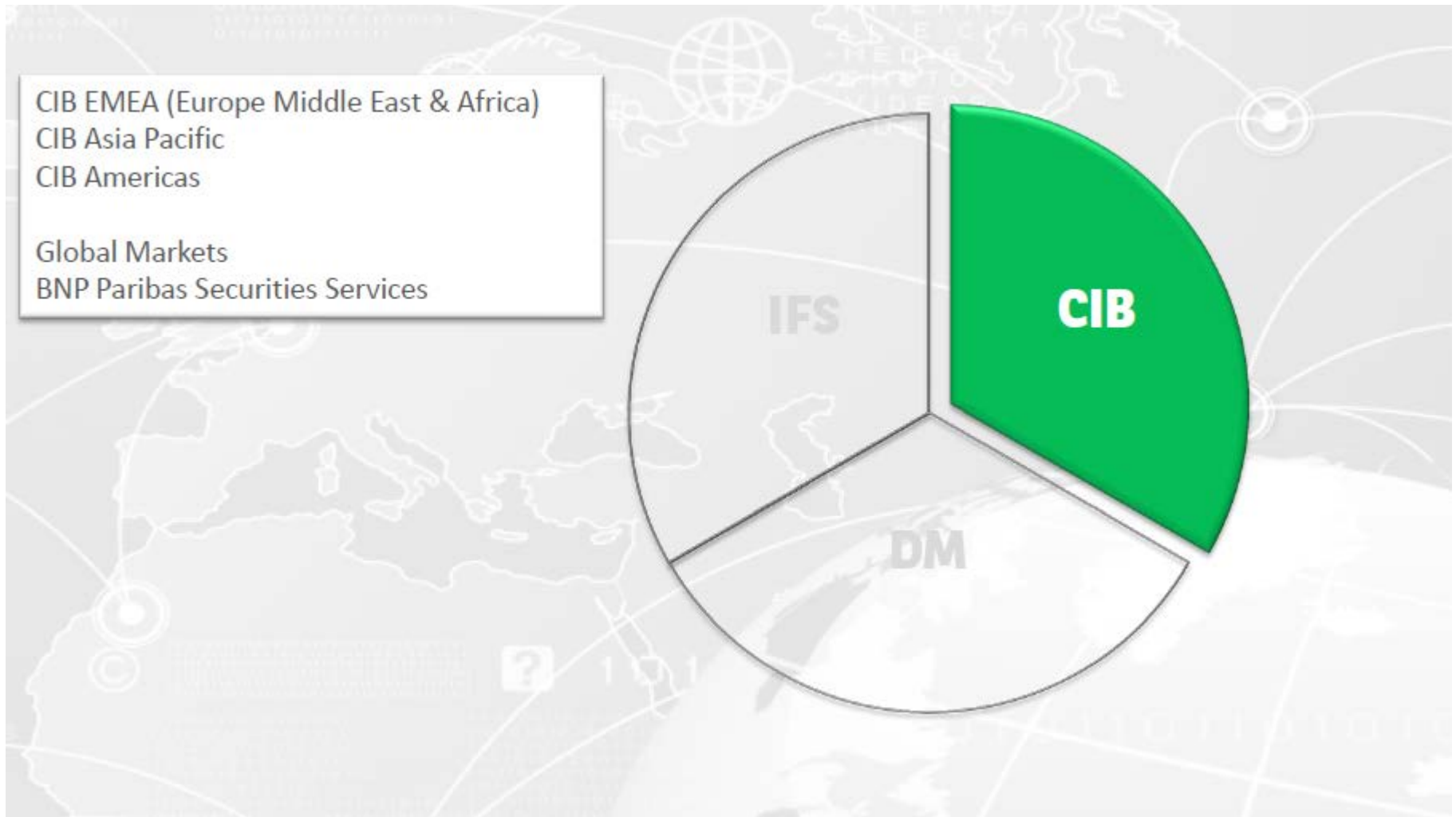
DOMESTIC MARKETS

- 7,000 branches in 27 countries, around 70,000 employees
- Close to 18 million customers
- Including 850,000 professionals, small businesses and corporates

INTERNATIONAL FINANCIAL SERVICES

- Over 80,000 employees in more than 60 countries
- Strong positions in the Asia-Pacific region and the Americas, which are key development regions for the Group

CORPORATE AND INSTITUTIONAL BANKING



CORPORATE AND INSTITUTIONAL BANKING

LOCAL SOLUTIONS FOR GLOBAL ACTIVITIES

- 30,000 employees in 57 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 29% of Group's revenues

2017 AWARDS

World's Best Bank for Corporates (Euromoney - July 2017)

Best digital Bank in Western Europe (Euromoney - September 2017)

Most Innovative Investment Bank for Climate Change and Sustainability (The Banker, September 2017)

THE IMPLEMENTATION OF A CODE OF CONDUCT, FULLY REDESIGNED IN MAY 2016 AND UPDATED IN 2018

Mission

Provide financing for the economy and advice for our clients in an **ethical manner**, to have a positive impact on its stakeholders and on the wider society

Values

4 strengths: Solidity, Responsibility, Expertise Good place to work
4 levers: Agility, Culture of compliance, client satisfaction, Open-mindedness

Rules

Elaborated at Group level and enforced in every business lines (Customer interest, financial security, market integrity, business ethics ...)

Practices

Employee **training**
Use of **whistleblowing** procedure
Incentive to be **exemplary** but also sanctions

DOWNLOAD THE
CODE OF CONDUCT
Modified on 23/01/2018



(including the Addendum: "fighting corruption")

A Code of Conduct on Fighting Corruption, integrated into the Group Code of Conduct, provides definitions as well as examples to illustrate prohibited behaviours. In case of violation of this Code, employees face disciplinary measures

CSR IS ONE OF THE COMPONENTS OF 2020 STRATEGIC PLAN

And still following a CSR – Corporate Social Responsibility-policy that is even tougher and strictly implemented. The world needs this, whether we're talking about the energy transition or social commitment to attain the global commitments made under the COP 21 Agreement.



A BANK COMMITTED TO A BETTER FUTURE

4 PILLARS – 12 COMMITMENTS

OUR ECONOMIC RESPONSIBILITY

FINANCING THE ECONOMY IN AN ETHICAL MANNER

- ① Investments and financing with a positive impact
- ② Ethics of the highest standard
- ③ Systematic integration and management of environmental, social and governance risks

OUR SOCIAL RESPONSIBILITY

DEVELOPING AND ENGAGING OUR PEOPLE RESPONSIBLY

- ④ Promotion of diversity and inclusion in the workplace
- ⑤ A good place to work and responsible employment management
- ⑥ A learning company supporting dynamic career management

OUR CIVIC RESPONSIBILITY

BEING A POSITIVE AGENT FOR CHANGE

- ⑦ Products and services that are widely accessible
- ⑧ Combat social exclusion and support human rights
- ⑨ Corporate philanthropy policy focused on the arts, solidarity and the environment

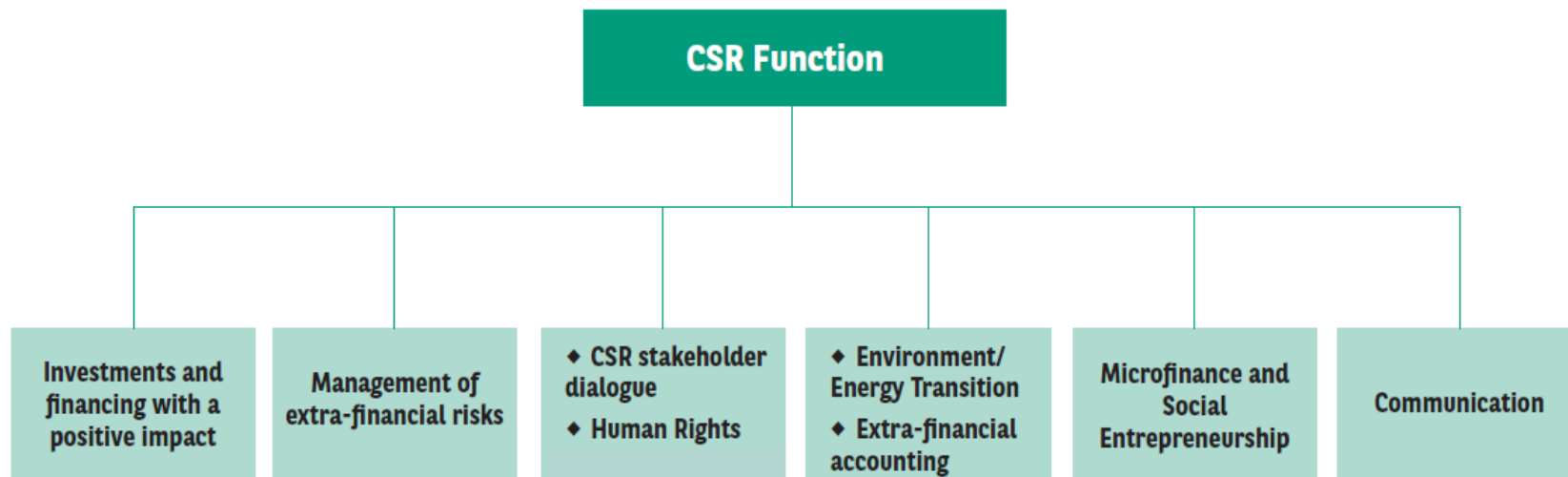
OUR ENVIRONMENTAL RESPONSIBILITY

COMBATING CLIMATE CHANGE

- ⑩ Partnering with our clients in the transition to a low carbon economy
- ⑪ Reduce the environmental impact of our operations
- ⑫ Advance awareness and sharing of best environmental practices

STRENGTHENING OF THE CSR FUNCTION

- Within the **Board of Directors**, the “Corporate Governance, Ethics, Nominations and CSR Committee” is in charge of ethics, sustainability and CSR since the Annual General Meeting of May 2016.
- As of 1st September 2017, CSR is overviewed by the new **Company Engagement Department** that is directly represented on the Group’s executive Committee. This new Department works with all BNP Paribas business lines, in order to define and implement the company’s engagement strategy relating to key fields for the future of our society: economic development; the environment and energy transition; social inclusion and regional development; diversity and respect of human rights...



- CSR Department is relying on support from correspondents within the Business Divisions, Subsidiaries, Functional departments and strategic geographical areas (130 FTEs spend all or a majority of their time on CSR matters within BNP Paribas)
 - One representative on the Entity Comex
 - One Head of CSR (frequently as part-time post)
- ... and an internal network of ≈ 300 experts
 - Environment, SRI, Microfinance and Financing and Investment policies

OUR CONTRIBUTION TO THE SDGs

Commitments firmly aligned with the UN Sustainable Development Goals

THE ECONOMY

Financing the economy in an ethical manner

Investments and financing with a positive impact

Ethics of the highest standard

Systematic integration and management of ESG Risks



OUR PEOPLE

Developing and engaging our people responsibly

Promotion of diversity and inclusion in the workplace

A good place to work and responsible employment management

A learning company supporting dynamic career management



THE COMMUNITY

Being a positive agent for change

Products and services that are widely accessible

Combat social exclusion and support human rights

Corporate philanthropy policy focused on the arts, solidarity and the environment



THE ENVIRONMENT

Combating climate change

Partnering with our clients in the transition to a low carbon economy

Reduce the environmental impact of our operations

Advance awareness and sharing of best environmental practices

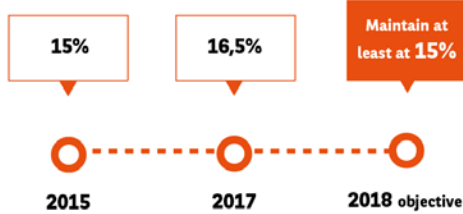


OUR KEY PERFORMANCE INDICATORS (1/2)

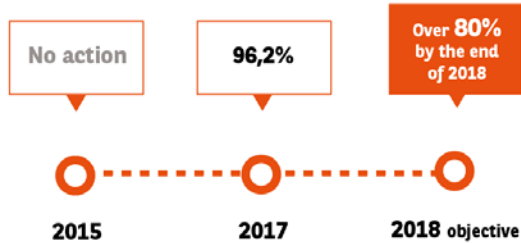
2016 – 2018 DASHBOARD

OUR ECONOMIC RESPONSIBILITY

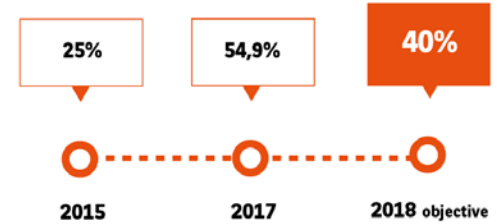
SHARE OF LOANS TO COMPANIES CONTRIBUTING STRICTLY TO THE ACHIEVEMENT OF UN SUSTAINABLE GOALS



PERCENTAGE OF EMPLOYEES TRAINED ON AN ETHICS-RELATED ISSUE

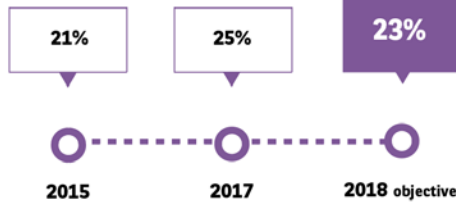


SHARE OF LOANS TO COMPANIES SUBJECT TO AN ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM WHICH IS SPECIFIC TO THE CONCERNED ACTIVITY

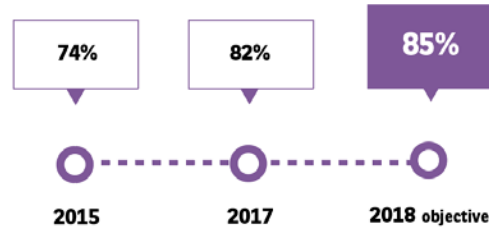


OUR SOCIAL RESPONSIBILITY

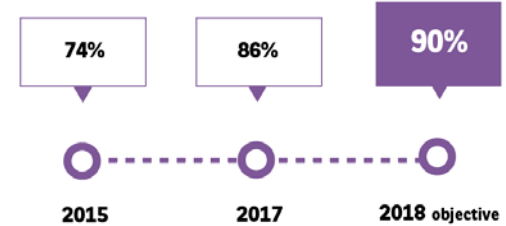
PERCENTAGE OF WOMEN AMONG THE MEMBERS OF CROSS-FUNCTIONAL EXECUTIVE COMMITTEES ACROSS BUSINESS LINES AND/OR COUNTRIES



PERCENTAGE OF EMPLOYEES HAVING AT LEAST 14 WEEKS OF PAID MATERNITY LEAVE AND/OR SIX DAYS OF PAID PATERNITY LEAVE

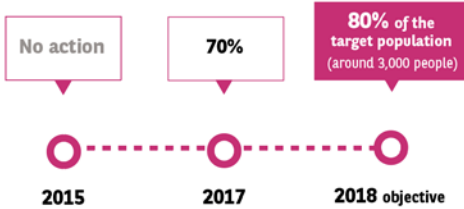


PERCENTAGE OF EMPLOYEES REPORTING HAVING BEEN TRAINED (ANY FORMAT, INCLUDING E-LEARNING) OVER THE PAST 12 MONTHS

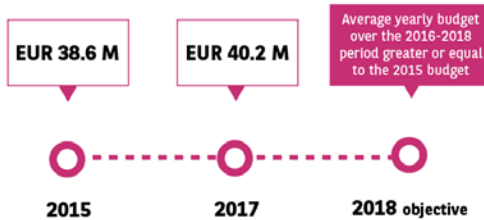


OUR CIVIC RESPONSIBILITY

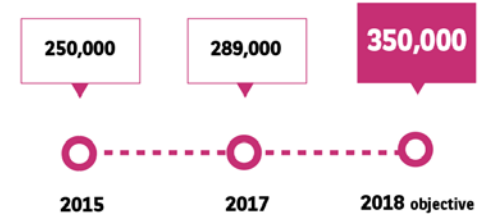
PROPORTION OF EMPLOYEES CONTRIBUTING DIRECTLY TO THE PROMOTION OF HUMAN RIGHTS WHO HAVE RECEIVED A SPECIFIC TRAINING



THE BNP PARIBAS GROUP'S ANNUAL SPONSORSHIP BUDGET

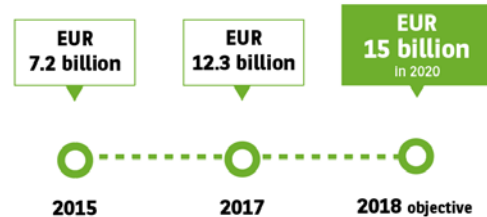


ANNUAL NUMBER OF BENEFICIARIES OF MICROLOANS DISTRIBUTED BY MICROFINANCE INSTITUTIONS FINANCED BY BNP PARIBAS

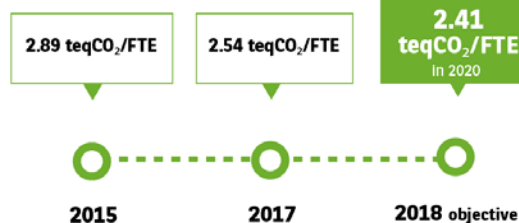


OUR ENVIRONMENTAL RESPONSIBILITY

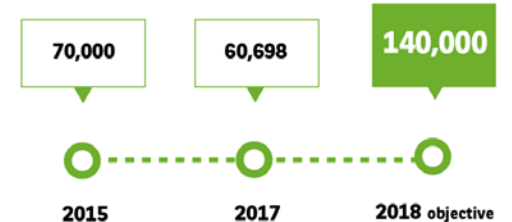
FINANCING FOR RENEWABLE ENERGIES



GREENHOUSE GASES EMISSIONS



NUMBERS OF PEOPLE MADE AWARE OF CLIMATE ISSUES BY BNP PARIBAS



OUR KEY PERFORMANCE INDICATORS (2/2)

2015-2018 period



Group Sustainability and Incentive Scheme :
20% of the 6,300 Top Managers' deferred variable compensation relies on the performance of 9 over the 13 CSR indicators below

	KPI	2015 baseline	2017 value	2018 target	
GSIS	Economic	Share of loans to companies contributing strictly to the achievement of UN Sustainable Development Goals	15%	16.5%	Maintain at least at 15%
GSIS		Percentage of employees trained on an ethics-related issue	No baseline, the action starts in 2016	96.2%	More than 80%
		Share of loans to companies subject to an environmental and social management system which is specific to the concerned activity	25%	54,9%	40%
GSIS	Social	Percentage of women among the members of transversal executive committees across business lines and/or countries	21%	25%	23% (25% in 2020)
		Percentage of employees having at least 14 weeks of paid maternity leave and/or six days of paid paternity leave	74%	82%	85%
		Percentage of employees reporting having been trained (any format, including e-learning) over the past 12 months	74%	86%	90%
	Civic	Yearly number of beneficiaries of micro-credits allocated by microfinance institutions financed by BNP Paribas (calculated pro rata relative to the financing from BNP Paribas)	250,000	289,000	350,000
GSIS		Percentage of employees directly contributing to the promotion of human rights who have received a dedicated training	No baseline, the action starts in 2016	70%*	80% of the target population (around 3,000 people)
GSIS		BNP Paribas Group's annual philanthropy budget	38.6M€	40.2M€	Average annual budget over 2016-2018 greater or equal to the 2015 budget
GSIS	Environmental	Amount of funding devoted to renewable energies	7.2Bn€	12.3 Bn€	15 Bn€ in 2020
GSIS		GHG emissions	2.89teqCO ₂ / ETP	2.54teqCO ₂ / ETP	2.41 teq CO ₂ /ETP in 2020
		Number of people made aware of climate change issues by BNP Paribas	70,000	60,698	140,000
GSIS	Gov.	Percentage of employees having a favourable opinion on the way the Group conducts its corporate responsibility and its commitments as a responsible bank	69%	73%	72%

STRONG PUBLIC COMMITMENTS

PARTICIPATION IN KEY INDUSTRY INITIATIVES

- United Nations Global Compact (2003)
- Principles for Responsible Investment (PRI) – BNP Paribas Asset Management (2006), BNP Real Estate Investment Management (2015), BNP Paribas Securities Services and BNP Paribas Cardif (2016)
- Equator Principles (2008)
- 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) of the Banking Environment Initiative
- ILO Business Charter on Disability (2016)
- Carbon Pricing Leadership Coalition (2017)



STRONG PUBLIC COMMITMENTS

BNP PARIBAS SPECIFIC PUBLIC COMMITMENTS ENDORSED BY CHAIRMAN AND CEO

■ Environmental commitments (reinforced in 2017)

- Commitments to the energy transition and climate stability (Double renewable energy financings to €15 billion in 2020)
- Reducing exposure to thermal coal and unconventional oil and gas
- Mitigating business risks linked to the energy transition
- Integrating carbon risk in its investment activities
- Developing innovative financing and investment solutions to drive energy transition (Invest €100 million by 2020 to encourage innovative start-ups)
- Reaching carbon neutrality for the emissions arising from its operations
- Actively engaging with regulators, policy makers and the scientific community to support the energy transition
- Protecting ecosystems, including biodiversity, forests, air, water and natural resources, through the endorsement of the Zero Net Deforestation objective set up by the Soft Commodities Compact

■ Statement on Human Rights (2012) and Modern Slavery & Human Trafficking (2017)

- 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
- UK Modern Slavery Act: in May 2017, BNP Paribas published its first statement on the measures put in place by the Group to prevent slavery and human trafficking, to be annually updated and reported in the Registration Document

STRONG PUBLIC COMMITMENTS

BNP PARIBAS SPECIFIC PUBLIC COMMITMENTS

1/16

CORPORATE SOCIAL RESPONSIBILITY

UNCONVENTIONAL OIL AND GAS – SECTOR POLICY



BNP PARIBAS

The bank
for a changing
world

BNP PARIBAS SA, share capital of 2 496 865 996 euros • Head office: 16 boulevard des Italiens 75009 Paris • Incorporation N°662 042 449 RCS Paris • TVA CE identifier: FR76662042449 • Orias Incorporation N°07 022 735 • www.bnpparibas.com

■ **CSR sector policies governing financing and investments** (Date of publication/Last update)

- Defence (2010/2017)
- Palm oil (2010/2017)
- Wood pulp (2011)
- Agriculture (2015)
- Mining (2013/2016)
- Coal-fired power generation (2011/2017)
- Unconventional Oil & Gas (2017)

■ **Group public positions**

- Exclusion of Tobacco companies (2017)

■ **Goods and activities on exclusion list** - regularly updated

■ **Charter for responsible representation with respect to the public authorities** (2012)

■ **Supplier CSR Code of Conduct** (2016)

A COMPREHENSIVE GOVERNANCE

Executive Committee to define the CSR strategy

Recent examples:

- ✓ Commitment to carbon neutrality validated in May 2017
- ✓ Updated version of the Commitments for the Environment validated in October 2017
- ✓ New investment and financing policy in the unconventional oil and gas sector validated in October 2017

Board of Directors

- to approve the CSR strategy and the annual reporting
- Corporate Governance and Nominations Committee extended its responsibilities to Ethics, Conduct and CSR in 2016

Ethics Committee to advise General Management on ethical and CSR issues

- 7 members including 4 external advisors – 3 meetings in 2017
- Chaired by an external advisor: Jean Marie Guéhenno, Former CEO of the International Crisis Group
- Gave opinion on the implementation of the Code of Conduct, and on the Palm oil and Defence sector policies

GSCC

(Group Supervisory and Control Committee)

- to validate financing and investment policies
- *Example:* Exclusion of tobacco companies in November 2017

CCDG

(General Management Credit Committee)

- recently updated procedure specifies CCDG will review all issues surrounding the acceptability of risks **including ethics and CSR**

■ **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
- Integration of CSR criteria in the qualitative part of variable remuneration

BNP PARIBAS GOVERNANCE THAT SUPPORTS THE LONG-TERM STRATEGY OF THE BNP PARIBAS GROUP

Best practice in governance

A clear separation of powers between the Chairman of the Board of Directors and the Chief Executive Officer

The functions of the Chairman and the Chief Executive Officer have been separated since 2003 and no member of the Executive Committee has sat on any of the Board Committees since 1997.

The Chairman ensures that the Board fulfils its role in representing the interests of all shareholders over the long term, independent from, in particular, the interests of Group management. The Chairman ensures compliance with best practice in the area of governance.

The Chief Executive Officer and the Chief Operating Officer propose the Group strategy to the Board and then conduct the management of the company in order to achieve the strategic objectives that have been approved.

This governance model guarantees the independence of functions, thus ensuring optimal efficiency in the functioning of executive management bodies and of the Board of Directors.

An independent and representative Board of Directors

The Members of the Board of Directors are elected for three-year terms, which may be renewed.

Two of the Directors are elected by staff, and represent the company's employees.

After the Annual General Meeting of Shareholders held on 24 May 2018, five out of the twelve Directors elected by shareholders are women, and four different nationalities are represented on the Board. Nine Board members qualify as independent, a proportion that largely exceeds the recommendations of the A1ep-Medef code for corporate governance, which provides that at least half of the Board be composed of independent Directors.

An Audit Committee with a majority of independent members

The powers devoted to the Audit Committee have been split between the Financial Statements Committee, composed of 80% of independent Directors, and the Internal Control, Risk Management and Compliance Committee.



The bank
for a changing
world

THE ETHICS COMMITTEE

- BNP Paribas has announced on July 31st, 2014, the creation of an Ethics Committee composed of members of the Group's top management as well as independent qualified personalities. This advisory body met three times in 2017.
- Its role is to advise the Executive Management in order to ensure that the Bank's activities are in line with the values of BNP Paribas and with the highest standards of professionalism, integrity and ethics.
- In 2017, the Ethics Committee delivered opinions on:
 - The operational implementation of the Code of conduct in numerous Group entities;
 - The Group's 2017-2020 Development Plan;
 - The Data Protection Programme established to comply with the European General Data Protection Regulation;
 - The Group's financing and investment policies in the sensitive palm oil and defence sectors.
- **The external and independent personalities:**
 - **Jean-Marie Guéhenno** (Chairman of the Ethics Committee), Former President of the International Crisis Group.
 - **Julia Marton-Lefèvre**, Former Chief Executive Officer of the International Union for Conservation of Nature (IUCN).
 - **Antoon Vandavelde**, Professor of Ethics and Political Philosophy, KU Leuven, Belgium.
 - **Margaret Jungk**, Head of global human rights practice at BSR; Former UN Appointed Independent Expert on Human Rights and Business; Founding Director of the Human Rights and Business Department, Danish Institute for Human Rights

ADAPTATING AND COMPLYING TO NEW CSR REGULATIONS (1/2)

The French duty of care law

2017 Report:

- Reflects the existing setup within the Group as regards the management of CSR risks
- 1st year of reporting: commitment of an approach of continuous improvement

2018 Report:

- Will require to clarify/formalise more the plan and to report on its implementation

Current situation:

- The systems in place to identify and manage risks (i.e. on human rights, health/safety and the environment) enable BNP Paribas to meet the law's requirements for 2017

Outlook:

- An action plan has been implemented in 2018 to complete the existing systems

Content of the text included in the 2017 Registration Document:



ADAPTATING AND COMPLYING TO NEW CSR REGULATIONS (2/2)

New regulations and initiatives for the energy transition

- BNP Paribas already complies with the reporting requirements of **article 173** of the French Energy Transition for Green Growth Act
 - BNP Paribas Cardif and BNP Paribas Asset Management report on the carbon impact of their funds, in line with the article 173 of the French Energy Transition law
- BNP Paribas is preparing to comply with the **European Directive on Non-Financial Reporting** as transposed into the French law
 - BNP Paribas is compliant with the article 225 of the Grenelle II Act in France, and the Group already consolidates its data in its annual Registration Document (with a dedicated section on ESG risk management);
 - An update of its Registration Document is planned in line with this new regulation by 2019 – for 2018 exercise (business plan integration, materiality analysis...).

EXTENSIVE DIALOGUE WITH STAKEHOLDERS

- Employees, Central European Committee... : through a regular dialogue and an annual Group's internal survey (175,093 comments gathered in 2017, with a 76% response rate)
- Suppliers – 3 key principles:
 - 1) Fairness and transparency in selecting suppliers;
 - 2) Pursuit of the best cost/quality/risk ratio;
 - 3) Pursuit of innovative solutions (cf. *Fostering dialogue with stakeholders and Suppliers Charter*)
- Engagement and dialogue with clients on CSR issues (see *Economic and Environmental pillars*)
- SRI investors: 33 different investors met at least once in 2017
- NGOs: 101 exchanges at Group level in 2017 among which 50 meetings on various topics
 - Social and environmental impacts of the Group's financing and investing activities
 - Human rights
 - Climate change...

GREENPEACE


netwerk
Anders omgaan met geld




Amnesty
International

BANKTRACK

POSITIVE APPRAISAL OF BNP PARIBAS' CSR STRATEGY AND ACHIEVEMENTS BY EXTRA-FINANCIAL RATING AGENCIES

Main Extra-Financing Ratings

No.1 out of 31 companies in the sector of "diversified banks in Europe" according to **Vigeo Eiris' 2017 rating (64/100)** as of January 2017)



No.1 French bank in the "diversified banks" sector (and among the 28 banks listed in the DJSI World universe out of 212) in **RobecoSAM 2017 rating (86/100)** as of September 2017)

BNP Paribas received a score of **A** in **MSCI ESG Ratings** (December 2017)



No.2 out of 250 companies rated by **Oekom research** in the Commercial Banks & Capital Markets sector in **2017 (C Prime)** as of January 2017)

BNP Paribas was recognized "**leader**" in **Sustainalytics' 2017 rating (78/100)** as of December 2017)

BNP Paribas received a score of **A-** in the **Carbon Disclosure Project 2017 ranking** (December 2017)

Member of Sustainability Indices



BNP Paribas is listed in the **Dow Jones Sustainability Indices World & Europe (2017)**



BNP Paribas is listed in **Euronext-Vigeo Eiris indexes World 120, Europe 120, Eurozone 120, France 20 (2017)**



FTSE4Good

BMCI maintains its presence in **Euronext-Vigeo Eiris Ranking Emerging 70 (2017)**



Other CSR awards and rankings



European leader in managing climate risks according to the NGO **ShareAction** (promoting responsible investment)



BNP Paribas among the **2018 "Global 100 Most Sustainable Corporations"** ranking (36th)



'**Best Corporate Social Responsibility Banking Group Europe 2017**' in **Global Banking & Finance Review's** ranking



BNP Paribas and the exercise of its Corporate Social Responsibility

Our Economic Responsibility:

financing the economy in an ethical manner

Our Social Responsibility:

Developing and engaging our people responsibly

Our Civic Responsibility:

Being a positive agent for change

Our Environmental Responsibility:

Combating climate change



Financing the economy in an ethical manner

Investments and financing with positive impact

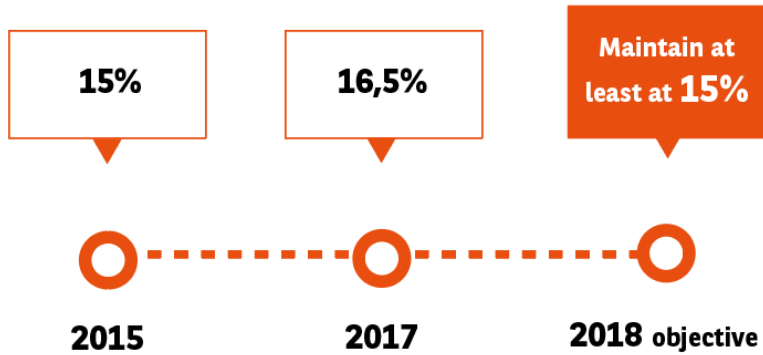
Ethics of the highest standard

Systematic integration and management of environmental, social and governance risks

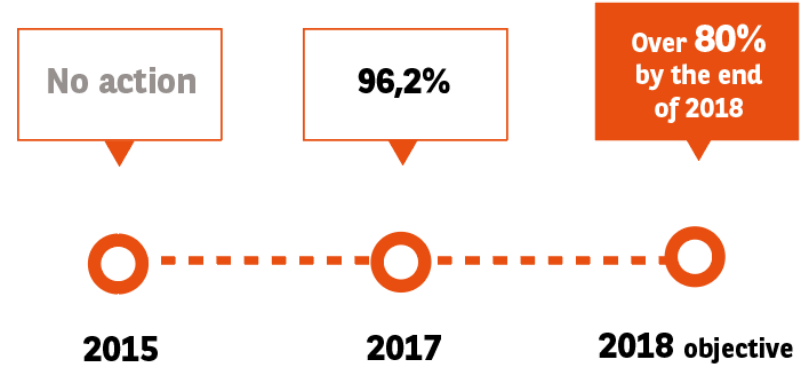
OUR ECONOMIC RESPONSIBILITY

Objectives for 2018

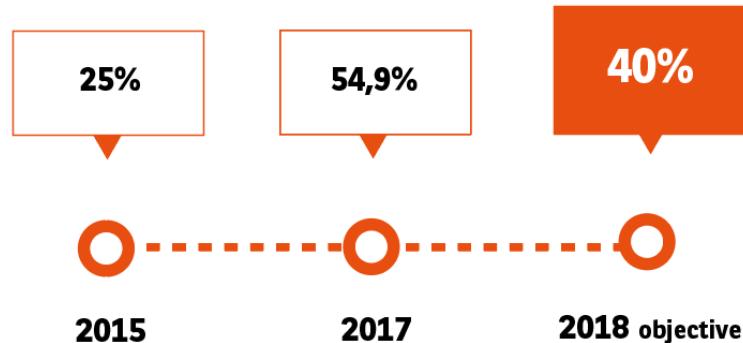
SHARE OF LOANS TO COMPANIES CONTRIBUTING STRICTLY TO THE ACHIEVEMENT OF UN SUSTAINABLE GOALS



PERCENTAGE OF EMPLOYEES TRAINED ON AN ETHICS-RELATED ISSUE



SHARE OF LOANS TO COMPANIES SUBJECT TO AN ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM WHICH IS SPECIFIC TO THE CONCERNED ACTIVITY



INVESTMENTS AND FINANCING WITH A POSITIVE IMPACT

SUPPORT FOR BUSINESSES

BNP Paribas supports the local economy by financing businesses in all its markets

■ Measuring economic impact

In 2016, the Group conducted a **pilot study to quantify the contribution that bank loans make to supporting local economies in France** (employment and GDP growth).

➤ Results

1. Loans to businesses in the France network contributed to maintaining or creating 820,000 jobs in France – around 5% of market jobs
2. Almost 200,000 of these jobs, around 24% of the total, were generated by the SMEs (businesses with revenue of under EUR 50 million)

In 2017, BNP Paribas conducted a **new survey to measure the socio-economic impact of BICICI**, its subsidiary located in the Ivory Coast.



➤ Results

1. The Group created added value of approximately EUR 820 million for the country economy (2,3% of its GDP), mainly in industry, business services and trade.
2. The Group supported more than 150 000 jobs in the Ivory Coast (2% of the country's global employment), mainly in farming, transport and trade.
3. The survey also highlighted the important role played by BICICI as a company providing training for careers in banking.

OUR CONTRIBUTION TO THE SDGs

Financing and supporting companies and projects having a positive impact on society and the environment

■ A KPI among the 13 CSR KPIs

- KPI #1: “Share of corporate loans to companies strictly contributing to the achievement of UN SDGs”
- Monitored annually

■ Specific products for institutional and retail investors

- Since 2013, the Group has launched 16 ethical indices, which have raised more than EUR 4 billion.
- In 2017, a range of indices intended to promote the UN SDG were launched, including 2 linked to climate change.



BNP Paribas expands offering on ESG build up push

Pablo Conde-Herman
6 October, 2016



Henning Kahre, Solactive



BNP Paribas Plans Products Linked to Development Goals

■ Asset Management: investment funds linked to SDGs

- A global ESG filter and thematic funds linked to SDGs
 - ✓ BNP Paribas Aqua: SDG 6, 13 and 14
 - ✓ BNP Paribas Human Development: 3, 4, 8 and 12
 - ✓ BNP Paribas Smart food : 2, 9, 12 and 13
 - ✓ Theam Quant-Equity Europe Climate Care: 7 and 13



■ Strong partnership with the UN

- In 2017, BNP Paribas signed an important partnership agreement with the United Nations aimed at funding projects designed to help small farmers, in particular in the areas with access to renewable energies, agroforestry and water access.
- In total, this partnership will make it possible to fund programmes worth EUR 10 billion by 2025.

HIGH-VALUE IMPACT DEALS

Financing and supporting companies and projects having a positive impact on society and the environment

- **16.5% of the loans granted to companies by BNP Paribas in 2017 contributed directly to the achievement of one of the UN Sustainable Development Goals**

- In the **transport** sector , BICIS, the Group's subsidiary in Senegal, financed work on the regional express railway line which will link Dakar to the new international airport;
- BNP Paribas also financed **dams** in Kenya, which will make it possible to provide green energy and access to water to a large number of people, including farmers for irrigation.

- **This involves financing projects related to:**

- | | | |
|-----------------|-----------------------|----------------------------|
| ➔ associations, | ➔ modal transport, | ➔ renewable energy, |
| ➔ social work, | ➔ agriculture, | ➔ microfinance, |
| ➔ education, | ➔ telecommunications, | ➔ social entrepreneurship, |
| ➔ health care, | ➔ recycling, | ➔ research. |

- **459 start-ups having a significant positive impact in the French Retail Banking portfolio**

- **24%** have a positive impact on **biotechnologies**
- **16%** are active in the fields of **medical and pharmaceutical research**
- **15%** have a tangible impact on **energy efficiency**
- **13%** have both **social and environmental impacts**

LONGSTANDING SUPPORT FOR SOCIAL AND SOLIDARITY-BASED ECONOMY

VISION

SSE

Social and solidarity-based economy (SSE)

Social entrepreneurship + not-for-profit organisations and other non-public entities with general interest purpose

Leadership position in financing associations

SSE market share in France: 10% (2017)

SE

Social Entrepreneurship (SE)

Combining a positive social or environmental impact with a viable business model

- Explicit social mandate
- Social performance comes before financial performance
- Most of the benefits are reinvested in the company
- Regardless of a specific legal status

Growing market underserved by « traditional banks »

Social and solidarity-based economy

Social Entrepreneurship

Microfinance

MF

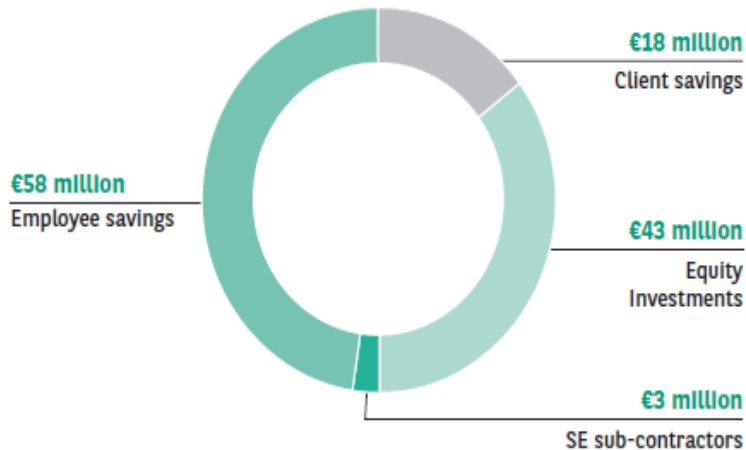
Microfinance (MF)

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

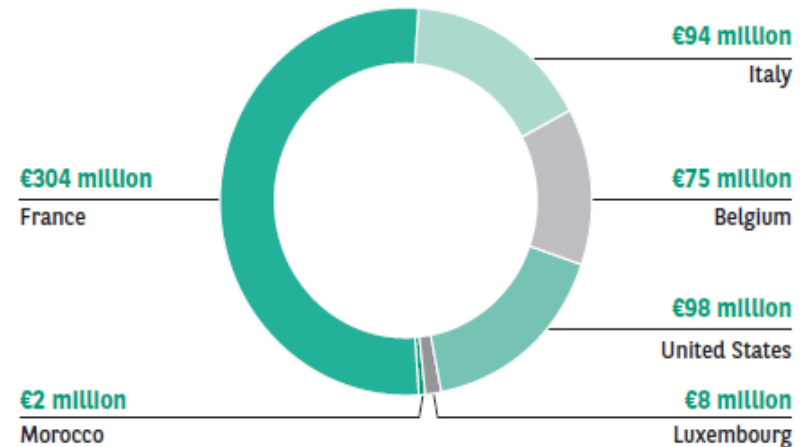
BNP Paribas has been a well-known player for years

BNP PARIBAS' SUPPORT TO SOCIAL ENTREPRENEURSHIP

Support for Social Enterprises (excluding loans): EUR 122 M*



Support for Social Enterprises (loans by country): EUR 581 M*



BNP Paribas' support to social enterprises amounted to EUR 703 million, up 54% compared to 2015 on a like-for-like basis.

*at 31/12/2017

SOCIAL IMPACT BONDS: A NEW TOOL FOR FINANCIAL INNOVATION

- **BNP Paribas has developed an offering and expertise in Social Impact Bond (SIB) or “Contrat à Impact Social”, as a structurer and an investor:**
 - New financial tool enabling private investors to finance programmes for social innovation and generate savings for the State
 - If these experiments are successful, the public authorities use all or part of the savings achieved to reimburse and pay the investors
- **Today, the Group is the leader in the field of structuring social impact bonds in France with over 50% of the market (7 projects):**
 - In 2016, BNP Paribas structured the first SIB (EUR 1.3M) ever in France, contributing to build a standard on this new product
 - 5 closings expected in 2018, including Article 1 (fight against school dropout), Wimoov (mobility solutions to making it easier to gain employment), Fondation d’Auteuil (preventing children from foster care placements).
- **BNP Paribas New York already invested in one SIB**
 - State of Connecticut : reduce child mistreatment and foster care placements



**ACTFOR
IMPACT**

*Label created by BNP
Paribas for social
entrepreneurs*

- Objectives: to provide specific support, accelerate projects and provide access to key partners
- Participation in the new French Impact for the Social and Solidarity Economy (ESS) project announced by the French Government in January 2018



BNP Paribas is a funder partner of the « France Eco-Sociale Tech » network which gathers 70 actors of the Positive Impact Tech, so as to:

- Promote the Tech&Science innovation as a lever to find solutions for the society;
- Map the Entrepreneurial For Good ecosystem and accelerate its evolution;
- Elaborate an interactive referencing tool to identifying, unifying and valuing these committed actors

| Mobilisation alongside external partners: incubators and support networks, private and public financial institutions






- In 2017, BNP Paribas co-organised several events with widely recognised partners to guide social enterprises towards specific financing solutions:
 - The **GSBS** (Global Social Business Summit) – global “Social Business” event organised by the Nobel Peace Prize winner Mohammed Yunus: BNP Paribas took in charge the Finance Track (6 expert workshops for social business coming from all parts of the world)
 - The **Impact Investing Tour** (one year in 9 cities in France, five BNP Paribas workshops at each stage) and the **Sensetour** (one year in seven cities in Belgium) which enabled the Group to strengthen its local roots alongside regional social entrepreneurs.
- BNP Paribas experts led **over one hundred workshops** dedicated to traditional and innovative financing (e.g. Social Impact Bonds), scale changing, measuring impacts, solidarity-based saving
- Thus raising awareness for **more than 5,500 people in 10 countries** throughout the different events.



- Furthermore, BNP Paribas is a founder member of “Fondation La France s’engage”, a foundation created in 2017 which aims to support the most innovative social and solidarity economy projects and reward them.

DEVELOP AND PROMOTE SRI: EXPAND SRI OFFER

- Around **EUR 34.6 billion assets managed** by BNP Paribas Investment Partners as at 31 December 2017
- Total SRI assets increased by 38.4% this year, more than the assets managed by BNP Paribas Investment Partners which increased by 1.8% over the same period
- **25 ESG/SRI labels were awarded in 2016**, two complementary approaches:
 - focused on committed issuers (“**best-in-class**”)
 - **theme based approach** targeting business activities, products and services related to environmental protection and/or social well-being

Funds	SRI label	Finansol	CIES	Luxflag Environment	Luxflag ESG
					
Agipi Monde Durable	X				
Bnp Paribas Actions Europe Responsable	X				
Bnp Paribas Aqua				X	
Bnp Paribas Euro Valeurs Durables	X				
Bnp Paribas Obli Responsable	X	X			
Bnp Paribas Social Business France		X			
Bnp Paribas Social Business Impact France		X			
Maif Investissement Responsable Europe	X				
Multipar Actions Socialement Responsable	X		X		
Multipar Equilibre Socialement Responsable	X		X		
Multipar Monetaire Socialement Responsable	X		X		
Multipar Solidaire Dynamique Socialement Responsable	X	X	X		
Multipar Solidaire Oblig Socialement Responsable	X	X	X		
Parvest Aqua				X	
Parvest Climate Impact				X	
Parvest Global Environment				X	
Parvest Green Tigers				X	
Parvest SMaRT Food					X
Bnp Paribas L1 SMaRT Food					X
Parvest Sustainable Bond Euro	X				
Parvest Sustainable Bond Euro Corporate	X				
Parvest Sustainable Equity Europe	X				



1ST EUROPEAN INDUSTRY PLAYER TO ADOPT INDICES EXCLUDING CONTROVERSIAL WEAPONS FOR ITS RANGE OF INDEXED OPEN-ENDED FUNDS

AFG's recommendations on exclusion of controversial weapons from index-linked products



Exchanges with Handicap International

**HANDICAP
INTERNATIONAL**

MAQS* adopted the MSCI Global ex Controversial Weapons Indexes as the benchmarks for its range of open-ended funds

(BNP Paribas Easy range of funds, formerly Parworld Track ex. Controversial Weapons offer)



In **2016**, MAQS strengthened its ETF offer (Exchanged traded fund) with the **launch of 10 new ETF MSCI Ex Controversial Weapons** that enable investment on the world main stock markets while excluding controversial weapons

*

In **September 2016** and in **March 2018**, BNP Paribas Asset Management launched 4 responsible ETFs (MSCI KLD400, MSCI Emerging Markets SRI, MSCI Japan SRI and MSCI Europe SRI), excluding conventional weapons and civilian firearms in addition to controversial weapons

*Multi-Asset, Quantitative and Solutions (MAQS) investment group is notably BNP Paribas' specialist in multi-assets, quantitative and index investments. It gathers the former "THEAM" entity, which has merged with BNP Paribas Asset Management in November 2017. The mentioned MSCI index was adopted in 2013.

ETHICS OF THE HIGHEST STANDARD

CLIENTS AT THE HEART OF 2017-2020 DEVELOPMENT PLAN

An ambitious program of new customer experience, digital transformation & savings in all the divisions


- **Inclusion of Clients' Interests topic** into the 2017 – 2020 Business Development plan:



- In 2017, BNP Paribas published a new « **Protection of the Clients' Interests** » **Group internal policy** aiming at reinforcing trust and satisfaction of our clients
- Retail banks have made a significant contribution to cyber-commerce by securing online payments:
 - “Hello Bank!”, our digital bank in Domestic Markets with 2.9M customers (+400,000 clients compared with 2016)
 - Retail & Private Banking in Belgium serves 1.9 million total cumulated active users through its banking (Easy Banking) and mobile banking online services
- In 2017, Risk was given the responsibility for providing the second line of defence in the field of data protection, as part of the implementation of the General Regulation on Data Protection within the Group (effective at 25 May 2018)

“RESPONSIBLE CREDIT” BY BNP Paribas PERSONAL FINANCE

BNP Paribas Personal Finance put in place a responsible approach, including for its revolving loans activity

- A policy to protect the interests of our customers, which is deployed in all BNP Paribas Personal finance entities, respecting 4 main principles:
 - Adequacy/responsible sales practices;
 - Information to the clients;
 - Responsible pricing;
 - Fight against conflicts of interest.
- Customer satisfaction regularly measured in 12 countries, and Net Promoter Score and Client Advocacy programs currently being deployed as part of Personal Finance’s 2020 strategic plan
- A revolving loans offer, representing less than 20% of Personal Finance’s activity
- Cetelem: in France, the offering and marketing of its revolving credit received Vigeo Eiris’ certification for the 3rd time 
- Between 4,000 and 5,000 clients in difficulty are accompanied every year through revolving loans since 2012
- A flexible, transparent and responsible product that helps clients manage their cash flow more effectively → Dedicated website: www.moncreditresponsable.com
- 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

PROTECTING CLIENTS' INTERESTS THROUGH HIGH INFORMATION AND CYBER SECURITY STANDARDS

Right to privacy: a direct salient Human Rights risk

- **Group policy on customer data privacy** applies in every entities and countries
 - Head of Group Compliance is member of the Group executive committee
 - Steering committees on data protection gather every 3 months at different Group levels
- **Governance of the Information and Cyber security strategy**
 - The Group CISO, in charge of IT Risk & Cyber, is now reporting to Group CIO
 - The Board is closely involved in Cybersecurity topics: a focus on Cybersecurity subjects is done every month by the Group CISO at the Group Supervision and Control Committee (GSCC) and Internal Control, Risk and Compliance Committee (CCIRC)
 - An update on the Cybersecurity program is done twice a year to the Board of Directors
- **The Group invests massively to adapt its system of protection to digital transformation**
 - “Data protection” training is mandatory for the whole workforce and guarantees a secure personal data process throughout the business relationship
 - Several trainings on cyber security have been done in 2017 at the **Board of Directors**
- **The Group guarantees customers' rights**
 - Systematic **encryption of information**
 - Right of access, right to rectify, right to object, right to information
 - Available **contact points** (local Computer Security Incident Response Team or Chief Information Security Officer) to raise concerns about a suspicious event
 - The Group has launched the **RaDAR Programme** to comply with the European General Data Protection Regulation (**GDPR**) and to offer a consistent privacy experience to its clients

PROTECTING CLIENTS' INTERESTS THROUGH A COMPREHENSIVE APPROACH TO COMPLIANCE

- **The Group's zero tolerance towards bribery, corruption and conflicts of interest is recalled in its Code of Conduct, which was revised in 2016 and updated in 2018:**
 - A Code of Conduct online training is mandatory for all employees every year
 - Extension of the Code of conduct in 2018 to incorporate an addendum on "Anti-corruption practices", in accordance with the law of 9 December 2016 on transparency, the fight against corruption and modernization of the economy
- **Apart from the Code of Conduct, BNP Paribas has also developed:**
 - **A Group Global Policy on Anti-corruption:** updated in 2017, this policy presents BNP Paribas' framework for preventing, detecting and managing acts of corruption. Compared with the previous version from 2011, the 2017 Global Anti-Corruption Policy widens its scope of application and takes account of the new measures in the Sapin II law
 - **A Group's Financial Security Policy in 2011 and updated in 2017**, and the Group Financial Security Programme publicly available at https://group.bnpparibas/uploads/file/commitment_letter_21122016.pdf
 - **Training procedure** regarding anti-money laundering, financing of terrorism, and compliance with international sanctions started since 2013:
 - Lists the employees by type of training in relation to their risk exposure, program's content and reporting requirements
 - At end-2017, more than 98% of the employees concerned had taken online trainings on international sanctions and embargoes, and on anti-money laundering and financing of terrorism.
 - **Risk Academy:** BNP Paribas launched the Risk Academy, a Group-wide initiative (Compliance, Legal, HR, and Risk) with the objective of disseminating the best practices in risk management, for the benefit of all staff and covering all types of risks to which the Group may be exposed
- **Compliance is tasked with anticipating, expanding the range of robust tools, ensuring staff training, and strengthening internal control processes**
 - **Key challenges identified by the Compliance Function in 2017:** financial security (anti-money laundering, fight against corruption and terrorist financing...), market integrity, the implementation of the French Banking Act and the US Volcker Rule, data protection, and the strengthening of mechanisms to protect clients' interests

TAX HAVENS

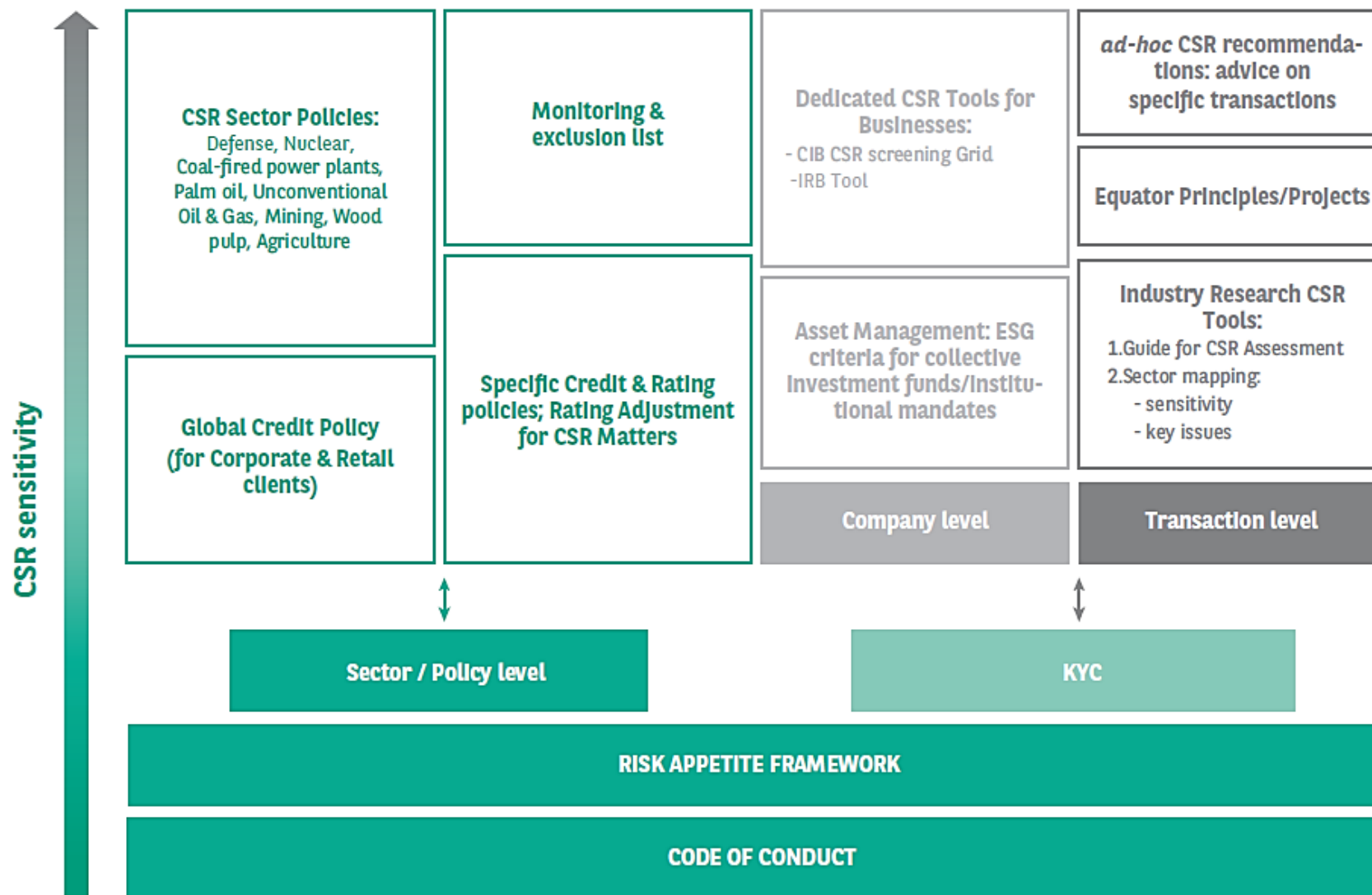
The location of the Group's offices is driven not by tax consideration, but in the interest of serving customers around the world

- In 2017, BNP PARIBAS paid EUR 5.3 billion in taxes representing an effective tax rate* of 28.7%
- Studies refer to lists of unofficial "tax havens" and present 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 :
 - 15,236 employees
 - 747 branches
 - 3.5M individual and professional customers
- As regards non-OECD countries that could be considered to operate favourable tax regimes, BNP Paribas continues to reduce its presence there and ensures that its entities do not benefit unduly from privileged tax schemes

** This rate does not take into account the costs linked to the general agreement with US authorities*

SYSTEMATIC INTEGRATION AND MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

OVERVIEW OF BNP PARIBAS' CSR ASSESSMENT PROCESS OF ESG RISKS



EQUATOR PRINCIPLES

■ **8 transactions reviewed** against the Equator Principles in 2017, including the financing of **1 renewable energy projects** – installation of wind farms representing an electricity capacity of 1,457MW.

	2011	2012	2013	2014	2015	2016	2017
Number of transactions concerned in the year	30	13	21	26	17	23	8
Number of grade A transactions in the year	5	2	3	6	1	2	1
Number of grade B transactions in the year	20	10	13	18	15	21	7
Number of grade C transactions in the year	5	1	5	2	1	0	0

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

■ **In addition, BNP Paribas has taken several positive actions in 2017:**

- Awareness and training campaign : 511 people concerned by the application of the Equator Principles have taken the module online in 2017

■ Sector policies and exclusion list

- BNP Paribas' sector policies cover defense, nuclear power, coal-fired power generation, wood pulp and palm oil, mining industries, unconventional oil & gas and agriculture
- In addition, the Group has a list of goods and activities on exclusion
- Finally, BNP Paribas excluded Tobacco from its financing and investment activities in 2017
- Sector policies implementation
- In 2015, adoption of a Control Plan to verify the right implementation of the CSR strategy throughout the Group, covering the Group's CSR networks organization and the management of our ESG risks
- In 2017, the Group's CSR teams reviewed 1,251 transactions (1,109 in 2016)
- A strong teams' involvement:
 - The implementation relies on both the Risk function (more than 6,000 employees) and Compliance (more than 3,700 FTEs employees within the Group at the end of 2017)
 - E-learning trainings have been translated in 7 languages

REINFORCE ITS CARBON RISK MANAGEMENT POLICIES

New commitments in 2017:

- After committing in 2016 to no longer fund any coal extraction projects or coal-fired power plants, nor companies of the coal sector without any diversification strategy...
- BNP Paribas announced in October 2017 that it will no longer fund any projects involving unconventional hydrocarbons, which includes shale oil, shale gas, oil sands, or natural gas in the Arctic
- Furthermore, the Bank will no longer support any companies involved in the value chain of unconventional hydrocarbons that generate a substantial share of their revenues from these energies
- These commitments apply to the Group's existing clients and may therefore, in some cases, result in a decision to no longer work with some of them

ESG CRITERIA INTEGRATION INTO SAVINGS

Assure all BNP Paribas' clients that environmental, social and governance issues have been taken into account in the management of their assets

- **BNP Paribas Asset Management:** systematic integration of extra-financial criteria
 - Signatory to the UN Principles for Responsible Investment (**UN PRI**) and UN Global Compact's 10 Principles
 - Signatory to the **Montreal Carbon Pledge**: publication, at end 2017, of the **carbon footprint of almost 180 funds** of their investment portfolios on an annual basis in accordance with the **Portfolio Decarbonization Coalition (PDC)**
 - At end-2017, BNP Paribas Asset Management managed **EUR 51.5 billion in decarbonized assets**

- **CARDIF (Insurance) :** At the end of 2017, **58% of the main euro fund** run by BNP Paribas Cardif was screened using an ESG filter, compared to around 56% at the end of 2016

BNP PARIBAS ASSET MANAGEMENT'S VOTING POLICY

- **Voting at Annual General Meetings** is a **key component** of the **ongoing dialogue with companies** in which we invest on behalf of our clients and 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:**
 - Acting in the long-term interests of shareholders
 - Protecting shareholders' rights
 - Ensuring independent and efficient board structure
 - Aligning incentive structures with long-term interests of shareholders
 - Disclosing accurate, adequate, & timely information
 - Good environmental & social performance
- In 2017, BNP Paribas Asset Management participated at **over 1,490 Annual General Meetings** and voted on **19,440 draft resolutions**, abstaining from, opposing or voting against close to **20.9%** of them
- Recognition expertise in responsible investing: in 2017, **BNP Paribas Asset Management was given the "A+" score**, which is the highest ranking, by PRI (Principles for Responsible Investment)



Developing and engaging our people responsibly

Promotion of diversity and inclusion in the workplace

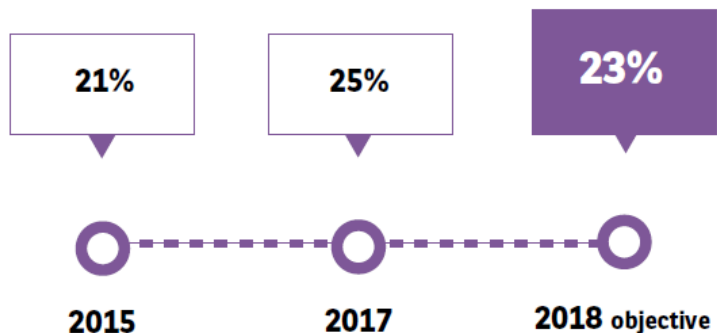
A good place to work and responsible employment management

A learning company supporting dynamic professional path management

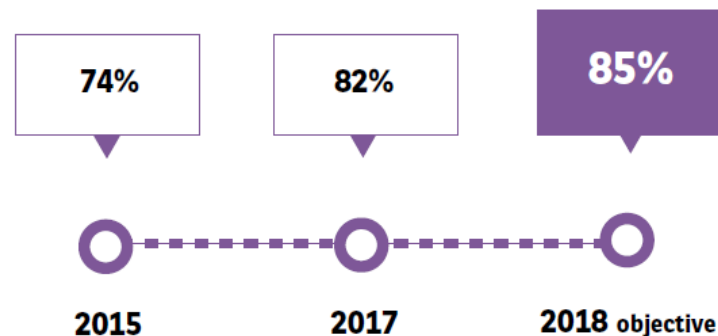
OUR SOCIAL RESPONSIBILITY

Objectives for 2018

PERCENTAGE OF WOMEN AMONG THE MEMBERS OF CROSS-FUNCTIONAL * EXECUTIVE COMMITTEES ACROSS BUSINESS LINES AND/OR COUNTRIES

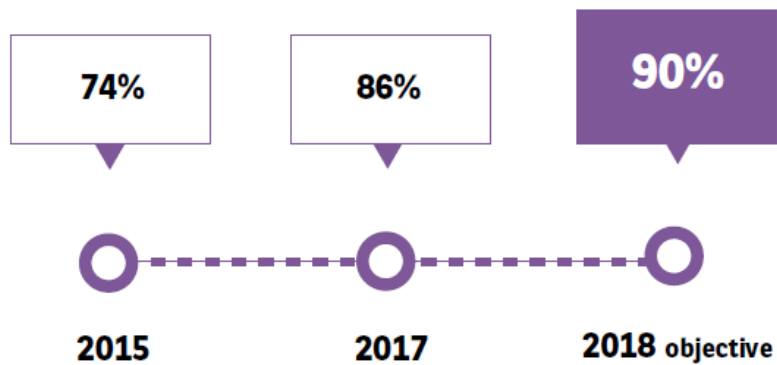


PERCENTAGE OF EMPLOYEES HAVING AT LEAST 14 WEEKS OF PAID MATERNITY LEAVE AND/OR SIX DAYS OF PAID PATERNITY LEAVE



** Out of approximately 500 Top executives*

PERCENTAGE OF EMPLOYEES REPORTING HAVING BEEN TRAINED (ANY FORMAT, INCLUDING E-LEARNING) OVER THE PAST 12 MONTHS



OUR SOCIAL RESPONSIBILITY

Promoting employee development and commitment

Promotion of diversity and inclusion in the workplace

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



A good place to work and responsible employment management

3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



A learning company supporting dynamic career management

4 QUALITY EDUCATION



5 GENDER EQUALITY



10 REDUCED INEQUALITIES



OUR SOCIAL RESPONSIBILITY: why BNP Paribas makes a difference

■ Sole bank with such key achievements, targets & rewards

✓ Advocacy role & share of best practices with stakeholders (clients, suppliers...)

- A Management Board with **50% women** (incl. 2 elected by employees)
- New **code of conduct** with an application of the most rigorous standards on workplace conduct and the rejection of all forms of discrimination, intimidation or sexual harassment

A strong UN* partner

- In 2017, BNPP participated to **the elaboration of a new international code of conduct for the inclusion of LGBTI people.**

Commitment at Group level

- The Group committed that **85% of total staff will benefit from 14 weeks of maternity and/or 6 days of paternity leaves, fully paid, by end-2018.**

High quality of social dialogue

- **3 European agreements** signed on Employment Management, Workforce Equality and Prevention of work-related stress.

Advocacy role & Recognition

- **Top Employer Europe** certification in 7 countries (France, Belgium, Luxembourg, Italy, Poland, Turkey and Spain)
- In France, only bank with the **Diversity Label** and to have signed the **LGBT Charter from l'Autre Cercle.**
- Coordination for the signature of the first **Diversity Charter** (Ivory Coast, Germany)

High involvement of employees

- **20,000 employees** involved in the networks
- **98%** of the employees trained, with on average 25 hours of training per employee & objectives set

High investment on employees

- BNPP employment management always favors mobility and training throughout the world



Jean-Laurent Bonnafé,
CEO BNP Paribas

In 2015, JL Bonnafé launched the UN* "HeforShe" campaign and signed the LGBT Charter from l'Autre Cercle.

In 2016, he signed the ILO* Global Business and Disability Charter.

In 2018, he joined the "HeForShe" movement as a thematic champion. This movement aims to promote and act for the equality of women and men.

➔ CSR indicators are included in the variable calculation of +6,700 Top managers, some on D&I (% of women in top management).

➔ Objectives set and positive impact of the gender equality actions with women representing:

- 26% of the G100 (42% of nominations since 2014),
- 25% of Top 500 executives (objective > 25% in 2020),
- 27% of SMP (objective of 30% in 2020),
- 39% of Talents, including an objective of 30% for top, 40% for advanced and 50% for young emerging talents.

* United Nations

* International Labor Organization



Promotion of diversity and inclusion in the workplace

PROMOTE DIVERSITY & INCLUSION – INTERNAL & EXTERNAL REWARDS

■ External & internal recognition

- **75%** of employees stated that the management of BNP Paribas supports diversity in the workplace recognising and respecting the value of human differences
- **72%** have a clear overview of the actions BNP Paribas is carrying out to promote diversity



- BNP Paribas confirmed its commitment to the inclusion of LGBT people through its involvement in the implementation of the new international code of conduct of the United Nations.



UNITED NATIONS
HUMAN RIGHTS
OFFICE OF THE HIGH COMMISSIONER

PROMOTE DIVERSITY & INCLUSION

Advocacy role & share of best practices with stakeholders (clients, suppliers...)


■ 3 international commitments:

- Professional equality: ambitious objectives and visible results
 - ✓ BNP Paribas joins the HeForShe initiative from UN Women
 - ✓ 25% of **Top 500 executives**. Women represent 39% of the BNPP Talent programme.
- Internationalization and multiculturalism
 - ✓ 162 nationalities in the Group. BNP Paribas hosted the 1st international multiculturalism conference.
- Promoting employment and insertion of people with disabilities
 - ✓ On 29 June 2016, the CEO signed the ILO Global Business and Disability Charter.
 - ✓ Almost 50 countries (covering 77% of Group's headcounts) signed collective agreements and took measures in favor of people with disabilities.



■ 20,000 employees involved in the networks





A good place to work and responsible employment management

A GOOD PLACE TO WORK & KEY RECRUITER

■ Trends in the workforce

- Total workforce end-2017: 196,128 FTE
- 21,921 staff recruited worldwide (+8%) on permanent contracts
- Increased presence on social networks with +420,000 LinkedIn subscribers
- Continue the innovative recruitment practices to attract talents (WePitchYouChoose, snapchat)



■ Top Employer in Europe

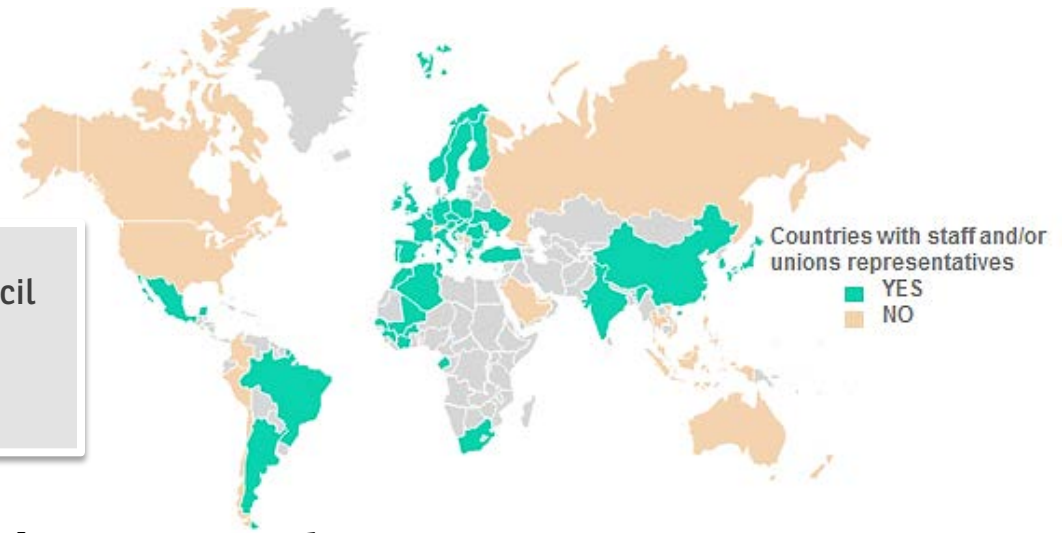
- Top Employer Europe certificate for the 5th consecutive year in 7 countries: Belgium, France, Italy, Poland, Turkey, Spain and Luxembourg



A GOOD PLACE TO WORK & RESPONSIBLE EMPLOYMENT MANAGEMENT

■ Quality social dialogue

- 48 countries have staff and / or unions representatives, including European Council
- 4,392 official meetings in 2017
- 271 collective agreements signed in 29 countries



■ European Works Council (EWC) 5-year mandate

- The first Social Charter with signature of 3 agreements on Employment Management (2012), Workforce Equality Agreement (2014) & Prevention of work-related stress (2017)
- Strictly applied and automatically renewed
- They cover 23 countries and 67% of staff

■ Employee care

- An International SOS partnership to support all employees with a 24/7 support line for business or private trips

■ Competitive compensation policy

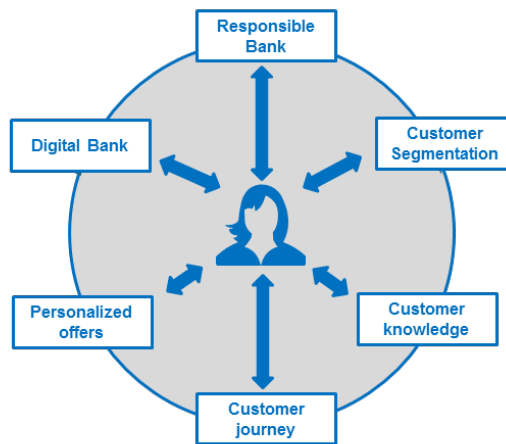
- Integration of CSR criteria in a 3-year incentive scheme awarded to 6,700 Group key employees
- Since 2016, a new indicator on the pay distribution between men and women was included in the annual compensation review process for all Group business lines and functions

A learning company supporting
dynamic professional path
management

HR 2020 STRATEGY – EMPLOYEE CENTRIC TRANSFORMATION

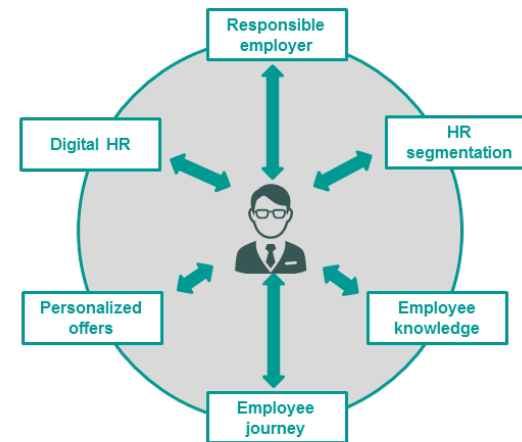
- Aims at providing each employee with a transparent professional path, more personalized HR experiences and training and relevant development opportunities; all by digitalizing the main HR end to end processes, and applying “positive management” based on trust, respect, empowerment, recognition and continuous feedback.

FROM CLIENT CENTRIC APPROACH . . . TO EMPLOYEE CENTRIC APPROACH



« Client centric »

#NPS ¹



« Employee centric »

#NPE ²

HR2020
Group Human Resources

- As a first visible step, “About Me” is the new HR platform that allows a better knowledge of our employees in order to better serve them and offer them a seamless employee experience. It is currently being deployed worldwide.³

1 : Net Promoter Score

2 : Net Promoter score for Employees

3 : By the end of June 2018, About Me will be available to +110.000 employees (56%) in the Group

HR 2020 STRATEGY – FOSTERING EMPLOYEE ENGAGEMENT

HR2020 leads to Purpose ●
→ Responsible employer

HR2020 leads to Positive Management
(Trust Empowerment Recognition Transparency)

→ Positive Management promotion & support with PM weeks ●

→ Trust, transparency and recognition of employees' skills & achievements in About Me

→ Promotion of collaborative and transversal objectives in Performance principles

HR2020 leads to Development opportunities

→ Wide range of personalized jobs & L&D offers recommendations in About Me

→ Richness of mobility opportunities (lots of locations and métiers)

→ Fast mobility process with HR as an advisor ●

→ No discrimination thanks to ethical skills approach

→ Long term job opportunities thanks to SWP anticipative approach on future skills' needs

→ Continuous development thanks to continuous feedback

→ New ways of learning: On the job training, Development paths through partnerships
(within Startups or other Group's business lines : job swap, Digital School, etc.)

HR2020 leads to Challenging projects

→ Ability to work on transversal projects and be recognized (breaking silos) ●

→ Supporting People's lab, Initiative Alpha, etc.

HR2020 leads to good working environment & work-life balance

→ Promoting, enabling and supporting New ways of working with a HR framework ●

→ Flexoffice & home working opportunities

→ Digital working

→ Code of conduct

Employees' expectations

Purpose

Positive Management

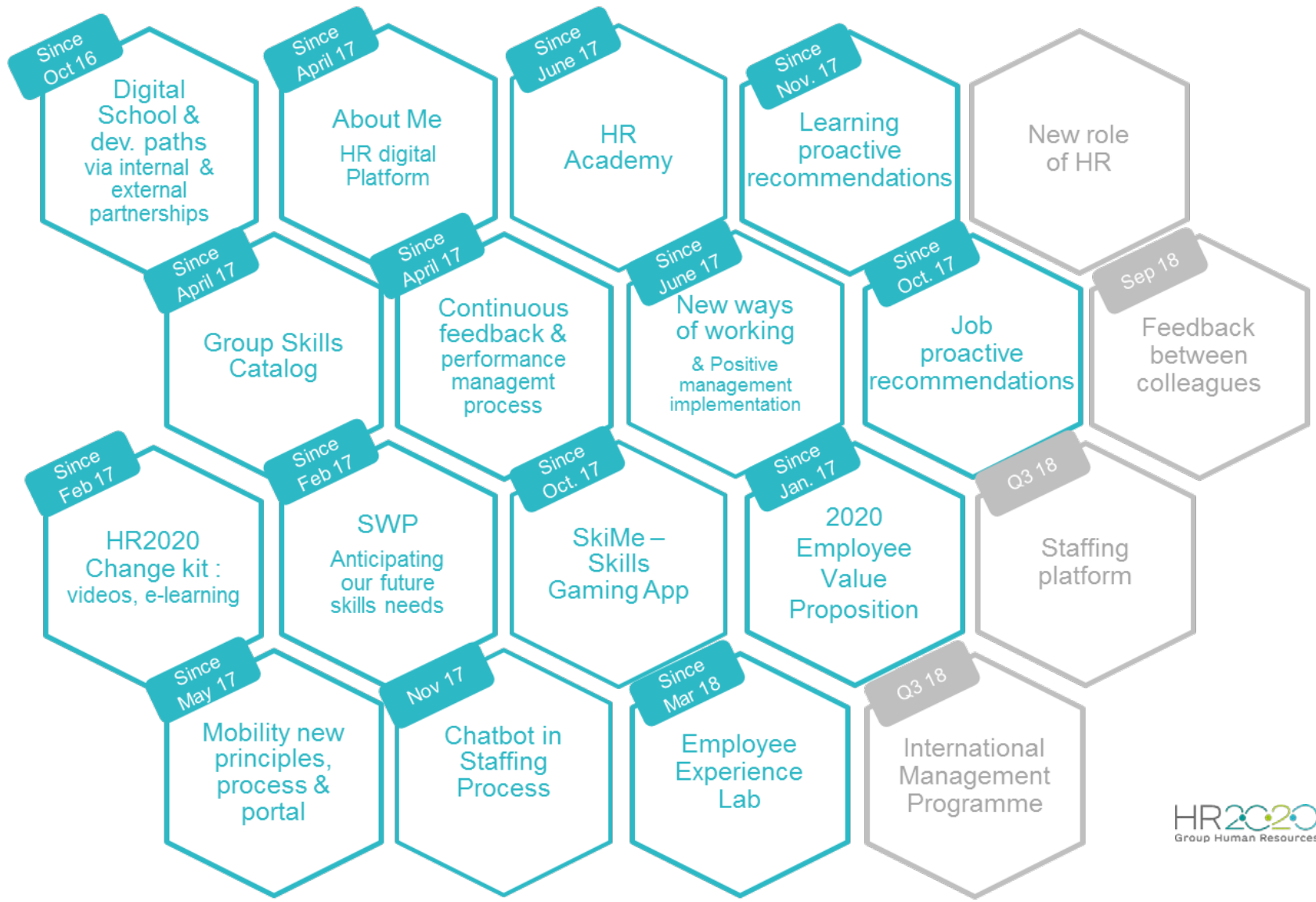
Development opportunities

Challenging projects

Working environment

HR2020
Group Human Resources

HR 2020 STRATEGY – MAIN ACHIEVEMENTS SO FAR



HR STRATEGY 2020 - DEVELOP PERSONALIZED TRAINING

- **98% of employees* trained** with an average of 25 hours of training per employee. A clear increase may be observed in training on 'Business lines and functions' (+5 points) and 'know your Data' training (+8 points)
- Focus on digital training in all businesses: a new version of The **"Let's get digital"** portal continues to be deployed internationally, to reach 140,000 views, 16,000 unique visitors & 6,000 likes.
- New formats allow employees to access training through the deployment of a **Learning and Development application, Gamification and micro-learning**. The Group has strengthened its means of developing skills effectively through on-the-job practice. This approach reinforces the ambitions of the Group in terms of cross-functions transfers.
- The Group considers **intrapreneurship** as a source of development for the employees. IFS created **"Biwak"**, a 1,000 m² space dedicated to innovation where around 200 employees participated to the creation of numerous projects for the bank of tomorrow.
- Around 16,000 employees (+52%) took part in initiatives of **corporate volunteering** amounting to a total of 165,000 hours (+179%) of voluntary /solidarity work during working hours.



■ Mobility remains a major focus of HR management practises

- With 5,512 transfers between entities and business lines in 2017
- With communication, an active community on mobility and an increased deployment of internal mobility tools
- With International “**Mobility Days**” for the 4th consecutive year, organised over 35 countries, including 9 in Asia-Pacific for the 1st time. These days hosted around 27 forums, 31 conferences and 47 workshops, counting with the participation of around 8000 employees worldwide (7000 employees in 2016).



Key figures of the events organised worldwide



47
Workshops



27
Forums



31
Conferences



24
Trainings



21
Others



8 000
visitors



Being a positive agent for change

Products and services that are widely accessible

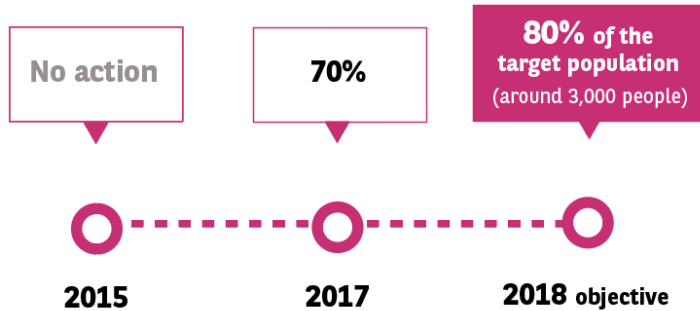
Combat social exclusion and support human rights

Corporate philanthropy policy focused on the arts, solidarity and the environment

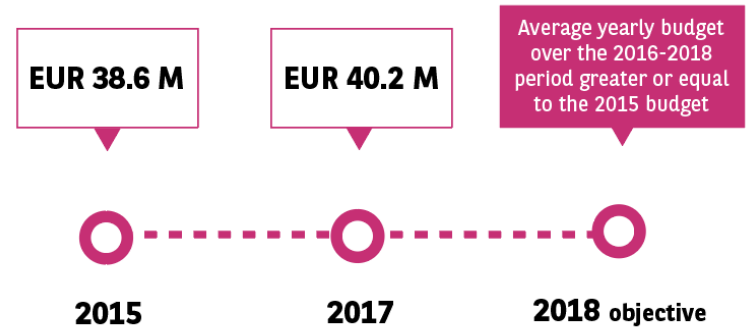
OUR CIVIC RESPONSIBILITY

Objectives for 2018

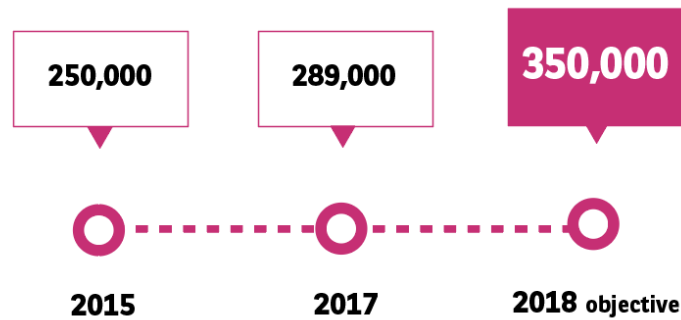
PROPORTION OF EMPLOYEES CONTRIBUTING DIRECTLY TO THE PROMOTION OF HUMAN RIGHTS WHO HAVE RECEIVED A SPECIFIC TRAINING



THE BNP PARIBAS GROUP'S ANNUAL SPONSORSHIP BUDGET



ANNUAL NUMBER OF BENEFICIARIES OF MICROLOANS DISTRIBUTED BY MICROFINANCE INSTITUTIONS FINANCED BY BNP PARIBAS



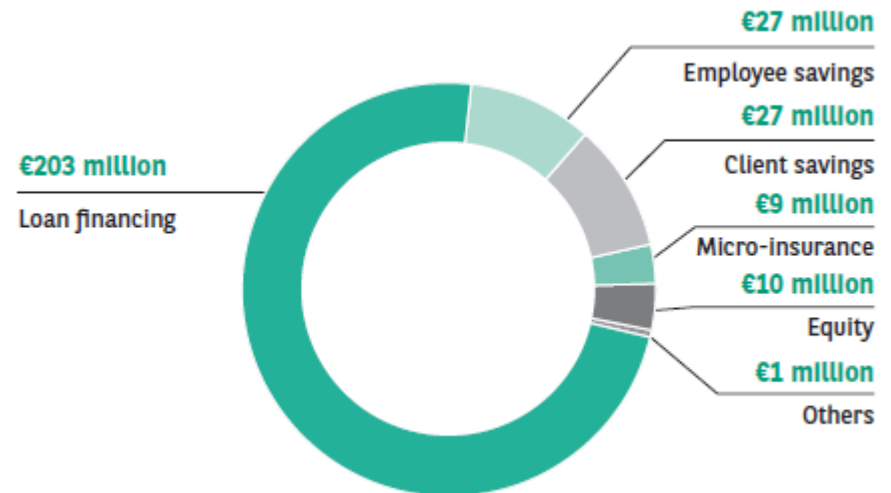
**Products and services that are
widely accessible**

GROUP SUPPORT TO MICROFINANCE

OBJECTIVE: A powerful lever of inclusion for people usually excluded from the traditional banking system

- **This support** takes the form of credit lines for financing the microcredit portfolios of microfinance institutions (MFIs) that generally do not have the ability to develop savings or to finance the support of micro-borrowers.
- **In mature economies:** BNP Paribas is one of the leading banking partners of the main European microfinance players as Adie (Association pour le Droit à l'Initiative Économique) in France, PerMicro in Italy, Microstart in Belgium and MicroLux in Luxembourg.
- **In emerging economies:** the Group provides support to partners in 10 countries by financing a portion of the microcredit portfolios of these institutions while taking a close look at their social impact, which is characterized for instance by the average loan size or by the percentage of female borrowers.

➤ BNP Paribas support for microfinance as of 31 December 2017



➤ GROUP TOTAL SUPPORT FOR MICROFINANCE IN 2017: EUR 277 MILLION

ACCESS TO FINANCING AND INSURANCE

OBJECTIVE: Innovate to answer the specific needs of the young people, the customers with major diseases or experiencing financial difficulties

■ Customers with disabilities

- In Belgium, BNP Paribas Fortis continues to step up the initiatives introduced in 2012. Over 25% of its branches are accessible to people with reduced mobility.
- Since 2017, the Easy Banking voiceover app has been installed on over 400 ATMs, to make access to banking services easier for people with visual impairments.

■ Customers experiencing financial difficulties

- Retail Banking in France has implemented several prevention and support mechanisms for its customers experiencing difficult situations. In partnership with the CRESUS association, 140 budgeting workshops based on the “Dilemme” personal finance game were held at various branches in 2017 (1,000 customers sensitized).
- Personal Finance France offers tailored products and services for people who find it difficult to obtain loans in the traditional banking system, especially young and old people, in several European countries.
- BNP Paribas Cardif further improved access to insurance for people unable to take out traditional insurance due to their very low income, particularly in Latin America.
- BNP Paribas acquired Compte-Nickel in July 2017, which has a full range of solutions tailored to the needs of its various customer bases. Compte-Nickel had nearly 800,000 customers as at 31 December 2017.

FINANCIAL AND INSURANCE EDUCATION FOR CONSUMERS

Over 154,760 people trained or informed on financial education in 2017

■ Many programs focusing on young people:

- In 2017, BNP Paribas Personal Finance, which has been committed for many years now to financial education, introduced an e-learning tool to provide better support to young people.
- **In the United States**, employees of Bank of the West spearheaded a range of campaigns to improve financial education in disadvantaged communities such as: “Teach Children to Save” and “Get Smart About Credit”

■ Where financial education has long been present in local practice, initiatives are aimed at all sectors of the public:

- **In Italy**, over 4,000 pupils benefited from BNL bc’s EduCare programme in 2017
- **In Turkey**, TEB developed three very original programmes exclusively for women: the “TEB Women Academy”, a free training platform open to all women to help them in their careers, “TEB Women On-Air” training, the “Grow-up Academy”
- In 2017, a total of 720 business women received training and/or support from the Academy, and the Women On-Air online training sessions were watched by over 310,000 people.

■ Transparency of the offer allowing a better understanding of products and services:

- BNP Paribas Cardif has launched a programme to simplify contracts by using “plain language” (i.e. B1 level). At end of 2017, 30 out of 32 countries rewrote the contract documents in a B1 language, and eight countries expanded the scope of their approach

Combat social exclusion and support human rights

GIVING SUPPORT TO DEPRIVED URBAN AREAS SINCE 2006 WITH « PROJET BANLIEUES »

Over 10 years of
commitment to help
deprived suburbs
/ EUR40 Million
of support

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

Job creation & integration into the labor market

- The Foundation has enabled **Adie** to open 20 branches throughout France to accommodate job seekers with projects
- BNP Paribas refinances Adie's loan activity (micro-credit); in 2015 and 2016, EUR 20 Million loaned by BNP Paribas enabled Adie to create/maintain 8,000 jobs in France

Supporting education

- Help with schooling for more than 7,000 young people in deprived areas in partnership with **AFEV** (*Association de la Fondation Etudiante pour la Ville*) every year
- 1,500 teenagers benefited from one of the 76 schooltrips organised in 2017 by the "**Odysée Jeunes**" program (EUR 1 M/year)

Proximity and local presence

- **61 local associations** spread across ten different regions have received backing of a total amount of EUR 450,000 in 2017
- Creation in 2016 of **17 "Entreprises & Quartiers"** clubs to connect businesses (regional Bank managers and corporate customers) with local associations

RESPECTING THE UN'S GUIDING PRINCIPLES RELATED TO BUSINESS AND HUMAN RIGHTS

- The **Human Rights Statement of BNP Paribas**: signed in 2012 by the General Management, is a level 1 Policy, accessible to all online
- A commitment **reflected in the Group strategy** : “The fight against the exclusion and the promotion of human rights”
- ... and highlighted in the **2018 BNP Paribas Code of Conduct**, “Promoting respect for Human Rights” (7th article)
- Following the **UK Modern Slavery Act**, the Group first published a statement on slavery and human trafficking in 2017, which was validated by the General Management and Board of Directors, updated in 2018, and reported in the Registration Document
- The Duty of vigilance law, applies to Group as a whole and requires a vigilance plan to identify and prevent the risk of violations of human rights
- A **monitoring indicator**: Percentage of employees contributing directly to the promotion of human rights having followed a dedicated training, i.e. **70%** of the targeted population in 2017
- An **independent and qualified expert on human rights** is present at the Group’s Ethics Committee
- BNP Paribas is a **founder member of EDH**, takes part in the Thun Group and is a **member of the UN Global Compact** since 2003



Human Rights reporting in BNP Paribas 2017 Registration Document is in compliance with the recommendations of the UN Guiding Principles Reporting Framework released in February 2015

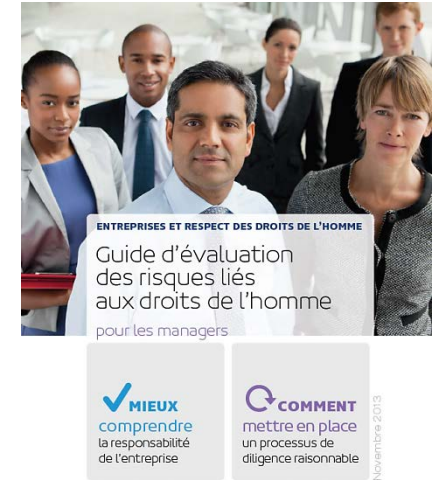
RESPECTING THE UN'S GUIDING PRINCIPLES RELATED TO BUSINESS AND HUMAN RIGHTS

- **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

- **Commitments expected of suppliers and subcontractors**
 - Reinforced supplier assessment for particularly sensible goods (by an independent rating organism).
 - “Know Your Supplier” project (only contract with suppliers who respect international and local laws and basic CSR principles)

- **Controlling the indirect impact of our financing and investments**
 - Human Rights criteria in financing and investment policies.
 - In 2017, Human Rights criteria reinforced in 4 credit policies, in the CIB CSR screening, particularly employee working conditions and the projects’ impact on local communities, etc.
 - Engagement with clients suspected to be involved, directly or indirectly, in human rights abuses (e.g. on cluster munitions production)
 - Revision of Human Rights risk mapping via the task force work on Duty of Vigilance Law

- **Training and raising awareness on Human Rights**
 - Dedicated e-learning compulsory for the CSR network, Risks, Procurement, Sales managers of the BNP Paribas CIB entity...



edh entreprises pour les droits de l'homme

BNP Paribas' "salient" Human Rights Risks

Direct	Right to privacy (protection of customers' private data)
	Non-discrimination in access to financial services
Indirect	Rights of local communities
	Workers' rights

Corporate Philanthropy policy focused on the arts, solidarity and the environment

CORPORATE PHILANTHROPY

■ **SOLIDARITY: combating exclusion and discrimination; fostering employee volunteering; supporting education and professional integration**

- Fighting against destitution (Resto du coeur, Samusocial) and aid for refugees (EUR 5 million Support Plan renewed in 2016 an additional EUR 3million in 2017 and 2018)
- Supporting Education and Inclusion (through initiatives such as Dream up and Adie)
- Supporting employees' commitment through the "Coup de pouce" (Helping hand) program

■ **ARTS : fostering the performing arts; preserving and enhancing cultural heritage**

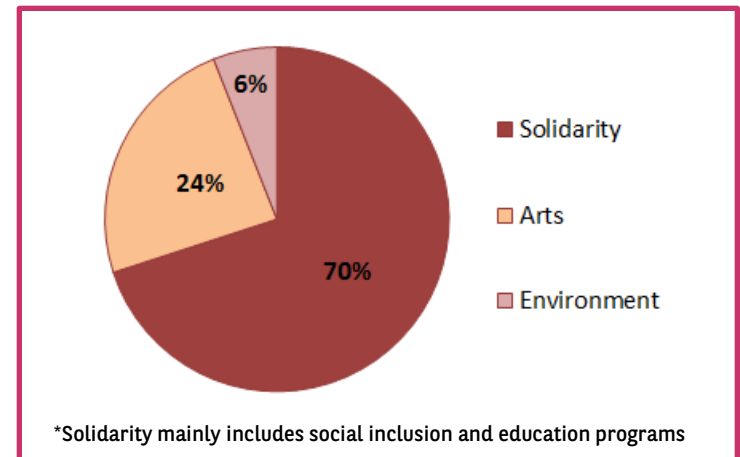
- "Previews at the Opéra" enabling young audiences to discover lyrical and choreographic performances
- Preserving cultural heritage and patrimony by restoring works of art in museums in France and abroad

■ **ENVIRONMENTAL RESEARCH : financing and supporting research on climate change**

- Supporting climate initiative projects
- Disseminating knowledge and best environmental practices.

2017

BNP Paribas' philanthropy budget amounted EUR 40.2 million



UNIFYING EMPLOYEES' GENEROSITY



- **The Rescue & Recover endowment fund**, a long-term solution launched in 2012 to help victims of humanitarian disasters, **celebrated its 5th anniversary in 2017**
 - In five years, over EUR 3.5 million have been collected, including EUR 537,000 raised in 2017
- **A unique initiative**
 - A pioneering solidarity tool: permanently open to all BNP Paribas employees around the world, and retirees and clients in France
 - 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**
 - Since 2012, the fund has organised 17 fundraising campaigns and collected more than EUR 3.5 million
 - In 2017, the fund has provided:
 - Around EUR 54,000 to the victims of wildfires in Portugal and more than EUR 7,000 to the victims of California's wildfires.
 - Around EUR 31,000 to help the American Red Cross after Hurricane Harvey
 - Around EUR 220,000 to help the associations' work in communities affected by Hurricane Irma in September 2017
 - More than EUR 11,000 for the victims of the earthquake in Mexico
 - Around EUR 112,000 to fight against malnutrition



COMMITTED EMPLOYEES SHOWING SOLIDARITY

FOSTERING VOLUNTEER WORK THROUGH DEDICATED STRUCTURES

■ Voluntary Work Coordination

- Creation of this internal structure in 2016, to coordinate both types of volunteering;
 - 1) Collective solidarity actions and voluntary work (performed outside of working hours)
 - 2) Skills-based volunteering
- The Volunteerism Coordination is based on a network of representatives in the different entities of the Bank. The « Bénévolat de compétences et solidarité » (BCS) association, in particular, promotes skills-based volunteering by the Group's active and retired employees.

BACKING THE GENEROSITY OF EMPLOYEES

- **PHILANTHROPY:** Helping Hand (Coup de Pouce) program supports projects in which staff are personally involved.
 - In 2017, 300 projects received grants for a total of almost EUR 1 million
 - New in 2018: Helping Hand takes the name Help2help as in the 30 countries where the program is deployed



Combating climate change

Partnering with our clients in the transition to a low carbon economy

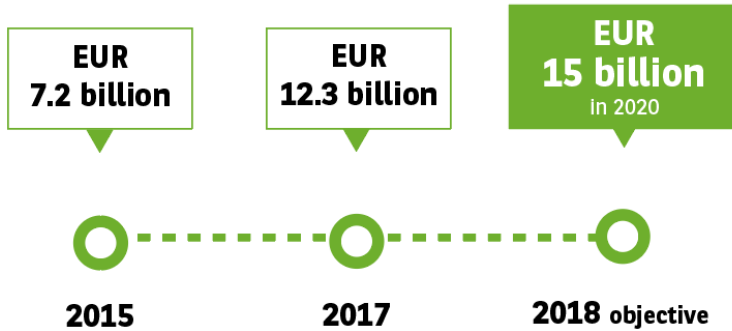
Reduce the environmental impact of our operations

Advance awareness and sharing of best environmental practices

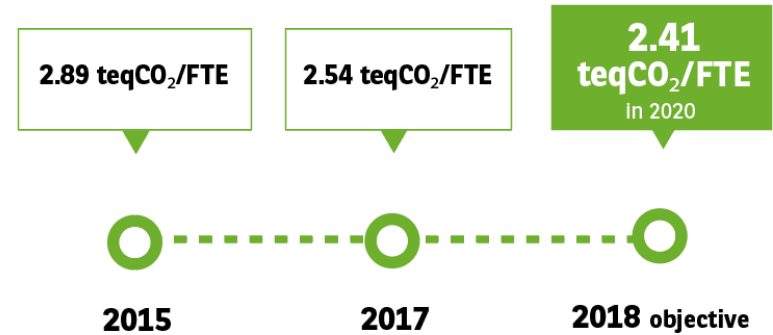
OUR ENVIRONMENTAL RESPONSIBILITY

Objectives for 2018

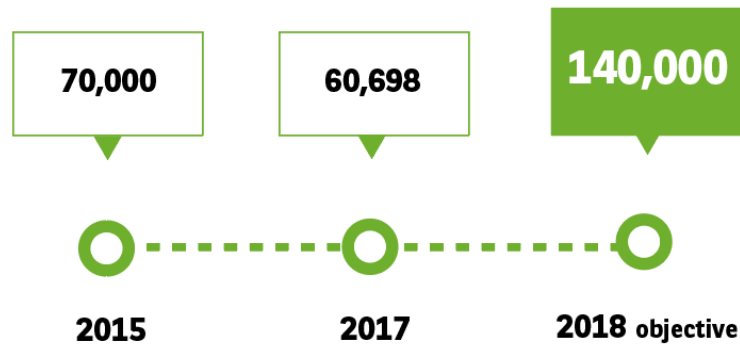
FINANCING FOR RENEWABLE ENERGIES



GREENHOUSE GASES EMISSIONS



NUMBERS OF PEOPLE MADE AWARE OF CLIMATE ISSUES BY BNP PARIBAS



BEING A LEADER IN COMBATING CLIMATE CHANGE

- BNP Paribas is committed to reduce its impacts on climate change:
 - As a bank with a presence in 73 countries and financing all kind of sectors, BNP Paribas' activities have two types of impacts:
 1. **Direct:** impacts produced by our own actions;
 2. **Indirect:** impacts generated by our financing and investments.
 - In 2017, BNP Paribas' environmental reporting quality, including both direct and indirect impacts, was rated **A-** by the **Carbon Disclosure Project**
 - In 2017, the British NGO **ShareAction** identified BNP Paribas as the European leader in managing climate risks
- In May 2017, BNP Paribas committed to become "**carbon neutral**" by end-2017 through 3 complimentary initiatives:
 1. **Reduce employees' emissions** by 25% by 2020
 2. Using only **low carbon electricity** in all countries where it is available
 3. **Offset CO2 emissions** that cannot be directly avoided or easily reduced through partnerships with benchmark organizations (e.g. GoodPlanet Foundation)

BEING A LEADER IN COMBATING CLIMATE CHANGE

- In this purpose, BNP Paribas also participates to several working groups and industry initiatives in favour of the energy transition:
 - Supports the **TCFD recommendations** (Task Force on Climate-related Financial Disclosures) which aim to facilitate and standardize financial communication on environmental issues and therefore participated to several working groups, notably with UNEP-FI and CDP, to define the implementation of TCFD recommendations for banks;
 - Has a representative on the **Technical Expert Group on the European Commission's Action Plan on Financing Sustainable Growth**, following to the HLEG recommendations;
 - Takes part to the **AcTE Committee** founded by Nicolas Hulot to accelerate the energy transition and more particularly to achieve the French carbon neutrality target by 2050, with BNP Paribas' CEO Jean-Laurent BONNAFÉ as one of the 15 expert members of this group;
 - Supports the **Science Based Targets Initiative** and will therefore participate in a working group on the definition of a Scope 3 calculation methodology for the financial sector.



Partnering with our clients in the transition to a low carbon economy

DOUBLING THE SUPPORT FOR RENEWABLE ENERGY

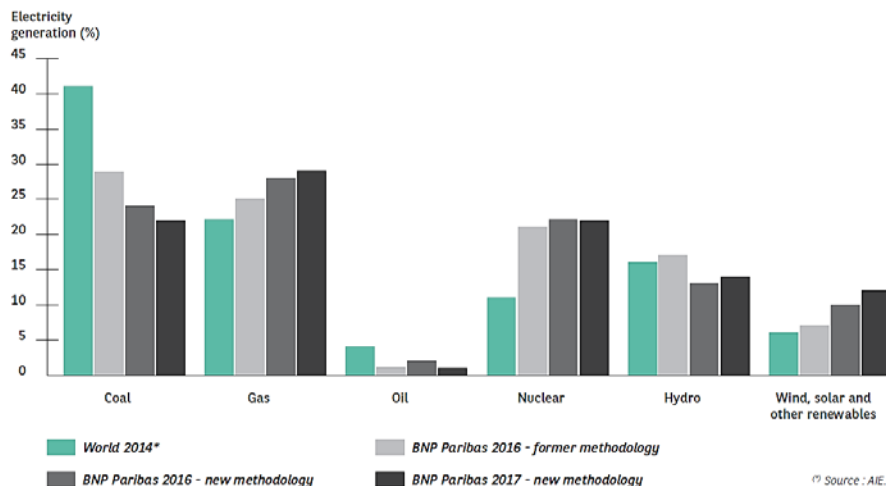
■ Major participant in the renewable energy sector

- In total, in 2017, the Group financed or advised on renewable energy projects totaling more than **6GW** of installed capacity
- **EUR 12.3 billion exposure** to renewable energy in 2017 (EUR 9.3Bn in 2016)
- Commitment to **significantly step up its financing** in the sector to EUR 15Bn in 2020

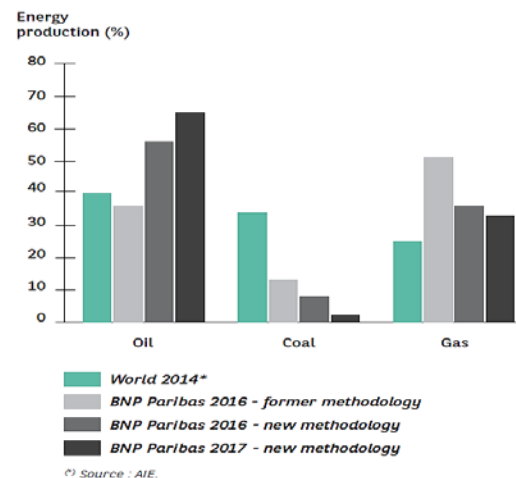
■ Financing electricity and energy mixes that rank better than the world mix (electricity mix and primary energy mix as well)

- The kWh carbon content financed by the Group is 392 g of CO₂, compared with the world average of 515 in 2014 (source: IEA)
- BNP Paribas undertakes to ensure that the carbon content of a kWh financed by it will from now on reduce as quickly as the worldwide average in the IEA's 450 scenario (i.e. 85% between 2014 and 2040)

➤ BNP PARIBAS' ELECTRICITY MIX: FORMER AND NEW METHODS



➤ BNP PARIBAS' ENERGY MIX (PRIMARY ENERGY) IN 2017: FORMER AND NEW METHODS



PILOT TESTING THE IMPACT OF AN INTERNAL CARBON PRICE ON THE CUSTOMERS OF OUR LOAN PORTFOLIO

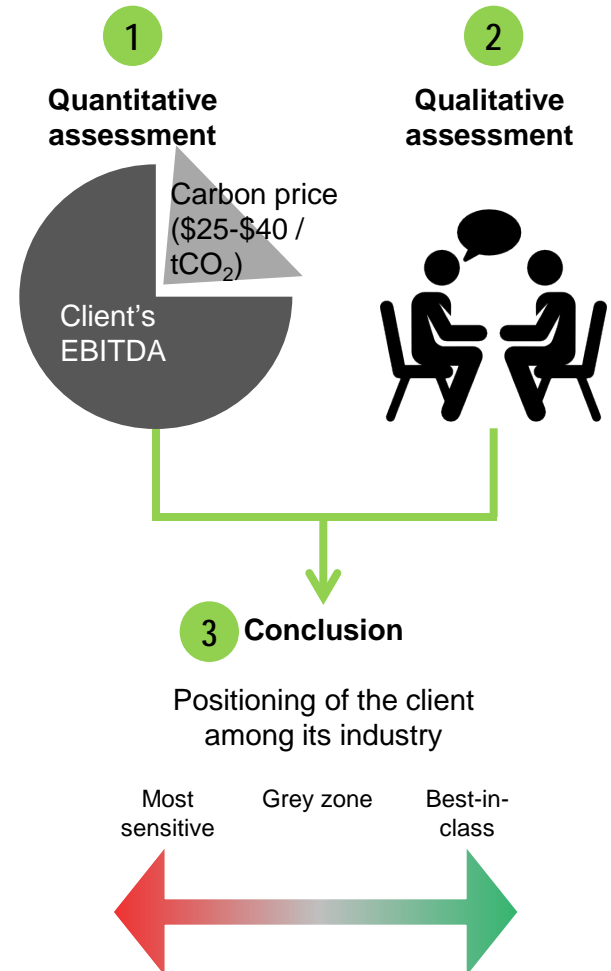
2018: Pilot Phase

- In 2015, BNP Paribas committed to progressively integrate the use of an internal carbon price in its financing decisions.
- After having developed the tool in 2017 for 8 industries* identified as highly sensitive to carbon risks, a pilot phase has been launched in 2018. The goal is to test the methodology on the 3 geographies (EMEA, APAC, Americas) and for all the industries, on a selection of clients, and to organize trainings throughout the Group.
- Full roll-out is scheduled for 2019.

Details of the Carbon Risks Analysis

At the occasion of annual reviews and new entries for both corporate and projects, analysts will have to:

1. Make a quantitative assessment by running sensitivities on client's EBITDA by using our shadow carbon price scenario.
2. Complete this analysis by a qualitative analysis based on the information collected by the RM or SB, about the strategy of the client regarding its GHG emissions.
3. Conclude this analysis by proposing the positioning of the client among its industry (most sensitive up to best-in-class).



*Power Generation, Thermal Coal, Oil & Gas (upstream & downstream), Transportation (Automotive, Airlines, Trucking and Shipping), Agrifood (Processed & Packaged Food, Grains & Oilseed, Dairy, Meat), Aluminum Smelting, Steel, Cement

BNP PARIBAS' GREEN SERVICES FOR INSTITUTIONAL INVESTORS

A significant role promoting green bonds

■ The Group is one of the world's top three players, in euros, on the Green Bonds' market

- A position it had initially planned to achieve by 2018
- Since 2012, the Group has been joint lead manager for EUR 10.2 billion including more than EUR 1.1 billion equity-linked bonds

■ Recent Achievements

- During the **2012-2017** period, BNP Paribas has been **joint lead manager for EUR 10.2 billion** including EUR 1.1 billion in equity-linked bonds
- The total value of the green bonds placed in 2017 was **EUR 5.3 billion**
- **Examples:**
 - one of the three green bonds of SNCF Réseau, EUR 1 billion, 80% of which is to improve the energy efficiency of the rail network
 - the EUR 500 million MuniFin green bond, a credit institution owned by the Finnish public sector

PARTNERING WITH OUR CLIENTS IN THE TRANSITION TO A LOW-CARBON ECONOMY

■ **Support for innovative start-ups in the energy transition**

- As part of the commitment the Group entered of 2015 to invest EUR 100 million by 2020 in innovative start-ups active in the energy transition, almost EUR 20 million had been invested at the end of 2017.

■ **Assisting entrepreneurs in their energy efficiency efforts**

- **BNP Paribas Fortis' Sustainable Energy Services**
- (SES) Department offers real expertise and support to its SME clients in order to design and finance infrastructure for the production of renewable energy or work done to improve energy efficiency within their plants
 - In 2017, this SES Department was involved in projects representing investments of EUR 300 million, compared to EUR 250 million the previous year, including 11 projects in the field of energy efficiency.

■ **For households and individual customers**

- **Domofinance**, joint venture between EDF and BNP Paribas Personal Finance specialized in **financing of energy efficiency in private customers' homes**
 - 49,000 loans in 2017 (590,000 loans since launch)
 - In 2017, BNP Paribas Personal Finance developed similar partnerships
- Platform to facilitate home energy renovation
 - www.monprojetrenovation.com, platform for energy efficiency self diagnosis
 - Simulation with BNP Paribas renovation loans and interest-free eco-loans

HELPING COMPANIES TO IMPROVE THEIR ENERGY EFFICIENCY

In specialized Businesses

■ BNP Paribas Real Estate

- In 2017, BNP Paribas Real Estate services, whose business continues to benefit from 100 % environmental certification on its corporate real estate activity, committed to improving the energy performance of its portfolio by signing the Private and Public Commercial Buildings Energy Efficiency Charter



- For Example, the Issy Préférence Project, the result of a partnership with Legrand and Netatmo, is the first building in the world compatible with the Apple Home Kit, which aims to save energy by remotely controlling home appliances

■ Arval (long-term rentals)

- Responsible mobility: telematics systems enabling effective customer fleet management by monitoring fuel consumption, distances covered, CO2 emissions and driving behaviors
 - Arval's Telematic solution, Arval Active Link, continued development in 2017. It monitors fuel consumption, distances travelled, journey times, CO2 emissions and driving behavior
 - Arval helps its customers with their product range policy

■ BNP Paribas Leasing Solutions

- Offers a range of services relating to the leasing of low-carbon vehicles, such as :
 - Gas-powered lorries, support for customers regarding their economic and environmental performance, LEDs with a long-term leasing offer, and "green real-estate finance leases" to encourage clients to select energy efficient buildings



**Reduce the environmental
impact of our operations**

| REDUCE OUR DIRECT IMPACT: QUANTIFIED OBJECTIVES FOR 2020

Carbon neutrality as end of 2017 achieved

Cut GHG emissions per employee by 25% compared with 2012, from 3.21 to 2.41 tones of CO₂ equivalent per employee

Cut paper consumption per employee by 30% compared with 2012, from 165kg to 115kg per employee

Increase the share of responsibly sourced paper (produced from recycling or sustainably managed forests) to 80% of the total amount consumed internally

Increase the share of waste paper collected for recycling up to 55%

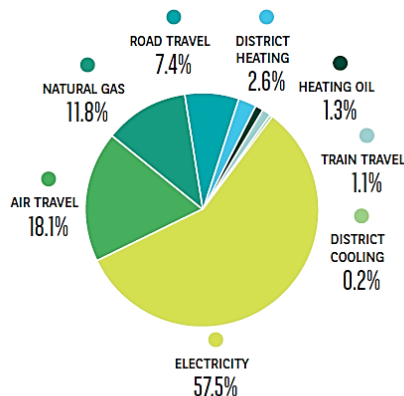
Process obsolete IT equipment according to a rigorous policy for controlling the associated environmental and social risks

REDUCE OUR DIRECT IMPACTS: QUANTIFIED OBJECTIVES FOR 2020

Environmental indicators

Reduction of total greenhouse gas emissions

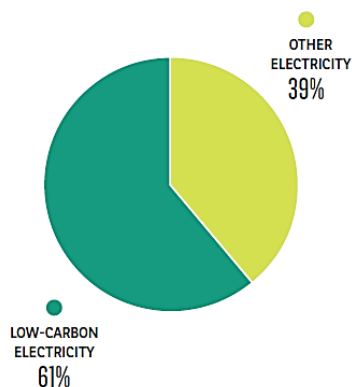
498,953 CO₂ TEQ in total, i.e. 2.54 CO₂ TEQ per FTE (2015: 511,406/2.72)



EMISSIONS / FTE FELL BY 20.8% BETWEEN 2012 AND 2017, IN LINE WITH OUR 2020 OBJECTIVE TO REDUCE THEM BY 25% COMPARED WITH 2012.

Use of low-carbon electricity

1,454 GWh, or 195 kWh/m² (2016: 1,460/201)

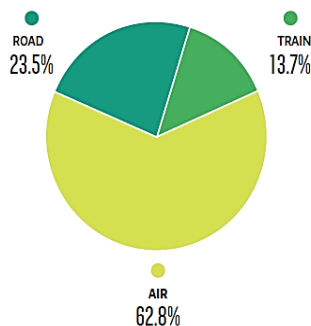


Counteracting emissions that cannot be reduced

Each year, BNP Paribas will counteract the previous year's CO₂ emissions that cannot be reduced for the Group as a whole. In 2017, the counteracting of 2016 emissions was carried out as part of the Wildlife Works Kasigau Corridor project (more information in the section *Accelerating Energy Transition: pp. 46-51*).

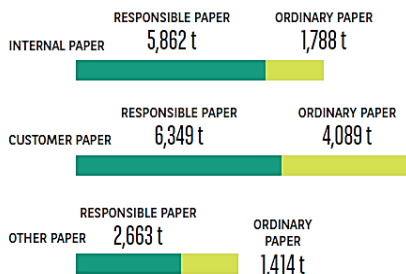
Business travel

899 million km, or 4,587 km/FTE (2016: 910/4,730)



Total paper consumption

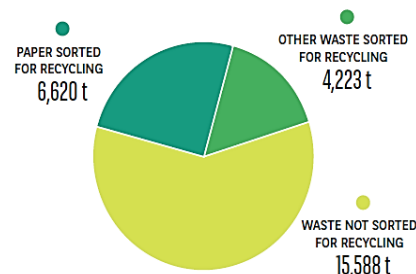
22,165 tons, or 113 kg/FTE (2016: 23,440/122)



PAPER CONSUMPTION FELL 36.9% BETWEEN 2012 AND 2017. THE REDUCTION TARGET OF 30% FROM 2012 IS THUS BEING EXCEEDED. THE PERCENTAGE OF SUSTAINABLE PAPER USE INCREASED TO 67.1% IN 2017, IN LINE WITH THE 2020 OBJECTIVE OF 80%.

Office waste

26,431 tons, i.e. 135 kg/FTE, of which 40.7% is sorted for recycling



REDUCE OUR DIRECT IMPACT: 2017 RESULTS

- 195 kWh/sq.m. consumed in our buildings – total of 1,454 GWh of which almost two thirds for electricity
- 4,587 km/FTE for business travel (plane, train, car)
- Renewable energy represented 26.2% of total energy consumption in buildings



498,953 tonnes of CO₂ equivalent emissions, or 2.54 tonnes of CO₂ equivalent /FTE

73.5% for buildings and 26.5% for business travel

- 113 kg paper consumed/FTE of which 67.1% is responsible
- 20.38 cubic m. water consumed/FTE in our buildings
- 135 kg waste/FTE, of which 53% is recycled



REDUCE OUR DIRECT IMPACT: A GLIMPSE OF OUR ACTION PLANS

Achieving carbon neutrality as of 2017

Strong commitment to achieve carbon neutrality as of 2017: in 2017, the Group emitted a total of 498,953 teqCO₂/FTE which represents a 20.8 reduction compared to 2012

Three complementary initiatives:

1. Group reduction target: 25% reduction by 2020:

- Since 2012, BNP Paribas has already reduced its direct CO₂ emissions by 20% per employee
- This achievement is the result of a specific policy of promoting energy efficiency at the Bank's buildings, data centres and optimising business travel

2. Use of low carbon electricity:

- As half of CO₂ emissions arise from our electricity consumption, BNP Paribas committed to use only low carbon electricity in all countries where this is possible. In 2017, renewable electricity represented 26.2 % of electricity consumed in the Group's buildings.

3. Carbon offsetting :

- In 2017, offsetting all of its 2016 emissions was actually carried out as part of the Wild Life Work's Kasigau project(covering 500,000 acres of forests in Kenya)
- Partnership with the GoodPlanet Foundation to promote the construction of 13,000 bio-digesters in India. This project will provide its first Gold Standard-labelled carbon credits in December 2019

Paper: consume less, consume better

- 30% reduction target as of 2020 compared to 2012: in 2017, 22,163 tonnes of paper were consumed , e.g.113 kg/FTE versus 122 kg/FTE in 2016

Reduce wastes and recycle

- Recycle paper, the paper policy aims to bring to 80 % in 2020 the share of responsible sourced paper (from recycling or sustainably managed forests). in 2017, 67.1% of paper was from responsible sources compared to 64.6% in 2016
- Food waste (e.g. the Group's company restaurants in France 17,000 meals/day rolled out an action plan to recycle waste in the form of methane or compost)
- Give a second life to obsolete computer equipment by donations or resale whenever possible

Combat loss of biodiversity

- Use responsibly sourced paper (e.g. PEFC or FSC eco-labels) to protect forest ecosystems and their biodiversity
- Take measures to protect the biodiversity. For example, in 1985, BNP Paribas Fortis bought the Virelles Pond of 125-hectares. Today, the Pond has a nature center, a bird watching center and a hospital for birds and mammals.

A LEADER IN CERTIFICATIONS



- With 65 ISO 9001 certifications, the Group is a leader in the banking sector
 - 14,051 employees work in an organization certified ISO 9001
- 26 ISO 14001 certifications which makes BNP Paribas the world leader in the banking/insurance sector for environmental management systems.
 - 66,839 Group employees work in an entity certified ISO 14001
 - Integrated approach for French Retail Banking
 - The facilities, factoring and data centers have all received ISO 14001 certification
 - Launch of an ambitious certification program at CIB UK involving 74% of its workforce as well as Arval and its 15 certified subsidiaries worldwide
- At the same time, BNP Paribas is developing and launching other processes of ISO certification with regards to:
 - Occupational Health and Safety Management (OHSAS 18001)
 - Information Security Management (ISO 27001)
 - Information Technology – Service Management (ISO 20000)
- The Group integrates the ISO 26000 standard alongside other CSR standards to establish its framework for CSR initiatives and define action plans
- In 2017, AFNOR renewed the BNP Paribas diversity label in France



**Advance awareness and sharing
of best environmental practices**

SUPPORTING RESEARCH AIMED AT COMBATING CLIMATE CHANGE

■ Financing environmental research through the Climate Initiative:

- Launched in 2010 by the BNP Paribas Foundation, the Climate Initiative has already supported **18 international research teams**.
- With a **EUR 6 million budget over a period of 3 years**, this global sponsorship program consists in a call for projects organized every 3 years and a rigorous selection process by recognized experts in their respective fields.
- **From 2017 to 2019, 8 new international research projects will be funded**, addressing various issues such as collecting new data on past climates in Antarctica (**EAIIST**) or the carbon sequestration capacity of soils cultivated in Africa (**SoCa**).
- 178 researchers, professors and engineers from 73 universities and research organisations around the world will benefit from this initiative.

■ Raising awareness – Conference cycles: In 2017, 8 conferences made it possible to discuss, with Group employees and the general public, the state of the art of research supported by the Foundation.

- With the various awareness-raising initiatives carried out by the Foundation, 60,698 people were made aware of climate change in 2017.
 - Valérie Masson-Delmotte's conference "Will the IPCC save the planet?" in Paris
 - Joanna Haigh's conference "Climate change: What is the situation today?" in London
 - Sabrina Speich' conference "Climate change: The ocean, our unsung ally" in Paris
 - Jérôme Chappellaz's conference "Ice Memory: The ice library for future generations" in Paris
- Getting involved – Participation in Think-Thanks and commitment platforms, such as:
 - Portfolio Decarbonization Coalition (joined by BNP Paribas Investment Partners)
 - The Transition Pathway Initiative
 - Science Based Targets
 - Banking Environment Initiative (BEI)
 - Entreprises pour l'Environnement
 - IDDRI (the French Institute for Sustainable Development and International Relations)



APPENDICE

- **BNP Paribas financing and investment sector policies**
- **Public position on tobacco industry**

SECTOR POLICY: DEFENCE

■ POLICY OBJECTIVES

- **2012 Defence Policy was structured around 3 axes:**

- Exclusion of Controversial Weapons (and their producers)
 - Cluster munitions,
 - Anti-personnel mines
 - Nuclear arms (outside France, UK, USA)
 - Depleted uranium ammunitions...

- A sector specific list of excluded and sensitive countries applying to export transactions
- Exclusion of private intermediaries on defence transactions outside the EU/NATO zone

- **2017 update of the policy introduces new commitments:**

- Exclusion of torture tools (and their producers)
- Addition of surveillance equipment in the list of Sensitive equipment
- Exclusion of transactions involving both sensitive equipment or activities and a sensitive country
- Exclusion of clients specializing in sensitive activities that are located in sensitive countries
- Exclusion of non-State entities (states or state-controlled companies) outside OECD countries
- Exclusion of counterparties, whether private or state-owned, having a verified, recent history of involvement in deals in violation of UN, EU, United States or French embargoes on arms and international repression equipment

■ CONCRETE ACTIONS

- Transaction in the sector of Defence are regularly reviewed by Group Compliance and CSR
- Thus leading to the exclusion of 142 companies and 37 companies under monitoring in 2017

Evolution of the policy between 2012 and 2017:

	All other Countries	Defence Sensitive country	Excluded Countries
Regular Defence equipment	Authorized	Authorized	Forbidden
Regular Security equipment (New)	Authorized (New)	Authorized (New)	Forbidden (New)
Sensitive equipment	Authorized	Forbidden (New)	Forbidden
Excluded equipment*	Forbidden	Forbidden	Forbidden

SECTOR POLICY: COAL-FIRED POWER GENERATION

■ POLICY 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:**
 - Following to the policy update in 2017, BNP Paribas will not provide financial products and services to **new CFPP projects wherever they are located**
- **Grounds for exclusion for companies:**
 - Inadequate disclosure of safety track record or environmental data
 - In addition, the CFPG company must have a diversification strategy to reduce the share of coal in its power generation mix at least as ambitious as the national commitment to limit GHG emissions of the country where its principal operations are located
 - Following to the policy update in 2017, BNP Paribas will not initiate new commercial relationships with clients that derive **over 50% of their revenue from coal**
- **Complementary environmental, social and governance due diligence on the company**

■ CONCRETE ACTIONS

- These commitments lead to the exclusion of 63 companies and 33 under monitoring in the Energy & Extractives sector in 2017
- In 2017, BNP Paribas pilot tested the impact of an internal carbon price on the gross operating margin of the customers in its loan portfolio. It was conducted on a sample of customers in 8 most emitting sectors with a qualitative analysis of their carbon risks.

SECTOR POLICY: NUCLEAR POWER

■ POLICY OBJECTIVES

- Addressing 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

- This policy leads us to ask complementary E&S audits and to develop dialogue with clients
- And to the exclusion of 63 companies and 33 under monitoring in the Energy & Extractives sector in 2017
- 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

■ POLICY 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

I SECTOR POLICY: PALM OIL

I 1st SECTION OF FORESTRY POLICY

■ CONTEXT

- BNP Paribas is signatory of the **BEI Soft Commodities' Compact** (an initiative to help transforming soft commodities supply chains), thereby helping clients to achieve Zero net deforestation by 2020

■ POLICY OBJECTIVES

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

• **2017 update of the policy:**

- Echoing to new “No peat, no deforestation, no exploitation” (NDPE) commitments, BNP Paribas now requires companies in the sector to integrate a “**High carbon stock**” **forestry assessment** and to achieve “**Free Prior and Informed Consent**” for potentially impacted local communities

• **Main grounds for exclusion:**

- For upstream palm oil companies, no compliance with existing social and environmental laws and international regulations
- Use of child or forced labour
- No consultation process, acceptable compensation process and grievance mechanism – FPIC is a mandatory requirement
- New plantations on peat (new: whatever their depth), high conservation value forests, high carbon stock forests and protected areas (World Heritage sites, IUCN zones I to IV...)
- No no-burn policy

■ OUTCOME

- Mighty Earth and Sustainable Brands acknowledge the policy as “a new path for responsible financing that all major financial institutions should follow”

■ 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

■ POLICY 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 company**
- **Policy update in 2015 for coal mining:** BNP Paribas stopped financing coal mining activities, whether project or company financing, unless they have put in place an energy diversification strategy
- **Policy update in 2017 for coal mining:** BNP Paribas will not initiate new commercial relationships with clients that derive over 50% of their revenue from coal.

■ CONCRETE ACTIONS

- These commitments lead to the exclusion of 63 companies and 33 under monitoring in the Energy & Extractives sector in 2017

SECTOR POLICY: UNCONVENTIONAL OIL AND GAS

■ CONTEXT

- Massive production of unconventional is incompatible with a 2 degree scenario
- Development of unconventional oil and gas production: +27% for conventional oil and gas vs. +127% for unconventional between 2014 and 2040

■ POLICY OBJECTIVES

- To address social and environmental issues of the unconventional oil and gas industry and establish guidelines for conducting business in the most possible responsible manner

• **Grounds for exclusion for unconventional oil and gas projects:**

- Exploration and Production of unconventional oil and gas resources (under the present policy, unconventional oil and gas resources cover shale oil or gas, oil sands as well as oil and gas resources located in the Arctic region);
- Pipelines transporting a significant volume of unconventional oil and gas;
- LNG export terminals supplied by a significant volume of unconventional gas.

• **Grounds for exclusion for companies involved in unconventional oil and gas:**

- Exploration and production companies for which unconventional oil and gas represent a significant part of their total reserves;
- Diversified companies for which unconventional oil and gas exploration and production represent a significant share of their total revenues (i.e. companies with exploration, production as well as midstream and/or downstream activities);
- Trading companies for which unconventional oil and gas resources represent a significant part of their business;
- Companies that own or operate pipelines or LNG export terminals supplied with a significant volume of unconventional oil and gas.

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

■ CONCRETE ACTIONS

- These commitments lead to the exclusion of 63 companies and 33 under monitoring in the Energy & Extractives sector in 2017

PUBLIC POSITION: TOBACCO INDUSTRY

■ OUR POSITION

- **In 2016, decision to raise expectations towards tobacco leaves growers and traders, and tobacco companies**
 - Definition of mandatory requirements and evaluation criteria, in particular regarding their human rights, environmental and health standards
 - Rationale: the World Health Organisation (WHO), United Nations' agency specialised in Health, identified tobacco as the first avoidable cause of deaths, and instituted in 2003 the Framework Convention on Tobacco Control, the first global public health treaty
 - Objective: to avoid financing or investing in companies that do not respect national laws, are not transparent on the health risks associated with smoking and target young or vulnerable people
- **In 2017, decision to end any financing and investment activity related to tobacco companies or professional players whose principal activity is linked/dedicated to tobacco**
 - Exclusion of manufacturers of tobacco products, as well as producers, wholesalers and traders whose revenue is mainly derived from tobacco
 - This decision impacts all of the Group's business relations with tobacco companies, as well as investments on behalf of third-parties

"The WHO has called on the international community regarding the effects of tobacco in terms of health. We have reaffirmed our ambition to finance the economic development while having a positive impact on all our stakeholders, contributing to build a better future." said Jean-Laurent Bonnafé, Director and Chief Executive Officer, BNP Paribas.

"We are delighted by BNP Paribas' announcement, and we call on all leaders in the finance sector to stand alongside BNP Paribas in solidarity with health and government sectors across the globe", said Dr. Bronwyn King, CEO, Tobacco Free Portfolios.