



# BNP Paribas and the exercise of its Corporate Social Responsibility

Corporate Social Responsibility Department  
November 2012





# BNP Paribas and the exercise of its Corporate Social Responsibility



**Our Economic Responsibility:** financing the economy in an ethical manner



**Our Social Responsibility:** pursuing a committed and fair human resources policy



**Our Civic Responsibility:** combating exclusion, promoting education and culture







**Our Environmental Responsibility:** combating climate change



# Introduction

- **BNP Paribas Group**
- **A European leader with responsibilities in three key areas**
- **Strong public commitments**

# BNP PARIBAS GROUP STORY

	1999	2001	Dec 2011
	 		
<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	79 countries
			Retail Banking Corporate & Investment Banking Investment Solutions

# RETAIL BANKING

## A NEW ORGANIZATION TAILORED AROUND THE BUSINESS

- 7.200 branches (5.000 outside France)
- 23 million customers

### Operational entities

- BDDF
- BNL bc
- BNP Paribas Fortis
- BGL BNP Paribas
- Europe Mediterranean
- BancWest
- Personal Finance
- Equipment Solutions
- Personal Investors



# INVESTMENT SOLUTIONS

## PROFESSIONALS AND SERVICES DEDICATED TO INVESTORS

- 25,800 employees in 68 countries
- Strong international presence in Europe and abroad (India, Brazil, Singapore, Middle East, etc.)

### Business Units



**BNP PARIBAS  
CARDIF**



**BNP PARIBAS  
SECURITIES SERVICES**



**BNP PARIBAS  
INVESTMENT PARTNERS**



**BNP PARIBAS  
WEALTH MANAGEMENT**

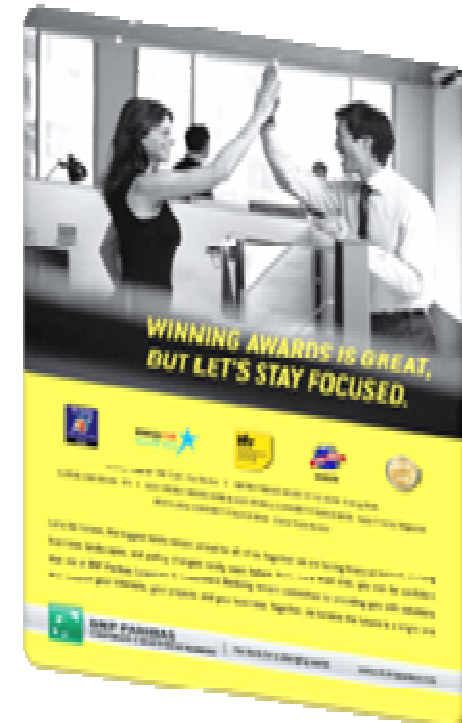


**BNP PARIBAS  
REAL ESTATE**

# CORPORATE AND INVESTMENT BANKING

## LOCAL SOLUTIONS FOR GLOBAL ACTIVITIES

- Around 20,000 employees in 50 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



# THE BNP PARIBAS CHARTER

## OUR MISSION, OUR RESPONSIBILITY



- BNP Paribas' senior management decided in early 2012 to draw up a Charter entitled *'Our mission, our responsibility'*
- The BNP Paribas Charter is addressed to all the Group's stakeholders and staff: it was distributed to all staff and clients
- It does not create any new standards but sets out the essential commitment that BNP Paribas makes to both its clients and the wider world
- The Charter is founded around four main imperatives :
  - ➔ Remaining true to our primary mission: long-term service to our clients
  - ➔ Being prepared to take risks, while ensuring close risk control
  - ➔ Following a strict business ethic
  - ➔ Being a responsible bank





## A RESPONSIBLE BANK 4 PILLARS AND 12 COMMITMENTS



### OUR ECONOMIC RESPONSIBILITY

Financing the economy  
in an ethical manner

1 - LONG-TERM FINANCING  
FOR THE ECONOMY

2 - BUSINESS ETHICS

3 - A RANGE OF RESPONSIBLE  
PRODUCTS



### OUR SOCIAL RESPONSIBILITY

Pursuing a committed and  
fair human resources policy

4 - RECRUITMENT  
AND TRAINING

5 - DIVERSITY

6 - SOLIDARITY-BASED  
EMPLOYMENT MANAGEMENT



### OUR CIVIC RESPONSIBILITY

Combating exclusion,  
promoting education  
and culture

7 - HELP COMBAT EXCLUSION  
AND SUPPORT SOCIAL  
ENTREPRENEURSHIP

8 - CORPORATE PHILANTHROPY  
POLICY FOCUSED ON  
EDUCATION, HEALTH, CULTURE  
AND SOLIDARITY

9 - COMPLIANCE WITH  
THE UN GUIDING PRINCIPLES  
CONCERNING HUMAN RIGHTS



### OUR ENVIRONMENTAL RESPONSIBILITY

Combating climate change

10 - FINANCING POLICY  
COMMITMENTS IN SENSITIVE  
SECTORS

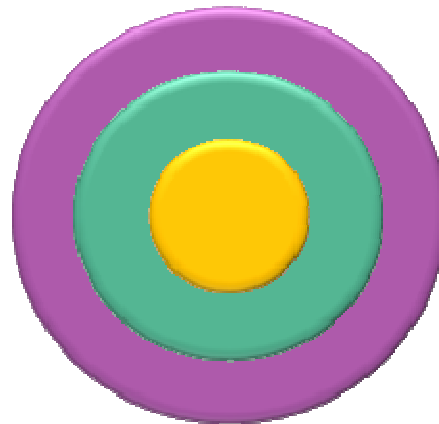
11 - THE REDUCTION IN  
ENVIRONMENTAL FOOTPRINT  
LINKED TO OUR OWN OPERATIONS

12 - SUPPORT FOR RESEARCH  
AIMED AT COMBATING  
CLIMATE CHANGE

# RESPONSIBILITIES IN 4 KEY AREAS AND CLEARLY IDENTIFIED PRIORITIES

- 1 - ECONOMY:** financing the economy in an ethical manner
- 2 - SOCIAL:** pursuing a committed and fair human resources policy
- 3- SOCIETY :** combating exclusion, promoting education and culture
- 4 - ENVIRONMENT :** combating climate change

## 3 levels of involvement



- Internal functioning
- Exercise of our businesses
- Relations with operating environment

## STRONG PUBLIC COMMITMENTS

### PARTICIPATION IN KEY INDUSTRY INITIATIVES

- United Nations Global Compact (2003)
- Equator Principles (2008)
- Climate Principles (2010)
- Socially Responsible Investment Principles (2006)
- Institutional Investors on Climate Change – IIGCC (2007)
- United Nations Women’s Empowerment Principles (2011)
- Roundtable on Sustainable Palm Oil (2011)



# STRONG PUBLIC COMMITMENTS

## BNP PARIBAS SPECIFIC PUBLIC COMMITMENTS ENDORSED BY CHAIRMAN AND CEO

### ■ Environmental commitments (2011)

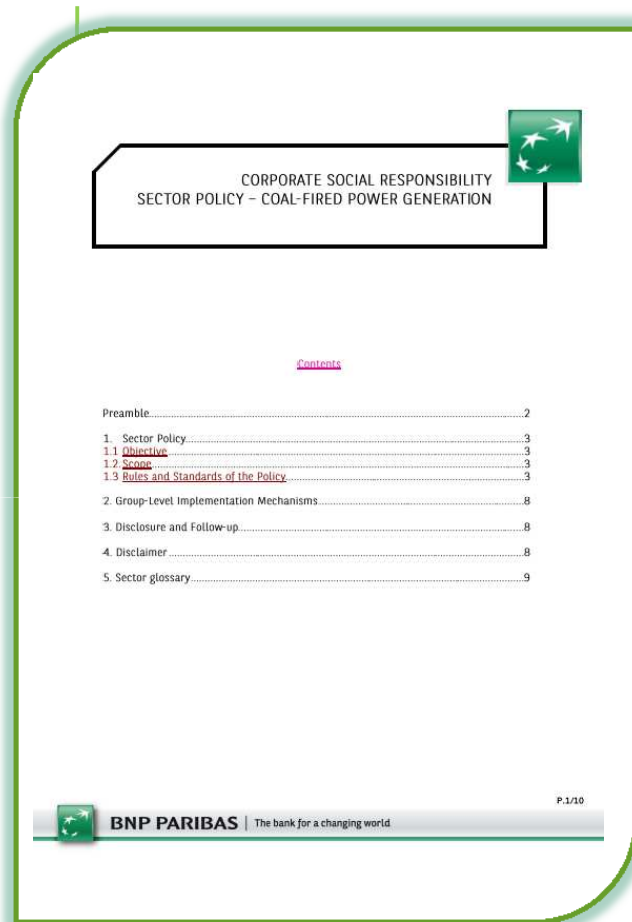
- Focus on the fight against climate change
- Reduction of direct impact on the environment
- Take environmental impact into account in business activities
- Support the transition to a low carbon economy

### ■ Statement of BNP Paribas on Human Rights (2012)

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

# STRONG PUBLIC COMMITMENTS

## BNP PARIBAS SPECIFIC PUBLIC COMMITMENTS



- CSR sector policies governing financing and investments
  - ➔ Defense (Dec. 2010)
  - ➔ Palm oil (Dec. 2010) and Wood pulp (Sept. 2011)
  - ➔ Nuclear power generation (Feb. 2011)
  - ➔ Coal-fired power generation (Sept. 2011)
- Position paper on essential agricultural commodities (July 2011)
- Goods and activities on exclusion list (Dec 2011)

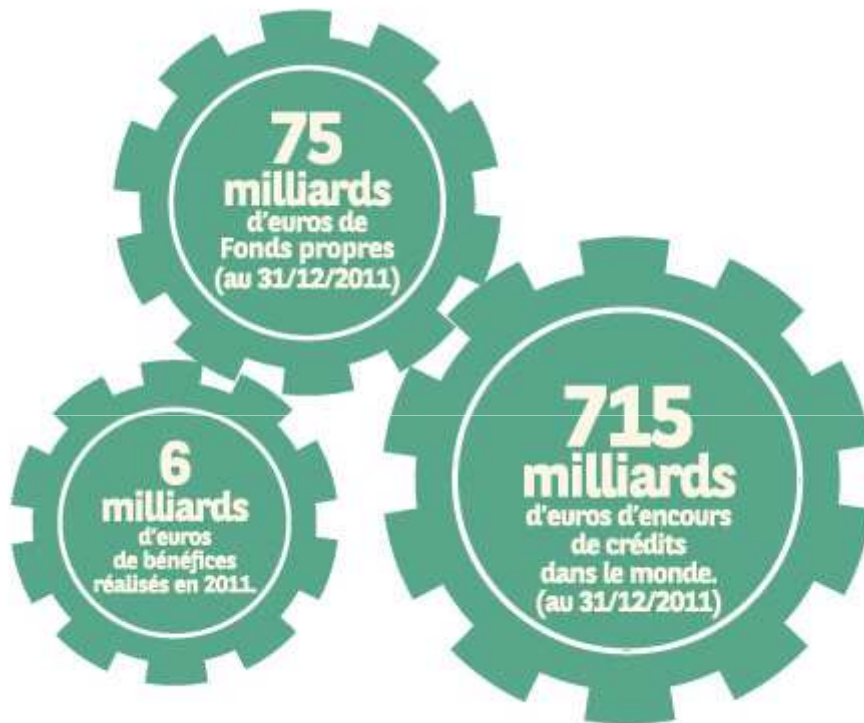


# Financing the economy in an ethical manner

- 1.1 Sustainable financing for the economy
- 1.2 Business ethics
- 1.3 A range of responsible credit and savings products

# 1.1 Sustainable financing for the economy

## SHARING THE VALUE OF THE COMPANY WITH OUR STAKEHOLDERS



- 75%\* of the profits have been reinvested to finance the economic development
- 6,3% of the staff own BNP Paribas shares

\* BNP Paribas decided to retain 75% of its 2011 net income in the company to shore up its shareholders' equity and to distribute 25% in the form of dividends to shareholders. The shareholders were asked to choose between receiving the payment of this dividend either in cash or in BNP Paribas shares. They opted for the payment in shares representing 72% of the total dividend.

In fact **93% of BNP Paribas' 2011 net income will be reinvested in the company** to shore up its shareholders' equity, and thus improve its financial strength and its lending capacity.



# | SUPPORT FOR BUSINESSES

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

### ■ FRANCE

- **9.2 billion Euros** in new loans at end 2011
- An increase of more than **3.1%** from 2010
- Mid 2012: 56 « Small Business Centers »

### ■ BELGIUM

- An increase of around 2.3% from 2010
- **Incubator for young entrepreneurs (Bryo)**: creation of 53 business start-ups since end 2010

### ■ ITALY

- An increase of 6.4% from 2010
- An increase of 41% of the bank accounts open by Italian businesses in the world
- 19 « Small Business Centers » opened

### ■ EMERGING MARKETS

- **Tunisia (UBCI)**: A lending campaign launched to help companies weakened by the events in Tunisia: a total of **EUR 15.5M** was dedicated to lending to SMEs
- **Poland (BNP Paribas Polska)**: Voted **best bank for SMEs by Forbes in 2011**. It obtained the highest score (five stars) in the annual league tables of best banks for business awarded by Forbes and Newsweek

# SUPPORT FOR PERSONAL CLIENTS' PROJECTS

## INCREASE OF LOANS IN DOMESTIC MARKETS FOR PERSONAL CLIENTS' PROJECTS

### ■ A significant increase of personal clients' loans

#### ■ FRANCE

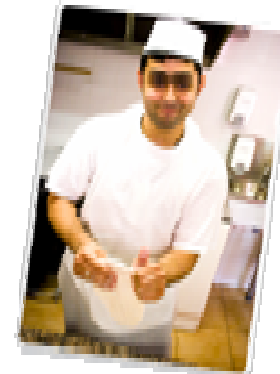
→ An increase of 7% from 2010

#### ■ BELGIUM

→ An increase of 7.2% from 2010

#### ■ LUXEMBURG

→ An increase of 7.2% from 2010



## 1.2 Business ethics

## | Tax havens

- With €1.6 billion in taxes in 2011, BNP Paribas is one of the largest taxpayers in France
  - BNP Paribas one of the largest taxpayers in France
  - In 2011, the Group made 27% of its profits in this country but paid 34% of its taxes here
- BNP Paribas has no establishments in any of the countries designated by the OECD as tax havens (the decision to cease all activities in any of the 'grey list' tax havens was taken in 2009).
- BNP Paribas does a tiny amount of business in two countries regarded as 'uncooperative' by the French authorities which are Brunei and The Philippines
  - BNP Paribas serves here local or regional clients and supports the export business of major international clients but does not in any way use these establishments to shield Group profits or to enable French companies to place revenues out of reach of the French tax authorities
- Some reports frequently make reference to lists of what are termed "unofficial" tax havens and quote statistics about doing business in "tax havens" which do not corresponds to operational realities
  - In fact these lists place for example European countries in the category of tax haven such as countries which are BNP Paribas' domestic markets: as an example in Belgium there are 73 entities with 18,000 employees and a network of 1324 branches serving more than 3.7 million individuals, professionals, small enterprises and private banking customers and 35 000 companies

# PROTECTING CLIENTS' INTERESTS THROUGH A COMPREHENSIVE APPROACH TO COMPLIANCE

- Compliance is tasked with anticipating, expanding the range of robust tools, ensuring staff training, and strengthening internal control processes
- In 2011 each Group employee took part in an average of 2,6 compliance training actions
- Creation of the Risk Academy - continuous internal training programm on risk management - in 2010 to strengthen the Group's risk management culture.
  - Flagship theme of this academy in 2011: "Protecting the client's interests"
- Compliance teams went from 700 to 1800 FTE between 2004 and 2011
- Revision of the internal anti-corruption Group policy and reinforcement and revision of the internal Group policy regarding gifts received by the staff in 2011
- Disclosure of a summary of the internal anti-corruption Group policy in 2011
- Update of the Group Code of Conduct in 2011: it includes "the necessity for each employee to act in a responsible manner by complying with BNP Paribas commitments relating Corporate Social and Environmental Responsibility"

# PROVIDING A FRAMEWORK FOR ACTIVITIES WITH A SIGNIFICANT IMPACT ON SOCIETY

## ■ Sector policies, position paper and exclusion list

- BNP Paribas sector policies cover defense, nuclear power, coal-fired power generation, wood pulp and palm oil (see 4.1)
- BNP Paribas published a Position Paper on essential food commodities
- Goods and activities on exclusion list

## ■ Sector policies implementation

- A strong teams' involvement:
  - The implementation relies on both the **Risk function** (around 6,000 employees) and **Compliance** (more than 2,000 employees within the Group)
  - More than **600 collaborators were trained** regarding the sector policies
- **More than 200 transactions** were reviewed in 2011 – 17 were rejected

# SECTOR POLICY: DEFENCE

## ■ POLICY OBJECTIVES

- Avoid financing of illegal weapons under the terms of the Ottawa and Oslo Conventions (ratified by France in August 2010): cluster munitions and anti-personnel mines
- Avoid financing of “controversial weapons”:  
biological and chemical weapons, depleted uranium ammunition
- Avoid contributing to the sale of weapons to conflict zones (trade and export finance)

## ■ PRINCIPLES

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

## ■ CONCRETE ACTIONS

- A list of prohibited companies is regularly updated
- Refusal of financing transactions:
  - Application of standard compliance channels to implement the policy
- **Revision of the sector policy in March 2012 (integrates corruption, small arms, etc.)**
- **Mid-2012, 8 out of 68 transactions revised by CSR teams were rejected**

# POSITION PAPER: ESSENTIAL AGRICULTURAL COMMODITIES

## ■ CONTEXT

### → Market

- Sharp increase in food prices has led to difficult supply in some countries
- Rising transaction volumes on derivatives markets has led stakeholders to examine the potential responsibility of financing institutions

→ BNP Paribas has a whole range of product and services linked to agriculture and soft commodities: from producers and intermediaries financing to hedging products



## ■ BNP PARIBAS STATEMENT

→ BNP Paribas is particularly vigilant in monitoring its activities in the area of basic food supplies

→ All investment products available from BNP Paribas whose underlying assets include basic soft commodities must have medium-to-long-term investment horizons

→ The BNP Paribas group is committed to limiting its exposure in the agricultural commodities derivative market

■ **BNP PARIBAS has decided to liquidate two ETFs (Exchange Traded Funds) exposed primarily to essential commodities (valorisation : around €65 M)**



# GOODS AND ACTIVITIES ON EXCLUSION LIST

## GROUP PUBLIC DISCLOSURE

### ■ POLICY OBJECTIVES

BNP Paribas has chosen not to engage in any financing, investments or transactions with the greatest risk of impacting:

- the health and safety of populations
- Protected species
- the environment in general

### ■ PRINCIPLES

BNP Paribas will not engage in financing, investments or transactions involving:

- The production or trade in controversial weapons within the scope of the Group's defense sector policy (published in 2010)
- The production, trade or use of drift nets over 2.5 kilometers in length
- The production of asbestos fibers
- The production or trade in products containing PCBs (polychlorinated biphenyls)
- The trade in any plant or animal species or products governed by the Convention on International Trade in Endangered Species of Wild Fauna or Flora (CITES) which are not authorized by a CITES permit

This policy applies to all BNP Paribas Group entities, including subsidiaries and joint ventures under the direct control of the Group

# RESPONSIBLE RELATIONSHIPS WITH CUSTOMERS

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



BNP Paribas ranked n°2 for providing clear information about life insurance by the French consumer association UFC-Que Choisir (sept 2012)

- Greater clarity for rates and fees
  - A table enabling easy comparison of rates is available to customers in branches and on the Web
- Planned contacts
  - Dates and objectives of customer appointments are established before the meeting with account officers
- Commissions better adapted to neutral advice
  - Defined by category of need (40 products' families)
  - Delayed compensation to ensure actual use by customer
- Satisfaction measurement based on use of products 3 months after sale

13 banques ou compagnies d'assurances		Note sur 20
1	Crédit mutuel	14,4
2	BNP-Paribas	14,2
3	Allianz	14
4	Société générale	13,9
5	Crédit agricole	13,9
6	La Banque postale	13,9
7	Groupama	13,6
8	LCL	13,5
9	CIC	13,4
10	Aviva	13,3
11	Generali	13,2
12	Axa	12,9
13	Caisse d'épargne	12,7

# “RESPONSIBLE CREDIT” BY BNPP PERSONAL FINANCE

BNPP PERSONAL FINANCE PUT IN PLACE A COMPREHENSIVE APPROACH FOR REVOLVING LOANS WHICH REPRESENTS 20% OF ITS TOTAL OUTSTANDINGS

## ■ Ahead of law

- Main requests of Loi Lagarde were in place before its enforcement
- Average interest rate well below legal maximum rate

## ■ A strict analysis of clients profile

- High rate of refusal: 33%
- High repayment rate: 98%

## ■ Improve financial literacy

- Information and training: teaching videos, Foundation dedicated to financial education, etc.
- Dedicated website: [www.moncreditresponsable.com](http://www.moncreditresponsable.com)
- Upon request, annual budget review



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

# TRANSPARENT AND RESPONSIBLE SAVINGS

## TRANSPARENT AND RESPONSIBLE SAVINGS

### Cortal Consors rating

Information on the environmental footprint and jobs created by funds



The Green Rating, symbolised by a number of planets (from 1 to 5), measures the greenhouse gas emissions generated by businesses in which the funds analysed are invested, i.e. their carbon footprint.



The Employment Rating, symbolised by characters, measures the change in the headcount of businesses in which the funds analysed are invested, weighted by their market capitalisation.

EUR 491.7  
BILLION



BNP Paribas customers enjoy a guarantee that, whatever product they choose, the most dangerous products are excluded from the investment scope, and investments in sensitive sectors are closely monitored.

EUR 80  
BILLION



For life insurance policyholders, the proportion invested in the euro fund takes into account the extra-financial performance of the underlying businesses.

EUR 17.9  
BILLION



A broad range of funds designed to reconcile financial performance with environmental and social benefits.



Funds supporting businesses with a major social and/or environmental impact.

# DEVELOP AND PROMOTE SRI: EXPAND SRI OFFER

## GROWTH IN SRI OUTSTANDINGS: BNP PARIBAS IN TOP 2 PLAYERS

**EUR 17.9  
BILLION IN SRI  
ASSETS  
MANAGED BY  
BNP PARIBAS  
INVESTMENT  
PARTNERS AT  
MID NOVEMBER  
2012**



BNP Paribas 10 SRI FUNDS ACCREDITED in 2012 by NOVETHIC+ and 2 by LUXFLAG\*

Funds	2010		2011		2012	
	Novethic label	Special "ESG indicators" certification	Novethic 2011	Special "ESG indicators" certification	Novethic label	Special "ESG indicators" certification
BNP Paribas Euro Valeurs Durable			X	X	X	X
BNP Paribas Ethic	X	X	X	X	X	X
Parvest Sustainable Equity Europe	X	X	X	X	X	X
BNP Paribas LI Sustainable Equity World	X		X	X		
BNP Paribas Retraite Horizon			X	X	X	X
Parvest Sustainable Bond Euro Corporate	X		X	X	X	X
BNP Paribas Obl Ethic	X	X	X	X	X	X
BNP Paribas LI Sustainable Bond Euro			X	X	X	X
BNP Paribas Money Prime Euro SRI	X		X		X	
BNP Paribas OBLI ETAT					X	X
Parvest Environmental Opportunities	X	X	X	X		
Parvest Global Environment	X	X	X	X		
BNP Paribas MOIS					X	



- **NOVETHIC** : Center of research on Sustainable & Responsible Investment and Corporate Social Responsibility
- **LUXFLAG**: A recognizable label to eligible Environment Investment Vehicles

# EMBED ESG CRITERIA IN ALL ASSET MANAGEMENT ACTIVITIES

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

## ■ INVESTMENT PARTNERS:

systematic integration of extra-financial criteria

→ Sector policies taken into account for all AUM

→ Q4 2012: additional ESG criteria to be included in the management of all the assets



The advertisement features a woman's profile in the foreground, looking towards a dandelion seed head. In the background, a wind turbine is visible against a blue sky with clouds. A green circular logo with three white birds is positioned in the upper right corner. A white box with a dark border contains the text 'Investissements 100% ESG' and 'RESPONSABILITÉ - TRANSPARENCE - EXPERTISE'. Below the image, there is a block of French text, the BNP Paribas Investment Partners logo, the website address 'www.bnpparibas-ip.com', and a small disclaimer at the bottom.

Investissements 100% ESG  
RESPONSABILITÉ - TRANSPARENCE - EXPERTISE

Investir de manière responsable commence par la façon dont nous gérons nos propres activités. Et parce que nous croyons fondamentalement dans les pratiques responsables tant pour nous que pour les entités dans lesquelles nous investissons, BNP Paribas Investment Partners applique les critères environnementaux, sociaux et de gouvernance (ESG) à ses gestions conventionnelles.

Nous sommes également un acteur de référence de l'investissement socialement responsable (ISR) avec un encours sous gestion de 14 milliards d'euros\* plus de 60 professionnels de l'investissement dans le monde présents dans 10 centres d'investissement couvrant les principales classes d'actifs.

BNP Paribas Investment Partners regroupe l'ensemble des expertises du métier de la gestion d'actifs du groupe BNP Paribas avec un encours global de 540 milliards d'euros\*.

**BNP PARIBAS**  
INVESTMENT PARTNERS

[www.bnpparibas-ip.com](http://www.bnpparibas-ip.com)

\* Actifs sous gestion et conseil au 30/09/2012.  
La présente publicité a été rédigée et est publiée par BNP Paribas Asset Management S.A.S. (BNP AM), en qualité de BNP Paribas Investment Partners (BNP IP).  
BNP AM est une entité de gestion de portefeuille agréée par l'Autorité des Marchés Financiers en France (numéro d'agrément 06-03), constituée sous forme de société par actions à responsabilité limitée, au capital de 84203 338 euros, avec son siège social en 1, boulevard Haussmann, 75009 Paris, France, RCS Paris 319 816 833, [www.bnpparibas-am.com](http://www.bnpparibas-am.com).  
BNP Paribas Investment Partners est la filiale globale des services de gestion d'actifs du groupe BNP Paribas. Les entités de gestion d'actifs faisant partie de BNP Paribas Investment Partners se développent elles-mêmes dans le respect de leur engagement à leur égard et ne sont pas responsables de leurs activités sous votre responsabilité. Pour tout complément d'information, veuillez contacter votre Partenaire local agréé.

# VOTING RIGHTS

## BNP PARIBAS ASSET MANAGEMENT'S VOTING POLICY

- **Voting at assembly general meetings** is a key component of the ongoing dialogue with companies in which we invest on behalf of our clients and forms an integral part of our investment process. BNP Paribas AM strives to vote in the best interest of its clients.
- **The voting policy's objectives:** To enhance the long-term value of our shareholdings and to foster corporate governance best practices, business ethics, economic development, social cohesion & environmental protection.
- **Corporate governance practices which we support include:**
  1. Acting in the long-term interests of shareholders
  2. Protecting shareholders' rights
  3. Ensuring independent and efficient board structure
  4. Aligning incentive structures with long-term interests of shareholders
  5. Disclosing accurate, adequate, & timely information
  6. Good environmental & social performance
- In 2011, voting rights were expressed at **1,021 general assembly** across more than **300 open-ended funds**. This represented a voting perimeter of **820 companies** corresponding to **90% of assets held in our UCITS**. We opposed or abstained to **20% of all 12,334 resolutions voted**. We voted in favour of all resolutions at **35% of AGMs** and opposed –or abstained to- at least one resolution at **65% of AGMs**.



# PRODUCTS WITH A POSITIVE SOCIAL IMPACT

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

- **PERSONAL FINANCE France:** specific credit offer dedicated to employees with limited-term working contracts (18-30 years old)
  - Today in France, about 20% of jobs are Fixed-Term Contracts (FTC). 75% of young people first jobs are FTC. Because of this job insecurity, banks often refuse to grant them loans.
- **INSURANCE:** make insurance available to customers with major diseases to enable them to take out loans:
  - Asthma
  - Paralysis of accidental origin (paraplegics and tetraplegics)
  - People with heart disease
- **BGL Luxembourg:** a global offer for NGOs and associations
  - NGO « incentive » of 10% on total annual interests perceived on the savings accounts of NGOs/associations
  - 100 % reduction of entrance costs for investment fund & on account handling
  - Reduced costs for transfers
  - Web Banking and Multiline services offered for free
  - A better remuneration on savings accounts
  - Extensive range of SR investment products in line with NGOs objectives
  - At the end of 2011 3,000 associations benefited from this offer

# PRODUCTS WITH A POSITIVE SOCIAL IMPACT

## OBJECTIVE: FACILITATE THE ACCESS TO BANKING SERVICES IN EMERGING MARKETS

### ■ An innovative dedicated package launched in Jan 12: The Pack Trankil

- Current account + ATM Card: a simple offer that enables people gain access banking services at an attractive price 1 000 CFA (1,52 €)
- 4 countries involved:

Country	Ivory Coast	Senegal	Burkina Faso	Mali
<b>Low income packaged offer</b>	Pack Trankil - Current account - Visa Electron ATM card - Cellia TAM TAM (SMS alerts)	Pack Trankil - Current account with checkbook - Visa Electron card - Mobicis (SMS alerts)	Pack Trankil - Current account - Visa Electron ATM card - IVR balance enquiry	Pack Trankil - Current account - Visa Electron ATM card - SMS alerts

### → A wide target:

- Population with a low banking rate : Countries with a banking rate lower than 10%
- Low income households : From 60 000 to 80 000 CFA (from 91 to 123 Euros) depending on countries

- Make a shift in our traditional market approach
- Provide a concrete answer to basic needs of customers
- Establish a competitive advantage by coming closer to less regarded targets, and even sometimes excluded by banks



## BNP PARIBAS WORKING HAND-IN-HAND WITH LOCAL AUTHORITIES

BNP PARIBAS WAS JOINT LEAD MANAGER FOR THE FIRST ISSUE OF GREEN AND SOCIAL BONDS IN FRANCE

- Thanks to the Debt Capital Market teams, the Paris region is the first public authority in France and one of the first in Europe to issue responsible bonds
- EUR 350 million raised, which will be used to finance environmental and social projects such as the retrofitting of schools, buying buses and trams, building social housing anticipating future energy standards and even building medicalised centers for the elderly and disabled
- The bond issue benefits from a very low interest rate of 1.75% for a 12-year issue
- This success attests to investors' interest in issuers and responsible projects
- The issue has been very well received by asset managers, insurers and banks, with the number wanting to subscribe quickly reaching twice the required level (1.75-times oversubscribed in half an hour)



## Pursuing a committed and fair human resources policy

- 2.1 Developing its managerial culture
- 2.2 Promoting diversity
- 2.3 Securing loyalty and motivating employees over the long term
- 2.4 Listening to employees



## 2.1 Developing its managerial culture

# | RESPONSIBILITY, A CORE GROUP MANAGEMENT PRINCIPLE

## ■ CLIENT FOCUS

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

## ■ PEOPLE CARE

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

## ■ RISK-AWARE ENTREPRENEURSHIP

- Undertake initiatives for development and efficiency while being accountable

## ■ LEAD BY EXAMPLE

- Set an example through our own behavior and ethics by:
  - Respecting regulations and compliance rules and by behaving in a socially-responsible way
  - Act in accordance with these Management Principles, just as we are asking our teams to do

# AN INTERNATIONAL GROUP EXPERIENCING ROBUST DEVELOPMENT

- Around 194,400 people of more than 163 nationalities in 78 countries

- 4 domestic markets

- Belgium
- France
- Italy
- Luxembourg



- The integration of Fortis, the expansion of the Group's international scope and the financial crisis have all significantly impacted BNP Paribas

- Significant presence in Poland and Turkey
- These 6 countries account for 60% of the global workforce
- Successful completion of the BNP Paribas – Fortis merger
- 85% of BNP Paribas Fortis employees are proud to belong to the Group

# ANTICIPATE CHANGE TO BETTER MANAGE IT

- Long-term employment management with jobs and skills planning and forecasting
- Reorganization of some businesses to adapt to regulatory and market changes
  - 2,376 jobs affected worldwide in the four businesses segments including
    - 1,396 for CIB, 296 for Investment Partners, 274 for Leasing Solutions and 410 for Personal Finance
  - Geographical breakdown includes
    - 819 in France, 809 in Europe (outside France) including 134 for CIB in London
    - 748 between Asia, the USA, South America, Middle-East and Africa, mostly CIB
    - More recently, 410 in Poland announced in May 2012, to be done by mid-2013
  - As of today, according to planning
    - 78% is realized in Europe -including France-, 85% outside Europe
    - 43% of the jobs were reaffected through internal mobility, 67% in the same business line
  - No forced redundancies in the 4 domestic markets, considering the Group's usual dynamic internal mobility, size and diversity of jobs
  - In July 2012, a 1st Agreement at European level was signed on employment with the employees representatives
- The resulting impacts on employment based on these principles
  - Respect for people
  - Strict compliance with legislations and social practices in the relevant countries
  - Transparency and dialogue with the employees representatives
  - Priority on redeployment



# KEY RECRUITER, ENABLING STAFF TO DEVELOP EMPLOYABILITY

## ■ A Group that keeps creating jobs

- Considering the economic environment, expectations for 2012 are around 15,000 new hires worldwide including more than 1,500 in France
- In addition to active recruitments of work/study programs that should reach 5% of total staff in France

## ■ Recognized positive employer image

- Voted 2nd preferred employer in France (nationwide) for the 2nd year and greater Paris region by a panel of 10,000 web survey participants
- Most popular employer among business schools and university students in France
- 3rd preferred company for students from business schools (Trendence)
- In Belgium: 2nd preferred company by students vs 10th in 2010 (Trendence)
- In Italy: 8th preferred company by students vs 11th in 2010 (Trendence)

## ■ Sustained efforts to develop employees skills

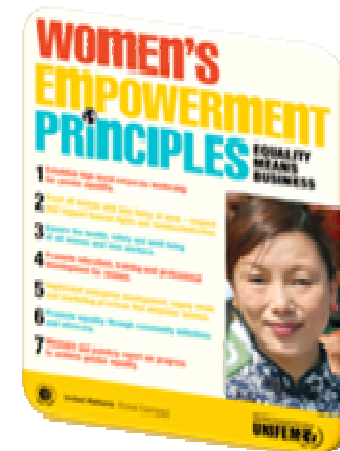
- 3.8% of total payroll expenditure allocated to training for 2011, close to 2010 (for BNP Paribas SA, parent company in France -1,6% is legally mandatory)
- An average of 32 hours of training per employee in 2011 (BNP Paribas SA)
- 37,185 employees accomplished 81,588 e-trainings within the 1,073 modules available in 79 countries



## 2.2 Promoting diversity

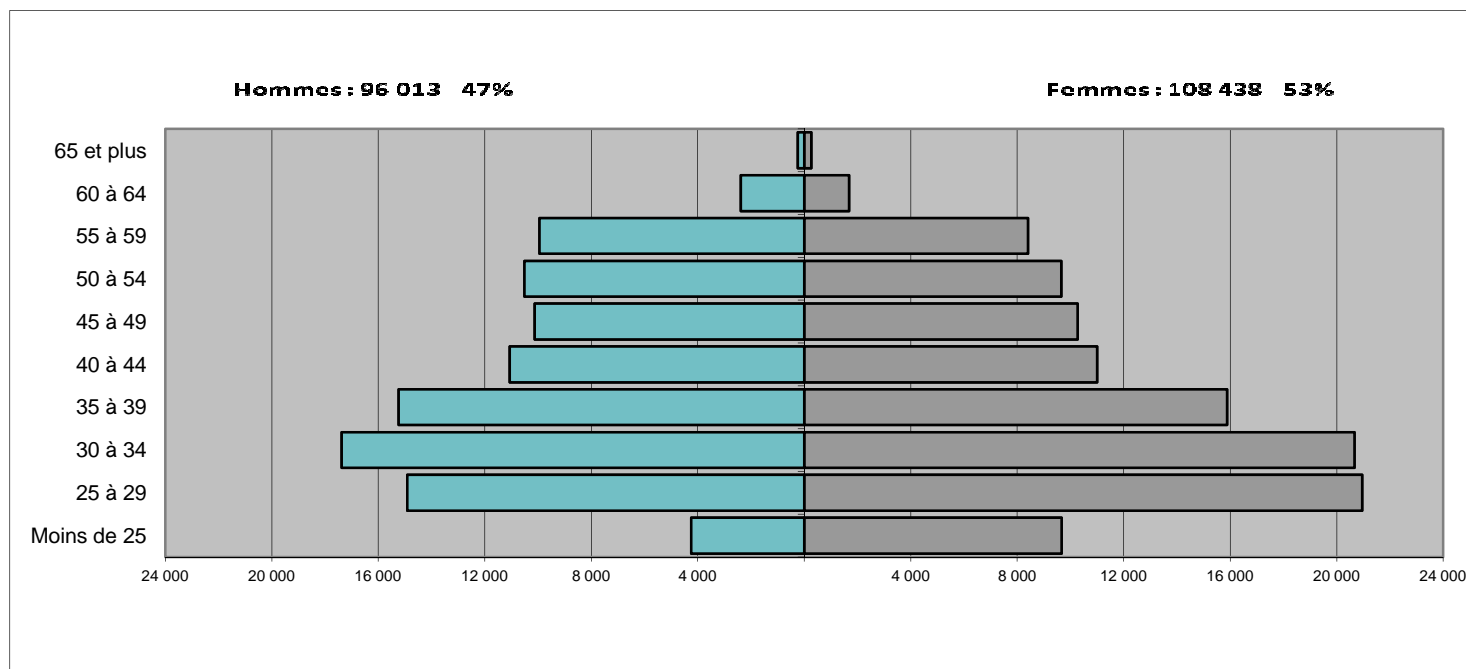
## PROMOTE DIVERSITY

- Diversity label awarded in 2009, renewed for 4 years in 2012
- Gender equality
  - Objective of 20% women in senior management positions in 2012
  - Representation of women on Board of Directors: 35.7%
  - A woman, Head of FRB, appointed at the Executive Committee on 1<sup>st</sup> December 2011
  - Numerous women's networks (France, Luxembourg, UK, US, Gulf, etc.)
  - Signature of UN "Women's Empowerment Principles" in 2011
- Disabilities: In France, a new 4-year agreement was signed providing for 2012-2015
  - A challenging target of 200 recruitments of disabled employees (v. 170 reached in 2008-2011)
  - To help disabled workers to remain in employment
  - To multiply by 3 the use of goods and services ordered from companies that employ disabled people and provide them with special facilities and support.
- 3-year agreement to support employment of seniors in France (2013-2015)
  - It provides objectives on carrier management, training, mobility and actions relating to health and working conditions
  - Part-time available 12-24 months prior to retirement
  - Average retirement age for employees 55 and older in 2011: 59.4 (in the 4 domestic markets)




# GROUP AGE PYRAMYD

GROUP AGE PYRAMID – PHYSICAL HEADCOUNT – DECEMBER 2011



## ■ Age diversity

- Varies considerably within the Group depending on the country and the business line
- Remains broadly balanced with predominant lower age groups in most divisions and older employees in retail banking operations in Western Europe, requiring a variety of different policies for older employees



## 2.3 Securing loyalty and motivating employees over the long term

# NURTURE LOYALTY AND MOTIVATE PEOPLE OVER THE LONG TERM

- Creation of the Management Academy in 2011 to strengthen the management culture
- An active career management
  - Through internal mobility to adjust to the new environment: prior to hiring, focus on diversity of careers and experiences & respect non discrimination ; in France, the mobility average rate approaches 20%
  - E-job posting in 25 countries
    - 3,776 job offers worldwide, 2,415 in France with 750 vacancies permanently available
    - 10,800 CVs received, over 1,000 e-CVs downloaded
    - available on internet and intranet with an average of 58,000 clicks per month
  - Mobility Forum, the 2<sup>nd</sup> edition took place in April 2012
    - Considering the success of the first Forum in 2011, with 95% satisfaction rate
    - 2-day Mobility Forum for employees of the Paris Region seeking internal transfers to meet managers and HR practitioners with job vacancies
  - Adapting and rolling out the Talent Development Programme with specific training
  - Succession planning insuring long-term succession for executive management positions

# COMPETITIVE COMPENSATION POLICY ALIGNED WITH INTERNATIONAL STANDARDS

## ■ Lower variable compensation for Top Management

- -25% variable compensation for Top Management compared to -23% net income group share (2011 v. 2010)
- 60% of variable compensation is deferred over 3 years and linked to profitability

## ■ Compensation policy adapted to new regulations

- Established in 2009 conform to G20 principles and modified at the end of 2010 to take into account European Union CRDIII Directive
- Deferred component varies from 40% to 60%

Business activity	Number of persons	Total compensation (thousands of euros)	Fixed component (thousands of euros)	Variable share (thousands of euros)
Corporate officers	3	5 156	2 350	2 806
CIB	3 415	949 215	484 701	464 515
Rest of Groupe	61	33 541	12 183	21 358
Total	3 479	987 912	499 234	488 678

(2011 figures)



## 2.4 Listening to employees



# DIALOGUE, LISTENING AND CARE FOR PEOPLE

## ■ Quality dialogue with employees, a pillar of the BNP Paribas culture

### → European Works Council

- **On 10<sup>th</sup> July 2012, BNP Paribas signed the Employment Management Agreement, a first agreement at the European level, first part of the European Social Charter;** it defines for all entities of the Group common procedures and mechanisms on anticipating change, preparing employees to future changes and enabling solutions and provides social support for company-wide transformation programmes when they have workforce implications
- Publication of the 2<sup>nd</sup> edition of the European Social Report - It covers 130,000 employees, with 49 representatives from 20 countries

### → Employee dialogue at local/national level remains active with

- 73 company or Group agreements in France, 14 agreements in Belgium, 25 agreements in Italy

## ■ Protection of employee health

### → Beyond legal requirement, BNP Paribas is committed to prevent psychosocial risks

- In France, 25,000 employees monitored under a medical observatory on stress, anxiety and depression

## ■ Supporting our employees hit by crisis

### → In Japan, "Arab Spring" & Ivory Coast



## ■ Employee satisfaction feedback is encouraged through the Global People Survey (GPS)

- 173,835 surveyed - Overall participation rate of 71% in 2012 (64% in 2011)
- 84% of employees proud to belong to the Group (stable)
- 72% of employees trust the top Management (+2%)



# Combating exclusion, promoting education and culture

- 3.1 Combating exclusion and supporting social entrepreneurship
- 3.2 BNP Paribas Corporate Philanthropy: philanthropy that brings people together
- 3.3 Employee involvement in solidarity initiatives
- 3.4 Special importance attached to human rights

## **3.1 Combating exclusion and supporting social entrepreneurship**

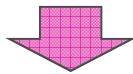
# « PROJET BANLIEUES »

## EUR 4.5 MILLION A YEAR TO SUPPORT DEPRIVED URBAN AREAS IN 2011

BNP Paribas, the largest private employer in Seine-Saint-Denis  
and the second-largest private employer in Marseille

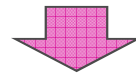
Launched in 2006

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



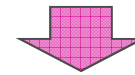
### Job creation and integration into the labor market

- Financing of 12 ADIE centers in France in six years
- 2,600 micro-businesses created and more than 3,300 jobs
- 390 new graduates coached by BNP Paribas employees



### Supporting education

- Help with schooling for more than 2,300 young people in deprived areas in partnership with AFEV (Association de la Fondation Etudiante pour la Ville)
- 17,000 students able to go on a school trip



### Proximity and local presence

- 260 local associations supported financially and through the involvement of the branch network

# DEVELOP ENGAGEMENT IN SUPPORT OF MICROFINANCE MATURE MARKETS: MICROFINANCE AS A DRIVER OF JOB CREATION

## Support for microfinance institutions : a total of EUR 47.9 million

- Financing (loan authorisations) in France, the UK and emerging countries (EUR 42.4 million);
- Grants (cash) in France and in the USA (EUR 1.37 million);
- Investments (equity) in France, Italy and Belgium (EUR 4.1 million by the end of 2011) broken down as follows:
  - ➔ Permico: EUR 1,500,000
  - ➔ Microstart: EUR 950,000
  - ➔ PlaNet Guarantee: EUR 625,000
  - ➔ Financites: EUR 1,000,000



## | PRODUCTS WITH POSITIVE SOCIAL IMPACT

### | EMERGING COUNTRIES: SPECIFIC OFFERS

- **Mobile Banking program:** financial transactions via mobile phone providing access to banking services in underbanked areas\*
  - ➔ A range of transactions: deposits, withdrawals, transfer
  - ➔ By the end of 2011 , BNP Paribas had 2.3 million mobile banking subscribers in Ivory Coast, Senegal and Mali
  - ➔ Nowadays, BNP Paribas is the only bank offering this kind of service



\* Countries with a bank account penetration rate of 10% or lower but where mobile phone ownership sometimes tops 40%

# PROMOTING TRAINING OF THE GENERAL PUBLIC ON FINANCIAL MATTERS

70,000 PEOPLE TRAINED OR INFORMED IN FINANCIAL EDUCATION IN 2011

## ■ Launch of non-commercial information websites:

→ **Cetelem** has launched two new websites dedicated to responsible lending

- in Italy: [www.creditoresponsabile.it](http://www.creditoresponsabile.it)
- in Portugal: [www.creditoresponsavel.com](http://www.creditoresponsavel.com)
- The organisation of a number of discussion forums in 2011 allowed internet users to ask questions about their loans and obtain answers immediately

→ **BNP Paribas Cardif** has designed a website dedicated to pensions: [www.la-retraite-en-clair.fr](http://www.la-retraite-en-clair.fr)

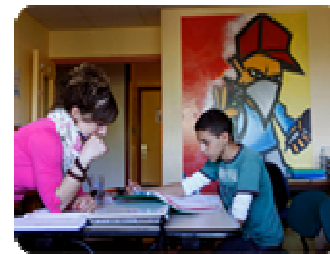
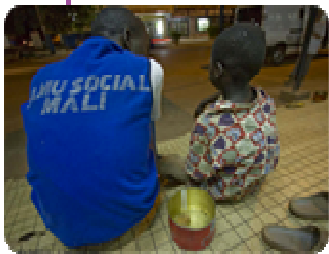
- The sole aim of the website is to provide greater clarity on how pensions work and raise French people's awareness of the need to prepare for retirement as soon as possible

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



## 5 AREAS OF FOCUS FOR CORPORATE PHILANTHROPY

- **EDUCATION:** promoting equal opportunity
- **HEALTHCARE:** funding research and providing support for patients
- **CULTURE:** preserving cultural heritage and sponsoring the performing arts
- **SOLIDARITY:** combating exclusion
- **ENVIRONMENT:** supporting research into climate change



March  
2012

Global Annual Budget: Over 25 M€  
Over 550 programs supported

## **3.3 Employee involvement in solidarity initiatives**

## PROPOSING VOLUNTARY ASSIGNMENTS OR SKILLS SPONSORSHIP PROGRAMS

### ■ MicroFinance Sans Frontières (MFSF):

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

- More than 200 people have volunteered in France, Belgium, the UK, the USA and Argentina, soon to be joined by Luxembourg and Tunisia
- >3000 hours of volunteering in 2012

### ■ BCS (Bénévolat de Compétences et Solidarité):

It is an association that promotes skills-based volunteering by the Group's active and retired employees

- 30 000 hours of volunteering in 2012

## SUPPORTING EMPLOYEES INVOLVED OUTSIDE THE COMPANY

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

- 250 projects funded worldwide in 2011 totaling € 700,000

## **3.4 Special importance attached to human rights**

## RESPECTING THE UN'S GUIDING PRINCIPLES CONCERNING HUMAN RIGHTS

- Statement of BNP Paribas on Human Rights (2012)
- Protecting the rights of our employees in countries at risk
  - On site audits planned
- Encouraging our suppliers to share the same values
  - Standard CSR questionnaire and Group Suppliers CSR Charter
- Controlling the indirect impact of our financing and investments
  - Due diligence case by case
  - Human Rights criteria in financing and investment policies (e.g.: health and safety criteria in BNP Paribas's Wood Pulp sector policy)



# Combating climate change

- 4.1 Financing policy commitments
- 4.2 A range of products and services helping to combat climate change
- 4.3 Limiting the Group's environmental footprint
- 4.4 Corporate philanthropy supporting research into climate change



## 4.1 Financing policy commitments

# EQUATOR PRINCIPLES

## 30 transactions reviewed against the Equator Principles in 2011

### Transactions reviewed in 2011 by category and country classification

Project Category	High Income OECD	Non High Income OECD	Total
Category A	1	4	5
Category B	12	8	20
Category C	4	1	5
<b>Total</b>	<b>17</b>	<b>13</b>	<b>30</b>

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

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

Category C : Projects with minimal or zero impact



# SECTOR POLICY: NUCLEAR POWER



## ■ POLICY OBJECTIVES

Answer a strong demand for governance:

- Development potential, particularly in countries with little or no experience in nuclear energy
- Strong expectations from stakeholders
  - Provide analysis criteria for evaluation of projects and companies
  - **Address key CSR issues:** safety, security, non-proliferation, protection of people and the environment, etc.

## ■ POLICY KEY PRINCIPLES

→ Structure of the policy

- Compulsory criteria: to be met before BNP Paribas agrees to participate in financing
- Evaluation criteria: to perform in-depth analysis and may lead to request additional conditions or to refuse to participate in the project (even if compulsory criteria are satisfied)

→ Assessment of power plant projects based on

- PROJECT HOST COUNTRY: Evaluation of governance of nuclear industry (legal framework, experience, international cooperation, stability, etc.)
- INDUSTRIAL: Evaluation of capabilities and past performance of key industrial partners in the project
- NUCLEAR POWER PLANT: Evaluation of safety and security standards

→ Nuclear companies

- Covers production and fuel cycle companies
- Apply same principles as project financing

## ■ CONCRETE ACTIONS

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

# SECTOR POLICY: COAL-FIRED POWER GENERATION

## ■ POLICY OBJECTIVES

- Integrate climate change issue in coal fired power generation sector by taking into account GHG emissions
- Avoid investing in companies with low environment and social standards

## ■ POLICY KEY PRINCIPLES

- **Structure of the policy** : compulsory and evaluation criteria
- **Coal fired power plant**
  - **Host country:**
    - Compulsory : legal framework
    - Evaluation : energy independency, social impact of energy generated
  - **Technology**
    - Efficiency:
      - Greenfield “pure coal”: minimum efficiency (43% for high income, 38% for low income countries)
      - Cogen and heat: maximum emission (550g CO<sub>2</sub>/kWh for high income, 660g for low income countries)
      - Brownfield: same standard as greenfield and minimum 10% improvement in efficiency
    - Other emissions: IFC standard, impact assessment
    - Evaluation: project CO<sub>2</sub> intensity compared to country's, CCS ready
- **Companies**
  - **Transparency:** health and GHG emissions
  - **Emission track record**
- **Results**
  - **several projects of coal-fired power plant were turned down** as not being compliant with our power-efficiency standards, in Vietnam and Turkey in 2011 and in India in 2012.
  - In 2011 and first semester 2012, more than 50 transactions have already been reviewed by CSR teams and **8 were declined** (poor energy efficiency) representing **70MteqCO2 avoided each year**



# | SECTOR POLICY: WOOD PULP

## | 2<sup>nd</sup> SECTION OF FORESTRY POLICY

### ■ POLICY OBJECTIVES

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

### ■ POLICY KEY PRINCIPLES

- Actively encourage companies in the sector to adopt best international industry practices
- **Compliance with operating conditions:**
  - Ensure that best pulp production technology is used (to avoid severe pollution)
  - Ensure that companies monitor their air emissions and water effluents
  - Ensure that companies keep track of their workers' health condition
  - No forced labour and respect for local communities

### ■ CONCRETE ACTIONS

- Exclusion of companies that fail to respect minimum criteria
- Encouraging companies in the sector to become an active member of their national FSC or PEFC multi-stakeholders governance
- Engagement: we do not work with a controversial producer waiting for a feedback from itself about an improvement of its practices



# SECTOR POLICY: PALM OIL

## 1<sup>st</sup> SECTION OF FORESTRY POLICY

### ■ POLICY OBJECTIVES

- Avoid financing or investing in companies that actively contribute to deforestation (loss of biodiversity, aggravation of climate change, etc.) and are involved in non-sustainable economic development of their business
- Address concerns of NGOs

### ■ APPLICATION PRINCIPLES

- Actively encourage companies in the sector to certify their production according to principles defined by the RSPO (Roundtable on Sustainable Palm Oil)
- **Obtain sufficient assurances regarding compliance with operating conditions:**
  - No plantations in protected areas (UNESCO, Ramsar, etc.)
  - No forced labour
  - Respect for local communities
  - No burning of land

### ■ CONCRETE ACTIONS

- Exclusion of companies that fail to respect minimum criteria
- Inclusion of RSPO standards in analysis of companies
- Annual review of the palm oil companies by NGO The Forest Trust (at least 25% of the plantations worldwide were analyzed from March 2011)
- Companies in the sector (processing, trading) are encouraged to comply with the Group policy
  - From March 2011, BNP Paribas' teams met 8 companies representing around 18% of the production and over 15% of the plantations worldwide





## 4.2 A range of products and services helping to combat climate change

# FINANCING RENEWABLE ENERGIES AND GREEN INFRASTRUCTURES

**Conservative estimation of Group exposure in 2012: 7 billion Euros**

**Renewable energies account for 25% of total financing**

21 wind and solar energy projects representing around 3,000 MW financed worldwide in 2011

- **Wind energy:**

- Financing of a wind farm in Australia
- Advisory support for 8 projects in North America and Morocco

- **Solar energy:**

- Issuing of bonds to finance the construction of Andromeda, a solar power plant in Italy that will generate 51 MW of photovoltaic power
- Two awards: The "Project Finance International/Thomson European Bond Deal of the Year" and the "PFM/Euromoney Award for the European Project Bond Deal of the Year"

- **Water treatment and distribution:**

- Financing of a water treatment plant in Lima: 4 million Peruvians will benefit from the plant and pollution of the ocean will be reduced significantly
- Hydropower projects in Columbia, biofuel projects in Sierra Leone and even public transport infrastructure projects in Denmark



# A RANGE OF GREEN PRODUCTS FOR INDIVIDUALS

BNP also offers products and services that encourage environmentally-friendly behaviour in the housing and commercial property sectors

## ■ **Domofinance:**


- offers a comprehensive range of products and services combining technical and financial expertise for individuals
- allowed for the financing and realisation of over 280,000 insulation, thermal renovation, solar energy and energy-efficient heating installation projects at end-2011

- **Cetelem:** innovative financing solutions for vehicles with low CO<sub>2</sub> emissions and financing of improved energy performance of homes



## ■ **BNP Paribas Real Estate:**

- has obtained HQE ("Haute Qualité Environnementale") environmental certification for all of its new commercial office development projects
- has obtained Habitat & Environnement certification for all of its new housing developments
- BNP Paribas Immobilier Résidentiel was awarded the HQE BBC-Effinergie label in 2001 for its 300-home development project in the Claude-Bernard planned development zone in Paris
- is ranked in 6th position (vs 10th in 2011) in the "2012 Ecoperformance Reporting Barometer" established by Novethic in which are assessed the quality and transparency of the reporting on energy and CO<sub>2</sub> performances of the French property developers' assets



## 4.3 Limiting the Group's environmental footprint



# GROUP PAPER POLICY: CONSUME LESS, CONSUME BETTER

## ■ Reduce paper consumption

- -20%/FTE of internal paper by 2013 vs. 2010, -40% by 2015 vs. 2010,
- -10%/individual client of client paper by 2013 vs. 2010, -20% by 2015 vs. 2010

## ■ Consume better paper

- 40% of internal paper to be responsible by 2013 (2010 : 30,5%), 60% by 2015
- 100% of client paper to be responsible as of 2013

## ■ Sorting and recycling more

- +10% of paper sorted, collected and recycled by 2012 vs. 2010
- +30% by 2015 vs. 2010

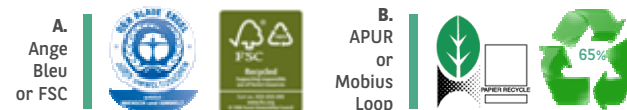
### PAPER CONSUMPTION 2011

**190 kg** paper consumed/ FTE of which  
**39.1%** eco-certified  
(FSC, PEFC) or recycled

### RESPONSIBLE PAPER

#### Pulp made from recycled paper

*(minimum 50% post consumption recycled fibers)*



#### Pulp from sustainably managed forests




# MASTERING OUR DIRECT ENVIRONMENTAL IMPACTS: WHAT'S AT STAKE?

- 82.1% of total Group headcount (compared with 64% in 2009)
- 233 kWh / sq. m. consumed in our buildings - equivalent to 1,950 GWh of which three-quarters for electricity
- 4,979 km / FTE for business travel (plane, train, car)
- 190 kg paper consumed/ FTE of which 39.1% eco-certified (FSC, PEFC) or recycled
- 34 cubic m. water consumed / FTE in our buildings
- 188 kg waste / FTE, of which 34.6% recycled
- 10.2% environmentally-friendly office supplies products purchased
- Renewable energy represented 9.3% (vs 10.6% in 2010) of the Group's total energy consumption in its buildings (i.e. excluding transport)
- In France, electricity consumption in the branches was reduced by 13% from 2009 to 2011 as part of the ISO 14001 certification process for the "Welcome and Services" model

673 543 tons of CO<sub>2</sub> equivalent emissions, or 3,39 tons CO<sub>2</sub> equivalent /FTE  
emissions break down to 75% for buildings and 25% for business travel

Data verified by our Statutory Auditors (PwC) with reasonable assurance level according to ISAE 3000



## 4.4 Corporate philanthropy supporting research into climate change

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

- **BUDGET:** €1 million/year for three years
- **INTERNATIONAL CALL FOR PROJECTS**
- **SUBJECTS:**
  - Fundamental climate research
  - Reduction of negative impact of fossil resources
  - Transition to a low carbon economy
  - Adaptation to future climate changes
- **EVALUATION CRITERIA**
  - Scientific credentials and credibility of project leaders
  - Consistency with BNP Paribas positioning
  - Project timeframe (3 years on average)
  - Potential for communication
  - International scope
  - Visibility of BNP Paribas's support
- **FINAL SELECTION BY SCIENTIFIC COMMITTEE**
  - Comprised of 5 eminent members
  - Chaired by Philippe Gillet, Vice President of Academic Affairs EPFL (Ecole Polytechnique Fédérale de Lausanne)

Over 50 grant applications received and evaluated according to specific criteria

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





## Appendices



Organization



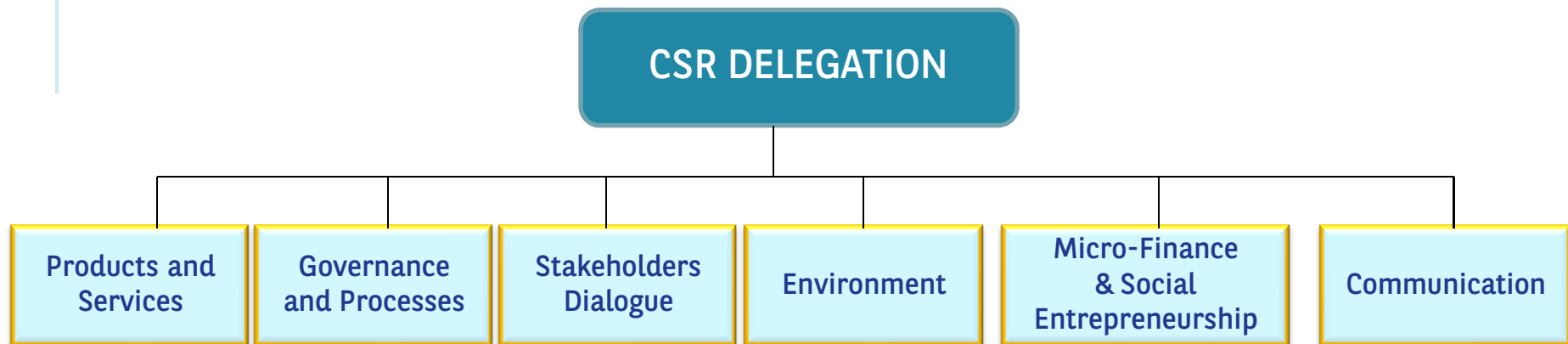
Positive perception of our approach by stakeholders



# Organization

## STRENGTHENING OF CSR FUNCTION

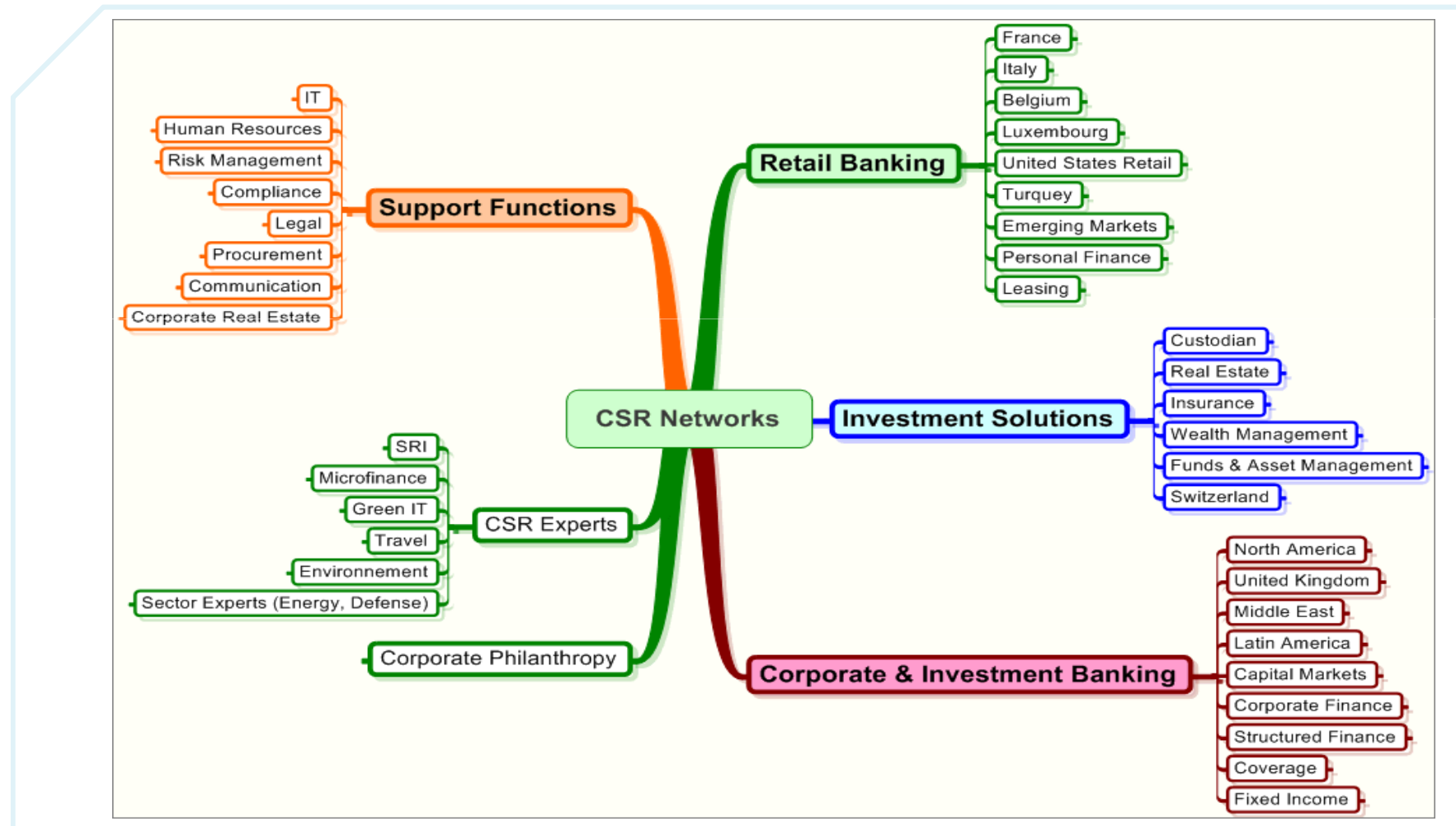
- The CSR function reports directly to François Villeroy de Galhau, Chief Operating Officer of BNP Paribas, member of the Executive Committee
- The missions and responsibilities of the CSR Department are defined by instructions issued by General Management



# INTEGRATION OF CSR INTO THE GROUP ORGANIZATION

## 3 PRINCIPLES:

- Empowering management: CSR managers are members of the executive committee of their entity
- Promote Dialogue: common understanding of the issues involved
- Coordinating organizations and geographic zones: ensuring consistent response to local challenges







**Positive perception  
of our approach by stakeholders**

## EXTENSIVE DIALOGUE WITH NGOs

- 15 meetings in 2011 with NGOs and in 2012, 21 topics are currently discussed with NGO's
  - ➔ Environmental impact of financings
  - ➔ CSR sector policies governing financing and investment
  - ➔ Favorable taxation jurisdictions
  - ➔ Human rights



# | ACTIVE & CONSTRUCTIVE DIALOGUE WITH REGULATORS

## ■ MISSION

- Explain the complexity of the bank to enable regulatory authorities to make enlightened decisions

## ■ OBJECTIVE

- Intelligent regulations that enable banks to continue to play their fundamental role in financing the economy

## ■ TRANSPARENCY

- One of the first banks to sign up with the European Commission register of lobbyists (2008)

## ■ RESOURCES

- 5-person team at headquarters
- Network of 30 in-house correspondents
- Annual budget of € 500,000

BNP Paribas  
published in  
November 2012 its

***CHARTER FOR  
RESPONSIBLE  
REPRESENTATION  
WITH RESPECT TO  
THE PUBLIC  
AUTHORITIES***

# GROUP PROCUREMENT TAKES CSR FACTORS INTO ACCOUNT THROUGH GROUPWIDE POLICIES

## ■ INITIATIVES WITH SUPPLIERS

- A Suppliers CSR code of conduct since May 2012
- Standard CSR clauses in terms and conditions since July 2010
- Standard CSR questionnaire for tenders since July 2010
  - It has a weighting of at least 5% in the supplier's overall assessment
  - More than 500 suppliers were rated through this questionnaire while answering the Group Procurement department tender calls

## ■ INITIATIVES WITH GROUP PROCUREMENT OFFICERS

- Special Procurement CSR training for procurement officers
- Creation of CSR toolbox for procurement officers:
  - CSR factsheets for main expense categories: paper, furniture, IT equipment, moving, temporary employees
  - Guide to eco labels/certifications

## ■ Signature in June 2010 of charter "10 Commitments for Sustainable Purchasing between Customers and SMEs" (CDAF / *mediateur du crédit*)

- A dedicated internal ombudsman was appointed in September 2010
  - Each supplier can directly refer a matter to the ombudsman
  - As for 2012, 6 cases were submitted to the ombudsman, 4 are closed



# GROUP POSITION IN INDICES

## SOCIALLY RESPONSIBLE INVESTMENT INDICES

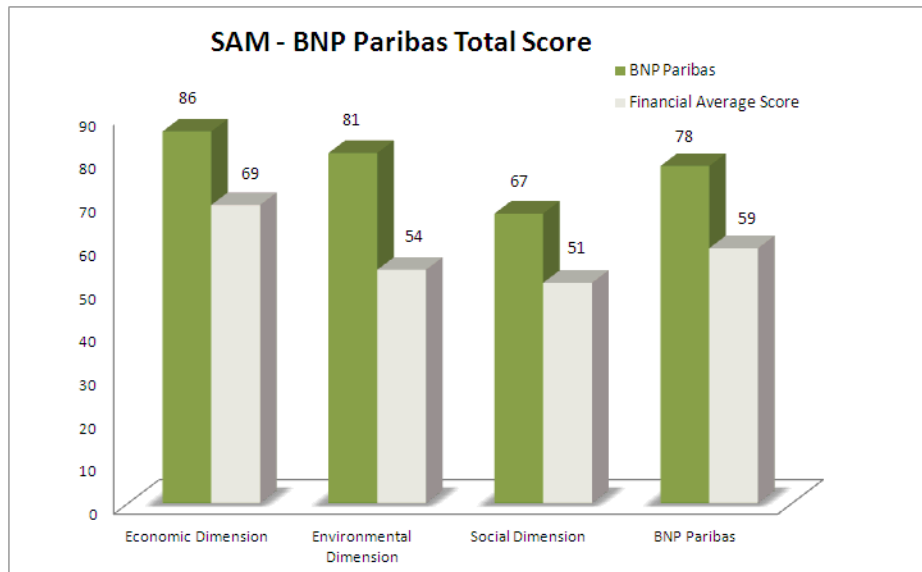


### ■ BNP Paribas' rating in 2012:

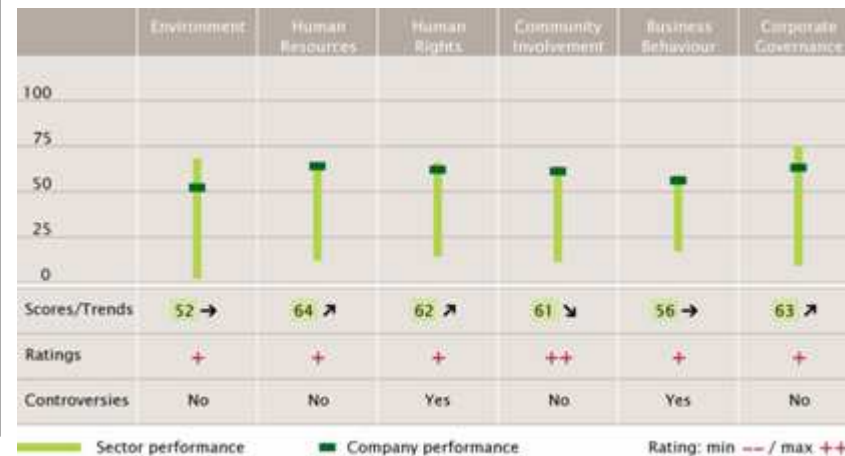
- ➔ Carbon Disclosure Project: 86/100
- ➔ Sustainalytics: 72/100, No.8 in the banking sector out of 141 companies assessed
- ➔ Riskmetrics: A (rating scale : AAA to CCC)
- ➔ to date, according to the 2012 SAM ranking BNP Paribas is the only French bank in the Dow Jones Sustainability indexes

### ■ BNP Paribas is included in leading SRI benchmark indices

- ➔ DJSI World,
- ➔ Ethibel Sustainability Index (Excellence Global and Excellence Europe),
- ➔ Aspi,
- ➔ FTSE4Good Index series,
- ➔ Stoxx Global ESG Leaders



### VIGEO: No.2 in the banking sector out of 57 companies assessed



## A LEADER IN CERTIFICATIONS

- With **74 ISO 9001 certifications**, the Group is a leader in the banking and insurance sector. **Nearly 20,000 employees** work in an organization certified ISO 9001.

- **13 ISO 14001 certifications.** Nearly 12,000 employees work in an entity certified ISO 14001.

**An integrated approach for French Retail Banking:**

the branch network (2,250 branches), document publishing, factoring and data centers (40% of the Group's IT resources) have all received ISO 14001 certification.



- 1 OH&S 18001 certification
- The Group is implementing the **new ISO 26000 standard** alongside other CSR standards to establish its framework for CSR initiatives and define action plans.

## AWARDS RECEIVED IN 2011-12

- **2012 World's Greenest banks by Bloomberg – BNP Paribas ranked No.9 – TOP 20 2011 OVERALL RANK** Determined by giving a weight of 70 percent to a bank's investments in companies that implement clean-energy policies and 30 percent to its efforts in minimizing environmental impact)
- **Prix spécial « de la responsabilité actionnariale et sociale », France** from French magazine « Mieux Vivre Votre Argent ». It rewards the best companies as well on their stock-exchange expected results in the medium term, as on the respect of their environment and their individual shareholders
- **BGL BNP Paribas received the « Socially Responsible Enterprise » endorsement** from Luxembourg's National Institute for Sustainable Development and Corporate Social Responsibility (only national CSR accreditation of its kind in Europe); BGL BNP Paribas is the first commercial bank to receive it – mars 2011
- **"Jury's special prize" in the 2011 corporate philanthropy for the environment and sustainable development awards:** it rewards the BNP Paribas' major international climate philanthropy program

## AWARDS RECEIVED IN 2011-12

- **BNP Paribas Investment Partners: Award for Socially Responsible Investing (SRI)** at GI Forum, France's annual asset management bash. The award was based on the votes of 10,000 investors and fund-pickers.
- **BNP PARIBAS Investment Partners in France was also ranked No.2 for SRI** by Novethic, Center of research on Sustainable & Responsible Investment and Corporate Social Responsibility, in 2012
- **Bank of the West**, the Group's US subsidiary, is one of the **leading bank lenders to US agriculture**, according to the **American Bankers Association's online ranking of the top 100 lenders**. The bank ranks **no.2 nationwide** with approximately \$3.2 billion in agricultural loans at the end of 2011. This ranking reflects Bank of the West's ongoing commitment to the agricultural sector.
- BNP Paribas has been **shortlisted by the FT/IFC Sustainable Finance Awards 2012** in the **Sustainable Global Bank of the Year** category for its **CSR strategy**.