

BNP PARIBAS AND THE EXERCISE OF ITS CSR



CSR Department
September 2016



BNP PARIBAS

The bank for a changing world







Introduction

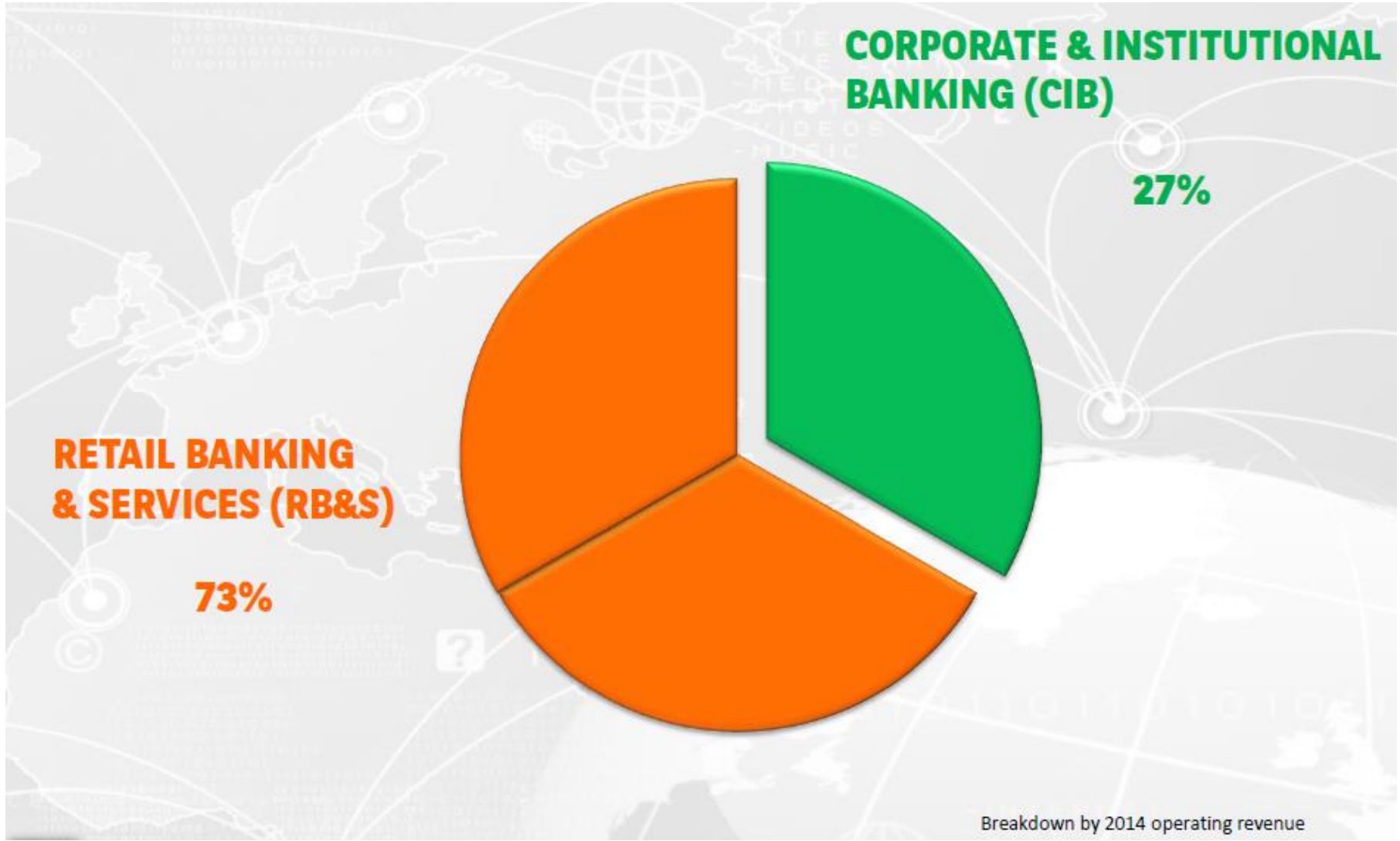
BNP Paribas Group

A European leader with responsibilities in three key areas

BNP PARIBAS GROUP STORY

	1999	2001	2015	
				
<i>Number of Employees</i>	50 000	30 000	80 000 (Including 55 000 in France)	189 000
<i>International presence</i>	France, North African countries, India, Hong Kong...	Main Financial Markets: London, New York, Frankfurt, Paris...	83 countries	75 countries
<i>Activities</i>	Retail Corporate Banking	Investment Banking Specialized Financial Services	Retail Corporate & Investment Banking Specialized Financial Services Asset Management & Services	Retail Banking & Services Corporate & Institutional Banking

| 2 ACTIVITIES



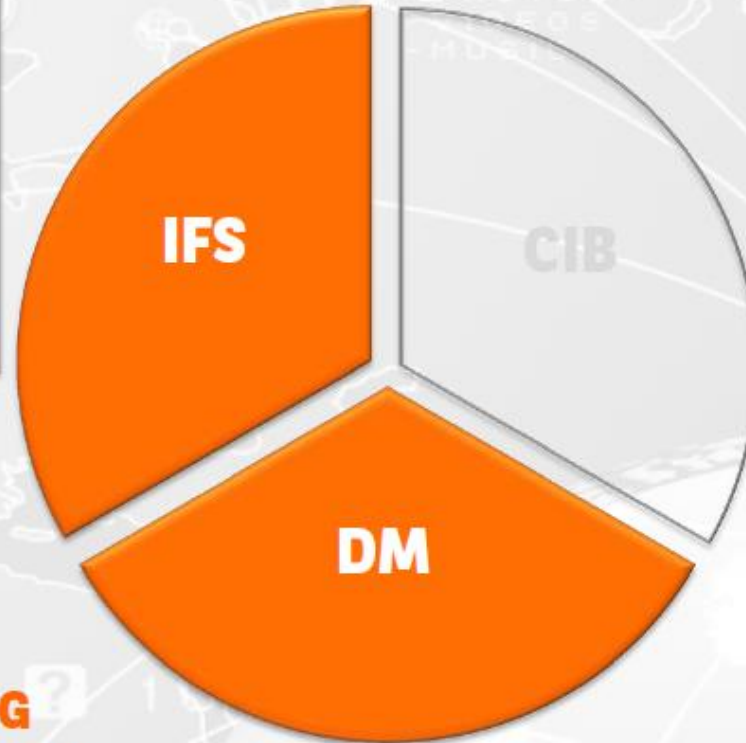
RETAIL BANKING AND SERVICES

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)**

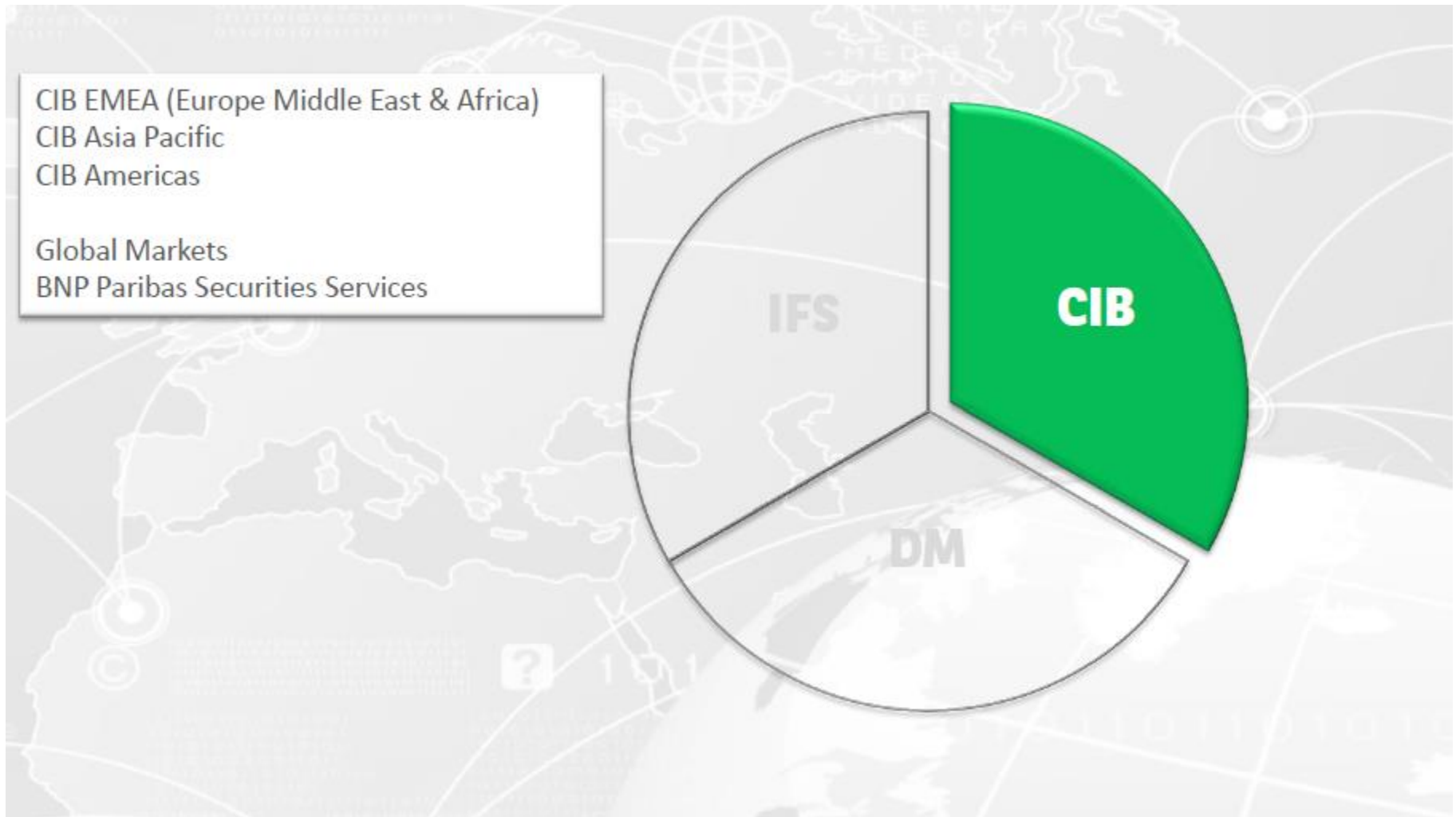
DOMESTIC MARKET

- 7000 branches in 27 countries, around 68,000 employees
- Over 16 million individual clients
- 1 million professional and small business and corporates

INTERNATIONAL FINANCIAL SERVICES

- Over 80,000 employees in over 60 countries
- Strong international presence in Europe and abroad
(India, Brazil, Singapore, Middle East, etc.)

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 27% of Group's revenues



THE SET UP OF A NEW CODE OF CONDUCT

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

A RESPONSIBLE BANK 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

STRONG PUBLIC COMMITMENTS

PARTICIPATION IN KEY INDUSTRY INITIATIVES

- United Nations Global Compact (2003)
- Equator Principles (2008)
- Socially Responsible Investment Principles (2006)
- Institutional Investors on Climate Change – IIGCC (2007)
- United Nations Women’s Empowerment Principles (2011)
- Roundtable on Sustainable Palm Oil (2011)
- Green Bond Principles - voluntary guidelines to develop the green bond market (2014)
- Global Impact Investing Network (2014)
- Soft Commodities Compact (2014) of the Banking Environment Initiative
- ILO Business Charter on Disability (2016)



STRONG PUBLIC COMMITMENTS

BNP PARIBAS SPECIFIC PUBLIC COMMITMENTS ENDORSED BY CHAIRMAN AND CEO

■ Environmental commitments (reinforced in 2015)

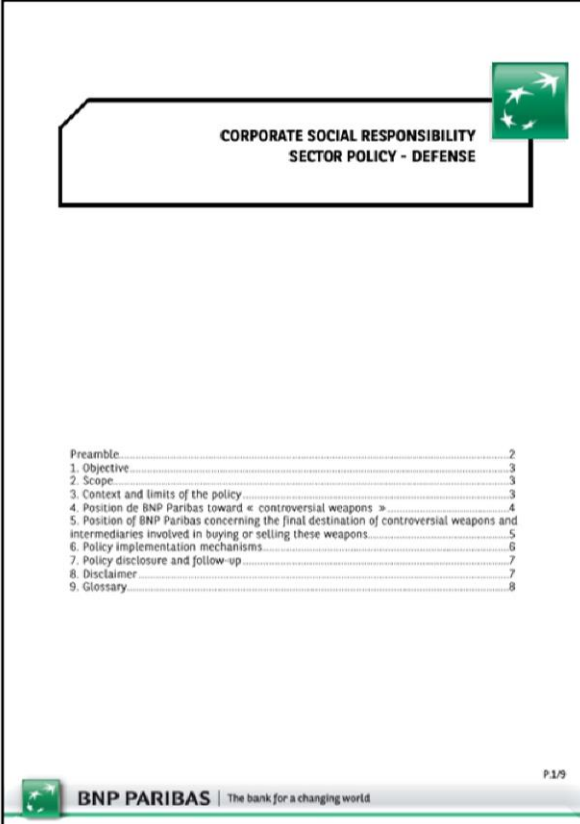
- Focus on the fight against climate change and Support the transition to a low carbon economy
- Reduction of direct impact on the environment
- Take environmental impact into account in business activities
- More than double its financing in the renewable energy sector
- Reinforce its carbon risk management policies
- Support its clients in making a safe transition to more sustainable energy use

■ Statement of BNP Paribas on Human Rights (2012)


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

STRONG PUBLIC COMMITMENTS

BNP PARIBAS SPECIFIC PUBLIC COMMITMENTS



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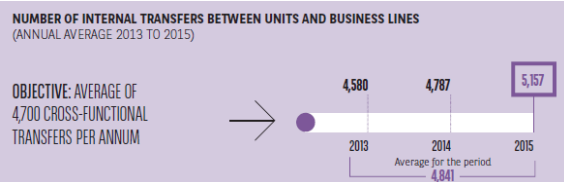
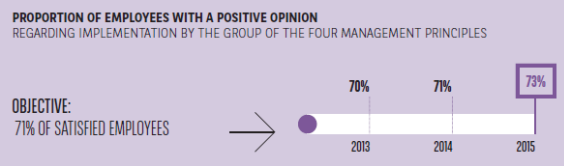
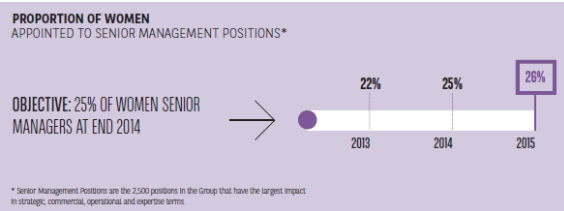
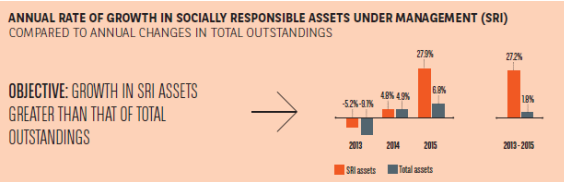
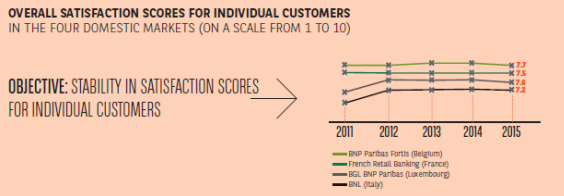
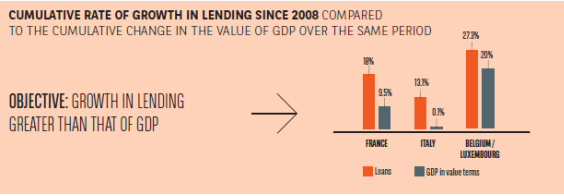
 **BNP PARIBAS** | The bank for a changing world P1/9

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

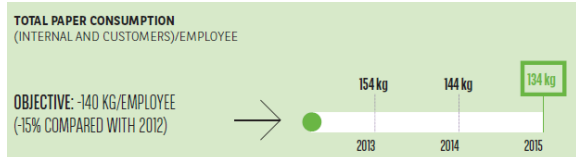
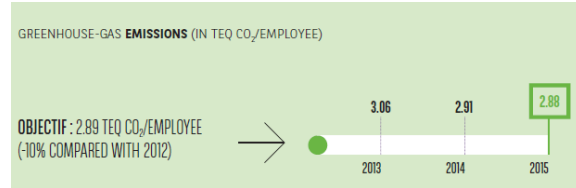
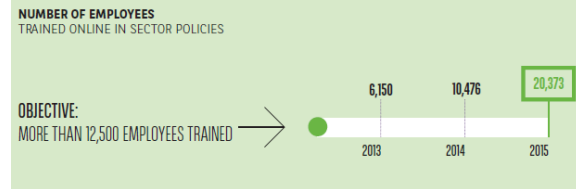
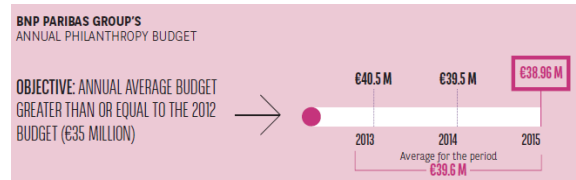
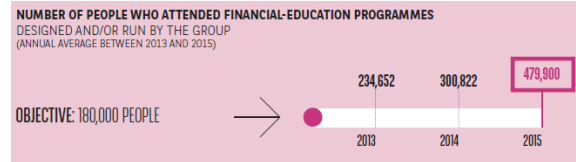
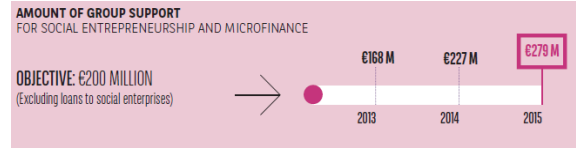
OUR KEY PERFORMANCE INDICATORS (1/2)

Results 2013 - 2015

OUR ECONOMIC RESPONSIBILITY



OUR SOCIAL RESPONSIBILITY



OUR CIVIC RESPONSIBILITY

OUR ENVIRONMENTAL RESPONSIBILITY

OUR KEY PERFORMANCE INDICATORS (2/2)

Target 2015-2018



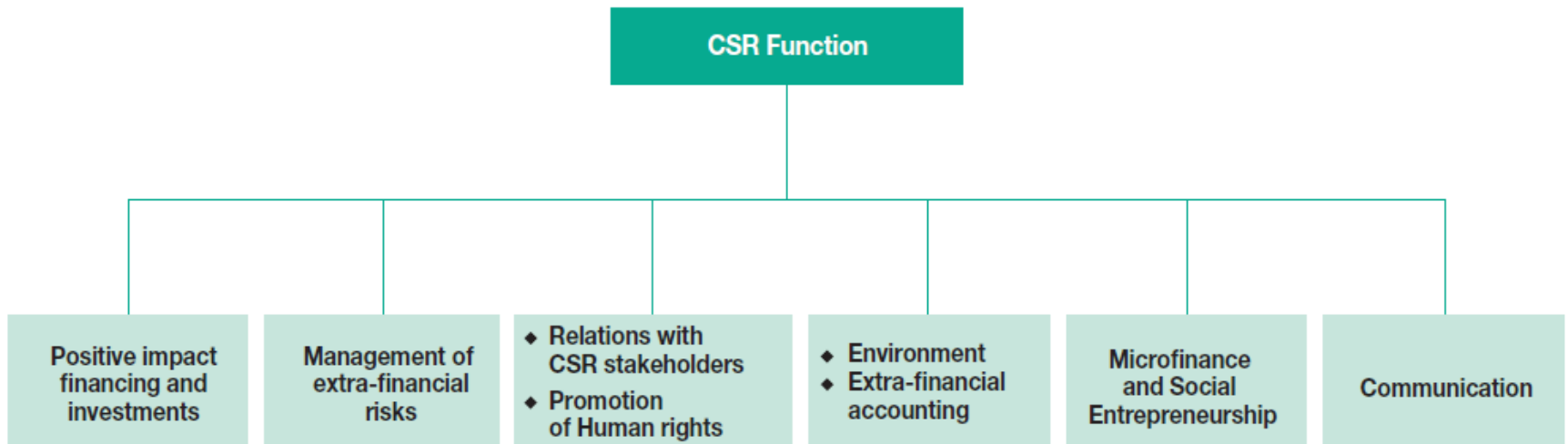
Group Sustainability and Incentive Scheme :

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

	KPI	2015 base-line	2018 target
Economic	Share of loans to companies contributing strictly to the achievement of UN Sustainable Development Goals	15%	Maintain at least at 15%
	Percentage of employees trained on an ethics-related issue	No baseline, the action starts in 2016	More than 80% by end-2018
	Share of loans to companies subject to an environmental and social management system which is specific to the concerned activity	25%	40%
Social	Percentage of women among the members of transversal executive committees across business lines and/or countries	21%	23% (25% en 2020)
	Percentage of employees having at least 14 weeks of paid maternity leave and/or six days of paid paternity leave	74%	85%
	Percentage of employees reporting having been trained (any format, including e-learning) over the past 12 months	74%	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	350 000
	Percentage of employees directly contributing to the promotion of human rights who have received a dedicated training	No baseline, the action starts in 2016	80% of the target population (around 3,000 people)
	BNP Paribas Group's annual philanthropy budget	38,6M€	Average annual budget over 2016-2018 greater or equal to the 2015 budget
Environmental	Amount of funding devoted to renewable energies	7,2Bn€	15 Bn€ in 2020
	GHG emissions	2,88teqCO ₂ / ETP	2,41 teq CO ₂ /ETP in 2020
	Number of people made aware of climate change issues by BNP Paribas	70 000	140 000
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%	72%

STRENGTHENING OF CSR FUNCTION

- Within the **Board of Directors** the Corporate Governance and Nomination Committee is in charge of ethics and CSR since last Shareholders' General Meeting.
- The CSR function reports directly to Michel Konczaty, Deputy Chief Operating Officer of BNP Paribas, member of the **Executive Committee**. The missions and responsibilities of the CSR Department are defined by instructions issued by General Management

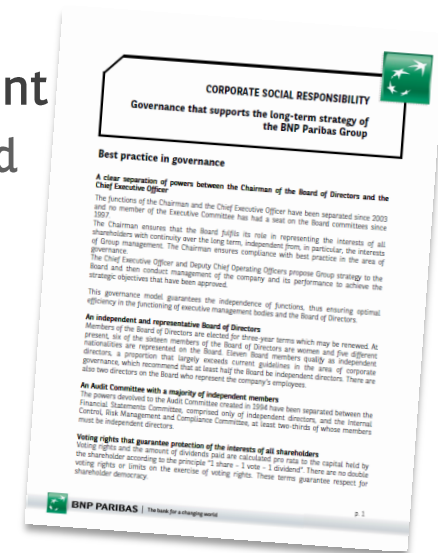


- CSR Department is relying on support from correspondents within the Business Divisions, Subsidiaries, Functional departments and strategic geographical areas (112 FTE) ...
 - One representative on the Entity Comex
 - One Head of CSR (frequently as part-time post)
- ... and an internal network of experts
 - Environment, SRI, micro-finance, etc

BEST PRACTICES IN GOVERNANCE

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

- Best practice in Governance are stated in a public document
 - ➔ Clear separation of powers between the Chairman of the Board of Directors and the Chief Executive Officer
 - ➔ An independent and representative Board of Directors
 - ➔ An Audit Committee with a majority of independent members
 - ➔ Voting rights that guarantee protection of the interests of all shareholders
- Compensation policy aligned with the long-term interests of the BNP Paribas group
 - ➔ Transparency and controls on executive bonuses
 - ➔ Transparency and controls on the bonuses for regulated employees
 - ➔ Integration of CSR criteria in the qualitative part of variable remuneration



EXTENSIVE DIALOGUE WITH STAKEHOLDERS

- Employees, Central European Committee, etc.: a regular dialogue and an annual Group's internal survey (126,889 employees surveyed in 2015, with a 71% response rate)
- Suppliers: BNP Paribas encourages its suppliers to embrace its vision of corporate social responsibility
- SRI investors: 25 meetings in 2015, including 1 meeting organized with Jean Lemierre, President of the Board of directors
- Engagement and dialogue on CSR issues with clients (see economic and env. pillars)
- NGOs: Around 11 meetings at Group level and ongoing exchanges on around 55 subjects in 2015
 - Coal and Energy transition
 - Tax havens
 - Defence

GREENPEACE

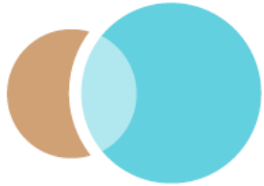

netwerk
Anders omgaan met geld



 Amnesty International
The logo consists of a stylized black candle with a flame, positioned to the left of the text "Amnesty International" in a black, sans-serif font.

BANKTRACK

POSITIVE APPRAISAL OF BNP PARIBAS CSR STRATEGY AND ACHIEVEMENTS BY NON FINANCIAL RATING AGENCIES



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



No. 13 in the banking sector out of 411 companies assessed (79/100) according to **Sustainalytics'** ranking

BNP Paribas is present in major CSR indexes:

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

BNP Paribas listed in **Dow Jones Sustainability Indexes**, World and Europe (September 2016).
BNP Paribas has achieved an overall score of **87/100** (up five points versus 2015)



BNP Paribas carbon reporting was scored **99A-** by **Carbon Disclosure Project** in 2015



- BNP Paribas gained 47 places compared to 2015 in the **2016 Global 100 Most Sustainable Corporations** (no.35)

ESTABLISHING AN ETHICS COMMITTEE

- BNP Paribas has announced on 31st July 2014 the creation of an Ethics Committee composed of members of the Group's top management as well as independent qualified personalities.
- The role of the Ethics Committee 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. It is an advisory body.
- In 2015, the Ethics Committee gave its opinion on the overhaul of the Group's Code of Conduct, its financing and investment policy in the agricultural sector and strategy for the financing of the energy transition.
- The external and independent personalities:
 - **Jean-Marie Guéhenno** (Chairman of the Ethics Committee), 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**, UN Appointed Independent Expert on Human Rights and Business; Founding Director of the Human Rights and Business Department, Danish Institute for Human Rights, Chairman of the UN Working Group on Business and Human Rights



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

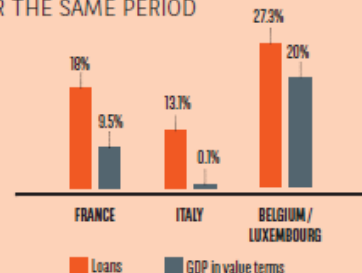
Systematic integration and management of environmental, social and governance risks

OUR ECONOMIC RESPONSIBILITY

Results 2013-2015

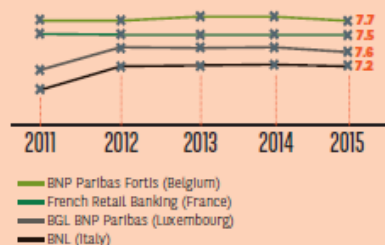
CUMULATIVE RATE OF GROWTH IN LENDING SINCE 2008 COMPARED TO THE CUMULATIVE CHANGE IN THE VALUE OF GDP OVER THE SAME PERIOD

OBJECTIVE: GROWTH IN LENDING GREATER THAN THAT OF GDP



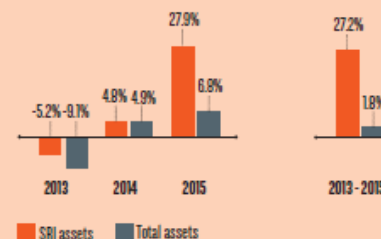
OVERALL SATISFACTION SCORES FOR INDIVIDUAL CUSTOMERS IN THE FOUR DOMESTIC MARKETS (ON A SCALE FROM 1 TO 10)

OBJECTIVE: STABILITY IN SATISFACTION SCORES FOR INDIVIDUAL CUSTOMERS



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

OBJECTIVE: GROWTH IN SRI ASSETS GREATER THAN THAT OF TOTAL OUTSTANDINGS

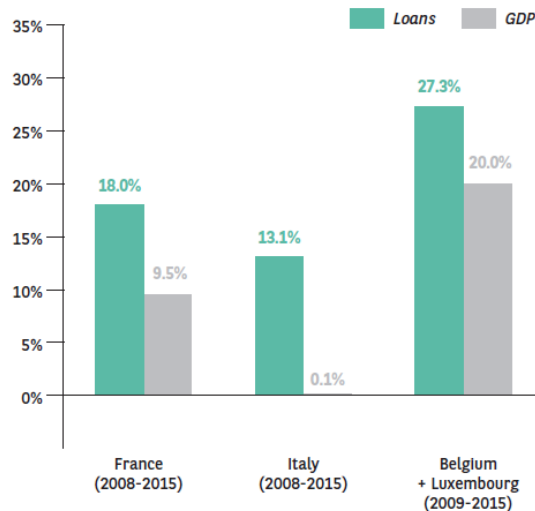


INVESTMENTS AND FINANCING WITH A POSITIVE IMPACT

SUPPORT FOR BUSINESSES

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

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



In 2015, in France its commitment to SMEs and small business clients was further strengthened by:

- a new loan product, the PRE CREA, of up to EUR 200,000, specifically dedicated to business creators. It is granted without a guarantee from the company's director or partners, and carries no set-up fees;

- the signing of a partnership with BPI France (Banque Publique d'Investissement), which will help provide VSEs and SMEs with a credit line thanks to the doubling of the guaranteed loan amount to EUR 200,000;

■ Financing infrastructures

➔ Financing of a bypass bridge in Ghana. facility agreement for EUR 68 million with the country's government

■ Partnership with development agencies in Africa

➔ In Senegal, BICIS and the French Development Agency (AFD) renewed their guarantee agreement in order to facilitate access to loans to SMEs. This partnership, amounting to EUR 30 million, launched in 2009, is part of the ARIZ system, a risk-sharing tool intended to facilitate access to financing for these companies.

| High-Value Impact Deals

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

- **15% of the loans granted to companies by BNP Paribas in 2015 contributed directly to the achievement of one of the UN Sustainable Development Goals**

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

- associations,

- social work,

- education,

- health care,

- modal transport,

- distribution of electricity,

- agriculture,

- telecommunications,

- recycling,

- renewable energy

- research

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

- **47% on Environnement**

- **46% on Health Care**

- **13% on Agriculture**

- **12% on Social Impact**

LONGSTANDING SUPPORT FOR SOCIAL AND SOLIDARITY-BASED ECONOMY VISION

Social and solidarity-based economy (SSE)

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

SSE

Leadership position in financing associations

Market share in France: 8,79% (2015)

23% for associations of 50 employees and more

11% of the associative sector's assets under management

Growing market underserved by « traditional banks »

Social Entrepreneurship (SE)

Economically sustainable companies

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

SE

Social and solidarity-based economy

Social Entrepreneurship

Microfinance

MF

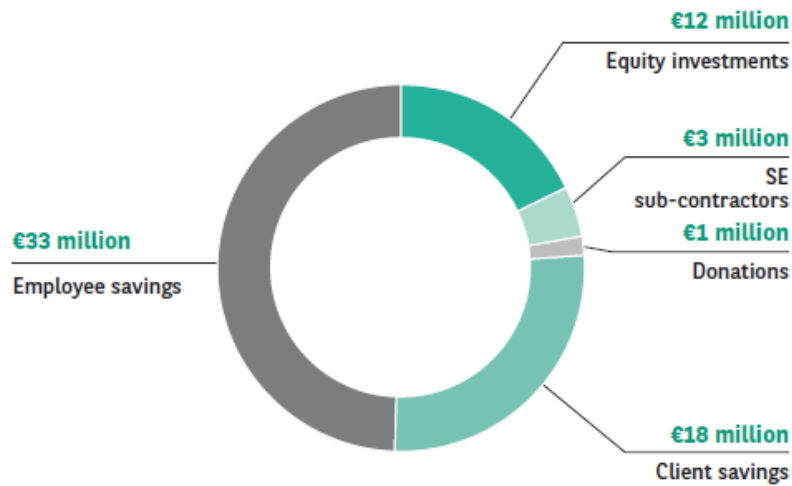
Microfinance (MF)

Financial products (including microcredit) to impoverished population in order to support them in developing productive activities 'see slide 66)

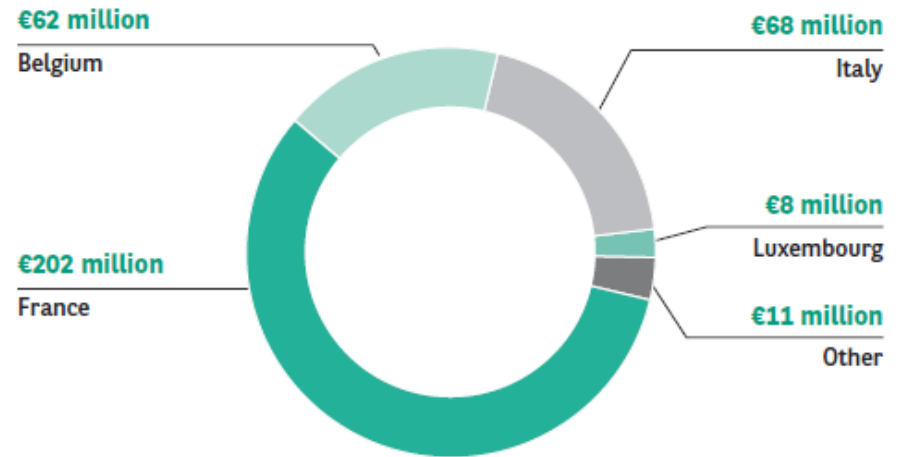
BNP Paribas has been a well-known player for years.

BNP PARIBAS' SUPPORT TO SOCIAL ENTREPRENEURSHIP

Support for Social Entrepreneurship (excluding loans): EUR 66 M*



Loans to Social Enterprises: EUR 351 M*








Credit expansion close to 31% in 2015 compared to 2014

*at 31/12/2015

DEVELOP AND PROMOTE SRI: EXPAND SRI OFFER

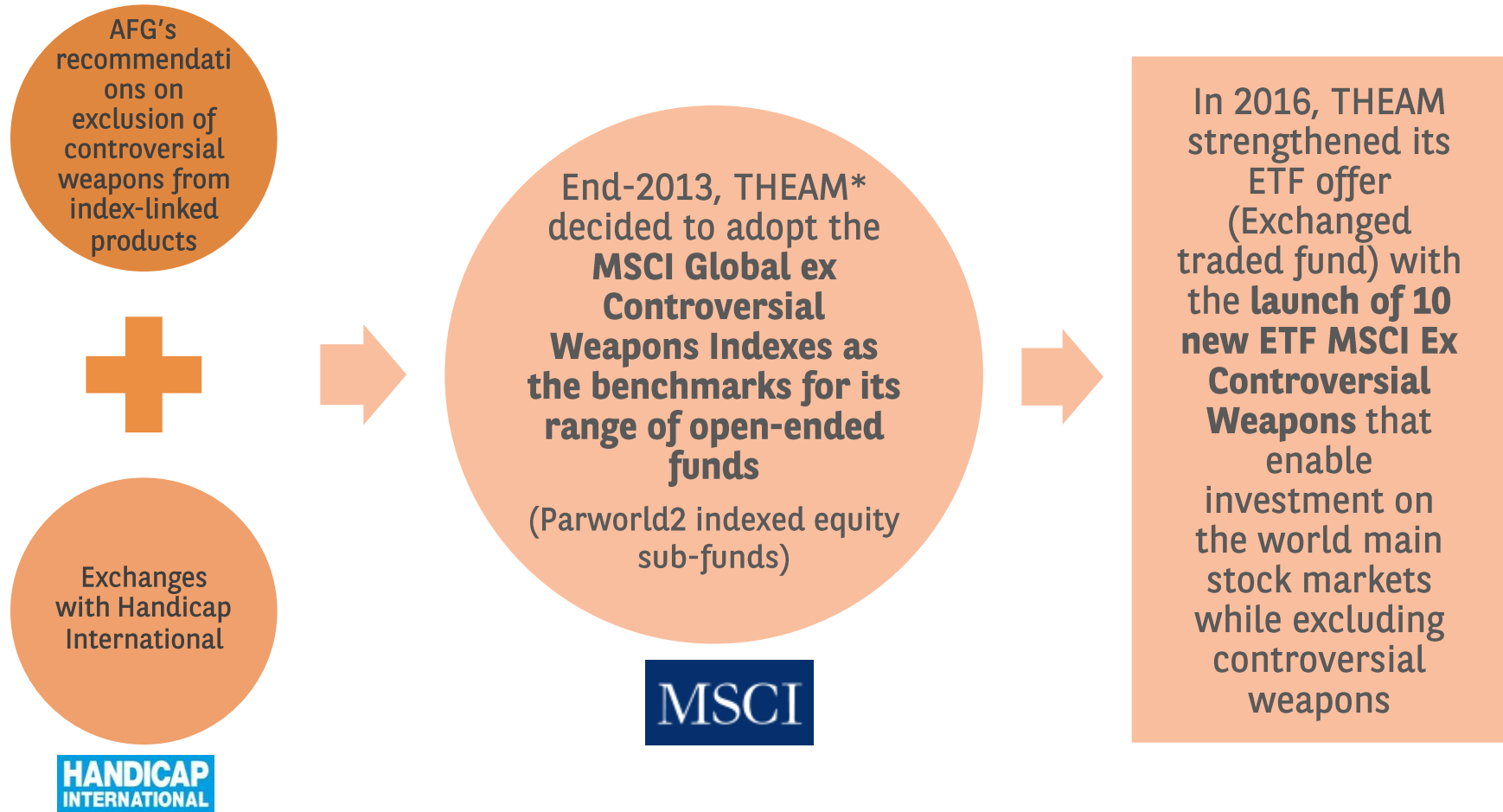


- Around **EUR 19 billion assets managed** by BNP Paribas Investment Partners at 31 December 2015
- BNP Paribas Investment Partners has been awarded the **Investor Awards SRI Prize** in 2014
- **29 SRI funds accredited in 2015**, two complementary approaches:
 - focused on committed issuers (“**best-in-class**”)
 - **theme based approach** targeting activities related to environmental protection and/or social well-being

Fund name	Labels				
	Novethic label (renewed annually in September)		LuxFLAG Label (renewed annually in December)	Finansol	CIES
					
BNP Paribas Aqua		X	X		
BNP Paribas Etheis	X				
BNP Paribas Euro Valeurs Durables	X				
BNP Paribas L1 Equity World Aqua		X	X		
BNP Paribas Mois ISR	X				
BNP Paribas Obli État	X				
BNP Paribas Obli Etheis	X			X	
BNP Paribas Retaite Horizon	X				
BNP Paribas Social Business France				X	
BNP Paribas Social Business Impact France				X	
Parvest Environmental Opportunities		X	X		
Parvest Global Environment		X	X		
Parvest Green Tigers		X	X		
Parvest Sustainable Bond Euro	X				
Parvest Sustainable Bond Euro Corporate	X				
Parvest Sustainable Equity Europe	X				
Multipar Funds				X (2 funds)	X (5 funds)



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



“RESPONSIBLE CREDIT” BY BNP Paribas PERSONAL FINANCE

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

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



ETHICS OF THE HIGHEST STANDARD

RESPONSIBLE RELATIONSHIPS WITH CUSTOMERS

FRENCH RETAIL BANKING: THE "2016 PREFERENCE CLIENTS" APPROACH

- Launched in 2014 and based on 4 pillars to enhance Customer relationship and create the branch of tomorrow
 - More Service
 - More Expertise
 - More Transparency
 - More Connected
- With a EUR 210 millions investment over 3 years in 3 key areas : branch network, human resources and digital
- Objective to significantly improve client satisfaction:
 - + 10% of very satisfied clients at end 2016
 - + 20% at end 2019 (exceed the threshold of 50% very satisfied clients)
- Videoconference equipment for clients available in the branch network at end 2015
- All branches adapted to the « Préférence Client » concept at end 2019.



PROTECTING CLIENTS' INTERESTS THROUGH A COMPREHENSIVE APPROACH TO COMPLIANCE

- Compliance is tasked with anticipating, expanding the range of robust tools, ensuring staff training, and strengthening internal control processes
- Publication of a procedure on training requirements regarding anti-money laundering, financing of terrorism, and compliance with international sanctions in 2013:
 - lists the employees by type of training in relation to their risk exposure, program's content and reporting requirements
- Risk Academy - continuous internal training program on risk management - to strengthen the Group's risk management culture
 - Flagship theme of this academy : "Protecting the client's interests"
- Revision of the internal anti-corruption Group policy and reinforcement and revision of the internal Group policy regarding gifts received by the staff in 2011
- Disclosure of a summary of the internal anti-corruption Group policy in end-2011
- Update of the Group Code of Conduct in 2015: *"To gain our customers' trust, all employees must always act in a way that protects customers' interests while complying with all relevant laws."*
- A dedicated e-learning on the Group Code of conduct is mandatory for all employees

PROTECTING CLIENTS' INTERESTS: DATA PRIVACY

- **Group policy on customer data privacy** applicable in every entities, every business lines and every geographies.
- **Enforced and monitored by Group Compliance**
 - Head of Group Compliance is member of the Group executive committee
 - Steering committees on data protection gather every 3 months at different Group level
- **“Data protection” training** fully provided to 35,885 employees in 2015 and a 25 minutes **Awareness e-learning module** attended by 3347 collaborators (since November 2011)
- **The following principles apply to the entire Group**
 - Principle of purpose: collection and process for specific, legitimate reasons;
 - Principle of proportionality: amount of data adequate to the purpose;
 - Principle of relevance: data appropriate for the stated objectives;
 - Principle of security: by technical and organizational measures
- **Guarantee customers' rights**
 - Right of access, right to rectify, right to object, right to information

TAX HAVENS

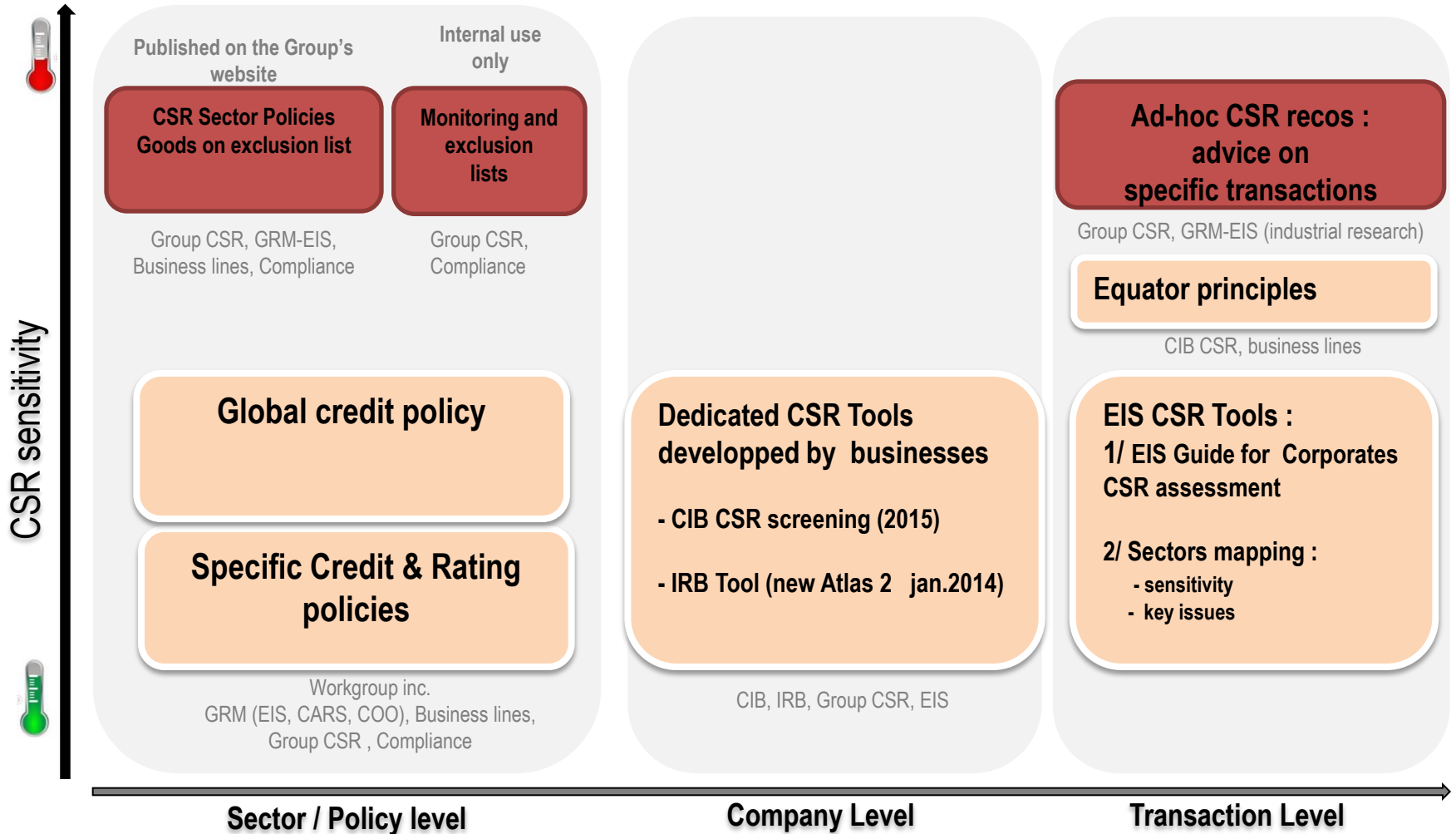
The location of the Group's offices is driven not by tax consideration, but in the interest of serving customers around the world

- In 2015, BNP PARIBAS paid EUR 2.6 billion in taxes representing an effective tax rate* of 30,9%
- 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 :
 - ✓ 15 000 employees
 - ✓ 789 branches
 - ✓ 3,6 individual and professional customers
 - ✓ 7600 corporate clients
- As regards non-OECD countries that could be considered to operate favourable tax regimes, BNP Paribas continues to reduce its presence there

SYSTEMATIC INTEGRATION AND MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

OVERVIEW OF BNP PARIBAS' CSR ASSESSMENT PROCESS OF ESG RISKS

Risk Appetite Framework



EQUATOR PRINCIPLES

17 transactions reviewed against the Equator Principles in 2015

	2011	2012	2013	2014	2015
Category A	5	2	3	3	1
Category B	20	10	13	17	13
Category C	5	1	5	2	1
Project finance Advisory mandates*				7	2
Total	30	13	21	29	17

* Both projects reviewed in 2015 were in category 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

COMMITTED FINANCING POLICIES IN SENSITIVE SECTORS

■ Sector policies and exclusion list

- BNP Paribas sector policies cover defense, nuclear power, coal-fired power generation, wood pulp and palm oil, mining industries (2013), tar sands (2013) and agriculture (2015)
- Goods and activities on exclusion list

■ Sector policies implementation

- A strong teams' involvement:
 - The implementation relies on both the **Risk function** (more than 6,000 employees) and **Compliance** (more than 3,000 employees within the Group)
 - Since 2012, more than **20 373 collaborators** were trained regarding the sector policies
 - e-learning trainings have been translated in 7 languages
- In 2015, 47 of 658 transactions were rejected
- In 2015, Adoption of a Control Plan to verify the right implementation of the CSR strategy throughout the Group that covers the Group's CSR networks organization and the management of our ESG risks.

Reinforce its carbon risk management policies

New commitment in 2015 :

- **No further financing of coal-fired power plants** in high-income countries. BNP Paribas will strengthen selection criteria in other countries
 - ➔ BNP Paribas has refused $\frac{3}{4}$ of proposed coal projects in past years and will be even more selective in the years to come
- BNP Paribas will **no longer finance coal mining activities**, whether through direct financing of mining projects or by financing mining companies specializing in coal extraction, unless they have put in place an energy diversification strategy
 - ➔ BNP Paribas already decided to terminate its relationship with 20 clients (accounting for a \$1bn exposure)
- BNP Paribas will gradually make systematic use of **internal carbon pricing** and integrate the climate component in its methodology for rating the projects and companies financed by the Group
- BNP Paribas also intends to increase its support for companies which devote a significant part of their business activities to finding **solutions for reducing energy consumption**

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

- **INVESTMENT PARTNERS:** systematic integration of extra-financial criteria
 - Signatory to the UN Principles for Responsible Investment (**UN PRI**) and UN Global Compact's ten principles
 - **Sector policies** taken into account for all AUM
 - Signatory to the **Montreal Carbon Pledge**, it commits investors to measuring and publicly disclosing the carbon footprint of their investment portfolios on an annual basis, in accordance with the **Portfolio Decarbonization Coalition (PDC)** : at end 2015 Investment partners were already managing **EUR 18 billion of decarbonized assets**.
- **CARDIF (Insurance)** : **50 % of the main euro fund** run by BNP Paribas Cardif was screened using an ESG filter

INTO SUPPLY CHAIN MANAGEMENT: EXPECT ALL SUPPLIERS TO COMMIT TO RESPECTING BNP PARIBAS' CHARTER

- **"Know Your Supplier" project:** to ensure BNP Paribas only contracts with suppliers who respect local and international laws and CSR basic principles

VOTING RIGHTS

BNP PARIBAS ASSET MANAGEMENT'S VOTING POLICY

- **Voting at assembly general meetings** is a **key component** of the **ongoing dialogue with companies** in which we invest on behalf of our clients and forms an integral part of our **investment process**. BNP Paribas Asset Management strives to vote in the best interest of its clients
- **The voting policy's objectives:** To enhance the long-term value of our shareholdings and to foster corporate governance best practices, business ethics, economic development, social cohesion & environmental protection.
- **Corporate governance practices which we support include:**
 1. Acting in the long-term interests of shareholders
 2. Protecting shareholders' rights
 3. Ensuring independent and efficient board structure
 4. Aligning incentive structures with long-term interests of shareholders
 5. Disclosing accurate, adequate, & timely information
 6. Good environmental & social performance
- In 2015, BNP Paribas Investment Partners **participated at 1,200 Annual General Meetings** and voted on **16,200 draft resolutions**, abstaining from, opposing or voting against close to 19% of them.



Developing and engaging our people responsibly

Promotion of diversity and inclusion in the workplace

A good place to work and responsible employment management

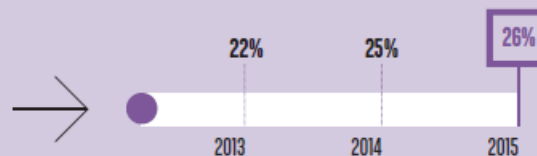
A learning company supporting dynamic career management

OUR SOCIAL RESPONSIBILITY

Objectives for 2015

PROPORTION OF WOMEN APPOINTED TO SENIOR MANAGEMENT POSITIONS*

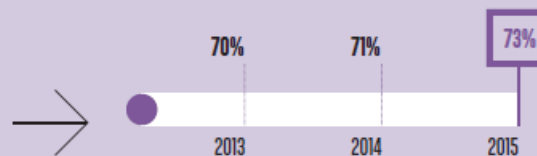
OBJECTIVE: 25% OF WOMEN SENIOR MANAGERS AT END 2014



* Senior Management Positions are the 2,500 positions in the Group that have the largest impact in strategic, commercial, operational and expertise terms.

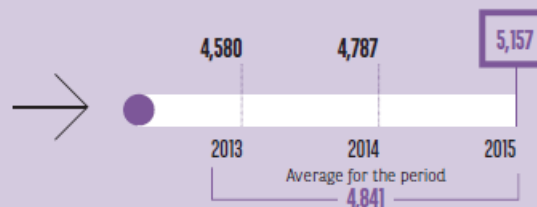
PROPORTION OF EMPLOYEES WITH A POSITIVE OPINION REGARDING IMPLEMENTATION BY THE GROUP OF THE FOUR MANAGEMENT PRINCIPLES

OBJECTIVE: 71% OF SATISFIED EMPLOYEES



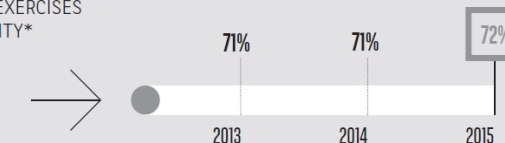
NUMBER OF INTERNAL TRANSFERS BETWEEN UNITS AND BUSINESS LINES (ANNUAL AVERAGE 2013 TO 2015)

OBJECTIVE: AVERAGE OF 4,700 CROSS-FUNCTIONAL TRANSFERS PER ANNUM



PERCENTAGE OF EMPLOYEES WITH A FAVOURABLE OPINION OF THE WAY IN WHICH THE GROUP EXERCISES ITS CORPORATE SOCIAL RESPONSIBILITY*

OBJECTIVE: 73% OF SATISFIED EMPLOYEES



* Indicator covering the responses to four different questions in the internal Global People Survey.



Promotion of diversity and inclusion in the workplace

ENSURING A GLOBAL COMMITMENT

■ Strong and visible commitment of the Executive Committee

- ➔ In May 2015, CEO launched the UN's #HeForShe campaign for equality between men and women, followed by male employees in many countries endorsing the movement and posting photos.
- ➔ By signing in October the LGBT* Charter of commitment of l'Autre Cercle**, BNP Paribas became the first bank in France with a commitment to a non-discriminatory and non-hostile working environment for employees, regardless of their sexual orientation and gender identity.



■ Diversity Governance: a commitment at all levels

- ➔ The Group Diversity Committee now consists of 35 members, pairs of business line and HR representatives, in charge of deploying the diversity & inclusion policies, which are now replicated in all businesses, countries or regions.



■ Employees involved in dynamic networks promote exchange and innovation

- ➔ They relay information and strengthen diversity and inclusion policies with innovation and regular cross-exchanges across entities, countries, etc.
- ➔ They focus on professional equality, multiculturalism and minorities, sexual orientation, inter-generational or inter-religious dialogue, parenting, disability or veterans cross-business



*LGBT = « Lesbian, Gay, Bisexual, Transsexual and Transgender »

**Association whose purpose is to fight LGBT discrimination in the workplace

PROMOTE DIVERSITY & INCLUSION – REWARDS & OBJECTIVES

BLOOMBERG
FINANCIAL SERVICES
GENDER-EQUALITY
INDEX

PAX | ellevate

Gender Equality
European Standard

é=e
LABEL
ÉGALITÉ
AFNOR CERTIFICATION
www.afnor.org

CHARTE
DE LA
diversité
EN ENTREPRISE

LABEL
DIVERSITÉ
AFNOR CERTIFICATION
www.afnor.org

Charte de la
parentalité
en entreprise

BEST
PLACES TO WORK
2015
for LGBT Equality

The
Economist
Workplace
Pride

- **Professional equality: ambitious objectives and visible results**
 - ➔ 50% of the **Board of Directors** (including two women Directors elected by employees), higher than the mandatory 40% set by French law for 2017.
 - ➔ 20% of the **G100** (16% in 2014); on average 32% of nominations are women since 2011 and 42% since 2014.
 - ➔ 21% of **Top 500 executives** with an objective of 25% set for 2020.
 - ➔ 26% of Senior Management Positions (**SMP**) representing the Group top 2,500 managers, with 35% of nominations in the last round of promotions, and a target of 30% women SMP by 2020.
- **70% of employees stated that the management of BNP Paribas**
 - ➔ encourages diversity in the workplace by respecting and recognizing differences among people (+6 points, compared to the target set in 2012).

PROMOTE DIVERSITY & INCLUSION – OTHER FOCUSES

■ Internationalisation and multiculturalism

- 161 nationalities are present in the Group, with **SMPs** accounting for 56 nationalities; 40% of SMPs are non-French.
- The **Top 500 executives** represent 31 nationalities and 35% of them are non-French.
- In the UK, 50% of SMPs received training on unconscious biases linked to nationalities.

■ Promoting employment and insertion of people with disabilities

- This year, entities in 22 countries have signed collective agreements on disability or taken measures in favour of disability. 3,237 disabled employees in 32 countries are reported including 176 recruits in 11 countries in 2015.




- On 14 April 2016, the Group joined the ILO Global business and disability network . On 29 June 2016, the CEO signed the ILO charter.

■ Promoting inter-generational exchanges

■ Parenthood and balance between personal and working life

■ On-going awareness training of our employees and customers



A good place to work and responsible employment management

A GOOD PLACE TO WORK & KEY RECRUITER

■ Trends in the workforce

- **Total workforce end-2015: 189,077 FTE** (187,903 FTE in 2014) mainly due to Arval's consolidation of GE Fleet and organic growth in North America, the Asia-Pacific region and the Compliance Function.
- **19,672 staff recruited worldwide (+10%) on permanent contracts**
- Countries recruiting the most in 2015 are the United States (21%), France (16%), India (8%), Turkey (7%) and Ukraine (6%). 56% of the new recruitments are in Europe, with France hiring 3,055 new recruits in France (+34%), followed by the UK and Belgium.
- External recruitment remains at a high level, in a context where the priority is given to mobility and training.
- In France, the number of 179,132 CVs received in 2015 increased by 19% (150,482 in 2014) and by 20% between Jan.-May 2016 (98,966) compared to same period in 2015.

■ Top Employer in Europe

- In addition to Belgium, France (rated among the Top 5), Italy, Poland, Turkey and "**Top Employer Europe 2016**", BNP Paribas was also certified for the first year in Luxembourg and Spain.
- BNP Paribas ranked **10** in **Top Attractors by LinkedIn** in France.



COMPETITIVE COMPENSATION POLICY

■ Integration of CSR criteria in a 3-year incentive scheme awarded to 5,000 Group key employees

- Since 2013, a 3-year incentive plan called “Group Sustainability and Incentive Scheme” (GSIS) has been awarded annually to roughly 5,000 Group key employees.
- 20 % of each beneficiary’s award is contingent upon achieving 3-year targets related to the Group Corporate Social Responsibility (CSR) policy, based on the four pillars of the Group’s CSR.

■ Measures in favour of Equal Pay

- In France and Luxembourg, a budget envelope has been granted for years to reduce the salary gap between men and women.

■ Profit-sharing in the Group’s performance

- In France, for 2015 performance, 141M€ for profit sharing and 185M€ for incentives were paid to 68,752 employees, compared to 99M€ and 161M€ paid for 2014. At BNP Paribas SA level, the incentive agreement involved three components, including a CSR target concerning paper consumption per employee, which was reached in 2015.
- At BNP Paribas Fortis, a part of the variable compensation known as “collective” compensation is linked to sustainable development objectives such as customer satisfaction, diversity promotion, improvement of well-being in the workplace, risk awareness and compliance and the reduction of the Bank’s negative impact on the environment. 2015 objectives were met and 21M€ paid (unchanged).
- In Luxembourg, the bank paid an incentive bonus to non-manager employees of EUR 4.1 million.



**A learning company supporting
dynamic career management**

LARGE INCREASE IN TRAINING AND DEVELOPING SKILLS

- 96% of all employed trained ; average of 29 hours of training per employee (24h in 2014) ; due both to Compliance mandatory training, plus deployment of e-learning of My Learning

	2013	2014	2015
Total number of employees trained*	148,875	157,083	181,665
Total number of training hours	4,697,071	4,603,606	5,204,929

- E-learning modules increased by 49%, especially in Risk & Compliance (+47%), business techniques & functions (+47%) and Group culture & awareness (+148%).

	2013	2014	2015
Number of employees	84,729	112,895	154,427
Number of modules completed	441,237	765,015	+1,1M

- Focus on **digital training** in all businesses. **"Let's get digital"** created in France with 140,000 views, 16,000 unique visitors & 6,000 likes.



- Diversified sources of innovation and opportunities to develop our people's skills: through **intrapreneurship**** and **Le People's LAB en quelques chiffres**

2015

21
membres de COMEX
mobilisés comme
investisseurs internes

80%
des projets validés en 2015
65% en cours à + 6 mois

14
process et business models
innovants proposés par
nos intrapreneurs

75%
des projets ont concerné la
transformation digitale

83%
des participants recommandent
l'expérience

12
12 entités participantes

4 mois
12 jours
1 vie

* Physical headcount taking into account 96% of Group headcount in 60 countries (v. 86% in 44 countries in 2014)

** An approach which allows employees to develop an innovative project inside the Group with support from the bank

SUPPORTING A DYNAMIC CAREER MANAGEMENT

■ Career management

- Appraisal and development of all talent: identifying, assessing and developing skills ; internal mobility and diversified careers
 - Follow up through indicators in My Career currently used by about 80,000 employees, among which 62% had a career interview in the past 3 years or less in France, Italy and Luxembourg.
 - 2015/2016 worldwide SMP evaluation rate = 86% (+8 points compared to 78% in 2014/2015)

■ Leaders for Tomorrow, the new BNP Paribas Talent Management initiative

- It supports succession planning, by strengthening our Leadership Talent pipeline and ensuring that the right leaders are in the right place and ready at the right moment to meet tomorrow's business challenges.
- It was also deemed important to fix objectives of women to participate to this programme with 50% within young emerging talents in 2016, 40% of advanced talents and 30% of top talents by 2020.

■ The four Management Principles

- 73% of employees* have a positive perception of the way they are implemented (Client Focus, Risk-aware entrepreneurship, People Care and Lead by example). This represents +2 points from 2014 and exceeds the target set in 2012.

* in the annual internal "Global People Survey")

MOBILITY IS PART OF CAREER MANAGEMENT

- **Mobility remains a major focus of HR management practises. The Group stays mobilised to meet the high level of expectations expressed by employees (in the annual internal “Global People Survey”)**
 - With 5,157 transfers between entities and business lines in 2015, the target of an annual average of 4,700 between 2013 and 2015 was exceeded (4,787 in 2014). In France, they progressed by 11%.
 - With communication, an active community on mobility and an increased deployment of internal mobility tools in 40 countries covering 80% of staff, the number of posts published increased by 19% and the posts filled internally by 11%. 40% of the positions are filled internally.
 - In 2016, 30 countries participated to the “**Mobility Days**” from Europe, Africa and for the first time South America. Around 100 events organised with 1,200 posts open, 250 HR, 254 managers and 7,000 participants.





Being a positive agent for change

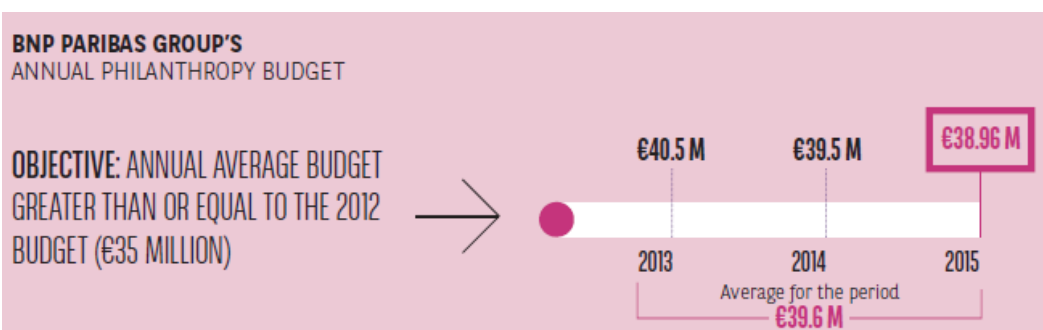
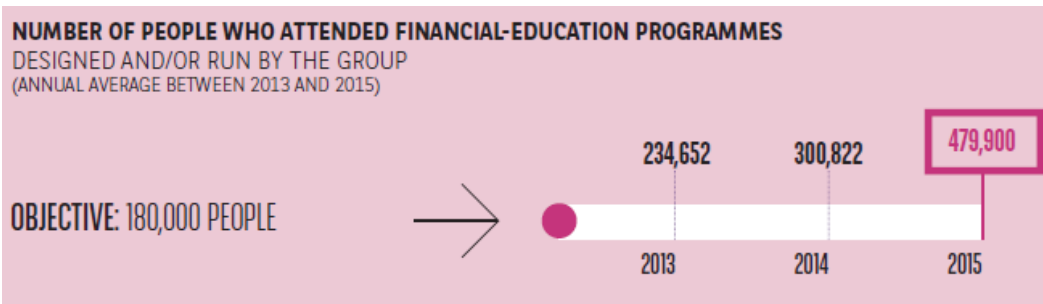
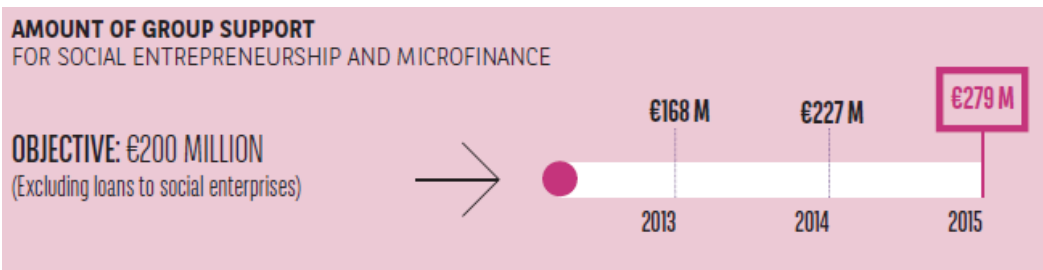
Products and services that are widely accessible

Combat social exclusion and support human rights

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

OUR CIVIC RESPONSIBILITY

Objectives for 2015

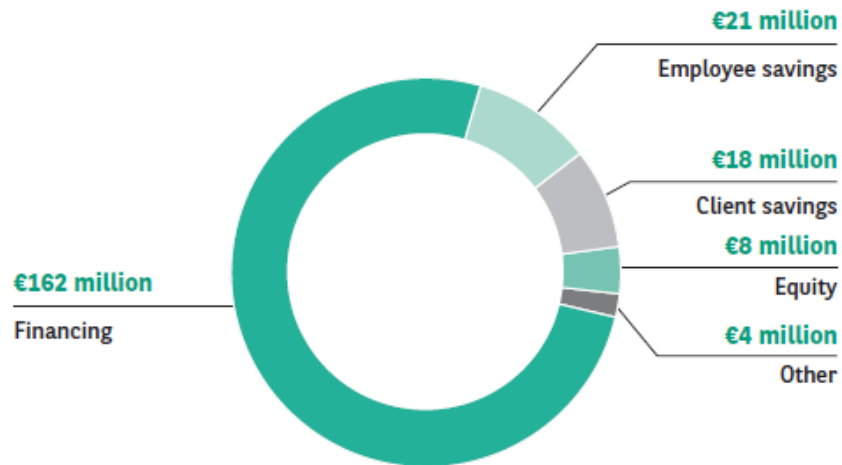


**Products and services that are
widely accessible**

Group Support to Microfinance

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

➤ **GROUP BNP PARIBAS' SUPPORT TO MICROFINANCE AS AT 31 DECEMBER 2015**



- **In mature economies:** 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 emerging economies:** the Group provides support to 28 partners in 9 countries by financing a portion of the microcredit portfolios of these institutions.

ACCESS TO FINANCING AND INSURANCE

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

- **PERSONAL FINANCE France:** specific credit offer dedicated to employees with limited-term working contracts (18-30 years old)
 - Since 2011, 25 000 loans were provided by BNP Paribas Personal Finance to customers working on fixed-term contracts

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

SUPPORT FOR VULNERABLE CUSTOMERS

■ A tailored offer for customers in financial difficulty

→ **French Retail Banking:** a system has been implemented for supporting customers facing, or likely to face, difficult circumstances. 150 customers benefited from the service in 2015

→ **CETELEM** has set up a special mechanism for detecting customers who could find themselves in difficulties. A dedicated team offers an in-depth exploratory interview to discuss the households' financial health as soon as the clients are identified.

2015 :

- 8,200 customers benefited from a complete budget analysis
- In 35% of the cases, the difficulty proved very real
- Personal assistance provided

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

■ Branch accessibility for the greatest number:

→ **Belgium:** BNP Paribas Fortis continues to strengthen actions implemented since 2012

- 132 branches "accessible to persons with reduced mobility"
- Cash dispensers with vocal prompts to guide the unsighted and enable them to carry out banking transactions: 2,000 such machines are now available throughout Belgium.

FINANCIAL EDUCATION FOR CONSUMERS

Over 479,000 PEOPLE TRAINED OR INFORMED IN FINANCIAL EDUCATION IN 2015

- Some programs focused on families and entrepreneurs:
 - ➔ **In Ukraine:** UkrSibbank offers its customers (SME managers, entrepreneurs, accountants, etc.) seminars on legislation, taxation or accounting. In 2015, 1,116 customers benefited from nine training sessions.

- Other programs focused on the youth:
 - ➔ **In Romania:** BNP Personal Finance participated in the “Grow” project launched by the association Scoala de Valori. In 2015, 1,600 secondary school pupils in years 11 and 12 and 1,750 in years 9 and 10 received a total of 500 hours of financial awareness
 - ➔ **United States:** First Hawaiian Bank “MyMoney Program” reached over 450 pupils. This is a financial education program led in five Hawaiian state schools, whose pupils are mainly from low-income families.

- Where financial education has long been present in local practice, initiatives are aimed at all sectors of the public:
 - ➔ **Italy:** EduCare programme aims at educating people about topics such as savings, management of expenses and how banking services work
 - ➔ **In Belgium:** BNP Paribas Fortis offers financial education sessions to customers as well as non-customers. So far, some 15,000 people have attended the courses, with nearly 750 modules to choose from, covering numerous financial topics.

Combat social exclusion and support human rights

« PROJET BANLIEUES »

NEARLY EUR 36 MILLION TO SUPPORT DEPRIVED URBAN AREAS SINCE 2006

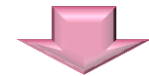
BNP Paribas

No 1 private employer in Seine-Saint-Denis

No 2 private employer in Marseille



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



Job creation & integration into the labor market

- Financing of 16 ADIE centers in France in 10 years
- **more than 6,000 micro-businesses created and more than 8,000 jobs**
- BNP Paribas has become the ADIE's primary partner: more than **EUR 8,92 million in subsidies** since 2006

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
- 30,000 adolescents benefiting from "Odyssée Jeunes" program to support the organization of school trips

Proximity and local presence

- Local action to support local initiatives
- **305 local associations** supported financially and through the involvement of the branch network since 2006 and 111 for the sole year 2015

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

- The **Human Rights Policy of BNP Paribas**: signed in 2012 by the general management, is a level 1 Policy, accessible on the Intranet
- A commitment **reflected in the Group strategy** : “The fight against the exclusion and the promotion of human rights”
- ... and highlighted in **BNP Paribas Code of Conduct** (updated in May 2016) in the 7th article “Involvement with Society”
- A monitoring indicator: Percentage of employees contributing directly to the promotion of human rights having undergone a dedicated training (Target: risks, procurement, etc.)
- An **independent and qualified expert on human rights** is present in the Ethical Committee of the Group
- 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



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
 - ➔ Engagement with clients suspected to be involved, directly or indirectly, in human rights abuses (e.g. on cluster munitions production)
 - ➔ Dedicated Human Rights Risk Assessment tool (HRRRA) to identify and assess human rights-related risks in the Group’s loan portfolio by sector and geography
- Training and raising awareness of Human Rights
 - ➔ Dedicated E-Learning compulsory for Senior Credit Officer, Credit Analyst, Procurement and CSR teams.



BNP Paribas’ “salient” Human Rights Risks

Direct	Right to privacy (protection of customers’ private data)
	Right of 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:** helping people into work, education and preventative measures

- Fight against destitution (Resto du coeur, Samusocial) and aid for refugees (EUR 5 million Support Plan)
- Support Education and Inclusion (“Dream-up”, Adie, France Active, etc.)
- Develop international solidarity action (anti-malaria action plan in Western Africa)

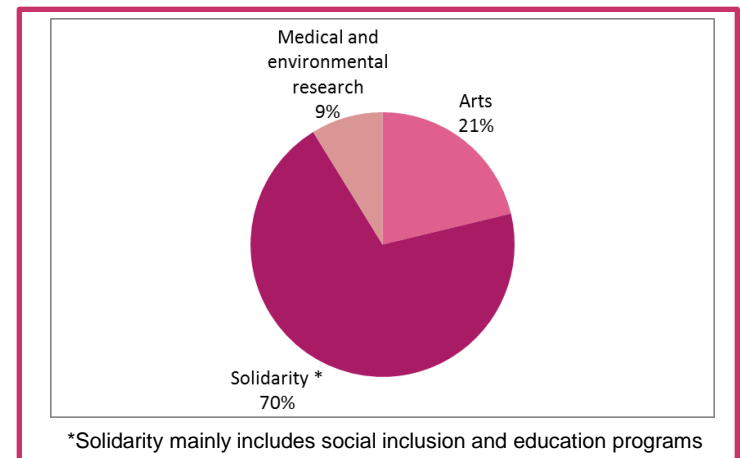
■ **ARTS :** preserving museum treasures and encouraging artistic creation

- “BNP Paribas for Art” Preserving and showcasing national museums
- Founding Patron of the first International Biennial of the Circus art in Marseilles, 2014

■ **MEDICAL AND ENVIRONMENTAL RESEARCH :** financing and supporting research into climate change

2015

Over 38,6M€
and over 4,019 programs supported



UNIFYING EMPLOYEES' GENEROSITY



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

A unique initiative

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

Positive results

- 4 fundraising campaigns in 2015: Pam cyclone in Vanuatu, earthquake in Nepal, migrants in Europe and floods in India
- Around EUR 2,5 million donated since launching
- EUR 980,000 in 2015



COMMITTED EMPLOYEES SHOWING SOLIDARITY

■ Benevolab' (ex MFSF):

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

→ 173 people have volunteered in France, Belgium, the UK, the USA, Argentina, Luxembourg and Tunisia (94 missions for 27 countries in all, 351 travel days)

■ Bénévolat de compétences et solidarité (BCS):

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



Over 68,000 hours of volunteering devoted to Benevolab and BCS projects (55,000 hours in 2014)

SUPPORTING EMPLOYEES INVOLVED OUTSIDE THE COMPANY

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

→ 43 projects funded in 2015 totaling EUR 121,200

→ Implemented in 19 countries, 621 projects supported worldwide since 2003



Combating climate change

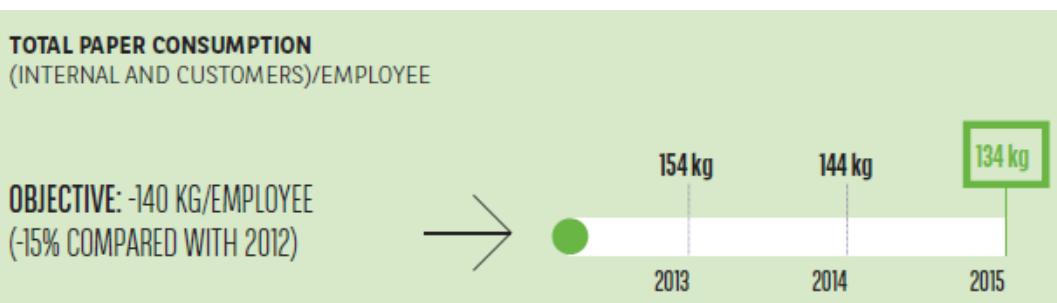
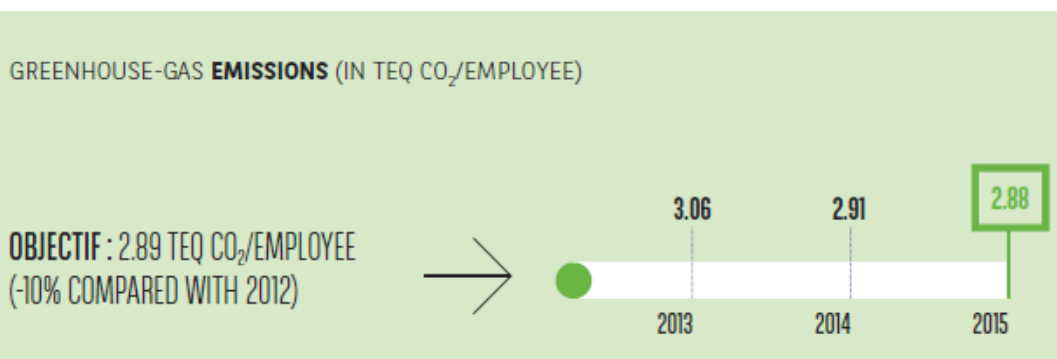
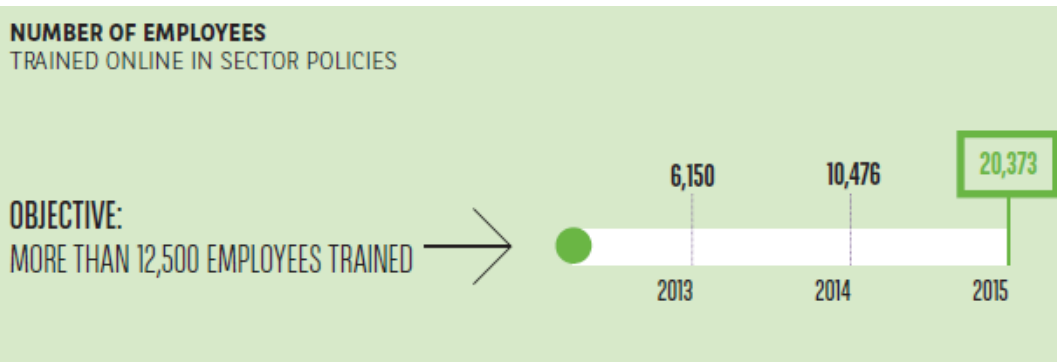
Partnering with our clients in the transition to a low carbon economy

Reduce the environmental impact of our operations

Advance awareness and sharing of best environmental practices

OUR ENVIRONMENTAL RESPONSIBILITY

Objectives for 2015





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

Doubling the support for Renewable Energy

- Proven renewable energy expertise

- **EUR 7,2 billion** exposure as of 31 December 2015

- **More than 130 projects worldwide**, financed or advised at end 2015, totaling more than **16,700 MW of installed energy capacity** (equivalent to the annual consumption of more than 14 million French households)

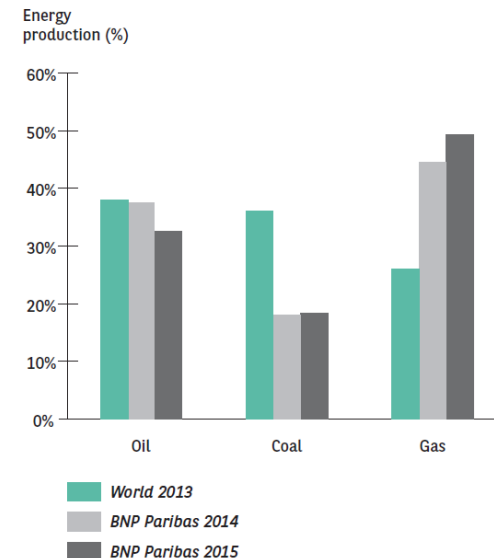
- Commitment to **significantly step up** its financing in the sector from €6.9bn in 2015 to **€15bn in 2020**.

- Financing an electricity mix that is “in advance” compared to the world mix (electricity mix and primary energy mix as well)

- Fewer fossil sources and more renewables.



Source: Average energy production mix, weighted by Group exposure, with customers accounting for 2/3 of the Group's exposure to the electricity production sector at end-2015.



Source: Average energy production mix, weighted by Group exposure, with customers accounting for 2/3 of the Group's exposure to the primary energy extraction sector at end-2015.

BNP PARIBAS' GREEN SERVICES FOR INSTITUTIONAL INVESTORS

Becoming one of the world's top three players, in euros, on the Green Bonds' market by 2018

- **Getting ready to rise to the challenge**

- Early 2014 creation of a Sustainable Capital Markets team

- Late 2014, launch of BNP Paribas Fortis Green Growth Bond for retail investors, linked to Ethical Europe Equity index

- **2015 Achievements**

- **EUR 3.875 billion of Green Bond issues** for which the Group acted as lead manager

- including EUR 827 million in **Index Linked Green Bonds**

- **Examples:**

- Associate bookrunner and lead bank for a USD 350 million first Green Bond issue by IBDI Bank Ltd (India)

- Lead bank for the first Green Bond issue by an SME in France (EUR 480 million by Paprec, recycling of non-hazardous waste)

■ Assisting entrepreneurs in their energy efficiency efforts

→ BNL “Green Desk”

- Advice and financing of renewable energy or energy efficiency projects
- 329 projects received since April 2014
- EUR 54,6 million for a total installed capacity of 25 MW
- Green Globe Banking Award 2014.

→ 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
- 160 projects in 2015 representing EUR 180 million

■ For households and individual customers

→ **Domofinance**, joint venture between EDF and BNP Paribas Personal Finance specialized in **financing for energy** consumption management.

- 43,000 loans in 2015 (484,000 loans since launch)
- energy savings equivalent to the annual consumption of close to 43,300 households in 2015

→ 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** developed an intrinsic energy performance guarantee (**GPEI**) that is 40% higher than the level required by French regulations (RT2012)



→ Noda building (Zenora complex in Issy-les-Moulineaux)

- Certified Exceptional HQE (design phase)
- Certified **BREEAM International's Outstanding rating** (final phase) with a score of 93.2%, a world record.

→ E@syGreen management solution aimed at analysing and improving environmental performances while optimising energy costs in a proactive way

- 75 energy audits in buildings conducted in 2015
- Energy savings for clients of EUR 2 million

■ **Arval (long-term rentals)**

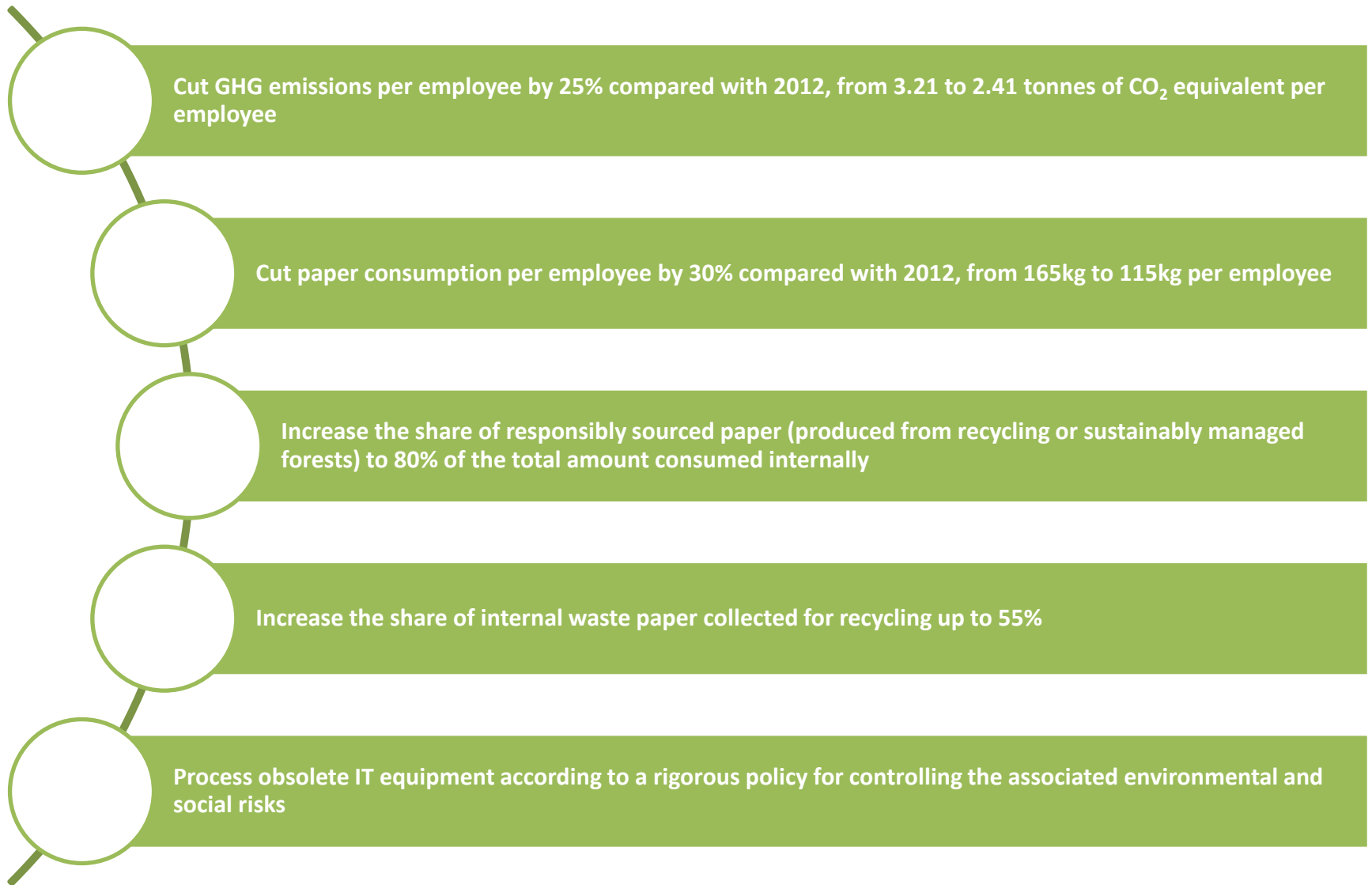
→ Commitment to responsible mobility: telematics systems in customer fleets to better understand people's driving habits and changes in their behaviours to reduce accidents and CO2 emissions

- "Auto-Partage" offer
- Fleet management optimizer tool
- Number of vehicles managed for international clients increased 7% between 2013 and 2015 (from 200,000 to 214,000), while total emissions dropped 1%



**Reduce the environmental
impact of our operations**

REDUCE OUR DIRECT IMPACT: QUANTIFIED OBJECTIVES FOR 2020



REDUCE OUR DIRECT IMPACT: WHAT'S AT STAKE?

- 207 kWh/sq.m. consumed in our buildings – total of 1,529 GWh of which three-quarters for electricity
- 5,055 km/FTE for business travel (plane, train, car)
- Renewable energy represented 16,5% of total energy consumption in buildings



544,719 tonnes of CO₂ equivalent emissions, or 2.88 tonnes of CO₂ equivalent /FTE

72.6% for buildings and 27.4% for business travel

- 134 kg paper consumed/FTE of which 70,6% is responsible
- 31,22 cubic m. water consumed/FTE in our buildings
- 175 kg waste/FTE, of which 44,9% is recycled
- 27,9% environmentally-friendly office supplies products purchased



BNP Paribas' environmental reporting quality rated 99A-/100 by the Carbon Disclosure Project in 2015

REDUCE OUR DIRECT IMPACT: A GLIMPSE OF OUR ACTION PLANS

Reduce GHG emissions

- A new strong commitment to reduce the GHG emission within the Group : “-25% carbon footprint in 2020 vs 2012”, the 2015 objective of a 10% drop has been achieved
- Display the CO₂ emissions in the French travel booking tool, and offers a more environmentally friendly means of travel whenever one is available
- Purchase renewable energy certificates and produce renewable energy (renewable energy have represented 16,5% of the energy consumption in buildings vs 10,6% in 2012)
- Use remote meetings (e.g. at BNP Paribas, development of the “Digital Working” program using webconferences, videoconferences and telepresence)
- Operate sustainable buildings (e.g. BNP Paribas El Djazair inaugurated Africa’s first building with the High Environmental Quality (HQE) certification)

Paper: consume less, consume better

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

Reduce wastes and recycle

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

Combat loss of biodiversity

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

A LEADER IN CERTIFICATIONS



- With 70 ISO 9001 certifications, the Group is a leader in the banking and insurance sector
 - 16 625 employees work in an organization certified ISO 9001
- 29 ISO 14001 certifications which makes BNP Paribas the world leader in the banking/insurance sector for environmental management systems.
 - 23,804 employees work in an entity certified ISO 14001
 - Integrated approach for French Retail Banking
 - The branch network, document publishing, factoring and data centers have all received ISO 14001 certification
 - Broad approach for Arval in France and in Europe
 - Launch of an ambitious certification program at CIB UK involving 74% of its workforce in 2015
- 7 ISO 20000 certifications (Information System) and 4 ISO 27001 certifications (Information security management system)
- The Group is integrating the new ISO 26000 standard alongside other CSR standards to establish its framework for CSR initiatives and define action plans




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

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

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



47 grant applications received in 2014



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

ANNEXES

- BNP Paribas financing and investment sector policies
- Group global strategy: energy transition financing

■ POLICY OBJECTIVES

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

■ PRINCIPLES

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

■ CONCRETE ACTIONS

- A list of prohibited companies is regularly updated (132 companies excluded and 36 are being watched)
- Refusal of financing transactions through the application of standard compliance channels
- **Revision of the sector policy in March 2012 (integrates corruption, small arms, etc.)**
- **In 2015, 37 of 323 transactions reviewed were rejected by CSR teams**

SECTOR POLICY: COAL-FIRED POWER GENERATION



■ OBJECTIVES

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

■ Grounds for exclusion for projects:

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

■ Grounds for exclusion for companies:

→ Inadequate disclosure of safety track record or environmental data

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

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

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

■ Policy update in 2015 : No further financing of coal-fired power plants in high-income countries. BNP Paribas will strengthen selection criteria in other countries

■ Concrete actions:

- Since 2011, for every 4 projects analysed, 3 were rejected
- Internal carbon pricing (2015) and integration of climate component in the projects and companies rating methodology

SECTOR POLICY: NUCLEAR POWER



■ OBJECTIVES

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

■ Grounds for exclusion for power plant projects:

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

■ Grounds for exclusion for nuclear companies:

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

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

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

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

■ Concrete actions:

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

SECTOR POLICY: AGRICULTURE

■ OBJECTIVES

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

SECTOR POLICY: PALM OIL

1st SECTION OF FORESTRY POLICY



■ OBJECTIVES

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

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

■ Grounds for exclusion:

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

■ Concrete actions:

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

SECTOR POLICY: WOOD PULP

2nd SECTION OF FORESTRY POLICY



■ OBJECTIVES

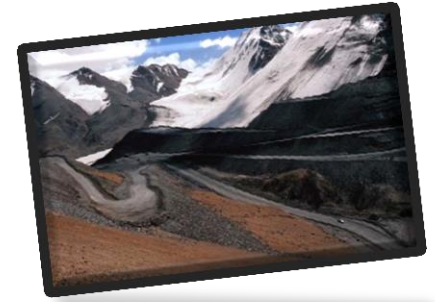
- Avoid financing or investing in companies that actively contribute to deforestation (loss of biodiversity, aggravation of climate change, etc.) and address concerns of NGOs

- BNP Paribas encourages companies to adopt best international industry practices and to move towards higher standards of sustainability (FSC and PEFC) and is also a signatory of the “Soft Commodities Compact” from the Banking Environment initiative and the Consumer Goods Forum

- **Grounds for exclusion for upstream pulp companies:**
 - No compliance with existing social and environmental laws and international regulations
 - Use of child or forced labour or no regular monitoring plan of health and safety conditions
 - No consultation process, acceptable compensation process and grievance mechanism
 - Use of illegally harvested wood or new plantations on high conservation value forests
 - No stringent peat land management procedure or no no-burn policy

- **Grounds for exclusion for pulp producers:**
 - Wood sourcing does not respect the above requirements
 - No compliance with existing social and environmental laws and international regulations
 - No use of Elementary Chlorine Free or Totally Chlorine Free process in new pulp mills or no actual transition in existing pulp mills
 - No regular monitoring plan of the workforce’s health and safety conditions

SECTOR POLICY: MINING



■ OBJECTIVES

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

■ Grounds for exclusion for projects:

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

■ Grounds for exclusion for mining companies:

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

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

■ **Policy update in 2015 for coal mining:** BNP Paribas will no longer finance coal mining activities, whether project or company financing, unless they have put in place an energy diversification strategy

■ Concrete actions:

- BNP Paribas already started to **terminate its relationships with 20 coal-mining or coal-power companies** that do not have energy diversification strategy. This represents an exposure of EUR 1 billion.

SECTOR POLICY: OIL SANDS



■ OBJECTIVES

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

■ Grounds for exclusion for projects:

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

■ Grounds for exclusion for oil sands companies:

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

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

GLOBAL STRATEGY : ENERGY TRANSITION FINANCING

BNP PARIBAS' NEW COMMITMENTS TO THE ENERGY TRANSITION

REDUCE OUR EXPOSURE TO COAL



- STOP FINANCING COAL-FIRED POWER PLANTS IN HIGH-REVENUE COUNTRIES, AND REINFORCE THE SELECTION CRITERIA IN OTHER COUNTRIES
- ONLY FINANCE COMPANIES WHICH ARE COMMITTED TO DIMINISHING THE SHARE OF COAL IN THEIR PRODUCTION
- STOP FINANCING COAL MINES

FINANCE THE ENERGY TRANSITION



DOUBLE OUR FINANCING IN RENEWABLE ENERGIES.

TARGET: €15 BILLION BY 2020



RANK AMONG THE TOP 3 ISSUERS OF EURO-DENOMINATED GREEN BONDS

ACCOMPANY TECHNOLOGICAL INNOVATION



SUPPORT INNOVATIVE START-UPS TO ACCELERATE THE ENERGY TRANSITION.

INVESTMENT:
€100 MILLION BY 2020

STRENGTHEN CARBON RISK MANAGEMENT

- SYSTEMATIC USE OF INTERNAL CARBON PRICE
- ADAPTATION OF RATING METHODOLOGIES TO TAKE CLIMATE CHANGE INTO ACCOUNT IN COMPANIES AND PROJECTS FINANCING

COMBAT DEFORESTATION

BNP PARIBAS SIGNED THE BEI SOFT COMMODITIES COMPACT AND COMMITTED TO A NET ZERO DEFORESTATION OBJECTIVE IN ITS FINANCING AND INVESTMENT ACTIVITIES.

CRITERIA TO PROTECT FORESTS ARE INCLUDED IN AGRICULTURE, PALM OIL AND WOOD PULP SECTOR POLICIES.

INVEST IN LOW CARBON ECONOMY

BNP PARIBAS INVESTMENT PARTNERS SIGNED THE MONTREAL CARBON PLEDGE AND THE PORTFOLIO DECARBONIZATION COALITION, WHICH ENGAGE TO MEASURE, PUBLISH AND REDUCE THE CARBON FOOTPRINT OF MANAGED FUNDS.

BNP PARIBAS OFFERS INVESTORS A LARGE RANGE OF LOW CARBON FUNDS.

REDUCE OUR OWN GREENHOUSE GAS EMISSIONS

