

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

2019 BNP PARIBAS STATEMENT



BNP PARIBAS

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The Modern Slavery Act ('MSA') came into force in the United Kingdom in 2015. It requires large organisations doing business in the UK to produce a 'Slavery and Human Trafficking' statement. The Act applies to both organisation subsidiaries and the parent organisation if they carry on a business or part of a business in the UK.

This Statement applies to BNP Paribas (the **Parent Company**) and its subsidiaries listed below (the **Subsidiaries**):

- BNP Paribas CIB
- Cardif Pinnacle
- Arval UK
- Real Estate UK
- BNP Paribas Personal Finance
- BNP Paribas Leasing Solutions
- BNP Paribas Asset Management UK Limited
- Opel Vauxhall Finance

The Parent Company and the Subsidiaries are together described as the **Group** in this Statement.

This Statement relates the steps that BNP Paribas and its Subsidiaries has taken to ensure that slavery and human trafficking are not taking place in its direct operations or supply chains. It also refers to the risk management that the Group has put in place in the context of its financing and investment activities, which govern the potential cases of human rights violations that may affect the activities of its clients. This Statement is for the financial year ended 31 December 2018. The Board and CEO of BNP Paribas attest annually that the Group complies with this Statement through the information provided by the respective departments of Corporate Social Responsibility (CSR), Procurement and Human Resources.

Introduction

BNP Paribas is a leading bank in Europe with an international reach. It operates in 72 countries and has more than 202, 000 employees, including nearly 155,000 in Europe. The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors.

BNP Paribas has had a presence in the UK for nearly 150 years. The UK is a key hub for the Group with a presence across BNP Paribas' core businesses: Corporate & Institutional



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Banking and Retail Banking & Services. There are about 7,900 employees in the UK with more than half based in and around London.

BNP Paribas and its Subsidiaries seek to be a contributor to responsible and sustainable global development. The Bank's ambition is to have a positive impact on its stakeholders and on the wider society. That is why the Group upholds the highest standard of conduct and ethics in the areas of human rights, labour, environment and anti-corruption.

Our commitment and policies

BNP Paribas and its Subsidiaries are committed to respecting a number of principles and norms which underpin the way it does business:

- the United Nations Sustainable Development Goals;
- the 10 Principles of the United Nations Global Compact;
- the United Nations Guiding Principles on Business and Human Rights;
- the internationally-accepted OECD Guidelines for multinational enterprises;
- the internationally-accepted standards of human rights, as defined in the International Bill of Human Rights;
- the core labour standards set out by the International Labour Organisation.

In addition to these public commitments, Group Policies are in place, which contribute to tackling numerous subjects on social, environmental and governance issues, including human rights violations. These include:

- BNP Paribas Group Code of conduct;
- the BNP Paribas statement on Human Rights;
- the BNP Paribas Suppliers CSR Charter;
- the BNP Paribas Responsible Business Principles.

Our employees

BNP Paribas commits to offer a working environment in which all employees are treated fairly. In particular, the Group focuses on respect, the need to apply the most stringent norms of professional behaviour and rejects all forms of discrimination. The existing Group's permanent policies and procedures notably include the Diversity policy and the remuneration principles which reaffirm the non-discrimination principle in the recruitment and career management of the employees.

The BNP Paribas' Code of conduct, whose rules must be understood and followed by all employees, confirms the Group's commitment against harassment, including sexual harassment.

On this basis, everyone within the Group has the responsibility to treat all colleagues with respect; make sure that interactions with colleagues are professional and effective at all times; listen to and value the input from colleagues, even if they express different views.

The BNP Paribas agreement on fundamental rights and the establishment of global minimum social standards (Global agreement), signed with the UNI Global Union on 18 September 2018, sets up an ambitious plan to fight against inequalities and indecent working conditions in all countries where the Group operates.

Raising concerns

All BNP Paribas Group employees should report any proven or suspected breach of the Group's Code of conduct or of a Group policy, procedure or regulation to their line manager.

Alternatively, they are entitled to raise an ethical alert within the framework of the Group whistleblowing procedure.

Any concern about an issue or a suspicion on human rights within the BNP Paribas business operations or in the supply chain can be reported in accordance with the Group whistleblowing procedure, unless local regulations or procedures provide otherwise.

Our whistleblowing policy ensures that action taken in good faith by an employee in connection with the mechanism will not cause the employee to be penalised in any way.

Our suppliers

BNP Paribas believes that the behaviour of suppliers must also adhere to its commitments on Environmental, Social and Governance (ESG) issues.

Within the Group Procurement Department, the Risks teams and Responsible Procurement teams monitor the CSR risks related to the activities of suppliers and subcontractors. The Group Procurement Department relies in particular on the department's standards and requirements in force which are applicable across the Group and provide for environmental and social criteria to be taken into consideration in the suppliers' selection process. In addition, in 2018, the Group's Procurement Department, working with three other French banks, completed an initial version of the environmental and social risk mapping by procurement category initiated in 2017, using a common methodology. Since the autumn of 2018, this mapping has been tested in several BNP Paribas entities.

In addition to the risk identification procedures, the Group has tools to prevent and evaluate environmental, social and governance (ESG) risks:

- a new supplier CSR charter developed with the same three French banks was published online.

This text sets out the reciprocal commitments of the Group and its suppliers and subcontractors from an environmental and social standpoint and states in particular the obligations specified in the following reference texts:

- the Universal Declaration of Human Rights of 1948 and its two additional covenants,
- the 8 Conventions of the International Labour Organization, in particular regarding the minimum age for employment, child labour and abolition of forced and compulsory labour;
- contractual clauses that require compliance with the conventions of the International Labour Organization were introduced in supplier contract standard templates. These clauses apply in all countries where suppliers are located and are intended to be shared by their own suppliers, subcontractors and distributors;
- calls for tenders include the CSR assessment of suppliers and subcontractors, with the deployment of a sustainability questionnaire that includes specific clauses on environment, ethics and human rights.

Our banking and financial activities

BNP Paribas serves millions of individual customers and professionals, entrepreneurs, small and medium-sized enterprises and large corporate clients in industries with multiple ESG issues, and operates in countries where legal and governance systems are at diverse levels of development. BNP Paribas strives to reduce potential violation of social and environmental rights, including human rights, from its financing and investment activities. Its ESG risk management system¹ is Group-wide and based on:

- the respect of the Equator Principles for major industrial and infrastructure projects;
- the integration of ESG criteria in the Know Your Customer ('KYC') process;
- the development of financing and investment policies managing the Group's activities in sectors with significant ESG issues;
- the implementation of a specific ESG risk assessment framework for its products and services.

¹ For more information, refer to the Group's 2018 Registration document, Commitment 3, Systematic integration and management of environmental, social and governance risks; Commitment 8, Combat social exclusion and promote respect for human rights; and chapter 7.6, Duty of care: 2018 BNP Paribas' vigilance plan.

Awareness and training

BNP Paribas took part in the development of an awareness-raising e-learning module called 'Business and Human Rights' and co-created with the other members of the French association Entreprises pour les Droits de l'Homme (Enterprises for Human Rights - EDH). Aimed at employees of EDH member companies, this module is included in the BNP Paribas training catalogue, accessible to all employees. It is mandatory for all employees who directly contribute to the promotion of human rights: Risk people, Procurement business lines, business relations officers in CIB and the CSR network.

This initiative is monitored by one of the thirteen managing indicators of the BNP Paribas' CSR strategy: the 'percentage of employees contributing directly to the promotion of human rights who have received a specific training'. This indicator is also one of the nine CSR indicators used in calculating the deferred variable compensation of the Group's 6,750 key employees. These nine indicators account for 20% of the conditions for attributing this compensation.

Jean-Laurent BONNAFE
Director and Chief Executive Officer

Jean LEMIERRE
Chairman of the Board of Directors

February 22, 2019

