

## MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

The Modern Slavery Act ("MSA") came into force in the United Kingdom in 2015 requiring 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<sup>(1)</sup> relates the steps that BNP Paribas 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 process the Group has put in place to mitigate potential human rights violation from its financing and investment activities. This Statement is for the financial year ended 31 December 2017. The Board and CEO 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 has a presence in 73 countries, with more than 196,000 employees, including more than 148,000 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 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 seeks 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 is 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;
- Statement of BNP Paribas on Human Rights;
- BNP Paribas Suppliers CSR Charter.

### 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 2016 update of the Group's Code of conduct, which rules all BNP Paribas' employees must understand and follow, reinforce 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.

### Raising concerns

All BNP Paribas 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.

<sup>(1)</sup> This Statement applies to all companies within the BNP Paribas Group that are required to have a slavery and modern trafficking statement, except where they have chosen to produce their own statement.

## OUR SUPPLIERS

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

Within Group Procurement central team, a structure dedicated to Sustainable Procurement manages the CSR risks linked to the suppliers and subcontractors activities. The Procurement department notably relies on the department's standards and requirements in force which are applicable across the Group and which provide for environmental and social criteria to be taken into consideration in the suppliers' selection process. In addition, Group Procurement updated in November 2016 its classification of its spend categories according to three levels of CSR risks.

BNP Paribas Procurement Group is one of the contributors of an interbank workshop currently working with AFNOR (French Norms Association) to finalize a new common Risk cartography in order to qualify the categories of purchases CSR risks. This cartography should be operational for the 2018 second semester after a testing period.

As a complement to these approaches to identify risks, BNP Paribas Group Procurement has implemented tools to prevent and mitigate CSR risks in its supply chain:

- The BNP Paribas Suppliers CSR Charter, which states since 2012 the Group's environmental and social commitments *vis-à-vis* its suppliers and subcontractors, and notably specifies the requirements of 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 minimum age and child labour and abolition of forced and compulsory labour.
- the inclusion of contractual clauses in supplier contract standard templates, that requires the suppliers to observe the principles of the conventions of the International Labor Organization in all countries in which it operates and to make every effort to ensure its application by its own suppliers, subcontractors and distributors;
- the CSR assessment of suppliers and subcontractors as part of requests of proposals (over 2,500 assessments performed in 2017), with the deployment of a sustainability questionnaire, including specific clauses on environment, ethics and human rights.

Jean-Laurent BONNAFE  
Chief Executive Officer

Jean LEMIERRE  
Chairman of the Board of Directors

3 February 2018

## OUR CLIENTS

BNP Paribas serves millions 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 mitigate potential violation of social or environmental rights, including human rights, from its financing and investment activities. Its ESG risk management system<sup>(1)</sup> 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.

## 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. 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 6,300 top managers, accounting for 20% of the conditions for attributing this compensation.

(1) For more information, refer to the Group's 2017 Registration Document, Commitment 3, Systematic integration and management of environmental, social and governance risks; and Commitment 8, Combating social exclusion and promoting respect for human rights.