

BNP PARIBAS SUPPLIERS' CSR CHARTER

Corporate and Social Responsibility (CSR) Commitments for BNP Paribas Suppliers

By signing the United Nations Global Compact (see www.unglobalcompact.org and Appendix 2) from June 2003, BNP Paribas has committed to apply, promote and support the basic principles of Corporate Social Responsibility (CSR).

The Procurement Function has decided to apply the guiding principles of BNP Paribas's CSR policy to its activity in order to contribute to the Group's CSR goals.

This "Suppliers' Code of Conduct" aims to share the principles of sustainable procurement at BNP Paribas with suppliers (existing and potential) and specify the commitments expected from suppliers.

This "Code of Conduct" applies to all suppliers working with BNP Paribas SA and its subsidiaries.

I. Sustainable Procurement Guidelines at BNP Paribas

In the area of procurement, the BNP Paribas Group has adopted the following principles:

1. Use Sustainable Development as a procurement performance lever for BNP Paribas and for suppliers

- BNP Paribas defines Sustainable Procurement as an acquisition of goods or services while considering social and environmental factors as well as financial, technical and operational factors in making procurement decisions.
- Sustainable Procurement contributes to economic performance as it requires to pay attention to a rational use of the goods and services purchased and to take into account, not only their face value, but also the costs and risks generated by their usage throughout the life cycle.
- The role of the Procurement Function in this matter is not to advise Group Business Lines and Functions to choose Sustainable Procurement "at any cost" but to always provide internal clients with input for decision-making based on a rational analysis of costs, quality and risks integrating CSR criteria, looking for the "best offer".

2. Enforce the commitments defined by the Group through procurement actions

- Any person performing an act of purchase in the BNP Paribas group must consider the group's guidelines for Corporate Social Responsibility as they are implemented in each Entity and Country.
- The Procurement Function conveys these guidelines and as such:
 - Integrates in its actions the corporate and social commitments defined by the Group and its Business Lines
 - Strives to integrate in its decision-making process the analysis of the environmental or social impact of the goods and services purchased (identifying certifications and ecolabels recognized by the Group while looking for potential suppliers; life cycle assessment for internal needs analyses or market analyses and supplier CSR rating at the selection stage)



- To assess the competitiveness of offers, the Procurement Function strives to:
 - Consider all cost components and not only the price of the goods or services:
 - the related logistics costs borne directly by the buyer (transportation, storage, etc.)
 - the after-sales costs calculated on the basis of equivalent services
 - the entire length of the technical development process
 - the training and upskilling time
 - the costs of CSR and quality audits
 - the costs of sunsetting and end-of-life management , etc.
 - To incorporate, especially when subcontracting, all the unknowns in the evaluation of these total costs such as:
 - disruption in supplies
 - product and service compliance
 - risks associated with disputes
 - currency fluctuations
 - social and political risks not covered by insurance
 - reliability of after-sales service, etc.
 - with their potential repercussions in terms of operating losses and impact on corporate image.

3. Comply with the rules of conduct governing a fair selection process

- The Procurement Code of Conduct applying to Relations between Employees of the Group and Suppliers states the rules professional and personal conduct that ensure the conditions for fair competition and a fair selection process for Suppliers.
- They include specific provisions about conflicts of interests, gifts and invitations.
 - During consultation of suppliers, which are "sensitive" periods, the rules prohibit BNP Paribas employees that might involved directly or indirectly in the decision-making process from accepting any gift, donation or invitation of any kind from a supplier involved in the consultation.
 - Outside of sensitive periods, the rules prohibit accepting any gift, donation or invitation exceeding a reasonable amount or received outside of the workplace.

4. Guarantee fair financial treatment for suppliers

- BNP Paribas has decided to adopt a responsible conduct towards suppliers and make payments in accordance with the applicable rules and regulations. Especially in France, the Group undertakes to refrain from distorting the spirit of the Economic Modernization Act (LME - *Loi de modernisation de l'économie*) and to refrain, in its dealings with small and medium-sized enterprises, from practices such as:
 - Imposing excessive discount rates in return for compliance with the LME payment terms
 - Unilaterally applying an unreasonable deduction for disputes when they make payments, except where otherwise stipulated by contractual provisions
 - Withholding information from the supplier in the event of a dispute
 - Deliberately delaying the handling of a dispute.

5. Reduce the risks of mutual dependence between contractors and suppliers



- A contractor that accounts for too much weight in a supplier's business could represent a risk in the event of a sudden change in order volumes. Consequently, any actions that suppliers, especially SMEs, may take (diversification, internationalization and improved expertise) will be positive initiatives for BNP Paribas.
- A supplier that acquires a *de facto* technical monopoly may put BNP Paribas's supplies at risk. In this case, the BNP Paribas would logically decide to select a second supply source.
- BNP Paribas seeks to reduce the risks of mutual dependence in its relations with its suppliers and in particular to implement mutually agreed withdrawals that will be notified in advance and phased to in order to take into account the long-standing nature of relations with the business and, where applicable, the extent of the dependence and its possibilities for diversification and adaptation.

6. Provide remedy in the event of difficulties

- In accordance with the charter signed between the Credit Mediation Department and the CDAF (*Compagnie des dirigeants et acheteurs de France* – The Company of Executives and Buyers in France), which governs the relations between large contractors and SMEs, BNP Paribas provides suppliers with a remedy, in the event of difficulties in its relation with BNP Paribas (in France, appointment of an "SME mediator"): PARIS ITP MEDIATION INTERNE FOURNISSEURS@bnpparibas.com).

7. Adopt a common progress approach with Suppliers

- The Procurement Function of the BNP Paribas Group wants to promote the suppliers that accompany the Group in its CSR policy and in particularly those that offer solutions that contribute to reducing its environmental impact or to improving its social impact necessary, the Procurement Function proceeds to setting up progress plans defined jointly with the suppliers regarding CSR issues.

II. Commitments from BNP Paribas suppliers

The BNP Paribas Group expects their Suppliers to comply with the following principles:

1. The Supplier will comply with laws and regulations

- a. The Supplier will comply with environmental and social laws and regulations applicable in the countries where they operate.
- b. The Supplier will comply with the social principles stated in the following reference texts in the countries that have ratified them:
 - Universal Declaration of Human Rights of 1948 and its two additional covenants (the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights).
 - Conventions of the International Labor Organization (see Appendix 2), in particular regarding minimum age and child labor, freedom of association, right to organize and to collective bargaining, abolition of forced and compulsory labor, the promotion of equal remuneration for women and men and the prohibition of discrimination at work.
- c. In the countries that have not ratified them, the Supplier will make their best efforts to at least strive to follow the human rights principles of the Global Compact (see appendix 1).
- d. The Supplier will obtain similar commitments from their own suppliers, subcontractors and distributors.



2. The Supplier will comply with the best practices of professional ethics when dealing with BNP Paribas and its employees

- a. This principle is the 10th principle of the Global Compact (see below) on working against corruption in all its forms. Repressive provisions (articles 445.1 *et seq.* of the French Criminal Code and similar laws in foreign jurisdictions) fully apply to relations between private economic actors.
- b. The Supplier will not attempt to win a contract through practices that would be unfair or could more or less be considered corruption. Any such attempt through a BNP Paribas employee is unacceptable. In particular, the Supplier will not give any gift, donation, benefits in cash or in kind, or invitation that would go against the internal rules of BNP Paribas.
- c. Regarding invitations, the Supplier will comply with the principle that states that all invitations must be intended only to give BNP Paribas the opportunity to have a better knowledge of the Supplier's goods or services. Therefore, it is strictly prohibited to propose to Group employees invitations to leisure events or to events including a significant part of leisure or including a close relation of the employee's.
- d. If the Supplier acts as prescriber or intermediary between BNP Paribas and an end Supplier, it will not accept any type of compensation, in cash or in kind, from the end Supplier during the assignment, without the agreement of BNP Paribas.

3. The Supplier will inform BNP Paribas of any breach

- a. The Supplier will inform BNP Paribas at the earliest of any breach of the business code of conducts by one of its employe (or by one of its suppliers) or of the environmental and social regulation, concerning directly or indirectly its relation with B Paribas or that may damage BNP Paribas's reputation.

4. The Supplier will provide BNP Paribas with the agreed data

- a. The Supplier will provide the contractually agreed data that is required by BNP Paribas for its annual reports and its annual CSR reports. The Supplier will guarantee the reliability of the information in compliance with the formats and deadlines agreed, in particular regarding the annual environmental reports.
- b. It will communicate, upon request from BNP Paribas, any environmental and social ratings, certifications and labels issued by a certifying body or rating agency to part or all of its CSR policy.

Not abiding by principles II-1 to 3 or any breach of these principles by an existing Supplier may lead BNP Paribas to exclude the Supplier from a consultation or from its panel of suppliers.

III. Commitments relating to a common progress approach

BNP Paribas wishes to promote the suppliers that support its Sustainable Procurement approach. During consultations, BNP Paribas will consider the following aspects:

1. CSR Commitments of the Supplier

- a. Definition of a CSR policy covering social, environmental and economical aspects and that is suited to the size and nature of the supplier's business.



- b. CSR commitments made by the Suppliers such as the Global Compact, of its own initiative or as part of initiatives launched by its sector or industry.
- c. Adoption of standards and guidelines that guide its CSR policy (such as ISO 26000) or of the related reports (such as the GRI).

2. Environmental policy

- a. Definition of an environmental policy covering the use of raw materials, energy consumption, emissions of greenhouse gases and waste management.
- b. Implementation of an eco-design approach
- c. Adoption by the Supplier of an environmental management system such as ISO 14001, EMAS (Eco Management Audit Scheme) or equivalent, to monitor the progress of its environmental policy and related certifications.
- d. Solutions offered by the Supplier to help BNP Paribas to balance its savings goals and its environmental goals (developing eco-friendly technologies, in particular as regards reducing greenhouse gas emissions, energy savings and recycling.)

3. Social and anti-discrimination policy

- a. Definition of a proactive policy regarding working conditions, health and safety at work, equal opportunities and preventing discrimination and exclusion.
- b. In particular, a policy to promote the employment of people with disabilities.
- c. Commitments made by the Supplier or the labels and certifications they have earned in this area (such as the AFN Diversity label and the AGEFIPH convention in France).

4. Supplier's procurement policy

- a. Definition of a sustainable procurement policy with the supplier's own suppliers.
- b. Approach undertaken by the Supplier to involve their own suppliers, subcontractors and distributors to commit on the principles listed above.

If necessary, the Buyer and the Supplier will mutually define a progress plan that will be monitored regularly. The Supplier will inform BNP Paribas of any difficulty they might face in implementing the actions that have been decided.



IV. Appendix

1. THE 10 PRINCIPLES OF THE GLOBAL COMPACT

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards and environmental practices:

HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

LABOR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labor;
5. The effective abolition of child labor; and
6. The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Businesses should work against corruption in all its forms, including extortion and bribery.

2. LIST OF ILO CONVENTIONS

- No.87 - Freedom of Association and Protection of the Right to Organize Convention (1948)
- No.98 - Right to Organize and Collective Bargaining Convention (1949)
- No.29 - Forced Labor Convention (1930)
- No.105 - Abolition of Forced Labor Convention (1957)
- No.138 - Minimum Age Convention (1973)
- No.182 - Worst Forms of Child Labor Convention (1999)
- No.100 - Equal Remuneration Convention (1951)
- No. 111 - Discrimination (Employment and Occupation) Convention (1958)