



**BNP PARIBAS**

Corporate Social Responsibility

December 3, 2010

### **Statement of continued support for the United Nations Global Compact**

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The BNP Paribas Group joined the United Nations Global Compact in 2003 and has since continuously promoted the principles evoked within its framework. As our annual Report on Social and Environmental Responsibility 2009 shows, criteria for social and environmental responsibility are integrated in all aspects of our business. It is thus with firm conviction that our Group hereby renews its support for the Global Compact.

Sustainable development requires a continuous and long term commitment. BNP Paribas has committed to this objective, making a constant and comprehensive effort to include the CSR perspective in all its internal and external processes. The Group shows a particular dedication to the fight against money laundering, the financing of terrorism, and corruption. This initiative is rooted in BNP Paribas' core values. It applies to our business relations, regardless of the nature of the operation effected with respect to the client, whether in finance or investment. In the same manner, rules governing supplier relations as well as an ethical code for staff behaviour are precisely defined. It is with this same vigour that the Group approaches all challenges encountered in regards to CSR.

Member of the Steering Committee of the Global Compact in France, BNP Paribas is pleased to be among the seven hundred French companies having committed to the voluntary application of the principles.

A handwritten signature in black ink, reading "M. Pébereau".

Michel Pébereau



## Presentation of our action to implement the 10 principles of the Global Compact

Corruption constitutes a major criminal offense in most countries in which BNP Paribas has established a presence. As of 2004, the fight against corruption is also one of the four fundamental principles of the Global Compact. Firmly rooted in the Group's values, it plays an equally essential role in company policies and management.

Published as a letter from General Management addressed to the Group's executives, BNP Paribas first defined an **anti-corruption policy** in the year 2000. More specific policies in regards to corruption, conflicts of interest and employee ethics, as well as money laundering were distributed on a Group level in 2001 and have been the subject of regular updates since then. The latter are currently under revision to integrate the obligations established by the Third European Money Laundering Directive, particularly in regards to politically exposed persons (PEP). The rules and regulations fixed in the framework of these policies apply to all employees and partners of BNP Paribas across all worldwide locations in which business is conducted. Disseminated at Group level, these policies are then further refined by the different divisions, business units, and regions, so as to take into account individual particularities and local regulations. BNP Paribas generally applies the strictest existing regulations.

In line with the emphasis of corruption in BNP Paribas' policies, the **management of non-compliance risks** is at the heart of internal control. The identification of shortcomings in procedures rests on two pillars: an ethical alert mechanism and the permanent system of internal control which is subject to a systematic and independent audit by the Internal Audit Department. Placed under the authority of the Chief Executive Officer, the division Group Conformity has direct and independent access to the Internal Control, Risk Management and Compliance Committee of the Board. It is composed of a central control structure based in Paris and decentralised teams in the different divisions, business units and functions.

The subordinated **Financial Security** unit, in charge of all matters pertaining to the fight against money laundering and corruption, has been growing continuously since 2004 and currently employs over 300 in staff. Exemplary of BNP Paribas' commitment, it has formalised a list of 14 control mechanisms covering client information, transaction surveillance, ethical alerts, the filtering of client names and international monetary flows, and sanctions. The risk of corruption is an integral part of our evaluation of countries sensitive to the risk of money laundering. Applicable procedures envisage above all the detection of persons or entities particularly exposed to the risk of corruption. PEP's are identified through the mandatory consultation of a global database managed by Factiva Dow Jones upon entering in a direct or indirect relationship with a natural person. A search engine allows to regularly filter client bases for persons turned PEP's subsequently to the establishment of business relations. Relations thus identified as sensitive to the risk of corruption are subject to increased vigilance; thresholds for transaction surveillance are lowered and client records more frequently reviewed. In case of persisting doubts as to the legitimacy of a transaction, an official suspicious activity report is issued. Relevant public authorities – *L'Autorité de Contrôle Prudentiel* as the responsible institution for banks and insurances in France – are regularly informed of detected breaches, in France as well as world-wide.

BNP Paribas urges all of its employees to attend regular **training** in concerns to the issues mentioned above. The training programme is closely monitored and presented annually in a statement made to regulatory bodies. Between March 2009 and March 2010, close to 100'000 employees took advantage of the training offer. Correspondingly, all suppliers operating on a global scale receive an annual letter evoking the rules of BNP Paribas with respect to these matters.