

GOODS AND ACTIVITIES EXCLUSION LIST



BNP PARIBAS

Classification: External

The bank
for a changing
world

TABLE OF CONTENTS

INTRODUCTION – BNP PARIBAS GROUP PUBLIC DISCLOSURE	4
1. ADAPTATION, RESPONSIBILITY AND CONTROL OF IMPLEMENTATION	5
1.1 ADAPTATION	5
1.2 RESPONSIBILITIES	5
1.3 EXCLUSION LIST	5
1.4 CONTROL OF IMPLEMENTATION	5
2. CONTROVERSIAL WEAPONS	5
3. DRIFT NETS	5
3.1 BNP PARIBAS EXCLUSION DECISION	5
3.2 CSR ISSUES	5
3.3 REGULATION	6
3.4 OPERATIONAL IMPLEMENTATION OF COMMITMENT	6
3.5 MAIN COUNTRIES AT RISK IN RELATION TO THIS EXCLUSION	6
4. ASBESTOS FIBERS	6
4.1 BNP PARIBAS EXCLUSION DECISION	6
4.2 CSR ISSUES	6
4.3 REGULATION	7
4.4 OPERATIONAL IMPLEMENTATION OF COMMITMENT	8
4.5 MAIN COUNTRIES AT RISK IN RELATION TO THIS EXCLUSION	8
5. POLYCHLORINATED BIPHENYLS (PCB'S)	8
5.1 BNP PARIBAS EXCLUSION DECISION	8
5.2 CSR ISSUES	8
5.3 REGULATION	9
5.4 OPERATIONAL IMPLEMENTATION OF COMMITMENT	9
5.5 MAIN COUNTRIES AT RISK IN RELATION TO THIS EXCLUSION	9
6. CITES – PROTECTED SPECIES	9
6.1 BNP PARIBAS EXCLUSION DECISION	9
6.2 CSR ISSUES	10
6.3 REGULATION	10
6.4 OPERATIONAL IMPLEMENTATION OF COMMITMENT	10
6.5 MAIN COUNTRIES AT RISK IN RELATION TO THIS EXCLUSION	10
7. TOBACCO	11
7.1 BNP PARIBAS EXCLUSION DECISION	11



BNP PARIBAS

Classification: External

The bank
for a changing
world

7.2 CSR ISSUES 11
7.3 REGULATION 11
7.4 OPERATIONAL IMPLEMENTATION OF COMMITMENT 11

INTRODUCTION – BNP PARIBAS GROUP PUBLIC DISCLOSURE

As a signatory of the United Nations Global Compact, the BNP Paribas Group has committed to ensuring that it is not complicit in abuses of fundamental rights (which include the right to health) and to supporting a more prudent approach to addressing environmental issues.

In order to honor these commitments and within the scope of its Corporate Social Responsibility policy, BNP Paribas has chosen not to engage in any financing, investments or transactions with the greatest risk of impacting the health and safety of populations, protected species or the environment in general. With this aim, BNP Paribas has drafted a list of goods which are excluded from all the Group's transactions.

Approved by Group General Management, the list has been established on the basis of treaties, laws, regulations and decrees recognized internationally to regulate the production of and trade in the goods in question.

BNP Paribas does not knowingly participate in any financing, investments or transactions involving products subject to national or international bans.

Furthermore, BNP Paribas has decided to apply the strictest existing legal framework to all its financing, investments and transactions involving the goods and activities listed below, even where local legislation is less restrictive.

This policy applies to all BNP Paribas Group entities, including subsidiaries and joint ventures under the direct control of the Group.

BNP Paribas will not engage in financing, investments or transactions involving:

- The production or trade in **controversial weapons** within the scope of the Group's defense sector policy (published in 2010).
- The production, trade or use of **drift nets over 2.5 kilometers** in length.
- The production of **asbestos fibers**.
- The production or trade in **products containing PCBs** (polychlorinated biphenyls)¹.
- The trade in any plant or animal species or products governed by the Convention on International Trade in Endangered Species of Wild Fauna or Flora (CITES) which are not authorized by a CITES permit.
- Activities mainly related to tobacco.

An internal procedure approved by the head of BNP Paribas' CSR Department outlines operational implementation and internal control conditions for this commitment.

End of public disclosure

¹ Commonly known in France as "Pyrallene"



1. ADAPTATION, RESPONSIBILITY AND CONTROL OF IMPLEMENTATION

1.1 ADAPTATION

The Business Lines affected by the implementation of this procedure will adapt it as required, under the authority of 20PC teams.

1.2 RESPONSIBILITIES

In addition to the procedure coordinators, the CSR network is in charge of the procedure distribution to the concerned Business Lines as well as the organization of necessary training for its adoption, with the support of the Group's CSR Department.

The procedure will be put to application by the Business Lines whose counterparties or transactions are susceptible to fall under one of these exclusions.

1.3 EXCLUSION LIST

Companies that are found to be in breach with any one of these restrictions will be placed on a company exclusion list. This exclusion list, which is strictly for internal use only, will be made available to both CSR and Compliance correspondents. It will also be accessible to authorized users through Vigilance.

1.4 CONTROL OF IMPLEMENTATION

The implementation of this procedure will be controlled via the CSR control plan for each entity. This control plan will be produced by the OPC entities on the basis of the Group-wide CSR control plan due to be drafted by the CSR Department in 2015.

2. CONTROVERSIAL WEAPONS

Controversial weapons are defined in the Defense sector policy. **The applicable procedures for Defense and armament are sector policy RSE0009EN and application procedure RSE0015EN.**

3. DRIFT NETS

3.1 BNP PARIBAS EXCLUSION DECISION

BNP Paribas will not finance the production, trade or use of drift nets over 2.5 kilometers in length.

3.2 CSR ISSUES

Drift nets are extremely long fishing nets which float on the surface of the water and are not anchored to the fishing vessel. They can be more than 90 kilometers in length and are a highly destructive and indiscriminate fishing technique that unnecessarily endangers marine eco-systems. If lost at sea, these non-biodegradable nets become macro-waste carried along by currents or tides. They act as traps for marine life, contributing to the pollution and degradation of marine eco-systems.



BNP PARIBAS

Classification: External

**The bank
for a changing
world**

3.3 REGULATION

The use of drift nets over 2.5 kilometers in length is banned by:

- UN Resolution 44/225 (1992).
- European Union (the ban took effect in 2002).
- International Convention for the Conservation of Atlantic Tunas (2003).
- General Fisheries Commission for the Mediterranean (1997, 2005).

3.4 OPERATIONAL IMPLEMENTATION OF COMMITMENT

No financing will be granted if the collateral is a drift net over 2.5 kilometers in length, even if drift nets are permitted by local legislation.

No financing or investment will be granted to a client who has been convicted for using drift nets over 2.5 kilometers in length or who may use them under local regulations.

One should ensure that clients producing, trading or using fishing nets are not located in countries at risk, as defined in section 3.5. If so, one should make clients are not using, trading or producing drift net over 2.5 kilometers in length and that they were never convicted for this offence.

3.5 MAIN COUNTRIES AT RISK IN RELATION TO THIS EXCLUSION

The Mediterranean Basin: (in particular France, Italy, Morocco, Greece);

Baltic Sea countries: (Denmark, Germany, Poland, Baltic States, Scandinavia, Russia); Japan, South Korea, Taiwan, Sri Lanka, Thailand.

CSR CONTACT FOR ASSISTANCE WITH POLICY IMPLEMENTATION

For any further information, those Business Lines that are to finance transactions involving fishing nets or fisheries and are unsure whether the transaction complies with this policy, they can contact the CSR team in their Core Business or the Group CSR Department.

4. ASBESTOS FIBERS

4.1 BNP PARIBAS EXCLUSION DECISION

BNP Paribas will not finance the extraction or production of asbestos fibers.

4.2 CSR ISSUES

The term “asbestos” refers to a set of silicate minerals made up of microscopic fibers. Asbestos was long used in industrial and commercial applications because of its physicochemical properties, including resistance to fire, low thermal, acoustic and electrical conductivity, mechanical resistance, resistance to chemical attacks and elasticity.

The inhalation of asbestos fibers is dangerous and can cause serious illnesses, such as asbestosis and cancer, which can take up to 40 years to develop after the start of exposure.

Asbestos was used on a massive scale for more than 130 years. Asbestos consumption in France peaked between 1973 and 1975.



BNP PARIBAS

Classification: External

**The bank
for a changing
world**

Classification according to form of asbestos use:

1) Loosely bound or unbound (friable) asbestos:

- loose raw asbestos used as thermal insulation in the form of loose fill insulation or flocking (sprayed on), which can be found in some old steel-framed buildings
- woven or braided asbestos for thermal insulation of pipes, personal protective equipment, electrical wiring, etc.
- asbestos paper or board (from 5 to 50mm thick) used for thermal insulation of heaters, suspended ceilings, seals, fireproof partition walls, etc.
- asbestos felt, mainly used for filters.

2) Bonded asbestos:

- asbestos powder added to gypsum plaster mortar, high-bond mortar, bonding agents, plaster patching compounds, etc.
- asbestos mixed with cement (asbestos cement) used in a range of construction materials: corrugated sheets, outside wall sheeting, ventilation ducts, pipes, etc., particularly found in older prefabricated buildings.
- mineral filler in paints, varnishes, sealants, insulating foam, etc.
- asbestos added to plastics for seals, coatings, household utensils, brake linings, clutch facings, etc.
- asbestos added to asphalt for roof waterproofing, anti-corrosion coatings, road surfacing, etc.

Inhaling asbestos fibers can cause serious diseases, including lung cancer and other respiratory diseases. The World Health Organization has estimated that 100,000 workers die each year from asbestos-related diseases resulting from exposure to asbestos during asbestos production (mining and crushing).

Furthermore, **financing asbestos extraction could result in a major reputation risk for BNP Paribas** because asbestos workers are exposed to extreme health risks.

4.3 REGULATION

More than 50 countries have already banned asbestos, in particular:

1) Europe:

- The 28 members of the European Union, as well as Iceland, Norway, Serbia, Switzerland and Turkey.

2) North, South and Central America:

- Argentina, Chile, Honduras, Uruguay.
- The situation in the United States is a legally complex one:

Asbestos is largely banned in the US, but there is no complete ban. On October 4, 2007, the US Senate unanimously voted to pass an act banning the import and use of asbestos. The 1989 ban issued by the United States Environmental Protection Agency (EPA), however, was partly overturned by a court of appeals.

- Prohibitory orders are in force in several states of Brazil, including São Paulo, Rio de Janeiro, Rio Grande do Sul and Pernambuco (N.B. These four states are home to 40% of Brazil's population).
- In a joint declaration signed on June 9, 2010 [see document (in Spanish)], the health ministers of Argentina, Bolivia, Brazil, Chile, Ecuador, Paraguay, Peru, Uruguay and Venezuela underlined the hazards of asbestos and made a commitment to ban asbestos (for those states yet to ban it).



BNP PARIBAS

Classification: External

**The bank
for a changing
world**

3) Asia:

- Saudi Arabia, Bahrain, Brunei, South Korea, Israel, Japan, Jordan, Kuwait, Mongolia, Oman, Qatar.
- Some countries such as Singapore and Taiwan have issued stringent restrictions which have stopped the use of asbestos.
- The National Health Assembly in Thailand (N.B. Thailand is one of the biggest consumers of asbestos) voted a resolution banning asbestos on December 16, 2010. The ban has not yet come into effect.

4) Africa:

- South Africa, Algeria, Gabon, Egypt, Mozambique and Seychelles.

5) Oceania:

- Australia and New Caledonia.
- New Zealand banned the import of raw asbestos, but in theory the import of products containing asbestos is still legal.

4.4 OPERATIONAL IMPLEMENTATION OF COMMITMENT

No financing will be granted for asbestos mines or asbestos fiber production facilities.

Furthermore, the Group has chosen to cease all business transactions with the main asbestos producers in order to preserve its reputation. The Group refuses to do business with any of these companies, provide them with products or services or invest in them for its own proprietary account or within the framework of management mandates.

4.5 MAIN COUNTRIES AT RISK IN RELATION TO THIS EXCLUSION

Canada, Russia, Brazil, Vietnam, India, Pakistan, Philippines, China, Kazakhstan, Zimbabwe, Thailand.

CSR CONTACT FOR ASSISTANCE WITH POLICY IMPLEMENTATION

For any further information, those Business Lines that are to finance clients or transactions involving asbestos and are unsure whether the transaction complies with this policy, they can contact the CSR team in their Core Business or the Group CSR Department.

5. POLYCHLORINATED BIPHENYLS (PCB'S)**5.1 BNP PARIBAS EXCLUSION DECISION**

BNP Paribas will not finance any transactions involving PCBs (trade and production).

BNP Paribas will not finance any transactions involving equipment that contains PCBs in countries that are not parties to the Stockholm Convention or the United States because the Group believes that the lack of a legal framework governing PCBs in these countries exposes it to a major health and environmental risk.

5.2 CSR ISSUES

Polychlorinated biphenyls (PCBs), more commonly known in French-speaking countries as "Pyralene", are man-made chemical compounds consisting of chlorine, carbon and hydrogen. PCBs were used by the electrical industry for their insulating properties, stability at high temperatures and resistance to



BNP PARIBAS

Classification: External

**The bank
for a changing
world**

acids, bases and oxidants. They are extremely harmful to human health and the environment. Toxic and carcinogenic, PCBs have ecotoxic and reprotoxic properties (they act as endocrine disruptors even at very low doses). They are highly resistant (with a half-life of up to 2,700 years) and remain widespread in the environment despite being banned almost everywhere in the world.

5.3 REGULATION

The Stockholm Convention on Persistent Organic Pollutants, which came into force on May 17, 2004, banned PCBs along with other chemical substances. The European Union ratified the Convention on November 16, 2004, thereby enabling States which had not yet ratified the Convention (e.g. Italy) to transpose it into national law. The Convention does not allow Parties to obtain any exemptions from the ban on PCB production.

While the United States is not a party to the Stockholm Convention, PCBs have been banned by the US Congress since 1979.

5.4 OPERATIONAL IMPLEMENTATION OF COMMITMENT

Regarding transactions between two states listed in 5.5, BNP Paribas needs to obtain assurance from the parties involved that the equipment or assets which may be financed by the Group do not contain PCBs.

These are mainly:

- Electric transformers.
- Plants or industrial facilities which may be equipped with electric transformers.

In the event of a transaction between a state listed in 5.5 and another state, a legal framework for the regulation of PCBs eliminates the need for any specific due diligence.

5.5 MAIN COUNTRIES AT RISK IN RELATION TO THIS EXCLUSION

Haiti, Zimbabwe, Saudi Arabia, Iraq, Israel, Uzbekistan, Turkmenistan, Afghanistan, Malaysia, Brunei Darussalam, and East Timor.

CSR CONTACT FOR ASSISTANCE WITH POLICY IMPLEMENTATION

For any further information, those Business Lines that are to finance transactions involving electric transformers or plants equipped with electric transformers in countries listed in 5.5 can contact the CSR team in their Core Business or the Group CSR Department.

6. CITES – PROTECTED SPECIES

6.1 BNP PARIBAS EXCLUSION DECISION

BNP Paribas expects its counterparties to observe the relevant CITES rules or the EU regulations where applicable. No financing or provision of products or services will be granted to a client convicted of infringing CITES rules or applicable local legislation.

Furthermore, BNP Paribas will not finance any transactions involving species listed in Appendix I of the



BNP PARIBAS

Classification: External

**The bank
for a changing
world**

CITES between non-member countries².

6.2 CSR ISSUES

The aim of an international agreement on trade in protected species is to ensure that the trade in the 34,000 species of plants and animals covered by the Convention does not threaten the conservation of biodiversity. The agreement also promotes the sustainable use of wild flora and fauna.

6.3 REGULATION

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) has a large international membership, with very few countries not parties to the agreement. The European Union does not implement CITES per se, but has adopted EU-wide regulations which harmonize and reinforce the implementation of the Convention.

The species protected by CITES are listed in four Appendices according to how threatened they are by international trade. Appendix I includes species threatened with extinction (Appendix A in Europe). The regulation covers live and dead plants and animals and their parts, as well as products derived from them, with the exception of certain special cases (e.g. objects produced prior to the date the Convention came into force).

6.4 OPERATIONAL IMPLEMENTATION OF COMMITMENT

BNP Paribas will require a CITES permit for any transaction involving plant or animal species (including shipments of wood) listed in Appendix I of the CITES.

Regarding transactions involving plant or animal species (including shipments of wood) between two states listed in 6.5, BNP Paribas needs to obtain assurance from the parties involved that the species are not listed in Appendix I of the CITES.

In the event of a transaction between a state listed in 6.5 and another state, a legal regulatory framework eliminates the need for any specific due diligence.

6.5 MAIN COUNTRIES AT RISK IN RELATION TO THIS EXCLUSION

Andorra, Angola, Bahrain, North Korea, Micronesia, Haiti, Iraq, Kiribati, Lebanon, Maldives, Marshall Islands, Nauru, South Sudan, Tajikistan, East Timor, Tonga, Turkmenistan, Tuvalu, Faroe Islands.

CSR CONTACT FOR ASSISTANCE WITH POLICY IMPLEMENTATION

For any further information, those Business Lines that are to finance transactions involving plant or animal species between two states listed in 6.5 can contact the CSR team in their Core Business or the Group CSR Department.

² <http://www.cites.org/eng/disc/parties/alphabet.php>



7. TOBACCO

7.1 BNP PARIBAS EXCLUSION DECISION

BNP Paribas will not provide financing companies whose activity is mainly related to tobacco, including producers as well as upstream and downstream players.

7.2 CSR ISSUES

The World Health Organization (WHO), international agency of United Nations specialized in health issues, identifies tobacco as the single greatest preventable cause of death, and implemented in 2003 a framework convention on tobacco control, the first global public health treaty.

7.3 REGULATION

The WHO's framework convention on tobacco control, the first legally-binding global public health treaty, emphasized the issue of global tobacco consumption to "protect present and future generations from the devastating health, social, environmental and economic consequences of tobacco consumption and exposure to tobacco smoke". It especially reaffirms the "the right of all people to the highest standard of health", and the importance of measures related to the reduction of supply and demand to attain this objective. This framework was signed by 180 countries³.

7.4 OPERATIONAL IMPLEMENTATION OF COMMITMENT

The nature of exclusions is defined in guidelines « tobacco » RSE0029EN.

CSR CONTACT FOR ASSISTANCE WITH POLICY IMPLEMENTATION

For any further information, those Business Lines that are to finance transactions involving companies involved in activities directly or indirectly linked to tobacco can contact the CSR team in their Core Business or the Group CSR Department.

³ The list can be looked up at :

https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=IX-4&chapter=9&clang=_fr

