

**STATEMENT ON MODERN SLAVERY AND HUMAN TRAFFICKING**

# **2024 BNP PARIBAS STATEMENT**



**BNP PARIBAS**

The bank  
for a changing  
world

This Statement applies to BNP Paribas S.A. (the **Parent Company**) and its subsidiaries listed below (the **Subsidiaries**)<sup>1</sup>:

- BNP Paribas Asset Management UK Limited
- BNP Paribas Leasing Solutions
- BNP Paribas Personal Finance
- BNP Paribas Prime Brokerage International Limited
- Creation Financial Services
- Creation Consumer Finance
- Stellantis Financial Finance

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

## INTRODUCTION

This Statement outlines the steps that BNP Paribas has taken to ensure that human trafficking<sup>2</sup> and modern slavery<sup>3</sup> are not taking place in its business or in any of its supply chains. It also refers to the risk management processes 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 2023. The Board and the Director and Chief Executive Officer attest annually that the Group complies with this Statement through the information provided by the respective departments of Corporate Social Responsibility (CSR), Procurement & Performance and Human Resources (HR).

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<sup>1</sup> Other BNP Paribas subsidiaries that are required to have a slavery and modern trafficking statement have chosen to produce their own statement.

<sup>2</sup> "Recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation", United Nations Convention against Transnational Organized Crime.

<sup>3</sup> "Slavery is the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised." United Nations Convention on Slavery.



# THE BNP PARIBAS GROUP

BNP Paribas is Europe's leading provider of banking and financial services. It operates in 63 countries and employs 182,656 full-time equivalent workforce. It holds key positions in its three main areas of activity: Corporate and Institutional Banking (personalised solutions for our corporate and institutional customers), Commercial, Personal Banking & Services (network of commercial & personal banks in the Eurozone, and the Europe-Mediterranean zone, as well as some of the Group's specialised business lines<sup>4</sup>, and Investment & Protection Services (expertise in savings, investment and protection solutions). More information on BNP Paribas operations can be found in section [1.4 Presentation of operating divisions and business lines](#) of BNP Paribas [2023 Universal Registration Document](#) (2023 URD).

The Group purchases over EUR 10 billion of expenditures worldwide broken down into nine categories: Real Estate, Market Data, Marketing & Communication, Consumables & General Services, Banking Services, Professional Services, Technology, Transaction Fees and Travel.

## RISKS OF MODERN SLAVERY & HUMAN TRAFFICKING

Academic studies, field investigations and recent news coverage have all clearly demonstrated that all sectors, industries and areas may be affected, to varying degrees, by these types of serious infringements to human rights.

In this regard, risk assessment policies devoted to the matter of modern slavery practices need to be multi-factorial (with complementary thematic screenings performed, on sector & industry, products & services, geographical and entity level) and regularly updated, in order to tackle this complex issue as fully and efficiently as possible. The risk-assessment process BNP Paribas implements to address the risks of modern slavery and human trafficking takes into account the vastly different situations of its stakeholders and is complemented by the ad hoc monitoring and regular discussions performed by Group teams on this subject.

### Workforce's inherent risks

Risks of modern slavery and human trafficking have been deemed low in business operations as, to the best of our knowledge, no publicly available study has categorised the banking sector and its employees, most of them being highly skilled professionals, as particularly exposed to these practices.

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<sup>4</sup> Arval, BNP Paribas Leasing Solutions, BNP Paribas Personal Finance, BNP Paribas Investors, new digital business lines (Nickel, Floa).



## Suppliers' inherent risks

As a bank, BNP Paribas' supply chains are mainly focused on indirect procurements and expenditure (consulting services, IT services, security, IT equipment, office furniture, promotional items, cleaning and catering services). Depending on the procurement categories, supply chains may be simple or very complex, with human rights related risks being higher, and more difficult to monitor, where supply chain arrangements are complex. Based on the risk mapping tool developed by BNP Paribas, less than 20% (in spending) of the Group procurement categories are at high or very high risk in terms of human rights and labour conditions (including modern slavery and child labour).

## Financing and investment activities' inherent risks

BNP Paribas meets the needs of millions of individual and professional customers, entrepreneurs, small, medium and large companies in business sectors facing multiple environmental, social and governance (ESG) challenges. The Group also operates in countries where legal and governance systems are at diverse levels of development. This diversity of context calls for structured, comprehensive and expert-driven review and analysis processes, in order to identify potential risks of modern slavery and human trafficking in BNP Paribas clients' activities, or in the activities of the entities in which BNP Paribas invests on the behalf of its clients.

# BNP PARIBAS POLICY ON MODERN SLAVERY AND HUMAN TRAFFICKING

Respect for human rights is one of the pillars on which BNP Paribas' CSR strategy is based. The Group has committed itself to the promotion of the following principles and standards that form the basis of its activities:

- The United Nations Sustainable Development Goals;
- The Ten Principles of the United Nations Global Compact;
- The United Nations Guiding Principles on Business and Human Rights (United Nations Guiding Principles);
- 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 labor standards set out by the International Labor Organization.

These public commitments are backed by internal policies implemented at Group level, with the goal of handling the many subjects revolving around social, environmental and governance matters, including human rights. These policies include:

- The BNP Paribas Group [Code of conduct](#);
- The BNP Paribas [Statement on Human Rights](#);



- The BNP Paribas [Sustainable Sourcing Charter](#);
- The BNP Paribas Asset Management [Responsible Business Conduct Policy](#);
- The BNP Paribas [Responsible Business Principles](#).

Early and efficient identification of modern slavery risks is the first step towards its prevention, alleviation and remediation, and calls for specific policies and practices. In this regard, BNP Paribas has taken the following steps and actions in order to exert its duty of care with all due seriousness.

## **Towards its employees**

BNP Paribas is committed to providing a working environment in which all employees are treated fairly. In particular, the Group focuses on respect and the need to apply the most stringent norms of professional behaviour and rejects all forms of discrimination. BNP Paribas' policies and procedures notably include an annual review of high-risk countries in terms of human rights, as well as a monitoring of employees under the age of 18 (the Group did not have any in 2023).

Furthermore, the existing policies and procedures within the Group, including notably a diversity and inclusion policy as well as compensation principles are in line with the principles of non-discrimination in the recruitment process and career management of employees. The BNP Paribas Code of conduct, which applies to all employees, reaffirms the Group's commitment to changing behaviour and combatting disrespectful behaviour towards people, including harassment and discrimination

The Group's "Respect for People" policy aims to combat inappropriate behaviour, in particular, harassment and discrimination. In line with these policies and principles, all employees of the Group are required to treat all people with respect, make sure their interactions are professional and efficient, and be receptive of their contributions, even if they express different views from their own.

The Global agreement, signed on 18 September 2018 and extended to 30 June 2024, has set up an ambitious plan to contribute to improving quality of life and working conditions of employees, and thus achieve greater diversity, equality and inclusive growth.

## **Awareness and Training**

BNP Paribas took part in the development of an awareness-raising e-learning module called "Human Rights into Business", co-created with the other members of the French association Entreprises pour les Droits de l'Homme (Businesses for Human Rights – EDH). This e-learning module is mandatory for all employees who directly contribute to the promotion of human rights. It is available in eight languages and freely accessible to all Group employees

## **Raising concerns**

BNP Paribas Group pays particular attention to the concerns of customers, employees, shareholders, suppliers and society as a whole. The Group is committed to listening, understanding and seeking to respond to the concerns raised by its stakeholders in a fair and effective manner

BNP Paribas employees are required to report any effective or suspected breach of the Code of conduct,



Group policies and procedures, or regulations.

Employees can report issues to their line manager or another manager, or to Human Resources for issues relating to respect for people, or to a Compliance alert channel.

Any violation or suspected violation of human rights in the context of the Group's activities or its suppliers may be reported in the Group's whistleblowing system, except if local regulations or procedures prevent this.

Pursuant to the Sapin II law, amended by the Wasserman law, the Group's whistleblowing system is now open to certain external third parties (depending on local regulations, but at least for suppliers and former employees). The alert form to be completed is freely accessible on the BNP Paribas institutional website<sup>5</sup>.

The whistleblowing policy guarantees employees exercising their right to raise an alert protection against reprisal for having raised an internal alert in accordance with the terms of the policy.

A summary note<sup>6</sup> on whistleblowing is available on the BNP Paribas Group website.

## Towards its suppliers

Within the Procurement & Performance Function, dedicated teams address ESG risks linked to suppliers and subcontractors. BNP Paribas ESG risk management related to its suppliers and subcontractors hinges around the following elements:

- a responsible purchasing policy that aligns the Function's objectives with the Group's CSR objectives, as expressed in the [Group purpose](#);
- the definition by the Function of a normative reference framework. This framework includes:
  - an ESG risk mapping tool encompassing 13 themes, including modern slavery and child labour, allowing the identification of procurement categories at high environmental or social risk,
  - a '[Sustainable Sourcing Charter](#)', setting out the reciprocal commitments of the Group and its suppliers and subcontractors from an environmental and social standpoint,
  - contractual clauses requiring compliance with the ILO conventions in supplier contract standard templates in all countries where suppliers are located, allowing contract termination in case of non-compliance by the suppliers of the Group ESG requirements,
  - ESG questionnaire models, used during calls for tenders and including environment, ethics and human rights targeted questions. BNP Paribas Procurement Norms set a minimum weight of 15% for CSR-related criteria in calls for tenders.
  - supplier monitoring rules, targeting ESG criteria used during the selection process and completed by the thematic regulatory watches, and
  - training for employees of Procurement & Performance.

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<sup>5</sup> [BNP Paribas whistleblowing framework](#)

<sup>6</sup> [Summary of the system – BNP Paribas' whistleblowing procedure.](#)

## Towards its clients (financing and investment activities)

BNP Paribas strives to reduce potential violation of social and environmental rights, including human rights, from its financing and investment activities (see [\*Systematic integration and management of Environmental, Social and Governance risks\*](#), in 2023 URD).

These provisions are based on:

- the development of financing and investment policies managing the Group's activities in sectors with significant ESG issues;
- the respect of the United Nations Guiding Principles in the financing and investment activities;
- 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 progressive integration of ESG criteria in lending and rating policies;
- the development and use of management and monitoring tools for these risks, including specific questionnaires for activities with salient environmental and social risks;
- the training of financing business lines and control functions on the ESG risk framework;
- an operational control plan.

In addition to the tools described above, a new ESG Assessment framework was deployed in June 2021. It enables the identification, assessment and monitoring of the performance and ESG risks of corporate customers, in a sector-specific manner, with a common approach within the Group for a given customer segment. The ESG Assessment covers five major extra financial topics, including respect for human rights.

At the end of 2023, all large corporate clients of the Group had had an ESG Assessment, and the tool has been adapted for medium-sized clients (companies with turnover of more than EUR 50 million) and financial institutions, with a target of covering all our clients in these segments by the end of 2024.

## ASSESSING EFFECTIVENESS

Acknowledging the challenges of assessing and addressing modern slavery and human trafficking issues, BNP Paribas remains committed to the review and enhancement of its own processes and policies, in order to continually improve their range and effectiveness.

### For employee-targeted policies

BNP Paribas tracks the effectiveness of its actions in this field through the percentage of employees contributing directly to the promotion of human rights who have received specific training. Since 2016, more than 22,000 employees of the Group have completed this training.



## For supplier-targeted policies

The number of ESG assessments of suppliers and sub-contractors that are conducted as part of calls for tender, in particular those relating to categories of at-risk purchases, is a metric of BNP Paribas monitoring actions towards this type of stakeholder. In 2023, 5,312 ESG assessments were completed (compared with 5,188 in 2022) and 1,287 suppliers signed BNP Paribas Sustainable Sourcing Charter (compared with 1,519 in 2022)<sup>7</sup>.

## For financing and investment activities

The opening and maintenance of a high-quality dialogue between the Group and the entities it finances or in which it invests, plays an important role in monitoring and remedying certain issues, including those relating to human rights. The changes in exclusion and monitoring lists (i.e., the companies with which the Group does not wish to maintain commercial relations or invest in, or which are subject to increased monitoring, which may result from serious violations of human rights) is another indicator monitored by BNP Paribas. At the end of 2023, these lists numbered 1,718 legal entities (1,432 under exclusion and 286 under monitoring), against 1,490 at the end of 2022.

# PROCESS OF CONSULTATION FOR PREPARING THIS STATEMENT

The information on this statement has been prepared thanks to the work and collaboration of relevant subject matter specialists, as well as members of the BNP Paribas CSR network, reaching through all functions, business lines and countries of the Group, where applicable (see [CSR taken to the highest level in the organisation](#), in 2023 URD). The Group CSR and Group LEGAL Functions have coordinated this collaborative process over the past year, and in particular have consulted the designated contacts and experts for the United Kingdom.

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<sup>7</sup> Number of suppliers in the portfolio who signed the BNP Paribas Sustainable Sourcing Charter. A new indicator has been defined in 2023, tracking the number of suppliers in the priority monitoring segment of the supplier portfolio (Sensitive Suppliers List, SSL) that endorsed the BNP Paribas Sustainable Sourcing Charter at the end of 2023. Suppliers are placed on the SSL if they belong to following categories:

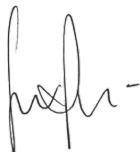
1. Providers of sensitive outsourced services;
2. Sensitive external suppliers;
3. Suppliers deemed at high risk in terms of Compliance;
4. Sensitive suppliers identified as such during the onboarding;
5. Suppliers having triggered a risk event during the contract life cycle.



## CONCLUSION

This statement has been used by BNP Paribas to establish the annual statements required by the Modern Slavery Act 2015 of the United Kingdom. The annual statement can be found on the [Publications page](#) of the Group website<sup>8</sup> and on the Modern Slavery Statement page of the BNP Paribas Asset Management UK Limited website ([Modern slavery statement | BNPP AM UK professional investor \(bnpparibas-am.com\)](#)).

This statement was approved by the Board of Directors of BNP Paribas Asset Management UK Limited on 16 May 2024.



Sandro PIERRI

Chair of the Board of Directors



Roger MINERS

Director and CEO

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<sup>8</sup> BNP Paribas also publishes its statement on modern slavery and human trafficking on the Modern slavery statement registry, a platform launched by the British government in March 2021.

