

Particulars

Organisation Name	BNP Paribas
Corporate Website Address	www.bnpparibas.com
Primary Activity or Product	Finance
Related Company(ies)	None
Country Operations	
Membership Number	5-0013-11-000-00
Membership Type	Ordinary Members
Membership Category	Banks and Investors

Banks and Investors

Operational Profile

1.1 Please state what your main activities are within finance*

- Corporate / Commercial
- Trade Finance
- Retail / Private Banking
- Investment / Equity
- Debt / Capital Markets
- Capital Market Advisory Service

Other

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Operations in Palm Oil

2.1 What are the various types of financial services to the palm oil sector provided by your organization?

- Trade Solution
- Lending / Loans
- Leasing
- Treasury Products
- Cash Management Products
- Investment
- Insurance
- Other

Other

Bond emissions

What geographic regions do you operate in for the palm oil business?

- Asia
 - Africa
 - Europe
 - South America
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Palm Oil Policy

3.1 Does your organization have a lending or investment policy on palm oil? If so please submit a copy as a pdf?

Yes

Does your organization have a lending or investment policy on palm oil? If so please submit a copy as a pdf?

[F-Lending-Policy.pdf](#)

For administration purpose, attachment files are renamed automatically

3.2 Which sub-sectors does your palm oil policy cover?

- Traders
- Other

3.3 Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil and/or RSPO certification?

Yes

3.3.1 Do you require your customers to be RSPO members?

No

3.3.2 Do you require your customers to have a public Time-Bound Plan for 100% RSPO certification?

No

3.4 What measures do you take if a client is not meeting the requirement of your policy on palm oil?

We do not require them to be RSPO members but the policy clearly says that: "BNP Paribas believes RSPO is currently the best available set of criteria for sustainability in this industry and encourages palm oil companies:

- to become an active member of the RSPO (or any equivalent industry initiative that may emerge);
- in the case of producers, to have their plantations RSPO certified or certified based on a standard acceptable to BNP Paribas, or to design and implement action plans to have the palm plantations certified by the end of 2015;
- in the case of palm oil mills, traders and refiners, to set up policies requiring that their suppliers (i) become RSPO certified by the end of 2015 as well as (ii) encourage the traceability of sources of palm oil supply."

If a client is not meeting the requirement of your policy on palm oil, a dialogue is raised with in order to ensure that a correction plan has been adopted with short deadline in order to meet with our binding criteria. If the client can not answer properly to our questions and shows lack of consistency in his sustainable strategy, we refuse lending or investing engagements. The number of customers that have joined RSPO is confidential.

3.5 Number of customers that have joined the RSPO as a result of engagement in the reporting period:

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Time-Bound Plan**4.1 Do you have, or do you plan to develop a policy that calls for 100% of your palm oil customers to be RSPO members?**

Yes

4.2 When do you expect to require 100% certification for growers?

2015

4.3 When do you expect to require 100% certification for other sectors?

2015

4.4 Which countries that your institution operates in do the above commitments cover?

Applies Globally

4.5 What other commitments & activities have you undertaken in the reporting year to promote CSPO?

As part of its policy in the palm oil sector, the Group conducted a formal review of the CSR performance of its key clients and prospects in 2013, with the assistance of an independent consultant, taking into account not only the projects of these companies, but also possible controversy in which any of them have been or are the focus. This review led the Group to place some companies of the sector under review.

BNP Paribas' CSR policy in the area of palm oil has been cited by an international NGO as one of the factors that pushed a leading player in palm oil industry, to unveil, in late 2013, innovative CSR commitments, beyond usual CSR practices in the sector, and to require all of its suppliers to meet the same requirements.//

Besides, BNP Paribas has joined in 2013 the 'Soft Commodities' Compact', an initiative launched jointly by the Banking Environment Initiative (BEI) & the Consumer Goods Forum (CGF). Therefore it commits itself to mobilise resources within its businesses to help achieve zero net deforestation by 2020.

By participating to this initiative, BNP Paribas commits to work with CGF supply chains to explore how can be financed the growth of the markets producing palm oil, timber products, soy and beef, in accordance with the CGF's required zero net deforestation standards.

Furthermore, under the umbrella of BEI, BNP Paribas has been involved in the development of the BEI's Sustainable Shipment Letter of Credit, which is a financing solution that can be used by banks to incentivise the international trade of sustainably produced commodities. A pilot has been launched, focused on CSPO. //

Additional comment on above questions 4.1, 4.2 & 4.3: our CSR policy in the palm oil sector do not require our clients to be RSPO members but clearly says that: "BNP Paribas believes RSPO is currently the best available set of criteria for sustainability in this industry and encourages palm oil companies://

- to become an active member of the RSPO (or any equivalent industry initiative that may emerge); //
- in the case of producers, to have their plantations RSPO certified or certified based on a standard acceptable to BNP Paribas, or to design and implement action plans to have the palm plantations certified by the end of 2015; //
- in the case of palm oil mills, traders and refiners, to set up policies requiring that their suppliers (i) become RSPO certified by the end of 2015 as well as (ii) encourage the traceability of sources of palm oil supply."

GHG Emissions

5.1 Do you publicly report the GHG emissions of your operations?

Yes

Do you publicly report the GHG emissions of your operations?

[F-GHG-Public-Commitment.pdf](#)

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Page 430 of 2013 Registration Document available on <http://invest.bnpparibas.com/en/pid5857/registration-document.html> [Click here to visit the URL](#)

If no,

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5.2 Does your company have a public commitment to only purchase palm oil from suppliers that disclose their GHG emissions?

No

Does your company have a public commitment to only purchase palm oil from suppliers that disclose their GHG emissions?

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CSR policy in the palm oil sector

If no,

We do not purchase any palm oil....

In the next version of our CSR policy regarding financing and investing in the palm oil sector (to be released in the coming months), we are considering the inclusion of a mandatory requirement for our clients to have of a GHG emissions monitoring and reduction policy in place.

Actions for Next Reporting Period

6.1 Outline actions that will be taken in the coming year to promote CSPO along the supply chain:

An updated version of our CSR policy regarding financing and investing in the palm oil sector will be released in the coming months. We are considering to take into account new criterias (some of them in a mandatory way, some of them in an evaluation approach) such as:

- GHG monitoring and reduction
 - pesticides (including paraquat) reduction and phasing out
 - obtaining the FPIC of the local communities affected by new plantations
 - avoidance of peatland for new plantations, regardless of depth
 - integration of HCS analysis when developping new plantations,
 - policy in place to base growth on yield improvement, and to favour degraded land or young scrub for new plantations as an alternative to forested land.
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Reasons for Non-Disclosure of Information

7.1

Confidential

Others

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Application of Principles & Criteria for all members sectors

8.1 Regarding your investment policies, do you have position statements and/or policies related to dealings in the palm oil industry that are in line with RSPO P&C, such as:

- Water, land, energy and carbon footprints
 - Land Use Rights
 - Ethical conduct and human rights
 - Labour rights
 - Stakeholder engagement
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[F-Policies-to-PNC-waterland.pdf](#)

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[F-Policies-to-PNC-landuseright.pdf](#)

For administration purpose, attachment files are renamed automatically

[F-Policies-to-PNC-ethicalconducthr.pdf](#)

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[F-Policies-to-PNC-laborrights.pdf](#)

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[F-Policies-to-PNC-stakeholderengagement.pdf](#)

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8.2 What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?

We will keep on applying our CSR policy regarding investing and financing in palm oil sector, also with the help of the Compliance function that gathers more than 2 000 collaborators in the world, based on a decentralized organization coordinated by Group Compliance team. Besides, 6000 Risk officers within the Group ensure an objective and systematic double check for all financial transactions of the Group and its clients. On top of this, BNP Paribas has also released the BNP Paribas Responsibility Charter and its Code of Conduct on its internet website.

8.3 Do you provide financial or other incentives for companies that are RSPO member and have a time bound plan?

No

If no, please explain why:

We do not precisely offer financial incentive for RSPO members but we require our client to comply with strong principles and criteria, listed in our CSR policy regarding investments and financing in Palm Oil sector, which fully match with those of RSPO.

8.4 How does your organization benchmark the progress of its partners in palm oil against its ESG criteria?

We keep direct dialogue, we listen to any controversial issue that arises from external stakeholders, and if needed we ask an external expert consultant to conduct in-depth local audit on ESG criteria in order to assess ESG performance.

Do you provide financial or other incentives for companies that are RSPO member and have a time bound plan?

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Challenges

1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

1) Economic obstacle: RSPO seems to be in an in-between situation: on one hand, many very important markets do not pay particular importance to environmental labels such as RSPO and growers find strong difficulties in passing-through certification costs when addressing these markets. On the other hand, many CGMs in the European and American markets ask now their providers for environmental standards which go beyond RSPO requirements, such as HCS protection and no deforestation commitment. Addressing these two issues appears to be crucial for RSPO and a necessary preamble to any effort from the financial sector to promote CSPO among its clients.

2) Another important difficulty is, while assessing the ESG performance, to know precisely what are the real practices of the company on the ground. Many different statements and points of view may arise during investigation or audit and we need to clearly state out what's really happening. To mitigate this difficulty we ask, when needed, an external expert consultant to conduct in-depth local audit on ESG criteria in order to assess ESG performance.

2 How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

No

Robust:

Yes

Simpler to Comply to:

similar

3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

We are fully supporting the vision of RSPO to transform markets by being a responsible financial player in the palm oil sector, based on a public policy including binding ESG criteria and with the help of external auditors to assess the ESG performance of the actors we chose to support.

BNP Paribas is also member of the Financial Institution Task Force (FITF): placed under the umbrella of RSPO, this group gathers several banks involved in the palm oil sector and members of RSPO. It has released in 2013 an outreach document detailing what are the opportunities for a financial player to become RSPO member and where can be found useful information regarding best practices in financing the palm oil sector.

4 Other information on palm oil (sustainability reports, policies, other public information):

All important matters have been released through the previous questions. Additional information may be found in our 2013 CSR Report attached to this questionnaire.
