

Particulars

About Your Organisation

Organisation NameBNP Paribas

Corporate Website Address<http://www.bnpparibas.com>

Primary Activity or Product

- Finance
-

Related Company(ies)No

Membership

| Membership Number | Membership Category | Membership Sector |
|-------------------|---------------------|---------------------|
| 5-0013-11-000-00 | Ordinary | 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
-

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
 - Treasury Products
 - Cash Management Products
 - Investment
-

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

- Worldwide
-

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

Uploaded files:

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

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

- Traders
 - Processors
-

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 our clients to be RSPO members but the policy clearly says that "BNP Paribas believes that the RSPO has made, and is still making, a major contribution to the adoption of sustainability practices within the palm oil sector, through its wide-reaching, consensus-based, and multi-stakeholder approach. ". If a client does not meet the requirements of our policy on palm oil, we initiate a dialogue to ensure that improvements can be made, to achieve compliance with our policy within an acceptable time-frame. If the client does not comply with our policy and does not show willingness to improve its practices, we would refuse investing or providing financial products or services.

3.5 Do you proactively engage with your customers to support and ask them to join the RSPO?

Yes

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?

2020

Comment:

Apart from encouraging companies to become RSPO members in its CSR sectoral financing and investing policy, BNP Paribas strengthened in 2014 its actions to fight against deforestation with the signature of the "Soft Commodities Compact" which commits the Group to finance the growth in the markets for palm oil, wood products, soya and beef, without causing net deforestation up to 2020. Above their own due diligence processes, the signatory banks ensure that their customers also implement suitable internationally-recognised monitoring means, such as RSPO in the palm oil sector.

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

2020

Comment:

Apart from encouraging companies to become RSPO members in its CSR sectoral financing and investing policy, BNP Paribas strengthened in 2014 its actions to fight against deforestation with the signature of the "Soft Commodities Compact" which commits the Group to finance the growth in the markets for palm oil, wood products, soya and beef, without causing net deforestation up to 2020. Above their own due diligence processes, the signatory banks ensure that their customers also implement suitable internationally-recognised monitoring means, such as RSPO in the palm oil sector.

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?

Extract of our CSR policy:

Recognising the importance of multi-stakeholders voluntary approaches such as the RSPO, BNP Paribas recommends that Upstream Palm Oil Companies:

- Become active members of the RSPO, e.g. by regularly reporting on progress and participating to working groups;
- Work towards full RSPO certification for their palm oil operations (plantations and mills), as evidenced by a time-bound action plan;
- For palm oil mills: engage with third-party suppliers to achieve full RSPO certification of the supply base.

BNP Paribas encourages Downstream Palm Oil Companies (i.e. refiners and traders) to become active members of the RSPO and maximize the use of RSPO-certified palm oil.

Besides, this policy was reviewed in 2014 to take into account recent, significant advances in this sector in terms of environmental and societal responsibility, bolstered by new "Non-deforestation" commitments taken by major producers and buyers .

Our policy requires customers not to develop plantations on peatlands, to reduce their greenhouse gas emissions and to limit use of pesticides and in particular, Paraquat.

Our policy also encourages our customers to adopt and implement the High Carbon Stock analysis.

In the societal area, it requires the customer to obtain the free, prior and informed consent of populations impacted by new plantations, as described by the RSPO.

It also invites palm oil traders to ensure the traceability of their supply chain and check that their suppliers operate in line with the requirements of this policy.

GHG Emissions

5.1 Are you currently assessing the GHG emissions from your operations?

Yes

Do you publicly report the GHG emissions of your operations?

Yes

Uploaded file:

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

Do you publicly report the GHG emissions of your operations?

Yes

5.2 Does your bank ask its customers in the Palm Oil sector to disclose their GHG emissions?

No

Please explain why:

We do not ask them to disclose but we require them to have at least the following policies in place, in order to minimize GHG emissions:

- A no-burn policy, in line with the recommendations of the ASEAN Policy on Zero Burning or other regional best practice;
- A policy not to develop new oil palm plantations on peatlands;
- Peatland management procedures to minimize peat degradation for existing oil palm plantations located on peatlands;
- A policy to minimize the use of artificial fertilizers;
- A policy to reduce GHG emissions from palm oil mills.

We believe that these requirements cover the main GHG emissions sources from our clients.

Actions for Next Reporting Period**6.1 Outline actions that will be taken in the coming year to promote CSPO along the supply chain:**

As mentioned above, our CSR policy regarding our financing and investing activities in the palm oil sector has been updated in 2014 to take into account recent developments and commitments taken by major players. On that basis, we will strengthen the dialogue with our clients regarding their CSR performance, including the promotion of CSPO as explained above.

Reasons for Non-Disclosure of Information**7.1 If you have not disclosed any of the above information please indicate the reasons why**

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
[F-Policies-to-PNC-waterland.pdf](#)
 - Land Use Rights
[F-Policies-to-PNC-landuseright.pdf](#)
 - Ethical conduct and human rights
[F-Policies-to-PNC-ethicalconducthr.pdf](#)
 - Labour rights
[F-Policies-to-PNC-laborrights.pdf](#)
 - Stakeholder engagement
[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

Please explain why:

We believe that sustainability is eventually a competitive advantage for our customers, and at this stage we do not believe it is practical to offer varying financial terms and conditions to our customers based on their CSR performance. For instance, a corporate loan can have a long tenor (e.g. 10 years, during which it is not possible to modify the loan agreement), while the CSR performance of a company can improve or worsen very quickly.

8.4 How does your organization benchmark the progress of its partners and/or clients 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 on site audit on ESG criteria in order to assess compliance with our CSR policy. Companies which do not comply with our criteria are placed in our monitoring list, with limited access to our products and services and yearly review of their status. In case of significant improvement of their practices, they are removed from that list and all products and services are made available for them.

Concession Map**9.1 This questions only applies for companies who would like to declare concession boundaries owned. (both RSPO Certified and uncertified)****Do you agree to share your concession maps with the RSPO?**

No

Please explain why

This section does not apply to a financial institution such as BNP Paribas.

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 Consumer Goods Manufacturers in the European and American markets ask now their providers to comply with 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 the real practices of the company on the ground are. 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:

Yes

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)

BNP Paribas is member of RSPO since 2011 and has been since then 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 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 2014 Registration Document attached to this questionnaire.