



Global Anti-Corruption Policy

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¹ In the application of this procedure, the term “BNP Paribas” or “Group” is collective and refers to BNP Paribas S.A., its subsidiaries and controlled companies, irrespective of the scope of consolidation.





Higher level procedures	DG0038EN – BNP Paribas Group Code of Conduct DG0018EN – Compliance Function Charter DG0020EN – BNP Paribas Internal Control Charter
Main related procedures referred to in this policy	CG0067 – Gifts and Invitations Procedure CG0066 – Control procedure for the personal transactions of sensitive members of the staff of the BNP Paribas Group CG0099 – Global Policy for conflicts of interest involving Employees CG0129 – Procedure for declaring and authorising certain corporate offices held by employees of the BNP Paribas Group on a private basis, outside their professional activity DG0049 – Corporate offices held by BNP Paribas Group legal Entities and employees Appointment, renewal and termination procedure AJG0041 – Procedure for gathering, verifying and using information relating to corporate offices held by Group legal Entities and employees RHG0027 – External recruitment of BNPP Group employees – organisation and guiding principles CG0083 – Group policy on Intermediaries ITP0089 – Group Procurement Norms ITP0072 – Rules of conduct concerning relationships between BNPP employees and suppliers ITP0062 – Assessment, follow-up and control of the Group's exposure to supplier risk CPL0293 – Supplier Knowledge – Financial Security Operational Controls Charter for responsible representation with respect to the public authorities RISK0347 – Group Global Policy for Preventing, Detecting and Managing Fraud CG0038 – Whistleblowing procedure RISK0327 – Organizational framework and governance for operational risk management and permanent control framework RHG0054 – Group policy on penalties for misconduct by employees CPL0252 – Know Your Client Global Policy CG0030 – Policy applicable to relationships with Politically Exposed Persons (PEPs) RSE0009 – Corporate Social Responsibility – Defence & Security Sector CG0097 – Group Procedure for assessing country sensitivity CPL0287 – Group AML/CTF Transaction Monitoring Alert Management Procedure CPL0254 – Classification of money laundering, terrorism financing and international financial sanctions risks CG0089 – KYC & Financial Security Generic Control Plan CG0087 – Control Plans – Professional Ethics ITP0092 – Group Procurement Control Plan RHG0035 – BNP Paribas Human Resources Generic Control Plan - HR Function and Filière MCQ0033 – General control plan for the Brand, Communications & Quality Function FG0051 – Accounting Control Plan
Main regulatory texts / international organizations' recommendations	French law on transparency, the fight against corruption and the modernization of the economy of 2016 (known as the Sapin II Law) French Anti-Corruption Agency (AFA) recommendations SCPC/Traçfin Guide to detecting potentially corrupt financial transactions of 2014 UK Bribery Act 2010; UK Bribery Act Guidance Foreign Corrupt Practices Act of 1977; FCPA Guidance United Nations Convention against Corruption of 2003 OECD – Typologies on the role of intermediaries in international business transactions of 2009 Wolfsberg Anti-Corruption Guidance of 2011





EXECUTIVE SUMMARY

The Global Anti-Corruption Policy (the “**Policy**”) presents the BNP Paribas (“**BNPP**”) framework for preventing, detecting and managing acts of corruption.

It applies to all the Group Entities, including non-consolidated controlled companies.

❶ **Background**

The review of the existing set-up follows the publication of the French Law of 9 December 2016 on “transparency, the fight against corruption and the modernization of the economy”, known as the “Sapin II law”. This law, that has an extraterritorial reach, obliges large corporates² and their representatives³ to put in place a framework for preventing and detecting corruption, and will penalize them if failings are found by the French Anti-Corruption Agency (AFA)⁴.

❷ **Framework components**

The framework for combating corruption is based on: a **dedicated anti-corruption code of conduct** incorporated into the rules of procedure of BNP Paribas SA (“règlement intérieur” in France), **governance**, a **corruption risk mapping**, policies, procedures and tools intended to manage and control the risks identified, **systems for in-house whistleblowing**, **obligatory anti-corruption training** (for the most exposed employees), controls and reports.

The **policies, procedures, tools and controls** of this framework are, for the most part, **integrated into the existing operational frameworks** (particularly those for combating fraud and those of Financial Security, Professional Ethics and Human Resources).

❸ **Rules of conduct**

On the basis of the risk typologies identified by GFS Paris, the Policy sets out the applicable rules of conduct, the majority of which are defined in the existing Level 2 policies and procedures⁵.

Besides the prohibition to participate in or to tolerate an act of corruption, the rules set out by BNPP aim to:

- prevent any situation or behaviour that is likely to compromise employees’ independence and integrity (e.g. rules regarding gifts and invitations, recruitment).

² Applicable to companies having at least 500 employees, or belonging to a group of companies whose parent company's headquarters is located in France and which has at least 500 employees, and whose annual turnover is more than €100 million.

³ Company CEOs, managing directors and managers as well as members of the managing boards of limited companies.

⁴ Agency with national authority created by the Sapin II Law and responsible for the prevention and detection of corruption (Sapin Law, Chapter 1).

⁵ See the list on page 2 of this Policy.





- ensure partners' integrity by implementing the appropriate due diligence measures.
- ensure that the Group, in the context of its activities as a provider of banking and financial services, is not used by one of its clients to facilitate money laundering involving the proceeds of corruption. In this case, the anti-money laundering norms and processes apply.

The rules of conduct set out meet the requirements of both national laws and international regulatory benchmarks and correspond to the **minimum standards expected** within the Group. They are not intended to cover every situation nor the risks specific to some Countries/Business Lines that may be subject to additional particular rules.

④ Organization and governance rules

The Policy sets the organization and governance rules for implementing the anti-corruption framework, which relies on several operational mechanisms and brings together numerous competences.

- **At GFS Paris**, the Anti-Corruption Department is responsible at Group level for the global framework to combat corruption. As such, it supervises and coordinates the implementation of the framework while ensuring consistency.

Via the Anti-Corruption Correspondents in the Operational Perimeters and Regions, it provides support to the Group Entities throughout the implementation process. GFS Paris also provides support to the Operational Perimeters and Regions for managing any highly sensitive acts of corruption detected.

In addition, the Anti-Corruption Department Head submits an annual report to the Group Management (or any other body appointed by the latter) on the basis of information received from the Operational Perimeters and the Regions.

- **In each of the Operational Perimeters and Regions**, Compliance nominates an Anti-Corruption Correspondent to coordinate the anti-corruption measures of the various operational mechanisms and to ensure that the Group anti-corruption framework is implemented.

This Correspondent is also in charge of centralizing information relating to corruption and sending it to the Anti-Corruption Department at GFS Paris for consolidated risk monitoring. He/she is the point of contact for the Anti-Corruption Department in GFS Paris.

- **All the Group Entities** appoint an Anti-Corruption Correspondent in Compliance to be in charge of implementing the anti-corruption framework. This person will, in particular, ensure that the risk mapping and reporting is established and kept up-to-date, and that the procedures and 1st Level controls are appropriate. He/she is the key point of contact for corruption matters for everyone involved in the framework.





WHAT'S NEW?

Compared with the previous version dated 27 September 2011, the Global Anti-Corruption Policy:

- Widens its scope of application.
- Takes account of the new measures in the Sapin II law.
- Defines the organization and governance rules in order to ensure the steering and consistent implementation of the framework.
- Sets out the main situations where there is a risk of corruption together with the applicable rules of conduct. It therefore provides in a single text all the provisions concerning corruption that are referred to in the policies and procedures of the different Group Compliance Domains and the Group Functions.
- Stipulates the obligation for every Entity to draw up a corruption risk mapping.
- Provides obligatory training sessions for the employees most exposed to corruption.
- Substitutes the Financial Security Policy CG0173 on combating corruption.
- Inserts a glossary.

Note: terms defined in the glossary are signalled by the icon  together with a hypertext link.





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1 INTRODUCTION

1.1 Anti-corruption and transparency culture

BNPP undertakes to conduct its business with honesty and in line with the laws in force.

Corruption being both contrary to ethics and illegal, the Group has made public commitments on the matter, such as adhering to the United Nations Global Compact, and supporting the anti-corruption combat initiated by international organizations like the OECD⁶.

BNPP has adopted a zero-tolerance attitude to corruption, whatever its form and whatever the circumstances in which it may occur.

This commitment is expressly made by the top management and the Executive Committee in the Anti-Corruption Code of Conduct that is incorporated into the rules of procedure of BNP Paribas SA (“règlement intérieur” in France),

The BNPP anti-corruption framework also reflects the Group's **commitment to prevent and detect acts of corruption and influence peddling**. In addition to the anti-corruption code of conduct, this framework also includes **governance**, a corruption risk mapping, policies, procedures and tools intended to manage and control the risks identified, systems for in-house whistleblowing, obligatory anti-corruption training (for the most exposed employees), controls and reports.

Employees have the duty and responsibility to support the Group in this initiative.

The fight against corruption is everyone's business. In addition to the obligation not to take part in any corruption, all staff have the professional obligation to help prevent such acts and to signal any that they may come to know of.

1.2 Background

The review of the set-up follows the publication of the French Law of 9 December 2016 on “transparency, the fight against corruption and the modernization of the economy”, known as the “Sapin II law”. This law, that has an extraterritorial reach, obliges large corporates and their representatives to put in place a framework for preventing and detecting corruption, and will penalize them if failings are found by the French Anti-Corruption Agency (AFA).

In addition to the Sapin II Law, the framework integrates the requirements of the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act. It also draws on associated guidelines (particularly those

⁶ The Ten Principles of the United Nations Global Compact: <https://www.unglobalcompact.org/what-is-gc/mission/principles>; the OECD directives for multinational companies, recognized throughout the world: <http://mneguidelines.oecd.org/guidelines/>





of the AFA) as well as on the best international practices (OECD, Transparency International, FATF, Wolfsberg Group).

1.3 Objectives

The Policy presents the BNPP anti-corruption system.

This framework reflects the **transversal nature of the risk of corruption – that is taken directly or indirectly into account in the various existing operational mechanisms** – and brings together numerous competences.

It is mainly **intended to**:

1. Prevent and detect any corrupt practice that may be committed by:
 - A BNPP employee⁶ within the context of his activities;
 - a BNPP partner⁶ within the context of its activities;
 - a BNPP client;
2. Deal with any corrupt acts detected.

In order to meet these objectives, the Policy:

1. provides a practical definition and a guide to understanding the diverse forms of corruption;
2. explains the main situations where there may be risks of internal and/or external corruption and the corresponding rules of conduct that apply;
3. sets out the principles relating to the organization of the global anti-corruption set-up, especially in terms of governance.

Non-compliance with these instructions exposes the Group and, in certain circumstances, its managers and/or employees to criminal sanctions as well as to heavy administrative penalties. Non-compliance may also sully the Group's reputation.

1.4 Scope of application

- The Policy applies to all the Group Entities⁷, including non-consolidated controlled companies.
- The Policy applies to all acts of corruption, no matter what their nature, that have been committed or could be committed by a BNPP:
 1. Employee⁶,
 2. Partner⁶ or,

⁷ Whatever its business activity may be.





3. Client.

1.5 Provisional measures

Some stipulations of the Policy are likely to be revised owing to the publication of guidelines by the French Anti-Corruption Agency on the implementation of a framework for preventing and detecting corruption.

In addition, some work relating to the implementation of the Sapin II Law is still in progress at the time of the publication of this Policy. For example, the definition of “first-tier suppliers” and assessment of the adequacy of existing procedures, controls and Key Performance Indicators (KPI) against the corruption risk mapping.

Clarification on these points as well as on governance, in particular the information to be passed on, will be provided subsequently.

1.6 Transposition and exceptions

In line with the [**CCC0016EN Compliance procedure management**](#), the provisions herein must be applied by all the Group Entities.

The Policy can be adjusted when it needs to be adapted to a specific context or in order to meet local regulatory, supervisory or legal obligations.

Any request for an exception to this Policy must be sent to the Anti-Corruption Department at GFS Paris for approval, particularly when the local regulatory framework does not permit its full application.





1.7 Defining corruption

BNPP defines an **act of corruption** as:

Definition	Details
<ul style="list-style-type: none"><input type="checkbox"/> offering, giving, soliciting or accepting	<p>From BNPP's point of view, corruption is <u>active</u> when an employee offers or gives an undue advantage (in his/her own interests or those of the Group); it is <u>passive</u> when this employee solicits or accepts such advantage.</p>
<ul style="list-style-type: none"><input type="checkbox"/> directly or indirectly	<p>The advantage may be granted directly (e.g. cash handed over personally) or indirectly (e.g. use of an intermediary).</p>
<ul style="list-style-type: none"><input type="checkbox"/> an undue advantage (or promise of an undue advantage) of whatever nature	<p><u>An undue advantage or bribe may take different forms.</u> In particular:</p> <ul style="list-style-type: none">- the delivery of cash (backhander, payola), an item or a service (e.g. watch, lavish entertainment),- a donation- the assignment of a function, a mission or a mandate,- the transmission of confidential or inside information,- the payment of a commission,- the granting of a loan with preferential conditions, etc.
	<p><u>An undue advantage may benefit the holder of an office/position, the employer or any other third party.</u></p>
<ul style="list-style-type: none"><input type="checkbox"/> that may affect the proper exercise of a function or the conduct required of the holder of the function concerned (whether in the public or private sector).	<p>The improper exercise of a function can involve <u>performing an act</u> (e.g. awarding a market, a loan, a benefit in cash or in kind) <u>or omitting to perform an act</u> (e.g. not exercising control).</p>
<ul style="list-style-type: none"><input type="checkbox"/> Concealing an act of corruption, particularly through accounting practices, can be considered as complicity. Willful negligence enabling an act of corruption to be perpetrated or to continue can also be deemed to be complicity.	





The Group's definition includes:

- Proven acts of corruption as well as attempted acts of corruption;
- Active and passive** corruption;
- Corruption in the **public** or **private** sector, depending on whether a public official⁸ is involved or solely persons in the private sector;
- Complicity** with an act of corruption;
- Internal** corruption, which refers to the active or passive participation of a BNPP employee⁹ in an act of corruption (whether in his/her own interests or those of the Group),
- External** corruption refers to cases where the probity / independence of a BNPP employee is not called into question. In particular, it concerns cases where:
 - the Group is, in the usual course of business⁸, unintentionally involved in an act of corruption committed by one of its clients.
 - one of BNPP partners⁹ commits an act of corruption in a context unrelated to the services performed by this partner on behalf of the Group.

From the viewpoint of BNPP, a partner's participation in an act of corruption in a context that is (directly or indirectly) related to an operation or transaction to which the Group is a party falls under both **internal and external corruption**. Depending on the context (country, legislation, authority involved), a company may be held liable for acts of corruption perpetrated by a partner unbeknownst to the company on the basis of anti-corruption laws⁹ and/or laws concerning AML/CFT (breach of due diligence obligations).

- The offences of influence peddling⁹ and extortion (undue advantage imposed by the corrupt person).

The different forms of corruption described above are all unacceptable and are likely to engage the liability of BNPP, its managers, and/or its employees.

Note: **In order to distinguish corruption from other related concepts**, the definition adopted by the Group requires the presence of both the following factors: (i) the intention to obtain (or keep) an undue advantage and (ii) the improper use of a function that benefits, directly or indirectly, another natural or legal person.

Corruption can also be covered by other definitions depending on the Group's internal rules. For example: often having recourse to ploys and deception, any corrupt practice in which an employee takes part can generally be qualified as internal fraud under the **Group Global Policy RISK0347 for Preventing, Detecting and Managing Fraud**.

⁸ Particularly in the context of managing clients' financial flows.

⁹ Some anti-corruption laws consider that a company is liable when one of its partners perpetrates an act of corruption on behalf of the company or for its benefit. The company can then be deemed to be an accomplice (if not the author) of the offence or can be accused for failing to prevent the offence.





This Policy does not affect the application of the policies and procedures referred to in this document. In addition, the implementation of such policies and procedures contributes to the efficient prevention and management of acts of corruption.

2 GOVERNANCE

2.1 Centrally

2.1.1 GFS Paris - Anti-Corruption Department

- **Within GFS Paris, the Anti-Corruption Department is responsible, for the entire Group, for the global anti-corruption framework and for ensuring the consistency of its implementation.**

To that end, the Anti-Corruption Department, whose Head has a hierarchical reporting line to the Head of GFS Paris and a functional reporting line to the Head of Professional Ethics:

- **Supervises and coordinates anti-corruption measures between the different operational set-ups** within the Group by chairing the periodic Anti-Corruption Committees¹⁰ gathering the main players and contributors in the fight against corruption.

In addition to GFS Paris (represented by its Head, the Head of the Anti-Corruption Department and the Head of AML/CFT), Professional Ethics, Compliance Advisory, RISK, the Inspection Générale and the Anti-Corruption Correspondents of Compliance in the Operational Perimeters and Regions are permanent Committee members. When necessary, Group Human Resources (HR), LEGAL, Group Procurement, Group Communications, Group Finance or any other experts are invited to attend.

In particular, these committees must ensure the consistent application of the framework and the implementation of appropriate controls.

Moreover, the Anti-Corruption Department must be consulted before any change to the Group policies and procedures referred to herein which is likely to have a significant impact on the application of this Policy¹¹.

- **Defines processes for passing on files/information** in agreement with the contributors in the prevention, detection and management of corruption.

¹⁰ At least three times per year.

¹¹ In particular, the policy issuers concerned will consult the Anti-Corruption Department at the periodic Committees.





- **Helps and advises the Entities** in the implementation of anti-corruption measures and on related matters.
- **Reviews the information passed on by the Anti-Corruption Correspondents** (the people specifically designated to monitor and deal with corruption matters; see below) in the context of consolidated risk management or when very sensitive cases of detected corruption are escalated. By way of example: cases of corruption involving multi-Entity clients, politically exposed persons (PEPs)¹¹ / public officials¹¹, etc. Generally speaking, sensitive cases refer to those which may have a significant financial impact and/or represent a high reputational risk for the Group.
- **Promotes and participates in training** on the fight against corruption, by ensuring that objectives (target, frequency) are met and by approving the content of "Group" training materials.
- **Presents an annual report to the Group Management** (or any other body appointed by the latter) on the basis of this information.
- Is the contact of the French Anti-Corruption Agency.

2.1.2 Central Functions

To ensure coordinated implementation of the framework, **an Anti-Corruption Correspondent** is appointed by the Central Functions¹².

2.2 At the level of Compliance in the Operational Perimeters, Regions and Business Lines

- **All the Operational Perimeters and Regions appoint an Anti-Corruption Correspondent** in Compliance, to ensure the implementation of the anti-corruption framework and to be the point of contract for the Head of Anti-Corruption at GFS Paris.

This Correspondent:

- Holds a dedicated committee for coordination purposes, gathering the main anti-corruption players and contributors in the Operational Perimeter / Region / Business Line.
- Supervises the risk mapping to be established by the Entities and provides support, if needed.

¹² Within the Compliance departments of the Central Functions or, if not possible, then the person the best able to deal with the subject of corruption is designated.





- Centralizes and analyses the information concerning corruption that comes from reporting, from existing internal reports, and from the Risk Assessments of the Compliance domains (FS Compass, Agora, GRAM).
 - Studies the information passed on by the Anti-Corruption Correspondents in the escalation process.
 - Passes on this information to the Head of Anti-Corruption in GFS Paris.
- It is for the Operational Perimeters and Regions to decide whether to appoint an Anti-Corruption Correspondent among **Business Line Compliance teams** to support them in carrying out the above tasks.

2.3 At the level of Compliance in the Entities

The prevention and the detection of corruption fall first and foremost under the responsibility of the Entities because the Entities constitute the first line of defence.

Each Entity must adapt its operational frameworks to incorporate the prevention and management of corruption.

To this end, an Anti-Corruption Correspondent is appointed in the Compliance function of every Entity.

The Entity's Correspondent, responsible for the operational implementation of the anti-corruption framework, ensures the completion and updating of the risk mapping. He also ensures the implementation and the adequacy of the procedures, reporting, anti-corruption training and first-level controls (in conjunction with the aforementioned anti-corruption players).

According to the methods for passing on files/information defined by the GFS Paris Anti-Corruption Department, he also escalates the most sensitive cases of corruption detected, as well as information on corruption, as part of consolidated risk supervision.





3 RISK MAPPING

Every Entity (as well as the Central Functions) must set up a bribery and corruption risk assessment and management system that must include risk mapping.

- The Anti-Corruption Department defines the methodological principles for establishing a corruption risk mapping.
- This corruption risk mapping:
 - **identifies and assesses the inherent risks** to which an Entity is exposed in the conduct of its business,
 - **assesses the control environment** (procedures, reporting, controls, training) implemented to control these risks (self-assessment exercise), and
 - **determines the residual risk level.**

The types of corruption risk listed in section 4.1 are taken into account in the mapping. As regards the risk of external acts of corruption perpetrated by the Group's clients (in particular through the use of BNPP accounts), the Entity can use the AML/CTF risk classification¹³ as a basis for risk identification and assessment and the description of the control environment.

In addition to inherent risks and risk factors identified by the Group, the Entities and the Functions integrate those identified in the context of their activities and by the local authorities (legislators, supervisory authorities, Financial Intelligence Units, etc.). In this respect, the mapping should not be limited to only proven risks but should include all risks that an Entity could potentially encounter.

- **The methodology used** to assess inherent risks, assess the control environment and determine the residual risk level **must be documented**. It is appended to the mapping.
- The mapping is **done under the supervision** and, if needed, with the support **of the Anti-Corruption Correspondents** of the Operational Perimeter, Region or Business Line.
- It is **periodically updated**, at least once a year, and whenever new inherent risks or risk factors are detected (proven cases of corruption discovered by permanent control, periodic control or the regulator; new products / activities that represent a significant risk; or the identification of new factors by the competent authorities).
- Each Entity's risk mapping, as well as any action plans, are made available to the GFS Paris Anti-Corruption Department in the context of risk management on a consolidated basis.

¹³ Cf. [CPL0254 - Classification of money laundering, terrorism financing and international financial sanctions risks](#).





4 PREVENTING AND MANAGING CORRUPTION RISKS

4.1 Main types of internal corruption risk and main processes for preventing them

This Policy presents the main situations where acts of corruption are likely to occur¹⁴ as well as the corresponding rules of conduct. These rules of conduct are, for the most part, set out in the different Group policies and procedures referred to herein that employees must consult.

The **instructions** set out below represent minimum requirements. They **do not pretend to cover all possible behaviours or situations**.

Asking yourself the right questions

If you are not sure of the appropriate steps to take, always ask yourself the following questions:

- Have I got any doubts about the transaction's legal nature or its compliance?
- Could my act or decision be seen as an attempt to influence the objectivity of anyone?
- Will my act or decision enable the company, myself or one of my close relations to benefit from any advantage in return?
- Have I favoured my own private interests in the performance of my function?
- Do I feel indebted to the person who granted me a benefit or advantage of any kind?
- Would I be embarrassed or ill-at-ease if my act or decision were discovered? Would I be able to justify it to my line management / to Compliance?

In case of any persistent doubt in a given situation, the employee involved must **seek guidance** from an appropriate authority (line manager, Compliance, Anti-Corruption Correspondents or LEGAL).

Where behaviour contrary to this Policy is suspected, the employee concerned must report it in accordance with the procedures referred to in section 5.

4.1.1 Gifts and invitations

Under no circumstances should the giving or receiving of gifts or invitations call into question the beneficiary's impartiality or independence of judgment nor should they be considered as an undue advantage.

Employees must therefore be careful neither to favour certain clients or partners unduly nor to place themselves in a situation of potential conflict of interests.

The practice of gifts and invitations must respect the rules of Professional Ethics, as well as comply with

¹⁴ Situations identified by the benchmark rules (see section 1.2) as posing a significant corruption risk.





the prevailing legal and regulatory provisions. The practice is governed by the [Gifts and Invitations Procedure CG0067](#), which establishes the conditions in which gifts and invitations received or offered can be accepted, authorized or refused, as well as the processes to follow as regards decisions, declarations and, when necessary, exceptions.

You are reminded hereafter of the **main prohibitions¹⁵ laid down by BNPP regarding gifts**. In the context of their professional activities, BNPP employees must not, directly or indirectly:

- ✖ Offer a gift to any public official.
- ✖ Offer a gift at his/her own expense.
- ✖ Request any gift.
- ✖ Accept or offer any gift the cumulative monetary value of which exceeds the reasonable amount defined by the Entity.
- ✖ Accept or offer any payment in cash or any other means of payment or reward.
- ✖ Receive from a client or partner any personal remuneration for professional services.
- ✖ Accept any personal mandate or power of attorney of any sort whatsoever.
- ✖ Benefit (personally or for a family member or close relative) from a client's bequest, donation or life insurance.

4.1.2 Facilitation payments, donations and contributions to political parties and charitable organizations¹⁶

- **BNPP forbids all facilitation payments**, meaning all unofficial cash payments (often for small amounts) in order to securitize or accelerate a routine task by a public official .
- The Group **prohibits donations and contributions to politicians and political parties**, both directly and indirectly ([Gifts and Invitations Procedure CG0067](#)).
- However, BNPP supports **corporate philanthropy** in the fields of Culture, Solidarity and the Environment, whilst ensuring their **legality and compliance with the Group's ethical standards**.

Donations to accredited/registered not-for-profit organizations (NPOs) must be monitored in order to prevent any misuse of the donated funds (whether by the donor, the beneficiary or any third party).

The Entities must refer to the KYC procedure and controls ([Procedure CPL0269 – Know Your Client – Segment: Non-profit private sector](#)) and use a risk-based approach in order to ascertain the integrity of the NPO and its members, and ensure that the funds are paid to the appropriate recipients and used for the intended purpose.

¹⁵ This list is not exhaustive. Reference shall be made to the dedicated policy.

¹⁶ This Policy does not concern personal contributions made by employees in their own name.





4.1.3 Recruitment

The assignment of, or promise to assign, a post (whether paid or unpaid, temporary or permanent) with a view to obtaining an unfair advantage is deemed to be corruption.

The recruitment of Politically Exposed Persons (PEPs)¹⁷ /public officials¹⁸ and their close relations (even if only for work placements) is particularly exposed to the risk of corruption.

In countries classed as “High Sensitive” and “Very High Sensitive”¹⁷ and in which the Group has a physical presence, the recruitment of PEPs/public officials is subject to the prior agreement of the HR of the Business Line, Region or Operational Perimeter concerned. The HR decision shall be notified to the relevant Entity and its Anti-Corruption Correspondent, as well as to the Anti-Corruption Correspondent of the relevant Business Line, Region or Operational Perimeter.

More generally, the hiring of people at the request of, or based on referrals from, public officials or other external third parties (client, partner¹⁸) may cast doubt on the impartiality and independence of the recruiter's decisions.

The [Policy RHG0027 External recruitment of BNPP Group employees – organisation and guiding principles](#) sets the conditions for guaranteeing transparent and objective candidate selection¹⁹, as well as for the traceability of selection decisions.

4.1.4 Other situations involving employees

Other situations involving employees acting in the context of their professional activities within BNPP are exposed to the risk of corruption.

The following examples, which are not exhaustive, illustrate acts likely to be characterized as corruption.

- Situation related to the **holding** by an employee **of confidential or insider information**:
 - Passing on insider¹⁸ information to a third party in exchange for an advantage of any nature whatsoever.

This act constitutes the offence of insider dealing but also qualifies as bribery/corruption. In this regard, the [Procedure CG0066 for controlling the personal transactions of sensitive members of the staff of the BNPP Group](#) sets out the rules aimed at preventing the circulation and use of insider information by BNPP executives, employees and tied agents¹⁹.

This procedure constitutes an essential component not only of the framework for preventing and

¹⁷ Country sensitivity classification defined by GFS and available on Echonet.

¹⁸ Other than a recruitment agency.

¹⁹ Existence of an open position or available budget, detailed job description, selection of CV solely on the basis of the skills required, interviews to assess candidates conducted by an HR officer and by a business line manager.





detecting insider dealing but also of the anti-corruption framework²⁰.

- Situations related to the **holding** by an employee **of corporate offices on a private basis**:
 - Making a decision favouring a company in which the employee holds a corporate office, performs remunerated duties or holds significant financial interests.
 - Accepting an advantage of any nature from a corporate client in exchange for a decision favouring the latter in the public sector (case of an employee holding a public office)²¹.

The **Global Policy CG0099 for conflicts of interest involving Employees** and the **Procedure CG0129 for declaring and authorising certain corporate offices held by BNPP employees on a private basis, outside their professional activity** lay down the framework for identifying and managing potential conflicts of interest related to these last two situations.

These policies constitute an essential component not only of the framework for managing conflicts of interest but also of the anti-corruption framework.

- **Corporate offices held on a professional basis** by BNPP Entities or employees (at the request and on behalf of a Group Entity) also pose a risk of corruption and must be closely monitored.

The **Charter DG0049²²** and **procedure AJG0041²³ on corporate offices held by BNPP Group legal Entities and employees** set the rules applicable to holding such corporate offices, explain the scope of liability attached thereto and define the major principles for the gathering, verification and usage of information regarding corporate officers.

4.1.5 Relationships with public officers

As a result of their ability to influence and/or their capacity for decision-making, public officials²⁴, especially when they perform important public functions, are particularly exposed to the risk of corruption²⁴ and influence peddling.

BNPP therefore adopts specific measures, set out below, aimed at controlling the risks arising from relationships with such persons.

Whether or not public officials maintain a contractual relationship with a Group Entity, the rules referred to above concerning gifts and invitations, conflicts of interest and respect of information confidentiality all apply, as does the ban on donations to political parties and facilitation payments.

²⁰ This procedure does not affect the application of the policies and procedures dedicated to preventing, detecting and dealing with market abuse that meet specific regulatory obligations.

²¹ For example, facilitating the award of a public contract.

²² Charter DG0049 Corporate offices held by BNP Paribas Group legal Entities and employees Appointment, renewal and termination procedure.

²³ Procedure AJG0041 for gathering, verifying and using information relating to corporate offices held by Group legal Entities and employees.

²⁴ While corruption encompasses diverse practices depending on the applicable law, a public official's corruption is systematically repressed since such officials have an obligation of probity inherent in their mission to serve the general interest.





4.1.5.1 *Contractual relationships*

When assessing the risk represented by a third party with whom BNPP is already in (or might enter into) a relationship (client or partner²⁵), the presence of a PEP  constitutes an aggravating risk factor.

Relationships with clients who are Politically Exposed Persons (PEP) are dealt with in section 4.3.

4.1.5.2 *Non-contractual relationships (in the case of lobbying activities)*

Non-contractual relationships with public officials concern in particular BNPP's lobbying (interest representation) activities by which BNPP aims to contribute to public decisions in compliance with the applicable laws.

Lobbying consists in an individual or a company attempting to have an influence on public decisions through communication with a public official as provided for by law.

Actions giving rise to undue pressure, and particularly the granting of any undue advantage, are likely to be deemed corruption or influence peddling.

It is therefore vital that relationships with public officials are conducted in strict compliance with the regulations and ethical norms in force, as well as with Group guidelines.

Under the aegis of the Public Affairs Department, BNPP has established an internal framework governing all contacts between its employees and public authority officials.

The **Charter for responsible representation with respect to the public authorities** of the Public Affairs Department sets out the ethical and reporting obligations applying to all Group employees in direct contact with a public decision-maker together with the general principles in terms of transparency, governance and training.

In accordance with the laws and regulations in force, the BNPP Entity sends information on its lobbying activities to the local authorities. **In France**, BNPP's framework takes account of the Sapin II law, the decree pertaining to it and the guidelines published by the High Authority for Transparency in Public Life (HATVP) in July 2017. In particular, the latter define the terms and conditions for passing on information to the HATVP about the identity of the employees concerned and the activities of the lobbyists or public representatives. In this respect, all lobbyists must meet HATVP requirements to:

- update their initial compulsory reports (particularly those concerning the identity of representatives (corporate officers) and individuals responsible for lobbying activities),
- submit annual reports (especially on any actions taken and the budgets dedicated to them).

These obligations apply to all legal entities corresponding to the French definition of lobbyists even when such entities are not located in France.

In addition, the risk of corruption or influence peddling in the context of lobbying conducted on behalf of the Group (by its employees and/or third parties) must be governed by the implementation of appropriate

²⁵ See section 4.2.





controls. In particular, controls aimed at ensuring that reporting and ethical obligations are respected within the Group must be conducted at the 1st level by the Group Entities concerned and at the 2nd level by Compliance Management.

N.B. Suppliers  performing lobbying activities on behalf of BNPP are considered as sensitive (for the needs of Compliance).

4.2 Due diligence with regard to partners²⁶

In general, the risk of corruption, whether internal or external, involving a BNPP partner is mitigated by:

- **Implementing, through a risk-based approach, partner identification and knowledge measures and monitoring of the business relationship.** The risk of corruption presented by any partner is assessed using Financial Security/KYC risk factors.
- **Signing appropriate contractual commitments** (subject to applicable local regulations). Compliance in the Business Lines and, where appropriate, in some of the Functions can judge the pertinence of integrating standard clauses of compliance with anti-corruption laws in order to obtain certain commitments and representations from counterparties.

At BNPP's discretion, a partner's involvement in an act of corruption or any breach by the latter of its contractual commitments can lead to the termination of the agreement, in accordance with the applicable laws and contractual provisions.

4.2.1 Financial services intermediaries

The [Policy CG0083 on intermediaries](#)  aims to ensure the legitimacy and transparency of the selection process, as well as the integrity of the intermediaries in the conduct of their business.

This Policy²⁷, lays down specific rules for approving and dealing with intermediaries. These relationships are, in particular, subject to:

- **KYI (Know Your Intermediary) due diligence**

As part of the approval and recertification process, the non-exhaustive list of risk factors set out in the Policy referred to above for assessing the risk exposure of an intermediary applies to corruption (e.g. the presence of a PEP , sector sensitivity, connections with one or more sensitive countries, etc.).

²⁶ This Policy applies in priority to external partners of BNPP, in-house partners presenting by their very nature a lower risk level.

²⁷ When applicable, also refer to the KYI policies per segment: CPL0279 for individuals, CPL0281 for banks and insurance companies and CPL0280 for commercial corporates and small businesses.





Depending on the risk factors identified and the intermediary's risk level, the final on-boarding decision may require authorization by Compliance, or possibly by an Intermediary Acceptance Committee (IAC).

Appropriate contractual commitments

The agreement governing the relationship between the Group Entity and the intermediary must, in particular, incorporate the intermediary's undertaking to comply with the laws in force combating money laundering and corruption, the terms of the controls conducted by the Entity (to check that the intermediary complies with its legal and contractual obligations), and the terms of the intermediary's remuneration (presentation of a detailed invoice, remuneration paid into an account opened in the intermediary's name in its jurisdiction, etc.).

Measures for monitoring and recertification

In a process similar to that of a Group Entity/client relationship, the relationship with an intermediary must be constantly monitored and be subject to recertification. Notwithstanding recertification frequency, any element or fact likely to have a negative impact on the intermediary's risk level (adverse news, breach of a contractual clause, etc.) must lead to a KYI file review and the intervention of Compliance (or an IAC if required).

The Anti-Corruption Correspondent participates in the approval and recertification processes when the element or fact which justified Compliance's intervention or an IAC concerns a PEP and/or adverse news.

4.2.2 Other suppliers

BNPP sets objectives concerning **Know Your Supplier (KYS)**. In this context, the corruption risk represented by the relationship must be taken into account. As a minimum, the following risk factors must be identified: the presence of a PEP, the conduct of business in a sensitive country and the conduct of any activity in a sensitive sector.

Other risk factors must also be considered, such as the supplier's ethical standards, the supplier's economic dependence vis-à-vis BNPP or BNPP's dependence vis-à-vis the supplier (cf. [Procedure ITP0062 on Assessment, follow-up and control of the Group's exposure to supplier risk](#)).

The corruption risk assessment must be conducted by Compliance prior to the signature of any contract.

First-tier suppliers and suppliers deemed to be sensitive in view of the risk factors identified are subject to **enhanced due diligence**. They must be submitted for approval by Compliance or by the Supplier Risk Committee on which Compliance sits with a veto power. If authorized, the relationship with the supplier in question will be subject to the appropriate **contractual commitments** and **monitoring** intended to reduce the Entity's exposure to corruption risk, in an approach similar to that used for





intermediaries (cf. [Procedure ITP0062](#) referred to above and [Procedure CPL0293 on Financial Security Operational Controls](#)).

The **Anti-Corruption Correspondent** participates in the approval and risk monitoring of a supplier when the element or fact which justified Compliance's intervention or a Supplier Risk Committee concerns a PEP and/or adverse news.

Examples of corruption risk indicators linked to suppliers (financial services intermediaries and providers of goods and/or services)²⁸

- The presence of a PEP has been detected;
- The supplier operates in a sector that is exposed to the risk of corruption or in a "High Sensitive" or "Very High Sensitive" country²⁹;
- The supplier submits inadequate or incorrect information;
- The supplier affirms it can guarantee sales, for instance because it knows the "right persons";
- The supplier has family or business ties with PEP/public officials of the country in which the customer's services will be partly or completely carried out;
- The supplier is recommended by a public official/PEP;
- The supplier does not seem to have the required expertise, experience or resources for providing the proposed services;
- The supplier hides the ownership of its company through shell companies, trusts or fiduciaries;
- It conducts operations involving shell companies, trusts or fiduciaries with no apparent economic purpose, or involving companies domiciled in "High Sensitive" or "Very High Sensitive" countries or at the private address of one of the beneficiaries;
- Its expenses and accounting records lack transparency and/or the figures recorded are not in line with the life style of its managers;
- It requests unusually high commissions or particularly high fees;
- It requests unusual payment patterns, including payments in cash, into offshore accounts or accounts in different names;
- It refuses to certify anti-bribery compliance;
- There is adverse information about the company and/or the ultimate beneficial owners (litigation, legal proceedings, convictions for breaches of anti-corruption law, alleged lack of integrity).

In addition to identification, assessment and monitoring measures, relationships with suppliers obey ethical rules.

Whilst relationships with suppliers  do not all represent the same degree of exposure to corruption risk,

²⁸ List established on the basis of examples provided by the OECD ("Typologies on the role of intermediaries in international business transactions").

²⁹ According to the country and sector sensitivity classification defined by GFS.





it is essential at the time of the **selection process** to guarantee fair, transparent and neutral treatment of existing or potential suppliers.

For that purpose, it is necessary to comply with the Procurement Department's instructions described in the following procedures: **ITP0089 “Group Procurement Norms”** and **ITP0072 “Rules of conduct concerning relationships between BNPP employees and suppliers”**.

These procedures remind BNPP employees of their obligations with regard to gifts and invitations, the confidentiality of information exchanged with suppliers, and the reporting of potential situations of conflicts of interest .

4.3 Due diligence with regard to clients

In addition to internal corruption risks, BNPP and its employees may be unintentionally involved in an act of corruption in which a client is implicated. This would be the case, in particular, of the payment for an act of corruption to or from a client's bank account.

External corruption involving clients refers to cases where the Group, in the context of its activities as a provider of banking and financial services, is used by one of its clients to launder the proceeds of corruption. This could be, for instance, payment of an act de corruption into or out of a client's bank account.

Such unintentional involvement can harm the Group's reputation and constitute a breach of its legal and regulatory obligations for vigilance in the context of anti-money laundering and combating terrorism financing (AML/CFT).

Consequently, **the framework for preventing, detecting and managing external corruption falls within the scope of the AML/CFT framework**, which uses an AML/CFT risk classification, KYC procedures, account and transaction monitoring, and suspicious transaction reports, as well as tools and controls.

The procedures and guidelines of the KYC and Financial Security Domains must be referred to.

Only the aspects specific to the fight against corruption are recalled hereafter.

4.3.1 Identifying and assessing the risks linked to a business relationship

Completing the KYC process, in line with the instructions in the **KYC Global Policy CPL0252**, enables assessment as to whether the prospect/client has any specific sensitivity to bribery and corruption. In particular, it must enable us to:





- **Detect PEPs**³⁰, before starting a new relationship, through discussion with the prospect and use of the Vigilance platform, or, throughout the relationship, by regular comparison of client databases with the PEP list.

PEPs **represent higher risks as regards corruption and so must be subject to enhanced diligence** in accordance with the applicable policy ([Policy CG0030 applicable to relationships with PEPs](#)).

- Determine whether the prospect/client exercises a profession or works in a **business sector that is exposed to the risk of corruption**.

The list of sensitive sectors drawn up by GFS and available on its Echonet page includes sectors of activity that are particularly exposed to corruption risk. Considering the higher risk in connection with the Defence sector, the Group refuses to enter into any relationship with certain defence and security companies because of their business activities or their involvement in “controversial arms” (cf. [Sector policy RSE0009 – Corporate Social Responsibility Defence & Security Sector Policy](#)). The list of excluded companies is administered by the CSR Function.

- Determine whether the prospect/client exercises a profession or works in a **sensitive country**³⁰.

BNPP incorporates the Corruption Perceptions Index established by Transparency International into the criteria used for assessing country risk³¹ (cf. the classification of country sensitivity drawn up by GFS and available on the Echonet page).

- **Detect** potential **disputes**, legal proceedings, convictions or any **adverse information**, particularly in relation to corruption. The Entity's Compliance must be notified immediately of any adverse news in this respect.

The above corruption **risk factors are taken into account for assessing the risk attributed to the relationship** when:

- the decision is made to start the business relationship (client scoring),
- the decision is made to continue an existing relationship, if necessary at a Client Acceptance Committee (CAC),
- recertification takes place (with the volume and nature of transactions also considered).

The Anti-Corruption Correspondent participates in the approval³² and recertification processes when the element or fact which justified Compliance's intervention or a CAC is related to corruption.

³⁰ Depending on the type of clientele: country of constitution or registration for legal entities, country of nationality, of tax residence or of business for natural persons (clients and UBO), countries in or with which the client (including subsidiaries) conducts business, countries to or from which financial flows are recorded.

³¹ Cf. [Group Procedure CG0097 for assessing country sensitivity](#).

³² During the approval process, the intervention of the Anti-Corruption Correspondent is justified in the following cases: presence of a PEP and/or any adverse news relating to bribery and corruption.





4.3.2 Focus points on transactions

- The following transactions are subject to **a priori control**:
 - **Operations involving certain countries** – countries under embargo and P0 countries – are subject to a priori screening (Cf. [Procedure CPL0248 applicable to activities in relation to countries where BNP Paribas has no physical presence](#)). Most of these countries do not have a satisfactory AML system and are ranked low by Transparency International in its Corruption Perceptions Index.
 - **Transactions covered by the abovementioned Defence & Security Sector Policy (RSE0009)**.
 - **Transactions requiring financial structuring before their execution**, especially when they are complex and/or involve **sensitive sectors** (e.g. real estate, armaments and defence, oil and gas, etc.). Particular attention must be paid if one or more intermediaries are involved in the set-up.
 - **Commodity financing operations** conducted in unusual conditions given the relationship profile (new counterparty, amount, nature of the transaction, etc.).

In all cases, when the transaction is assessed, the corruption risk is taken into account by identifying the aforementioned risk factors (PEP, sector, country). This analysis is made according to the terms of the [Group AML/CTF Transaction Monitoring Alert Management Procedure CPL0287](#).

- **In transaction monitoring:**

- Particular attention is required with regard to the **functioning** not only of **PEP accounts**, but also of the accounts of their family and their close associates, as well as those of companies in which a PEP has a significant role.

Examples of transactions that may give early warning of PEP corruption risk

- Transactions involving a PEP's family members or persons known to be close associates;
- Use by a PEP of a personal account held abroad (especially in a "High Sensitive" or "Very High Sensitive" country for the purpose of receiving funds from one or more companies);
- Payments received from third parties who have no apparent ties with the PEP client (e.g. triangular payments);
- Payments, over a short period, of significant amounts to or from recently opened accounts or accounts that had been relatively dormant until then;
- Transit/clearing accounts recording transactions to or from "High Sensitive" or "Very High Sensitive" countries;
- Frequent or significant cash transactions;
- Completion of real estate transactions with funds the origin of which lacks transparency;





- Completion of a real estate transaction for a price that is clearly over/under-valued or for a disproportionate amount compared with the client's income;
- Completion of a real estate acquisition through the use of unusual payment methods (cash, offshore accounts, etc.).
- Any other transaction with no apparent economic purpose: cashing or issuing foreign cheques, subscribing to an insurance policy with premiums paid from accounts open abroad, transactions involving shell companies, trustees or fiduciaries, etc.

This list of warning signs is not exhaustive. The examples given concern cases where the PEP is a client. As regards non-PEP clients, the Relationship Manager must pay particular attention to inbound and outbound transfers as soon as he is aware that:

- the non-client counterparty is a PEP, or that
- the transactions are connected with a public contract.

It should be further noted that this list of corruption risk indicators is not limited to transactions conducted by PEPs but also applies more widely to the monitoring of all transactions conducted by any client of the Group.

- Every Entity must have a framework to detect unusual transactions (tool configuration, manual controls) using specific criteria, thresholds and scenarios relating to corruption. The latter are defined on the basis of the AML/CFT risk classification³³ and the warning signs identified. A posteriori analysis of corruption cases should also help to establish scenarios.
- Any unusual transaction detected will be subject to investigation according to the terms set out in the [AML/CFT Transaction Monitoring Alert Management Procedure CPL0287](#). Corruption risk is incorporated into the assessment criteria. The Anti-Corruption Correspondent is associated with all AML/CFT investigations involving underlying corruption.
- Every suspicious transaction report (STR) where the motive is corruption must be identified as such** (regardless of the other motives for the STR) for reporting purposes. Therefore, the Anti-Corruption Correspondents of the Entity and Operational Perimeter concerned, as well as the GFS Paris Anti-Corruption Department, must be informed.

³³ Cf. [CPL0254 - Classification of money laundering, terrorist financing and international financial sanctions risks](#).





4.4 Tracing transactions

Each Entity must ensure the traceability and the retention of data relating to activities and operations which are regarded as sensitive in the light of the corruption risk mapping.

The transactions concerned³⁴ must be documented and/or justified (characteristics of the transaction, decision process, etc.) in accordance with existing procedures.

An audit trail must exist for each transaction in order to retrace the operation as a whole.

The implementation of these measures is essential for the effective functioning and efficacy of the internal control framework.

5 INTERNAL ALERTS FRAMEWORK AND MANAGING CASES

The Group uses its existing alerts processes (information to line management or use of the whistleblowing procedure) for the escalation of proven or potential cases of corruption involving employees³⁵ or of cases of non-compliance with the principles set out in this Policy or in the Anti-Corruption Code of Conduct.

The framework for dealing with cases of corruption involving employees³⁶ is similar to that for dealing with internal fraud (see the [Group Global Policy RISK0347 for Preventing, Detecting and Managing Fraud](#)).

5.1 Alerting

Any employee³⁷ who reasonably believes that a transaction or proposed transaction that they know about³⁷, or a request or order made to them, breaches one or more of the principles set out above or in the Anti-Corruption Code of Conduct, must report it as soon as possible:

- To his/her line management³⁸**, who informs **Compliance and the Inspection Générale³⁹**, whatever the amount involved and even if there is no financial damage (**classic procedure**).

³⁴ This covers financial transactions (transactions which have an impact on the Entity's internal accounting and transactions carried out on clients' accounts) and non-financial transactions (e.g. gifts, recruitments).

³⁵ Under no circumstances do the reporting frameworks presented in this section meet the specific reporting obligations of the Group, particularly those imposed by the regulations on AML/CFT and market abuse.

³⁶ The management of cases involving partners and clients (and which do not call into question a employee's integrity or independence) is presented respectively in sections 4.2 and 4.3.

³⁷ Directly or indirectly, e.g following a report or complaint of a client or partner, or following the detection of an act or suspicion of internal corruption by the AML/CFT system. In this last case, Compliance must notify the Management and the Inspection Générale immediately.

³⁸ That is to say the employee's direct manager or a higher-level manager.





- **By using the Whistleblowing procedure**

If the employee so wishes, he/she may use the whistleblowing reporting channels in place in the Entity to which he/she belongs, or use the Group whistleblowing mechanism under the responsibility of the Professional Ethics Domain.

Action taken in good faith by an employee in connection with the mechanism will not cause the employee to be penalized in any way⁴⁰.

For further details on this alert mechanism (which can guarantee strict confidentiality), see the [**Whistleblowing Procedure CG0038**](#).

- **Whatever the channel used, the Anti-Corruption Correspondent of the Entity concerned must be informed** of any alert concerning corruption.

5.2 Analysing the facts and making decisions

Any act or suspicion³⁹ of internal corruption signalled or detected by the existing operational systems (in particular anti-fraud systems) **must be subject to**:

- **an analysis of the facts** (collection of evidence and identification of any failures in the internal control system) as well as remedial actions if necessary.

Following alerts issued through the whistleblowing mechanism, Compliance may decide to launch an investigation. In this case, it relies on RISK expertise and, if necessary, on the Inspection Générale or other expertise.

Under the classic procedure, the Inspection Générale, which receives the alerts, can decide to carry out an inspection mission in the Entities concerned. Otherwise, analysing the facts and establishing remedial actions falls to the Entities concerned with the support of Compliance.

In accordance with the procedure [**RISK0327 “Organizational framework and governance for operational risk management and permanent control framework”**](#), interactions between the RISK and Compliance functions are necessary to exchange information on cases or suspicions of internal fraud / corruption of which they may be aware.

- **a disciplinary sanction**, where an act of corruption has been proven.

³⁹ Via the FORECAST database, or by any means if the time for entering data into FORECAST exceeds 3 business days as from the date of discovery of the act or suspected act of corruption.

⁴⁰ Employees cannot be penalized or be subject to discriminatory measures, directly or indirectly, in terms of recruitment, remuneration, promotion, training, assignment or re-assignment.





Participation by an employee⁴¹ in an act of corruption is professional misconduct⁴¹. The **Group Policy RHG0054 on penalties for misconduct by employees** is applicable.

Responsibility for the decision and the implementation of the sanction lies with the Entity concerned, in tandem with the Functions directly concerned (HR, LEGAL, Compliance, RISK).

□ assessment and management of the other consequences arising from the act of corruption.

The assessment and the management of other consequences of the act of corruption (in terms of reputation and administrative, civil or criminal proceedings, etc.) is managed directly by the Head of the Entity concerned, with input required from the HR, LEGAL, Compliance and RISK Functions. Action by the Communication and Finances Functions will be necessary if the act in question has a significant impact on the Group's reputation and results respectively.

In the most serious corruption cases (e.g. involvement of a PEP⁴²/ public official⁴², major financial stakes), a special steering committee whose members include the Anti-Corruption Correspondent may be constituted.

Without prejudice to the reporting processes described in the existing procedures⁴², the Entity's Anti-Corruption Correspondent must be informed of the results of the investigation carried out by Compliance, the Inspection Générale or the relevant Entity as soon as the investigation uncovers corrupt practices. He/she shall also be informed of the sanctions decided against the employee and, when applicable, of the results of the assessment and management of the other consequences ensuing from the employee's behaviour.

6 TRAINING AND RAISING AWARENESS

BNPP's anti-corruption framework must be known and understood by everybody. Employee awareness raising and training on preventing, detecting and managing acts of corruption are essential components in the internal control framework.

The Anti-Corruption Correspondents in the Entities, Operational Perimeters, Regions and Business Lines are responsible for initiatives to raise awareness, for the training required for the implementation of this Policy and for training follow-up.

According to the risks identified in the risk mapping, GFS Paris and Compliance Training have designed training materials covering internal and external corruption risks:

⁴¹ Without prejudice to potential legal proceedings and administrative, civil and criminal sanctions.

⁴² The **Whistleblowing Procedure CG0038** and the **Group Global Policy RISK0347 for Preventing, Detecting and Managing Fraud**





- An e-learning module for all employees to increase awareness of corruption issues;
- A more in-depth “Experts” training module for those employees who are the most exposed to corruption risk.

The Experts training module can be adapted to specific activities (e.g. Procurement) and/or to local law (especially when local norms are more restrictive than the Group norms), provided that the content is in line with that proposed by the Group and has been approved by the Anti-Corruption Correspondent of the Entity and of the Operational Perimeter.

Under no circumstances does following in-house training prevent participation in other training that exists on fraud, professional ethics and financial security, since the latter constitutes an essential complement to the anti-corruption process.

An audit track of these awareness-raising and training sessions must be kept to satisfy the requirements of permanent control, periodic control and the regulator. In particular, this tracking obligation concerns training materials, the lists of attendees, the quizzes aimed at ensuring good understanding of the training and records in the dedicated tools (in particular MyDev).

7 INTERNAL CONTROL FRAMEWORK

Corruption risk comprises operational risk, non-compliance risk, financial risk, legal risk and reputation risk. Supervision of the control framework is ensured by Compliance Permanent Control (CC&RM) and by Periodic Control.

7.1 Permanent Control

First-level controls

Permanent control frameworks required for preventing and detecting acts of corruption are primarily the responsibility of the Entities.

Based on its risk mapping, each Entity establishes a framework for managing the risks of corruption (both internal and external) which includes, in particular, the controls provided for in the procedures referred to in this Policy.

In accordance with the requirements of the Sapin II Law, this framework must incorporate accounting controls for the purpose of preventing and detecting acts of internal corruption⁴³.

⁴³ In the context of business activities, corruption often involves the manipulation of accounting information aimed at concealing the transaction in question (destruction or falsification of documents, non-recording of an operation, recording of non-existent or erroneous expenses, etc.).





These mainly concern BNPP's existing controls in the fight against fraud, namely:

- The "standard" controls of the permanent oversight framework (segregation of duties, delegation of powers, delegation of signature, "4-eye" review).
- The controls intended to ensure transactions are recorded, traceable and compliant from an accounting standpoint.

These first-level controls cover accounts and transactions identified by the Entity and account owners (Back-Offices, Compliance, HR, Finance and other Functions) as exposed to the risk of corruption.

These controls apply to accounts used for sensitive transactions (e.g. payments to suppliers), and accounts used for recording cash flows which are regarded as "sensitive" by nature (e.g. transit/clearing accounts, correspondent accounts, "other debtor & creditor" accounts).

Second-level controls

The implementation of existing generic control plans should cover the risks of internal and external corruption.

These include but are not limited to:

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| - The generic control plan defined by Professional Ethics (controls relating to personal transactions, whistleblowing and gifts), | <i>Scope supervised by Compliance</i> |
| - The KYC & Financial Security Generic Control Plan (KYC, AML/CFT and training-related control points), | |
| - Group HR's control points relating to external recruitment, | <i>Scope supervised by RISK</i> |
| - The Group Procurement control plan (controls regarding the principle of segregation of duties, the formalization of the selection process, the suppliers' list and the watchlist, the declaration of incidents, and payments) | |
| - The controls relating to corporate philanthropy and sponsoring defined by Communication, | |
| - The accounting control plan of Group Finance (in particular controls relating to sensitive accounts). | <i>Scope supervised by Finance</i> |

The GFS Paris Anti-Corruption Department ensures the coordination of all the permanent control frameworks intended to prevent corruption risk and to develop best practices in this field, in particular through the Anti-Corruption Committees.





In addition, as part of the implementation of the control framework and together with the relevant Functions, it ensures that the generic control plans are kept up-to-date in order to take account of corruption risk.

Under the supervision of the Operational Perimeters, Business Lines and Regions, each Entity can decide on additional controls depending on the activities it conducts and local law.

The results of the generic control plans are escalated in the existing Risk Assessments (e.g. FS Compass, GRAM).

7.2 Periodic control

The Inspection Générale assesses the pertinence and effectiveness of the permanent control systems for the operational risk, including the corruption risk.

It may, at its discretion, investigate serious and significant acts, attempts or suspicions of internal corruption or even external corruption.





APPENDIX: GLOSSARY

CLOSE RELATION

Close relations are defined according to their ties with another person:

a) Family ties:

- A spouse not legally separated or a partner under a civil partnership agreement;
- Children over whom he/she exercises parental authority or who live with him/her, whether usually or on a shared basis, and for whom he/she is effectively and permanently responsible;
- Any other person dependent upon him/her or living in his/her home for more than one year.

b) Close ties: a legal entity controlled directly or indirectly through the person concerned and/or his close relations holding a sufficient percentage of the capital or voting rights or holding sufficient economic interests.

CONFIDENTIAL INFORMATION

General term referring to any non-public information concerning BNPP, or any information obtained during transactions pertaining to a client or prospect.

CONFLICT OF INTERESTS

Situation in which, in the exercise of the Group's business, the interest of the Group and/or those of its clients and/or those of its employees conflict, whether directly or indirectly.

This definition applies to effective, potential and apparent conflicts of interest.

An **interest** is a benefit of any kind whatsoever, material or immaterial, professional, commercial, financial or personal.

Abuse of a conflict of interest situation is defined in this document as a conflict of interest situation from which the Group, an employee, a client or any related third party draws an undue advantage.

CORPORATE OFFICERS

By corporate officers, we mean:

- In France, the chairmen, chief executive officers, chief operating officers, directors, sole directors, the chairmen and members of management boards, the chairman, vice-chairmen and members of supervisory boards, managing directors, permanent representatives and managers of legal entities that are themselves managers or corporate officers, as well as all other representative positions or corporate offices in a legal entity. Board observers, management auditors of economic interest groups, and liquidators in voluntary liquidation proceedings are, for the purposes of this Policy, considered to be corporate officers.
- Outside France, corporate officers defined as such under local law.





CORRUPTION

An **act of corruption** can be defined as offering, giving, soliciting or accepting an undue advantage (or promise of an undue advantage) of whatever nature that may affect the proper exercise of a function or the conduct required of the holder of the function concerned (whether in the public or private sector).

It is irrelevant whether the person to whom the undue advantage is given (or promised) is the holder of the function concerned or a third party (intermediary). **Influence peddling** is defined as the fact that such third party abuses his real or supposed influence over the holder of the function concerned with a view to affecting the normal performance of his function or his behaviour.

Attempted corruption or an abortive act of corruption, is an act of corruption that did not result in the desired criminal objective. For the purposes of this Policy, it is assimilated to a proven act of corruption.

Suspected corruption is a series of unusual, unreported and/or unauthorized events that are serious and concurring, and which could correspond to corruption, even if such qualification cannot be established with certainty.

Corruption can be **public** or **private**, depending on whether the holder of a public office is involved or only individuals from the private sector.

From BNPP's point of view, corruption is **active** when an employee offers or gives an undue advantage (in his own interests or those of the Group); it is **passive** when this employee solicits or accepts such advantage.

Also from BNPP's viewpoint, **internal** corruption refers to the active or passive participation of a BNPP employee  in an act of corruption (whether in his own interests or those of the Group).

External corruption refers to cases where:

- the Group is, in the usual course of business, unintentionally involved in an act of corruption committed by one of its clients.
- one of BNPP partners perpetrates an act of corruption in a context unrelated to the services performed by this partner on behalf of the Group.

The participation of a partner in an act of corruption that is related (directly or indirectly) to an operation or transaction to which the Group is a party falls under both **internal and external corruption**.

Complicity with an act of corruption: concealing an act of corruption, particularly through accounting practices, is regarded as complicity. Gross negligence enabling an act of corruption to be perpetrated or to continue can also be deemed to be complicity.





EMPLOYEE

An individual who works at the Group on a permanent or temporary basis, in France under an employment contract, on loan or secondment or as a corporate officer, or abroad in an equivalent capacity with the Group.

For the purposes of this Policy, temporary staff, trainees and external service providers are treated as Employees.

FINANCIAL SERVICES INTERMEDIARY

A financial services Intermediary is (i) an individual who is not an employee of an Entity, or (ii) a legal entity that is involved in the relationship between said Entity and a client or prospective client for the purpose of undertaking one or more transactions.

The Group Policy CG0083 on intermediaries classifies intermediaries in three categories:

- Intermediaries introducing new business relationships to the Group.
- Intermediaries distributing the Group's products and/or services to entities and/or individuals that become the Group's clients when subscribing to and/or buying the product and/or service.
- Group clients that provide their own clients with a service and/or product of the Group, without such clients becoming clients of the Group.

FRAUD

Fraud is an improper act – either an act or the omission of an act – that is performed by using intentionally and personally, unfair means, and sometimes even lawful means, in order to obtain, directly or indirectly, an undue tangible or intangible advantage, or a consent, or in order to escape an obligation of any nature, for one's own benefit or that of a third party.

GIFTS AND INVITATIONS

The term **gift** includes material benefits given or received in the context of a professional relationship.

A gift is said to be **reasonable** when its amount is not likely to compromise the beneficiary's independence or judgement, to cast doubts on his integrity or to appear disproportionate compared with the business relationship in question.

By definition, promotional items with the BNPP logo (e.g. calendars, diaries, pens, etc.) are considered to be reasonable gifts.

The term **invitation** covers:

- Invitations to a demonstration, where the host wishes to present a service or product.
- Invitations of representation, by which the host asks his guest to give a presentation on a specific subject in his field of expertise.
- Invitations to maintain business relationships/ business lunches or dinners aimed at maintaining contact with a client in a less formal manner.





- Invitations to leisure activities (invitations to sports or cultural events of which the person issuing the invitation is, or not, one of the major sponsors)

INFLUENCE PEDDLING

Influence peddling is defined as the fact of proposing to or giving an unfair advantage of any nature to a person so that the latter abuses his real or supposed influence over the holder of a function (public or private sector) with a view to affecting the normal performance of such function or the behaviour required on the part of such function holder.

INSIDE INFORMATION

Information of a precise nature which has not been made public relating, directly or indirectly, to one or more issuers, or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the prices of related derivative financial instruments.

PARTNER

This term refers to all third parties (except clients and prospective clients) with whom BNPP is in a relationship within the framework of a formal partnership.

Partners include, but are not limited to, suppliers (including financial services intermediaries), tied agents, partners in a joint venture and associates in a partnership.

POLITICALLY EXPOSED PERSON (PEP)

PEPs are defined as individuals who are or have been entrusted with prominent public functions, irrespective of their place of residence or the place where they carry out their functions. Some of these functions are not, strictly speaking, 'political'; what they have in common is that they are associated with significant decision-making powers.

PEPs' family members and their close associates are also considered to be PEPs.

The **immediate family members of a PEP** are:

- The spouse or common-law spouse;
- A civil partner or a person considered as a partner under local law (e.g. in France, persons bound by a "PACS" (*pacte civil de solidarité*), a civil solidarity pact that is a contractual form of civil union between two adults);
- Lineal ascendants and descendants within the first degree of kinship, along with their spouses (that is to say fathers, mothers, sons, daughters, fathers-in-law, mothers-in-law, sons-in-law and daughters-in-law) or their civil partners or persons considered as a partner under local law.





A person “known to be a PEP’s close associate” is defined as any individual who is:

- jointly with a PEP, the beneficial owner of a legal entity or a legal arrangement, or
- the sole beneficial owner of a legal entity or a legal arrangement, which is known to have been set up for the benefit, *de facto*, of a PEP, or
- known to maintain close business relations with a PEP.

PUBLIC OFFICIAL

Broadly defined, the term public official includes:

- Any person holding a legislative, administrative or judicial office of any nature whatsoever after having been appointed or elected,
- Any person performing a public function at a local, regional or national level,
- Any person acting as an civil/public servant or as an agent of an international public organization (e.g. United Nations, World Bank, International Monetary Fund),
- Any director, representative, official agent or employee of a State-owned or State-controlled body, establishment or company (e.g. central bank, sovereign fund, public university, State-held JV),
- Candidates for political office and members of political party decision-making bodies (such as the chairman or secretary general, treasurer, steering committee members),
- Any person working or acting in an official capacity for the above-mentioned entities (administration, organization, company, party, etc.) including private consultants,
- All the above-mentioned entities,
- Members of a royal family.

Note: the term “public official” does not necessarily mean the same people as the term “politically exposed person” (PEP), employed in various national and international regulations in the context of the fight against money laundering. In many countries, the wording of laws regarding corruption contains the terms “public official” or “member of the public function” rather than PEP.

SUPPLIER

Refers to financial services intermediaries  and providers of goods and/or services.

Service providers concern in particular advisory services, audit services, lobbying services, marketing services (especially when providers are sponsored), etc.

The term supplier includes legal persons as well as natural persons who represent the company.

TIED AGENT

Any duly authorized natural person or legal entity who acts exclusively under the sole and unconditional responsibility of one and the same entity of the BNPP Group and who provides one or more of the following services:





- promotion of investment and/or related services to clients or potential clients,
- reception and transmission on behalf of third parties of instructions or orders concerning financial instruments or investment services,
- placement of financial instruments, whether guaranteed or not,
- provision of advice concerning financial instruments or services to clients or potential clients.

Such tied agent is an external financial services intermediary.

