



# SUSTAINABLE DEVELOPMENT DYNAMICS

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**A**s you are aware, BNP Paribas issues every year a Sustainable Development Report, along with its so called "Annual" Report, more "traditional business-oriented" which includes also the comprehensive Financial Statements of our Company for the previous Fiscal Year.

It nevertheless seemed to us that in the field of SRI, as it happens regarding the business-related items, you would like to be in touch with companies on an uninterrupted basis. We are therefore delighted to present you with this issue of "Sustainable Development Dynamics", a periodic information tool regarding the achievements of BNP Paribas in the field of Sustainable Development/Socially Responsible Investment.

Our ambition in this process is to keep you posted of all the facts and events (and not only the "big things") occurring in the everyday life of our Company in these matters (whether they are related to sponsoring, environment, human resources, compliance,...), for you to be really associated with the way SD/SRI is "living and well", as a truly integrated part of the way BNP Paribas is conducting its business for a value creation process in the interest of all its stakeholders.

**Should you not (or no more) be the person dealing with SRI matters within your firm, we thank you to be kind enough to pass this publication to the persons involved, as well as to keep us informed of such changes, so that the next messages could be correctly routed.**

**We wish you a good reading of this issue.**

## EXCELLENCE IN RENEWABLE ENERGY

BNP Paribas has received the "Excellence in Renewable Energy" gold award from Energy Business Review, underscoring its highly active role and innovation in the sector. Energy Business awards acknowledge excellence in a number of key energy business disciplines: recognizing companies that are making a positive mark on the conduct of energy business, mitigating trading risks, utilizing precious energy resources, developing energy systems, curtailing environmental degradation, advancing energy technology, and distributing and consuming energy more efficiently and ethically. With its impressive list of renewable transactions over the year (for instance, financing of Astraeus in Europe regarding wind power), and its continuing commitment to develop clean energy sources throughout the world, BNP Paribas is the worthy recipient of the gold award and has already set the benchmark for next year's Energy Business awards.



**Energy Business**  
Awards 2006

## SUPPORTING EQUAL OPPORTUNITY IN EDUCATION

In late-December, Michel Pébereau, Chairman of BNP Paribas, signed up the Group to an equal opportunity arrangement between the Ministry of Education and 40 major French corporations. The companies agree to provide tutoring, scholarships, sponsoring, scholastic support, and an introduction to corporate occupations to underprivileged schoolchildren, and to recruit young graduates from deprived neighbourhoods. The Ministry, in turn, will mobilize the districts, schools and instructors concerned. The first beneficiaries of these efforts will be pupils in disadvantaged and rural areas, and those experiencing considerable hardship. By taking part in this equal opportunity program, in which employees from the French networks will be involved, BNP Paribas is strengthening its commitment to promoting diversity and solidarity at the community level.

## "6 BILLION OTHERS": THE DEDICATED WEBSITE IS LIVE

BNP Paribas has sponsored Yann Arthus-Bertrand and his ambitious project called "6 billion Others". The video project paints a portrait of man at the beginning of the 21<sup>st</sup> century: what is happiness? What can we learn from the challenges we face? What is the meaning of life? Today over 3,600 interviews have been filmed in 55 countries. They provide a clear outline of what separates us as human beings but also show what we have in common. An additional 2,400 interviews will be carried out by the end of 2007. This project will culminate in an exhibition that will open in Paris in early 2008, before beginning its world tour and being featured on television around the globe.

## BNP PARIBAS ÉPARGNE & RETRAITE ENTREPRISES LAUNCHES EFFIGIE

This new range of group savings and retirement products is aimed at SMEs with up to 1,000 employees. *Effigie* is designed for distribution exclusively by non-captive networks: brokerage firms and independent investment advisors. *Effigie's* corporate savings products are now also available in the Cardif network. Thanks to its turnkey solutions, personalized documentation and new tools (training kits and subscription packages including a multimedia CD-ROM), the partners of BNP Paribas E&RE and Cardif are thus equipped to provide their small business and SME clientele with the best advices.

## EASYETF LAUNCHES THE FIRST ISLAMIC ETF



EasyETF just launched the first global equity index linked Islamic ETF. The Dow Jones Islamic Market Titans 100 EasyETF is listed on SWX Zurich and registered in France. This investment fund seeks to replicate the performance of the DJ Islamic Market Titans 100, which excludes companies whose business involves alcohol, entertainment, gambling, pork, pornography, arms and traditional financial services. Islamic investments are currently in a strong growth phase worldwide.

## UKRSIBBANK IS ONE OF UKRAINE'S BEST EMPLOYERS

According to the brand rating by the Ukrainian business magazine *Delovoy Zhurnalâ*, JSCIB UkrSibbank has been nominated as one of the Top 10 employers in Ukraine; researchers evaluated about 350 companies.

Key evaluation criteria were satisfaction with salary levels, opportunities for professional and career growth, availability of training and qualification upgrade system, clear and transparent organization structure, high level of top-management efficiency, time-effective decision making process, prestige and authority of organization, quality of the services provided and high level of technological development.

"Personnel management is defined as one of the key strategic directions of the bank's development," said Margarita Nelepova, Deputy Head of HR Department at JSCIB UkrSibbank. "People are the most valuable resource for any company. We fully understand the meaning of this postulate and make every effort to provide better labor conditions and consolidate our position as one of the best employers in Ukraine's financial sector."

## JOB CREATION IN 2006 AND 2007

In 2006, French banks hired 47,500 persons worldwide, including over 27,000 in France. The figures for BNP Paribas were nearly 14,000 and 4,700, respectively, and concerned equal numbers of young graduates and experienced professionals, reflecting the Bank's fast business growth both in France and abroad.

The Group expects to keep up the pace in 2007, with a forecast for hiring 2,300 executives, earning it second place in the French weekly *L'Express* ranking of "companies that are recruiting in France in 2007". It is also expected that French Banks will recruit 55,000 people around the world, out of which, BNP Paribas will count for 15,000 worldwide, including 4,000 to 5,000 in France.

## "LE COACH DE L'ÉPARGNE" CAMPAIGN

Plans, retirement, stock markets, insurance, estate planning, etc. A bank that wishes to help customers manage their savings, cannot merely offer attractive one-off products. It must adopt an approach combining advice with commitment over time.

This is the goal of BNP Paribas, "the bank for a changing world":

- committed to meeting each customer several times a year, so as to get a better understanding of his needs and expectations;
- committed to putting together a savings approach that meets specific objectives;
- committed to transparency, as well as to explanation;
- committed to ensuring efficient long-term performance for its customers.

To materialise this approach, BNP Paribas has created the "savings coach" concept. The BNP Paribas savings coaches are asset management advisors within the French branch network, who draw on a broad range of products to build customised savings strategies for their customers. BNP Paribas aims are to fulfil its advisory role towards its customers and prospects by developing the "Investment Projects Diagnosis", a free, comprehensive personalised analysis of the customer's financial savings needs. The customer systematically receives then a summary report on the existing situation, his objectives and the bank's commercial proposals. Three meetings a year with customers enable the bank to coach them in their savings approach and develop their savings.

## BNP PARIBAS ENDOWS A TEACHING AND RESEARCH CHAIR

Georges Chodron de Courcel, Chief Operating Officer of BNP Paribas, and Hervé Biais, Director of Ecole Centrale Paris, have signed an agreement creating the "BNP Paribas" Teaching and Research Chair in financial mathematics. The chair will offer courses and supervise student projects in financial mathematics, organize prominent events (colloquia, seminars, publications) for experts, professionals, and scientists, and institute a new research project at the Ecole Centrale's Applied Mathematics Laboratory.



## BNP PARIBAS LAUNCHES THE "WE BELIEVE IN IT AND WE PROVE IT" CAMPAIGN

In January 2007, BNP Paribas launched a corporate campaign on its public-interest action "Nous y croyons et nous le prouvons". The campaign deals with the nine following themes: youth, employment, business enterprise, disadvantaged neighbourhoods, a French global multinational, discovering and backing talent, quality of service at competitive prices, innovation, and the bank's proximity and accessibility. On each subject, particularly significant data have been highlighted: 2,000 jobs created in two years, 8,000 persons hired by BNP Paribas on a permanent basis in 2005 and 2006, €7 million in micro-credit in 2006, 75,000 new business customers gained over competition in less than three years. The campaign underlines the fact that BNP Paribas can be a major company with operations worldwide without losing sight of the interests of its home-country. As Baudouin Prot, Chief Executive Officer, underlines, "on the long term, there is no efficient company without roots, i.e. a close relationship with one or more areas of operation".

## FIRST CARBON ASSESSMENT® AND ECOLOGICAL PROJECTS FINANCING FOR CORTAL CONSORS

The Carbon Assessment® is a method for measuring greenhouse gas emissions, whether direct or induced by economical or administrative activities. An audit of the French Cortal Consors site was carried out from March to November 2006 to precisely evaluate the emissions tied to the building, energy consumption and employee travel. The assessment posted 2,062 metric ton equivalents (mteq) of CO<sub>2</sub> per year, i.e. 3.44 (mteq) of CO<sub>2</sub> per employee. Acting before the emission reduction program, Cortal Consors has decided to offset its emissions through "Useful Investing" operations whose originality consists in involving customers, employees and partners, with an educational objective.

## BAUDOUIIN PROT IS HONORED BY THE FOREIGN POLICY ASSOCIATION

Baudouin Prot, Chief Executive Officer of BNP Paribas, has been awarded the 'Social & Corporate Responsibility' award by the Foreign Policy Association. Founded in 1918, the Foreign Policy Association is a not-for-profit organization dedicated to serving as a catalyst for developing awareness, understanding and informed opinion on U.S. foreign policy and global issues. Noel Lateef, President and CEO of the Foreign Policy Association (FPA), stated that the FPA's Corporate Social Responsibility Award is the highest recognition that the Association confers for good corporate citizenship, noting the extraordinary efforts of BNP Paribas and its employees in extending assistance to the victims of Hurricane Katrina in Louisiana and adjacent states.

## BNP PARIBAS, THE ONLY FRENCH BANK LISTED IN COVALENCE 2007

BNP Paribas is the only French bank listed in the top 10 of Covalence Best Ethical Quote Score. This award confirms the group's positive image in the public opinion.

Covalence, a Geneva-based company founded in 2001, uses its Ethical Quote information system to measure the ethical reputation of multinational companies. In January 2007, it published its second annual ethical reputation ranking, sorting the entities with the highest scores and those that had made most progress in 2006.

Covalence's ethical quotation system is based on qualitative data, classified according to 45 criteria concerning the businesses' contribution to human development. These are divided into four groups: labour conditions, production impact, product impact and institutional impact.

## MEETING BETWEEN FEMALE GROUP EXECUTIVES IN FRANCE

Some sixty female executives representing a wide range of core businesses, business lines, and corporate functions in France met for the first time, in Paris, on 30 January. The meeting was organized by Mix City, a group of about ten senior female executives created by Group HR late in 2004 to help more women to rise to senior executive positions. Mix City has been organizing working groups of both sexes to address various issues, such as maternity leave and the creation of a corporate concierge service at offices for all staff members. The women who gathered on 30 January familiarized themselves with Mix City's efforts and exchanged viewpoints and experiences in a friendly atmosphere. They also expressed the desire to pursue these efforts in the future.

## COOPERATION AGREEMENT WITH AFD

BNP Paribas and the French Development Agency (AFD) will begin joint development on projects to support microcredit and promote sustainable growth efforts by clients of the Bank and its subsidiaries, in countries where AFD operates and the Bank has a full-service presence. BNP Paribas, AFD, and its subsidiary Proparco, which provides financing to the private sector, have already teamed up for operations of this type in North Africa, Sub-Saharan Africa, and Turkey.

## PERMANENT CONTROL IS GETTING CLOSER TO OPERATIONAL RISK

Within the scope of the Group's operational improvement and of the rationalisation of processes, the Permanent Control and the Group Risk Management - Operational Risk teams have been joined in one entity "Permanent Control - Operational Risk" (PC-OR) from March 1<sup>st</sup>, 2007. Under the joint responsibility of Compliance Group and Group Risk Management, this new entity PCOR will have to achieve the convergence of concepts, methodologies and tools of both departments in order to create a unified vision of the Group's permanent control and the follow-up of its operational risk.

## ECO-DRIVING FOR SUSTAINABLE MOBILITY

In its role of monitoring the corporate vehicle market, Arval's (the Group's subsidiary specialised in long-term fleet management and leasing) Corporate Vehicle Observatory (CVO) advises on ways to make mobility environmentally friendly. As a vendor, it encourages drivers to adopt a "green" attitude. The CVO has released "Eco-Driving", its first publication, which looks at ecodriving in France and around the world, promoted by measures such as energy labels and income tax credits to reduce greenhouse gas emissions.

The survey gives an overview of the importance that various countries attach to environmental issues and the way they are addressed. It contains suggestions that can already be put into practice, as well as simple, operational solutions that all of us can adopt.

## GIS'S SOFTWARE DESIGN AND DEVELOPMENT TEAMS RECEIVE CMMI LEVEL 3 CERTIFICATION

GIS's (Group Information Systems) software design, development, and maintenance teams have received Capability Maturity Model Integration (CMMI®) Level 3 certification. CMMI Level 3 is the international benchmark for the quality of software development and maintenance processes. This unit, which employs more than 1,000 persons, is the largest bank software development department to have reached that level in Europe. Moreover, IT production teams use ITIL method and have been certified ISO 9001. BNP Paribas IT unit uses also Lean Six Sigma method to improve its processes.

## ANIMAL LANDSCAPE PAINTINGS RESTORED

Five paintings of animals by Christophe Huet (1700-59), housed in the Prince de Condé's chambers at Chantilly palace, have just been restored with support from the BNP Paribas Foundation. Exotic animals and aquatic birds, recalling those that inhabited the Chantilly menagerie, are set against landscapes depicting the Far East.

These works, destroyed at the time of the French Revolution, are a key series of paintings within the main apartments of the palace, and their return will enhance the pleasure of the many visitors to Chantilly.

## ARVAL OFFERS COMPENSATION FOR ITS CO<sub>2</sub> EMISSIONS

As part of its sustainable development efforts, Arval (a subsidiary of BNP Paribas specialised in car fleet management and long term lease) has compensated for its own auto fleet's CO<sub>2</sub> emissions through a €12,320 donation to the "Action Carbone" project to fight climate change. This project, created by the GoodPlanet organization, allows donors to compensate for their CO<sub>2</sub> emissions by contributing to offsetting undertakings, such as reforestation in Colombia and solar panels in Brazil. Conscious of the work required to minimize the damage to our planet, Arval has thus taken another important step to demonstrate its commitment to environmental responsibility.

## TEAMING UP WITH PARIS' COMMUNITY SERVICES PORTAL PEUPLADE.FR



By partnering with peuplade.fr, France's first community services association-turned-Web site, BNP Paribas is demonstrating its commitment to neighbourhood solidarity over the Internet. The Group will be present on the site through its Paris branch network. Employees can share their enthusiasm for the neighbourhood where they work by participating in local projects and peuplades (literally, "tribes") near their branch. Retirees can share their expertise in financial awareness groups now being formed.

In this way, the BNP Paribas network seeks to be an active community member as much as a service provider. The Group is also counting on its presence on the portal to help mobilize volunteers for the solidarity initiatives it supports (microcredit, scholastic support, Program for the Underprivileged Suburbs). L'Atelier ([www.atelier.fr](http://www.atelier.fr)), the BNP Paribas technology monitoring unit, will regularly publish, at no cost, selected content dealing with the social utility of new technologies.

## CARING FOR THE ENVIRONMENT IN THE OFFICE: SOME SIMPLE AND USEFUL ACTIONS



In an attempt to enhance the environmental awareness of BNP Paribas's staff, an office memo (*P'titmémo buro*) concerning environmentally friendly behaviours in the office was circulated throughout the group. The document was printed on recycled paper in French, English and Italian. It was drafted by a working group involving several central functions, including Group Sustainable Development and Group Communications and Advertising.

## WORLD'S SEVENTH MOST VALUABLE BANK BRAND

According to Brand Finance's "BF250" survey, BNP Paribas is the world's seventh most valuable bank brand (\$12.28 billion). A flattering ranking, which shows that our brand is today a real competitive advantage, even more creditable considering that the Group ranks around 15<sup>th</sup> in terms of market capitalization. The specialized consulting firm prepared its "Top 250" league table on the basis of publicly available financial information, a market analysis, and its own assessment of royalties. Twenty-four of the world's leading brands belong to French corporations, and BNP Paribas is fourth in France's Top 10. The first two bank brand are respectively: Citygroup (\$35.15 billion) and HSBC (\$33.49 billion). Following BNP PARIBAS: Barclays (\$12.18 billion), ABN amro (\$9.43 billion), Deutsche bank (\$8.24 billion), Société Générale (\$7.85 billion) and Crédit Agricole (\$5.82 billion).

## THE BNP PARIBAS MEDIATOR PUBLISHES HER REPORT FOR 2006

BNP Paribas has just published its mediation report for 2006, which can be found at <http://www.bnpparibas.net>. The mediator, Annie Batlle, received 2,406 requests to intervene during the year and she issued 349 opinions. As part of efforts to improve customer relations, and considering the positive impact of mediation, the Group has decided to extend the mediator's purview to cover all consumer products and services in the areas of credit, savings, investment and insurance.

## BNP PARIBAS STANDS OUT IN THE CLCV SURVEY ON BANK SERVICE FEES

Having carefully studied their service fee schedules, the consumer affairs, housing, and lifestyles association CLCV and *Mieux Vivre Votre Argent* magazine ranked 121 banks, from least to most expensive, according to three customer profiles: single account holders who use few services, joint account holders with some investments, and joint account holders using more bank and securities trading services. The salient feature of this year's results is unquestionably the very high ranking of the nationwide banks, whose rates are generally more competitive than those of the regional cooperative banks. BNP Paribas most often topped the list, with the lowest rates of non-mutual banks.

## BNP PARIBAS' VALUES SERVE AS THE FOUNDATION FOR THE GROUP'S CULTURE

Corporate Communications and Advertising has kicked off a major global in-house communication campaign on the theme of corporate values, which takes the form of e-postcards. Since its inception, BNP Paribas has remained faithful to its four original values: Reactivity, Creativity, Commitment, and Ambition. In a constantly changing world, these values needed to be explained, circulated, and illustrated once again. The Group's 140,000 staff members have thus received a postcard containing the CEO's message in one of 18 languages.

The operation will continue with the distribution of additional postcards, each presenting a value and its definition, in an updated graphic environment featuring the "flight curve" identity and the signature "the bank for a changing world".

## THE FOUNDATION WORKS WITH THE POMPIDOU CENTER

The BNP Paribas Foundation has associated itself with the new presentation of contemporary collections at the National Museum of Modern Art and the enrichment of the collections held by the Pompidou Center. In addition, it has decided to finance the restoration of Yayoi Kusama's "My Flower Bed", donate a Jean Prouvé stepladder held in one of the Bank's vaults, and provide assistance for publishing the catalog of contemporary collections.