



# Sustainable Development Dynamics

Dear reader,

**A**s you are aware, BNP Paribas issues every year a Corporate Social and Environmental Responsibility (CSER) 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 Socially Responsible Investment (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 Corporate Social and Environmental Responsibility/Socially Responsible Investment (CSER/SRI).

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 corporate governance, sponsoring, quality, environment, human rights, ethics and compliance, ...), for you to be really associated with the way CSER/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.

We wish you a good reading of this 19<sup>th</sup> issue of SUSTAINABLE DEVELOPMENT DYNAMICS.

PS: Should you not (or no more) be the person dealing with CSER/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.

## 5<sup>th</sup> INNOVATION AWARDS: 2011 WINNERS

BNP Paribas continues to promote responsible innovation through its Innovation Awards, a competition that is open to all employees and serves as a tool for supporting innovation management. This year, there was greater importance attached to CSR (Corporate Social Responsibility) in the assessment criteria. With 832 candidates, 440 applications submitted, 110 projects selected and 20 countries represented, the 5<sup>th</sup> edition reflects the success of this important annual competition and the positive response from staff.

## BNP PARIBAS REINFORCES ITS COMMITMENT TO RESPONSIBLE LENDING

Since publishing in December 2010 and February 2011 sector policies covering the defence and palm oil sectors and nuclear power financing, BNP Paribas has continued to step up its CSR initiatives, particularly in sensitive sectors. The Group has published two new policy statements relating to paper pulp and energy production from coal, two activities which have a major impact on climate change, deforestation and the destabilisation of local communities. These new policies are part of a broader commitment to responsible financing of the economy. These will be followed by additional policies covering sensitive sectors involving CSR issues.

## CIB PICKS UP TWO CSR AWARDS

BNP Paribas has been recognised twice for its commitment to the environment. *Environmental Finance Magazine* has awarded two transactions in which CIB played a major role:

- The *Environmental Bond Issuance of the Year* award concerns the successful bond issuance of BNP Paribas and Société Générale to finance a large-scale public solar project in Italy: "Andromeda";
- The *Sustainable Forestry Deal of the Year* award concerns the United Nations project: "Kasigau Corridor Reducing Emissions from Deforestation and Forest Degradation" in Kenya. BNP Paribas also acted as financial partner in this project which aims to protect forests in South-East Kenya, a region rich in biodiversity and a source of revenue for the local population.



## SRI FUNDS AWARDED BY NOVETHIC



The SRI (Socially Responsible Investment) funds of BNP Paribas Investment Partners (BNPP IP) were awarded the 2011 Novethic\* SRI label. The Novethic label is awarded to open-ended funds registered in France. It aims to encourage transparency in investment processes and in the composition of SRI portfolios. The label is awarded to funds which provide

investors with a simple benchmark and which publish non-financial information based on the systematic analysis using Environmental, Social and Governance (ESG) criteria. Moreover, all the 14 funds that BNPP IP submitted to be rated this year were awarded the Novethic label. A special mention was given to 12 of these funds that stood out for the quality of their non-financial reporting.

*\* Novethic is a resource centre specialising in Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI).*

## CIB FIGHTS SOCIAL EXCLUSION

BNP Paribas CIB, in association with the Group's Microfinance team, recently granted two new loans which reflect the Bank's strong commitment to fighting social exclusion worldwide. BNP Paribas in Peru granted a \$1 million loan to Espoir, an Ecuadorian NGO. Espoir's mission is to support economic, social and health development projects. BNP Paribas in Vietnam granted the other loan worth \$900,000 million to Amret, a private Cambodian microfinance institution. This loan was arranged in local currency to hedge against exchange risk. Both institutions work with families in difficulty and women who start their own business. They offer micro-finance loans of \$400 on average (this amount represents approximately 10% of the GDP per capita).

## BNP PARIBAS TOPS THE LBPAM RANKINGS

La Banque Postale Asset Management (LBPAM), one of Fixed Income's key clients, recently compared the CSR (Corporate Social Responsibility) performance of 20 global banks. BNP Paribas topped the rankings. For La Banque Postale Asset Management, CSR is now an important criterion in its broker selection. As such, it aims to encourage market participants to use CSR criteria in their practices (governance, sustainability, risk organisation and financial strength). This initiative, that LBPAM will share with "Principles of Responsible Investments" or PRI subscribers (i.e. about 1,000 asset managers worldwide), reflects the growing importance of CSR themes in the financial markets.

## TWO SOLAR FARM PROJECTS FINANCED BY CIB

After the opening in 2010 of the Gabardan solar farm in the French region of Les Landes - a project managed by EDF Energies Nouvelles - it was the turn of the Lavansol solar power plant (located in the Alpes de Haute-Provence region) to come on stream. BNP Paribas takes into account the environmental and social impact of its financing. Moreover, by financing renewable energy projects, BNP Paribas is contributing to a lesser carbon pollution.

## BNP PARIBAS CONFIRMS ITS PRESENCE IN THE DJSI WORLD INDEX

SAM, the extra-financial ratings agency, whose assessments are used as a basis for the Dow Jones Sustainability indexes, has published its 2011 results. BNP Paribas was ranked 76/100, up 3 points compared to 2010, thus confirming its inclusion in the DJSI World index alongside 26 other banks, including Crédit Agricole, HSBC and Société Générale. BNP Paribas received a positive assessment, above the sector average, for all criteria. SAM applauded the governance put in place by the Group to fight climate change and its initiatives to encourage financial inclusion of disadvantaged populations (microfinance, financial education).



## BNP PARIBAS SA PUBLISHES ITS SECOND DIVERSITY REPORT

For several years now, BNP Paribas has been pursuing an active diversity policy, which it has been shaping since 2007 around four main pillars: diversity of origins, gender equality, employment & integration of disabled people, and age diversity. At the end of 2009, BNP Paribas SA was one of the first companies to produce a diversity report. The second report aims to assess the initiatives carried out between 2007 and 2010 in the areas of non-discrimination and diversity and to highlight the strengths and improvement areas. As part of its initiatives, BNP Paribas partnered with the 13<sup>th</sup> edition of the "Employment and Diversity" recruitment fair held on November in the Paris region and organised by the association "IMS-Entreprendre pour la Cité". Several French corporates attended the fair to offer jobs and internships to talented young people.



## BNL WAIVES FEES FOR BOND INVESTORS ON ITALY'S 'BTP-DAY'

BNP Paribas Group Italian subsidiary BNL is taking part in 'BTP-Day', an initiative by the Italian Banking Association, ABI, whereby banks agree to waive subscription fees for Italian investors buying Government bonds and Treasury bills on three specific days. BNL signed up at the very beginning to the plan. In enabling Italian investors to purchase their country's debt issues without paying subscription fees, ABI's intention is to "give a clear signal of commitment from the banking industry to the country".

## BNP PARIBAS INVESTMENT PARTNERS SPONSORS NOVETHIC'S ESG SURVEY

For the second consecutive year, Investment Partners sponsored Novethic's annual survey along the theme: "Perceptions of European institutional investors and their application of Environmental, Social and Governance (ESG) criteria". More than 250 institutional investors in 11 countries were surveyed on the inclusion of ESG criteria in asset management. The answers provided by these financial professionals - who manage €4.54 billion of assets - showed a gradual improvement in their understanding of ESG risks, even though the perceptions of socially responsible investment differ from one country to the other.

## WEALTH MANAGEMENT SUPPORTS THE WOMEN EQUITY INDEX 2011

Women Equity for Growth, thanks to the support of BNP Paribas Wealth Management, has unveiled the 2011 edition of its SME growth index. Created in 2010 and sponsored by BNP Paribas Wealth Management, this index is the largest database of SMEs (small and medium enterprises) in France with women at the helm. For its second edition, the index is comprised of 50 French SMEs. There are plans to extend the coverage to Europe in the coming years. The commitment of Wealth Management to Women Equity for Growth reflects its determination to encourage female entrepreneurs and managing directors of companies as well as its ambition to help clients to realise their projects by providing wealth management advice and a tailored service. This partnership comes within the framework of the Group's diversity policy.

WOMEN  
EQUITY  2011



## BNP PARIBAS CARDIF PURSUES ITS COMMITMENT TO FINANCIAL EDUCATION

Among the numerous training and schools initiatives carried out, a number relate to financial education. Everyone needs to gain a basic knowledge of finance in order to build a personal and professional future. After Educare in Italy (BNL), Startin' Finance in Luxembourg (BGL BNP Paribas), budget educational programmes in France (Cetelem Foundation) and "Parlons Vrai" workshops (French Retail Banking), BNP Paribas Cardif in France signed a partnership with the "Entreprendre Pour Apprendre" (EPA) association, which trains young people in entrepreneurship themes. Through this initiative, BNP Paribas Cardif aims to make young people aware of financial issues and encourage staff to participate in CSR projects. Since September 2011, around 20 employees have signed up for this programme and have run two course modules in schools (on a voluntary basis). Similar projects have been launched at BNP Paribas Cardif's international subsidiaries.



## BNP PARIBAS STEPS UP ITS COMMITMENT TO VOLUNTEERING SKILLS

2011 was the European Year of Volunteering. BNP Paribas decided to contribute to this initiative by encouraging its employees in this area. At the end of the year, Baudouin Prot hosted an event in Paris for more than 100 guests in addition to Group (and former Group) employees involved in voluntary solidarity work. For this initiative, BNP Paribas received the European voluntary service award. In France, the BNP Paribas Group's initiatives led to the creation in 2007 of two associations:

- BCS (Bénévolat de Compétences & Solidarité) and MFSF (Micro Finance Sans Frontières);
- in Luxembourg, BGL BNP Paribas embarked on this adventure by launching a skills lending programme on 12 December 2011. This programme, which offers employees additional annual leave, aims to put in place a sharing platform to match the needs of NGOs with employees' skills.

## THE BNP PARIBAS FOUNDATION SUPPORTS A CLIMATE RESEARCH PROJECT



As part of BNP Paribas' commitment to fighting climate change and the BNP Paribas Climate Initiative programme launched in 2010, the BNP Paribas Foundation is supporting a project that analyses the climate archives of France and its former colonies between 1850 and 1960. This project, managed by Météo France (French national weather centre) and the French National Archives, consists of organising the collection of former meteorological data on France's climate from resources representing 2km of shelf space. These data will be used in meteorological research and will allow Météo France and the international scientific community to evaluate past climate trends and thus address the issue of adapting to climate change more effectively. Following the project, these archives will be available to the public.

## 38 ISO CERTIFICATIONS OBTAINED IN 2011

In 2011, BNP Paribas was awarded 28 ISO certification renewals and 10 new certifications. With a total of 96 ISO certifications (all standards), the Group remains the leader in ISO 9001 certifications in the banking and insurance industry. The ISO 9001 certification is an international standard awarded by an independent organisation for a period of three years. It deals with the organisational tools to be rolled out within an organisation, company, local authority, etc, at the managerial level as a way of enhancing customer satisfaction.



## WEALTH MANAGEMENT SUPPORTS THE SOCIAL AND SOLIDARITY ECONOMY

BNP Paribas Wealth Management is the first bank to offer an investment with PhiTrust Partenaires to clients seeking to combine socially-responsible investments (SRI) and financial performance. As part of its SRI range, PhiTrust Partenaires invests in companies active in fighting exclusion and promoting social cohesion and sustainable development. This commitment is part of the Group's solidarity policy.

## BNP PARIBAS GRANTS ITS FIRST MICROFINANCE LOAN IN CHINA

BNP Paribas China, in association with the Microfinance activity at BNP Paribas, has granted a €1.8 million loan to MicroCred Nanchong, a microfinance institution in the PlaNet Finance Group. This loan was granted in local currency to protect the institution against currency risk. The average amount of MicroCred Nanchong's microloans represents 60% of GDP per capita and the minimum amount is \$300. Before granting loans to its 7,000 customers, who are largely from the agriculture or forestry sectors or small businesses, MicroCred Nanchong takes into account the environmental impact of the activities. This new loan reflects the bank's strong commitment to fighting social exclusion worldwide.

## BNP PARIBAS REAL ESTATE AND ARVAL UNDERTAKE AN ENVIRONMENTAL INITIATIVE

BNP Paribas Real Estate is participating in the *Companies for eMilan* project, launched in 2011 by Arval (BNP Paribas Group) and the Bosch Group. This project consists of providing electricity supply points for electric cars in Milan, in each building constructed by BNP Paribas Real Estate's Property Development teams. The project aims to reduce pollution in Milan by allowing employees from companies participating in the project to drive freely in the city centre. In total, these companies employ more than 2,100 people in Milan's largest district.

## BNP PARIBAS FORTIS OBTAINS THE ISO 20000

BNP Paribas Fortis is the first Belgian bank to be granted the ISO 20000 certification for its Infrastructure & Operations (I&O) department. The ISO 20000 certification, the standard for IT production and hosting, was awarded to the bank in January for a period of three years. Prior to receiving this standard, the bank spent 1.5 years on a huge project of structuring and adopting the formalisation processes in the activities of 900 I&O staff. This certification recognises the ability and commitment of I&O staff to deliver high quality IT services to the bank and to its end clients.

## BNP PARIBAS FORTIS FOUNDATION SUPPORTS FOOD BANKS

The Food Bank Federation in Belgium and the BNP Paribas Fortis Foundation organised from 16 December 2011 to 13 January 2012 a large-scale operation to collect copper (euro centimes) coins in aid of needy people. The operation consisted of collecting from clients, people passing through, and bank employees at all BNP Paribas Fortis branches small coins (1, 2 and 5 euro centimes) in moneyboxes. An average of €40 was collected per branch. Almost 1.7 million coins were collected, totalling €40,260.24\*. The money raised was donated to the Food Bank Federation in Belgium and will go towards serving more than 13,000 hot meals. To reinforce its support of this initiative, the BNP Paribas Foundation paid an additional amount to the food banks.

*\*amount collected as at 14 February*

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