

# SUSTAINABLE DEVELOPMENT DYNAMICS

N° 10 | DECEMBER 2008



**BNP PARIBAS** | The bank for a changing world

Dear reader,

**W**e are delighted to present you with this 10<sup>th</sup> issue of "Sustainable Development Dynamics", a periodic information tool regarding the achievements of BNP Paribas in the field of Sustainable Development/Socially Responsible Investment (SD/SRI).

Our ambition in this process is to keep you posted of all the facts and events occurring in the everyday life of our Company (whether they are related to corporate governance, sponsoring, environment, human rights, ethics and compliance, ...), because we think it is particularly relevant for you to be really associated with the way SD/SRI, a fast growing and evolving matter as well as a crucial one in a period of economic and financial turmoil, is integrated in 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 10<sup>th</sup> issue of SUSTAINABLE DEVELOPMENT DYNAMICS.

PS: 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.

## BNP PARIBAS LAUNCHES MICROFIX, A CURRENCY HEDGING MICROFINANCE FUND

BNP Paribas is confirming its commitment to responsible investing and sustainable development by supporting the creation of Microfix, a new currency-hedging microfinance fund.

BNP Paribas will provide technical assistance, derivatives expertise and funding to organisations such as PlaNet Finance, Corporate Connect (an investment advisor for emerging market funds), FMO (the Netherlands Development Agency) and TCX, a currency-hedging fund launched in 2007. The Microfix fund will help expand the access to capital markets in developing countries by working with Microfinance Institutions (MFIs) and investors around the world to better understand currency risk by offering them currency hedging services.

MFIs are in fact exposed to currency risk as they make loans to borrowers in local currencies although their own funding is in dollars or euros. However, Microfix provides them with a concrete solution to this problem.

## PARTNERSHIP WITH SAMUSOCIAL INTERNATIONAL IN MALI

Together with Group subsidiary BICIM in Mali, BNP Paribas has formed a partnership with Samusocial International and its local affiliate in Mali (Samusocial Mali) which helps street children in Bamako, the capital. Much of the work consists of aid teams moving around the city at night offering medical, social, educational and psychological help to street children and teens. Basic medical aid is administered via a specially equipped van, and more serious needs are dealt with by appropriate medical facilities in the area. Medical care includes group discussions with children on topics ranging from education to health; psychological assistance and counselling is provided on an individual basis. Discussion groups notably address street youth issues such as substance abuse, economic exploitation by businesses, prostitution, and the dangers of begging and stealing.

## IMPROVED SERVICES FOR CUSTOMERS ON BOTH SIDES OF THE MEDITERRANEAN

To meet the needs of customers with banking needs and families on both sides of the Mediterranean, BNP Paribas is strengthening the collaboration between the Group's retail network in France and those in Algeria (BNP Paribas El Djazaïr), Morocco (BMCI) and Tunisia (UBCI). The Group is also working to improve its remittance services between France and subsidiaries in North Africa by significantly lowering costs and reducing processing times. BNP Paribas is paying special attention to clients of subsidiaries from North Africa and who now live in France by:

- making account-opening easier (eg. pre-arranged meetings in France);
- offering zero fees for the first six months on key account products;
- providing a rental-bond and utilities guarantee to Moroccan students who are customers of BMCI and who move to France.

## BNP PARIBAS ATTRACTS RECENT GRADUATES!

The latest TNS Sofres Poll indicates, for the third consecutive year, that BNP Paribas is the preferred employer among business and marketing graduates, and the second employer-of-choice among engineering graduates in France. The 2008 survey, based on a large sample of students showed that BNP Paribas was ranked highest among preferred employers by future managers from a variety of French universities and business schools, up from fourth position in the survey last year. The result is attributable to a strong corporate image in terms of 'performance' and 'prestige', despite the overall image of banks suffering recently. The Group's strong points are considered to be:

- a dynamic and cutting-edge recruitment website;
- effective recruitment advertising;
- stronger links with educational institutions;
- successful image promotion among students via well-regarded internships;
- and the visibility of corporate values and culture, allowing graduates to envision careers within the Group.

To further develop its image internationally, next February BNP Paribas will launch Ace Manager, an innovative, internet-based business game for university students in 26 countries around the world.

## PERSONAL FINANCE CONTINUES ITS ENVIRONMENTAL EFFORTS

As part of its 'Oxygen Programme' launched in October, BNP Paribas Personal Finance has conducted its first Bilan Carbone® (Carbon audit) for its 73 French sites, which employ 5,300 staff. The business generated 15,900 tonnes of CO<sub>2</sub> in 2007, or 3 tonnes of CO<sub>2</sub> per employee, a ratio comparable to the banking and services sector company averages. An internal strategic action plan will be implemented to substantially reduce the three biggest causes of emissions: travel, paper use and energy consumption. Personal Finance also hopes to encourage consumers to favour the purchase of 'green' products and thus contribute to limiting emissions caused by its



PROGRAMME  
oxygène

clients. Ways of developing 'green business' are being studied with the aim of developing 'green' finance products, to complement the photovoltaic loan, for the purchase of solar

panels, which won an Innovation award. In parallel, Cetelem Portugal and Cetelem Spain, two Personal Finance subsidiaries, have joined the initiative by launching their own Oxygen Programmes based on that of their parent company. The aim is for each country where Personal Finance operates to develop its own initiatives, in order to substantially reduce the business line's greenhouse gas emissions.

## BNP PARIBAS SUPPORTS THE NATIONAL SOCIETY FOR SEA RESCUE (SOCIÉTÉ NATIONALE DE SAUVETAGE EN MER – SNSM)

BNP Paribas, via CIB<sup>(1)</sup> Structured Finance Shipping, has donated to the SNSM, a French voluntary association that provides a free rescue service for human lives in danger at sea or on the coast. SNSM has 4,500 volunteers who save 600 people every year and focuses on three main areas:

- life saving at sea;
- training of volunteer sea lifeguards who ensure beach safety;
- and prevention.



<sup>(1)</sup> Corporate & Investment Banking.

## BNP PARIBAS FORMS ITS MANAGERS IN THE DIVERSITY

After the formation of the Human Resources teams in 2007, BNP Paribas launches a new training program on diversity intended for its managers. For BNP Paribas, diversity is a factor of progress and performance which favors the corporate cohesion in the company, and the mixture of profiles is source of both creativity and efficiency. The group chooses to articulate its policy diversity around four priorities: the diversity origins, the professional equality between women and men, the employment and the integration of disabled people, the diversity of ages.

This formation, deployed in France since April 2008 on an initial group of 500 managers from several functions, will continue until 2010 to extend to all managers of the territory. The group target is to put into practice its commitments in favour on diversity, considering the employees life in the Group and the customer relationships.

## LAUNCHING OF THE BMCI FOUNDATION

BMCI in Morocco recently launched the BMCI Foundation to formally reaffirm its decade strong commitment to cultural and social patronage programmes in the country.

The foundation was created in close collaboration with the BNP Paribas Foundation and gives more structure to BMCI's Corporate Social Responsibility efforts. The foundation will strengthen current partnerships while developing new programmes. Its aim is to contribute to Morocco's social and cultural development through strong and longlasting partnerships in the areas of music, publishing and social outreach.

## ACE MANAGER: A BANKING ADVENTURE GAME

BNP Paribas has launched "Ace Manager", the first banking-adventure game based on real-life scenarios. This original and innovative game is aimed at students in 26 countries on 5 continents. Ace Manager is at the heart of the Group's strategy for boosting brand awareness of BNP Paribas as a leading employer of students all over the world, and increasing the Group's appeal towards the young.

Via three challenges drawn from real-life scenarios based on banking and the tennis world, the students (in teams of four) will test their aptitude for various banking professions. The students will have to help a manufacturer of tennis racquets build its business, or even manage the wealth of a tennis star. The participants must also demonstrate their commitment to the core values of BNP Paribas: Responsiveness, Creativity, Ambition and Commitment. Enrolment will begin on 17 November on the [acemanager.bnpparibas.com](http://acemanager.bnpparibas.com) website. The jury will be made up of experts and members of the BNP Paribas executive committee. The online phase of the competition will run from 4 February to 18 March 2009. The final between the five best teams will take place in mid-April 2009 in Paris.



## BNP PARIBAS GRANTS FIRST EIB LOAN FOR SMEs



France's Finance Minister, Christine Lagarde, recently proposed a programme of loans from the European Investment Bank to support investment by small and medium-sized enterprises (SMEs). The proposal (which

was adopted) was made at the meeting of ECOFIN (the European Finance Ministers' group) in Nice. A total of €30bn will be made available: €15bn in 2008 and in 2009. Less than three weeks after the decision, BNP Paribas and the EIB signed the first refinancing agreement for €300m, and BNP Paribas made its first "EIB loan for SMEs" backed by this credit line.

The signing took place at the laboratories of Prodene Kint, a pioneering BNP Paribas SME client, which became the first European company to benefit from this credit line. This new kind of loan, which is simpler and more flexible, will allow European banks to finance any type of investment or spending necessary for the development of European companies with fewer than 250 employees, and whether it involves physical assets or working capital.

## BNP PARIBAS LAUNCHES EASYETF LOW CARBON 100

In the context of its partnership with AXA Investment Managers, BNP Paribas has launched a special exchange-traded fund (ETF) to coincide with the creation by NYSE Euronext, in partnership with three non-governmental organisations (NGOs), of the Low Carbon 100 Europe® index. The Low Carbon 100 Europe® index measures the performance of the 100 biggest European companies with the lowest CO<sub>2</sub> emissions in their respective sectors or sub-sectors. These companies' emissions are on average 42%\* below those of a benchmark group made up of the 300 European companies with the largest capitals. This new ETF will aim to follow the variations of the index both in its ups and downs. BNP Paribas's commitment to corporate social and environmental responsibility is also reflected in its internal policy. The Group has just held its first "Carbon Neutral" seminar, compensating for the CO<sub>2</sub> emissions generated by the event by contributing to a renewable energy project in China.

\*Source: Cheuvreux, September 2008

## CONTINUITY OF OPERATIONS CERTIFIED ISO 9001

In July 2008, the Standby Security and Surveillance Centre (CROSS), managed by the Continuity of Operations Unit at Information Technology Processes, obtained ISO 9001 certification (delivered by the French standards authority, AFNOR Certification). This certification applies to its test and fallback services to the Group's continuity of operations function. CROSS is a cornerstone of the continuity of operations system in France for Group businesses. It ensures the continuation of activities in the event access to buildings is prevented by a natural disaster (storms or floods), technology failure (including power cuts) or accidents (security incidents). CROSS staff offer regular testing of operations continuity planning to improve its effectiveness in case of a real emergency. The aim is to offer service levels on par with those available externally. The certification demonstrates the commitment of the CROSS team to sustained improvement of the quality of services, in order to face, and deal with, eventual disasters in the best possible conditions, thus contributing to the robustness of the Group.

## BNP PARIBAS, MORE THAN EVER A PLAYER IN THE REAL ECONOMY

Despite the crisis, BNP Paribas is continuing to support its customers – both individuals and businesses – in their investment projects. And to make sure people are aware of it, at a time when the press is too often relaying the idea that banks are no longer lending or have tightened their lending criteria, BNP Paribas has decided to launch a communication campaign highlighting two strong examples of investment projects: mortgages and lending to businesses. "At BNP Paribas, we have never stopped lending and we will continue to lend!" is the clear and simple message being broadcast across a swathe of French radio stations.

## INDEPENDENT SURVEY CITES BNP PARIBAS' GROWTH POTENTIAL

Greenwich Associates, an international research-based consulting firm in institutional financial services, recently surveyed over 300 large European companies and institutional investors to determine how they perceived the performance and future prospects of the banks, broker-dealers and investment banks they use. BNP Paribas was among the handful of banks seen as having an opportunity to improve its market position. BNP Paribas ranked third behind JP Morgan and HSBC with 27% of the participants singling out the Bank as having the greatest potential for expansion. The survey concludes that well-capitalized European banks could add to their corporate banking footprint by taking advantage of dislocations in credit markets. These findings represent what core corporate and institutional client bases think of the BNP Paribas brand as the crisis continues its course, and reaffirm our standing as one of the strongest banks in our peer group.

## "BNP PARIBAS AND FORTIS, TOGETHER SOON TO BETTER SERVE YOU"

"BNP Paribas and Fortis: together soon to better serve you". That is the message BNP Paribas and Fortis sought to deliver to their Belgian customers. Conveyed via ads in the Belgian daily press, this four-part communication campaign is designed to reassure customers and introduce the new group formed by BNP Paribas and Fortis Bank and Insurance.

Four messages are conveyed under the following headlines:

- "BNP Paribas and Fortis, together soon to better serve you",
- "BNP Paribas and Fortis, together soon, but still proud of their identities",
- "BNP Paribas and Fortis, together soon to achieve excellence responsibly",
- "BNP Paribas and Fortis, together soon to support your projects".

## BNP PARIBAS REWARDED FOR ITS SHAREHOLDER POLICY

BNP Paribas won the 1<sup>st</sup> price of the shareholder democracy on the occasion of the 5<sup>th</sup> edition of Grand Prix of the AGEFI's Corporate governance.

These prizes reward the best listed companies on the French market place for the quality of their Corporate Governance.

The practices concerned by this shareholder democracy price, are the exercise of a fair voting right facilitated during the general shareholders meeting with unlimited voting rights and the absence of double voting right, the availability and the sending of the information upstream to the general shareholders meeting (as the annual report and the presentation of the resolutions).

The Grand Prix of the Corporate Governance of the AGEFI is given on the basis of results of a perception survey led with professionals of the finance sector.

## THE EQUATOR PRINCIPLES ADOPTED BY PROJECT FINANCE ACTIVITIES

BNP Paribas has adopted the Equator Principles for its Project Finance business, in which the Group is world leader. The Equator Principles aim to promote socially responsible conduct and sound environmental practices in relation to Project Finance operations. The adoption of the Principles is in line with the strong risk management culture of BNP Paribas. Procedures for evaluating social and environmental risks have already been introduced at the heart of the Project Finance business. The Principles will be applied for all new operations involving more than \$10m. Signing up to the Principles confirms the commitment of BNP Paribas to be "The bank for a changing world", which does all in its power to help clients meet the challenges and grasp the opportunities of a world in constant evolution, in which social and environmental factors are a growing preoccupation for both individuals and investors.

## BNP PARIBAS IMPLEMENTS RECOMMENDATIONS FROM FRENCH BUSINESS ASSOCIATIONS

The board of BNP Paribas examined and decided to implement recommendations from the French Association of Private Companies (AFEP) and the French Companies Movement (MEDEF), issued on 6 October 2008, concerning the wages of directors and officers of quoted companies. BNP Paribas fully adheres to AFEP and MEDEF October 2003 recommendations on corporate governance and to January 2007 ones on the wages of directors and officers of quoted companies. Complementarily to these regulations, BNP Paribas elaborates and applies its own rules, under which directors and officers are not entitled to free or performance-related shares, and are not granted any contractual indemnity in the event of their loss of office. The board confirms that AFEP and MEDEF recommendations constitute the corporate governance code which BNP Paribas chooses to refer to.

## BNP PARIBAS, THE ONLY FRENCH BANKING GROUP STILL LISTED IN THE DJSI WORLD AND DJSI STOXX INDICES FOR SOCIALLY RESPONSIBLE INVESTMENT

In September, the Swiss agency *Sustainable Asset Management* (SAM) published the results of its Social and Environmental Responsibility assessment of more than 1,200 companies listed on the stock exchange around the world.

For the banking sector, BNP Paribas is listed amongst 13 European banks selected in the Dow Jones SI (Sustainable Index) Stoxx index and among 23 world banks identified in the DJSI World index. BNP Paribas has featured in these two authoritative indices specialising in Socially Responsible Investment since 2002. The Group is the only French bank to still appear in both indices in 2008.

## CETELEM LAUNCHES UNSECURED STUDENT LOAN

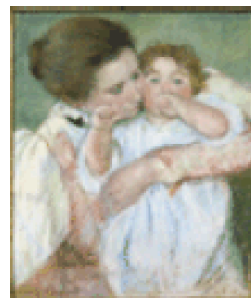
*BNP Paribas Personal Finance* recently announced the launch of an unsecured student loan under the Cetelem brand, in partnership with the Ministère de l'enseignement supérieur et de la recherche.

In order to be eligible for the guarantee fund, the loans granted must be for a period of between 24 and 60 months and for a maximum amount of €15,000. Repayments must be made within 48 months at the latest. This new loan package falls within the scope of the *responsible lending* policy which Cetelem initiated several years ago and which is anchored in widening access to credit to the greatest number of borrowers possible whilst tackling over-indebtedness. This package allows Cetelem to support students on all courses under the best conditions by offering loans at competitive rates with extremely flexible repayment terms.

## BNP PARIBAS FOUNDATION SUPPORTS THE RESTORATION OF THE MUSÉE D'ORSAY PASTELS COLLECTION

Having funded the restoration of Honoré Daumier's series of caricature busts, *Célébrités du Juste Milieu* in 2005, BNP Paribas Foundation wished to build on its partnership with the Musée d'Orsay.

The Foundation is supporting the restoration of pastels that will be



exhibited in a temporary exhibition entitled "*Mystery and Glitter. Pastels in the Musée d'Orsay*", which will run from October 8, 2008 to February 1<sup>st</sup>, 2009. This sponsorship offers the opportunity to rediscover these works of art and the fragile, unusual and delicate technique that allows the fusion of drawing and pure colour, of form and its dissolution, of the image and its

infinite vibration. A loyal and recognised benefactor of museums, BNP Paribas Foundation provides funding for the publication of art books that raise awareness of the richness of their collections and contributes towards the restoration of their masterpieces.

## CORTAL CONSORS CREATES THE FIRST ENVIRONMENTAL RANKING OF EUROPEAN EQUITY FUNDS

Cortal Consors has published on [www.cortalconsors.fr](http://www.cortalconsors.fr) a rating of 330 European equity funds registered under French and Luxembourg law according to their carbon emissions. The equity funds are ranked from one to five points (symbolised by planets), with five allotted to the least-polluting ones in their sector. Cortal Consors carried out this evaluation using data supplied by the British company Trucost, which specialises in research and environmental analysis of blue-chip companies. To conduct the assessment, Cortal Consors used the "best-in-class" approach, usually employed for Socially Responsible Investment (SRI) funds. This method makes it possible to rank the funds' equities within each sector, based



**Cortal Consors**  
**BNP PARIBAS**

on their average impact in terms of CO<sub>2</sub> emissions, and to grade them accordingly from one to five. Since

2006, Cortal Consors has been offsetting its own carbon emissions by financing "Useful Investment" operations in several countries (Chile, Cambodia and India) in collaboration with GoodPlanet, a French non governmental organisation. The second Bilan Carbone® (Carbon Assessment) carried out by Cortal Consors at the end of 2007 recorded a 3% reduction in carbon emissions compared to 2006.

## BNP PARIBAS SUPPORTS HANDICAPPED ATHLETES IN SPAIN

A new Padel tennis centre for handicapped players has opened in Spain with the support of BNP Paribas Spain and the Tambien Foundation. BNP Paribas Spain chose to support the creation of this centre, which offers all handicapped players in the Madrid region the chance to take part in this recreational but physically demanding sport. Thanks to specialised infrastructure and equipment, players can take part in Padel with family and friends. The centre is also a Padel tennis school, offering introductory courses and training for more advanced players. National tournaments can also be organised.

## BNP PARIBAS SPONSORS TWO INITIATIVES TO SUPPORT DISADVANTAGED CHILDREN ABROAD

Amongst the recent actions taken by BNP Paribas to help disadvantaged children, was the signing of an agreement with the *Children Are Us* foundation in Taiwan.

*Children Are Us* is a non-profit organisation which provides long term care and job training to children suffering from Downs Syndrome, cerebral palsy and other handicaps. Founded in Kaohsiung in 1995 by parents of disabled children, the Foundation's objective is to promote the potential of people with disabilities.

In Bulgaria, BNP Paribas signed a partnership agreement with the French school in Sofia to provide support for children from the Dupnitsa orphanage.

