



BNP PARIBAS

# SUSTAINABLE DEVELOPMENT DYNAMICS

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Dear reader,

**W**e are 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 occurring in the everyday life of our Company (whether they are related to sponsoring, environment, human resources, compliance,...), because we think it is particularly relevant for you to be really associated with the way SD/SRI, a fast growing as well as evolving matter, is integrated in the way BNP Paribas is conducting its business for a value creation process in the interest of all its stakeholders.

**Of course, we are interested in your opinion: please therefore tell us, simply by returning back this email, how you consider SUSTAINABLE DEVELOPMENT DYNAMICS:**

- is it useful for you?
- does it provide you with relevant information, ...
- ...news you haven't been aware of so far?
- would you like other themes to be dealt with?
- is the format convenient?
- any further suggestion or comment?
- ...

**Awaiting your reply, we wish you a good reading of this 6<sup>th</sup> issue of SUSTAINABLE DEVELOPMENT DYNAMICS.**

## 2007 EMPLOYEE SHARE PLAN

The eighth worldwide Employee Share Plan took place in June. The aggregate amount of the transaction increased to €413.2 million (+ 46% versus 2006), with €382.7 million paid by employees and €30.5 million contributed by Group companies. 5.97 million BNP Paribas shares (+ 28% versus 2006) were purchased at a price of €69.20, with 52% of eligible employees participating in this transaction. All registered and valid subscription orders were fully served. Following the transaction, employees now held almost 6% of BNP Paribas' capital, with 4% via Fonds Commun de Placement d'Entreprise (company mutual funds).

## DOW JONES SUSTAINABILITY INDEX: BNP PARIBAS STRENGTHENS ITS POSITION IN THE RATING OF THE SAM AGENCY

BNP Paribas is selected in 2007 among the market stocks present in the two socially responsible Dow Jones Indexes: DJSI World and DJSI Stoxx, for the sixth consecutive year. Selection of the companies listed in these indexes is carried out each year by a questionnaire, which, for the banking industry in 2007, comprised 93 questions in the economic, environmental and social areas. SAM agency identifies the best firms in each of these sectors. Only 250 firms on the 2.500 evaluated are present in the DJSI Index, of which 24 in the banking industry. This year, BNP Paribas' mark has largely progressed, and reached 71 (on 100), where the average was set at 48. The Group's mark is in constant progression since 2002, especially in the economic and environmental areas. The Group positions itself largely above the average of the banking sector in almost all the sections of the study. BNP Paribas' presence in the indexes that are the main reference in terms of socially responsible investment is a recognition of all the initiatives taken by the Group in its practice of corporate social responsibility.

## BNP PARIBAS: 2<sup>nd</sup> MOST VALUABLE BANKING BRAND IN EURO ZONE

The European Brand Institute has published its 2007 ranking of Europe's top 50 company brands. BNP Paribas (the only French bank to appear in the ranking) occupies the n°33 rank with a brand value estimated at €8,972 billion. Among euro zone banks, BNP Paribas is n°2 behind Deutsche Bank, and in Europe is n°6 overall (behind HSBC, RBS, UBS and Barclays). Ranking for banks in euro zone (and brand value) is as follows:

- 1 | Deutsche Bank (€16,835 billion)
- 2 | BNP Paribas (€8,972 billion)
- 3 | Unicredit (€8,778 billion)
- 4 | Grupo Santander (€7,442 billion)
- 5 | ABN Amro (€7,384 billion)
- 6 | Intesa SanPaolo (€6,527 billion)

This study reaffirms the value of our brand as a major asset for the Group and its stakeholders.

## TEB IS CELEBRATING ITS 80<sup>th</sup> ANNIVERSARY BY SUPPORTING EDUCATION



Türk Ekonomi Bankasi (TEB), the Group's partner in Turkey, is making a commitment to play an active role in the community through its "Girls' educational programme". This project was initially planned to give 800 Turkish adolescents the opportunity to continue their education for three years, thanks to the financial support provided by TEB, its employees and the BNP Paribas Group

to the association Çağda Ya ami Destekleme Dernegi (CYDD) whose aim is to improve the quality of life. The general enthusiasm has surpassed expectations, since the sums collected in less than six months will now give 1,250 girls the benefits of this education programme.

## PARIS OPERA BRANCH TRANSFORMED INTO RECRUITMENT OFFICE

French Retail Banking is once again organising a recruitment campaign called Entretien Immédiat ("Immediate Interview"). The bank is offering sales positions to those with between 2 and 5 years of university studies, young graduates and also those looking for their first job.

New recruits will reinforce the branch network in the Paris region. An accompanying ad campaign will appear in the print media, as well as on employment bulletin boards and the internet. Readers will be directed to a mini website created specifically for this campaign.

## BNP PARIBAS' NEW CAMPAIGN FOR THE AFEV

BNP Paribas has launched a new campaign among 330.000 of its clients aged from 18 to 25 years old. A leaflet has been inserted in their bank statements to motivate them to engage in the AFEV (Association de la Fondation Etudiante pour la Ville - Association of the Student Foundation for the City). This association was constituted in 1991 to fight against academic and cultural inequalities encountered by students from discriminated neighbourhoods. The association relies on a network of volunteer students who are leading actions of educative and professional insertion support, as well as different projects on the subject of citizenship, health and environment. The BNP Foundation has been a partner of the AFEV for 10 years. In 2005, it reinforced its support to the association by granting a supplementary subsidy of 150.000 EUR each year for three years, supporting the Projet Banlieues. This supplementary aid will help support and develop the AFEV's action in discriminated neighbourhoods and to create new offices to take care of another thousand children.

## \$150 MILLION SYNDICATED LOAN GRANTED TO AKFED

SIFIDA - a joint venture between the two BNP Paribas business lines - the Group's specialized entity in structured financing for exports of commodities, project finance advisory services and syndication of these operations for emerging markets - acted as co-arranger for a syndicated loan of \$150 million granted to the Aga Khan Fund for Economic Development (AKFED). It subscribed to \$45 million alongside Barclays Bank, the lead arranger, and two other participants. AKFED is the unit of the Aga Khan group that invests in developing countries through economically viable projects that are also based on sustainable-development principles. This transaction has enabled BNP Paribas to further strengthen its ties to this group, developed historically through the network of the BICIs, the African retail subsidiaries of BNP Paribas.

## BNP PARIBAS ASSURANCE MAKES NEW COMMITMENT

As part of its corporate social responsibility strategy, BNP Paribas Assurance has adopted an approach to progress that is consistent with applying Socially Responsible Investment (SRI) criteria to its investment decisions. The division is the first insurer in France to have all financial assets in its Euro Fund (45 billion) analysed by the leading extra-financial rating agency Vigeo, in accordance with SRI criteria (covering human rights, human resources, social commitments, market behaviour, corporate governance and environment). *"Today, BNP Paribas Assurance's Euro funds reflect a significant commitment to SRI vis-à-vis the government bond component, and provides reasonable assurance of a commitment for portfolios of non-government bonds and European equities"* said Bernard Dufour, director of the Vigeo SRI Department.

## JAZZ IN TUNISIA



As part of Ramadan, UBCI (l'Union Bancaire pour le Commerce et l'Industrie) is hosting a jazz concert by the Orient Europe-Express Trio at the Carthage Acropolium. The Orient Europe-Express Trio brings together musicians from different backgrounds and traditions in an original musical event.

Created by Culture et Coopération, an association promoting intercultural exchanges, the trio, directed by pianist Philippe Bachman, benefits from the support of the BNP Paribas Foundation. The repertoire mixes original and standard compositions from the world of Arabian and Persian music with jazz, as well as Western classical music. After Carthage, the Orient Europe- Express Trio will continue its tour in Tunisia, first in Sfax then in Sousse, with the support of French cultural centres and the French Embassy in Tunisia. By using the UBCI slogan: Plus proche, chaque jour (closer, each day), this initiative is an opportunity to reinforce the close ties that the bank has been able to develop, whether commercial, institutional or cultural; it also reflects the attention that UBCI and the BNP Paribas Group pay to the values of listening and dialogue with other cultures.

## TRAINING PROGRAMME ON MIFID

The EU Markets in Financial Instruments Directive (MiFID) has come into effect on November 1<sup>st</sup>. All activities related to financial instruments and securities will change, and need to adapt to the new requirements. This is a significant regulatory change and Group Compliance has produced an e-learning module for staff that looks at this new European directive. Given the vast scope of the reform, the approach to the training module is user-friendly, interactive, and illustrated by numerous examples.

## SBI LIFE OBTAINS "AAA" RATING

SBI Life was created in 2001 following a partnership between BNP Paribas Assurance (which holds 26% of the Company) and State Bank of India - SBI-, the leading bank in India. It becomes the first Indian life-insurance company to obtain the AAA rating, which was issued by CRISIL, an Indian financial rating agency and subsidiary of Standard and Poor's. SBI Life markets savings and life insurance, both individual and group-based, through a network of 14,500 SBI branches, 25,000 agents, and partnerships with other Indian banks. It insures 6.5 million clients.

## CETELEM LAUNCHES "PROGRAMME OXYGÈNE"



The objective of this programme is to raise awareness about the importance of protecting the environment among staff (the "company" component of the programme), and to encourage consumers to buy "green" products (the "client" component of the programme). It will initially focus on France, and then expand to other countries where Cetelem is present. Cetelem is also creating its own Bilan Carbone® (Carbon report) along the lines of existing initiatives within the Group, notably that of Cortal Consors, and is developing "Cetelem green projects": clients who use their financing to buy a product classified as "green" on [www.cetelem.fr](http://www.cetelem.fr) (such as cars with exhaust emissions of less than 120g CO<sub>2</sub>/km, or electrical appliances with low-energy consumption), can request Cetelem to contribute 25 euros to an ecological project included in the "GoodPlanet" Association's carbon-action programme.

## CORTAL CONSORS HONOURED WITH "LABEL D'EXCELLENCE 2007"

Cortal Consors has received the Label d'Excellence 2007 for its securities account services by French quarterly *Les Dossiers de l'Épargne*, following a study which analyses, compares and rates insurance and savings products. The best product in each category is awarded the Label d'Excellence, recognised by the market for its objectivity in terms of both quality and reliability. Commenting on the award, the magazine said *"Once again, one of the best prices based on our internet simulations: a commission of €5.45 per order up to €1,200, and modest custody fees which are waived for "Pro-active" and "Unlimited Trading" packages[...] a very comprehensive internet site, which, among other functions, allows users to see prices, analysis and news on 9 international exchanges."*

## SECOND MICRO-LENDING BRANCH OPENS IN TOULOUSE

As part of the "Suburban projects" launched in December 2005, the BNP Paribas Foundation is supporting ADIE to promote the economic development in disadvantaged neighbourhoods. This project will finance 6 new branches of ADIE across France. After opening in Marseille in October 2006, ADIE opened its second branch financed through this partnership in Toulouse on September. One branch in Lyon and three others in the greater Paris region should also be inaugurated in the near future. Thanks to this new Toulouse branch, ADIE, which is already present in the city centre as well as suburban areas, will be able to further develop micro-lending activities in the city and foster job creation. In 10 years, with over 3,400 companies created by job-seekers and recipients of government financial assistance in the region, micro-lending is now a proven way to help the disadvantaged in the community.

## BNP PARIBAS FOUNDATION JOINS FORCES WITH FMR TO HELP YOUNG RESEARCHERS

A partner of the Foundation for Medical Research (FMR) for nearly 20 years, and already very involved with several research teams, the BNP Paribas Foundation is joining the campaign to support young researchers, that FMR is launching on the occasion of its 60<sup>th</sup> anniversary from September 25 to December 31. The BNP Paribas Foundation will finance a new research programme on tuberculosis and also encourages Group employees to make a donation.

## BNP PARIBAS ASSET MANAGEMENT CONFIRMS ITS PROGRESS IN SRI

For the first time Novethic has analysed the funds available on the French market, using a SRI (Socially Responsible Investment) theme-based investment approach. Only 7 funds out of 22, including the Parworld Environmental Opportunities Fund managed by BNP Paribas Asset Management, were accepted by Novethic under their new classification system "SRI theme-based funds category". This study evaluates the concrete measures taken by management companies, such as the use of an SRI test in the analysis and selection of stocks, the application of an ESG (Environment, Social and Governance) filter or management of the product by the SRI team.

*"Responsible Investment has represented a priority for BNP Paribas Asset Management for more than five years. Parworld Environmental Opportunities' listing in Novethic's new "SRI theme-based funds" classification testifies to the quality of the SRI approach, while our three new SRI funds broaden investors' investment choice"* explains Eric Borremans, who is in charge of Responsible Investment at BNP Paribas Asset Management.

## BANK OF THE WEST RECOGNISED FOR EXCELLENCE TOWARDS SME

Bank of the West - BNP Paribas' retail subsidiary in the Western US - received four "Excellence in Business Banking" awards from Greenwich Associates following a survey of more than 25,000 small businesses across the U.S. The bank received two awards for overall customer satisfaction and two awards for cash management, at both the regional and national levels. These awards highlight the constant focus of Bank of the West on its ability to provide business customers with personalized, top-notch service and cash management. Bank of the West is one of only 15 banks that have won in two consecutive surveys.

## BNP PARIBAS THE MOST ATTRACTIVE FRENCH COMPANY AMONG THE SOCIALLY RESPONSIBLE INVESTMENT (SRI) FUND MANAGERS

According to a recent study of Capital Bridge, a financial communication agency, BNP Paribas is the most attractive French company among the Socially Responsible Investment (SRI) fund managers.

Capital Bridge classifies BNP Paribas as the first of French companies and the third of continental European companies for the part held in its capital by the SRI investors. BNP Paribas' stock was the most bought by the SRI asset managers in continental Europe over the last period. The agency analyzes this renewal of interest as the result of the last European roadshows with SRI investors where BNP Paribas presented its environmental and social responsibility approach.

## BNP PARIBAS HAS THE BOARD OF DIRECTORS WITH THE MOST WOMEN IN EUROPE

Whatever the business sector, companies still have a long way to go with respect to increasing the number of women in decision-making bodies. Corporate Women Directors International, an association of company administrators and directors, reviewed the governing bodies of the 200 leading companies worldwide. In France, BNP Paribas has a board of directors with women making up 23% of the directors elected by shareholders. The Group is followed by Carrefour and Auchan (14.3%). In European banking and financial services, BNP Paribas is the most advanced company in terms of gender parity. The Group in fact tops the list of board of directors with the most women, according to a report in Financial News.

## BNP PARIBAS N°4 BANK IN RENEWABLE ENERGY FINANCING

BNP Paribas ranked fourth globally in the renewable energy sector in 2006. With \$1,054.2 million of financing and eight projects, BNP Paribas is also the N°1 French bank in the rankings. The bank has notably financed three wind-power generating plants in Italy, one in the Netherlands, two solar-power stations in Spain, one ethanol plant in the U.S. and the wind-power generating plant of La Citadelle in France. Clean-energy transactions reached more than \$100bn in 2006, a record. The ranking was published in New Energy Finance, a specialist provider of information and research to investors in renewable energy, low-carbon technology and the carbon markets. It is one of the few publications to produce league tables in the renewable-energy sector.

## IBCI IN GABON REINVENTS THE TONTINE



The IBCI (International Bank for Commerce and Industry) in Gabon, has just launched Kimi Crédit, a new solidarity product for professionals, inspired from the traditional African tontine.

In tème language, Kimi means association: it is the philosophy of the new credit launched by the IBCI, BNP Paribas' subsidiary in Gabon. It is a collective savings and financial

cooperation system for which every member pays a periodic subscription. Gathered in a Kimi Club, the members, three to six people, save without interruption for a period from three to six months before they can themselves beneficiate of a credit that can sum up to three times the amount saved, and repayable in eighteen months.

This method, that has proven its advantages in microfinance, enables professionals excluded from the banking system because of a lack of sufficient warranty, to access to credit. This launch also reminds us that IBCI in Gabon is an innovative, popular and citizen bank.

## FINANCING OF LARGEST SOLAR-POWER STATION IN THE U.S.

Capstar Partners, a company that is 60% owned by BNP Paribas, acted as equity financial advisor in the closing of the largest solar-power plant in the United States. Financing of the plant, located in Nevada, totalled USD 266 million. This transaction sets a new landmark in US lease financing as it combines a US lease structure with a project finance component. Capstar Partners advised a group of equity investors led by JP Morgan and including Wells Fargo and Norlease.

## CLIMATE CHANGE AND THE CORPORATE RESPONSE

Jean-Louis Borloo, French Minister of State and Minister for Ecology, Sustainable Development and Planning, has praised the growing awareness and involvement of French businesses in the face of the dangers posed by climate change. ADEME, AXA and BNP Paribas Asset Management recently announced the findings of the 2<sup>nd</sup> edition of France's Carbon Disclosure Project. This survey, sent to the 120 largest French corporations in 2007, analyses how businesses are responding to the challenges of climate change. It improves the quality of information available to investors so that they can make informed investment decisions.

The information gathered is used to rank businesses on the basis of the quality of their responses, and their degree of sensitivity to the issue of carbon emissions.

## FESTA INTERNAZIONALE DI ROMA: BNL PLACES THE 7<sup>th</sup> ART CENTRE STAGE



Again this year BNL (the Italian member of the BNP Paribas Group) is a supporter of film with the "Festa Internazionale di Roma". In fact the bank, which believes in, and has contributed to, the success of this festival from the first event, continues to be one of the main partners of the festival, which is now a compulsory rendez-vous "for those who love the cinema, create it, view it and talk about it".

For this second event - from 18 to 27 October - BNL has again chosen to reward the best feminine interpretation amongst the movies in the competition. For the whole duration of this event, BNL will be present in the village of the Auditorium Parco della Musica. For 70 years BNL has been providing important financial support to the whole cinema industry, from the design, production and realization stages, right through to distribution and screening.

## BNP PARIBAS SIGNS AN AGREEMENT ON PROFESSIONAL EQUALITY BETWEEN MEN AND WOMEN

BNP Paribas has signed, a new agreement on professional equality between men and women. By this agreement, the Group wishes to clarify the principles that ought to be applied in order to develop equality of opportunities and treatment between men and women at all stages of professional life. To this end, three actions have been determined. The first one concerns the critical stages of employees' professional life. Therefore, the goal is to make the rates of promotions between men and women converge. Secondly, the firm has committed to ensure a minimum of 44% of women in the total number of executives as at December 31<sup>st</sup> 2010, keeping its advance on this topic in the professional arena. Finally, the agreement stipulates a number of measures for salaries to catch up. Within the annual revision of remunerations, the goal is to determine if, for the same levels of education, responsibility, professional effectiveness, competency and experience, a woman's salary is equal to the one of a man. This agreement is a new step of a voluntary initiative from BNP Paribas to formalise, within the social dialogue, the rules that participate to the promotion of diversity and equality of opportunities in the firm.

## UBCI FINANCES THE MOST ECOLOGICAL TUNISIAN COMPANIES

On November 6, UBCI signed an agreement with the Agence Française de Développement (AFD) concerning the marketing of a new line of credit worth €40 million earmarked to finance environmental upgrades of Tunisian companies. This agreement is dedicated to financing projects with a positive impact on the environment and AFD selected only three private banks (BIAT, BT and UBCI) out of 20 lending institutions in Tunisia.