

# SUSTAINABLE DEVELOPMENT DYNAMICS

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

Dear reader,

**W**e are delighted to present you with this 15<sup>th</sup> 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 occurring in the everyday life of our Company (whether they are related to corporate governance, sponsoring, quality, environment, human rights, ethics and compliance, ...), because we think it is particularly relevant for you to be really associated with the way CSER/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 in the best interest of all its stakeholders.

We wish you a good reading of this 15<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.

## BNP PARIBAS BACKS EFFORTS TO SUPPORT YOUNG PEOPLE IN DEPRIVED SUBURBS

BNP Paribas is sponsoring a French government project dubbed "Plan Espoir Banlieues" (Neighbourhood Hope Project) for three years. The project aims to help young people living in deprived suburbs or neighbourhoods covered by an urban social cohesion contract.

As part of this new commitment, BNP Paribas undertakes to:

- promote career opportunities at the BNP Paribas Group;
- favour the discovery of the BNP Paribas Group, particularly through internships;
- help to find employment for young people in suburbs that fall under the project.

BNP Paribas will work with "Pôle Emploi", the French government's nationwide job centre, in the framework of the Neighbourhood Hope Project. BNP Paribas has already launched several tools aiming at preventing cases of self-censorship. The bank has formed numerous partnerships with public bodies, private organisations and specialised associations, including Afev, "Nos quartiers ont du Talent" and "Mozaik RH".

## BNP PARIBAS STRENGTHENS ITS POSITION AS GLOBAL TENNIS SPONSOR

BNP Paribas Fortis in Belgium has chosen tennis as a key pillar of its communications strategy, and will be the main partner of Vlaamse Tennisvereniging (VTV), the Flemish tennis association, until 2013 and the official partner of the Association Francophone de Tennis (AFT), Belgium's French-language tennis association, until 2012. In coherence with its strategy of active involvement, the BNP Paribas Group will support the development of tennis in Belgium at every level (professional, family, local, educational and social).

BNP Paribas will also be the title sponsor for the first three years of the Zurich Open in Switzerland, and is partnering the BNP Paribas Tennis Classic at Hurlingham, one of the most renowned tournaments in the UK.

Meanwhile in the US, BNP Paribas is sponsoring two major events: the BNP Paribas Open at Indian Wells and the BNP Paribas Showdown for the Billy Jean King Cup at Madison Square Garden in New York.

## BGL BNP PARIBAS DISTRIBUTES A NEW MICROFINANCE INVESTMENT FUND

A new microfinance investment fund has just been officially launched in Luxembourg: the "Luxembourg Microfinance and Development Fund" (LMDF) unit trust. BGL BNP Paribas, the Luxembourg bank of the BNP Paribas Group, has decided to invest in the fund, alongside the Luxembourg Government and several other banks, and to make it available to its clients. The LMDF has the double goal of contributing to poverty reduction in developing countries in Africa, Asia and Latin America, whilst offering unit trust holders financial returns. This is the first time BNP Paribas has distributed a pure microfinance product within the Group's retail banking activity. This is allowed under Luxembourg legislation, but is not currently possible in France or many other countries.



## BNP PARIBAS HELPS TO RESTORE GREECE'S HERITAGE

As part of its programme to support the restoration of museum collections, the BNP Paribas Foundation has helped in the restoration of a remarkable series of ten post-Byzantine frescoes dating from the 15<sup>th</sup> Century.

The frescoes, which came from a church on the island of Lefkas, were given to the Byzantine and Christian Museum in Athens at the end of the 1960s to ensure they were kept in the best possible conservation conditions. Thanks to support from the Group, they have now been restored in the museum workshops. Careful cleaning, partial removal of the preparatory layer, consolidation of the painted surface and protection of the rear of the frescoes has enabled these works to regain their original splendour.



## BNP PARIBAS BRAZIL FOR A BETTER WORLD

In 2009, BNP Paribas Brazil signed four partnership agreements with charity organisations. The subsidiary is offering its support to:

- the *Associação Maria Helen Drexel* which provides street children with a home;
- two educational programmes, the *Ação Comunitário do Brasil – São Paulo* and the *Associação Alfabetização Solidário*;
- and the *Grupo de Apoio ao Adeolexcente e à Criança com Câncer* (GRAAC), an organisation which offers help to children suffering from cancer.

BNP Paribas Brazil ran a campaign aimed at encouraging its employees to get personally involved in community projects. The initiative was a success. Furthermore, these four organisations are registered with the FUMCAD (Municipal Fund for the Right of Children and Adolescents) which allows businesses and individuals to donate 1% and 6% respectively of their tax to these associations.

## BNP PARIBAS LEADS THE WAY IN GENDER PARITY AMONGST THE CAC 40 COMPANIES SAYS CAPITALCOM

CapitalCom, a communications agency specialising in financial communications, has published the results of its 5<sup>th</sup> annual survey on *gender parity within the CAC 40 companies*. According to the study, the representation of women at all levels within the CAC 40 companies has changed very little and companies are finding it hard to set gender parity objectives. Despite a low representation of women at Executive Committee-level, Board of Director-level and in the overall workforce, CapitalCom underlines that communication on the male/female mix and implementation of gender equality measures have improved. BNP Paribas is quoted as an example for its recruitment days reserved specifically for female candidates. The publication of the survey coincides with discussions by the French National Assembly on a proposed law for the introduction of a 40% quota of women in the Boards of Directors of large French organisations. At BNP Paribas, women represent 1/3 of the Directors elected by the shareholders, making it one of the CAC 40 companies with the highest levels of female representation.

## BNP PARIBAS ORGANISES ITS 2<sup>ND</sup> ANNUAL WOMEN AND LEADERSHIP CONFERENCE

BNP Paribas has just hosted its second annual regional Women and Leadership conference in Bahrain. The aim was to strengthen women's representation in key posts in the Gulf countries. The event, organised in collaboration with the United Nations, brought together many influential men and women, including political and business leaders and Bahrain's Minister of Labour. This initiative is part of BNP Paribas' commitment to diversity and corporate social responsibility.

## HAITI EMERGENCY RELIEF: BNP PARIBAS RALLIES IN SUPPORT

In the wake of the magnitude 7 earthquake that hit Haiti on 12 January, BNP Paribas has donated a million euros to the *Fondation de France* and has pledged to match donations received by employees. The *Fondation de France*, a key player in the collection of donations made for survivors of the tsunami in 2004, has proven its ability and expertise in responding to the needs of disaster victims. It intervenes in three areas: protecting the most vulnerable, assisting with reconstructing and restarting economic activity and providing psychological support for those most affected. All money collected will be redistributed to organisations helping victims of the earthquake, once the immediate, first phase of aid provision has been sent. These organisations help victims rebuild their lives and therefore regain their trust and dignity.

## BNP PARIBAS AND CREDIT FOR VSEs

BNP Paribas is strongly committed to its small business clients and to supporting them in their projects. New business creation is a very important component of economic and employment growth in France. In the spirit of the commitments made by the FBF (French Banking Federation), BNP Paribas will supply credit in 2010 to *Very Small Enterprises* by making available €150 million to finance new cash loans for single amounts of up to €25,000. In September 2009, to meet the needs of SMEs, self-employed traders and tradesmen, and to develop investment credit, BNP Paribas launched an unprecedented 15-month scheme. BNP Paribas has undertaken to support 40,000 projects for €5 billion. BNP Paribas is actively contributing to the SME relaunch plan in conjunction with the business development agency Oseo.

## WWW.BNPPARIBAS.NET NOW ACCESSIBLE FOR DEAF USERS

The retail bank in France, in partnership with Guide Caro, a company which provides services to improve independence for the hard of hearing, is now offering its deaf and hard-of-hearing customers instructional modules for using [www.bnpparibas.net](http://www.bnpparibas.net) to manage their accounts online, as part of its Internet and mobile acceleration project. 8% of the French population, some 5 million people, suffer from impaired hearing. A large part of this group struggle with written communication because of *functional illiteracy*. In order to deal with this problem and give them easier access to manage their accounts online, BNP Paribas has set up demonstrations translated into French sign language. These are available from the [www.bnpparibas.net](http://www.bnpparibas.net) home page. On accessing the demonstrations, a translator appears and provides an instantaneous translation. BNP Paribas is the first bank in France to set up such a scheme.

## GROUP INNOVATION PRIZE

BNP Paribas launched the Group Innovation Prize in 2006 to award, facilitate and spread the spirit of innovation. Innovation is an integral part of BNP Paribas, the bank for a changing world. This year Innovation will be even more responsible. The prize awards innovations able to bring real, medium and long-term progress to the Group and its environment, beyond benefiting just a handful of players. For the 2010 edition of the Group Innovation Awards, BNP Paribas has decided to promote corporate social responsibility in the award selection process by making responsible innovation one of the key evaluation criteria. The changes include replacing the Sustainable Development category with two new categories: 'Social Commitment' and 'Environment'. Additional CSR points have been introduced for projects which have a positive impact on the environment and/or demonstrate the Group's social commitment.

## BNP PARIBAS' CREDIT HIGHER THAN EVER

More than two thirds of BNP Paribas' profits for 2009, or €4 billion, will be retained to strengthen the company's equity. This will enable BNP Paribas to grant around €40 billion of extra credit, mainly to corporate and private borrowers in Europe. BNP Paribas confirms the undertakings it made in 2009, with an increase of 3.7% in its total lending in France. In housing, property loans to private borrowers reached record new levels, rising by 7.1%. At the end of the first three months of the scheme *€5 billion for 40,000 projects*, launched last October and due to run to the end of 2010, aimed at developing the financing of investment projects for SMEs, self-employed tradesmen and traders, BNP Paribas has already financed 11,803 projects for a total amount of €1.27 billion. In this way *"your bank's profits become its equity today and your credit tomorrow"*.

## BNP PARIBAS PRESENTS ITS ECO-FRIENDLY STAND

At the recent microenterprise fair in Paris, BNP Paribas was proud to present its new ecofriendly exhibition stand. Most materials are recyclable and reusable such as the carpet, the partitions and the furniture. The materials used are ecologically friendly and compliant with environmental standards: no varnish on the natural wood veneer panels, solvent-free paint and ink, energy-saving light bulbs, white paint with natural pigments. From now on it is perfectly possible to combine environmentally sustainable elements with modern design and aesthetics. BNP Paribas commits to adopting a responsible attitude towards the world of interior decoration.

## WEALTH MANAGEMENT LAUNCHES THE GREEN CHALLENGE 2010

BNP Paribas Wealth Management has launched the Green Challenge 2010 to inform employees at the business line's head office and other WMI (Wealth Management International) offices of CSR issues while promoting best practice. The Green Challenge will be held between Monday 26 April and Friday 30 July 2010. Wealth Management employees are invited to submit a "file" expressing their ideas on environment preservation and social commitment and presenting a charity in which they are involved. Files will be judged on the best ideas and on the charity that best reflects the business line's values. A donation will be given to the winning charity of the Challenge and the best ideas will be studied for implementation. To celebrate Sustainable Development Week, BNP Paribas Wealth Management organised this year its first "Green Party" at the head office of the business line. On this occasion, employees were able to meet the leading CSR players within the business line and attend awareness workshops.



## BNP PARIBAS LAUNCHES ECO CO<sub>2</sub>

BNP Paribas has launched ECO CO<sub>2</sub>, a guaranteed-capital formula-based fund maturing in June 2018, which allows participation in a benchmark index of 100 European companies selected for their ability to reduce carbon dioxide (or CO<sub>2</sub>) emissions. The ECO CO<sub>2</sub> fund provides exposure to the Low Carbon 100 Europe Index, the first environmental stock index having listing criteria based on low CO<sub>2</sub> emissions by European companies. The Low Carbon 100 Europe Index reflects the performance of 100 companies in every economic sector, selected from among the 300 largest market capitalised corporations in Europe boasting the lowest CO<sub>2</sub> emissions in their business sector. The composition of the index is revised every year by an independent scientific committee comprised of scientists from universities and NGOs specialised in the environment. Thanks to their ingenuity in producing low CO<sub>2</sub> emissions, the 100 companies on the Low Carbon 100 Europe Index actively contribute to the effort to control climate change.

## BNP PARIBAS ENHANCES HEALTH PROTECTION FOR SENIORS

In the context of its corporate social responsibility initiative, BNP Paribas Assurance has improved BNP Paribas Protection Santé, a complementary health insurance offering, with new guarantees for senior citizens – including better coverage of medical fees, new coverage for a number of surgeries, and new assistance services. A preventive service highlighting the importance of physical activity addresses the physical fitness of the growing number of French seniors, and takes action in a manner designed to delay the phenomenon of becoming dependent, whilst maintaining social relationships. The contract includes a preventive service offered by SIEL Bleu, an associative group devoted to seniors' physical fitness. Founded in 1997, SIEL Bleu is funded by BNP Paribas Assurance in the framework of its partnership with Ashoka, a non-profit organisation which promotes social innovation and the spirit of free enterprise in over 1,700 organisations in France.

## FTSE4GOOD CONFIRMS THE INCLUSION OF BNP PARIBAS

BNP Paribas is once again included this year among the companies listed on the FTSE4Good Index, a socially-responsible stock index which evaluates the impact of businesses in economic, social and environmental terms. The FTSE Group, held by the Financial Times and the London Stock Exchange, is the most recognised organisation in the area of social responsibility, and evaluates businesses from 77 countries. A combination of several indices covering different areas of economic activity, the FTSE Group has once again included BNP Paribas in the FTSE4Good Index, which highlights the environmental measures the Group has taken to reduce its impact on climate change, as well as corporate social responsibility criteria.

## THE BNP PARIBAS MEDIATOR PUBLISHES HER 2009 REPORT

The BNP Paribas Mediator for individual customers has published her 2009 report.

Presented to the bank's directors along with her proposals regarding areas for improvement, it will be distributed to the Banking Mediation Committee, to consumers' associations and mediation partners, and will also see broad internal circulation. The mediator, whose contact information is printed on clients' banking statements, received 3,306 enquiries in 2009, compared to 2,876 in the preceding year. This year she delivered 711 rulings, compared to 560 in 2008, for clients who were dissatisfied with solutions proposed by the bank. The 27% increase is explained by the context of the 2009 economic recession, which affected modest budgets, and by the market downturn, which reduced many family savings in size. According to the report, the average wait before a complaint is processed was reduced this year to 39 days from 49. For the first time since the mediator's mandate was broadened in 2007 to include all savings and investment products, financial investments came in at the number one spot this year for complaints for which a ruling was issued. Disputes on the management of accounts came in second, followed by means of payment, service charges and credit.

## BNP PARIBAS REMAINS LEADER IN ISO CERTIFICATIONS

With a total of 82 International Standardization Organization (ISO) certifications, BNP Paribas remains the leader in the bank-assurance sector by ISO certifications awarded. In 2009 BNP Paribas boasted:

- 70 ISO 9001 certifications, an international standard for customer satisfaction;
- 6 ISO 14001 certifications, an international standard for environmental management;
- 4 ISO 20000 certifications, an international standard for IT services management;
- 1 ISO 27001 certification, an international standard for IT information security management;
- 1 OHSAS 18001 (Occupational Health and Safety Assessment Series) certification, a standard for rigorous and effective management of health and safety in the workplace.

Of the total, 11 certifications were new and 22 were renewed in 2009. ISO certifications are valid for three years, and are then audited for renewal.

## SUCCESSFUL RESPONSIBLE INVESTMENT MANDATE IN SWITZERLAND

A new Swiss client has entrusted BNP Paribas Wealth Management International (WMI) with a mandate to manage a €5.8m Responsible Investment (RI) portfolio, following a bid to tender in which BNP Paribas was competing against several other banks operating in Switzerland. The Group's ability to combine a disciplined financial management and a convincing RI selection was critical in the client's final decision. The RI selection offered to this client includes funds invested in sectors having a strong social or environmental impact (microfinance, environmental technologies, natural resources management, solidarity economy). Responsible investment is a booming sector, today estimated at 11% of global investment assets. WMI's offer in this market is innovative, committed and diversified.

## PUBLICATION OF THE UNIVERSUM RANKINGS OF COMPANIES' APPEAL

The Universum 2010 rankings of companies' appeal on the French recruitment market have just been published.

BNP Paribas occupies n° 9 place in the Ideal Employer Rankings (n° 8 in 2009), according to a survey among French business school students, and boasts top spot in the French banks category. The Group ranks n° 23 (n° 33 in 2009) in the eyes of students at engineering/IT schools, thus putting it far ahead of other banks.

Students are most attracted to employers that offer an opportunity to pursue an international career and work in a stimulating environment with high-calibre colleagues. However, the employer's financial strength and job security are also important criteria for students. As such, BNP Paribas, which emerged stronger from the financial crisis, remains a good reference for them.

## FIRST ENDOWMENT FUND FOR PROFESSIONAL EQUALITY IN EUROPE

The association Arborus, a partner of BNP Paribas, launches the "European endowment fund for professional equality".

The "European endowment fund for professional equality" was set up at the beginning of April in Brussels by the association Arborus. This association works alongside several companies, including BNP Paribas Personal Finance, to promote professional equality in their corporate culture. The objective of this fund, chaired by Nicole Ameline (member of parliament and former minister) is to reinforce the role of women in companies in all industries and at all levels. Moreover, a European guarantee of equality between men and women in the workplace was created at the same time.



## BNP PARIBAS ACTS AS SOLE MANAGER IN A BOND ISSUE FOR A US WIND PROJECT

BNP Paribas acted as sole manager in the \$305.3 million issue of senior secured notes for Mountain Prairie Wind, a subsidiary of FPL Group's NextEra Energy Resources division. The deal represents the first non-recourse project bond completed in the US since June 2008 and the first wind project bond since FPL's Bison Wind in 2006 (also led by BNP Paribas).

NextEra Energy Resources developed and constructed this \$505 million 273 megawatt portfolio of two wind projects located in Colorado and Oklahoma. Bond proceeds reimbursed NextEra for its development costs and paid for transaction fees and expenses. BNP Paribas was mandated for this role by FPL due to ongoing efforts with NextEra to explore the best alternatives for financing US renewable generating assets.

## FINANCE DEVELOPMENT GROUP AWARDED IN THE INSTITUTIONAL INVESTOR RANKINGS

Finance Development Group (FDG) and more precisely its RIIF (Investor Relations and Financial Information) team have been awarded in a survey carried out by the magazine *Institutional Investor*. The Investor Relations business of BNP Paribas ranked n°.1 in France for all sectors and n°.2 in Europe for the Banking sector. The team was named Best Professional Investor Relations in Europe (survey conducted among analysts) and n°.2 in the Best Professional Investor Relations in Europe category (survey of portfolio managers).

## BAUDOUIIN PROT NAMED BEST BANKER BY INSTITUTIONAL INVESTOR

The financial magazine, *Institutional Investor*, has published its rankings of top executives in Europe. Baudouin Prot, CEO of BNP Paribas, ranks top in the Banks category in front of Alferdo Saenz Abad (Banco Santander) and Corrado Passera (Intesa Sanpaolo). For the Banks category, the magazine surveyed 650 portfolio managers and top executives from 385 European companies.



## BNP PARIBAS LAUNCHES THE CSR E-TRAINING MODULE

BNP Paribas has launched on the Group's Training portal an e-training module to raise employee awareness of Corporate Social Responsibility (CSR) issues. The interactive module enables employees to understand the Group's commitment to CSR and to become real CSR spokespersons for the Group during six assignments. The course is now available in two languages, English and French, and will soon be available in Italian and Dutch.

## CETELEM SETS UP A MEDIATION MECHANISM

As part of its customer satisfaction programme, Cetelem has set up a company mediation mechanism in France. The arrangement is the first of this kind implemented by a consumer credit business. The aim of mediation mechanism is to set new standards in client relationship management, by offering the chance to appeal to an independent third-party for arbitration of a dispute about an unresolved complaint and to identify and initiate improvements needed to reduce the number of legal claims. The first Cetelem mediator is Marie-Pierre de la Gontrie, first vice president of the Ile de France Regional Council and a Paris city councillor. She will hold the post of Cetelem Mediator for two years, as an external consultant to the business. The initiative follows the launch of a similar mediation mechanism for French Retail Banking customers.