



For immediate release

Exclusive survey: Novethic-Amadeis-BNP Paribas AM

French Institutional investor buy-in on SRI continues to increase, but shareholder engagement lags behind

November 30, 2007 – Paris, France – Novethic, Amadeis and BNP Paribas AM today present the findings of the sixth annual Socially Responsible Investment survey and outlook for the French institutional market. Queried by Novethic and Amadeis, 50 French institutional investors (pension and personal protection insurance providers, direct writing mutual societies and insurance companies, foundations and associations), whose total assets are currently valued at more than 700 billion euros, shared their expectations and intentions in the area of SRI.

French institutional investors believe in SRI

In 2007, **61%** of the institutional investors surveyed had already ventured into SRI, compared with **48%** in 2006. Among those investors queried indicating that they had never invested in SRI, 45% plan to do so in the years ahead. No less than **87%** of investors that had already invested in SRI indicated they are ready to continue to do so in the years ahead.

Investments expected to pick up speed in 2008 and 2009

Altogether, 31% of the institutions surveyed have invested more than 5% of their total invested assets in SRI. This represents a major change compared with 2006, when only 12% of all institutional investors queried had made such investments. This growth in the share of assets invested in accordance with SRI principles attests to the strong increase in the impact of ESG (Environmental, Social and Governance) criteria on the investment decisions of major institutions, such as ERAFP (the pension fund for French civil servants), which decided in 2006 to opt for 100% SRI management. In fact, more than one-third of the survey sample believes that all assets should be managed in accordance with SRI principles.

While the number of respondents indicating their intention to invest in accordance with SRI principles within three years has risen compared with 2005 and 2006, the percentage has also increased in terms of the size of assets to be invested. Accordingly, 40% of all institutional investors surveyed expect SRI assets to account for more than 5% of their total AUM within three years.

The environment: a key investment theme

Among the major sustainable development themes, the environment has made a spectacular emergence, dethroning corporate governance: 73% of all institutional investors surveyed feel that this is the most important criterion, compared with 46% in 2006. They also see global warming or climate change as more important (35% today, as opposed to 10% previously).

Shareholder engagement, a practice neglected by French institutional investors

French institutional investors have not kept pace with their counterparts in Europe and the US when it comes to shareholder engagement. Most of them are not aware of the international responsible shareholder coalitions or organizations that promote SRI, and do not wish to become engaged. Only 16% of those that have SRI assets think it is important to promote shareholder activism, compared with 84% that favor the best in class approach, i.e., the selection of the best equity investments on the basis of extra-financial performance.

The survey is available to journalists on demand. To access the presentation of the findings of the 2007 survey, click here: http://www.novethic.fr/novethic/upload/etudes/Etude_ISR_2007.pdf

About Novethic: A subsidiary of Caisse des Dépôts, Novethic is a leading center for research, information and expertise pertaining to SRI (socially responsible investment) and CSR (corporate social and environmental responsibility). Its web site, www.novethic.fr, is a comprehensive source of information for responsible economic actors.

About Amadeis: Amadeis is an independent investment consulting firm. In addition to working with institutional investors and asset managers, Amadeis conducts analysis and research extending to all aspects of asset management.

About BNP Paribas AM: BNP Paribas Asset Management, one of Europe's leading asset managers, got an early lead in the field of socially responsible and sustainable investment. Leveraging the expertise of a dedicated team and its independent approach, BNP Paribas AM helps institutional clients understand the importance of extra-financial criteria.