

L'épargne salariale au service de la solidarité responsable

The innovation proposed in the Multipar investment fund fits in with the following UN Goals:

- Decent work and economic growth
- Environmental benefits and sustainability
- Eradicate extreme poverty
- Develop a global partnership for development (cf. target 8A).

The elements below have been collected during an interview with Gilles Favier, one of the promoters of Multipar on Sept 17, 2017, and complemented with company literature about the product itself.

The innovation

An unprecedented economic growth as well as rising degree of globalization are giving birth to major social and environmental challenges.

And the only way out and forward is through **sustainable development solutions**.

In that context, investors are looking for portfolios which:

- Capture the opportunities offered by the sustainable development sector (clean energies, ...)
- Reduce the risks generated by non-responsible behaviours (poor governance, ...)
- Correspond to a high degree of accountability (ethical work practices, ...).

As early as 2003 the Epargne et Retraite Entreprise branch (BNPP E&RE) had decided to offer those salaried staff of their client companies who were eligible to a CRSS the possibility of **investing up to 10% of their Retirement Savings in sustainable solidarity-based assets** (as part of Investissement Socialement Responsable, or ISR). This initiative got a boost when the French Ministry of Finance came up with a favorable regulation regarding Company Retirement Savings Schemes (CRSS) in July 2014.

The ISR has got 3 major features:

- As a specific investment solution, it jointly takes into account a traditional financial analysis AND extra-financial criteria
- In a systematic way, it bases the choices of investment solutions on the Environmental, Social and Governance (ESG) dimensions WHILE aligning with the compliance standards of private and public entities as well as of National authorities (Anti corruption and money laundering policies, public education and health programmes, ...)
- It closely relates the dimensions above with the dual goals of providing investment solutions which match the investors' ethical and moral values WHILE guaranteeing increased middle- to long-term financial performance (cf. the durability concern).

More precisely, the extra-financial criteria include:

1. Sector criteria
 - a. no investment in companies involved in producing controversial weapons (fragmentation bombs and anti-personal mines) or using asbestos

- b. no investment in companies which do not comply with BNPParibas' minimal ESG requirements and standards (cf. palm oil, paper paste, nuclear energy, fossil fuels, mining activities)
2. Compliance with the United Nations Global Compact framework – exclusion of organizations which fail to respect one of the 10 principles based on respect for human rights, fair work, protection of the environment, anti-corruption policies
3. An ESG sectorial analysis that allows for the definition of 3 levels of investment targets (3 levels of investment recommendation).

In short, the solidarity-based investment solutions offered by BNPParibas E&RE aim to guarantee:

- **A tangibly observable beneficial social impact**
- **A business model that will not put the savings invested by salaried staff in this context to risk.**

In addition to those founding principles, the company also pursued side-benefits such as contributing to a (more) positive public image, potentially impaired by the sequels of the 2008 financial crisis.

How has the project developed?

As a number of innovations the project started from two managers' deep personal beliefs and engagement around solidarity and the importance of social inclusion.

Based on personal ties, the first investment was in a social housing project. It consisted in providing a financial vehicle on a voluntary basis.

Interest was then triggered in ExComs from Cardif (BNPParibas Insurance branch) and BNPParibas Investment Partners who committed to support the initiatives and possible further developments.

Gradually, a financial and marketing structure was set up to support the partner structures (including the possibility that starting a momentum for them might help them find sources elsewhere)

Various factors contributed to a significant growth, among which:

- A yearning from some investors to both find meaning in their investments in a crisis environment where points of reference were becoming blurred and remain compatible with a strict regulatory framework
- A dstrategy form HR which were concerned that investor staff might decide instead to invest in more possibly volatile assets and risk losing a significant portion of their investment. As a consequence the company contributed generous complementary funding
- A strategy to use the retail network not only as a source of funding but also as a 'scouting field' to find suitable investment projects.

The solidarity-based involvement also remained present through, f.i., the possibility offered to staff to take from 1 to 3 days for helping with the refurbishment of flats meant for vulnerable people.

All through the 5 years of its existence the fund has been supported internally by the dedication from a few people.

After 10 years, the solidarity-based Multipar fund currently has 1,2Md€ through investments in over 20 partner projects in areas such as:

- Social inclusion through employment schemes for precarious people such as collecting, sorting and recycling textiles and garments
- Social housing allowing socially fragile people access to decent and cheap rentals
- Micro-credit initiatives to help those persons who do not qualify for classic credit
- Providing specialized housing for people who are no longer autonomous due to illness, handicap or old age
- Support to responsible environment-friendly agricultural projects aiming to fight the loss of cultivated land and distribute locally grown produce, thus ensuring a better remuneration for farmers' work.

A list of solidarity-based investment possibilities can be found on:

<http://www.epargne-retraite-entreprises.bnpparibas.com/entreprises/Pages/Decouvrir/Savoir-faire/Partenaires-sociaux.aspx>