



BNP PARIBAS

The bank
for a changing
world

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Paris, Tuesday 2nd November

Dear Mrs Novaes, dear Mrs Dell'Aringa Rocha,

We thank you for your letter and for giving us the opportunity to comment Society for Threatened Peoples' report, "Voices from Tapajós: Indigenous views on planned infrastructure projects", as well as its publication "For the sake of cheap soya: railway and waterway threaten the Amazon".

We take your request for comment with the highest consideration.

BNP Paribas is not involved in the projects that are studied in Society for Threatened Peoples' report. As stated in the reports, since all projects are in a preparatory phase, the projects' participants are not yet known. As a consequence, BNP Paribas deplores the fact that the financial study looks at potential project financing by supposed stakeholders. Assessing BNP Paribas exposure based on numerous and remote hypothesis does not constitute a robust argumenta.

For more than ten years, BNP Paribas has continuously strengthened its commitments to preserve our environment and protect local communities. In France, BNP Paribas has become one of the first companies to include a clear reference to the United Nations' Sustainable Development Goals (SDGs) in [CSR strategy](#).

BNP Paribas recognizes deforestation is one of the world's most striking issue and especially that the Amazon Rainforest is a very sensitive area in terms of biodiversity, climate and indigenous communities. The Group will continue to act where it has influence.

As early as in 2010, the Group has implemented financing and investment sectoral policies to address ESG risks, including those related to deforestation, for instance, in the [Agriculture, Wood pulp and Palm oil sectors](#), for instance. Ever since, BNP Paribas regularly strengthens its policies linked to forest-risk commodities with the aim to fight against deforestation through its financing and investment activities. The Group's policies have received external recognition of BNP Paribas' efforts to protect forests compared to its peers. For instance, in January 2021, [Global Canopy's Forest 500](#) ranked BNP Paribas in the top 5 out of 150 financial institutions assessed in terms of sustainable financing policies and deforestation criteria in a comprehensive range of agricultural commodities sectors.

BNP Paribas is particularly active to fight against deforestation in the palm oil, soy and beef sectors, which it has long considered as critical to cover in the frame of its financing and investment activities'



ESG risks management.

As an example, our [Agriculture sector policy](#) was revised in April 2021 with regard to the specific issue of deforestation linked to soy and beef in the Brazilian Amazon and Cerrado regions. Through this recent reinforcement, BNP Paribas is the first and only international bank to have adopted such stringent and timed requirements for soy and beef in these regions in terms of no deforestation and traceability.

As part of this policy, BNP Paribas now only provides financial products or services to companies (producers, meat conditioners and traders) having a strategy towards zero deforestation in their production and supply chains by 2025 at the latest. More specifically:

- For the Amazon, BNP Paribas does not finance clients that produce or purchase beef and soy from areas cleared or converted after 2008. Clients must thus apply a 2008 cutoff date in the Amazon, in line with regulation and sector agreements.
- For the Cerrado, BNP Paribas engages with its clients to ask them not to produce or source beef or soy from areas cleared or converted after January 1, 2020, in line with global norms.
- For all clients, BNP Paribas also requires full traceability of beef and soy supply chains (direct and indirect) by 2025.

In the soy and beef sectors, BNP Paribas is engaged in a strong dialogue with its clients to accompany and encourage their transition towards more sustainable and responsible activities.

In addition, BNP Paribas Asset Management signed the [Cerrado Manifesto](#) (2018), which aims to prevent deforestation in the Brazilian biome, as well as the [Declaration of investors on deforestation and forest fires in the Amazon](#) (2019).

This policy has already led to concrete positive impacts, as some top tier actors with whom BNP Paribas has set up a dialogue already have brought forward their zero-deforestation target from 2030 to 2025.

In the frame of its sustainability strategy, and to ensure that energy transition and the protection of biodiversity does not come with negative impact on other SDGs or with harm to communities or human right violation, the Group has a rigorous ESG risk management and conducts in-depth due diligences.

As an Equator Principles (EP) Financial Institution since 2008, BNP Paribas fully applies EP requirements, based on the advice of international reputable legal counsel and the relevant independent consultant mandated to advice on environmental and social issues.

More generally, the Group recognises that important infrastructure projects may have a negative impact in particular on local communities. Therefore, BNP Paribas bears particular attention to fully respect Indigenous peoples' rights when financing projects.

BNP Paribas has also implemented a robust ESG risk management system for its financing and investment activities, even before the Duty of Care law came into force in France.

It includes in particular a risk mapping of its clients taking into account both their business sectors and the countries they operate in. This tool covers human rights issues through the analysis of several criteria, such as child labour, forced labour, human trafficking, and failure to respect the rights of local communities.

The overall risk framework notably takes into account [BNP Paribas' statement on Human Rights](#), published as early as in 2012.



In the event of suspected or serious abuses, the Group conducts in-depth due diligences and discusses the matter with the company concerned. Companies may be placed under monitoring or exclusion list depending on such due diligences and corporate engagement outcomes, leading to possible financing and investment restrictions or exclusion.

We thank you very much for drawing our attention to the specific issues at stake in the Ferrogrão Railway, the Tapajós Hydroelectric Complex, and the Tapajós Waterway projects. BNP Paribas will continue to draw particular attention to all projects that might harm local communities, biodiversity or that could have a negative impact on climate.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Pessez'.

Laurence PESSEZ