

## **April 11<sup>th</sup> 2023 / BNP Paribas Response Statement**

While we cannot comment the data linked to our clients on a case-by-case basis, for confidentiality reasons, we welcome the opportunity to bring you more information on the **actions taken by our Group to fight against deforestation in the frame of our financing and investment activities.**

We would like to assure you that BNP Paribas is well aware that the fight against deforestation is a priority issue, in particular to protect biodiversity and act against climate change.

**This is why, as early as in 2010, the Group has implemented financing and investment sectoral policies to address ESG risks, including those related to deforestation (in the [Agriculture, Wood pulp and Palm oil sectors](#), for instance).**

Also, in line with its CSR commitments, BNP Paribas has included in its vigilance approach (“Duty of Care”/ “Vigilance Plan” and “Vigilance Approach”, Section VII of our [Universal registration document 2022](#)) the risk of harm to the environment, and in particular the issue of deterioration of ecosystems and biodiversity.

And 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.** BNP Paribas strengthened its financing and investment criteria to accelerate the progress of its customers in terms of fighting against deforestation and ensuring traceability.

As part of this policy, **BNP Paribas will only provide 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 will 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 will also require full traceability of beef and soy supply chains (direct and indirect) by 2025.

**In parallel, the Group monitors producers and traders’ activities, asking to demonstrate progress on specific points by 2025:**

- Applying deforestation and conversion risk assessment of their beef and soy supply chains;
- Implementing monitoring systems to map and trace their direct and indirect beef and soy supply chains in the Amazon and Cerrado;
- Regularly reporting on progress towards deforestation and conversion-free beef and soy in their supply chains;
- Implementing supplier engagement programs to promote zero deforestation practices;
- Excluding suppliers who contravene their zero deforestation strategy;

- *Publishing or providing on demand the criteria of non-compliance and the course of action for the resolution of non-compliant suppliers.*

***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 the frame of its Agriculture policy, its clients and their progresses are being assessed every year. In the case of a possible misalignment, the companies are placed under a monitoring or a restriction-of-activity list. And eventually we can decide to end the relationship if they fail to comply with the Group's standards and commitments.***

*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.*

***With this reinforcement of its policy BNP Paribas is the first and only international bank to have adopted such precise, stringent and timebound requirements for soy and beef in these regions in terms of no deforestation and traceability. They have been hailed as a "best practice" by the British NGO ShareAction in its December 2022 In Debt to the Planet report. Furthermore, and more globally, in its latest 2023 'Forest500' report, the British NGO Global Canopy ranks BNP Paribas among the 2023 top 5 for the financial sector among the 150 financial institutions studied.***

*Convinced that financial institutions have a key role to play, BNP Paribas is thus accelerating its actions to fight against deforestation and to preserve biodiversity as a leading economic player, both individually and through collective initiatives.*