



Laurence Pessez
Global Head of Corporate
Social Responsibility
BNP Paribas

Lucie Pinson, Director, Reclaim Finance
Sylvain Angerand, Campaign Coordinator,
Association Canopée
Leyla Larbi, Senior Campaigner, SumOfUs
Marília Monteiro, Forest Campaigner,
BankTrack
Jeff Conant, Director of international forests
program, Friends of the Earth US
Etelte Higonnet, Senior Campaign Director,
Mighty Earth
Vemund Olsen, Senior Policy Adviser,
Rainforest Foundation Norway
Christoph Wiedmer, CO-Director Society for
Threatened Peoples Switzerland

Paris, October 23, 2020

Dear Madam, dear Sir,

We acknowledge receipt of your letter from September 23, 2020, and thank you for addressing us your concerns and expectations regarding the soy industry.

We have taken good note of your recommendations on further strengthening our financing and investment criteria applying to soy traders. Please find below some elements in response:

1. We believe that our current requirements already address your recommendation on the respect of human rights, including rights of Indigenous people who can be impacted by these activities¹.
2. As you may know, there are no harmonized monitoring, verification and reporting standards for soy traders to date. Nevertheless, we have been engaging with soy traders for 5 years now, asking them to improve their traceability systems and to report on their progress.

¹ We expect from our clients in the agriculture sector that they meet certain mandatory requirements at both project and corporate levels, including: to have a Human Resources policy or a Code of Conduct; to have a grievance mechanism in place through which workers concerns can be raised and addressed; to have a policy in place to obtain the Free, Prior and Informed Consent (FPIC) of the local communities; not to engage in Land grabbing practices. Please refer to pages 8, 9 and 12 of the [Agriculture sector policy](#).



BNP Paribas is well aware that the fight against deforestation is crucial to protect biodiversity and act against climate change. This is why we are actively working on this matter, although we have limited leverage on the six agricultural commodities traders that you mention in your letter. Our participation within their banking pool (which counts between 15 and 50 banks) is indeed below 5% of the total syndicated loan amount.

In addition to existing policies², our corporate finance business teams have recently intensified their engagement with soybean producers and traders in Brazil, to address material issues including no deforestation commitments and transparency of their direct/indirect supply chain. On the investment side, BNP Paribas Asset Management is actively advocating for transparent monitoring and verification systems to ensure soy suppliers' compliance with the traders' no deforestation policies, and plans to further engage the main soy traders on these issues.

We are currently contemplating the possibility to strengthen our Agriculture sector policy on soy producers and traders, to better reflect the challenges raised by the production and trading of soy from regions that are especially at-risk in terms of deforestation. In this sense, we aim at reinforcing our expectations towards soy producers and traders on traceability systems and reporting. We take good note of your specific recommendations in this context.

Yours sincerely,

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

Laurence Pessez

² To ensure that the bank's business activities do not lead to deforestation, forests and natural habitats degradation, BNP Paribas makes sure that its potential financial support to producers and traders of agricultural commodities is screened and assessed under the scope of dedicated financing and investment policies in the sectors of wood pulp, palm oil, agriculture, and mining. These policies apply to all branches, subsidiaries and joint ventures in which BNP Paribas has the operational control, and to all products and services provided by BNP Paribas (lending, guarantees, debt and equity capital markets, advisory, finance related/or exclusive hedging and trading activities, ancillary services, etc.). Soybean production, trading and primary processing fall under the scope of our [Agriculture sector policy](#) (please refer to 2.3 Activities on pages 6-7). Certification against RTRS standards and compliance with CGF Responsible Soy Sourcing Guidelines is encouraged (see pages 17 and 27). For traders, the sourcing of trade agricultural products from companies should not contradict the mandatory requirements of the Agriculture CSR Sector Policy (see page 16).