

BNP Paribas defines a restrictive policy to fight deforestation in the Amazon and the Cerrado regions



Beef and soybean production in Brazil accelerates deforestation in the Amazon and the Cerrado. Whether legal or illegal, it jeopardises the ecological integrity and future of these two biomes. Faced with this degradation, there is an urgent need for all relevant stakeholders to prioritise land use strategies that integrate zero deforestation, sustainable production and a positive social impact.

Financial institutions exposed to the agricultural sector in Brazil must contribute to this fight against deforestation. This is the case for BNP Paribas, which is one of the foreign banks present in the country and which has certain international customers, producers or dealers who are directly concerned.

In this context of degradation, and following work undertaken for nearly a year within the bank, the Group is strengthening its policy and defining restrictive criteria to accelerate the progress of its customers in terms of fighting against deforestation and ensuring traceability. The policy sets out the conditions for the bank to provide financial services to companies (producers, meat conditioners and traders) producing or buying beef or soybeans from the Amazon and the Cerrado regions.

BNP Paribas commits itself to this goal to encourage its customers producing or buying beef or soy from the Amazon and the Cerrado in Brazil to become 'zero deforestation' and to demonstrate transparently their progress. As a result, BNP Paribas will only provide financial products or services to companies (producers, meat conditioners and traders) with a strategy to achieve zero deforestation in their production and supply chains by 2025 at the latest.

In particular:

- BNP Paribas will not finance customers producing or buying beef or soybeans from land cleared or converted after 2008 in the Amazon. Clients must therefore apply this cut-off date, which had been set at 2008 in the Amazon, in accordance with regulations and sector agreements.
- BNP Paribas will encourage its clients not to produce or buy beef or soybeans from cleared or converted land in the Cerrado after 1 January 2020, in line with global standards.
- For all its customers, BNP Paribas will require full traceability of beef and soy (direct and indirect) channels by 2025.

In addition, BNP Paribas will encourage all its livestock farmers to change their practices towards a system that is more respectful of animal welfare, taking the [FARMS Initiative's Responsible Minimum Standards](#) as a reference.

'BNP Paribas is committed to encouraging its customers to become 'zero deforestation', and now imposes demanding traceability criteria on companies wishing to benefit from its financial services. This policy is a first on the part of a major international bank. It reflects a growing understanding of the challenges associated with biodiversity not only within the financial community but also among many corporate clients. We are confident that similar commitments will be made by other institutions in the near future to ensure a real positive impact on the protection of biodiversity.' Said Antoine Sire, Head of Corporate Engagement at BNP Paribas.

Through its asset management activities, the BNP Paribas Group uses its investor capacity to speed up the decision making process of the stakeholders involved. In this context, it has signed the [Cerrado Manifesto](#) (2018), which aims to prevent deforestation in the Brazilian tree savannah, as well forest fires in the Amazon ([Investor Statement on deforestation and forest fires in the Amazon](#) - 2019).



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