Investor Statement on Asian Leadership to Uphold the Amazon Soy Moratorium

Date: 8 October 2026
Status: Pending investor sign on.
Invitation: Other investors to consider for sign on below

As institutional investors with significant exposure to Asian markets, we recognize that the protection of the Amazon rainforest is a cornerstone of global ecological stability and a prerequisite for long-term food security across Asia. We are concerned by the recent decision of the Brazilian soy industry (all companies and associations) to withdraw from the Amazon Soy Moratorium (ASM), a move that increases near and long-term supply chain, nature, regulatory and reputational risks for Asian buyers and financiers with exposure to Brazilian soy. We also recognise the opportunity for Asia's corporate and financial institutions to uphold the ASM parameters, aligned with European retailers, and support sustainable finance.

The Importance of the ASM and the Strategic Role of Asia in the Amazon Biome

Soy production is a significant driver of deforestation and conversion across the Amazon biome. This drives biodiversity loss and climate change, disrupting supply chains and food security. In essence, it destabilises the ecosystems underpinning global economic activity; CDP analysis values the potential financial effects from forest-related risks at US$279bn, or an average of US$338m per at risk company.

Since 2006, the Amazon Soy Moratorium (ASM) has served as a cornerstone of responsible commodity sourcing, establishing a voluntary commitment not to purchase soy grown on land in the Amazon biome deforested after July 2008. This framework is widely recognized as the most effective zero-deforestation agreement ever created. Between 2009 and 2022, the ASM contributed to a 69% decrease in deforestation in monitored municipalities, while simultaneously allowing soy production in the biome to grow by 344% on already cleared land. This demonstrates that agricultural expansion does not require the destruction of primary forests.

Despite the pending implementation of the EU Deforestation Regulations (EUDR), during August 2024 to July 2025 many cases of accelerated deforestation in the Amazon biome, directly linked to soy plantations have been documented. If the 2008 cut-off date is not upheld, then soy can expand further into areas that were deforested afterwards, or that are currently used for cattle production, for example. If such pasture becomes soy cropping, then it will drive local cattle ranchers to deforestation frontiers and drive further deforestation. Preliminary projections suggest that without the ASM, deforestation in the Amazon could surge by as much as 30% by 2045. Such a reversal would not only accelerate climate change and nature impacts, but also exacerbate human rights violations and conflicts with Indigenous peoples who depend on these ecosystems.

Asia is now the key demand centre with significiant leverage over Brazilian soy supply chains. Chinese demand alone accounts for approximately three-quarters of all Brazilian soy exports. Between 2020 and 2025, Asian financial institutions provided USD 2.6 billion in loans and underwriting to the sector. Because of this significant market share, Asian

corporates and banks have a unique scale of exposure and urgent "window to act" to prevent the collapse of these once verified zero-deforestation supply chains.

Risks to Asian Food Security and Financial Stability

The vacuum created by the loss of the ASM and additional threats of Amazon destruction persist, risking even more relaxed legal frameworks and corporate concessions. For Asian corporates and financial institutions, the dismantling of these protections presents significant financial implications related to supply chain, regulatory, and reputational risks, while driving agricultural yield reduction and ecosystem collapse.

The dismantling of the ASM creates specific, non-hedgeable, immediate liabilities and longer-term risks for Asian companies, financiers and food security in the region:

- Supply Chain Risks and Liabilities: Major soy traders serving Asian markets have recently abandoned the July 2008 cut-off date, with some moving it as far forward as December 2025. This policy regression creates immediate liability for Asian downstream buyers who have made "No Deforestation" commitments to their own customers and investors, or rely on such traders for implicit compliance.
- Regulatory Exposure and Reputational Liabilities: As Asian financial hubs like Singapore, China, and Japan move toward mainstreaming nature-related risk disclosures through frameworks like the TNFD, financing soy linked to new deforestation becomes a material regulatory and reputational liability, risking responsible lending credibility. Institutions with existing exclusions for deforestation face immediate risk. These risks also present compliance and trade risks via the EUDR for Asian companies operational in or exporting to the EU.
- Hydrological and Yield Risks, Structural Disruption: Brazilian agricultural yields, and consequently Asia's supply of cooking oil and livestock feed, depend on the Amazon’s ability to recycle rainfall. Collapse of this ecosystem ultimately threatens a structural supply disruption for which no equivalent global substitute exists, and may also have global hydrological implications. More immediately, evidence already demonstrates reduced rainfall and yields from historical deforestation in the Amazon, and increased risks of drought more broadly.

As major global markets increasingly mandate sustainability-oriented disclosures and restrict the import of products linked to deforestation, adherence to the ASM’s zero-deforestation criteria is an essential differentiator for maintaining market access to EU markets, multinational customers, sustainability-linked financing and premium procurement channels.

Our Expectations for Asian Stakeholders

We believe that maintaining the 20-year operational foundation of the ASM is essential for the credibility of Asian corporate sustainability goals and practices, highlighting the need for continued or even collective supplier engagement. We call on our portfolio companies to take the following actions:

- **For Asian Banks:** Revise ESG policies to explicitly not finance companies that do not adhere to a 2008 cut-off period for Amazon soy sourcing. Require robust and

transparent implementation criteria with credible monitoring, verification and reporting systems for soy related lending (to commodity traders, feed companies and livestock producers), that uphold 2008 cut-off dates for Amazon soy sourcing and support compliance and certification with sustainable finance.

- **For Asian Traders:** Publicly reaffirm adherence to the ASM's core criteria, cut-off date, full traceability and roll back recent policy changes that normalized post-2008 deforestation. Reject all forms of deforestation in the Amazon – legal and illegal.
- **For Asian Buyers and End-Users:** Collectively engage with suppliers to require the restoration of the ASM's verification, cut-off date and traceability infrastructure to enable compliance with existing deforestation and conversion-free commitments, and pending EU Deforestation Regulation.

Investor Commitment

We will exercise active stewardship to support Asian portfolio companies and financial institutions that demonstrate leadership in defending the Amazon, while continuing to focus engagement on those who lag in recognising the implicit risks embedded in Brazilian soy exposure. By upholding the principles of the Amazon Soy Moratorium, Asian corporates can mitigate supply chain, regulatory, and reputational risks. This helps safeguard long-term value creation and support the stability of the global and Asian food systems.

[Investor names, logos...]

References

- [Soy Moratorium Portal (2026)] (https;//moratoriadasoja.com.br)
- [CDP: Blind Spots on the Balance Sheet – Uncovering financial implications of deforestation. (2025)] (https://downloads.ctfassets.net/v7uy4j80khf8/2xl6NHoh1OEumWfYcXf1MT/e1489b1b4b5f0445759f3431f0e4f69b/Uncovering_Financial_Implications_of_Deforestation_Report.pdf)
- [Rapid Response: Monitoring Deforestation in Brazilian Supply Chains (2025)] (https://mightyearth.org/wp-content/uploads/2025/11/RapidResponse6EngOK.pdf)
- [The Guardian, Business and Human Rights Centre: UK supermarkets push for Amazon soy safeguards after traders abandon ban (2026)] https://www.theguardian.com/environment/2026/jan/26/uk-supermarkets-push-for-amazon-soy-safeguards-after-brazil-scraps-ban and https://www.business-humanrights.org/en/latest-news/leading-european-retailers-send-open-letter-to-the-major-traders-of-soy-concerning-the-abandonment-of-brazils-amazon-moratorium/
- [Newsweek, Wall Street Must Stop Financing the Destruction of the Amazon (2026)] https://www.newsweek.com/wall-street-must-stop-financing-destruction-of-amazon-opinion-11899366
- [USDA: Brazil Oilseeds and Products Quarterly (2025)] (https://www.ams.usda.gov/sites/default/files/media/Brazil_Quarter1_2025.pdf)
- [Forests & Finance: Asian Bank Financing Data for Brazilian Soy] (https://forestsandfinance.org/data)

- [AP News: Brazil Soy Industry Formally Withdraws from Moratorium] (https://apnews.com/article/brazil-amazon-soy-production-moratorium-deforestation-pact-109dee463fdcd6931a4bb01799cba577)
- [AgWeb: COFCO Emerges as Leading Exporter of Brazilian Soy to China] (https://www.agweb.com/markets/grain-markets/chinas-food-giant-emerges-leading-exporter-brazil-soy)
- [COFCO International: Sustainable Soy Sourcing Policy Revision] (https://www.cofcointernational.com/media/0b2fv4bi/cil-sustainable-soy-sourcing-policy-31122025.pdf)
- [Nature: The Dependence of Agriculture on Amazonian Rainfall] (https://www.nature.com/articles/s41467-021-22840-7)
- [World Economic Forum: Study finds evidence that tropical deforestation stops the rain (2023)] (https://www.weforum.org/stories/2023/03/study-finds-evidence-that-tropical-deforestation-stops-the-rain/)
- [Nature Communications: Historical deforestation drives strong rainfall decline across the southern Amazon basin (2026)] (pmc.ncbi.nlm.nih.gov/artciles/PMC12905307/)
- [Reuters: COFCO and Chinese Dairy Groups Sign Deforestation-Free Deal](https://www.reuters.com/sustainability/land-use-biodiversity/chinas-cofco-modern-farming-group-sign-deforestation-free-soybean-deal-2023-11-08/)
- [Eco-Business: Bank of China Joins TNFD Taskforce](https://www.eco-business.com/news/tnfd-extends-roots-in-asia-with-bank-of-china-joining-taskforce/)