

Investor statement on deforestation and forest fires in the Amazon

This statement is endorsed by 244 investors representing approximately US \$17.2 trillion in assets.

It is with deep concern that we follow the escalating crisis of deforestation and forest fires in Brazil and Bolivia. As investors, who have a fiduciary duty to act in the best long-term interests of our beneficiaries, we recognise the crucial role that tropical forests play in tackling climate change, protecting biodiversity and ensuring ecosystem services.

The recent reports from the Intergovernmental Panel on Climate Change (IPCC) and Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Service (IPBES) highlight the close links between unsustainable land use and climate change. With CO₂ emissions rising and biodiversity declining faster than any time in human history¹, these reports highlight the urgency in promoting sustainable land management to halt biodiversity loss, enhance food security and meet the goals of the Paris Agreement².

The Amazon, as the world's largest rainforest, is a global repository of biological diversity, and provides invaluable ecosystem services which underpin economic activities across the globe. As the largest tract of continuous rainforest in the planet, the Amazon plays a critical role in the Earth's climate system. Deforestation in the region could potentially bring the entire ecosystem [dangerously near to a tipping point](#), after which the rainforest will not be able to maintain itself, gradually turning into a more Savannah-like system which is much dryer, less biodiverse, and stores significantly less carbon. This would severely disrupt the agricultural sector and other economic activities, by reducing rainfall and increasing temperatures in the longer-term.

We are concerned about the financial impact deforestation may have on investee companies, by potentially increasing reputational, operational and regulatory risks. Considering increasing deforestation rates and recent fires in the Amazon, we are concerned that companies exposed to potential deforestation in their Brazilian operations and supply chains will face increasing difficulty accessing international markets.

We commend the recently released [statement](#) by the [Brazilian Business Council for Sustainable Development](#) (CEBDS), on behalf of its associated [60 companies](#), which advocates for the improvement of control and monitoring systems to immediately eliminate illegal deforestation and fires in the Amazon and other biomes, and reduce legal deforestation. We would also like to express our support for the recently released [manifesto](#) by the [Brazilian Coalition on Climate, Forests and Agriculture](#), which includes important stakeholders and companies from the Brazilian agribusiness sector, who have also pledged the national government to regain control of the situation as a matter of urgency.

Companies producing, trading and using agricultural commodities have been under increasing pressure from stakeholders to demonstrate deforestation-free supply chains. While several hundred companies have committed to end commodity-driven deforestation by 2020, recent research indicates that [very few companies are on track to reach this goal](#). Several global institutional investors have already laid out [their expectations](#) of companies with respect to eliminating deforestation from their operations and supply chains. We therefore call for business leadership to reverse the worrying deforestation trends we are witnessing.

¹ Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services [Summary for policy makers of the global assessment report on biodiversity and ecosystem services](#)

² Intergovernmental Panel on Climate Change [Climate Change and Land](#)

As investors, we see deforestation and the associated impacts on biodiversity and climate change as systemic risks to our portfolios and see the reduction of deforestation as a key solution to managing these risks and contributing to efficient and sustainable financial markets in the longer term. Considering the growing risks due to increased deforestation in Brazil, Bolivia and other Amazonian countries, we therefore urgently request companies to redouble their efforts and demonstrate clear commitment to eliminating deforestation within their operations and supply chains, including by:

1. Publicly disclosing and implementing a commodity-specific no deforestation policy with quantifiable, time-bound commitments covering the entire supply chain and sourcing geographies.
2. Assessing operations and supply chains for deforestation risk and reduce this risk to the lowest possible level, disclosing this information to the public.
3. Establishing a transparent monitoring and verification system for supplier compliance with the company's no deforestation policy.
4. Reporting annually on deforestation risk exposure and management, including progress towards the company's no deforestation policy.

Signed by:



a.s.r. asset management



Aberdeen Standard Investments



ACTIAM



Aegon Asset Management



Affirmative Investment Management



Aktia

allegrawealth

Allegra Wealth



AMF

Amundi
ASSET MANAGEMENT

Amundi



AP Funds' Council on Ethics

AP2 | Andra AP-fonden

AP2

AP3 Third Swedish National Pension Fund

AP3 Third Swedish National Pension Fund

AP FJÄRDE AP-FONDEN
FOURTH SWEDISH NATIONAL PENSION FUND

AP4 - Fourth Swedish National Pension Fund



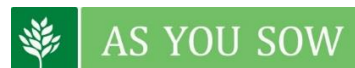
APG Asset Management



Apis Partners LLP

ARISAIG PARTNERS

Arisaig Partners



As You Sow

Ashmore

Ashmore Group

ATKINSON
FOUNDATION

Atkinson Foundation

AURUM

Aurum Fund Management Ltd.

ae **australianethical**

Australian Ethical Investment

AustralianSuper

AustralianSuper



Aviva Investors

B & Capital

B & Capital

B&I CAPITAL

B&I Capital



Baillie Gifford

BALTCAP

BaltCap AS


BÂTIRENTE

Bâtirente



BayernInvest Kapitalverwaltungsgesellschaft mbH



BCEE Asset Management S.A



Blue Oceans Capital



BMO Global Asset Management



BNP Paribas Asset Management



Boston Common Asset Management



Brunel Pension Partnership



Caisse des Depots



CaixaBank Asset Management



California Public Employees' Retirement System



CANDRIAM



CCLA Investment Management



CCOO, FP



Charles Stanley



China Alliance of Social Value Investment (Shenzhen)



China Asset Management Co., Ltd.



Christian Brothers Investment Services, Inc. (CBIS)



Christian Super



Church Commissioners for England



Church of England Pensions Board



Circularity Capital LLP



Cliens Kapitalförvaltning AB



COMGEST



Conser Invest



Coöperatie DELA



CREA Asset Management Trust Reg



CreditValue-Partners GmbH



CRF for Local Government



Daintree Capital



Deka Investment GmbH



Devon Funds Management



ASSET MANAGEMENT

DNB Asset Management



Domini Impact Investments LLC



DPAM



ECOFI Investissements



EFG AM

Econopolis



EQ Investors Limited



ERAFP



Erste Asset Management GmbH



ESG Moneta Co., Ltd.



ESG Portfolio Management



Environment Agency Pension Fund



Ethos Fund³



Evenlode Investments



Everence and the Praxis Mutual Funds



Evli Bank



FAMA Investimentos

³ Ethos also represents the members of the Ethos Engagement Pool International, which can be found here: <https://www.ethosfund.ch/en/members-ethos-engagement-pool-international>.



Fidra



Figure 8 Investment Strategies



FiNet Asset Management AG



First Affirmative Financial Network



First State Investments



Folksam



FONDO DE PENSIONES DE EMPLEADOS DE TELEFONICA



FORBION



Forsta AP-fonden



Friends Fiduciary Corporation



Friends Provident Foundation



GEROA PENSIOAK EPSV DE EMPLEO



Gjensidige Stiftelsen

Gjensidigestiftelsen



Glennmont Partners



Green Century Capital Management



Guardian Media Group

Guardian Media Group



GW&K Investment Management



A Manulife Investment Management Company

Hancock Natural Resource Group, a Manulife Investment Management Company

Handelsbanken Asset Management

Handelsbanken Asset Management



Hermes Investment Management



HESTA



HEXAVEST

Hexavest



HSBC Global Asset Management



Impact Investors



Impact Shares



Impax Asset Management



Impax Asset Management LLC



Indép'AM



Insight Investment



长三角绿色价值投资研究院

Institute of Green Investment, Hangzhou



Integral Group



Interfaith Center on Corporate Responsibility



Invest in Visions GmbH



ISGAM AG



JLens Investor Network



Joseph Rowntree Charitable Trust



KBIGI



Khumo Capital (Pty) Ltd



KLP



LA FINANCIERE DE L'ECHIQUIER

La Financiere de L'Echiquier



LA FRANÇAISE
investing together

La Française Group



Länsförsäkringar AB



Legal & General Investment Management



LGPS Central



Liontrust Investment Partners LLP



LocalTapiola Asset Management Ltd



Lothian Pension Fund



LUCRF Super



*Macquarie Investment Management Europe S.A.,
ValueInvest*



MAIF



Maitri Asset Management



Man Group

 **Manulife** Investment Management

Manulife Investment Management



Mayar Capital



Mercy Investment Services, Inc.⁴



Merian Global Investors



Merseyside Pension Fund



MFS Investment Management

⁴ Includes: Adrian Dominican Sisters, Portfolio Advisory Board; Congregation of St. Joseph; Daughters of Charity, Province of St. Louise; Jesuits of the USA Central and Southern Province; USA Midwest Province of the Society of Jesus; USA West Province of the Society of Jesus.



Midat Cyclops, FP



*Middletown Works Hourly and Salaried Union Retirees
Health Care Fund*



Mitsubishi UFJ Trust and Banking

Mitsubishi UFJ Trust and Banking Corporation



Mirova



Montrusco Bolton Investments Inc.



MN



Muzinich & Co



MP Pension



Neumeier Poma Investment Counsel, LLC



NEI Investments



New Zealand Funds Management Limited



New Zealand Super Fund



Niederösterreichische Vorsorgekasse AG



New Forests



NewAlpha Asset Management



*Northern Ireland Local Government Officers'
Superannuation Committee (NILGOSC)*



NN Investment Partners



OFI AM



Oregon State Treasurer Tobias Read



ODIN Fund Management



Osmosis Investment Management

OWNERSHIP CAPITAL
Long-Horizon Investing
Ownership Capital



PCJ Investment Counsel



OSTRUM Asset Management



Ohman Fonder



OREIMA



Pension Protection Fund



Picard Angst AG



PENSION FOR ACADEMICS

P+(DIP/JØP)



Pandhora Investimentos



Polden-Puckham Charitable Foundation



Pensions Caixa 30



Raiffeisen Capital Management



Pictet Asset Management



PKA



Rathbone Brothers Plc



Principled Investing LLC



Rivage Investment SAS



RAM Active Investments SA



Robeco



Remy Brown Investment Group



RRSE (Regroupement pour la Responsabilité Sociale des Entreprises)



River and Mercantile Group Plc



SBI Funds Management Private Limited



RobecoSAM AG



Seventh Generation Interfaith Inc.



Sanso Investment Solutions



Skandia



SDG Invest



SEB Investment Management



Societa Cattolica di Assicurazione - Societa cooperativa



Sindicatum Renewable Energy



Sparda-Bank Muenchen eG



SMART PRIVATE MANAGERS (LUXEMBOURG) S.A.



Sophia Financial Group



Sophia University



Stephen Whipp Financial, Leede Jones Gable Inc.



Sparebank1 Forsikring



Storebrand Asset Management



Stance Capital, LLC



Strathclyde Pension Fund



Stewart Investors

Stewart Investors



SustFin



Storm Capital Management AS



Swisscanto Invest by Zürcher Kantonalbank



SulAmérica Investimentos



Sustainable Value Investors



TD Asset Management



Robur
Swedbank Robur Fonder AB



The Local Authority Pension Fund Forum



Tareno AG



The Swedish Foundation for Strategic Environmental Research (Mistra)



The Episcopal Church (DFMS) and The Episcopal Diocese of New York - Diocesan Investment Trust



Tradeka Corporation



The Sustainability Group of Loring, Wolcott & Coolidge



Tressis



Trilha Investimentos Ltda



TOBAM



Trinetra Investment Management

Transport for London
TfL Pension Fund



Transport for London Pension Fund



Triple Jump



Trillium Asset Management



UNION BANCAIRE PRIVÉE

UBP S.A.

Triodos  Investment Management

Triodos Investment Management

Unison Staff Pension Scheme





TRUSTEAM FINANCE



USS



Union Investment



VANTAGE CAPITAL

Vantage Capital



University of Toronto Asset Management Corporation



VBV Pensionskasse



Vallis Capital Partners



VISIO FUND MANAGEMENT



VBV - Vorsorgekasse AG



Velliv



VidaCaixa



Wespath Benefits and Investments

Zevin Asset Management, LLC

Zevin Asset Management

ZILLIARD
CAPITAL PARTNERS

Zilliard Capital Partners