



Banking on **BIODIVERSITY COLLAPSE**

Tracking the Banks and Investors Driving Tropical Forest Destruction 2024

Executive Summary

The financial sector is playing a critical role in accelerating the global biodiversity crisis. This second annual *Banking on Biodiversity Collapse* report provides the latest analysis of how global finance drives tropical deforestation and ecosystem degradation. For this edition, we have updated financial data to June 2024 for credit flows and to July 2024 for investment holdings, offering fresh insights into the banks and investors supporting 300 companies across six forest-risk commodity sectors — beef, palm oil, pulp and paper, rubber, soy, and timber — in Southeast Asia, South America, and Central and West Africa.

Despite international commitments such as the Global Biodiversity Framework (GBF), which aims to halt and reverse biodiversity loss by 2030, financial institutions have increased funding to sectors linked to deforestation. Our new analysis reveals that over US\$ 395 billion has been directed to forest-risk sectors since the Paris Agreement, with US\$ 77 billion flowing in just the last year and a half (January 2023 - June 2024). Notably, investments in these sectors have risen 7% since September 2023, while credit surged to US\$ 53 billion in 2023, up from US\$ 48 billion the previous year.

This year's report also highlights the failures of voluntary corporate initiatives such as the Principles for Responsible Banking (PRB), the Net-Zero Banking Alliance (NZBA), and the Taskforce on Nature-related Financial Disclosures (TNFD). While these initiatives claim to promote sustainable practices, more than half of the top 30 banks financing sectors linked to deforestation are members of such groups. We also found no evidence to suggest these initiatives have curbed harmful financial flows. This reveals a growing gap between corporate commitments and actions, perpetuating a false sustainability narrative.

Bunge, a leading soy trader in Brazil's Cerrado — the most biodiverse savanna on the planet — exemplifies this failure. Despite being linked to deforestation and human rights abuses, Bunge uses the TNFD framework to selectively report on nature-related risks, which can result in masking environmental damage. Such voluntary frameworks allow companies to appear sustainable while continuing destructive practices, highlighting the urgent need for stronger regulations to address biodiversity loss.

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Another stark example in Brazil highlights the consequences of this continued financing. Despite documented links to illegal deforestation and human rights abuses, JBS, the world's largest meat processor, has received over US\$ 1.1 billion in credit (2018-June 2024) and US\$ 719 million in investments (as of July 2024). The company's failure to trace its cattle supply chains has contributed to illegal ranching on Indigenous lands, such as the destruction of 477 square kilometers of the Parakanã Indigenous territory in Pará, Brazil.

The report also exposes the reliance on flawed certification schemes like the Forest Stewardship Council (FSC) and the Roundtable on Sustainable Palm Oil (RSPO). These schemes fail to enforce critical No Deforestation, No Peatland, No Exploitation (NDPE) standards, enabling companies like First Resources, Socfin, Royal Golden Eagle, and Sinar Mas Group to continue destructive practices. Financial institutions relying on these certifications are complicit in this greenwashing, which further perpetuates environmental damage.

As tropical forests in the Amazon, Congo Basin, and Southeast Asia near ecological collapse, this report's data underscores how current finance is fueling the crisis.¹ The supporting evidence indicates that since adopting the GBF in 2022, Target 14 — which calls for aligning financial flows with biodiversity goals — has been largely ignored. To reverse this trajectory, financing must immediately shift from environmentally destructive activities to sustainable, community-led solutions. Indigenous Peoples, long-time stewards of biodiversity, must be central to these efforts, backed by stronger legal and financial protections.²

The financial sector must act now to halt biodiversity loss and protect life on Earth. Governments must strengthen financial sector regulations to support central banks, financial regulators, and supervisors to include biodiversity and human rights criteria as core to their mandate. By shifting finance away from destructive industries, and rejecting flawed certification schemes and ineffective voluntary initiatives, we can safeguard ecosystems while advancing equitable development and sustainable livelihoods.



FOREST-RISK COMMODITY SECTOR SUMMARIES

Forests & Finance tracks six forest-risk commodity sectors that drive tropical deforestation. These sector summaries show the credit (corporate loans, revolving credit facilities, bond issuances, and share issuances) provided to these sectors from January 2018 to June 2024 and the investments (bond holdings and shareholdings) in these sectors outstanding as of July 2024.



Beef

Credit: **US\$ 83.8 billion**
Investment: **US\$ 1.8 billion**



Soy

Credit: **US\$ 89.9 billion**
Investment: **US\$ 2.5 billion**



Rubber

Credit: **US\$ 15.1 billion**
Investment: **US\$ 1.4 billion**



Pulp and paper

Credit: **US\$ 79.3 billion**
Investment: **US\$ 15.5 billion**



Palm oil

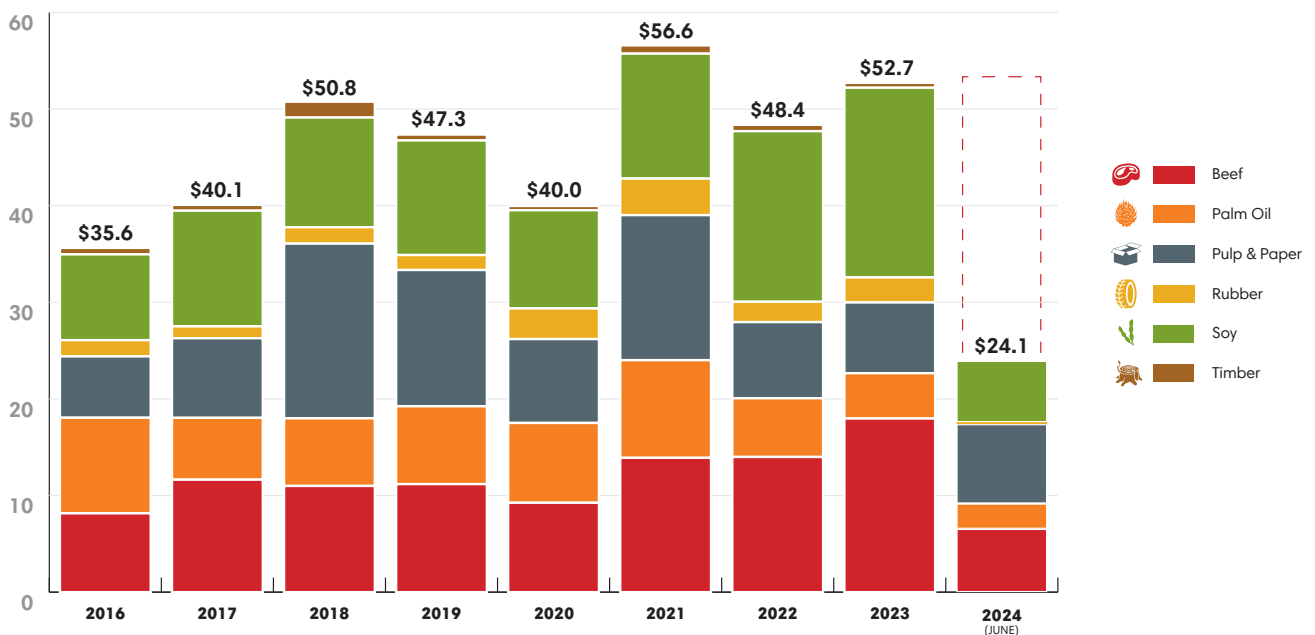
Credit: **US\$ 46.8 billion**
Investment: **US\$ 19.1 billion**



Timber

Credit: **US\$ 4.8 billion**
Investment: **US\$ 1.0 billion**

GRAPH 1: Forest-risk credit trends by sector (2016-2024 JUNE, US\$ BILLIONS)



* The figures for 2024 are incomplete and show only the financial flows identifiable up to June on financial databases. It is likely that these will account for less than half the full year figure.

RECOMMENDATIONS

Governments and financial institutions must now act to address the climate and biodiversity crises. To achieve this, they should adopt and implement these five principles:



Halt and reverse biodiversity loss by prohibiting finance to activities and sectors driving nature destruction.



Respect and prioritize the rights of Indigenous Peoples, women, and local communities and ensure policies and practices protect and prioritize the human rights of impacted communities.



Foster a just transition by prioritizing communities' ecological and social well-being, and engaging affected workers and communities to support sustainable development.



Ensure ecosystem integrity by evaluating ecosystem-wide impacts before financing and prohibiting financing of activities that negatively impact ecosystem integrity.



Align institutional objectives across sectors, issues, and instruments by creating strong coherence between climate and nature targets and other institutional objectives.

ENDNOTES

- 1 Intergovernmental Panel on Climate Change (IPCC). [Cross-Chapter Paper 7: Tropical Forests](#). 2022. INPE. [Brazilian Amazon Deforestation Data](#). 2023.
- 2 Indigenous Peoples' Land Rights and Deforestation: [Global Evidence](#), 2021.

ABOUT US



Forests & Finance is a coalition of ten campaign, grassroots, and research organizations: **Rainforest Action Network**, **TuK Indonesia**, **Profundo**, **Amazon Watch**, **Repórter Brasil**, **BankTrack**, **Sahabat Alam Malaysia**, **Friends of the Earth US**, **Milieudefensie** and **CED Cameroon**. We maintain an open-source database of financial flows to hundreds of companies involved in forest-risk commodity production; undertake assessments of bank and investor policies; and coordinate investigations, analysis, advocacy, and campaigns. We support the rights and control of communities in land and forest stewardship and seek to hold the financial sector to account for its role in facilitating social and environmental harm.

