MORNINGSTAR®

Biodiversity and Natural Capital Stewardship Programme

2026 Q3 Report



Thematic Stewardship Programmes protect and promote long-term enterprise value by proactively engaging with companies up and down the value chain as well as industry stakeholders to mitigate systemic risks and maximize opportunities.

Table of Contents

Engagement Approach . . . 1
Quarter in Review . . . 2
Case Study: Yum! Brands, Inc. . . . 3
Engagement Results . . . 4
- Engagement Progress . . . 5
- Engagement Response . . . 5
- Engagement Performance . . . 6
- Engagement Milestones . . . 7
- Markers Overview . . . 8
- Low Performance Engagements . . . 10

Engagement Status Updates . . . 11
- New Engage . . . 11

The Amazon Soy Moratorium at a Crossroads: What its Unraveling Means for Investors and Global Supply Chains 12
Events and Industry Initiatives . . . 15
Endnotes . . . 16
About Stewardship Services and Contacts . . . 17

This report summarizes the shareholder engagement activities that Stewardship Services performed between July and September 2026. If there is no specific reference to date in graphs and tables, the data is presented as per end of the reporting period. The report has been produced in October 2026 and uses data for the quarter ending 30 September 2026. Version 1 was disseminated on 19 October 2026. Use of and access to this information is limited to Stewardship clients and is subject to applicable legal terms and conditions.

Engagement Approach

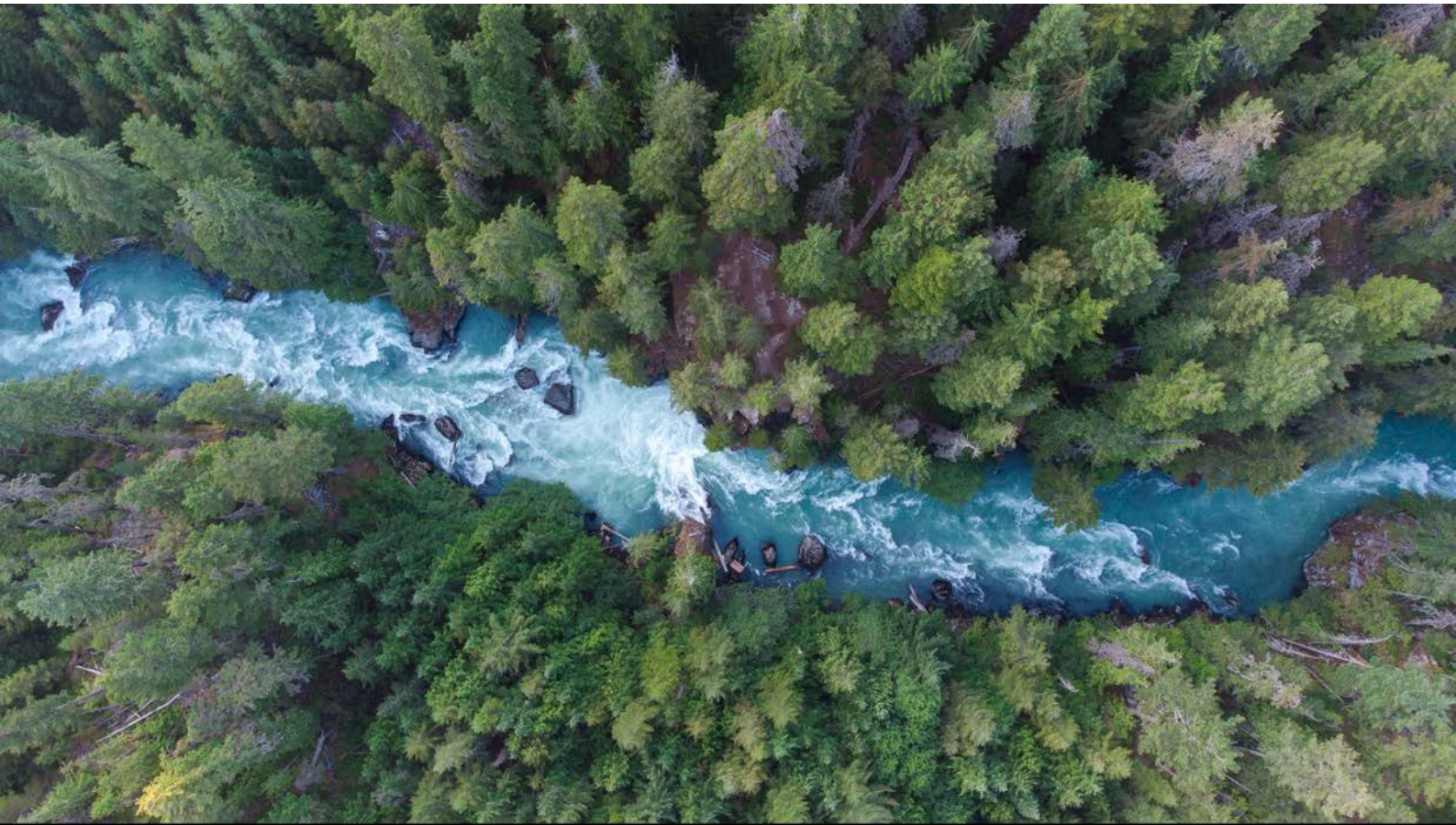
The Biodiversity and Natural Capital Stewardship Programme seeks to support investors in aligning their portfolios towards a nature-positive economy and with the Kunming-Montreal Global Biodiversity Framework. Stewardship remains key for institutional investors to not only manage risks but also to explore and seek opportunities for alignment between capital flows and nature-positive outcomes. Our honest and constructive dialogues benefit companies by providing a trusted partnership for input on capital market expectations and serving as a sounding board for management to enhance current practices. For investors, successful engagements may reduce risk or improve financial performance while providing an essential opportunity to learn about specific issues and challenges industries are facing. The intended outcome of our engagements is to support companies in strengthening their management of biodiversity-related impacts, dependencies, risks and opportunities. By not limiting the objectives to solely focus on risk, the programme takes a double-materiality approach.

The programme targets 50 national and multinational companies in the agricultural value chain – from financiers and retailers to traders, agrochemicals and producers. In our commitment to aligning with best practices and emerging trends, we aim to actively collaborate with a diverse range of stakeholders, including policymakers, intergovernmental organizations, and NGOs.

We believe a sustained, diplomatic and probing dialogue can achieve meaningful outcomes that mutually benefit companies and investors. Trust-building forms the cornerstone of our approach, acknowledging the intricate challenges and competing interests faced by companies. We explore potential and actual gaps, test company positions and pose difficult questions.

Where there are gaps and insufficiently managed risks, we make suggestions to companies based on investor expectations. Our engagement efforts leverage standards, frameworks, regulatory trends, leading practices, and evidence of risks. A unique Outcome Assessment guides our goal-oriented approach, offering a clear roadmap toward achieving our change objectives. Engagement Performance, Positive Developments, and Milestones are consistently tracked to measure commitment and capability to change, in addition to the engagement activities conducted.

A key benefit of the programme is that it will not have a defined end date. Instead, the programme will develop in accordance with investor expectations, societal changes, and global trends. This approach underscores our commitment to empowering investors to proactively address biodiversity loss by elevating sector and systemic standards through constructive dialogue.



Quarter in Review



Gayaneh Shahbazian
Manager, Stewardship
Biodiversity and Natural Capital
Morningstar



Ruby Jeng
Manager, Stewardship
Biodiversity and Natural Capital
Morningstar



Maxime Rétif
Analyst, Stewardship
Biodiversity and Natural Capital
Morningstar

During the third quarter, biodiversity and natural capital continued to gain prominence within investor and corporate discussions, reflecting growing recognition of nature-related risks as financially material. Engagement conversations highlighted increasing corporate awareness of biodiversity dependencies and impacts, particularly across the food, agriculture, retail, and consumer goods sectors. At the same time, investors emphasized the need to move beyond voluntary commitments toward stronger governance, clearer accountability mechanisms, and improved disclosure practices that enable more effective risk assessment and capital allocation.

A notable development was greater attention to public policy in accelerating nature-positive outcomes. This theme emerged during an investor dialogue organized by PRI Spring with representatives of the Armenia COP17 Presidency, where investors discussed the policy, regulatory, and market developments needed to support implementation of the Kunming-Montreal Global Biodiversity Framework. Participants emphasized that achieving the framework's goals will likely require stronger regulatory frameworks, more consistent biodiversity-related reporting, and improved availability of data to support risk assessment, stewardship activities, and capital allocation. Investors also highlighted the importance of policy coherence, reform of harmful subsidies, and mechanisms capable of mobilizing private capital toward conservation, restoration, sustainable land use, and resource-efficient business models. The discussion reflected the increasing convergence between biodiversity policy, financial materiality, and capital markets, while providing insight into emerging investor expectations ahead of COP17.

The importance of effective governance frameworks extends beyond public policy and disclosure requirements. Recent developments surrounding the Amazon Soy Moratorium (ASM) illustrate how changes to long-standing market mechanisms can create uncertainty around biodiversity outcomes and increase nature-related supply-chain risks. The ASM has long been regarded as one of the most successful industry-led initiatives for decoupling agricultural expansion from deforestation. However, recent developments among major soy traders have raised questions about the future effectiveness of the mechanism and the extent to which voluntary approaches can continue to deliver nature-positive outcomes. This is particularly relevant for investors given the implications for deforestation-related biodiversity, climate, regulatory, and reputational risks across agricultural supply chains. Many food manufacturers, retailers, restaurants, and consumer goods companies rely on soy sourcing systems that have benefited from the safeguards associated with the ASM. If equivalent protections weaken, investors may need to place greater emphasis on company-level expectations related to traceability, supplier engagement, and deforestation-free sourcing practices. The situation serves as a reminder that maintaining nature-related commitments often requires a combination of market expectations, investor oversight, and effective governance frameworks, even where voluntary initiatives have delivered positive outcomes.

Looking Ahead

The next quarter is expected to be particularly active for biodiversity and natural capital discussions. Investor attention will increasingly focus on the practical implementation of nature-related commitments, including responsible sourcing, forest-risk commodities, and preparedness for emerging biodiversity expectations. A series of investor and company dialogues in October will provide opportunities to gather market insights, including two in-person roundtables with a palm oil company in Copenhagen and Stockholm focusing on the financial materiality of sustainability issues, the business case for ESG integration, and corporate perspectives on investor engagement. From 13-15 October, PRI in Person 2026 will bring together responsible investment professionals to discuss biodiversity, natural capital and stewardship best practices. Looking further ahead, COP17 is expected to be a key focal point for investors and policymakers, with outcomes likely to influence future discussions on biodiversity policy, corporate accountability, and the role of private capital in supporting nature-positive outcomes.

Case Study: Yum! Brands, Inc.

Biodiversity and Natural Capital Stewardship Programme | Engagement Since: July 2022



Industry: **Consumer Services**

Base Location: **United States**

Yum is a US-based quick-service restaurant company that owns KFC, Pizza Hut, Taco Bell, and The Habit Burger Grill. As the 2nd largest restaurant company in the world, Yum is exposed to biodiversity and natural capital risks through its global food supply chains.

Progress: **Good** | Response: **Standard** | Latest Milestone: **2**

Engagement Update

Our latest meeting in July 2026 discussed Yum's nature-related risk assessment and inaugural TNFD report. We encouraged the company to provide more location-specific insights and quantify nature-related risks across its supply chain, including exposure to high water-stress areas, Key Biodiversity Areas, and regions at elevated risk of deforestation.

Focus Area

Over the past years, engagement with Yum has focused on strengthening the company's management and disclosure of nature-related risks across its operations and supply chain. Key areas of dialogue included biodiversity risk assessment, responsible sourcing and deforestation, board oversight of nature-related issues, regulatory preparedness, and alignment with emerging frameworks such as TNFD, SBTN, CSRD, and evolving EU requirements. Throughout the engagement, we encouraged the company to enhance transparency, strengthen policy commitments, and further integrate nature-related considerations into its governance, risk management, and strategic decision-making processes.

Engagement Outcomes

The engagement has contributed to positive developments. In June 2026, Yum published its inaugural TNFD report, a step that aligns with Stewardship Services' longstanding recommendation to enhance nature-related disclosure and adopt emerging reporting frameworks. The report applies the TNFD LEAP approach and identifies key nature-related risks across priority commodities and sourcing regions. Yum also disclosed that its most significant biodiversity-related risks are concentrated in Latin America, South Asia, and Africa, demonstrating progress in assessing exposures across supply chains. These developments reflect greater transparency and responsiveness to investor feedback, although further subnational and asset-level detail would strengthen future disclosures.

Insights & Outlook

Yum has made notable progress in strengthening its governance of nature-related issues and improving transparency through its inaugural TNFD report. However, investors may wish to continue focusing on the company's deforestation commitments, particularly the absence of an explicit no-conversion commitment covering natural ecosystems beyond forests. This is increasingly important given growing scrutiny of agricultural expansion in regions such as Brazil's Cerrado and uncertainty surrounding market-based mechanisms such as the Amazon Soy Moratorium. Going forward, greater supply-chain traceability, more granular risk disclosures, and a comprehensive biodiversity strategy would help demonstrate robust management of nature-related impacts.

Engagement Results



18
meetings

236
emails and phone calls exchanged

12
Markers achieved

2
Milestones achieved

15
Positive Developments

49%
of engagements with Excellent or Good Response

65%
of engagements with Standard Progress

Engagement Progress

Progress reflects the pace and scope of changes towards the engagement objective that the company is making, assessed on a five-point scale.

Excellent	The company has adopted a proactive approach and addressed the issues related to the change objective.
Good	The company has taken sufficient measures to address the issues related to the change objective.
Standard	The company has undertaken a number of measures to address the issues related to the change objective.
Poor	The company has indicated willingness to addressing the issues related to the change objective, but no measures have been taken yet.
None	The company has not made any progress against the engagement objective.



4% (2)	Excellent
25% (13)	Good
65% (33)	Standard
6% (3)	Poor
0% (0)	None

Engagement Response

Response reflects the company's willingness to engagement dialogue with investors, assessed on a five-point scale.

Excellent	The company is proactive in communicating around the issues related to the change objective.
Good	The company addresses all the issues related to the change objective.
Standard	The company provides responses to some of the issues related to the change objective.
Poor	The company has initially responded but not properly addressed the issues related to the change objective and is unwilling to engage further with us.
None	The company has not responded to the inquiries.



4% (2)	Excellent
45% (23)	Good
41% (21)	Standard
10% (5)	Poor
0% (0)	None

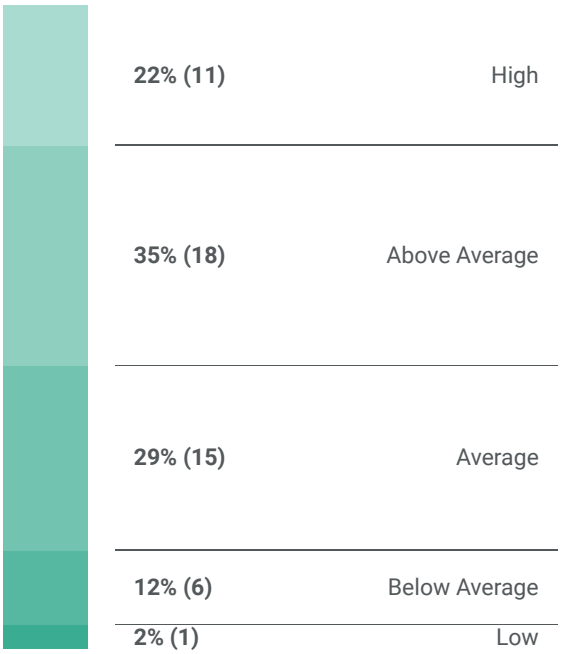
Engagement Performance

Performance describes the combined company Progress and Response.

Engagement Performance Assessment

We have five tiers to offer a nuanced understanding, the tiers are: Low, Below Average, Average, Above Average, and High.

The Progress and Response matrix below is used to determine performance.



Progress and Response Matrix

PROGRESS	RESPONSE: EXCELLENT	GOOD	STANDARD	POOR	NONE
EXCELLENT	High	High	Above Average	Average	Average
GOOD	High	High	Above Average	Average	Average
STANDARD	Above Average	Above Average	Average	Below Average	Below Average
POOR	Average	Average	Below Average	Low	Low
NONE	Average	Average	Below Average	Low	Low

Engagement Milestones

Milestones are our five-stage tracking system used in achieving the engagement objective.

2 Milestones achieved in Q3 2026

Milestones Framework

Resolved	Case successfully closed.
Milestone 5	Change objective is considered fulfilled.
Milestone 4	Implementation of strategy has advanced meaningfully, and related issuer disclosure maturing.
Milestone 3	Strategy is well formed and has moved into early stages of implementation.
Milestone 2	Issuer establishes a strategy to address the issue.
Milestone 1	Acknowledge of issue(s) and commitment to mitigation.

YTD Highest Milestone Achieved (Resolved)

0	Milestone 5
0	Milestone 4

Note: Cumulative year to date resolved cases.

Highest Milestone Achieved (Engage)

0	Milestone 5
0	Milestone 4
2	Milestone 3
25	Milestone 2
18	Milestone 1
6	No Milestones

Note: Milestone distribution of ongoing Engage cases at the end of the reporting period.



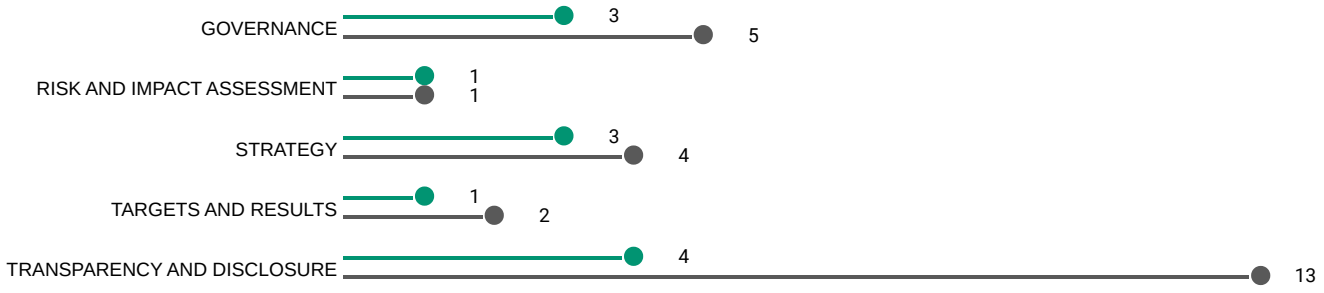
Markers Overview

We use Markers to track progress in achieving targeted Outcomes across each engagement, with up to five Markers for each, across five Outcomes within our Outcome Assessment framework.

The achievement of individual Markers not only signals progress in the engagement but also contributes to the achievement of our Engagement Milestones. For more detail on the programme's Outcome Assessment, please refer to the strategy document (available through Global Access).

The below graph outlines the number of Markers achieved across each of the Outcomes this quarter, as well as Markers achieved year-to-date.

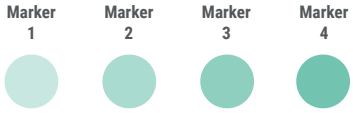
Total Markers Achieved by Outcome





The Markers reflect the pace and scope of changes towards each Outcome that the company is making. Each Outcome has up to five Markers. Below you will find a breakdown of the highest Marker achieved across our assessed companies including the best practice definition for each Outcome, which stipulates the ultimate objectives to be met.

Governance

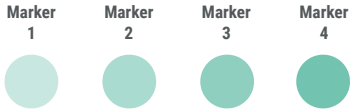


*8% achieved no markers

Best Practice Definition

The board oversees the company's management of nature-related risks and opportunities. Performance is reviewed annually, and the board ensures sufficient expertise and resources are allocated to the issue. There are clear reporting lines from operations to the board level, and the remuneration of senior executives is linked to performance on relevant targets.

Risk and Impact Assessment

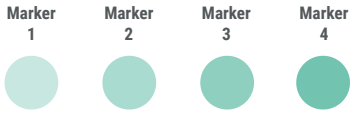


*22% achieved no markers

Best Practice Definition

The company has assessed its impacts and dependencies on nature in its own operations and supply chain. Impacts have been evaluated from a perspective of double materiality, including indirect pressures, and referencing specific locations/ecosystems. Stakeholders potentially impacted have been consulted. The financial risks and opportunities associated with impact and dependencies, given a variety of scenarios, have been quantified. Assessments should identify estimated timeframes for reassessments.

Strategy

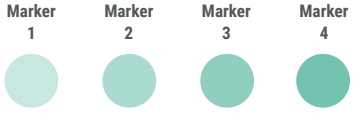


*8% achieved no markers

Best Practice Definition

The company has implemented a strategy to address its nature-related impacts, risks, and opportunities, covering its operations and value chain while promoting nature-positive outcomes. The effectiveness of mitigation efforts is evaluated using empirical evidence and the best available science, including the mitigation hierarchy. The strategy is linked to relevant targets and metrics and aligned with global conventions and agreements such as the Kunming-Montreal Global Biodiversity Framework. Companies that interface with nature in their operations have location-specific management plans that follow the mitigation hierarchy (first avoid and reduce then regenerate and restore) and a monitoring plan that tracks progress towards targets. Companies that interface with nature in their supply chain have implemented monitoring and traceability systems which sufficiently track progress towards targets.

Targets and Results

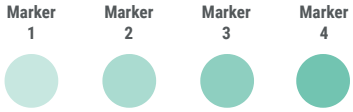


*27% achieved no markers

Best Practice Definition

The company has developed relevant performance targets and metrics for its material nature related impacts, risk and opportunities while demonstrating positive progress towards these. Targets must be Specific, Measurable, Achievable, Relevant and Time-bound (SMART) and, when possible, follow recognized methodologies such as those developed by the Science Based Targets Network (SBTN).

Transparency and Accountability



*29% achieved no markers

Best Practice Definition

The company discloses on biodiversity in line with best practice, following international standards and frameworks, including the Taskforce for Nature-related Financial Disclosures (TNFD). The company's annual report includes biodiversity-related targets and progress towards these

Low Performance Engagements

When a case is added to the Low Performance list, a 24-month process of specific engagement using a wide range of engagement tools e.g. collaborative investors letters or letters to the company's board, will take place. After two years, the case will be reviewed and an Unresponsive status can be selected to reflect all other engagement options have been ineffective.

For each Low Performance case, there is a Low Performance Time Tracker which illustrates the time elapsed.

COMPANY	COUNTRY	ESCALATION ACTIVITIES	TIME TRACKER
			One piece equals three months.
Starbucks Corp.	United States	Director Letter, Investor Letter	Above 24

Stewardship Services does not provide investment advice; the decision of investment or exclusion lies solely with investors. Stewardship Services provides insights, information, and services, and it remains the client's sole responsibility and decision to manage their portfolio. Stewardship Services' clients benefit from engagement activities, such as participating in company meetings, webinars, and roundtable events. Investor clients are also provided with insights and data stemming from those activities.



Engagement Status Updates

The following is an overview of all engagement status updates from 1 July to 30 September 2026

New Engage

COMPANY	COUNTRY	ISSUE
Fuji Oil Co., Ltd.	Japan	Biodiversity and Natural Capital

The Amazon Soy Moratorium at a Crossroads: What its Unraveling Means for Investors and Global Supply Chains



Ruby Jeng
Manager, Stewardship
Biodiversity and Natural Capital
Morningstar

Over the past two decades, the Brazilian Amazon Soy Moratorium (ASM) has become one of the world's most successful examples of voluntary, market-based environmental governance. Established in 2006, the agreement prevents participating commodity traders from sourcing soy grown on land in the Amazon biome deforested after July 2008.[1] The mechanism has been widely credited with decoupling soy expansion from deforestation, demonstrating that agricultural production and forest conservation can coexist. Studies indicate that less than 3% of Amazon soy production has been non-compliant with the moratorium, while the area under soy cultivation continued to expand significantly during the same period.[2]

The success of the ASM has been underpinned by an unusual combination of corporate commitments, satellite monitoring, civil society oversight, government support, and market pressure from downstream buyers and investors. For many investors, it has provided confidence that exposure to Brazilian soy supply chains could be managed without contributing to Amazon deforestation.

That confidence is now being tested.

In early 2026, the Brazilian Association of Vegetable Oil Industries (ABIOVE), representing several of the world's largest soy traders, formally initiated its withdrawal from the ASM following mounting political and regulatory pressure in Brazil. A key driver of the withdrawal was a new law in Mato Grosso, Brazil's largest soy-producing state, which removed tax incentives for moratorium participants, alongside growing pressure from farming groups that argued the ASM imposed restrictions beyond those required under Brazil's Forest Code by limiting purchases from land legally cleared after 2008.[3] Key traders including Archer-Daniels-Midland Co. (ADM), Bunge, Cargill, COFCO, Louis Dreyfus, and Amaggi have either withdrawn from or distanced themselves from the agreement, raising questions about the future of one of the most influential private-sector conservation initiatives ever created.[4]

Investor Risks: More than a Deforestation Story

The weakening of the ASM is not simply an environmental concern. It represents a significant test of whether voluntary sustainability mechanisms can continue to provide credible safeguards where regulatory frameworks alone may be insufficient.

For investors, the most immediate concern is the potential re-coupling of soy expansion and deforestation. Research suggests that dismantling the ASM could lead to a 30% increase in Amazon deforestation by 2045, reversing one of the clearest examples of successful commodity-sector intervention.[5]

However, the implications extend far beyond forest loss.

First, companies with zero-deforestation, No Deforestation, No Peat and No Exploitation (NDPE), or deforestation-and-conversion-free (DCF) commitments may face heightened implementation risks if traders adopt less stringent sourcing standards. Many downstream companies have built their responsible sourcing programs around the assumption that soy sourced from the Amazon would remain subject to the ASM's 2008 cut-off date.

Second, investors face increasing regulatory risk. As regulations such as the EU Deforestation Regulation (EUDR) come into force, companies may need to demonstrate robust traceability and deforestation-free sourcing beyond what is legally required in producing countries. The erosion of a widely recognized monitoring mechanism could increase compliance costs and due diligence burdens across the value chain.

Third, the ASM's weakening raises broader questions around nature-related financial risk. The Amazon plays a critical role in climate regulation, rainfall generation, and agricultural productivity. Continued deforestation could undermine long-term agricultural resilience and

increase physical climate risks across global food systems. What appears today as a sourcing issue for soy traders may ultimately become a portfolio-wide concern spanning food, retail, agriculture, consumer goods, and financial institutions. This is precisely why investors represented through FAIRR and other initiatives (e.g. Nature Action 100 and IIGCC) have repeatedly expressed support for maintaining the ASM, citing concerns over biodiversity loss, climate impacts, reputational exposure, and the long-term resilience of Brazilian soy supply chains.[6]

The Emerging Question for Commodity Traders

The weakening of the ASM is particularly relevant to Morningstar's Biodiversity and Natural Capital Thematic Stewardship Programme because we engage with several of the world's largest agricultural commodity traders, including ADM, Bunge, and Cargill, all of which play a significant role in global soy supply chains. Together with other major traders such as Glencore and Louis Dreyfus Company, these firms handle nearly 60% of soybeans produced in the Amazon biome and have been signatories to the ASM; consequently, any weakening of their participation could increase deforestation exposure and supply-chain risks across the sector.[7]

The recent withdrawal of major traders from the ASM has therefore become a key engagement topic within the programme. Through our dialogue with ADM, for example, we explored how evolving sourcing policies may affect deforestation safeguards and traceability systems. The discussion highlighted a broader industry trend toward harmonizing sourcing standards across geographies, with several traders replacing the Amazon-specific 2008 deforestation cut-off date with more recent dates. While companies cite operational efficiency and consistency as key drivers, the shift raises important questions for investors regarding the potential weakening of long-standing environmental safeguards.

For stewardship practitioners, this represents a critical test of whether trader-level commitments can continue delivering outcomes equivalent to those achieved under the ASM. Investors may increasingly need to assess whether revised sourcing policies maintain sufficient protection against both legal and illegal deforestation and whether companies remain aligned with evolving market expectations on deforestation-free supply chains.

Why Downstream Companies Matter

The implications of the ASM extend well beyond commodity traders. We engage with a broad range of downstream companies that depend directly or indirectly on soy supply chains, including food manufacturers such as Danone, General Mills, Kerry Group, Nestlé, PepsiCo, Tyson Foods, Mowi and BRF; restaurant operators such as McDonald's and Yum! Brands; and food retailers including Walmart, Carrefour, Ahold Delhaize, Kroger, Woolworths, Coles, Central Retail, Cencosud and Shoprite.

Some of these companies often maintain zero-deforestation, NDPE, or deforestation- and conversion-free (DCF) commitments and therefore rely heavily on traders' sourcing practices and traceability systems. As the ASM weakens, responsibility may increasingly shift toward downstream buyers to demonstrate that their soy supply chains remain free from Amazon deforestation regardless of changes in trader policies.

The implications of the ASM's weakening are already being reflected in our engagements with downstream companies. During discussions with Kerry Group, for example, we explored whether recent developments surrounding the ASM could affect the company's ability to deliver on its DCF commitments. Although Kerry indicated that it has not experienced a direct impact to date, the company acknowledged that it is actively monitoring developments in soy-related sourcing standards and supplier commitments, recognizing that these trends could influence industry expectations over time.

For investors, the key engagement focus should therefore move beyond whether companies have deforestation policies in place and increasingly assess whether companies can demonstrate:

- Farm-level or origin-level traceability for soy supply chains;
- Effective supplier engagement and escalation processes;
- Clear expectations for traders regarding deforestation-free sourcing; and
- Continued adherence to robust Amazon-specific deforestation safeguards, even in the absence of sector-wide agreements.

The ASM debate highlights a broader stewardship challenge: as collective industry mechanisms come under pressure, downstream companies may become the primary drivers of market expectations and accountability across global agricultural supply chains.

Conclusion: A Defining Moment for Nature Stewardship

The Amazon Soy Moratorium has long been viewed as evidence that voluntary, market-led initiatives can successfully address commodity-driven deforestation at scale. Its effectiveness over nearly twenty years helped reassure investors that agricultural growth and forest conservation need not be mutually exclusive.

The recent withdrawals by major traders therefore represent more than a challenge to a single agreement. They represent a test of whether corporate sustainability commitments remain resilient when they come under economic and political pressure.

For investors, the priority should not simply be preserving the ASM in its current form. Rather, it should be ensuring that the environmental outcomes it delivered are maintained through equivalent or stronger safeguards. This means continuing to engage traders, financial institutions, and downstream companies on three critical expectations:

1. Maintain Amazon-specific no-deforestation standards equivalent to the ASM's 2008 cut-off date.
2. Achieve full farm-level traceability and transparent reporting.
3. Demonstrate that soy sourcing remains free from both legal and illegal deforestation within the Amazon biome.

The future of the ASM remains uncertain. Regardless of the ultimate outcome, recent developments serve as a reminder that investors must assess not only company-level commitements, but also broader governance frameworks and market mechanisms that support them. What is certain, however, is that investor scrutiny of deforestation-related risks will continue to intensify. The companies best positioned for long-term resilience will be those that maintain robust safeguards even as the broader governance landscape evolves.

Events and Industry Initiatives

In August 2026, Stewardship Services participated in an investor dialogue organized by PRI Spring with representatives of the Armenia COP17 Presidency. The session provided an opportunity for investors to share perspectives on the policy, regulatory, and market developments needed to support implementation of the Kunming-Montreal Global Biodiversity Framework (KMGBF) and strengthen the integration of nature-related considerations into financial decision-making.

A key theme emerging from the discussion was the growing expectation that governments move beyond voluntary approaches and establish more robust regulatory frameworks for nature. Investors emphasized the importance of implementing KMGBF Targets 14 and 15 through requirements for biodiversity risk assessment, management, and disclosure across companies and financial institutions. Participants also highlighted the need for consistent reporting standards, improved biodiversity-related data, and greater transparency to support risk assessment, stewardship activities, and capital allocation decisions.

Investors called for stronger policy coherence, reform of harmful subsidies, and greater use of public-private partnerships, blended finance mechanisms, and other approaches capable of mobilizing private capital toward conservation, restoration, sustainable land use, and resource-efficient business models.

The dialogue highlighted the increasing convergence between biodiversity policy, financial materiality, and capital markets. It also provided insight into emerging investor expectations around nature governance, disclosure, and accountability ahead of COP17.



Endnotes

1 United States Department of Agriculture Foreign Agricultural Service, *Brazil's Soy Moratorium- Balancing Economic Interests and Regulatory Measures*, June 6, 2025, https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Brazil%27s%20Soy%20Moratorium-%20Balancing%20Economic%20Interests%20and%20Regulatory%20Measures_Brasilia_Brazil_BR2025-0016.

2 "Soy Moratorium," ABIOVE, accessed September 1, 2026, https://abiove.org.br/esg/iniciativas/soy-moratorium/.

3 Ana Mano, Manuela Andreoni and Andre Romani, "Major Brazilian grain traders quit Amazon conservation pact," Reuters, updated January 5, 2026, https://www.reuters.com/sustainability/climate-energy/major-brazilian-grain-traders-quit-amazon-conservation-pact-2026-01-05/.

4 *Ibid*.

5 Fernanda Wenzel, "Amazon deforestation may rise 30% as major traders exit historic soy pact," *Mongabay*, February 2, 2026. https://news.mongabay.com/2026/02/amazon-deforestation-may-rise-30-as-major-traders-exit-historic-soy-pact/.

6 "Amazon Soy Moratorium: Demonstrating support for the continuation of deforestation-free soy production in the Amazon," FAIRR, accessed September 1, 2026, https://www.fairr.org/investor-statements/amazon-soy.

7 Paula Bernasconi, "Amazon Soy Moratorium: Almost 20 years of success tackling deforestation under threat," *Global Canopy*, September 11, 2025, https://globalcanopy.org/insights/insight/amazon-soy-moratorium-almost-20-years-of-success-tackling-deforestation-under-threat/.

About Stewardship Services and Contacts

Stewardship Services provides an integrated solution that combines engagement and voting recommendations within a single framework designed to help investors incorporate ESG and sustainable investment considerations throughout the investment lifecycle.

Our stewardship offering builds on more than 30 years of experience in sustainable investing and responsible investment practice. Our stewardship heritage has strong Nordic roots through GES International, a Stockholm-founded engagement, screening, and fiduciary voting specialist with more than 25 years of experience as an owner advocate prior to joining Morningstar.

Today, we support a global +€6.5 trillion investor footprint, serving more than 100 asset owners and managers worldwide through a stewardship model designed to connect research-informed engagement, voting alignment, progress measurement, and stakeholder reporting in a consistent and operationally structured way.

Our stewardship team is based in Toronto, Copenhagen, Stockholm, Amsterdam, Tokyo, London, and Madrid.



Do you have any questions regarding our Stewardship Services?
Contact us today at engagement.support@morningstar.com to connect with our team of experts.

Copyright ©2026 Morningstar, Inc. All rights reserved.
The information, methodologies, data and opinions contained or reflected herein (the "Information") are proprietary to Morningstar or its affiliates and/or its third-party content providers, intended for internal, non-commercial use only and may not be copied, distributed or used in any other way, including via citation, unless otherwise explicitly agreed with us in writing. The Information is not directed to, nor intended for distribution to or use by India-based clients and/or users, and the distribution of Information to India resident individuals and entities is not permitted. The Information is provided for informational purposes only and (1) does not constitute an endorsement of any product, project, investment strategy or consideration of any particular environmental, social or governance related issues as part of any investment strategy; (2) does not constitute investment advice nor recommend any particular investment, nor does it represent an expert opinion or negative assurance letter; (3) is not part of any offering and does not constitute an offer or indication to buy or sell securities, to select a project nor enter into any kind of business transaction; (4) is not an assessment of the economic performance, financial obligations nor creditworthiness of any entity; (5) is not a substitute for professional advice; (6) has not been submitted to, nor received approval from, any relevant regulatory or governmental authority. Past performance does not guarantee future results. The Information is based on information made available by the issuer and/or third parties, subject to continuous change and no warranty is made as to its completeness, accuracy, currency, nor the fitness of the Information for a particular purpose. The Information is provided "as is" and reflects opinions solely at the date of its publication. Neither Morningstar, or its affiliates nor its third-party content providers accept any liability in connection with the use of the Information or for actions of third parties with respect to the Information, in any manner whatsoever, to the extent permitted by applicable law. Morningstar or its affiliates may receive compensation for its ratings, opinions and other services, from, among others, issuers, insurers, guarantors and/or underwriters of debt securities, or investors, via different business units. Morningstar and its affiliates maintain measures designed to safeguard the objectivity and independence of its opinions. For more information contact compliance@morningstar.com.