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GREENWASHING THE AMAZON

How Banks Are Destroying the Amazon Rainforest While Pretending to be Green

COORDINADORA DE LAS ORGANIZACIONES INDÍGENAS DE LA CUENCA AMAZÓNICA

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PREFACE

TIME FOR BANKS TO STEP UP

Major banks are claiming to protect the Amazon rainforest, Indigenous rights, and our climate, while they are simultaneously investing in destruction that is irreversible for one of the most strategic ecosystems for life on the planet. Amazonian Indigenous Peoples and scientists have been warning humanity for decades that the Amazon rainforest is at an imminent tipping point due to high rates of deforestation and degradation.[1] Beyond this threshold, the Amazon would experience a dieback with catastrophic impacts for Indigenous Peoples and humanity. The rainforest's biodiversity and rivers provide ecosystem services to more than 40 million people across the basin and help regulate the planet's climate. For 511 Indigenous Peoples, the death of their homelands is causing displacement, hunger and disease, along with the loss of their cultures and systems of governance and knowledge that have maintained the integrity of the ecosystem for millennia.

For the rest of us, scientific research available so far establishes that the tipping point in the Amazon occurs once combined deforestation and degradation cross a 20 to 25 percent threshold.[2] Furthermore, recent work evidences that Amazonia and eight other key ecosystems are approaching or have already entered such tipping points.[3] Models have already shown that pathways of interconnected transformations exist between the Amazonia and locations as far as the Tibetan Plateau and the West Antarctic ice sheet, connecting impacts in the Amazon to those in other ecosystems.[4]

It will take policy at all levels to stop the current trend of destroying Amazonia for profit. Averting the tipping point is an urgent task for humanity, which must act in unison to protect at least 80% of Amazonia by 2025.[5] [6] Degradation and deforestation combined have already transformed 26% of the region.[7] Given the interdependence of Amazonia and the planet in the current climate emergency and the biodiversity crisis, this is a measure not just to save the rainforest but to protect the planet as well.[8] Negative impacts in the Amazon reverberate through other ecosystems. These transformations link up to initiate a dynamic of cascading changes to the planet so that if the Amazon tips, it could set off a dramatic series of consequences globally.[9] Therefore, the responsibility to protect Amazonia requires action by Amazonian countries and the Northern countries where oil companies and banks that fund them are located.

To understand how we can stop the tipping point, we need to reveal the financial flows that feed extractivism in the Amazon in all its forms. Oil and gas, agrobusiness, mining, and forestry are among the main damaging industries. There are 1,647 Indigenous territories and 52 protected areas affected by the overlap with oil blocks in the Amazon.[10] Rivers polluted by oil spills and mercury, and air contaminated by flaring are proof of the impacts of the expansion of extractive industries on Amazonian peoples and ecosystems. Chronic and catastrophic diseases in Indigenous and local communities evidence the effects of decades of extractivism that now jeopardize our future as well as women's reproductive health throughout the region.

Efforts to stop the devastation have been met with violence. An alarming number of leaders and land defenders have been killed while protecting Amazonia, which is currently the most violent region on the planet for Indigenous leaders and land defenders.[11,12,13]

Governments are not exempt from the impacts of extractivism. Victims of the rampant corruption fueled by the rush to secure oil contracts in the region, most countries have seen their institutions and legitimacy eroded through bribery from foreign fossil fuel companies looking to cash in on Amazonia's resources. For Indigenous Peoples, these financial flows represent a new form of colonialism and impoverishment.

More than $20 billion USD has been provided in financing for the oil and gas industry in the Amazon, and those are only the funds that can be traced directly. Due to lack of traceability in financial data, there may be billions more flowing into the region. Banks that continue to finance oil and gas in Amazonia are supporting an industry that has a track record of not respecting Indigenous and human rights, and are eroding the ability of governments to fulfill their role as guarantors of rights. These companies prioritize oil expansion over life, biodiversity, ecosystem integrity and the integrity of Indigenous cultures.

This new report, "Greenwashing the Amazon," explains the gulf between what banks claim to be doing to protect people and the planet, and the true impacts of their policies – which are not doing enough to protect globally important places like Amazonia.

Photo: **COICA**

Current regulatory and policy frameworks of these financial institutions prioritize protecting banks, not protecting human, nature, or Indigenous rights. While Indigenous Peoples and local communities continue to be under enormous threat from resource extraction, banks are claiming to comply with international standards for the preservation of ecosystem integrity and human rights, but may in fact be distancing themselves from the impacts of their financing to protect themselves from being held responsible.

Greenwashing like this is a huge threat. Banking policies need to integrate limits on financing consistent with the current state of Amazonia and exclude financing to extractive sectors throughout the basin. Otherwise, without the constraints offered by well-crafted bank policies, Amazonia will continue to be destroyed by the influx of money to companies whose activities not only violate Indigenous Peoples' rights and cause deforestation, pollution, and biodiversity loss, but also accelerate the climate crisis and contribute to corruption in the governments and institutions of the region.

Our earlier report "Capitalizing on Collapse [4]," published by COICA and Stand.earth in July 2023, set the stage for "Greenwashing the Amazon" by detailing the role played by more than 150 financial institutions contributing to oil and gas expansion in the region and, showed that just eight banks – Citibank, JPMorgan Chase, HSBC, Santander, Itaú , Bradesco, Goldman Sachs, and Bank of America – are responsible for more than half of the over $20 billion USD that banks have poured into Amazon oil and gas over the past 20 years.

"Capitalizing on Collapse" also followed up on research presented in 2020 that revealed that banks, mostly based in the EU, were financing the trade in Amazon oil from the Western Amazon (Peru, Ecuador, and Colombia). As a result, four European banks – BNP Paribas, ING, Natixis, and Credit Suisse – committed to phasing out trade finance for oil from Ecuador, supporting Indigenous leaders increasing the pressure on the Ecuadorian government to stop oil expansion.

After our initial success, two banks also adopted geographic exclusions for financing oil and gas across Amazonia. One bank, BNP Paribas, implemented an exclusion for oil and gas finance in substantial parts of Amazonia, and extended its exclusion to include financing for industrial agriculture, one of the main drivers of destruction in the region. In December 2022, HSBC adopted the most fulsome definition of the Amazon in its exclusion – the first bank to recognize all of Amazonia in its exclusion policy. More recently, the British bank Barclays adopted a similar policy.

The oil and gas sector serves as a prime example of how unrestricted flows of capital can endanger Indigenous Peoples and their territories, biodiversity, water quality, and intact forests especially when corruption is a part of doing business.[15] Indigenous leaders and the UN Special Rapporteur on the rights of Indigenous Peoples assert that consultation laws and procedures to apply FPIC in Latin America were not developed with the participation of Indigenous Peoples.[16] Therefore, Indigenous Peoples do not recognize a single barrel of oil from the region as produced in compliance with the principles of free, prior, and informed consent (FPIC) as established by the ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples (UNDRIP).[17]

Indigenous Peoples do not recognize a single barrel of oil from the region as produced in compliance with the principles of free, prior, and informed consent (FPIC).

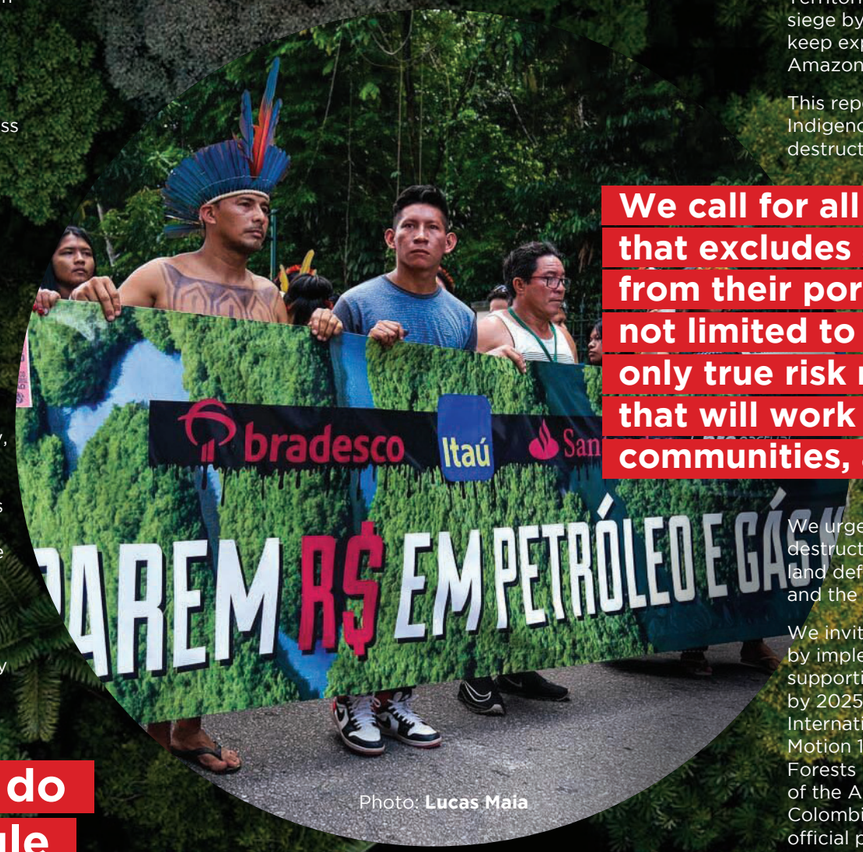


Photo: **Lucas Maia**

For Ecuador, Peru, and Colombia, the oil industry has been a blight on the landscape for decades, with over 8,200 environmental liabilities and other oil-related impacts such as oil spills[18] into forests and waterways and new roads cut into the rainforest for oil production.[19,20] At the same time, Indigenous Territories and even protected areas are under siege by an insatiable oil industry that wants to keep expanding production and exports of Amazonian crude.

This report is another milestone in the effort by Indigenous Peoples and civil society to stop the destruction of Amazonia.

We call for all banks to adopt a policy that excludes all oil and gas financing from their portfolios, including but not limited to the Amazon. This is the only true risk management strategy that will work for the Amazon, for our communities, and for the climate.

We urge banks to stop being complicit with the destruction of nature, the ongoing violence against land defenders, the livelihoods of our communities and the resilience of our governments.

We invite banks to join us in averting the tipping point by implementing a geographic exclusion and publicly supporting the target of protecting 80% of Amazonia by 2025 – a goal that has already been recognized by International Union for Conservation of Nature (IUCN) Motion 129[21], by the 2023 UN Permanent Forum on Forests Regional Resolutions[22], and by the Declaration of the Amazon Summit[23] in Belém in August 2023. Colombia has also adopted the 80% target as its official position.[24,25] We look forward to the leadership of banks to achieve this end.

We are working in the best interests of our communities, our land, and the future of the planet. It's time banks did too.

Fany Kuiru Castro
General Coordinator of the Coordinating Body of Indigenous Organisations of the Amazon Basin (COICA)

Todd Paglia
Executive Director, Stand.earth

EXECUTIVE SUMMARY

DO BANK POLICIES REALLY MANAGE RISKS TO PEOPLE AND NATURE?

This report examines how the environmental and social risk management (ESRM) policies of the top banks financing oil and gas extraction in Amazonia fail to fully address the adverse impacts of their financing on people and nature. Over the past 20 years, just six banks – **Citibank, JPMorgan Chase, Itaú Unibanco, Santander, Bank of America, and HSBC – are responsible for almost half (46%) of all direct financing for oil and gas operations in Amazonia.**

Most of these banks claim to uphold human rights and environmental protection, but, with the exception of HSBC, they continue to finance the operations of state-owned and private oil and gas companies in Brazil, Peru, Colombia, and Ecuador. And yet, banks make claims on their websites, reports, and promotional materials that give the impression that they are finding success in protecting the environment and safeguarding human rights through their due diligence processes. **This analysis indicates that banks are greenwashing their contribution to adverse impacts in Amazonia. While their stated commitments to addressing climate change, biodiversity loss, and the exploitation of Indigenous Peoples create the perception that they are protecting people and nature, the banks continue to finance destructive operations.**

ESRM policies that do not net out some of the dirtiest and most destructive fossil fuel development are failing to respond to the climate crisis at a time when the science is clear that any new fossil fuel projects threaten our ability to ensure a stable future. Amazonia is the most biodiverse region on Earth and home to more than 500 distinct Indigenous Peoples, but, on average, **over half of Amazonia (59%) is not adequately considered in the ESRM frameworks of Amazonia's top oil and gas financiers. When HSBC's Amazonia exclusions are removed, the other top 5 banks in the study cover an average of just 4% of Amazonia with exclusions and another 25% with screens. That leaves an average of 71% of Amazonia with no risk management for climate change, biodiversity, forest cover, and Indigenous Peoples' rights.**

We have used an innovative new approach to map environmental and social (E&S) values including biodiversity, forest cover, protected areas, and Indigenous Territories. The mapping results indicate that, **with the exception of HSBC, none of the banks' risk management policies sufficiently protect key environmental and social values in Amazonia from the risk of adverse impacts of the oil and gas industry.** For example, Citibank's only exclusion that applies to oil and gas operations in Amazonia is on UNESCO World Heritage sites, which account for only 2% of the region.

Beyond the lack of geographical coverage, this report reveals that many financial transactions are structured in ways that minimize the identification, categorization, and prioritization of E&S values in the banks' risk management frameworks. Over 560 transactions involving oil and gas activities in Amazonia were analyzed using the Amazon Banks Database, to determine whether deal structures that bypass exclusions and screens are common. **According to the Amazon Banks Database, 72% of all fossil fuel financing transactions linked to Amazon oil and gas are structured in ways that may not trigger enhanced due diligence.**

	% AREA EXCLUDED	% AREA WITH SCREENS	% TOTAL RISK MGMT COVERAGE	% NO COVERAGE
JPMorgan Chase	2%	14%	16%	84%
Citibank	2%	44%	46%	54%
Itau Unibanco	0%	0%	0%	100%
Banco Santander	16%	24%	40%	60%
Bank of America	0%	45%	45%	55%
Average	4%	25%	29%	71%

Table 1. Out of the top banks financing Amazon oil and gas, only HSBC has policies that cover all of Amazonia. The other top 5 banks have policies that leave an average of 71% of Amazonia without adequate environmental and social risk management. Source: Stand.earth Research Group.

The most prevalent type of transaction found in the Amazon Banks Database is a general corporate purpose (GCP) syndicated bond, which accounts for 50% of all transactions in the database. General corporate purpose (GCP) syndicated bond transactions typically do not trigger the project-related exclusions and screens common in the banks' ESRM policies, nor do they involve rigorous bank due diligence unless there is an agreement with syndication partners, who may be reluctant to complicate or increase the cost of the transaction. Once the bonds are circulated, the bank's ability to influence how the proceeds are used diminishes significantly, reducing long-term leverage over client activities. Nevertheless, these transactions allow the bank to maintain ESRM compliance, limit liabilities including impacts caused by the client as those risks are spread across the syndicate, and continue to engage with fossil fuel clients purportedly to help them mitigate climate risks, despite the limited effectiveness of bond underwriting in this context.

The report includes powerful accounts by organizations representing Indigenous Peoples about the toxic impacts of oil and gas operations in Amazonia. In 2021, for example, two ruptured pipelines released over a half million gallons of oil into the Napo and Coca rivers in Ecuador, bringing severe health and environmental impacts that devastated Kichwa communities. In Peru, over 250 oil spills on the Norperuano Pipeline have threatened the health and welfare of Indigenous Peoples while major banks like JPMorgan Chase, Santander and HSBC financed the expansion of a huge refinery that will drive demand for oil from the region. Also in Peru, the health and wellbeing of uncontacted Indigenous Peoples has been severely impacted by the encroachment of gas fields in their traditional territories over the past decade, but as recently as 2023 banks such as Bank of America and Citibank have provided the project with new financing.

Amazonia has already lost more than a quarter of its forest cover, and scientists believe that further forest cover loss will push the region to a tipping point with its hydrological function becoming critically impaired. The coalition Amazonia for Life, which includes partners on this report, is calling for 80% of Amazonia to be protected by 2025 in order to avoid this tipping point. **A critical part of this work is addressing the role that a relatively small number of commercial banks play in the flow of credit to oil and gas operations in Amazonia.**

Taken together, the findings in this report indicate that banks are failing to identify and manage the true scale of risks to people and nature from fossil fuel extraction while the most biodiverse region on Earth is under grave threat. **If banks are to be fully committed to the values they claim to uphold, then their policies must cover broader categories of protection and deal structure.** This involves implementing stringent exclusions and screens that increase the costs of oil and gas activities, mitigating the adverse impacts of fossil fuel extraction and making renewable energy investments more financially appealing.

The first step for banks is to exit Amazon oil and gas as an immediate measure to help avoid the tipping point crisis and protect 80% of Amazonia by 2025. Banks should commit to:

1. No new oil and gas financing and investment

2. End current oil and gas financing and investment

3. End trade financing for oil and gas

4. End corporate financing for oil traders

5. Adjust financing portfolios to address an imminent tipping point scenario in Amazonia and support the protection 80% of the Amazon by 2025

INTRODUCTION

The tipping point crisis

The twin climate and biodiversity crises, and the associated impacts on people and the planet, are putting increasing pressure on banks to reconsider their risk management strategies. These crises are putting Amazonia — defined as a region that spans the Amazon and Amazon-influenced regions in nine countries in South America[26]— at risk in ways we have not seen before (See Figure 1). Deforestation pressures from extractive industries such as agriculture, mining, forestry, and oil and gas are decimating forests and driving the loss of Indigenous Peoples' cultures and biodiversity. The climate emergency is adding to the crisis with more hot, dry conditions leading to more forest fires. Indigenous Peoples, holding 80% of the world's remaining biodiversity in their traditional territories, are on the frontline and they too often bear the worst of the adverse impacts wrought by extraction.[27]

The result is that Amazonia is at a critical threshold of forest cover loss, where it may lose too much forest cover to maintain its water cycle, and may transition into a savannah ecosystem frequented by fire. The coalition Amazonia for Life is calling for 80% of Amazonia to be protected by 2025 in order to avoid this tipping point. Led by the Coordinator of Indigenous Organisations of the Amazon Basin (COICA) with the support of Stand.earth, RAISG, Avaaz, Amazon Watch, Wild Heritage, Re:Wild, One Earth, and Earth Insight, the coalition is endorsed by more than 1,200 civil society organizations, research institutes, and scientists across the world. The need is incredibly urgent. Already 26% of Amazonia's forest cover has been lost.

The role of banks

Financial institutions play a major role in providing the flow of credit to extractive industries driving the tipping point crisis. This also means that banks and other financial institutions have a critical role in the solution. Tighter credit means projects such as new oil fields are more expensive to implement. There are several organizations whose goals are to use their influence over their clients to support an energy transition away from oil and gas and towards green technologies.

As highlighted by the annual "Banking on Climate Chaos" report,[28] current financial practices are not yet adequate to support this energy transition. Too much money is still flowing to new oil and gas operations. After COP28 in December 2023, Brazil's Oil, Gas and Biofuels Agency (ANP) put 602 new oil blocks up for auction, at least 21 of which are located in the Amazon.[29] The climate implications of these financial practices are incompatible with the scientific mandate to keep global warming under 1.5° C, at a time when the International Energy Agency (IEA) has called for an end to oil and gas expansion globally.[30]

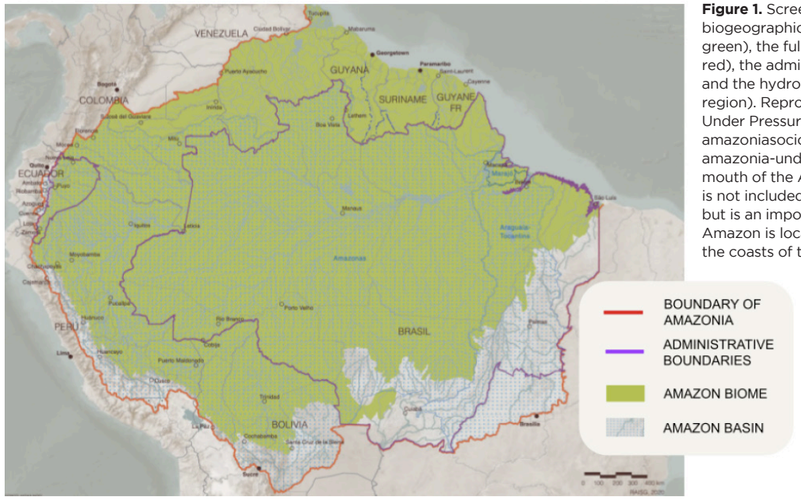


Figure 1. Screenshot of map showing the biogeographic boundaries of the Amazon (in green), the full extent of the Amazon Biome (in red), the administrative boundaries (purple), and the hydrographic basin (blue dotted region). Reproduced from RAISG "Amazonia Under Pressure", (2020), https://www.amazoniasocioambiental.org/en/publication/amazonia-under-pressure-2020. Note that the mouth of the Amazon River, or Foz do Amazonas, is not included in the RAISG definition of Amazonia, but is an important adjacent area. The mouth of the Amazon is located within the equatorial margin, off the coasts of the Brazilian states of Amapá and Pará.

At the same time, there is a rise in the number of sustainability policies employed by banks to address climate, environmental and human rights issues where bank financing decisions could create liability for the bank. Policies such as Environmental and Social Risk Management (ESRM) frameworks are part of a bank's effort to avoid harm and minimize negative impacts of banking activities on reputation, by setting out criteria for financing companies that are at risk of human rights violations, deforestation, pollution, and more because of their business activities.[31]

These sustainability strategies are designed to protect and enhance the long-term business value created by banking activities such as loans and bond underwriting.[32] Business value is the long-term health of a bank, and it is affected by financial threats such as credit, market, liquidity, and operational risks as well as non-financial threats such as strategic reputational, regulatory, and litigation/liability risks.[33]

ESRM frameworks and other environmental, social, and governance (ESG) and sustainability strategies employed by banks are typically presented as focusing on integrating E&S values into the strategy and operations of the business in order to protect people and nature. However, it is not always the case that ESRM frameworks are implemented effectively. For example, the European Central Bank's 2022 thematic review of 186 banks on climate-related and environmental risk found that "55% of institutions surveyed have practices in place that are not at all or only partially effectively implemented".[34] They also found that, "blind spots in the identification of C&E risks in key sectors, geographies and risk drivers were identified in 96% of institutions and, of these, 60% were considered to be major gaps".[35] Any gap between a bank's ESRM policies on paper and their effectiveness in practice can be a source of greenwashing. Greenwashing is "the act or practice of making a product, policy, activity, etc appear to be more environmentally friendly or less environmentally damaging than it really is".[36]

This report analyzes the ESRM frameworks of the top banks financing oil and gas extraction in Amazonia over the past 20 years, to see if their policies have adequate due diligence to identify and prevent or mitigate adverse impacts to people and nature. **Greenwashing undermines real efforts to reduce emissions and safeguard people and nature by misleading consumers, investors, and the public and hampering the true scale of the trust, ambition, and action needed to address the climate and biodiversity crises.**[37]

For example, an international legal complaint filed in 2021 by Client Earth against Saudi Aramco with the UN Human Rights Council argued that banks financing the company are contributing to adverse human rights impacts through facilitating Aramco's activities and policies, which directly contravene the effort to keep climate warming under 1.5C per the Paris Agreement.[38] The complaint concluded there is a serious risk that the banks involved were failing to comply with their responsibilities per their climate and human rights commitments as outlined by the UN Guiding Principles on Business and Human Rights[39] (UNGP), also known as the Ruggie Framework and the Organization for Economic Cooperation and Development (OECD) Guidance on Due Diligence for Responsible Corporate Lending and Securities Underwriting.[40]

Similar to this example, banks financing oil and gas in Amazonia have significant and ongoing relationships with the companies they support. Under the UNGP and OECD frameworks, banks have responsibilities both when the bank is linked to adverse impacts through its business relationships (e.g., financing their clients) and when the bank, by its own actions, contributes directly to adverse impacts. This report explores how banks contribute to adverse impact, using the OECD guidelines on assessing contribution as a tool for analysis.

The report also analyzes over 550 transactions related to fossil fuel financing in the Amazon Banks Database,[41] to test how the structure of transactions affects how banks are related to impacts and how they can use their influence on their clients. Innovative mapping is also employed to examine how bank ESRM policies identify E&S values, using Amazonia as a test case, and evaluate what this says about their due diligence.

Finally, the results of the analysis are discussed in terms of the potential for greenwashing, and how banks can move beyond just managing reputation risk and begin to make a more positive impact on the climate and biodiversity crises, avoid the Amazon tipping point, and avoid adverse impacts on Indigenous Peoples and local communities in Amazonia.

ADVERSE IMPACTS IN AMAZONIA

The term ‘adverse impacts’ in this report encapsulates the long and difficult legacy of the oil and gas industry in Amazonia. From the earliest days of oil and gas extraction, pollution, violence, and corruption were characteristics of industry practices in the region. Indigenous Peoples have borne the brunt of these impacts for decades. Oil spills and flaring has polluted water, land, and air and poisoned biodiversity and food sources. Livelihoods and Indigenous ways of life have been interrupted and lost, while corruption has made for empty promises instead of community support. The following case studies highlight some recent adverse impacts from oil and gas in Amazonia and include impact statements from Indigenous Peoples affected by activities financed by major banks named in this report.

A pollution and corruption boom in Ecuador

Between the oil boom of the 1970s[42] and the present day, the Ecuadorian government’s dependence on oil has increased dramatically. Ecuador now has over 6.7 million hectares (ha) of onshore oil and gas concessions, and an additional 2.5 million ha in offshore concessions.[43] Oil and gas blocks overlap with over 5.6 million ha of undisturbed ecosystems, or 47% of the total area of primary forests in Ecuador, both inside and outside of Amazonia.[44] Ecuador supplies the vast majority (89%) of the crude oil traded internationally from the Amazon, which is predominantly refined and consumed in the U.S., particularly in California.[45]

Within Amazonia, oil and gas concessions overlap with 4.5 million ha of Indigenous territories, meaning that 65% of Indigenous Peoples’ territories in the Ecuadorian Amazonia overlap with oil and gas blocks.[46] Yet Indigenous leaders and the UN Special Rapporteur on the rights of Indigenous Peoples assert that consultation laws and procedures to apply FPIC in Latin America were not developed with the participation of Indigenous Peoples.[47] In 2021, Ecuador’s government unveiled plans to double oil production under the pretext of boosting the country’s economy,[48] despite the sector’s recurrent environmental disasters, pervasive corruption, and the fact that the move would put more than three million hectares of primarily roadless intact rainforest in danger.[49]

However, these plans have been met with strong opposition from Indigenous Peoples in Ecuador, as these oil concessions overlap with their territories and threaten their way of life. Although oil extraction can have a limited deforestation footprint directly, activities associated with the sector, such as road construction and spills, pose significant threats to the environment such as forest fragmentation and biodiversity loss, as well as to the sovereignty, health, and livelihoods of Indigenous Peoples and local communities.

Concerns about the environmental impact of oil exploration are based on the real experience of Indigenous communities. Oil contamination data from the Ministry of Environment, Water, and Ecological Transition identifies over 4,600 oil spills, oil pools, and other instances of oil contamination between 2006 to 2022.[50] Figure 2 highlights that the majority of these spills are within oil and gas concessions, along pipelines, or clustered around refineries. Over 530 of these oil spills are in Indigenous Territories.

In April 2020, the rupture of two pipelines in northern Ecuador caused a catastrophic oil spill, releasing over 672,000 gallons of oil into the Coca and Napo rivers, marking it the worst spill in 15 years.[51] This environmental disaster left 27,000 Kichwa Indigenous People without access to clean water or fish, exacerbating the challenges faced during the COVID-19 pandemic. Despite claims by pipeline operators, including the privately run OCP Consortium and state-run PetroEcuador, that they had successfully cleaned up, oil remains visible along riverbanks, in sediment, and soil, with independent tests revealing high levels of hydrocarbons and heavy metals like nickel and lead.[52]

The environmental devastation continued in November 2020 when another pipeline rupture polluted the Shiripuno River, impacting several Waorani Indigenous communities, with cleanup efforts delayed for weeks before Petrobell, the Ecuadorian company began.[53] Then in January 2022, Ecuador’s Heavy Crude Oil Pipeline OCP ruptured again, contaminating a significant area of the Cayambe Coca National Park, and endangering wildlife.[54] The spill also reached Indigenous Kichwa communities in Napo and Sucumbíos provinces, highlighting the far-reaching and ongoing consequences of oil pipeline ruptures on both the environment and Indigenous and non-indigenous communities in the Ecuadorian Amazon.

The extraction and production of oil, gas, and similar resources demand substantial investments and specialized expertise. Resource-rich countries, like Ecuador, often lack these resources, heightening the risk of corruption. In 2022, an individual linked with Gunvor pleaded guilty to orchestrating a bribery scheme, totalling $70 million USD from 2012 to 2019, including $22 million USD in bribes to three Ecuadorian officials.[55] Subsequently, on March 1, 2024, Gunvor S.A. (Gunvor Group), pled guilty to bribery charges involving Ecuadorian officials and was fined over $650 million in criminal penalties in Switzerland and the United States.[56]

From 2013 to 2014, a senior Petroecuador official received $562,000 in bribes from Gunvor Singapore, reflecting a pattern of corruption within Petroecuador.[57] Furthermore, in 2021, an Ecuadorian businessman was convicted for his involvement in a $4.4 million bribery and money laundering scheme, which funneled bribes to former officials of Petroecuador.[58] In 2023, Petroecuador’s offices were raided as part of an investigation into alleged corruption, which led to the resignation of the head of Petroecuador, Hugo Aguilar.[59]

Recent revelations such as these about corruption practices in Ecuador have highlighted the role of oil traders such as Gunvor, Trafigura, and Vitol in fomenting a resource curse[60] for oil-rich countries like Ecuador. Ecuador not only lost oil revenue that should’ve gone to the state, but the country spiraled into more than $18 billion USD in debts from oil-backed loans in deals orchestrated by the same entities bribing government officials.[61]

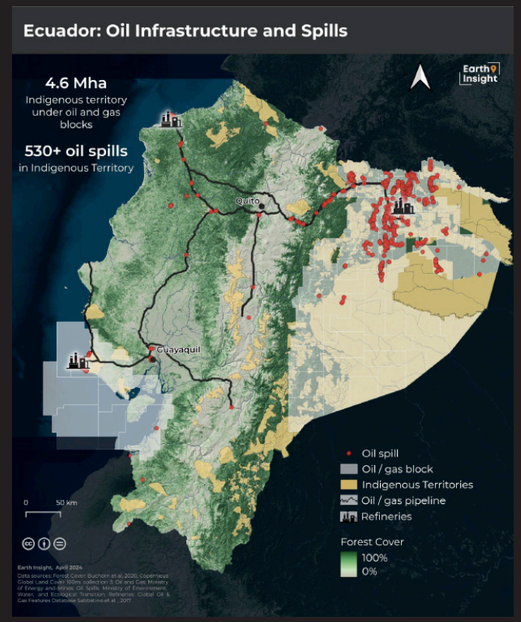


Figure 2. Ecuador oil infrastructure and spill map, showing the concentration of spills in the Ecuadorian Amazon. Source: Earth Insight (2024).

The effect was to drive oil expansion because debt for oil deals and pre-sales allowed Ecuador to borrow against future production, but forced the country to produce more oil at increasingly bigger losses.[62]

While the profits from the industry were exported along with much of the crude oil, the adverse impacts have been externalized and left behind for Indigenous Peoples and local communities to grapple with alone. Expansion brought the oil and gas industry to Indigenous Peoples communities, fueling conflict as they fought for their territories and rights. Endemic corruption can also foster violence by eroding public trust in the judiciary system and reducing reports of violence, allowing perpetrators to act with a sense of impunity.[63] This trend is more acute for vulnerable populations, including Indigenous Peoples living far from urban centers and policing. It can also undermine environmental institutions and perpetuate land grabs and rights violations.[64] Indigenous Peoples in Ecuador often protect their communities from oil expansion by putting their bodies on the line through strikes, blockades, and protests. In a corrupt system, these direct actions become more dangerous. For example, in 2023, Eduardo Mendúa, an Ecuadorian Indigenous leader who opposed oil, was targeted for his opposition and murdered, as many other land defenders have been in Amazonia.[65]

In addition, European banks such as BNP Paribas, ING, Natixis, Rabobank, Deutsche Bank, UBS, and Société Générale (among others) have long-standing financial relationships with Gunvor Group. In fact, banks headquartered in Europe have provided 58% of the global financing for Gunvor over the past eight years (from 2015 to 2023), for a total of $6.8 billion USD. Despite the European banks' more rigorous policies related to environment protection and human rights, their ongoing relationships with Gunvor Group indicate that EU banks continue to finance a company with a dismal track record on corruption and environmental destruction.

While corruption and pollution impacts are occurring, major U.S. banks like Citibank, JPMorgan Chase, and Bank of America are still financing oil production and trade in Ecuador. Over the past 20 years, JPMorgan Chase provided significant financial support, estimated at $5 billion USD, to global oil traders sourcing oil from Amazonia, including Trafigura, PetroThailand, and Shell's Western Supply & Trading division, facilitating the movement of Amazon oil from Ecuador to California.[66] Bank of America finances oil drillers such as GeoPark, which is expanding its operations in the Ecuadorian Amazon. Citibank stands out as the leading U.S. bank for lending to oil drillers and traders, including state-run oil companies like PetroEcuador, and trading companies such as Gunvor, Shell, Trafigura, and PTT. It is estimated that Citibank has financed oil trading activities amounting to $4.3 billion USD over 20 years, while also playing a pivotal role in 2017 in bond issuances to support oil drilling efforts in highly-biodiverse places like Yasuní National Park — a declared UNESCO Biosphere Reserve since 1989 and home to the last two Indigenous uncontacted peoples in Ecuador, the Tagaeri and Taronmenane. In August 2023, the future of Yasuní was tabled in a public referendum where 59% of the votes supported a mandate to leave the oil in the ground and uninstall Block 43. Also known as the Ishpingo-Tambococha-Tiputini (ITT) oil project, Block 43 is partially located within Yasuní National Park.

CONFENIAE impact statement on pollution and corruption in Ecuador

"It has been almost sixty years since oil exploitation began in the Ecuadorian Amazon. During these decades, we have been promised progress, health, well-being and education, but above all, a dignified life. However, from then until today, the Indigenous Peoples of the Ecuadorian Amazon have been victims of a corrupt system that perpetuates violence against us, takes away our territory, natural resources, brothers and sisters, and our quality of life.

Currently, we are witnesses of how banks, the government, and oil companies are entangled in a network of corruption that seeks to strip us of everything, while they try to evade their responsibilities in the face of this threat to our existence. Oil companies and the government lack efficient mechanisms to deal with oil spills and do not have programs that recognize our needs and fears as inhabitants of this territory.

Despite the hope that arose with the victory in the historic referendum to stop oil extraction from the Yasuní National Park, almost a year later the government continues to allow PetroEcuador to drill there. This endangers our brothers, Tagaeri, Taromenani and Dukagaeri, who, having decided to isolate themselves in their own right from a world that is killing us, lack a voice and are at risk from those who stand to profit at the expense of their lives.

If banks really care about Indigenous rights, they should stop financing activities that are causing us harm. Faced with this, we demand that Citibank stop financing PetroEcuador, and banks such as Citibank, JPMorgan Chase, Santander and Bank of America stop financing Gunvor and Vitol. The leaders of these institutions must assume their responsibilities."

José Esach
Presidente

Confederación de Nacionalidades Indígenas de la Amazonía Ecuatoriana (CONFENIAE)

Oil Expansion in Peru: A Threat to Indigenous Peoples and Intact Forests

Peru is a megadiverse country and after Brazil, the Peruvian Amazon is the most extensive, covering 98.2 million hectares – representing 12% of the Amazon region.[67] In the Peruvian Amazon, 33% or 32.5 million hectares is intact rainforest, while a further 57% is in areas with low degradation (less than 10% degraded), 1% is highly degraded, and 9% has been irreversibly transformed.[68] This means that 90% of the Peruvian Amazon is rainforest with a high level of ecosystem integrity that is an indispensable part of keeping the Amazon from reaching its tipping point.

Unfortunately, oil and gas blocks overlap with an estimated 10.4 million hectares of intact rainforest – threatening more than 17% of the intact Amazonian ecosystems of Peru.[69] These intact forests are also home to more than 25 Indigenous Peoples in Isolation and Initial Contact (PIACI), covered further in the next case study.[70] Across Peru, there are 55 distinct Indigenous Peoples, of which 51 are Amazonian.[71] Currently, oil and gas concessions overlap with 15.4 million hectares of Indigenous territories across the country (see Figure 3).[72]

There have been more than 474 recorded oil spills in the Peruvian Amazon between 2000 and 2019 (see Figure 3).[73] A large percentage of these spills have directly contaminated Indigenous territories, while pollutants from other spills carry impacts downstream, ruining potable water sources and food, causing serious health problems for local populations. Investigations by Mongabay using data from Environmental Evaluation and Oversight Agency (OEFA) and other sources have identified 3,264 oil-related environmental liabilities nationwide and 188 sites impacted by this activity in Loreto between 2013 and 2023.[74]

One major issue is after the damage,that remediation is not carried out after the damage, that occurs. Over the past 150 years, from 1873 when the town of Negritos experienced the first recorded environmental liability from the oil industry to the latest spill in 2024 in the Achuar territory of Pucacuro located in Lot 8, toxic wastes continue to contaminate the waters, soils, and health of Indigenous and non-Indigenous Peoples of Peru.[75] The way oil and gas exploitation has been conducted in Peru has violated several rights: to free, prior, and informed consultation; to clean water[76], to food; and to a clean, healthy, and sustainable environment.

In recent years, oil and gas expansion in Peru has included a multimillion-dollar upgrade to the Talara Refinery on the west coast of Peru. The modernization of the refinery will expand production and increase pressure to produce oil in existing and undeveloped areas such as Block 64 and Block 192.[77] These blocks are both in the Peruvian Amazon and contain highly diverse and intact ecosystems that are home to the Achuar, Wampis, Chapra, Kandozi, Kichwa, Quechua, and Urarina peoples.[78] Furthermore, the Peruvian State itself has confirmed the presence of PIACI peoples in Block 192, and recognizes the five uncontacted peoples living within the proposed Napo Tigre Indigenous Reserve, including the Aewa, Taushiro, Tagaeri, Taromenane and Zaparo.[79]

There has been a lot Indigenous opposition to oil production in the Indigenous territories overlapping these blocks. For the past 27 years, the Achuar and Wampis peoples have opposed oil activities in Block 64 and, in 2020, their actions forced Geopark to withdraw all operations.[80] Recently, the Achuar Nation has petitioned the IACHR for the nullification of Block 64 due to the absence of Free, Prior, and Informed Consent (FPIC).[81] In Block 192, Indigenous communities have been demanding remediation of the toxic legacy of oil production. There have been 155 spills and 2,000 environmental liabilities where remediation is yet to be completed.[82] Many of these spills are related to the North Peruvian Pipeline, which is prone to leaks due to almost 50 years of neglect and severe corrosion. Despite the poor condition of the pipeline, the demand for crude oil for the upgraded Talara Refinery will mean that the pipeline will have to transport more oil than ever. The pipeline traverses through the Loreto Region to the Coast, and passes through several highly biodiverse areas as well as and through Indigenous territories such as the Pastaza River and the Abanico del Pastaza wetlands complex – a globally recognized Ramsar site.[83]

Banks financing the Talara refinery upgrade include HSBC, Santander, and JPMorgan Chase. Most recently, in 2021, these banks participated in a $1 billion USD bond issuance for PetroPeru to raise more money for the project, while previously, in 2018, these banks were also joined by Citibank, BNP Paribas, BBVA, and Deutsche Bank in a $1.3 billion USD project finance loan for Talara.[84]

The fight for the rights of PIACI Peoples

Oil and gas production threatens to destroy Indigenous territories in Peru that are home to some of the world's last uncontacted Indigenous Peoples, who live in voluntary isolation. These areas are known as PIACI Reserves, as they are created for Indigenous Peoples in Isolation and Initial Contact, or "PIACI" following the Spanish acronym. In Peru, the reserves are designed to protect the fundamental rights and traditional territories of the PIACI Peoples.

Currently, there are thirteen (13) PIACI reserves in Peru. While eight have already been formally created, there are five5 more in process, some of which have yet to be formalized after almost 20 years. These reserves cover an estimated 7.9 million hectares across the Peruvian Amazon.[85]

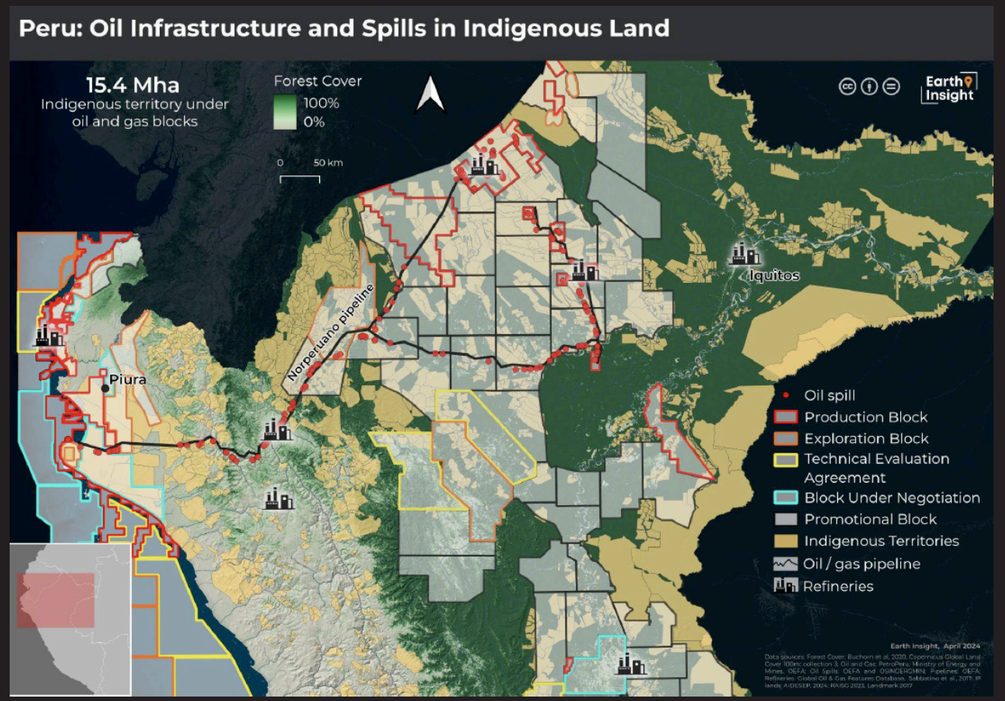


Figure 3. A map of northern Peru showing assigned and unassigned oil and gas blocks and their overlap with undisturbed tropical forest and Indigenous lands. The map also traces the route of the North Peruvian Pipeline. Red dots represent over 250 oil spills from the pipeline, 61 of which have been on Indigenous lands. Source and preparation: Earth Insight (2024). Data sources: Forest Coverage: Buchorn et al, 2020, Copernicus Global Land Cover 100m: collection 3; Oil and Gas: PetroPerú, Ministry of Energy and Mines, OEFA; Pipelines: OEFA; Indigenous Territories: AIDESEP, RAISG 2023, Landmark, 2017.

Almost 20% of the PIACI reserves, or 1.6 million hectares, overlap with oil and gas blocks at various stages of development from promotion by Perupetro, the national oil company, to fully commercialized oil and gas production (see Figure 3).[86] The threat to PIACI reserves varies depending on the status of each oil block. Reserves that overlap with commercialized blocks face a more immediate risk, while those that overlap with current promotional blocks face future risks if those blocks are explored and marketed (see Figure 4).

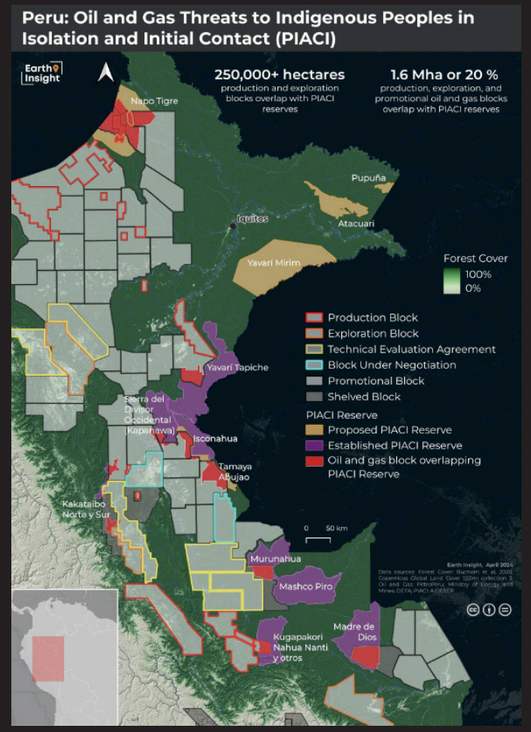
According to AIDESEP, the demarcation and auction process of promotional blocks by Perupetro does not include a process of consultation for free, prior, and informed consent (FPIC). The right to FPIC also applies to PIACI Peoples, which must be understood in context because it is not possible to consult isolated peoples, as it violates the principle of no contact and self-determination of the PIACI Peoples, as established by the Law for the Protection of Indigenous or Original Peoples in Isolation and Initial Contact, known as the PIACI Law.[87] In this context, their decision to remain isolated should be interpreted as rejecting any extractive activity in their territories.

The Camisea Gas Project is an example of this issue. It is estimated that approximately 67% of Lot 88, part of the Camisea Gas Complex and the largest source of gas in Peru, overlaps with the Kugapakori-Nahua-Nanti and Others PIACI Reserve (RTKNN).[88]

The RTKNN was created in 1990.[89] In 2003, the Peruvian Government and the Inter-American Development Bank (IDB) signed a loan agreement for $5 billion USD to cooperate on the implementation of the Institutional Strengthening and Environmental and Social Management Support Program for the Camisea Gas Project.[90] Under this loan, the IDB required the Peruvian State to implement 21 social and environmental safeguards. The fourth (4th) safeguard stipulated that, by issuing a decree, the existing regulations for the protection of the "Kugapakori-Nahua Reserve" would be improved, raising the level of protection and restricting the development of new activities in the area to ensure "adequate and permanent protection".[91] The commitments with the IDB also established a prohibition on granting new rights for the use of natural resources in the RTKNN, including those resources of national interest.[92]

Section IV of the Letter of Commitments was established based on the fact that "the Peruvian Government participates in ILO Convention 169".[93] In response to the loan agreement and with the aim of providing greater legal protection to the "State Reserve in favor of the Kugapakori and Nahua ethnic groups," Supreme Decree No. 028-2003-AG replaced Ministerial Resolution No. 0046-90-AG/DGRAAR and established the "adequate" State Reserve in favor of the PIACI Kugapakori, Nahua, Nanti, and others, covering an area of 456,673 hectares.[94]

Figure 4. Oil and gas threats to PIACI reserves in Peru. Of a total of 13, eight8 reserves have been created and five5 are in the process. The overlap with active blocks and with current and previous promotional blocks is highlighted in red. For example, Lot 88 (part of the Camisea Gas Project) overlaps with the Kugapakori Nahua Nanti and Others Reserve in the southern part of the Peruvian Amazon. Source and preparation: Earth Insight (2024). Data sources: Forest Coverage: Buchorn et al, 2020, Copernicus Global Land Cover 100m: collection 3; Oil and Gas: PetroPerú, Ministry of Energy and Mines, OEFA; PIACI: AIDESEP.



There are three prohibitions on the expansion of the Camisea Gas Project by the Peruvian State, the IDB, and the UN Committee on the Elimination of Racial Discrimination (CERD), two of which are binding. First, in 2003, Supreme Decree 028-2003-AG established that economic activities within the RTKNN are prohibited, and any expansion constitutes a violation of Peru's international human rights obligations.[95] Second, in 2006, the IDB adopted a specific Indigenous Peoples policy titled "Operational Policy on Indigenous Peoples," which also included specific provisions for isolated peoples.[96] Finally, in 2013, the UN called for the "immediate suspension" of any plans to expand the project due to the high likelihood that further intrusion into the Nahua-Nanti Reserve could expose several isolated and uncontacted tribes living in the territory to diseases and result in fatalities.[97] This warning has precedent. The first forced contacts with some groups of the Nanti people in the 1970s resulted in "deaths that amounted between 30% to 60% of the population" due to the contagion of acute respiratory infections (ARI) and acute diarrheal diseases.[98] Also, almost half of the Nahua tribe died from respiratory diseases during the initial contact process that began in 1984, after forced contact by oil companies, illegal loggers and missionaries.[99] By 2017, a report from the Peruvian Ministry of Health indicated that 78% of the population had high mercury concentrations in their blood, including 61% of Nahua children under 5 years old, while 67% of Nanti children suffered from chronic malnutrition and other diseases.[100]

Despite these documented impacts on PIACI Peoples, several banks in this report, including JPMorgan Chase, Citibank, and Bank of America, financed Hunt Oil Peru in 2011, 2018, and again 2023. Hunt Oil Peru is part of the Camisea Consortium and holds a 25% stake in two gas power plants in Peru and the contracts for Blocks 56 and 88 in the Ucayali Basin, operated by Pluspetrol.[101] Blocks 56 and 88 have been controversial for decades due to negative impacts on the health and well-being of local Indigenous communities, many of whom were uncontacted before the Camisea Gas Project began.[102] Deadly diseases, pollution, and cultural contamination, as well as reduced access to traditional territories and food sources—all impacts of the project—have driven these communities into poverty, illness, and malnutrition, while lack of immunity to diseases has devastated their populations.[103]

Other areas of expansion also threaten PIACI Peoples. Figure 4 includes "promotional blocks," where areas are presented by PetroPerú to international oil and gas companies as opportunities for frontier oil expansion. Although promotional lots do not pose an immediate threat to all PIACI peoples, it is worth noting that their financial viability represents a future threat, as oil production and exploration in these blocks change based on global oil prices. These promotional blocks overlap with more than 400 Indigenous Communities and several PIACI Reserves, and potential expansion could mean the disappearance of several PIACI groups.

In 2023, there was a failed attempt by some Peruvian congressmen and regional and municipal governments to eliminate all legal protections for PIACI reserves so that these protections could no longer interfere with oil exploration and production, mining, and logging — extractive industries that threaten the survival of these vulnerable peoples.[104] There have also been efforts by the government to limit funding for the protection of PIACI reserves.[105] Although this law did not pass initially last year, amendments were made to the Forestry Law in early 2024 that allow different levels of extraction in intact forests.[106]

AIDESEP Impact statement

We, the Amazonian Indigenous Peoples of Peru, have resisted oil and gas extraction in the country for decades. The supply chain of this industry, which permanently threatens our rights and territories, includes not only oil companies and banks but also the Peruvian State itself, which grants concessions in oil blocks or lots, our territories, rivers, biodiversity, and cultures despite and against our rights. This report reveals the silent complicity of international banks in the destruction of the Amazon, the disappearance of entire peoples, and the threat they pose to our survival in an imminent tipping point scenario, with symptoms being our current context: drought, food and water insecurity, corruption and violence.

The devastation of our Amazon can be understood through the uncontacted and initial contact peoples (PIACI). Throughout the region covering nine countries, there is a record of nearly 100 PIACI peoples.[107] However, there are dozens of PIACI whose official recognition has not been carried out despite irrefutable evidence confirming their existence. The Peruvian State and extractive industries have blocked efforts to complete formal recognition of these reserves. In the case of Napo Tigre, it has been 21 years since the request for a reserve was submitted. Many of these "delays" are due to certain oil companies systematically obstructing the recognition and demarcation processes to install their blocks by denying the presence of the PIACI. This obstruction by companies and governments is corruption at all levels that is harming PIACI peoples' fight for their right to remain uncontacted.

Camisea (Block 88) and Napo-Tigre (Blocks 39 and 67) exemplify the imminent risk faced by the PIACI in Peru and the rest of the basin. In the first case, we are talking about the Nahua, Nanti, Kirineri, Matsigenka, and Mashco-Piro PIACI peoples, and Napo-Tigre is home to the Aewa, Taushiro, Tagaeri, Taromenane, and Záparo PIACI peoples. After Shell discovered the Camisea gas fields more than 40 years ago, half of the Nahua tribe — a PIACI people then uncontacted — died of diseases. In 2013, in response to the UN-CERD call for suspension of the expansion of Camisea, the Executive Director of Pluspetrol questioned the existence of "isolated" peoples by stating that "Pluspetrol has operated since 2000 and we have not seen any native group that is isolated or in voluntary isolation."[108] The Kugapakori-Nahua-Nanti and Oothers Reserve is home to Indigenous peoples officially recognized both in "voluntary isolation" and in "initial contact," as referred to by Peruvian legislation, and they are the ones who have paid the high price of oil expansion in Peru.[109] Despite these risks to Indigenous and human rights, Citibank continued to finance Hunt Oil Peru in 2023.

Similarly, in 2022, the oil company Perenco filed an injunction against the Ministry of Culture to annul the request for the creation of the Napo-Tigre Indigenous Reserve in Loreto[110] claiming it supposedly interferes with Perenco's production in blocks 39 and 67 that are within the requested reserve's limits, despite the fact that the Peruvian State has officially recognized via Supreme Decree the existence of our brothers in isolation.[111]

In 2023, the Peruvian Congress tried to reform Law No. 28736, through which the State regulates and is responsible for protecting the lives and health of these extremely vulnerable peoples. This attempt to violate the rights of our PIACI brothers and sisters is based on denying their existence through a bill that aimed to empower Regional Governments to extinguish all existing PIACI Reserves and annul the formal recognitions of the very existence of the PIACI peoples – effectively "disappearing" these peoples and culminating in their extermination.

Although the PIACI Law was not reformed (thanks to a campaign led by Indigenous Organizations and their allies), it opened the door to questioning the preservation of the ecosystems that sustain the life of the PIACI peoples and left us with a legacy of a 'code of silence' rooted among state officials, companies, and some organizations to deny the existence of the PIACI as a measure to prevent or avoid the protection of their territories and rights for the benefit of their profits. In 2023, the government offered 31 new oil blocks to international oil companies. Most of these lots are located in the Amazon and overlap with the territories of 435 Indigenous communities in Loreto, Ucayali, and Madre de Dios, including at least three PIACI Reserves.

We fight on behalf of those who lack a voice and who are destined to be annihilated if AIDESEP and its regional and local bases and, Peruvian and global civil society, do not oppose the latent threat of those who finance exploitation in our life territories. For almost two decades, we have endured violence, dispossession, and the murders of our leaders and forest defenders. It is worth noting, however, that while many Indigenous and non-Indigenous organizations resist oil, there is a minority that still hopes to improve their quality of life through oil production. They imagine a future without pollution and with economic prosperity, which contrasts with the reality experienced throughout the Ecuadorian and Peruvian Amazon. What will happen if we allow extractivism to continue entering PIACI territory and the rest of the Amazon? What will happen if we ignore the lives of our brothers and sisters who have chosen to stay away voluntarily to take refuge in the depths of our jungle? The State, banks, and companies exploiting oil and gas in the name of progress are complicit in attacking the lives of the PIACI and all Indigenous peoples, as well as our Peruvian Amazon, which holds more than 32.5 million hectares of intact forests and the biodiversity that sustains the lives of our peoples and the planet.

We demand that JPMorgan Chase, Citibank, and Bank of America take responsibility for the damage they are causing in the Peruvian Amazon, andthat they internalize the consequences we are experiencing as their own. These banks must realize, and that they know that if the contamination and destruction of their survival territories continue, the PIACI will disappear with their territories and knowledge systems — and, but with them, our hope of saving the Amazon and the planet also disappears.

Jorge Pérez
President

Interethnic Association for the Development of the Peruvian Rainforest (AIDESEP)

ANALYSIS

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

Environmental and social risk management (ESRM) policies use exclusions and screens in cross-sectoral and sectoral policies such as the oil and gas policies analyzed in this report. These policies limit the risks to bank reputation and business value from adverse E&S impacts that may result from the activities of a company that is a client of the bank. A bank's link to these negative outcomes is largely through its decisions to finance a client's activities. These decisions are typically made on a transaction by transaction basis, but also can be part of a bank's decision to start or end a relationship with a new or existing client. Transactions, or deals, include loans and bond underwriting, where a bank purchases bonds issued by a client and re-sells those bonds to investors.

Exclusion is the process of declining a client or transaction based on the overwhelming risk of an adverse impact that the bank wants to avoid. For oil and gas, exclusion criteria can be thematic (e.g. no project financing for offshore oil fields) or geographic (e.g. no financing of any kind for oil and gas activities in the Amazon). For example, in 2020 some banks began to make exclusions for project finance in the Arctic, in response to the risk that bank financing could result in adverse impacts on fragile Arctic ecosystems and contribute to climate warming. The same rationale should be applied in Amazonia. Exclusions are useful in limiting access to global financial systems for companies with high-risk activities and demotivating other companies from pursuing those activities by sending the signal that financing for these activities will be more expensive and difficult to put together.

Negative screening is the process of a bank reviewing a client or transaction against a set of criteria which may or may not result in the transaction going ahead. Screening criteria do not completely de-risk a company or financial transaction, but are designed to limit the threat of adverse impacts. For example, a bank may require a company to achieve a standard, put certain practices in place, and/or avoid dangerous technologies in order to qualify for a loan. Banks tend to use screening to manage risks into the future, e.g., screen a new client, look at new transactions before having to make a financing decision.

Exclusions and negative screening are key elements of enhanced due diligence applied by banks to manage the risk of adverse impact on E&S values. The issue of greenwashing arises when the due diligence as described in policy does not achieve the results claimed by banks.

A starting point for analyzing greenwashing is looking at if/how banks use their ESRM policies to identify their contributions to adverse impacts.

The OECD outlines that when a bank identifies that an adverse impact has occurred, it should assess if the impact was 1. contributed to by the bank or 2. directly linked to the bank and its products and services by a business relationship (e.g., a corporate client).[112] According to the OECD, "a bank may be contributing to an adverse impact where all the following elements occur together:

1. The provision of finance or underwriting service occurred without adequate due diligence.

2. The adverse impact caused or contributed to by a client's activities or projects was foreseeable.

3. The use of proceeds was known or likely to be used for those client's high-risk activities or projects or almost all of the client's activities were at high risk of causing or contributing to the type of adverse impact being considered."[113]

Due diligence

Due diligence is risk-based, in that the measures that an enterprise takes to conduct due diligence should be commensurate to the severity and likelihood of the adverse impact. The due diligence banks apply in the context of ESRM is based on the risk category of the client and/or transaction (exclusions, screens, enhanced reviews, etc).

Categorizing and prioritizing risks should be based on the severity and likelihood relative to other risks in a bank's portfolio, and banks should communicate their rationale for these prioritizations.[114] Risk categorization is a factor of the specificity of information on 'use of proceeds' and the ability to foresee risks to people and nature.

Research suggests that while banks may assess their coverage to be adequate to manage the risk of adverse impacts, they are often still involved with clients and in financial transactions where the impact continues to occur.[115] There are three key reasons why this is occurring:

1. **The ESRM policy lacks sufficient identification and prioritization of E&S values**, and therefore are missing key aspects of a comprehensive framework to manage risk. For example, banks that do not manage the risk of Indigenous rights violations typically lack criteria for limiting financing for companies and activities encroaching on Indigenous Territories. Banks that make some reference to Indigenous rights tend to rely on IFC Performance Standard 7, which does not stipulate that consent must be free, prior, and informed, and does not allow for Indigenous Peoples to initiate or reject negotiation procedures; thereby limiting consent to an extension of a consultative process which is triggered by the company.[116] The IFC standard also relies on the legal standards in-country for identifying Indigenous Peoples and their territories, which are often the source of adversity that Indigenous rights protections were created to fix.[117]

2. **Even if a bank identifies E&S values, it may have insufficient policy coverage to reduce the risks.** This means that while they identify values, the criteria for exclusions and screens are insufficient to reduce the risk. For example, exclusions and screens designed to mitigate adverse impacts are typically designated for specific sectors. Bank policies related to deforestation can be limited to deals in the forestry and agriculture sectors, although mining and fossil fuels extraction can create roads into intact forests that lead to degradation and deforestation over time.[118] Banks who limit their deforestation risk management to forestry and agriculture deals may not 'see' those risks in other sectors and therefore not act to avoid or limit them in their financing decisions.

3. **Finally, a bank that has identified and prioritized risks and crafted policy to manage them still may not identify adverse impacts once they occur.** The bank therefore does not recognize its link through financing a client or via the bank's own direct contribution.

For example, adverse impacts that are collective, diffuse and transboundary in nature, such as the emissions of CO_2 and other climate contaminants, may be seen as being more challenging to identify as a direct impact from a specific company or activity. However, the data shows that only 57 major fossil fuel producers are responsible for 80% of global CO_2 emissions since the 2016 Paris agreement, indicating their significant role in driving the climate crisis.[120] With 100 fossil fuel companies already identified as responsible for 52% of global industrial GHGs since the industrial revolution, there is little doubt of the direct link between financing fossil fuel production and the adverse impacts of the climate crisis.[121] Despite international commitments to reduce emissions, many of these producers, including ExxonMobil, Shell, BP, Chevron, and TotalEnergies, have increased their output of fossil fuels. This growth in fossil fuel output contradicts warnings from organizations like the International Energy Agency.[122] But many banks continue to finance fossil fuel companies despite these links and routinely underestimate their own relationship to the climate crisis in the process.[123]

Banks that fail to identify values, coverage, and adverse impacts will likely provide additional financing to a client where an adverse impact caused by the client continues or reoccurs. In the context of Amazonia, this lack of 'foreseeability' is a common issue.[124]

Foreseeability

A key element of a risk framework is the identification and mitigation of adverse impacts. It is only through identifying potential impacts and impacts that have already occurred that banks can mitigate their role in the threat and/or damage caused. But reading an ESRM framework as being focused on avoiding harm to people and nature could lead a person to conclude that risk mitigation is about providing access to remedy for those that are impacted, and that banks accept that they have a role to play in the direct and indirect harm caused by their financial decisions. This is not necessarily the case.

For ESRM frameworks to function as they are proclaimed to do, properly identifying E&S values, risks, and complicity is what is required for meaningful implementation of due diligence and avoidance of harm. A bank is more at risk of being deemed a contributor to an adverse impact if the bank could have foreseen that the adverse impact would occur as a result of its interaction with the client, but did not act on that risk.[125]

For example, when a bank provides a loan to a company who has a high risk of human rights violations, even one where the proceeds from the loan are not for a specific risky business activity, the bank must look very deeply at the company and impose strict conditions for financing.[126]

If the bank does not conduct such due diligence it can be considered as a contributor to any adverse impacts, rather than just linked through financing.

This 'complicity continuum' from 'linked through a client' to 'contributing directly' to adverse impacts is summarized by the Office of the United Nations High Commissioner for Human RIghts (OHCHR), "If a bank identifies or is made aware of an ongoing human rights issue that is directly linked to its operations productions or services through a client relationship, yet over time fails to take reasonable steps to seek to prevent or mitigate the impact – such as bringing up the issue with the client's leadership or board, persuading other banks to join in raising the issue with the client, making further financing contingent upon correcting the situation, etc – it could eventually be seen to be facilitating the continuance of the situation and thus be in a situation of 'contributing.'"[127]

Foreseeability may be more of a challenge when a company does not have obvious high-risk practices but in the case of Amazonia, it seems reasonable to assume that banks could foresee that they may be contributing to adverse E&S impacts by financing Amazon oil and gas by observing the decades of pollution, corruption, and rights infringements experienced by Indigenous Peoples and local communities.[128] In such circumstances, the continuation of financial relationships with companies that pose these risks may be grounds for arguing the banks are directly contributing to Amazon destruction, rather than just linked through their client relationships.

Figure 5 illustrates what areas of Amazonia would be off-limits to oil and gas if bank policies foresaw risks from oil and gas extraction in the most commonly identified E&S values in ESR frameworks in the Amazon context: **protected areas:** including IUCN protected areas, as well as Ramsar sites, and World Heritage Sites; **Indigenous territories:** including all Indigenous territories in Amazonia as defined by RAISG;[129] **biodiversity:** including key biodiversity areas, biodiversity hotspots, areas of high species richness and biodiversity intactness; and **forest cover:** including intact forests.[130]

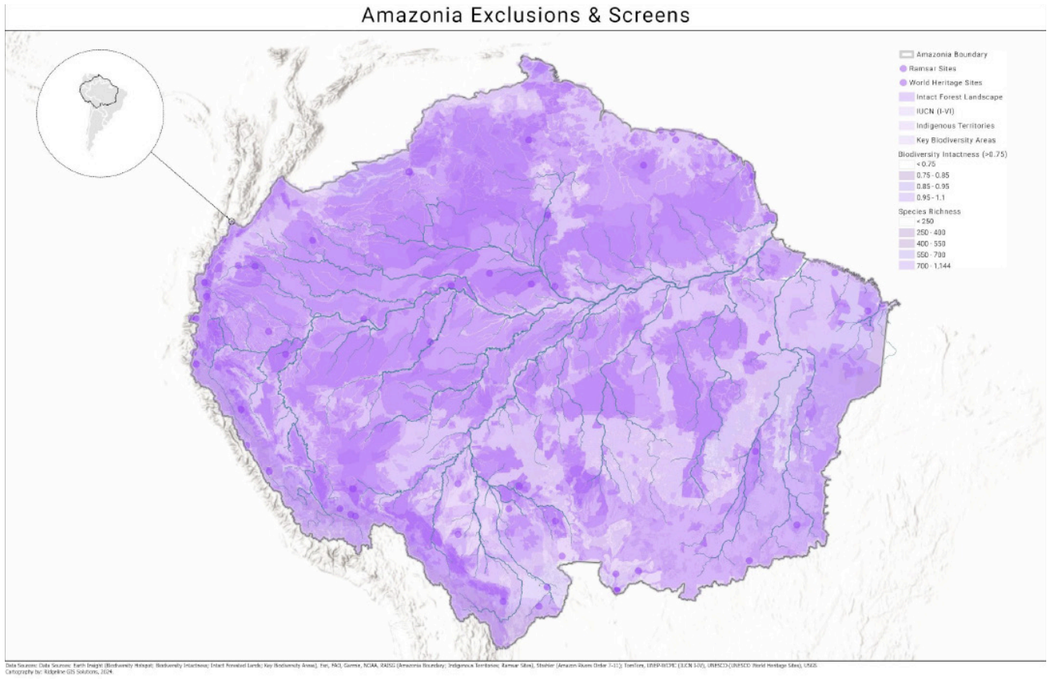


Figure 5. Map of all key spatially explicit environmental and social values across Amazonia. The full coverage of these values across Amazonia illustrates why bank financing should exclude fossil fuel extraction in Amazonia. For detailed methodology please see Appendix 1. Not shown: E&S values in the 'Foz do Amazonas', off the coast of Brazil at the mouth of the Amazon (no mapping available). Source: Stand.earth Research Group and Earth Insight (2024).

The map has no unshaded areas, highlighting that there are no areas of Amazonia where oil and gas extraction, and any other extractive activity, does not carry the risk of adverse impact. If banks' ESRM frameworks were committed to providing sufficient foreseeability, they may reach the conclusion that only a regional geographic exclusion would provide enough risk management to prevent and mitigate the risks to Indigenous Peoples, biodiversity, and to avert the Amazon tipping point.

A regional geographic exclusion would also address issues of uneven governance, such as the implementation of FPIC. Although Amazon countries including Brazil, Colombia, Ecuador and Peru have signed ILO Convention 169, which guarantees a consultation process aimed at achieving free and informed prior consent, some countries have not ratified it.[131] When banks include FPIC in their policies, they cannot guarantee that the consultation process they mandate as a condition of financing will result in FPIC and it is not clear how they would mitigate adverse impacts in such situations, since it is the role of the state to recognize and uphold Indigenous Rights.[132] If the state's efforts are inadequate, absent, or if the state is not enforcing access to remedy, e.g. oil companies and their financiers are not held legally responsible, it is difficult to see how a bank could mitigate the adverse impacts on Indigenous Peoples' rights. Additionally, Indigenous Peoples may have little recourse to challenge companies or banks in home countries over the lack or inadequacy of FPIC processes, depending on where the company or bank is domiciled. These risk factors suggest that the absence of national frameworks to guarantee consultation processes and respect for Indigenous rights should be a major foreseeability factor for banks.

Corruption is another governance issue that should be a foreseeability factor for banks. State-owned companies predominant in extractive industries such as oil and gas in Amazonia. From the allocation of concessions through the entire extraction process, the government is involved. These state-owned enterprises are also the entities making deals with foreign oil traders. In the case of Ecuador, PetroEcuador officials accepted bribes from oil traders for 15 years and made deals that drove oil expansion and indebted the nation. That corruption crippled public budgets and social services. Corruption such as this undermines the right to a healthy environment, access to development (health care, education, resources), trust and transparency in the rule of law and the rights of nature and Indigenous Peoples enshrined in constitutions.[133]

As well as in-country corruption by foreign entities, there are issues with how these entities are regulated in the countries where they are domiciled. In the case of Gunvor, the prosecution occurred in the US and Switzerland and the fines were also issued there. Meanwhile the negative effects of their actions must be dealt with by Amazonian populations with no access to remedy and compensation or say in the legal framework of how these companies are regulated.

At the same time, corruption in the country where extraction occurs can allow foreign entities to avoid taxes, remediation lawsuits, and responsibility for human and Indigenous rights violations with impunity, while international arbitration still gives them a legal basis to sue when oil contracts are broken. This also adds to the debt of governments already impacted by corruption. For example, Ecuador owes over 2 billion USD in arbitration penalties.[134]

It also contributes to violence. In the case of Ecuador, corruption drove oil expansion, increasing conflict between the oil industry and Indigenous Peoples defending their territories. Yet corruption is not identified in bank ESRM policies as a human rights issue alongside modern slavery and child labour, and banks continue to finance projects and companies, such as Gunvor, even after major corruption issues come to light.

It is reasonable for a bank to want to maximize foreseeability and identify all risks that threaten reputation and business value, since that will have a positive impact on their business. But, it may also be tempting for some banks to limit foreseeability when it comes to the risks that do not threaten reputation and business, but could cause negative E&S impacts. A key way to limit foreseeability is to reduce the specificity in the transactions 'use of proceeds.'

Banks continue to finance projects and companies, such as Gunvor, even after major corruption issues come to light.

Use of proceeds

Use of proceeds is the statement of how a company will apply the proceeds from a loan or bond deal within their area of activities. The Equator Principles defines use of proceeds as "the information provided by the client on how the borrowings will be used".[136] Typically, oil project finance is the 'use of proceeds' type that is the most specific in terms of activities and geography and therefore is more traceable. For that reason project finance is more commonly subjected to exclusions and screens than other types. Other 'use of proceeds' types may be less traceable, including working capital, trade finance, capital expenditures, acquisition financing, and the most broad: general corporate purposes (GCP). GCP is defined by the law firm Latham & Watkins as a "code phrase meaning generally anything the law allows" and "The loosest way to designate use of proceeds."[137] This definition suggests that GCP and other broad categories may provide little to no information for due diligence.

The specificity of the use of proceeds can be integral to risk categorization. For example, project-related risk categorization, such as the rubric used by Citibank, relies on the use of proceeds to determine which category of risk, from low to high, a transaction will fall into.[138] That category, in turn, determines the magnitude of potential E&S impacts associated with a transaction and, broadly, the degree to which the bank will vet the transaction. If a use of proceeds is broad, containing various activities with different levels of risk, categorizing and directing the review process may become more complex. If the use of proceeds is 'anything the law allows', as GCP is defined, then risk categorization may be impractical or impossible.

This report uses the Amazon Banks Database[139] to assess the structures of 565 transactions totaling an estimated $575 billion USD financed by 280+ banks to 80+ oil and gas companies who have had activities in Amazonia over the past 20 years. Out of this total, 52% of all financing, or $300 billion USD in 223 deals, is for general corporate purposes. Adding similarly broad categories such as capital expenditures and working capital (hereafter referred to as GCP+), increases the share to 78%, or $447 billion USD in 352 transactions.

This suggests that the vast majority of the 'use of proceeds' in Amazon-exposed financing is too broad to adequately foresee the threat and trigger sufficient due diligence to prevent or mitigate environmental and social issues on the ground. For the top banks involved in Amazon oil and gas related financing, this trend is consistent. Table 2 shows the breakdown by bank between syndicated GCP+ transactions, project financing, and other use of proceeds across all Amazon-exposed financing.

This opens up an interesting conundrum, because the more specific the 'use of proceeds' is, the more risks banks can foresee and the more due diligence they can apply, resulting in fewer transactions approved. It seems logical that the inverse scenario is also true, e.g., the less specific the 'use of proceeds' is, the less risk banks can foresee, leading to less due diligence and more transactions approved.

	% SYNDICATED GCP+ BONDS AND LOANS	% PROJECT FINANCING	% OTHER USE OF PROCEEDS
JPMorgan Chase	78%	4%	18%
Citibank	77%	6%	18%
Itau Unibanco	74%	4%	22%
Banco Santander	70%	5%	24%
Bank of America	79%	5%	17%
HSBC	78%	11%	11%

Table 2. The proportions of syndicated GCP+ transactions, project finance transactions and other use of proceeds. The trends per bank are similar and show an overwhelming majority of the fossil fuel financing deals in the Amazon Banks Database lack specific information to identify and manage E&S risks.

THE INVERSE SCENARIO

According to the OECD's criteria, banks' assessments of their roles in causing adverse impacts depend on whether the banks financed clients knowing how the money would be spent (use of proceeds) and knew about the risks involved (foreseeability) but still did not act accordingly to vet the clients or transactions (due diligence). This illustrates a key relationship between information and contribution – **where the more a bank knows, the more it will be compelled to act.**

It may therefore also be the case that a bank may contribute less to the adverse impacts caused by its client if the bank financed the client not knowing how the money would be spent and therefore not knowing about the risks involved. The bank would then not detect higher risk and not apply enhanced due diligence – **where the less a bank knows, the less it will be compelled to act.** Interestingly, under this inverse scenario the bank would still be applying seemingly adequate due diligence, since there is less information to trigger enhanced due diligence (exclusions and screens), and would therefore still manage reputation risk. It would also still manage business value risk, since the bank is not severely curtailing its business if it allows more transactions to be approved.

However, the bank is no longer managing risks to people and nature. In the inverse scenario, those risks are now externalized and the test of contribution is not effective because the bank has less information about how the proceeds from its financing will be spent and will not identify its contribution to adverse impact. Therefore, it will not be compelled to avoid and/or mitigate those impacts, **even as the bank continues to benefit from managing reputational risk.**

However, if a bank is operating in such a way, its claims that its policies address adverse E&S risks could be considered greenwashing. One way to check is to examine the effect of deal structures on 'use of proceeds' and foreseeability.

The influence of deal structure

'Deal structure', understood as the characteristics of a financial transaction, is key to how banks manage the risk of adverse impact to people and nature by influencing their information about how proceeds will be spent. It also influences the leverage banks have over their clients to mitigate adverse impacts. Low information, low liability deal structures do not violate ESRM policies because they influence risk categorization and prioritization in a way that doesn't trigger enhanced due diligence.

After analyzing over 550 transactions currently included in the Amazon Banks Database, the most common deal structure is a syndicated general corporate purpose bond or loan.

72% of all financing in the Amazon Banks Database is structured like this. That means that almost three-quarters of the fossil fuel financing threatening Amazonia is structured in such a way that banks providing the financing cannot foresee risks to people and nature or adequately mitigate risks if they occur.[140]

Syndicated GCP bonds make up 49% of the transactions in the database, or an estimated $276 billion USD. By adding syndicated GCP loans (23%), the total goes to an estimated $402 billion USD (see Figure 6). General Corporate Purpose also includes working capital and capital expenditure, as well as transactions where the use of proceeds is 'not disclosed.'

This suggests a major gap between bank policies on paper and their real-life ability to de-risk deals for adverse E&S impacts. In an ESRM framework, syndicated GCP deal structures might seem to be antithetical to good due diligence, but for frameworks designed to protect bank business value, that structure may limit liability and leverage in a way that impacts the bottom line positively while still appearing to apply due diligence.

Furthermore, banks tend to emphasize exclusions and negative screens for deals that are project-related, but deals that can be identified as such in the Amazon Banks Database make up an estimated 8% of the total value of transactions in the database and account for only 44 transactions out of a total of 565. Fewer banks make concessions for corporate financing, and even then they create revenue or production thresholds that do not restrain the bank from providing financing to larger fossil fuel companies with diversified production and revenue streams.[141]

Finally, while this analysis suggests that deal structure may provide potential loopholes in ESRM policies that allow banks to keep financing fossil fuel companies, there is no evidence that structuring deals in this manner has a negative impact on bank business value, and especially reputation. A bank may be able to have a policy on biodiversity, for example, but structure deals in such a way that still maximizes the bank's ability to profit. Seen from this perspective, ESRM policies may allow banks to manage reputational risk by seeming 'green' while limiting the ability of those policies to impact their bottom lines.

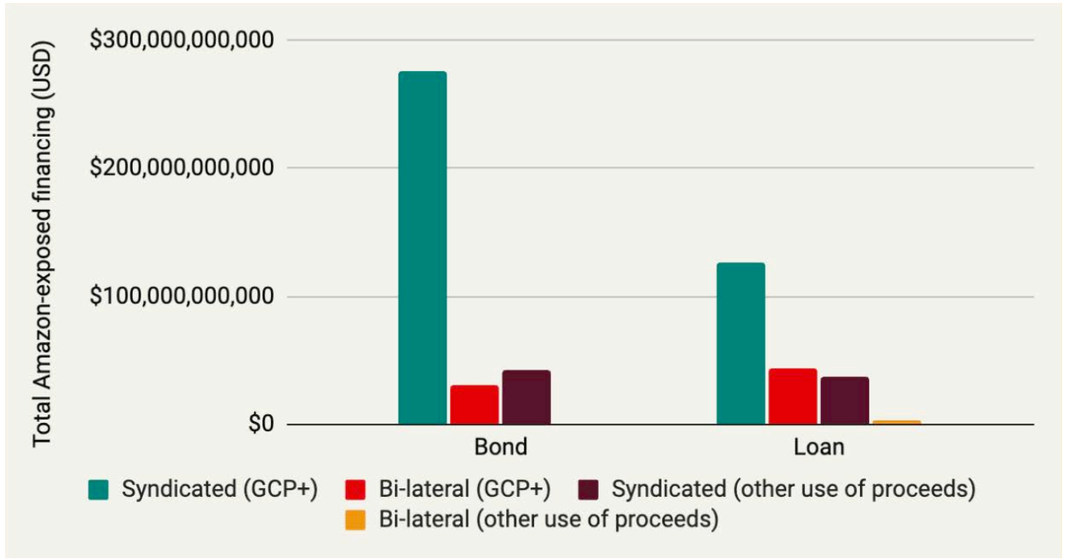


Figure 6. Use of proceeds for all financing in the Amazon Banks Database. GCP bonds are the biggest segment and also give banks the least opportunity for applying due diligence and identifying adverse impacts. Source: Amazon Banks Database, Stand.earth Research Group.

Leverage

According to the OECD, if the bank is linked to an adverse impact through its business relationship to a client, it must use its leverage over the client and in other relationships (e.g., involvement in banking alliances such as the UN Principles for Responsible Banking) to influence the entity causing the adverse impact. This is done in order to prevent or mitigate the impact and, where relevant, remedy it. The OECD also states that if a bank has contributed directly to an impact (e.g. not just through a client), it can use its leverage with the client, but it must also contribute to the remedy directly or contribute to ceasing or preventing a potential impact.[142]

In both cases, leverage – where a bank uses their influence to gain an advantage – hinges on the idea that banks can reduce the impacts of their financing by providing clients with support for transitioning away from harmful practices.[143] This argument works well for banks because implicit in it is the idea that the way to reduce the impacts from oil and gas is not to exclude those clients, but to lean towards them with more resources and opportunities to voluntarily produce a transformation. A classic example is banks staying engaged with fossil fuel clients in order to help them transition to less harmful activities. In these scenarios, a bank may argue that it needs to be working with the company in order to use its leverage as the financier to move the company along. Banks can provide opportunities for capacity and awareness building, and help companies improve performance and transition plans – all typically done through bilateral discussion.[144]

The problem with that approach is that success in mitigating adverse impacts relies heavily on the bank's ability to leverage their clout over their client in a bilateral (1:1) relationship and in a way that presents new financial opportunities for the bank. However, the syndicated structure of many large transactions for fossil fuel financing suggests that banks may not have the leverage they need to positively influence their fossil fuel clients.[145]

Banks have less leverage but incur less risk in syndicated transactions – where several banks finance or underwrite together on a transaction in order to limit each bank's exposure. In syndicated transactions, banks have to pool leverage and agree on ESRM policies to apply to the deal. These actions are subject to market conditions, e.g., the degree of competition between banks, which typically favors the client and leads to less strict due diligence as banks compete with each other.[146]

When comparing financial products, banks also have less leverage in bonds compared to loans. In bond issuances, the relationship with the client is mostly before the transaction is agreed. Unlike loans, the bank does not continue to have a borrowing relationship with the client because there is no timeline for the client to repay the debt. In bond insurances, banks underwrite the issuance by buying the bonds from the company and reselling them to investors. That means that there is less opportunity for a bank to influence how the proceeds from the issuance are spent by the company, since the transaction is complete once the bonds are released.

Perhaps the least amount of leverage possible is in a general corporate purpose, syndicated bond. A syndicated GCP bond deal is the least effective means for a bank to apply their ESRM framework. There is very little leverage, only an up-front ability to assess for adverse impacts based on corporate-level screening, no comprehensive picture of the use of proceeds, and less opportunity to de-risk activities or mitigate impacts once the bond issuance is complete.[147]

In the OECD and UNGP guidelines for a bank's responsibility with regards to financing adverse impacts, adequate due diligence is the best means of reducing banks complicity in their client's activities.[148] When financing deals are arranged with insufficient information and leverage – as can be the case with syndicated bond transactions – it compromises the effectiveness of banks' due diligence processes. This leads to weaker risk management and increases the chances of banks funding companies and projects that may result in negative E&S consequences for the areas and communities involved.

The UNGP states that "A financial business is required to consider ending a business relationship where it lacks leverage and cannot increase its leverage."[149] This report suggests that banks are commonly in the position where they should be ending business relationships for these reasons, but instead are touting leverage they do not actually have in order to maintain their clients and protect their business value.

MAPPING BANK POLICY COVERAGE

As stated in the section on due diligence, even if a bank identifies E&S values, it may have insufficient policy coverage to reduce the risks. In this analysis, policy coverage is the extent to which value is identified in the ESRM framework. For example, a policy may identify and prioritize a value such as biodiversity, but only consider assessing risk in certain contexts such as World Heritage Sites and/or for project financing only and with loopholes that allow financing in World Heritage Sites with government approval.[150] Outside of those contexts, the bank may not be screening transactions and clients that pose risks to biodiversity.

To assess policy coverage for the top 6 banks providing direct financing to the oil and gas sector in Amazonia, a detailed spatial analysis based on the key E&S values in Figure 5 was conducted. The analysis includes protected areas, Ramsar sites, biodiversity, intact forests, and Indigenous Peoples territories. Where these values were identified in each bank's ESRM framework, the associated coverage was mapped. These top 6 banks - JPMorgan Chase (JPMC), Citibank, Itaú Unibanco, Santander, Bank of America, and HSBC- are responsible for almost half (47%) of all direct financing for oil and gas in the Amazon over the past 20 years.

The detailed mapping analysis below shows how each of the six banks' policies leaves significant gaps in ESRM coverage for Amazonia. The exclusions and screens that comprise a bank's enhanced due diligence in their ESRM policy were reviewed and categorized. On the bank coverage maps, the extent of each exclusion from each bank's ESRM policy is identified by the value it protects, represented as a solid color. Screens are likewise identified and are represented as a hatched pattern.

Oil and gas blocks are color-coded by the level of financing provided by each respective bank over the last 20 years. While outside of the RAISG definition of Amazonia, the 'Foz do Amazonas' or Mouth of the Amazon is an area that is adjacent. These areas are mutually beneficial and deserve protection. There is no mapping available for E&S values in the Foz do Amazonas. Nevertheless, bank coverage maps show the oil and gas blocks in this area, and indicate if banks have provided any financing for companies exploring for oil and gas.

Overall, the analysis reveals that most of these bank ESRM policies do not meaningfully identify the E&S values in Amazonia nor address the risks of adverse impacts and function to avoid or mitigate them. With the exception of HSBC, the banks do not have major exclusion areas for any of the key values and while coverages for screens are higher, they are still under 50% of the total area of Amazonia (see Table 3).

These top financiers covered an average of 41% of Amazonia with exclusions and screens. This would be 29% if HSBC's Amazonia-wide exclusion was not bringing up the average.

Furthermore, almost all of the biodiversity related exclusions (except Santander) apply only to project-related transactions, while a mere 6% of all transactions that the top 6 banks are involved have 'project financing' in the use of proceeds, according to the Amazon Banks Database. That is, project-related financing is a very small proportion of the financing that these banks have provided over the past 20 years to companies with Amazon oil and gas activities, yet it is the main focus of their due diligence efforts.

Likewise, all of the bank policies to implement a consultation process for FPIC are screens restricted to project financing transactions. Most of the policies reference the Equator Principles, which only applies to loans – not bonds. However, half of the project financing transactions in the analysis are bonds, which are excluded from the Equator Principles.

	EXCLUSION (MHA)	%	SCREEN (MHA)	%	TOTAL RISK	%	NO RISK	%
JPMC	16,660,697	2%	115,794,507	14%	132,455,204	16%	714,816,671	84%
Citibank	16,660,697	2%	374,463,585	44%	391,124,282	46%	456,147,593	54%
Itau Unibanco	0	0%	0	0%	0	0%	847,271,875	100%
Santander	132,902,986	16%	200,426,359	24%	333,329,345	40%	513,942,530	60%
Bank of America	0	0%	381,325,642	45%	381,325,642	45%	465,946,233	55%
HSBC	847,271,875	100%	-	-	847,271,875	100%	0	0%

Table 3. The total area of exclusions and screens for each of the banks, out of a total of 847 Mha in Amazonia. Source: Stand.earth Research Group.

Citibank

Citibank has an exclusion covering 2% of Amazonia and screens that cover another 44% of the region. Citibank's Environmental and Social Policy Framework has an exclusion for project-related financial services on projects that negatively impact the Outstanding Universal Value of UNESCO World Heritage Sites.[151] These areas are in solid green and cover an est. 16 million ha of Amazonia, or only 2% of the total region (see Figure 8). Development in these areas is generally prohibited even if exclusions were not in place. Project-related finance is around 18% of Citibank's est. $2.3 billion USD in direct financing for Amazon oil and gas over the past 20 years.[152] Given the small area of the Amazon the exclusion covers and that project-related transactions are a minority in Citibank's deals, this exclusion seems to be of very limited value as a risk management tool.

The hatched areas are Citibank's negative screens for IUCN protected areas I-IV, key biodiversity areas, and high conservation values, per Citibank's policy that "recognizes that protecting and conserving areas of critical habitat, significant biodiversity and/ or high conservation value, including legally protected areas, is key to high-quality E&S risk management."[153] Where there is a high risk of direct impacts to these values, explicitly including the Amazon Rainforest and the Cerrado, the bank commits to enhanced due diligence (screens) on biodiversity risks for all transactions.

These screens cover approx. 375 million ha of Amazonia, or about 44% (see Table 3) of the region. Screens also include Indigenous Territories, but only for project financing, per Citibank's policy that recognizes "the importance of cultural heritage for current and future generations, and seek to protect areas of significant cultural heritage and value from the adverse impacts of project activities."[154] The policy also excludes companies where due diligence indicates that they are active in illegal logging, which covers all transactions related to forestry and agriculture but not oil and gas.

While Citibank has identified some key E&S values, it is unclear how the bank would enforce the screening requirements in the Amazon. According to the Amazon Banks Database, an estimated 55% of its direct financing to the region (est. $1.3 billion USD) is in bond underwriting deals that are syndicated (See Table 4), which provide minimum leverage for the bank to influence the company to mitigate adverse impacts to biodiversity, or even enough of an ongoing relationship regarding the deal for the bank to know if adverse impacts have occurred. Additionally, the syndicated nature of the deals would put Citibank at a disadvantage when it comes to applying screens, since the bank must agree on these terms with several other banks, who are also Citibank's competitors. Finally, 59% of the total direct financing (est. $2.3 billion USD) is for general corporate purposes (syndicated and bi-lateral transactions), which means that the information required to identify E&S risks may not be available to apply adequate due diligence.

SYNDICATION	USE OF PROCEEDS	BONDS (USD) INDICATOR FOR MAPPING	LOANS (USD)	TOTAL (USD)	% BONDS	% LOANS	% TOTAL
SYNDICATED	GCP+	$513,215,667	$229,731,493	$742,947,160	22%	10%	32%
	Project financing	$225,000,000	$187,522,800	$412,522,800	10%	8%	18%
	Other	$533,759,490	$17,098,824	$550,858,313	23%	1%	24%
SUBTOTAL		$1,271,975,156	$434,353,117	$1,706,328,273	55%	19%	73%
BILATERAL	GCP+	$615,339,981	$0	$615,339,981	27%	0%	27%
	Project financing	$0	$0	$0	$0	0%	$0
	Other	$0	$0	$0	0%	0%	0%
SUBTOTAL		$615,339,981	$0	$615,339,981	27%	0%	27%
GRAND TOTAL		**$1,887,315,137**	**$434,353,117**	**$2,321,668,254**	**81%**	**19%**	**100%**

Table 4. Out of a total est. $2.3 billion USD in direct financing for Amazon oil and gas over the last 20 years, Citibank's transactions have predominantly been syndicated bonds. 'GCP+' refers to use of proceeds including: General Corporate Purpose (GCP), capital expenditures, working capital and where use of proceeds was not specified. Source: Stand.earth Research Group's Amazon Banks Database.

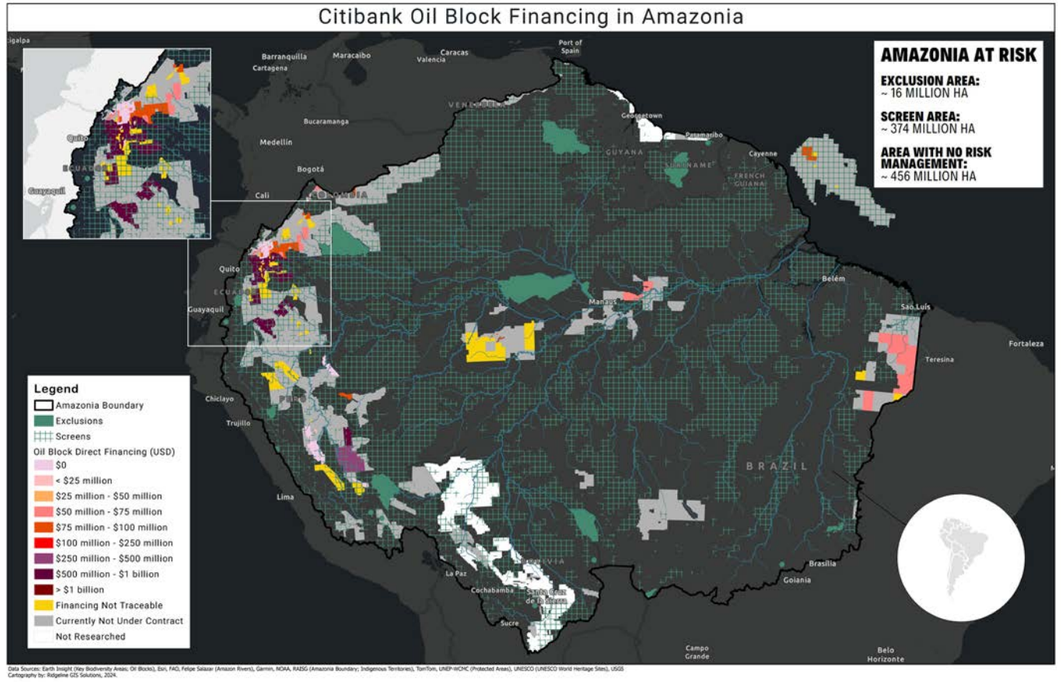


Figure 8. Risk management (green) across Amazonia, according to Citibank's 2023 Environmental and Social Policy Framework. Oil and gas blocks are identified by the level of financing provided by the bank over the last 20 years. Source: Stand.earth Research Group.

While Citibank states in the framework that "we have an imperative to respect and support the environment and human rights in our operations, supply chain and client transactions,"[155]it is not clear how the bank is making up the difference between the ambition on paper and the barriers to good risk management in practice.

For example, Citibank was a lead manager on a $500 million USD bond deal for Hunt Oil Peru in 2023, along with Bank of America and JPMC and Creditcorp.[156] As detailed in the case studies from Peru, Hunt Oil Peru is involved in the Camisea Gas Project, which is impacting Uncontacted Peoples in PIACI reserves overlapping Block 88. Financing Hunt Oil seemingly contradicts the bank's imperative to respect human rights in client transactions and their screen for protecting cultural heritage and values from adverse impacts of projects. Especially as Hunt Oil Peru, as well as Hunt Oil, and Peru LNG (50% owned by Hunt Oil) have been clients of Citibank since 2011 – long enough to know the human rights abuses the project has wrought on Indigenous Peoples. Despite Hunt Oil's well-documented history of human rights abuses, most of Citibank's $420 million financing to Hunt Oil is not covered by its ESRM policy because most of the transactions are for syndicated general corporate purpose bonds. Citibank's ESRM policy on human rights only covers loans for specific projects, not bond offerings.

Citibank's ESRM framework has identified several key values in Amazonia, but the coverage is mostly screens, some limited to transactions involving project financing, which gives the bank a lot of leeway if and how it applies the policy. Also, the bank has mostly prioritized transactions that are syndicated bonds and loans with broad use of proceeds (e.g. general corporate purposes). These types of transactions restrict the bank's ability to apply due diligence and identify adverse impacts. An additional implication of this type of operations is that the bank also generally has less leverage in these types of deals, which limits its capacity for impact mitigation.

JPMorgan Chase

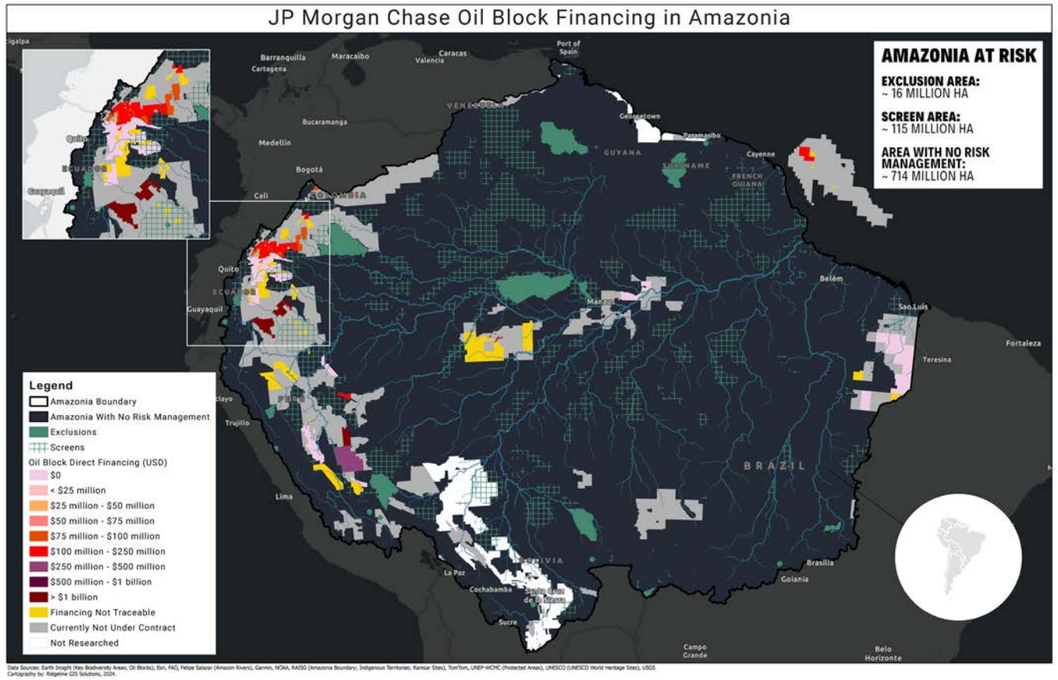


Figure 7. Risk management (green) across Amazonia, according to JPMorgan Chase's 2022 ESG Report. Oil and gas blocks are identified by the level of financing provided by the bank over the last 20 years. Source: Stand.earth Research Group.

JPMorgan Chase (JPMC) has an exclusion covering 2% of Amazonia and screens that cover another 14% of the region. The bank's 2022 ESG report provides details about its exclusion and screen policies for financing transactions.[157] According to the report, JPMC has an exclusion for project financing and other forms of asset specific financing within UNESCO World Heritage Sites, which comprise only 2% of the Amazon and are generally prohibited areas for development. The map in Figure 7 shows these areas in green. JPMC's exclusion policy on UNESCO World Heritage Sites has an exception for cases in which government authorities and UNESCO agree that operations will not adversely affect the Outstanding Universal Value of the site.[158]

The bank's policy has screens covering all financing types that could adversely impact UNESCO World Heritage sites, UNESCO Biosphere Reserves, Ramsar sites and legally protected areas represented on the map by IUCN protected areas categories I-IV. These areas provide an additional 116 million ha. of coverage for JPMC's risk management policy across Amazonia, which comprises 14% of the geographic region defined in this report as Amazonia.

The bank's ESG policy vaguely recognizes "Habitats of biodiversity importance"[159], yet JPMC's policies fail to protect an estimated 84% of Amazonia. This includes 277 million hectares of intact forests[160] and 238 million hectares of Indigenous Territories[161] – all of which possess significant biodiversity values. It is unclear how the bank can acknowledge these key environmental values, but then drastically restrict their identification across Amazonia.

JPMC previously published an Environmental and Social Policy Framework dated Oct. 8, 2021, but as of April 2024 it was not available on the bank's website under any ESG related reporting or references.[162] However, in the 2022 ESG report, in the appendix titled "Prohibited Activities and Sensitive Sectors Activities and Locations" the bank makes it clear that it reserves the right to change its exclusions and screens at any time without any notice, and apply screens however it sees fit.[163] So, it is not clear if the 2021 policy still applies or has been changed without notice. Importantly, the ESG report appendix walks back a number of key commitments that the bank previously made in their 2021 ESR framework.

For example, IUCN multiple use areas, previously mentioned in the same clause as IUCN strictly protected areas, are no longer explicitly mentioned as being subject to screening. Likewise, key biodiversity areas are no longer explicitly listed. Transactions that impact Indigenous Peoples were previously listed as a negative screen for the bank; however, this clause is also no longer explicitly mentioned in the ESG report.[164]

In March 2024, JPMC withdrew from the Equator Principles (EP)[165], which is still listed as the only means by which JPMC assesses the adverse impacts of its financing decisions on Indigenous Peoples.[139] However it is important to highlight that from 2006 – 2023 when it was a signatory, there are no qualifying projects in the Amazon reported by JPMC in its EP reporting.[167]

Meanwhile, in 2023 alone, JPMC provided an estimated $ 126 million USD in new direct financing for oil and gas production in the Colombian Amazon for Ecopetrol, and Gran Tierra.[168] Also in 2023, JPMC was a leading financier of Hunt Oil in Peru, who is a partner in the Camisea Gas Project, for an additional $125 million USD in direct financing.[169] Although these transactions are flowing to activities that pose risks to people and nature and threaten globally important areas of biodiversity and the territories of uncontacted peoples, they were still permitted under current JPMC policy. As well as issues with the policy's limited coverage, deal structure may also be weakening due diligence. According to the Amazon Banks Database, 34% of JPMC's transactions that are directly related to Amazon oil and gas are for syndicated bonds or loans that are for general corporate purpose or similarly broad 'use of proceeds' that would limit information and foreseeability and impede proper due diligence (see Table 5).

SYNDICATION	USE OF PROCEEDS	BONDS (USD) INDICATOR FOR MAPPING	LOANS (USD)	TOTAL (USD)	% BONDS	% LOANS	% TOTAL
SYNDICATED	GCP+	$513,760,846	$246,336,042	$760,096,888	23%	11%	34%
	Project financing	$700,833,333	$185,714,286	$886,547,619	31%	8%	39%
	Other	$580,625,473	$20,400,000	$601,025,473	26%	1%	27%
SUBTOTAL		$1,795,219,653	$452,450,328	$2,247,669,980	80%	20%	100%
BILATERAL	GCP+	$5,025,126	$0	$5,025,126	0%	0%	0%
	Project financing	$0	$0	$0	$0	0%	$0
	Other	$0	$0	$0	0%	0%	0%
SUBTOTAL		$5,025,126	$0	$5,025,126	71%	0%	71%
GRAND TOTAL		**$1,800,244,779**	**$452,450,328**	**$2,252,695,107**	**80%**	**20%**	**100%**

Table 5. Out of a total est. $2.3 billion USD in direct financing for Amazon oil and gas over the last 20 years, JPMC's transactions have predominantly been syndicated bonds. 'GCP+' refers to use of proceeds including: General Corporate Purpose (GCP), capital expenditures, working capital and where use of proceeds was not specified. Source: Stand.earth Research Group's Amazon Banks Database.

Itaú Unibanco

Itaú Unibanco does not have any exclusions or screens that apply to oil and gas operations in Amazonia. Itaú has established several policies to address E&S risks. However, these policies do not clearly specify the E&S values the bank aims to protect, how these values are addressed across various sectors and transaction types, or the methods Itaú will use to identify and mitigate adverse impacts. Itaú has several policy documents that discuss its risk management framework, stating that clients operating in sensitive sectors (including oil and gas) are assessed by a specific E&S risk methodology.[170] The bank's 2022 ESG Report states that oil and gas is a 'sensitive sector', meaning that it assesses social and environmental risks including air emissions, climate change, hazardous materials, effluents, consumption of natural resources, and contamination of water or soil.[171]

However, the bank has no list of exclusions and screens, either cross-sectoral (e.g. for biodiversity or human rights) or specific (e.g. for risks specific to the oil and gas sector) and their list of exclusions related to human rights does not cover violations of the rights of Indigenous Peoples.[172] Without explicit commitments to key E&S values, there is no information to map for Itaú's risk management coverage in Amazonia.

While the bank clearly has a screening process, its policy states that "the types of products and operations subject to E&S risk assessment and the related specific guidelines are described in internal procedures and manuals".[173] An extensive search[174] could not find documents that provide details committing the bank to a predictable course of action when it comes to its oil and gas clients in Amazonia, except for those project finance transactions that qualify under the Equator Principles. According to the bank policy, in the event that an operation fits the criteria set by the Equator Principles, the project will have to comply with the International Finance Corporation (IFC) Performance Standards,[175] including standards around biodiversity and Indigenous Peoples' rights.

SYNDICATION	USE OF PROCEEDS	BONDS (USD) INDICATOR FOR MAPPING	LOANS (USD)	TOTAL (USD)	% BONDS	% LOANS	% TOTAL
SYNDICATED	GCP+	$381,535,524	$1,070,000	$382,605,524	20%	0%	20%
	Project financing	$29,796,000	$0	$29,796,000	2%	0%	2%
	Other	$139,680,382	$0	$139,680,382	7%	0%	7%
SUBTOTAL		$551,011,906	$1,070,000	$552,081,906	29%	0%	29%
BILATERAL	GCP+	$1,213,247,350	$0	$1,213,247,350	63%	0%	63%
	Project financing	$167,978,034	$0	$167,978,034	9%	0%	9%
	Other	$0	$0	$0	0%	0%	0%
SUBTOTAL		$1,381,225,384	$0	$1,381,225,384	71%	0%	71%
GRAND TOTAL		**$1,932,237,289**	**$1,070,000**	**$1,933,307,289**	**100%**	**0%**	**100%**

Table 6. Out of a total est. $1.9 billion USD in direct financing for Amazon oil and gas over the last 20 years, Itaú's transactions are predominantly in bilateral GCP+ bonds. 'GCP+' refers to use of proceeds including: General Corporate Purpose (GCP), capital expenditures, working capital and where use of proceeds was not specified. Source: Stand.earth Research Group's Amazon Banks Database.

Itaú indicates that no projects were rejected based on its E&S risk management policies: "In 2022, we monitored 31 project finance contracts, analyzed 244 new project-related structured transactions, including real estate projects, and no (0) project finance transaction was rejected for E&S reasons."[176] A review of the transactions captured in the Amazon Banks Database reveals that 99.9% of the deals related to Amazon oil and gas that Itaú has been a part of in the last 20 years, do not even qualify for review under the Equator Principles because they are bond issuances, not loans (see Table 6).[177] These transactions were related to Eneva, Frontera, Geopark, Petrobras, Petroquimica Comodoro Rivadavia SA and Transportadora de Gas del Peru SA – all major players in the Amazon oil and gas industry. 83% of the transactions were for general corporate purposes, although these companies are specifically involved in oil and gas exploration and development (see Table 6).

The bank, together with Santander and Bradesco, is involved in the Amazon Plan,[178] which reportedly aims to tackle deforestation from the beef industry and provide financing for sustainable agriculture. This plan, however, does not address Itaú's extensive support for oil and gas extraction in Amazonia. Since 2019, Itaú has provided an estimated $1.3 billion USD in direct financing to Eneva S.A. – the company behind the Parnaiba Gas Complex which is estimated to be capable of producing more than 1 gigaton of CO2e emissions in its lifetime, making it one of Amazon's biggest carbon bombs.[179]

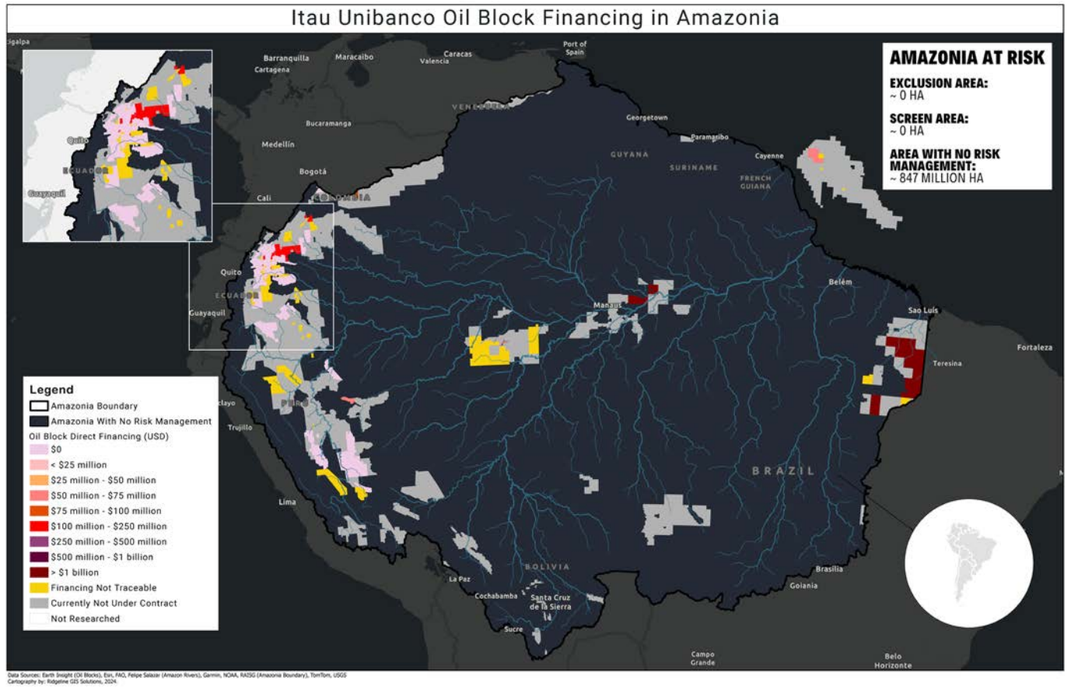


Figure 9. Risk management (green) across Amazonia, according to Itaú's E&S policies and ESG reporting. Oil and gas blocks are identified by the level of financing provided by the bank over the last 20 years. The dark red is Eneva's gas projects in Brazil. Source: Stand.earth Research Group.

Santander

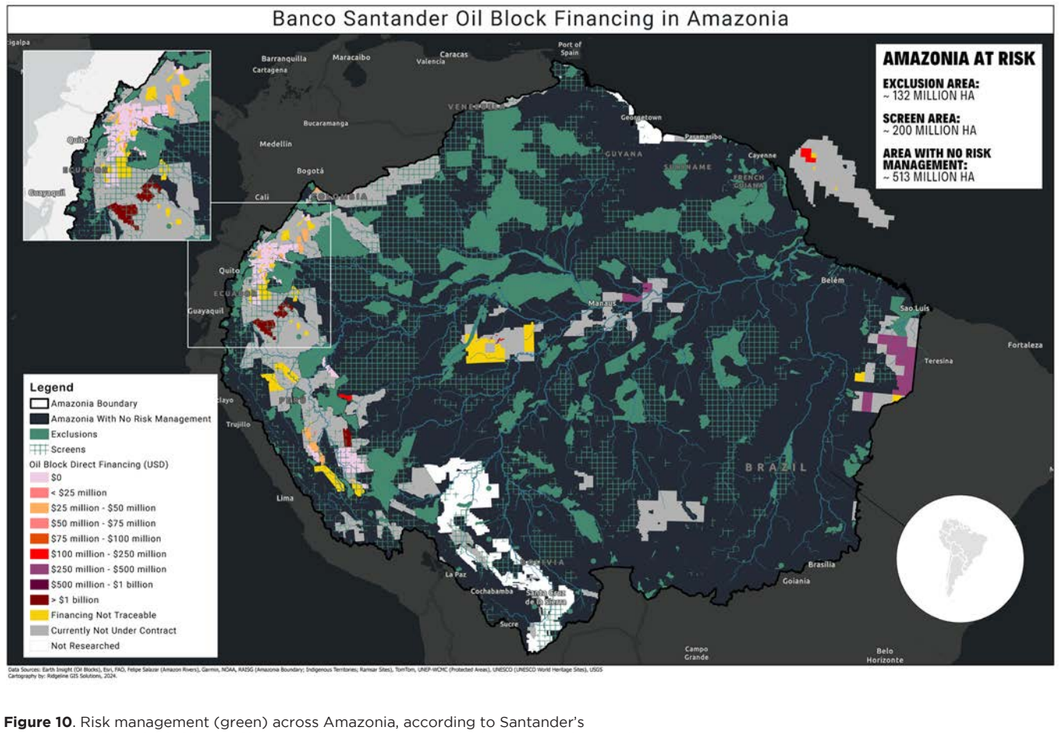


Figure 10. Risk management (green) across Amazonia, according to Santander's Environmental, Social & Climate Change Risk Management: Activities that require special attention and prohibited activities". Oil and gas blocks are identified by the level of financing provided by the bank over the last 20 years. Source: Stand.earth Research Group.

Banco Santander has exclusions covering 16% of Amazonia and screens covering another 24% of the region. Santander has one of the most extensive exclusion policies, covering 16% of Amazonia (133 million ha) with prohibitions of financing oil and gas in UNESCO World Heritage Sites, Ramsar sites, and IUCN protected areas categories I-IV (legally protected areas) (see solid green areas in Figure 10).[180] Unlike other banks, Santander's exclusions cover all transactions, not just project financing. Santander will not directly invest in and/or provide financial products and/or services to any projects or activities for oil and gas extraction, power generation or transmission, which put areas classified as Ramsar sites, World Heritage Sites or by the IUCN as categories I,II,III or IV at risk. The policy also prohibits new upstream oil and gas clients and project financing for new oil fields whose approval for development occurred after May 2021.

Santander has an exclusion for projects that do not have a credible action plan to achieve a consultation process for FPIC, but considers meeting IFC Performance Standard 7 sufficient although there are serious issues with the efficacy of the IFC approach. The bank also screens companies in the oil and gas sector for any activities that involve the resettlement of Indigenous Peoples and/or vulnerable groups. In Figure 10, Indigenous territories are mapped as screens but these only apply to project finance. According to the Amazon Banks Database, syndicated project finance transactions are the most prevalent (64%) deal structure for direct financing transactions (see Table 7).

Santander also has screens for any clients involved in exploration, development, production (including drilling) for oil and gas as well as midstream (including pipelines and oil traders) and downstream activities (e.g. refineries). These screens cover an additional 200 million ha of Amazonia, leaving 60% of Amazonia with no risk management.

SYNDICATION	USE OF PROCEEDS	BONDS (USD) INDICATOR FOR MAPPING	LOANS (USD)	TOTAL (USD)	% BONDS	% LOANS	% TOTAL
SYNDICATED	GCP+	$185,533,771	$21,070,843	$206,604,614	14%	2%	15%
	Project financing	$638,333,333	$227,796,453	$866,129,786	47%	17%	64%
	Other	$10,020,391	$20,400,000	$30,420,391	1%	2%	2%
SUBTOTAL		$833,887,495	$269,267,296	$1,103,154,791	61%	20%	81%
BILATERAL	GCP+	$246,158,664	$10,500,000	$256,658,664	18%	1%	19%
	Project financing	$0	$0	$0	0%	0%	0%
	Other	$0	$0	$0	0%	0%	0%
SUBTOTAL		$246,158,664	$10,500,000	$256,658,664	18%	1%	19%
GRAND TOTAL		**$1,080,046,159**	**$279,767,296**	**$1,359,813,454**	**79%**	**21%**	**100%**

Table 7. Out of a total est. $1.4 billion USD in direct financing for Amazon oil and gas over the last 20 years, Santander's transactions are predominantly in syndicated project financing. 'GCP+' refers to use of proceeds including: General Corporate Purpose (GCP), capital expenditures, working capital and where use of proceeds was not specified. Source: Stand.earth Research Group's Amazon Banks Database.

Santander is the only bank to have a high proportion of project finance deals, but it is not clear how these deals trigger enhanced due diligence. For example, Santander has provided Petroperu with over $1 billion USD in project financing since 2017 in four transactions. Three of those transactions, totalling over $800 million USD, were syndicated deals for project finance, but because Santander was underwriting bonds and not providing a loan, none of the transactions qualified for the Equator Principles, which only applies to loans. It is not clear from the policy if the requirement for a credible action plan to achieve FPIC would apply to project financing that doesn't meet the criteria for the Equator Principles. The other deal, a syndicated project finance loan in 2018 may have qualified, but it is not clear because Santander's reporting for the Equator Principles does not go back that far.

Additionally, the deals were for PetroPeru's billion dollar upgrade of the Talara Refinery, which should trigger at least a screen for the company's role as a refiner. PetroPeru is the block operator, pipeline owner, and refinery owner in this scenario. It's unclear how Santander could justify being a part of the Talara upgrade given the demand pressure the refinery will put on oil production in Blocks 64 and 192 in the Peruvian Amazon and the history of adverse impacts described in the Peruvian case study.

While Santander has achieved a good level of value identification and coverage in its policy, it is unclear how well it has identified adverse impacts and considered its role as a contributor to those impacts.

Bank of America

SYNDICATION	USE OF PROCEEDS	BONDS (USD) INDICATOR FOR MAPPING	LOANS (USD)	TOTAL (USD)	% BONDS	% LOANS	% TOTAL
SYNDICATED	GCP+	$405,213,615	$169,724,176	$574,937,792	32%	13%	45%
	Project financing	$367,500,000	$0	$367,500,000	29%	0%	29%
	Other	$318,815,382	$0	$318,815,382	25%	0%	25%
SUBTOTAL		$1,091,528,997	$169,724,176	$1,261,253,174	86%	13%	99%
BILATERAL	GCP+	$0	$7,000,000	$7,000,000	0%	1%	1%
	Project financing	$0	$0	$0	0%	0%	0%
	Other	$0	$0	$0	0%	0%	0%
SUBTOTAL		$0	$7,000,000	$7,000,000	0%	1%	1%
GRAND TOTAL		**$1,091,528,997**	**$176,724,176**	**$1,268,253,174**	**86%**	**14%**	**100%**

Table 8. Out of a total est. $1.3 billion USD in direct financing for Amazon oil and gas over the last 20 years, Bank of America's transactions are predominantly in syndicated GCP+ deals. 'GCP+' refers to use of proceeds including: General Corporate Purpose (GCP), capital expenditures, working capital and where use of proceeds was not specified. Source: Stand.earth Research Group's Amazon Banks Database.

Bank of America has screens that cover 45% of the region. Bank of America has a cross-sectoral exclusion for all types of transactions for UNESCO World Heritage Sites "unless there is prior consensus from both the host government authorities and UNESCO that such operations will not adversely affect the Outstanding Universal Value of the site."[181]

The bank also has screens for high conservation values and areas of intact forest in its Forest Practices Policy, which include oil and gas exploration in its list of resource extraction activities but applies only to project financing.[182] The bank indicates that it will use its due diligence measures to assure that lending proceeds are not used to finance projects or operations that result in resource extraction or clearing of primary tropical forests and intact forests, or high conservation values (HCV), but allows HCV clearances if the project carries the required certifications. While this policy seems to include oil and gas exploration, the policy is only mentioned in the Environmental and Social Risk Policy framework in relation to forestry, leading to some confusion about how the bank applies this policy to oil and gas.

These measures, aimed at addressing the risk of oil and gas to biodiversity and intact forests, would barely impact the adverse effects of the oil and gas industry in the Amazon. The screen for World Heritage Sites covers only 2% of Amazonia while the forest-related screens only apply to project financing. Table 8 reveals that project financing makes up only 29% of Bank of America's deals by value, suggesting that the efficacy of this screen is reduced because deals are predominantly not for project finance.

The project finance transactions in question are 2 deals where the bank provided bond underwriting in 2017 for Petroperu's Talara Refinery upgrade. As mentioned before, the project threatens the rights of Indigenous Peoples whose territories overlap with Blocks 64 and 192 in the Peruvian Amazon, where the oil and gas extracted will supply the refinery.[183]

In its Forest Practices Policy, the bank screens oil and gas exploration projects for impacts on Indigenous Peoples' livelihoods and cultural integrity using its due diligence procedures for high conservation values.[184] The bank will not provide financing unless the Indigenous Peoples have the opportunity, culturally appropriate representation and access to information to engage in informed participation. Furthermore, in its ESRM framework, Bank of America states that it conducts screening where the majority of the use of proceeds is attributable to activities that may negatively impact the area used by or traditionally claimed by an Indigenous community. In the screening, the bank expects that clients will adhere to IFC Performance Standard 7, which they state will include a consultation process for FPIC, although the IFC's approach to FPIC is problematic with regards to how the consultation process may arrive at consent.[185]

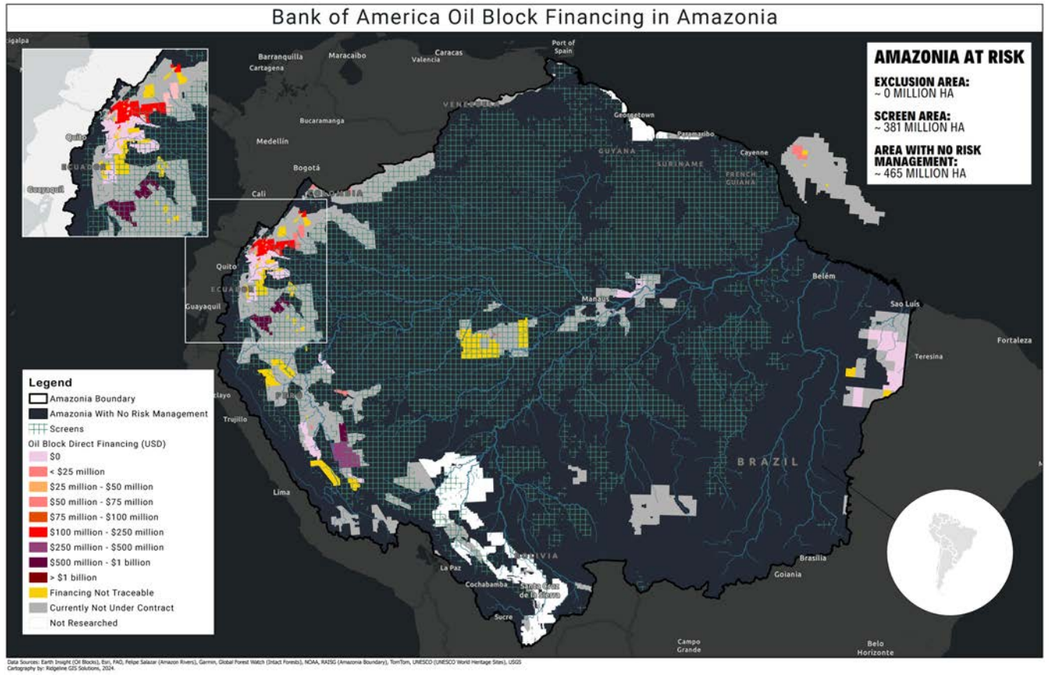


Figure 11. Bank of America's exclusions and screens across Amazonia cover an estimated 43% of the region, leaving the majority of environmental and social values under no risk management. Source: Stand.earth Research Group.

Importantly, the bank's forest policy also states that it will not finance oil and gas exploration in areas where Indigenous territories claims are not settled. This is an important but vaguely stated policy. It's currently covered in Figure 11 as a screen over all Indigenous territory in Amazonia, but could be considered an exclusion if the bank were to clarify what it means by 'not settled', since this could be construed to cover the majority of Indigenous territories claims in the region which are subject to any number of challenges to Indigenous rights and title, even after an Indigenous territory is legally recognized. For example, the Peruvian Congress in 2023 presented a bill to modify Law No. 28736, which protects Indigenous or native people in isolation and contact (PIACI). This type of legislative change exemplifies the threats against PIACI, and it highlights the need for corporate policies to include specific protections.

This commitment to reviewing exploration projects where Indigenous land claims are not settled stands in contrast to the bank's decision to finance Gran Tierra and Hunt Oil Peru in 2023, since both of these companies operate oil and gas activities on Indigenous Territories where Indigenous Peoples do not support oil exploration. As well as the case study on Hunt Oil's involvement in the issues facing Uncontacted Peoples in Peru, Gran Tierra operates in the Putumayo region of Colombia along with EcoPetrol, where the Indigenous Inga People have been fiercely opposing oil operations since 2014, including plans for new exploration.[186]

The bank also addresses the issues with GCP financing, acknowledging that these transactions are being used to support the development of specific projects or even generally for activities in a high-risk sector, and that these can carry hidden elevated E&S risks. Therefore, some GCP financing is also subject to enhanced review and screening.

Most of what Bank of America does to manage E&S risks does not affect the majority of their financing in Amazonia. It continues to finance major oil and gas producers despite readily accessible information on the adverse impacts of those projects and activities. The bank was identified as the biggest financier of Amazon oil in 2023 in the latest 'Banking on Climate Chaos' Report.[187]

HSBC

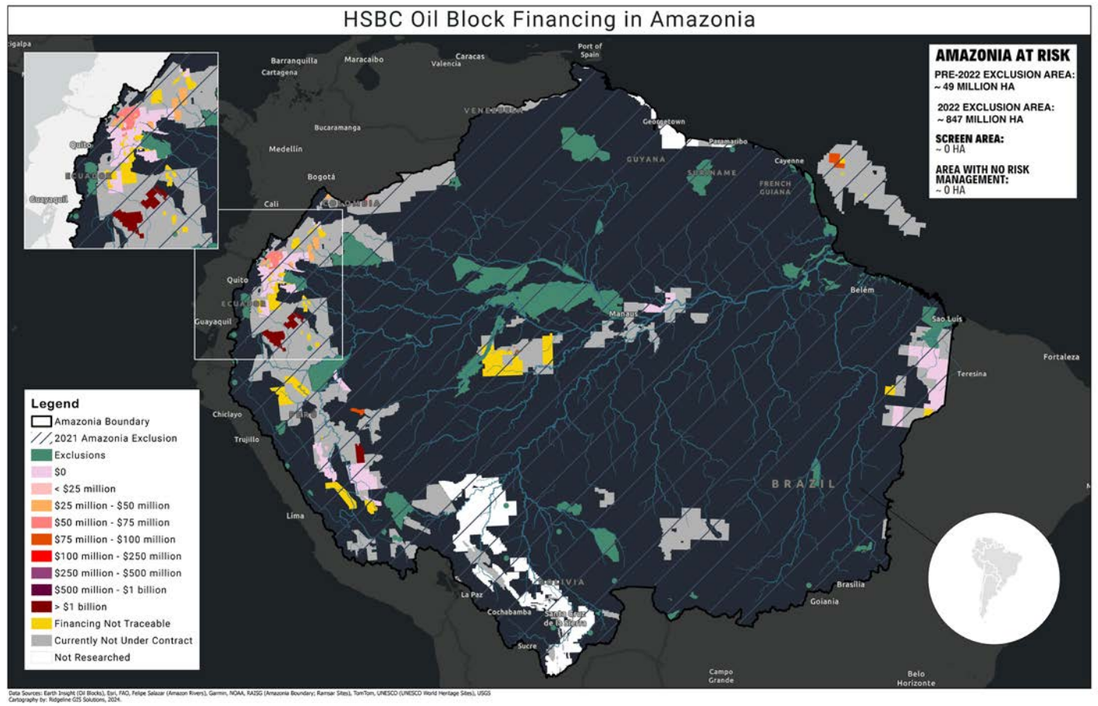


Figure 12. HSBC ESRM policy prior to December 2022 was very limited. In December 2022 the bank adopted a definition of Amazonia that is congruent with the RAISG definition explained in this report and created the first full Amazon exclusion - reducing the area with no risk management to zero. Source: Stand.earth Research Group.

HSBC's exclusion policies cover 100% of Amazonia in the oil and gas sector.

In December 2022, HSBC made a commitment to exclude oil and gas financing from Amazonia, using the RAISG definition applied to all mapping in this report and indicated by the black outline in Figure 12.[188] The exclusion is symbolized by the blue diagonal lines. HSBC will not provide new finance or advisory services to any client for oil and gas exploration, appraisal, development, and production for projects in Amazonia, or infrastructure where the primary use is in conjunction with those activities. The bank also excludes finance and advisory services at the corporate level to companies where the overall operations are substantially in environmentally and socially critical areas, including Amazonia.

HSBC's ESRM policy prior to December 2022 was assessed very limited – among 14 banks ranked by their policy and financing in the Amazon in 2021, only JPMorgan Chase performed worse.[189] HSBC's commitment is a major step towards management of the threats facing Amazonia and acknowledgement of the global importance of the region and the legacy of adverse impacts from oil and gas.

As the policy covers corporate-level financing for companies whose overall operations are substantially in Amazonia, general corporate purpose loans and bonds for companies that are Amazon oil specialists such as Gran Tierra, Frontera, PetroPerú, Eneva, Geopark, and PetroEcuador would be covered.[190]

However, the bank was a bond underwriter for Petroperu's Talara Refinery upgrade as recently as 2021. HSBC was also part of a syndicated loan in 2022 to CEPSA, which produces oil from Block 131 in the Ucayali Region of the Peruvian Amazon. The loan is almost $2 billion USD, in a working capital credit facility, of which about 5% is estimated to finance its Amazon operations.[191]

By deal structure, syndicated project finance bonds are the most prevalent (60%) in the transactions included in HSBC's direct financing for Amazon oil and gas. These transactions would not trigger Equator Principle criteria since those criteria do not apply to bond underwriting. However, they would be subject to HSBC's Amazon exclusion, starting in December 2022. No new transactions are recorded for HSBC in the Amazon Banks Database as of January 1, 2024.

SYNDICATION	USE OF PROCEEDS	BONDS (USD) INDICATOR FOR MAPPING	LOANS (USD)	TOTAL (USD)	% BONDS	% LOANS	% TOTAL
SYNDICATED	GCP+	$161,950,926	$59,559,360	$221,510,286	14%	5%	19%
	Project financing	$700,833,333	$200,854,586	$901,687,919	60%	17%	78%
	Other	$40,259,490	$0	$40,259,490	3%	0%	3%
SUBTOTAL		$903,043,749	$260,413,946	$1,163,457,695	78%	22%	100%
BILATERAL	GCP+	$0	$0	$0	0%	0%	0%
	Project financing	$0	$0	$0	0%	0%	0%
	Other	$0	$0	$0	0%	0%	0%
SUBTOTAL		$0	$0	$0	0%	0%	0%
GRAND TOTAL		**$903,043,749**	**$260,413,946**	**$1,163,457,695**	**78%**	**22%**	**100%**

Table 9. Out of a total est. $1.2 billion USD in direct financing for Amazon oil and gas over the last 20 years, HSBC's transactions are predominantly in syndicated deals. 'GCP+' refers to use of proceeds including: General Corporate Purpose (GCP), capital expenditures, working capital and where use of proceeds was not specified. Source: Stand.earth Research Group's Amazon Banks Database.

GREENWASHING

The top six banks financing oil and gas operations in Amazonia — Citibank, JPMC, Itaú Unibanco, Banco Santander, Bank of America, and HSBC — publicly commit to high standards of environmental and social responsibility, including addressing climate change, preserving biodiversity, and respecting human rights. However, a detailed analysis of their financial transactions and ESRM policies reveals that, in all cases except HSBC, there is a significant gap between bank claims and the actual effectiveness of their ESRM policies.

The analysis suggests that most policies fall short of providing risk management capable of preventing adverse E&S impacts and that even when coverage occurs, transactions related to fossil fuel financing in Amazonia are structured in ways that create policy loopholes. The overall effect is that these ESRM policies seem to protect the banks' reputations and minimize their liability more than effectively preventing environmental damage or upholding the rights of Indigenous Peoples. **This analysis indicates that banks are greenwashing their contribution to adverse impacts in Amazonia. While their stated commitments to addressing climate change, biodiversity loss, and the exploitation of Indigenous Peoples create the perception that they are protecting people and nature, the banks continue to finance destructive operations.**

The ESRM policies adopted by these banks, which they claim support their E&S goals, are not sufficiently robust to protect the Amazon. Spatial analysis of these ESRM frameworks reveals that the risk management practices of exclusions and screens are applied only to a limited set of E&S values. These measures cover just a small portion of Amazonia's vast biodiversity, forest cover, and the territories inhabited by Indigenous Peoples, significantly undermining the effectiveness of the banks' policies in protecting the region.

Greenwashing claims include misleading public representations of the impact of bank business activities such as when JPMC claims to be, "Creating solutions that protect the environment and grow the economy" while listing only mitigation measures in its sustainability strategy.[192] None of the initiatives presented by the bank on its website are designed for environmental protection, i.e., to stop the loss or degradation of environmental values; only to mitigate by attempting to minimize the impact of adverse impacts that are occurring. In addition, none of them mitigate the impacts of the bank's fossil fuel financing, including in globally important environments such as Amazonia.[193]

The bank also claims, "JPMorgan Chase supports fundamental principles of human rights across all our lines of business and in each region of the world in which we operate."[194] "We're committed to doing our part to address climate change and that includes working with clients and other stakeholders to help strengthen industry best practices intended to protect forests and biodiversity," said Marisa Buchanan, JPMC's global head of sustainability.[195] Despite these statements, JPMC's actual ESRM policy covers a mere 2% of Amazonia for exclusions and 14% for screens. Furthermore, the bank has provided significant financing to oil and gas companies in the Amazon, including a notable $1.1 billion USD in financing to key players in the Colombian Amazon in 2023 alone, indicating a considerable gap between the bank's stated commitments and its actual policies and financing decisions.

Banks' claims can also overemphasize minor E&S benefits, such as when Citibank declares that its policy effectively manages E&S risks in areas like Amazonia: "Our framework helps us identify potential risks within the billions of dollars in global transactions we facilitate worldwide, and effectively assess and manage the E&S risks associated with financing client activities in sectors with sensitive E&S impacts."[196] However, Citibank limits its assessment of consultation processes designed to achieve FPIC to project-related financing transactions only. In a region such as Amazonia, with a legacy of social impacts from oil and gas extraction, limitations such as this reduce the bank's ability to effectively assess and manage impacts on human rights – especially when so few transactions have the structure and information needed to be assessed as 'project related'.

The bank also claims, "Citi has recognized the rights of Indigenous Peoples as an Area of High Caution under our ESRM Policy since 2008," in its 2022 ESG report. However, Citibank's ESRM policy effectively covers only 2% of Amazonia for exclusions and 46% for screens, which primarily apply to project financing. Policies with such poor coverage of Amazonia do not preclude Citibank from the role of lead manager on a $500 million USD bond deal for Hunt Oil Peru, which, based on Hunt Oil Peru's activities in Block 88 (see Peruvian case study), contradicts Citibank's commitment to protect cultural heritage and Indigenous rights.

Importantly, even when banks specifically include FPIC in their policies, they cannot guarantee that the consultation process they require as a condition of financing will result in FPIC, since they only require the process and not proof of the outcome. For example, Citibank states, "project sponsors are expected to have engaged in meaningful consultation with directly affected Indigenous Peoples, with the goal of achieving Free Prior and Informed Consent (FPIC)".[197] It is not clear if this constitutes recognizing the rights of Indigenous Peoples', as Citibank has stated, since it is the role of the state to legally recognize Indigenous Peoples rights and if the state does not adequately do that, the bank has no way of overriding that legal framework.[198]

Bank of America also makes claims that overemphasize the benefits of its policies, like when it states, "Our leadership in sustainability enables us to pursue growing business opportunities and manage risks associated with addressing the world's biggest environmental and social challenges."[199] Biodiversity loss is one such challenge. But for a globally significant region like the Amazon, with the highest biodiversity on the planet, the bank has no exclusions for biodiversity. Related screens cover over 45%, but only apply to project financing, which is only 3% of its Amazon-related transactions. In the 2 project financing transactions that would trigger enhanced due diligence, the policy did not stop the bank from underwriting Petroperu's Talara Refinery upgrade, which has upstream impacts related to pollution and infringement of Indigenous Peoples' rights (see Peruvian case study).

Companies can also make claims about the company's "vision," "goals" or "commitments" that are unrealistic. For example, Itaú Unibanco declares that "protecting the rights inherent in each human being is a daily and fundamental commitment to ensure Itaú Unibanco's ethics, continuity and credibility." Yet, Itaú Unibanco has no specific exclusions or screens for oil and gas operations in Amazonia. This is starkly evident as the bank has heavily financed operations like the Parnaiba Gas Complex, capable of producing more than 1 gigaton of CO_{2e} emissions in its lifetime, showing a clear discrepancy between its ethical commitments and its financing policies.

"Banco Santander is deeply concerned with the climate emergency.... We're supporting the transition of our corporate and investment banking, commercial banking and wealth management, private banking and insurance customers to a low-carbon economy. We also intend to continue fighting deforestation and its damage to the climate and biodiversity, especially in the Amazon."[200] Santander's exclusion policy is more progressive in terms of value identification and coverage than most of the other banks in this analysis. But the financing policy does not place the same protections on underwriting bond transactions, which is how Santander has financed PetroPeru's upgrade of the Talara Refinery. The Talara Refinery's expansion, as detailed above, puts enormous structural pressure on the Peruvian Amazon to extract a sufficient amount of oil. Besides being a further risk to marginalized Indigenous Peoples, contributing to the Talara Refinery expansion is the opposite of "supporting the transition... to a low-carbon economy."

HSBC sets itself apart with its significant policy change in December 2022, introducing an expansive exclusion policy that covers all of Amazonia for oil and gas financing. Adopting this policy is a notable leadership move by HSBC among major banks financing oil and gas operations in Amazonia, and it positions HSBC as a model for other banks to follow. HSBC's financing decisions in the coming years will be pivotal in confirming that it can live up to its commitment: "HSBC seeks to ensure that the financial services we provide to our customers to support economic development do not result in an unacceptable impact on people or the environment."[201]

For the other banks in this analysis, following HSBC's example of implementing an exclusion for oil and gas operations across Amazonia will align their public commitments with their actual policies. Only through this kind of genuine action can banks ensure the protection of Amazonia and uphold the rights and dignity of Indigenous Peoples.

CONCLUSION

EXITING AMAZON OIL AND GAS

In the Belem Declaration in 2023, Amazonian countries recognized the tipping point as the most important threat for the region.[202] The lives of hundreds of Indigenous and traditional communities, thousands of species, and the stability of our planet's climate are at stake. Around 137 living species are driven to extinction every day in the Amazon due to habitat loss.[203] Amazonia is going through the worst drought in its recorded history and the vertiginous advance of fires has deprived hundreds of Indigenous communities of their basic needs, such as access to water and food security, because of the loss of thousands of hectares of forests and biodiversity.

This is a threat not only to those who live in the region, but also to the continuity of life on the planet. While this tipping point is perhaps among the first ecological thresholds to hold sway with bank risk managers, it won't be the last. Climate change is triggering cascades of environmental changes that will have major implications for people and the planet.[204]

Banks play a key role in the flow of capital for oil and gas and the distribution of risk. Currently, E&S impacts are externalized, which functions like a subsidy for 'nature-negative' sectors like oil and gas because they do not have to pay the cost of their impacts on people and nature. By putting a price on the adverse impacts on people and nature through more effective use of their ESRM frameworks, banks could shift costs and make it easier for financing and investment to flow to nature-positive energy transition activities. As a top bank financing Amazon oil and gas over the past 20 years, HSBC's Amazon exclusion policy is a major transition for the bank's role in the region. It not only manages the reputational and legal risks of the bank, it has the potential to help prevent future adverse impacts by driving up the cost of oil and gas production. If other top banks followed HSBC's leadership and planned their own exit strategies for Amazon oil and gas, it could be the sea change that would spur a just energy transition and a more sustainable future for Amazonia and the world.[205]

To do so requires banks to think not just about business value and reputation in the current economic climate, but to consider the opportunities more broadly towards the future. They must move beyond mainly reputational risk driven strategies and internalize the cost and accountability for adverse E&S impacts by aligning the structure of their transactions with their ESRM frameworks to increase their informational capacity, foreseeability, and ability to apply due diligence.

Risk managers must start seeing the materiality of these risks beyond bank reputation, and manage for the major climatic and ecological upsets that loom over our future. Not only is this important for long-term business value, it is also how banks avoid the liability of becoming greater contributors to the adverse impacts wrought by their fossil fuel company clients.

According to the UNGP, the OHCHR and the OECD, doing less should not reduce bank responsibility, it should increase it. John Ruggie, the main author of the United Nations Guiding Principles on Business and Human Rights (UNGP) stated this squarely, "For example, [a financial business] providing a general corporate loan to a private company that is alleged to engage in severe human rights abuses ought to require a very deep dive by the bank, coupled with the imposition of strict conditions if it decides to go ahead with the loan. If the bank does neither and yet proceeds, then it is squarely in "contribution" territory for any adverse impacts, even though the loan is not asset or project specific. Where the real challenge to banks lies is in their need to obtain sufficient information in the case of a company that is not as obviously high-risk from a human rights perspective as in this example. That may well call for more effort to be dedicated to human rights due diligence in some instances. But the concern cannot simply be excluded based on the type of financing involved."[206] This aligns the legal principle of 'Ignorantia iuris non excusat', which translates 'ignorance of the law does not excuse anyone.'

In the OECD and UNGP guidelines for a bank's responsibility with regards to financing adverse impacts, adequate due diligence is the best means of reducing banks' complicity in their client's activities.[207] When financing deals are arranged with insufficient information and leverage – as can be the case with syndicated bond transactions – it compromises the effectiveness of banks' due diligence processes. This leads to weaker risk management and increases the chances of banks funding companies and projects that may result in negative E&S consequences for the areas and communities involved.

This research illustrates that ESRM policies need to improve to address prescient environmental and social risks, and recognize these risks as being material to banks' business strategies. Banks need to move beyond downside risks to reputation and business value and adopt policies that fulsomely address bank contribution to adverse impacts and lay out prevention and mitigation strategies that protect people and nature. **ESRM that truly manages the risks of adverse impacts mandates that there be no difference between what is said and what is done. Greenwashing hampers the true scale of the ambition and action needed to fight the climate crisis, uphold human rights, and protect biodiversity and cannot be tolerated.** The time to create clear alignment in talk and deed is now. Banks should endeavor to improve their ESRM policies globally by:

1. Improving risk identification and prioritization by going beyond reputation and adopting more forward thinking practices that identify and anticipate the increasing materiality of climate, biodiversity and human rights risks. This is necessary to close the gap between bank policies and commitments on paper and what is occurring in practice;

2. Closing the loophole of general corporate purpose (GCP) financing and the lack of specificity in use of proceeds by clearly stating criteria for screening GCP transactions for E&S risks;

3. Assessing deal structure and its relationship to enhanced due diligence and report as a key performance indicator how deal structure impacts the efficacy of due diligence;

4. Fully implementing improved policies across all areas of business;

5. Creating transparent processes for assessing contribution to adverse impacts and improve stakeholder engagement and complaint processes related to the efficacy of mitigation strategies; and

6. Pricing environmental and social externalities so that financing for nature-negative activities like oil and gas extraction includes the real costs to people and nature and capitalize on opportunities to support nature-positive activities.

As a major first step, **banks must evaluate the impact of their fossil fuel financing on key globally important geographies and adopt clear strategies for prevention and mitigation.** We are therefore calling on banks to commit to exiting Amazon oil and gas, including:

1. No New Oil and Gas Financing and Investment

Immediately commit to no new oil and gas project financing and no more financing and investment in companies involved in all types of oil and gas infrastructure in Amazonia.

2. End Current Oil and Gas Financing and Investment

Where possible, exit all existing oil and gas financing and investment for projects and companies in Amazonia as soon as possible and no later than the end of 2025.

3. End Trade Financing for Oil and Gas

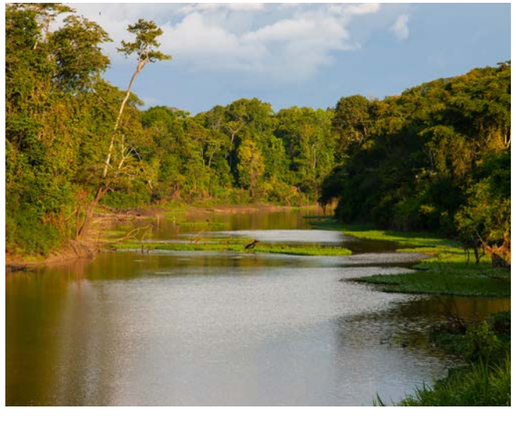
Immediately implement exclusions for new and existing oil and gas trade across all of Amazonia. These policies should be crafted to clearly exclude crude oil and refined products that are exported out of key identified ports.[208]

4. End Corporate Financing for Oil and Gas Traders

Commit to exit all current loans, letters of credit, revolving credit facilities and investment for all oil traders active in Amazonia as soon as contractually possible and no later than the end of 2025, especially those who have been implicated in corruption controversies.

5. Adjust financing portfolios to address an imminent tipping point scenario in Amazonia and support the protection 80% of the Amazon by 2025[209]

Aligning financial decisions with the Indigenous-led roadmap to protect 80% of the Amazon by 2025, especially by committing to financing that addresses the historic damage, complies with the principle of FPIC, and upholds Indigenous sovereignty and rights.



APPENDIX 1- METHODS

AMAZON BANKS DATABASE

The database organizes financial information about loan and bond underwriting identified in the Bloomberg Terminal (Bloomberg Finance L.P.). The focus is on the flow of financial capital into Amazonia for oil and gas exploration, production, and trade, especially for projects designed to expand oil production in current and new oil blocks.

Bloomberg's fixed income search function, SRCH, is utilized for both asset classes of corporate bonds and loans. Queries are run 2-3 times per year to update the database. Subsequent updates are additive, extending the timeline of the database. The list of oil and gas companies used for the queries was developed by Stand Research Group (SRG) using government sources and is updated annually to reflect changes in block operators, company ownership, etc.

The financial contribution of each participating bank in each transaction listed in the fixed income search is either identified from the data set or estimated based on the methodology used in the Global Coal Exit List[210] to create attribution based on the number of bookrunners in each deal. Bookrunners typically contribute more to deals than other participating banks. The size of a bookrunner's commitment compared to other participants is an estimate assigned based on the book ratio. In this methodology, the book ratio is defined as the spread of the financial contributions of all participating banks between bookrunners and other managers; where:

Bookratio = (# of participants - # of bookrunners)/ # of bookrunners.

The Bloomberg role code for each bank in the deal is used to determine if a bank is a bookrunner, a participant, or a non-participant (advisor). All banks that qualify as bookrunners or participants are assigned an amount of the total deal based on the book ratio where the individual amount assigned to each bookrunner or participant is an equal share of the total assigned to each group. Banks and other firms involved in the deal in non-participating (advisory) roles are not assigned any of the deal amount because they do not contribute any financing to the deal. Each bank that has more than one role in a deal is only counted once and is counted as a bookrunner if one of its roles meets that criteria. For deals where no bookrunners are identified, all participants are assigned an equal share of the deal amount. Once each deal is parsed, a unique identifier is created for each bank in each deal, based on its role and financial contribution.

Each Company (issuer/borrower) is assessed for its relationship to Amazon oil and gas using the categories 'direct,' 'indirect,' and 'not Amazon.' Deals for companies who are deemed directly or indirectly related to the Amazon are counted as part of each bank's Amazon-exposed fossil fuel financing, while 'not-Amazon' companies are excluded.

'Companies that are not Amazon' are those where the issuer is a subsidiary of a multinational, where the parent company has operations in the Amazon but the subsidiary who is the issuer or borrower for the transaction is not related. All issuers deemed 'not-Amazon' are omitted from the analysis.

Companies that have direct relationships include e.g. block operators and state-run oil companies. These companies are assigned an adjuster based on the proportion of capital expenditures (CAPEX), operating costs (OPEX) and production costs associated with their Amazon oil and gas projects. To qualify as 100% direct, a company must have the majority of its oil and gas projects within the RAISG boundary of Amazonia, and all of its major producing blocks. For companies with fewer of its operations in the Amazon biome, the proportion of total annual CAPEX and OPEX that is considered 'Amazon' is used as a proxy for the proportion of financing that could be considered direct vs. indirect. The following formulas are applied, using annual figures taken from each company's latest annual report:

Geographic Adjuster = (Amazon OPEX + Amazon CAPEX)/(Total CAPEX + Total OPEX)[211]

Policy Analyses

The assessment of bank contribution to adverse impact, which forms the basis of the policy analysis, was adopted from the Organization for Economic Co-operation and Development (OECD)'s Due Diligence for Responsible Corporate Lending and Securities Underwriting: Key considerations for banks implementing the OECD Guidelines for Multinational Enterprises.[212]

To analyze how the structure of deals impacts the application of risk frameworks, deals were parsed according to whether they were bonds or loans, bi-lateral or syndicated, and also by 'use of proceeds.' Transactions for bonds and loans are indicated in the queries from Bloomberg and did not require further data cleaning. Bilateral deals had only one bank listed as a participant or leader, while syndicated deals had more than one bank. Use of proceeds was derived from Bloomberg data, and cleaned for errors and congruence.

Use of proceeds information was derived from the Amazon Banks Database. 565 transactions related to companies with oil and gas activities in Amazonia were reviewed for their use of proceeds, transaction type, and syndication information. While transactions may list several uses of proceeds, these were simplified to assist analysis. To avoid undercounting project finance, as a key part of analyzing deal structure, any transaction that mentioned project finance was considered project finance, even if it listed other uses of proceeds. Where a transaction listed 'Green bonds' or other sustainable financing mechanisms, it was removed from the analysis.

Bank Policy analysis

To capture the elements of bank policies, each bank's suite of sustainability policies were reviewed, including their ESRM frameworks, Sustainability Reports, Annual Reports, and other documents provided. All exclusions and screens were identified and listed along with characteristics related to the type of policy (exclusion or screen), policy sector (cross-sectoral, oil and gas, forest and agriculture, ect) , and type of coverage (project-related transactions, corporate related transactions and clients, or all transactions). Loopholes and qualifiers were also identified, on a case-by-case basis. Each policy was identified as relating to either an environmental or social value, an unwanted adverse impact, or to physical oil and gas infrastructure. They were also classified as being spatially explicit (point, line or polygon data) or not and being related to Amazon or not.

Finally, the spatially-explicit, Amazon-related environmental and social values across all bank policies were grouped into a final list of categories to prepare for spatial analysis. The emergent categories are:

- **Legally protected areas** (divided into IUCN Categories I-IV (strictly protected), IUCN Categories V-VI (multi-use areas), and UNESCO World Heritage Sites)
- **Ramsar sites**
- **Intact forest landscapes** (including intact forests, but also values related to preserving specific forest types like primary tropical forests and transitional zones such as savannahs)
- **Biodiversity and critical habitats** (include key biodiversity areas, biodiversity hotspots, biodiversity intactness, species richness based on the IUCN red list)
- **Indigenous Peoples' territories,** as mapped by RAISG.

Spatial Analysis

The ideal coverage map presented in the 'foreseeability' section was created by overlapping spatial layers for the list of values identified in the bank policy analysis:

- IUCN Protected Areas Categories I-VI[213]
- Ramsar Sites[214]
- UNESCO World Heritage Sites[215]
- Indigenous Territories[216]
- Key biodiversity areas[217]
- Biodiversity hotspots[218]
- Species richness > 500[219]
- Biodiversity intactness > 0.75[220]
- Intact forests[221]

These layers were clipped to RAISG's Amazonia boundary described in the report. Some bank policies make explicit reference to high conservation values (HCV) and spatially-explicit proxies for each category of HCVs were identified as follows:

HCV VALUES	DESCRIPTION	PROXY INDICATOR FOR MAPPING:
Species diversity	Concentrations of biological diversity including endemic species, and rare, threatened, or endangered species (RTE), that are significant at global, regional, or national levels.	Species richness (total) >500
Landscape level ecosystems, ecosystem mosaics and intact forests	Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional, or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.	From https://intactforests.org/method.html: Intact forests have (1) a minimum area of 50,000 hectares; (2) a minimum IFL patch width of 10 km; and (3) minimum corridor/appendage width of 2 km. The criteria were chosen to insure that IFL patch core areas are large enough to provide refuge for wide-ranging animal species
	Protected areas	Biodiversity Intactness >0.75
Ecosystems and habitats	Rare, threatened, or endangered (RTE) ecosystems, habitats or refugia.	Biodiversity hotspots Key biodiversity areas- this one most referenced in bank policies
Ecosystem services	Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.	Assume coverage by HCV 1-3
Community needs	Sites and resources fundamental for satisfying the basic necessities of local communities or Indigenous Peoples (for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or Indigenous Peoples.	Assume cover by Indigenous territories (100%)
Cultural values	Sites, resources, habitats, and landscapes of global or national cultural, archaeological, or historical significance, and/or of critical cultural, ecological, economic, or religious/sacred importance for the traditional cultures of local communities or Indigenous Peoples, identified through engagement with these local communities or Indigenous Peoples.	Assume cover by Indigenous territories (100%)

On each bank's coverage map, the extent of each exclusion from each bank's ESRM policy is identified by the environmental or social value it protects, represented as a solid color. Screens are likewise identified and are represented as a hatched pattern. Where exclusions and screens overlap, exclusions are the top layer.

To calculate the area of coverage for exclusions and screens for each bank's coverage map, all spatial layers of each type were analyzed for overlap and merged to create a multipart feature with one area measurement in ArcGIS.

The resulting total area of exclusion is therefore the sum of all exclusions across all values on the landscape. The total area of screens for each bank was calculated similarly, but first the areas of overlap between an exclusion and a screen were removed from the screen area calculation. The remaining areas were summed to create a total area of screens across all values on the landscape. The overlap areas were counted towards the total area of exclusion so as to give each bank's policy the most area possible towards the exclusion total. Finally, the remaining areas of Amazonia that are not covered by exclusions or screens were totaled as the area with no risk management.

Oil and gas blocks and infrastructure mapping for Ecuador and Peru case studies

Oil and gas blocks are from the Ministry of Mines and Energy (Ecuador)[222], PetroPeru[223] and RAISG[224]. Refinery data and the pipeline data for Peru are from the Agency for Environmental Assessment and Enforcement (OEFA)[225]. The pipeline data for Ecuador is from the Ministry of Mines and Energy (2021).[226] Geoboundaries are derived from Runfola et al (2020).[227]

The forest cover area under oil and gas blocks was calculated intersecting the JRC Tropical Moist Forest cover product (Vancutsem et al., 2021) with the oil and gas block layer, using Zonal Histogram, and then summarizing the number of pixels within the country.[228]

The Indigenous Peoples (IP) lands layer used in this analysis is based primarily on the LandMark IPs territories, which is based on data from RAISG, and combined with RAISG Indigenous Territory 2023 data to update boundaries within the Amazon basin.[229] This layer was intersected with the oil and gas block layer to calculate the overlap of IPs lands with extractives.

The PIACI reserve layer is from AIDESEP (the Interethnic Development Association of the Peruvian Amazon) and reflects the extent of the PIACI reserves as of March 2024.[230] An older version of the boundary of the Sierra del Divisor Occidental - Kapanawa PIACI reserve was used in this analysis because the approved boundary, following the reserve's approval on May 22, 2024, was not initially available. The PIACI reserve layer was intersected with the oil and gas block layer to calculate the overlap of PIACI reserves with extractives. Additionally, AIDESEP provided comments and validated Figures 3 and 4.

The oil spill data for Ecuador is from the Ministry of Environment, Water, and Ecological Transition and covers the period from 2006 to 2022.[231] The oil spill data for Peru are from the Agency for Environmental Assessment and Enforcement (OEFA) and the Supervisory Body for Energy and Mining Investment (OSINERGMIN) and covers the period from 1979 to 2019.[232] The oil spill layers were intersected with the IP and LC lands layers to calculate the number of spills within IP and LC lands. There is currently limited transparency around the number of oil spills and other environmental contamination events associated with hydrocarbon extraction in Peru. OEFA and OSINERGMIN only make 255 oil spills available for public download, which is known to be an undercount.

This report was endorsed by

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- Amazon OPEX (proxy) = (Amazon production/ Total production) x production cost per barrel; where production is reported in boe/day and cost is average USD per barrel for that year.
- Amazon CAPEX = (# Amazon blocks under exploration/ # total blocks under exploration) x total CAPEX; assuming that CAPEX is equal per exploratory block
- Total CAPEX is annual as reported by the company
- Total OPEX is annual as reported by the company
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Stand is an advocacy organization that brings people together to demand that corporations and governments put people and the environment first
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COICA, the Coordinating Body of Indigenous Organisations of the Amazon Basin, was founded in the Peruvian capital Lima in 1984. It is the umbrella organisation representing more than 511 Indigenous Peoples, including 66 Peoples in Situation of Isolation and Initial Contact. Since its founding it has been advocating for indigenous peoples' rights.