NATURE LOSS

Bunge's new bond brings investors EUDR compliance risks

Josephine Richardson* | 19 Aug 2026 | 4 minute read

SUMMARY

- **The EU Deforestation Regulation, after two delays, is due to come into effect at the end of this year for large and medium sized operators.**
- **With a cut-off date of 31 Dec 2020, this regulation requires all in-scope commodities to be evidenced as deforestation-free, a costly traceability standard. Substantial fines are levied for non-compliance.**
- **Bunge, a large commodity trader, priced a bond on 17 Aug 2026, exposing investors to risks around the company's EUDR compliance.**

Bunge Global SA (ticker BG), a global commodity trader headquartered in Switzerland, priced a USD600mn 5y bond yesterday. This is its second time to the bond markets in 2026, after a USD1.2bn two-tranche deal priced in Mar. The notes have a 5% coupon, are fully and unconditionally guaranteed by Bunge Global SA on a senior basis, with the offering expected to close on 19 August 2026. Wells Fargo Securities, BofA Securities, Mizuho Securities, Rabo Securities, Deutsche Bank Securities, ING and SMBC Nikko acted as joint book-running managers.[1,2]

Bunge is ranked 35 on AFII's Bond Horizon (see Figure 1), a tool highlighting which issuers are more likely to come issue bonds in the next three months, allowing investors to focus their engagement efforts. When companies come to the bond market and ask for new money, this gives investors a chance to adjust terms and pricing, in line with their risk assessment and investment choices.[3]

Figure 1. AFII Bond Horizon. Source: AFII, accessed 19 Aug 2026.

HEATMAP

Sector: Consumer Staples | Deforestation universe: All

Company name	Sector	Fundamental rank	Market pricing rank	News rank	Overall rank	In the market
Nestle SA	Consumer Staples	83	3	83	4	
WM Morrison Supermarkets Ltd	Consumer Staples	168	134	1	6	
General Mills Inc	Consumer Staples	125	4	114	7	
Procter & Gamble Co/The	Consumer Staples	26	10	114	13	
Clorox Co/The	Consumer Staples	3	148	114	22	
Mondelez International Inc	Consumer Staples	32	21	100	26	
Hutchison Whampoa Ltd	Consumer Staples	19	26	229	27	
Koninklijke Ahold Delhaize NV	Consumer Staples	77	23	114	31	
Cargill Inc	Consumer Staples	150	22	114	32	
Grupo Bimbo SAB de CV	Consumer Staples	139	25	40	33	
Bunge Global SA	Consumer Staples	79	24	114	35	
Coca-Cola Co/The	Consumer Staples	72	28	114	37	
PepsiCo Inc	Consumer Staples	58	30	61	38	
Campbell's Company/The	Consumer Staples	108	27	114	39	
Sysco Corp	Consumer Staples	116	31	49	41	
Danone SA	Consumer Staples	9	121	114	42	

[1] "Bunge Global SA Announces Pricing of $600 Million Senior Notes Offering", 17 Aug 2026.
[2] For details on how to use counterparty selection to support sustainable syndication behaviour please see "The Box", AFII, accessed 18 Aug 2026.
[3] A set of 11 tools can be explored on this webpage, Bondholder engagement toolkit.

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Bunge's deforestation exposure

Bond Horizon covers all names in the AFII Deforestation Debt Universe, a list of significant fixed income issuers with substantial exposure to deforestation.[4] In the data we used to construct the most recent universe, non-profit data provider ForestIQ assigned the issuer with critical exposure to both Palm oil and Soy, driven by the size of its operations and its exposure to at-risk jurisdictions.

Trase.earth, another non-profit data provider, assigns Bunge the largest footprint of soy-related Brazilian deforestation globally, using data from 2022,[5] although this analysis seems to use market-weighted regional averages rather than specific traced supply chains. In Jan 2026 Bunge, alongside other large soy traders, left the Amazon Soy Moratorium, although this was reportedly to retain tax incentives.[6]

EU Deforestation Regulation

For investors the near-term financial relevance of such activities may be driven by the EU Deforestation Regulation, coming into force for large companies at the end of this year.[7] The regulation requires all in-scope commodities to be individually traceable to deforestation-free land, or risk fines and loss of market access.

Bunge reports 100% traceability of its soy production from priority regions, of which 98.2% from Brazil, and 96.9% across South America are classified as Deforestation and Conversion Free (DCF)[8] with a reference date of end 2020.[9] This might appear to be highly prepared for EUDR traceability, however EUDR applies to all soy beans from all regions (even lower-priority), so the gaps may still be important. Bunge reports that it is "*actively preparing to deliver EUDR compliant commodities […] ahead of the regulation's application date*",[10] which may suggest it acknowledges there are gaps in reporting to be filled.[11]

Deforestation risk disclosure

The recent bond prospectus is notably absent disclosure of risks from deforestation. It does not restate business/operational risk factors, but directs investors to its annual reporting.

Bunge's 2025 report mentions EUDR in the context of potentially impacting its operating results. In contrast to its sustainability report, the company weakens its commentary to report that it "*[has] begun evaluating implementation efforts necessary to fully comply with the EUDR*".[12] Aside from making an urgent referral to

[4] The threshold of substantial deforestation exposure is defined as having either one score of very high/critical or two scores of high across the six in-scope commodities which are Palm oil, Soy, Pulp & Paper, Beef, Timber and Leather. Significant fixed income issuance is defined as having over USD2.5bn equivalent of hard currency bonds and loans outstanding within the credit family. For the full universe methodology please see "Deforestation Debt Universe: update", AFII, 29 Jan 2026.
[5] "Brazilian soy exports and deforestation", Trase, 28 Jan 2025.
[6] "Exclusive: Soy trading firms to abandon Amazon protection pact in Brazil", Reuters, 29 Dec 2025.
[7] For an analysis on the relevance for Mondelez please see "Is Mondelēz International prepared for EUDR?", AFII, 30 Jul 2026.
[8] This is strictly a tighter standard than EUDR, but largely as it includes ecosystems beyond forest, eg savannahs and grasslands.
[9] Pg 53 "Bunge Releases 2026 Global Sustainability Report", Bunge, 2026.
[10] Pg 44 "Bunge Releases 2026 Global Sustainability Report", Bunge, 2026.
[11] For earlier analysis on the financial relevance of this regulation for another soy trader Cargill please see "Cargill's EUDR compliance: risks of a soy-prise", AFII, 14 Jun 2024.
[12] "Bunge 10K", Bunge, 19 Feb 2026.

the split infinitive police, investors may be concerned that this gives insufficient time to evaluate and then implement the necessary procedures.

Soy Bond performance

Bunge is not alone in creating potential soy EUDR exposure for investors. Archer Daniels Midland (ADM, ticker ADM), 5th on Trase's list of Brazilian soy deforestation, priced a two-tranche USD1bn deal on 5 Aug 2026. The A-rated 5y bond (ISIN US039482AF16) has widened 2.5bp (T+50->T+52.4) since pricing compared to CDX IG index widening less than 1bp (51.1-51.8).

Bunge's deal had a book cover of 2.42, compared to recent average of 3.32, which could suggest reduced investor demand.[13] The bond which was issued at T+70bp is pricing just inside (T+69.2) a day later, which may be considered a poor performance as new issues often tighten substantially in initial trading sessions.

Conclusions

EUDR, despite delays, is due to come into force at the end of this year, and will be financially material for in-scope suppliers, largely due to the traceability and reporting requirements. Bunge's language around its preparation is vague, with details on exact coverage lacking.

AFII's Bond Horizon tool offers a heatmap on which issuers have a higher chance of coming to market soon,[14] allowing investors to target their analysis and engagement, which could help request these details from Bunge in advance of issuance, and help investors manage the financial risks associated with this upcoming regulation.

[13] Comparison is all bonds with data in Bloomberg (ADM bonds do not have data), that are in USD, issued by non-governments, with maturity 2030-2033 since 1 Jun 2026. Total sample is 61 bonds and most are in August, suggesting poorer data capture of book cover in earlier months. Reducing the universe only to those priced in August leaves 39 bonds with average 3.19.

[14] "Bond Horizon", AFII, accessed 19 Aug 2026.

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