Finance for Biodiversity Foundation

Impact Report 2025

From Pledge to Progress

About Finance for Biodiversity Foundation

financeforbiodiversity.org

The Finance for Biodiversity (FfB) Foundation — an independent non-profit organisation established in 2021 — unites around 200 global financial institutions as signatories of the FfB Pledge, representing over €23 trillion in assets (under management) across 29 countries. Some 90 members of the FfB Foundation are actively engaged in peer learning and collaboration in FfB working groups, building ongoing guidance and frameworks for the financial sector on integrating nature into strategies, investments, and ESG policies, including impact assessment, target setting and corporate engagement. We also advocate for world leaders to take decisive action to halt and reverse biodiversity loss this decade.

The FfB Foundation plays a critical and unique role in supporting financial institutions to act on nature loss and drive positive impact. Together, we are shaping a financial system that values and protects nature.

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Executive Summary

The Finance for Biodiversity (FfB) Foundation's first impact report marks five years since the launch of the Finance for Biodiversity (FfB) Pledge. Presenting the aggregated progress of 126 Pledge signatories against the Pledge's five commitments of collaboration and knowledge sharing, engaging with companies, assessing impact, setting targets and reporting publicly, the report aims to support not only the FfB community but also the broader financial sector, policymakers, NGOs, data providers and civil society seeking clarity on the state of nature-related action in finance.

The insights in this report are based on a self-assessment survey ("the Impact Survey") conducted at the start of 2025, completed by 126 financial institutions across banking, asset management, insurance, pensions and impact finance. Among these, 26 institutions that signed the Pledge in 2020 reached their five-year reporting milestone in 2025. Others joined more recently—including signatories from 2024, who are required to report within two years of joining—but chose to disclose their progress early through the survey, demonstrating strong commitment to accountability and shared learning.

The Impact Report builds on the FfB Foundation's Internal Members Progress Report (IMPR) process, which has tracked members' practices annually since 2023. Over three cycles, the IMPR has enabled our members to benchmark their progress against peers, identify common challenges, and prioritise topics requiring deeper guidance—directly informing the focus areas of our working groups and published practitioner resources.

Thanks to the IMPR, we have also identified a range of good practice examples. Several of these have been highlighted in this Impact Report to showcase leadership, inspire peer learning, and demonstrate what credible action on nature can look like across different financial institution types.

To further enhance transparency, the FfB Foundation has also launched the Pledge Reporting Repository on its website, which contains links to each signatory's annual biodiversity disclosures, regardless of their chosen reporting format. This new resource will make it easier for stakeholders to track signatories' progress over time and support alignment, scrutiny and shared accountability across the sector.

Together, these efforts illustrate a community that is growing in ambition, deepening its practices, and recognising the shared responsibility of the financial sector in contributing to a nature-positive future.

Since the launch of the FfB Pledge in 2020, the FfB movement has grown from a call to action on biodiversity into a global force driving change in the financial sector. Over 200 signatories across 29 countries are now working to contribute to the protection and restoration of biodiversity and ecosystems through our financing activities and investments.

The survey results

From Awareness to Action

The 2025 FfB Impact Survey shows strong progress on the first Pledge commitment: collaboration and knowledge sharing.

- **98% of respondents have integrated biodiversity into their ESG or sustainability policies, compared with a global average of 55%.**
- **90% collaborate actively through industry initiatives and working groups, embedding biodiversity into mainstream finance discussions.**

However, collaboration must now move from participation to outcomes — expanding partnerships that translate shared learning into tangible policy influence, practical tools, and measurable progress across sectors.

Engagement and Stewardship: From Dialogue to Outcomes

Engagement with companies has become the primary lever for driving corporate accountability.

- **98% of institutions engage companies on biodiversity, with 79% involved in collaborative platforms and 71% operating escalation frameworks.**

Yet, engagement must become more impact-oriented: linking stewardship activities to measurable biodiversity outcomes and ensuring that escalation triggers lead to real-world change. Integration across asset classes and consistent disclosure of engagement results will be key next steps.

Measuring Impacts and Dependencies

Understanding biodiversity impacts is now mainstream practice among FfB members.

- **88% have conducted biodiversity impact assessments, 67% have assessed dependencies on nature and 72% have progressed to company-level analysis**.

Despite this progress, most institutions still rely on high-level or modelled data. The next stage is scaling **location-based, decision-ready assessments** that inform capital allocation, risk management, and engagement. The forthcoming FfB Biodiversity Data Platform will support this transition by improving data accessibility and comparability.

Setting Targets: From Commitments to Accountability

Target-setting is a cornerstone of translating ambition into measurable change.

- **67% have set and published biodiversity or nature targets, a leadership milestone in a market where only 25% of institutions globally have done so**.

However, many targets remain process-focused (e.g., policy adoption, training) rather than outcome-driven. Institutions now need to establish **time-bound, science-based targets** that link to governance, lending, and investment decisions — supported by frameworks such as the FfB Nature Target Setting Framework for Asset Managers and Asset Owners and UNEP FI Principles for Responsible Banking Guidance.

Financing the Nature-Positive Transition

The flow of capital towards biodiversity-positive solutions is increasing:

- **54% of the impact survey respondents stated they had already allocated capital to financing activities and investments that contribute to the nature-positive goal, amounting to over €53 billion, largely in agriculture and forestry**.
- **68% expressed a strong appetite to scale up positive impact investments, yet only 20% have set concrete growth targets for the next 3–5 years — revealing an ambition–action gap**.
- **To amplify impact, institutions must diversify across sectors such as oceans, infrastructure, and circular economy solutions, while policymakers can assist by providing incentives, de-risking tools, and stronger regulatory clarity**.

Turning Evidence into Policy Action

This Impact Report's findings directly inform our **Impact Report Policy Brief**, which places the results in the policy context—connecting them directly to the FfB Foundation's policy paper, *Aligning Financial Flows with the Global Biodiversity Framework* (April 2024). Together, these publications aim to inform and inspire government action that enables private finance to accelerate the transition towards a nature-positive global economy.

The Policy Brief outlines three core dimensions of action where government support and policy coherence are critical:

1. Drive ambition and transparency in the private finance sector
2. Lead the nature-positive transition of the economy
3. Create economic incentives for positive impact

These policy asks should be underpinned by a whole-of-government approach, as well as actions from central banks and supervisors, to amplify nature ambition and support systemic change.

Together, the insights in this report show that, while the sector has made meaningful progress in the last five years, it is now entering a decisive decade in which ambition must translate into outcomes. The FfB Foundation will continue to support this acceleration - through the creation of guidance, frameworks, peer learning and collaboration - while calling on governments and market actors to play their part.

This first Impact Report marks a new phase of transparency for the FfB community and sets the baseline for tracking progress in the years ahead. By working together, Pledge signatories and FfB members can help shift global financial flows towards a nature-positive, resilient future.

Table of contents

1 / Foreword

Five years after the launch of the FfB Pledge, our community has reached an important moment of accountability. This first Impact Report presents the aggregated progress of 126 Pledge signatories on their commitments, offering, for the first time, a consolidated picture of how financial institutions are integrating biodiversity into strategies, operations, and decision-making.

Our community has grown and evolved significantly since 2020; 26 early pioneers joined us at the start of the journey, while others only signed the Pledge in 2024. These more recent signatories are required to report within two years of joining, but they chose to disclose their progress early through the 2025 self-assessment survey. Their willingness to do this demonstrates a shared recognition that finance has a crucial role in halting and reversing nature loss. The Pledge remains intentionally flexible: institutions report through their own preferred disclosures or public reporting channels.

Since 2023, we have monitored the advancement of our member community through three Internal Members Progress Reports (IMPR). These reports have played a vital role in guiding our work: offering insights, peer-to-peer benchmarking, and helping us understand where financial institutions need the most support. The IMPR has also enabled us to identify emerging best practices, examples of leadership that are highlighted throughout this Impact Report and that demonstrate what is possible when ambition is matched by implementation.

With this publication, we also launched the Pledge Reporting Repository on our website. For the first time, stakeholders can access individual disclosures from each Pledge signatory in one central place. This repository enhances transparency, honours the commitment signatories have made to annual reporting, and provides a public source of learning and comparison across the sector.

This Impact Report is more than a record of progress - it's a reflection of how far our community has come in only five years. It shows a sector steadily moving from awareness to action, from commitment to implementation. At the same time, it highlights the areas where challenges persist in data intelligence, target-setting, and scaling positive impact on nature. These insights will continue to shape the Foundation's work, our guidance, and our collaborative efforts in the years ahead.

As we enter the next phase of our mission, we remain inspired by the leadership of our signatories. Their individual efforts demonstrate that finance can be a powerful force for nature recovery. Together, we are moving the financial sector toward a system that safeguards and restores nature, where accountability and transparency enable long-term, sustainable value creation.

Anita de Horde

Executive Director
Finance for Biodiversity Foundation

2 / Introduction

The Finance for Biodiversity Story

In September 2020, a group of 26 pioneering financial institutions* from around the globe launched the Finance for Biodiversity Pledge, calling for urgent action on biodiversity and recognising the critical role of finance in reversing nature loss.

The first initiative to promote collaboration and action on biodiversity among financial institutions, the Pledge rapidly gained momentum, with signatory institutions individually committing to help protect and restore biodiversity through their finance activities and investments. Signatories of the Pledge committed to collaborate and share knowledge, engage with companies, assess biodiversity impact, set targets, and report publicly on progress.

Under the careful coordination of founders Anita de Horde (Executive Director) and Anne-Marie Bor, the Finance for Biodiversity (FfB) Foundation was established in 2021 to support institutions in fulfilling their Pledge commitments, drive forward collaboration, grow the movement and accelerate action. The goal was to drive systemic change in the financial sector — reducing negative and increasing positive impacts on nature and aligning finance activities and investments with global biodiversity goals.

The Foundation's first four working groups were formed, focused on the Pledge commitments of engagement with companies, impact assessment and target setting, as well as public policy advocacy. Later, a fifth working group focused on positive impact was formed and more followed in 2025. These collaborative spaces and the guidance generated within them have remained the bedrock of the FfB Foundation since it began.

Our Community
(signatories and members)

Today, the FfB Foundation — an independent non-profit organisation — unites around 200 global financial institutions as signatories of the FfB Pledge, representing over €23 trillion in assets (under management) across 29 countries.

Some 90 members of the FfB Foundation are actively engaged in peer learning and collaboration in FfB working groups, building ongoing guidance and frameworks for the financial sector on integrating nature into strategies, investments and ESG policies. This includes guidance on how to effectively assess the biodiversity impacts and dependencies of their portfolios, set targets, and engage with companies and policymakers on nature.

The FfB Foundation plays a critical and unique role in supporting financial institutions to act on nature loss and drive positive impact, as well as advocating for world leaders to take decisive action to halt and reverse biodiversity loss this decade. Together, we are shaping a financial system that values and protects nature.

Our Strategic Priorities

Our strategic priorities reflect our commitment to mobilising the financial sector, fostering collaboration, and shaping the guidance and policies needed to support a nature-positive future:

1. Raising awareness on biodiversity and finance
   We will highlight the crucial role of biodiversity in financial risk management and value creation, making nature a priority in investment decision-making.

2. Promoting the Finance for Biodiversity Pledge
   We will encourage financial institutions to commit publicly to protecting nature and to take concrete biodiversity-related actions.

3. Fostering collaboration through working groups
   We will continue to support knowledge-sharing and joint action among members via thematic groups focused on key biodiversity and finance topics.

4. Developing tools and guidance for nature integration
   We will create practical resources to help institutions measure biodiversity impacts, set targets, engage with companies, and scale nature finance.

5. Influencing policy for biodiversity-aligned regulation
   We will advocate for stronger policies and effective implementation of the Global Biodiversity Framework by aligning financial regulation with nature goals.

***First 26 Pledge signatories in 2020**
ACTIAM N.V., Achmea Investment Management, AEGON Nederland N.V., Allianz France, ASN Bank, ASR Nederland, Bank J. Safra Sarasin, Bankinter, AXA Group, Groupe Caisse des Dépôts, Domini Impact Investments LLC, Etica Sgr – Responsible Investments, HSBC Global Asset Management, Karner Blue Capital, Mirova, New Forests Pty Ltd, NN Investment Partners, NWB Bank, Piraeus Bank, Coöperatieve Rabobank U.A., Robeco, Triodos Bank, Triple Jump, UFF African Agri Investments, Vancity Investment Management and Volksbank.

Our publications and guidance

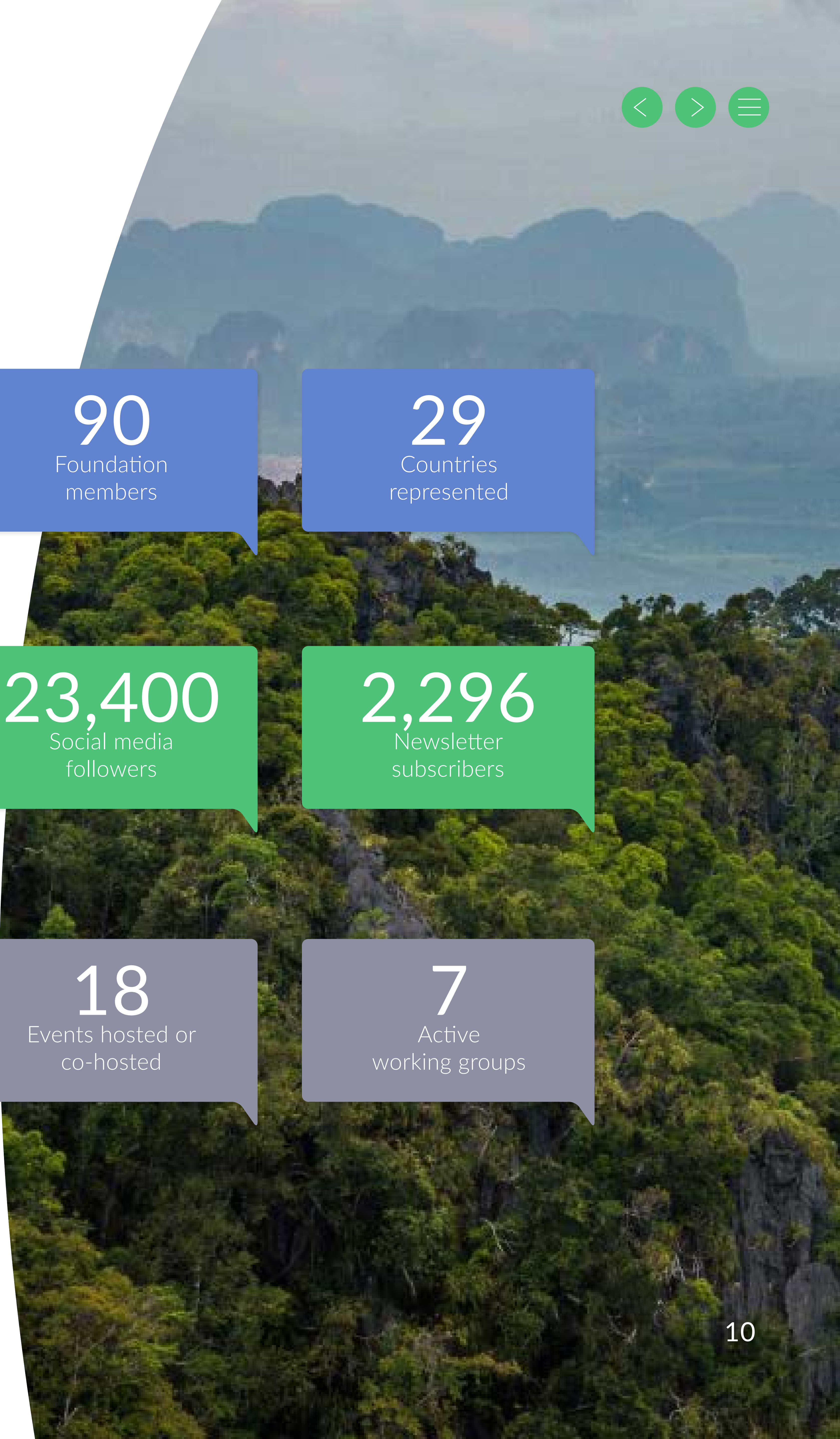
Over the past years, FfB Foundation has built a comprehensive suite of publications together with the FfB members with the aim to give practical support on integrating nature into finance strategies, investments and activities. Our guidance documents, frameworks and thematic papers translate evolving science and policy into practical steps for implementation. Together, they provide a roadmap for assessing impacts, setting targets, engage with companies and policy makers, mobilising positive investments and contributing to nature-positive outcomes across the financial system.

- Integrating Nature into Sovereign Debt Markets: Towards a New Sovereign Debt Nature Assessment Model, November 2025
- FABRIC Engagement Brief on Nature: Textiles and Apparel sector, December 2024
- Overview of Initiatives for financial institutions, December 2024
- Guide on Engagement with Companies, November 2024
- Biodiversity Measurement Approaches Guide (4th edition), November 2024
- Multi-tool study: Assessment of the biodiversity impacts and dependencies of globally listed companies, October 2024
- Reporting Guidance for Finance for Biodiversity Pledge Signatories, September 2024
- Finance for Nature Positive: Building a Working Model, September 2024
- Nature Target Setting Framework for Asset Managers and Asset Owners, July 2024
- Aligning Financial Flows with the Global Biodiversity Framework – Translating Ambition into Implementation, April 2024
- Unlocking the biodiversity-climate nexus, October 2023
- Act now! The why and how of biodiversity integration by financial institutions, December 2022
- Guidance to the Pledge, May 2021

Coming soon:

- Biodiversity Measurement Approaches Guide (5th edition), planned for Dec 2025
- Biodiversity Data Platform (for FfB Members only), target launch Q1 2026
- Sector guidance for investor engagement: Pharmaceuticals; Chemicals; Metals & Mining; Forestry, Paper & Packaging; Food & Agri planned for 2026
- Real assets (infrastructure, real estate and natural capital) guidance, planned for 2026

FfB at a Glance



Pledge community & Reach

200
Pledge signatories

90
Foundation members

29
Countries represented

Visibility & Engagement

34,000
Active website users (111,000 views) YTD 2025

23,400
Social media followers

2,296
Newsletter subscribers

Outputs & Activities

25
Publications, guidance & frameworks published since 2021

18
Events hosted or co-hosted

7
Active working groups

3 / Methodology

The research referred to in this report ("the Impact Survey") was conducted on 126 survey respondents from our network of FfB Pledge signatories and members. The survey requested data points on the reporting and progress made based on 2024 data towards each of the Pledge commitments, including:

- Collaboration and knowledge sharing
- Biodiversity in ESG policies
- Engagement practices with companies and clients
- Impact assessments
- Nature-related targets
- Positive impact investing practices

Composition of Survey Respondents

The Impact Survey collected data from 126 signatories of the Finance for Biodiversity Pledge. Representing a diverse network of financial institutions, primarily investors, banks, insurers, pension funds, and impact funds, these signatory institutions have made a unilateral public commitment to collaborate and share knowledge, engage with companies and clients, assess impacts, set targets, and report publicly on their progress year on year. The data was compiled and analysed in partnership with external consultants to ensure impartiality.

76 of these signatories are also members of the FfB Foundation. Members are all Finance for Biodiversity Pledge signatories who have chosen to deepen their commitment to nature by joining the Foundation as members. They participate actively across our platform of collaborative working groups, investor engagement initiatives, and other programmes to share their knowledge and good practices with other members, whilst developing frameworks, tools, and discussion papers for the wider financial sector.

Annually, the Finance for Biodiversity Foundation conducts a benchmarking and progress reporting service in which members' disclosures on each of the Pledge commitments are assessed and scored against a defined set of criteria. This benchmarking exercise is referred to as the 'Internal Members Progress Report' (IMPR). As part of this Impact Report, selected results from the IMPR, covering only member institutions, have been integrated into the broader analysis. Incorporating these results provides additional depth and context, enabling a clearer understanding of how institutions are progressing in practice. This approach adds value by complementing the self-reported Impact Survey data with systematically assessed information, helping to identify patterns, highlight areas of leadership, and illuminate opportunities for further action across the membership.

The Impact Survey findings presented in this report are based entirely on the self-reported responses provided by participants. As such, the data reflects the respondents' own perspectives and should be interpreted as indicative rather than validated by the FfB Foundation.

Types of financial institutions

The 126 survey respondents are classified across five types of financial institutions. 55% are asset managers, 14% are asset owners (e.g. pension funds), 13% are banks, 8% are insurance companies and 10% are investment and impact funds.

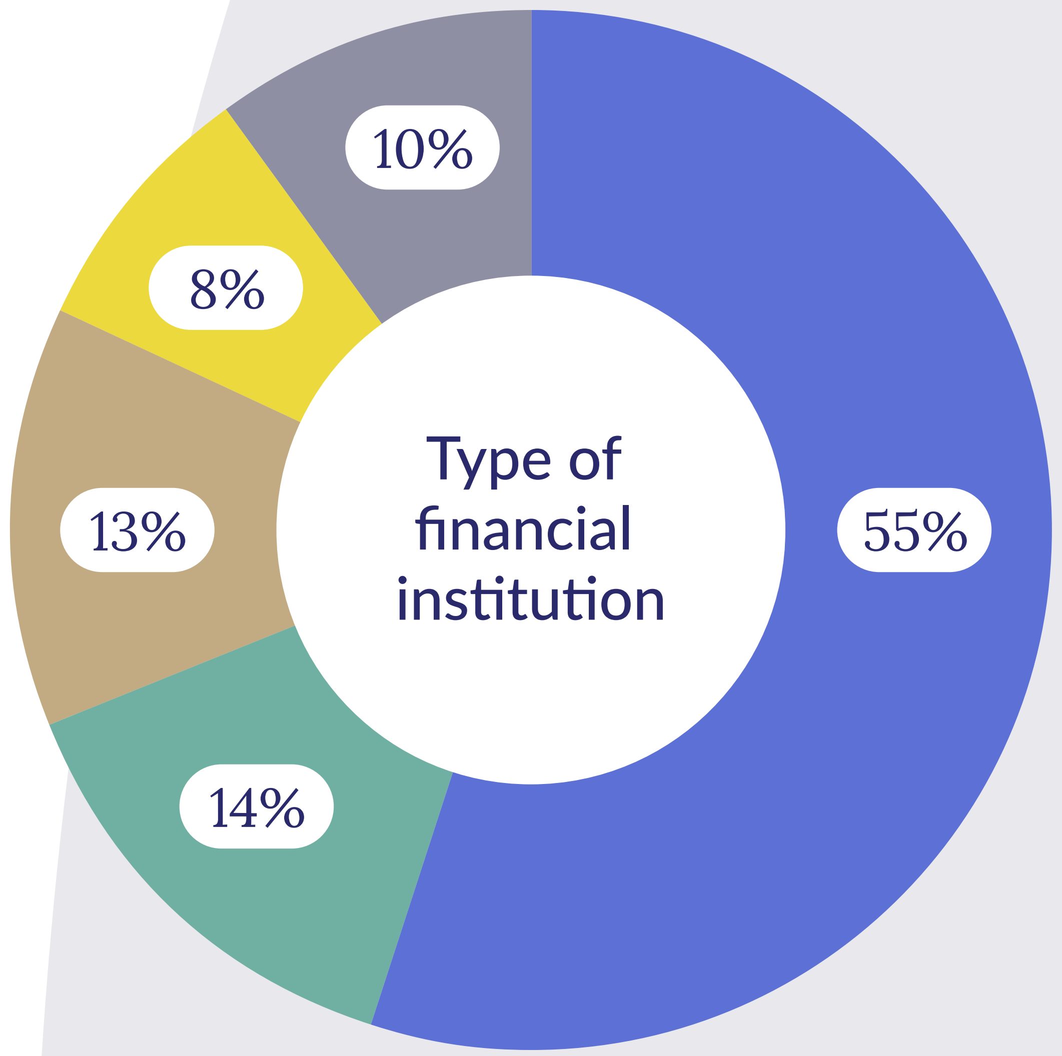


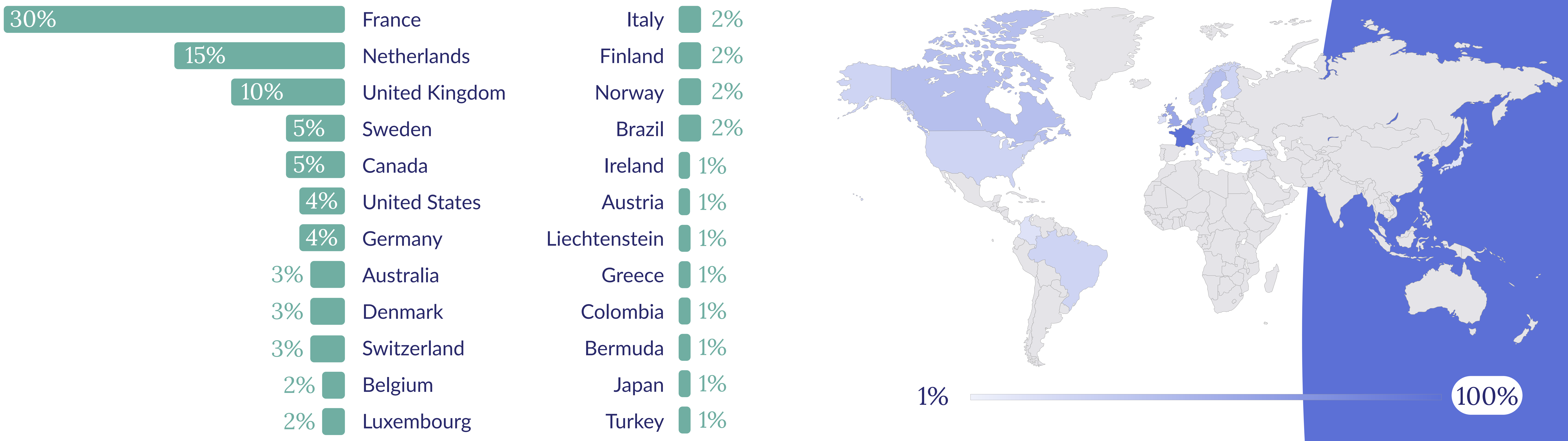
Figure 1
Type of financial institution

- Asset Managers
- Asset Owners
- Banks
- Insurers
- Investment/Impact Funds

Countries covered

Most of the survey respondents are headquartered in France (30%), the Netherlands (15%), and the UK (10%).

Figure 2
Country of headquarters represented



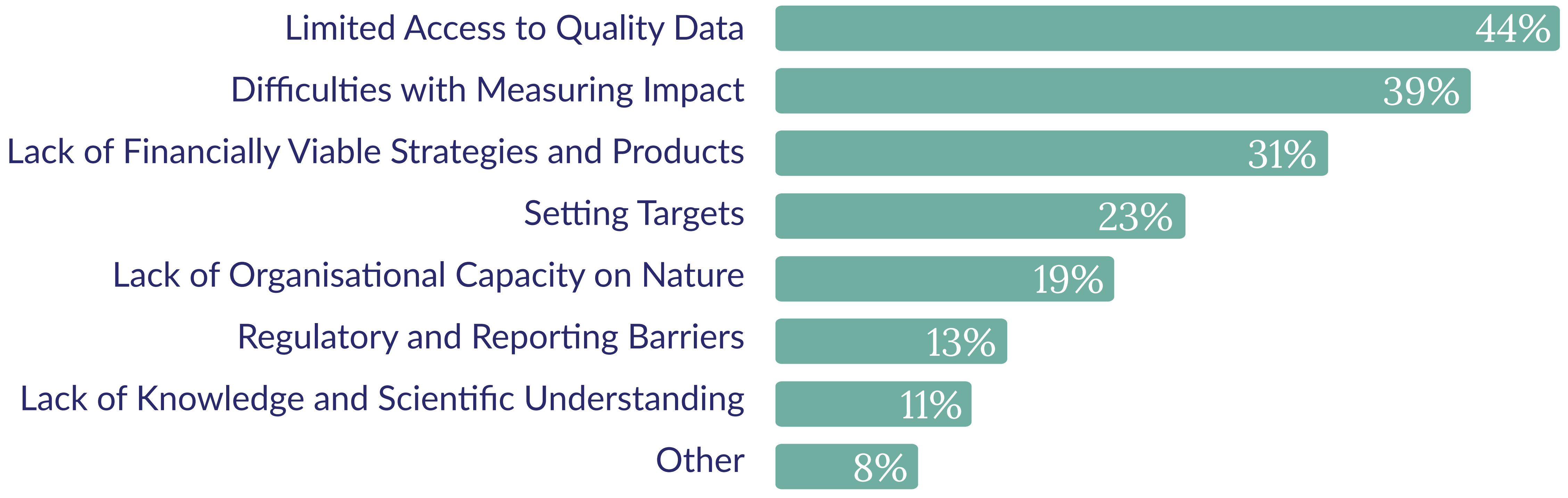
4 / Main challenges in progressing on biodiversity

According to 44% of our Impact Survey respondents, access to quality data is currently the leading challenge for members to progress in improving their efforts in biodiversity, with 39% also expressing concerns over difficulties in measuring impacts. This result is unsurprising, due to the need for quality data and widespread availability to conduct effective impact assessments on portfolios. The FfB Foundation is actively working to address this challenge through a range of member-driven and expert-led initiatives. These include the development of the Biodiversity Data Platform, which aims to equip our community and the wider financial sector with the information, tools, and guidance needed to strengthen the value of impact and risk assessments and, in turn, inform financial decision-making.

While target setting represents the fourth largest challenge, with 23% of respondents identifying it as a barrier, we expect this difficulty to diminish over time as market-wide guidance continues to mature. The publication and ongoing refinement of frameworks such as the FfB Nature Target Setting Framework for Asset Managers and Asset Owners, alongside the PRB UNEP FI Nature Target-Setting Guidance for Banks, are important steps in providing clearer direction and practical methodologies.

The relatively low selection of “lack of knowledge and scientific understanding” compared to other barriers indicates that more resources are now available to help investment and finance teams advance their biodiversity and nature-related work. However, continued guidance and shared learning remain essential to ensure consistent and effective uptake across the sector. The FfB Foundation is well positioned to help address this need by providing a platform for peer dialogue, collaboration, and the co-creation of practical materials that support members in strengthening their capabilities.

Figure 3
Main challenges for progress on biodiversity



5 / Collaboration and Biodiversity Policy

Linked to Commitment 1 of the FfB Pledge – Collaborating and sharing knowledge

Let's start with the good news: Biodiversity has rapidly evolved from a specialist issue to a core component of sustainable finance. Five years ago, few financial institutions had dedicated nature-related policies or partnerships. Today, the picture looks very different, **with the vast majority of our survey respondents stating that they have embedded biodiversity into their ESG frameworks (98%)** and that **they collaborate actively through industry-wide initiatives (90%)**. This signals a fundamental shift in how the financial sector perceives and manages nature-related risks and opportunities — building strong foundations for systemic change.

Collaboration: Building a Shared Agenda

Nearly 90% of respondents participate in biodiversity-focused collaborations, primarily through working groups (88%), events (74%), and joint statements or publications (62% and 57% respectively).

Over half (54%) of institutions also engage with public authorities, shaping regulatory discussions on nature-related disclosure and risk management.

> *"Collaboration is needed to influence systemic change. The FfB Foundation's community model effectively amplifies the voice of financial institutions that might otherwise lack the scale to shape biodiversity standards and regulation."*
> – Peter Elwin, Director of Corporate Engagement and Research, FfB Foundation

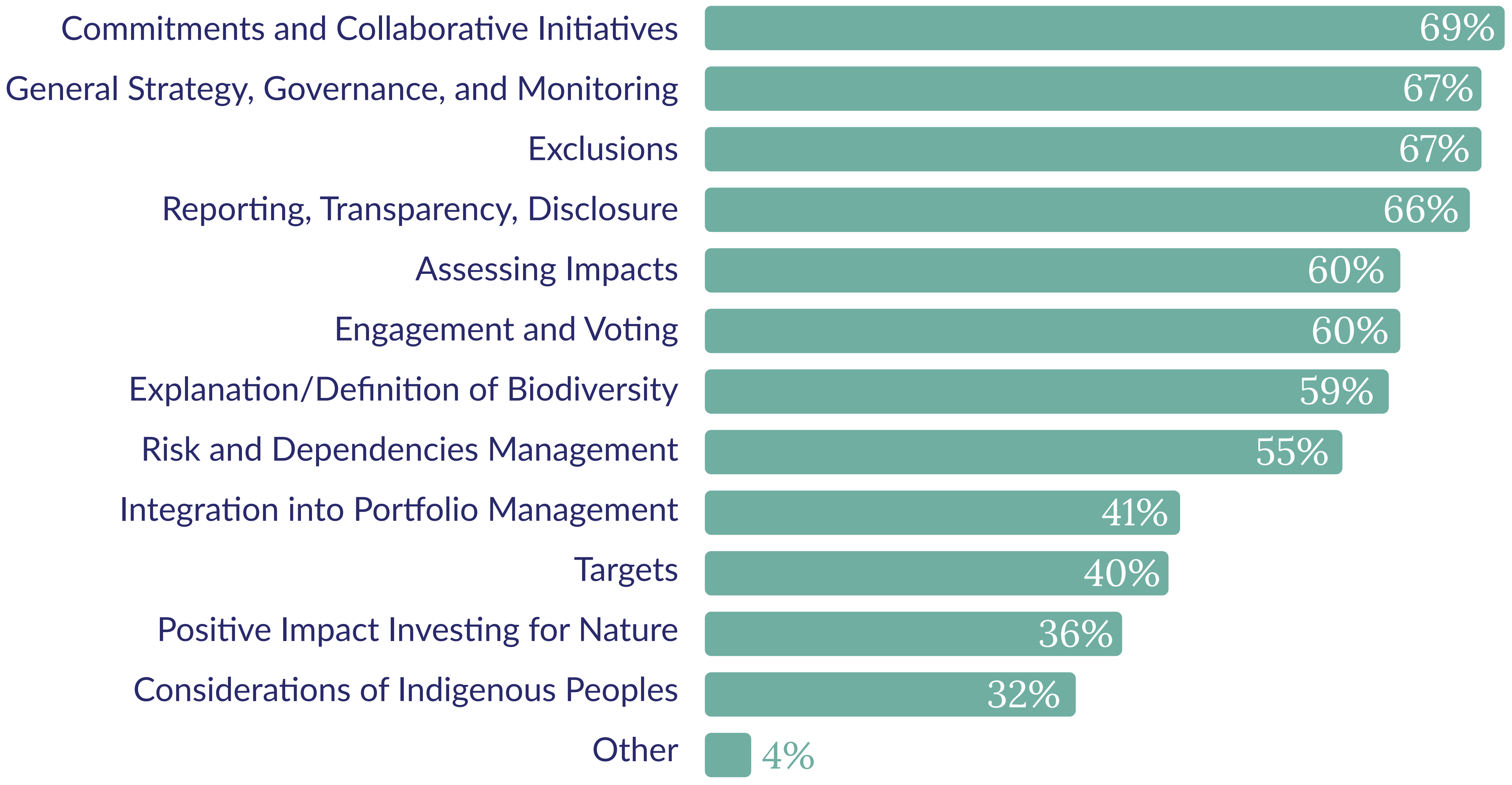
Biodiversity Policy Integration: From Commitments to Accountability

These foundations are further strengthened by the fact that **98% of respondents stated that they include biodiversity within their ESG or sustainability policies, and 83% have made these policies public**.

These policies go beyond statements of intent and include the following activities

- 67% cover strategy, governance and monitoring
- 66% include biodiversity reporting
- 60% address impact assessment
- 60% address corporate engagement

Figure 4
ESG policy components where biodiversity is addressed



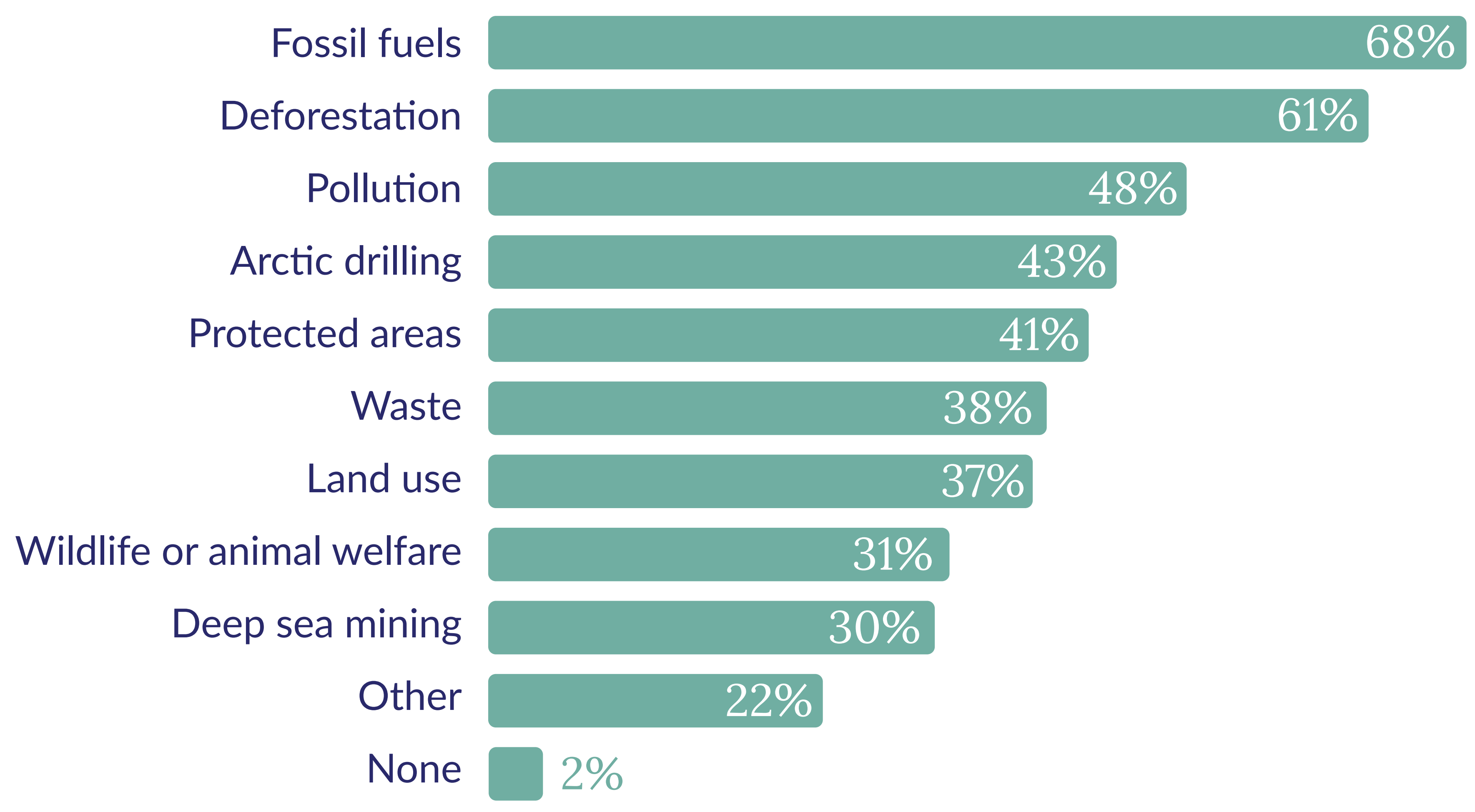
Biodiversity-related exclusions

67% of the respondents cover exclusions on nature in their ESG policies, meaning they restrict or avoid investments linked to certain activities and drivers of nature loss. Common exclusion activities include fossil fuels (68%), deforestation (61%), pollution (48%), arctic drilling (43%) and emerging risks such as deep-sea mining (30%).

Although our survey indicates that 98% of respondents have integrated biodiversity into their ESG policies, other benchmarks show that only about 55% of financial institutions globally have embedded, or are in the process of embedding, biodiversity and nature considerations into their sustainability, ESG, or risk-management strategies. This weighted estimate draws on data from the Global Association of Risk Professionals (GARP) Global Survey of Nature Risk Management at Financial Firms (2024) and the Responsible Investor Nature and Investors Survey (2025).

This gap of 43 percentage points highlights the leadership position of the FfB network in mainstreaming biodiversity within finance, aligning with the Foundation's mission to accelerate investments and finance activities that contribute to nature-positive outcomes.

Figure 5
Nature-related exclusions in ESG policies



Key takeaway

The survey results show that our community of financial institutions is no longer working in isolation.

The foundations are solid: FfB Foundation members are collaborating in a variety of nature-related initiatives, alongside our own working groups and engagement initiatives, and are starting to incorporate nature into their ESG policies.

Good Practice Spotlight: Storebrand Asset Management — Leading through Collaboration and Knowledge Sharing

> *"Partnerships are the engine of progress — by sharing insights, we build the foundation for system-wide change."*
> — Storebrand Asset Management

Storebrand Asset Management demonstrates how collaboration supports action for nature through its sustained, open, and system-level approach to advancing biodiversity integration into finance. The financial institution is actively chairing the FfB Foundation's Public Policy Advocacy working group, supporting global policy engagement efforts, including before and during the CBD COP15 and COP16. Storebrand Asset Management is a founding partner of Nature Action 100 and is actively involved in numerous other collaborative initiatives related to biodiversity, including the UN PRI Collaboration Platform SPRING and the Finance Sector Deforestation Action (FSDA). It also engages in bilateral dialogues, such as discussions on deep-sea mining in Norway and thematic dialogues on TNFD readiness and data harmonisation.

Storebrand AM has publicly released biodiversity integration guidance for investors, including "Integrating Nature Data Into Investment Decisions", released in October 2025 in partnership with nature and biodiversity data leader, GIST Impact. Its transparent reporting and knowledge-sharing culture have positioned Storebrand AM among the most mature institutions on **Pledge Commitment 1 (Collaboration & Knowledge Sharing)**, scoring highly in the FfB Foundation's Internal Members Progress Report (IMPR).

Good Practice Spotlight: Caisse des Dépôts Group — Integrating Biodiversity into ESG Policy

"Understanding nature's value is fundamental to managing long-term economic risk."
— Groupe Caisse des Dépôts

Caisse des Dépôts Group (CDC) provides a model for comprehensive biodiversity policy integration. The financial institution has advanced its commitment by consolidating its biodiversity and water policies into a comprehensive "Nature Policy", launched in 2024, to better capture the interconnectedness of ecosystem issues.

The policy sets out principles such as:

- Measuring negative biodiversity impacts and ecological dependencies across its value chain by 2026
- Pursuing a "net-zero land take" approach by 2030 for its real-estate operations
- Sourcing agricultural, forestry and marine raw materials responsibly
- Fostering "pro-nature" approaches via collective demonstrator projects and the Nature 2050 philanthropy programme.

As an active participant in the FfB Target Setting and Public Policy Working Groups, CDC bridges financial and policy spheres. Its leadership demonstrates how a public financial institution can align portfolio stewardship, public development, and biodiversity finance for systemic impact.

6 / Engagement with companies

Linked to Commitment 2 of the FfB Pledge – Engaging with Companies

Biodiversity in Corporate Dialogue

Engagement with portfolio companies is now central to how investors influence corporate behaviour on biodiversity. FfB members and signatories are leading this evolution, with **98%** of our survey respondents engaging companies on biodiversity.

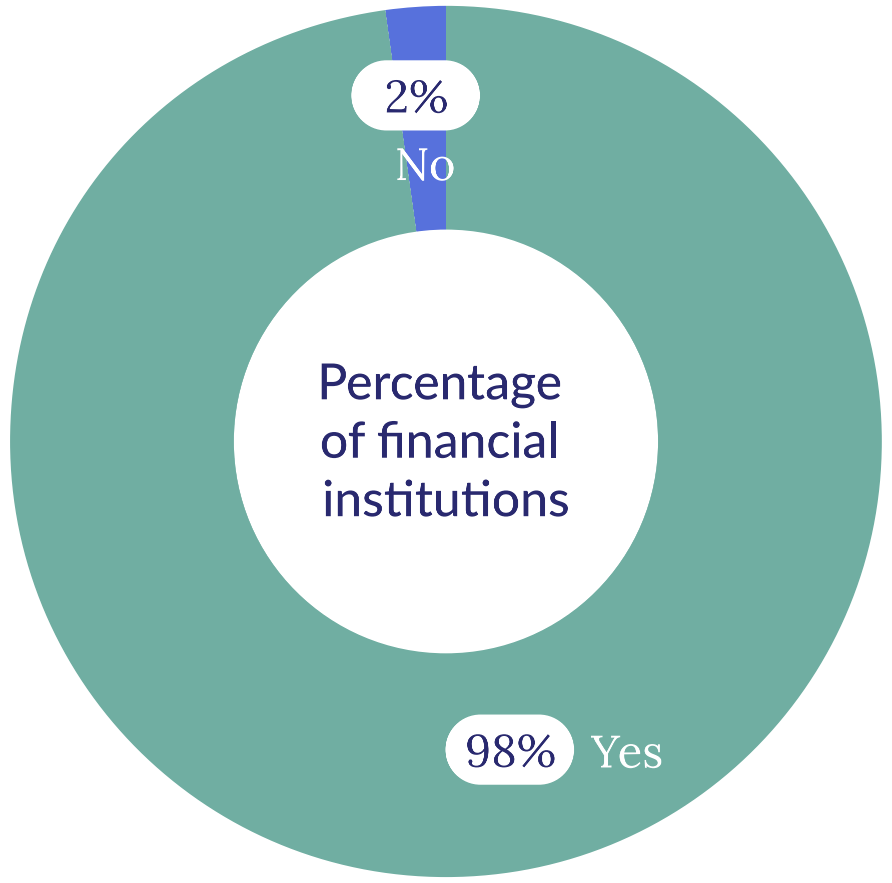


Figure 6
Percentage of respondents that are engaging companies on biodiversity

- Respondents that are not engaging companies on biodiversity
- Respondents that are engaging companies on biodiversity

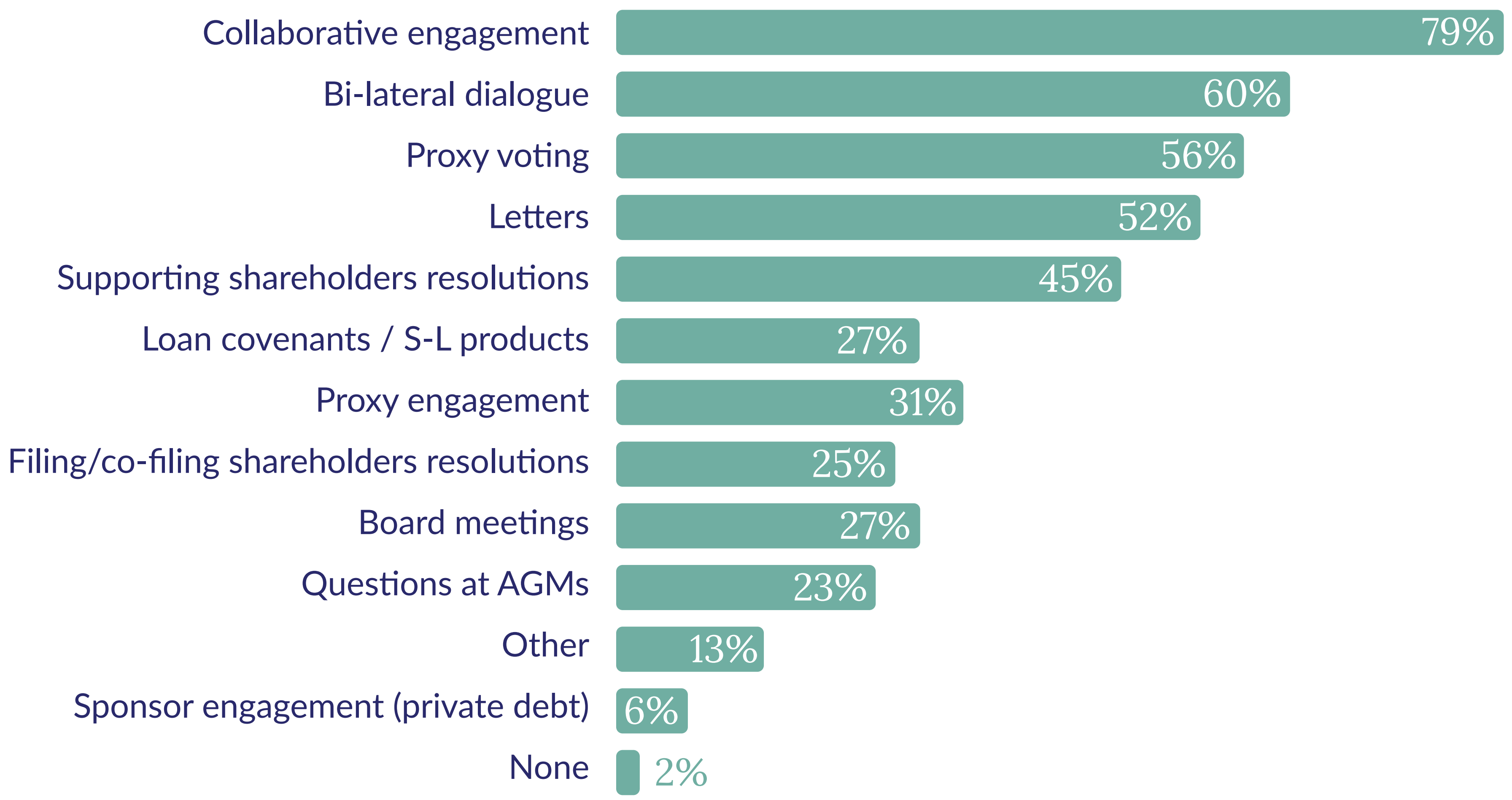
What stands out is the breadth of engagement methods: most participate in collaborative initiatives (79%) and bi-lateral dialogue (60%), while a significant number are already using more formal stewardship tools such as proxy voting (56%) and shareholder resolutions (45%).

This indicates that institutions are starting to set clear expectations and push for accountability and action, rather than relying only on dialogue.

The way financial institutions engage is also becoming more structured. Most now set objectives (54%), track progress towards outcomes and results on biodiversity engagement (65%) and escalate when companies fail to act (71%). Almost two-thirds stated that they link their engagement results and final investment decisions.

Leading collaborative engagement initiatives include Nature Action 100+, FAIRR, ChemSec – Investor Initiative on Hazardous Chemicals, PRI Spring, Ceres Valuing Water Initiative and the FfB Foundation's FABRIC initiative, which together mark the mainstreaming of biodiversity in financial / corporate dialogues. **Still, almost a third (32%) are not part of any platform and only one third are taking leadership roles in such initiatives, showing that engagement could be scaled further.**

Figure 7
Types of corporate engagement and stewardship activities on nature



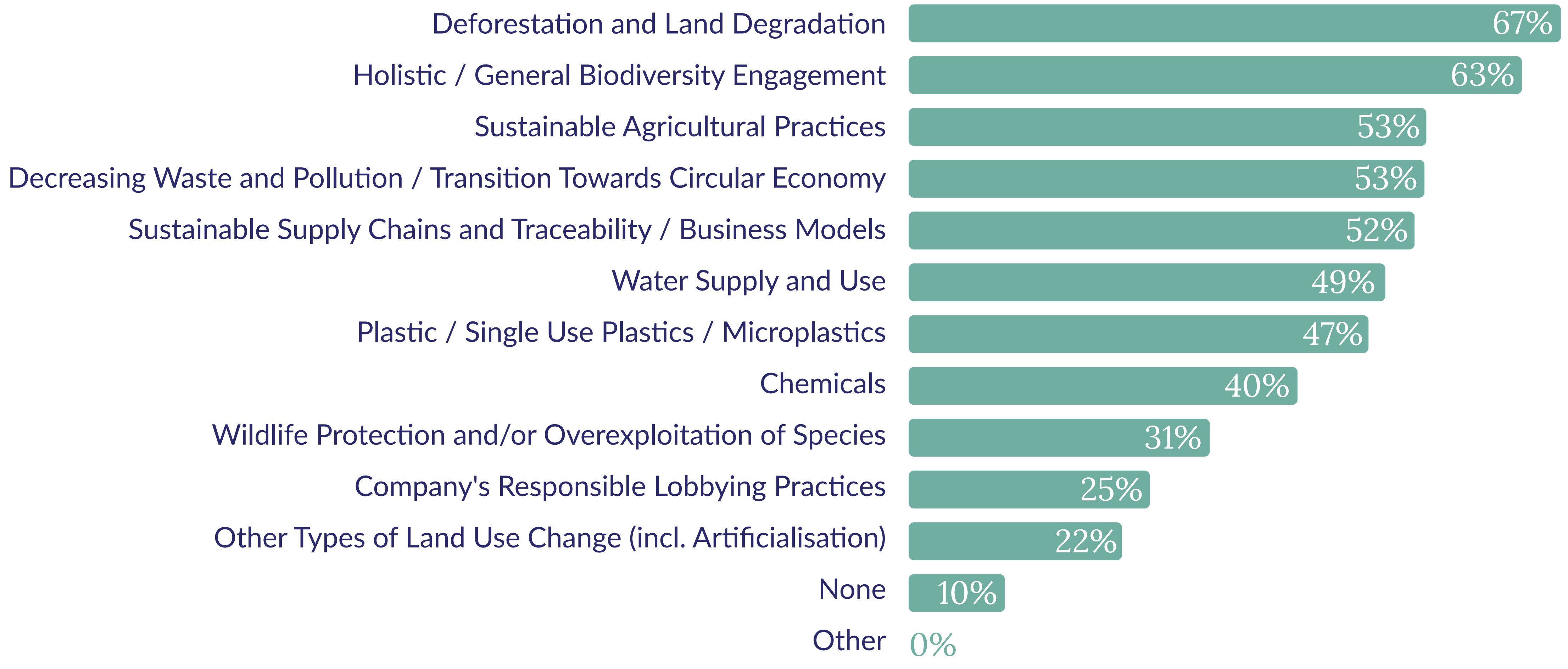
Engagement across sectors and topics

Deforestation and land degradation (67%), general biodiversity (63%), and sustainable agriculture (53%) are the most common areas of engagement, forming the “big three” topics for financial institutions. Alongside these, issues such as waste and pollution (53%), supply chain traceability (52%), and water use (49%) are also frequently addressed.

Emerging themes

Attention is gradually shifting to newer themes. Plastics (47%) and chemicals (40%) are gaining traction, while wildlife protection (31%) and responsible lobbying practices (25%) show that institutions are beginning to explore more specific topics that go beyond the focus on land use.

Figure 8
Popularity of engagement topics related to biodiversity



Oceans: The Next Frontier for Investor Engagement

The ocean is emerging as a critical yet under-addressed frontier for investor action. Oceans regulate the climate, sustain livelihoods, and underpin major sectors of the economy—from fisheries and shipping to tourism and energy. Yet they face escalating pressures from overexploitation, pollution, and climate change. For investors, this represents both a material risk and a strategic opportunity. Engaging with companies on ocean health—through dialogue, stewardship, and disclosure expectations—can drive better management of marine resources, reduce exposure to unsustainable practices, and accelerate alignment with global frameworks such as the GBF and the High-Level Panel for a Sustainable Ocean Economy. By integrating ocean considerations into investment strategies, financial institutions can play a pivotal role in safeguarding marine ecosystems while supporting a resilient, blue economy.

The FfB Foundation would like to focus increasingly on this critical issue in 2026 and beyond, with a view to helping its members and the wider financial community to engage meaningfully with companies on the topic of ocean biodiversity.

Cross-sector engagement

Engagement takes place across multiple sectors, including food products (59%), chemicals (45%), retail (44%), paper & forest products (40%), mining and utilities (both 39%), indicating that biodiversity is seen as a cross-economy issue rather than confined to one or two industries.

Differing engagement per institution type

The various ways in which different types of financial institutions engage their clients on biodiversity reflect their distinct business models and levers of influence. Banks primarily engage clients through lending relationships and due diligence, embedding biodiversity considerations into credit policies, project finance screening, and sustainability-linked instruments. Asset managers and owners tend to engage their portfolio companies by leveraging shareholder influence through voting, resolutions, and collaborative engagement initiatives such as Nature Action 100.

Encouragingly, all the banks in our survey reported engaging with their clients regarding nature, with 76% involved in collaborative engagement initiatives, and 65% conducting bilateral engagement with clients on nature issues—most often in sectors such as real estate, food products, pharmaceuticals, and healthcare.

Nearly 79% of asset managers reported participating in at least one collaborative engagement platform, with 65% linking engagement outcomes to investment decisions.

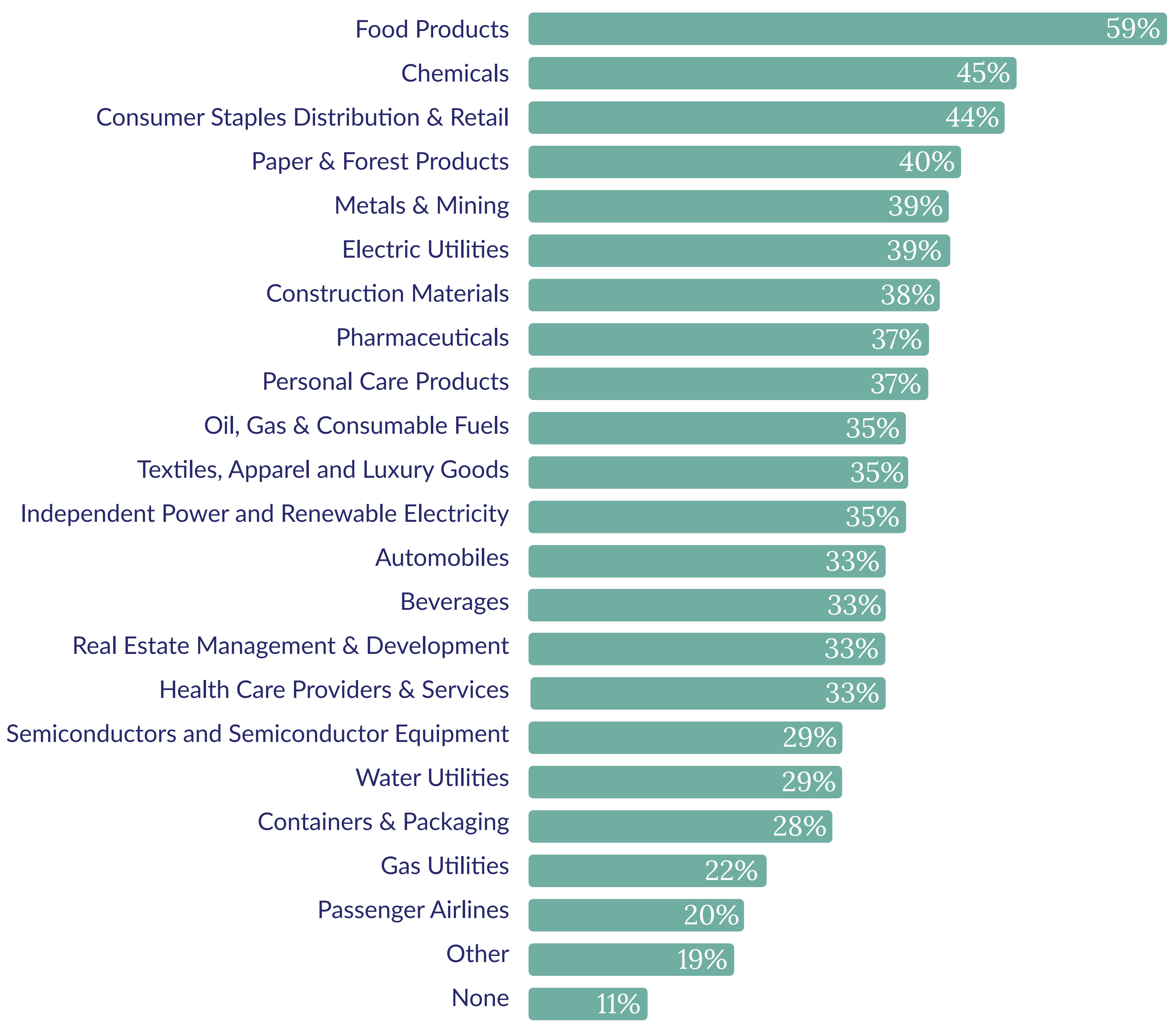
While both groups are expanding the breadth of their biodiversity engagement, the depth and transparency differ: investors tend to formalise expectations through stewardship frameworks and disclosures, whereas banks also operate more privately, embedding biodiversity within risk and client management systems. Together, these approaches are complementary—banks influencing how capital is allocated, and investors influencing how companies operate—creating a full-spectrum pathway for aligning finance with nature-positive outcomes.

FfB signatories lead the way in escalation

ShareAction's Point of No Returns 2025 report shows that escalation remains weak across the market: in 2025, only about one-third of top asset managers reported taking concrete action when engagement expectations were not met, and escalation policies often lack time-bound triggers; similarly, in 2023, although 83% claimed escalation steps, over half omitted clear consequences or triggers. This contrasts with the 71% of FfB institutions that stated they have defined escalation processes in place, and the 63% that have a link between their engagement results and final financial decisions.

Figure 9

Engagement across economic sectors (GICs)



Engagement vs. Exclusion

A majority of respondents (68%) reported that their ESG policies flag fossil fuel–linked companies as posing "nature-related concerns" and/or exclude them from portfolios. Similarly, 61% take this approach with companies associated with deforestation.

The World Economic Forum CEO Briefing, Financing the Nature-Positive Transition: Understanding the Role of Banks, Investors and Insurers (June 2024) notes that engagement with companies — through financing the changes they need to transition their business models — offers a far more effective route than exclusion alone in unlocking nature-positive outcomes and driving systemic change.

The rationale is clear: exclusion limits investors' ability to influence corporate behaviour, whereas engagement enables them to steer transition pathways, shape strategy, and safeguard long-term portfolio value.

As Jenn-Hui Tan, Chief Sustainability Officer at Fidelity International, explains in *"Taking the Lead: Why We Prefer Engagement Over Exclusion,"* effective stewardship requires persistence: "*We believe that maintaining a constructive engagement dialogue, exercising our influence over time and escalating where appropriate, is the most effective way to support companies to move towards more sustainable business practices and improve real-world outcomes, not just portfolio ones.*" This approach underscores why engagement, when structured and governed appropriately, can achieve more for end investors than blanket divestment policies.

> *"Corporate engagement should be seen as a "continuum of influence," where investors move from dialogue to demands, and finally to escalation when expectations are unmet. The fact that 71% of our survey respondents have escalation frameworks in place is a particularly strong indicator of maturity, reflecting how the FfB community is transitioning from engagement to accountability."*
> – Peter Elwin, Director of Corporate Engagement and Research, FfB Foundation

The Next Frontier: From Engagement to Outcomes

The next challenge is ensuring engagement translates into measurable biodiversity improvements. Few investors currently link engagement outcomes to impact metrics.

Future good practice will involve connecting company-level change to portfolio-wide biodiversity performance (e.g., footprint reduction, ecosystem restoration, nature-positive revenue growth).

Good Practice Spotlight: Robeco — Systematic Engagement for Nature-Positive Outcomes

> *"Embedding biodiversity in stewardship is not just about risk mitigation — it's about shaping the future resilience of our investments."*
> — Peter van der Werf, Head of Active Ownership, Robeco

Robeco exemplifies how investors can transform biodiversity ambition into measurable outcomes through active ownership and data-driven engagement. Robeco's stewardship team engages with around 300 companies each year, including 30 nature-focused engagements that at times leverage collaborative initiatives such as Nature Action 100, PRI Spring, and CDP Forests. Engagement progress is tracked using a proprietary scoring framework, with escalation via proxy voting when necessary — in 2024, Robeco voted against management at more than 50 high-impact companies for biodiversity-related shortcomings.

The firm's Biodiversity Traffic Light tool evaluates companies across key nature-loss drivers, guiding priority setting and measuring improvement. Integrated into both investment and engagement processes, this approach allows Robeco to align portfolio decisions with nature-related impact considerations.

Key takeaway

FfB members and signatories are helping to lead the way in collaborative and structured biodiversity engagement. While many financial institutions are still in the earlier stages of their nature journeys, this community has already moved beyond awareness to action — leveraging dialogue, voting, and escalation to drive corporate accountability.

However, the survey data demonstrates breadth but uneven depth: while engagement is widespread among the FfB community, few investors are yet leading or embedding biodiversity across all stewardship channels.

The next step is consistency and impact measurement: connecting these engagements to tangible outcomes for nature and society.

7 / Assessing the landscape: Impacts and Dependencies

Linked to Commitment 3 of the FfB Pledge – Assessing Impact

Measuring biodiversity impacts is essential because without it, financial institutions lack visibility on their most significant nature-related risks and opportunities. Detailed assessments at sector, company and location level create the evidence base required to distinguish between high- and low-impact activities. This enables financial institutions to prioritise engagement with the right companies and to allocate capital – through investment decisions, lending practices, and insurance products – towards activities that genuinely reduce pressures on nature and contribute to its recovery.

While over 88% of respondents to the Impact Survey and 92% of FfB member respondents to the IMPR survey reported conducting biodiversity impact assessments, only 67% have assessed their dependencies on nature. This gap likely reflects persistent barriers such as the limited availability and consistency of high-quality data on ecosystem services, as well as the greater conceptual and methodological complexity involved in quantifying dependencies compared to impacts. As data coverage and guidance continue to improve, more institutions are expected to expand their assessments to include dependencies alongside impacts.

The following analysis describes the measurement approaches/categories used by our community of financial institutions:

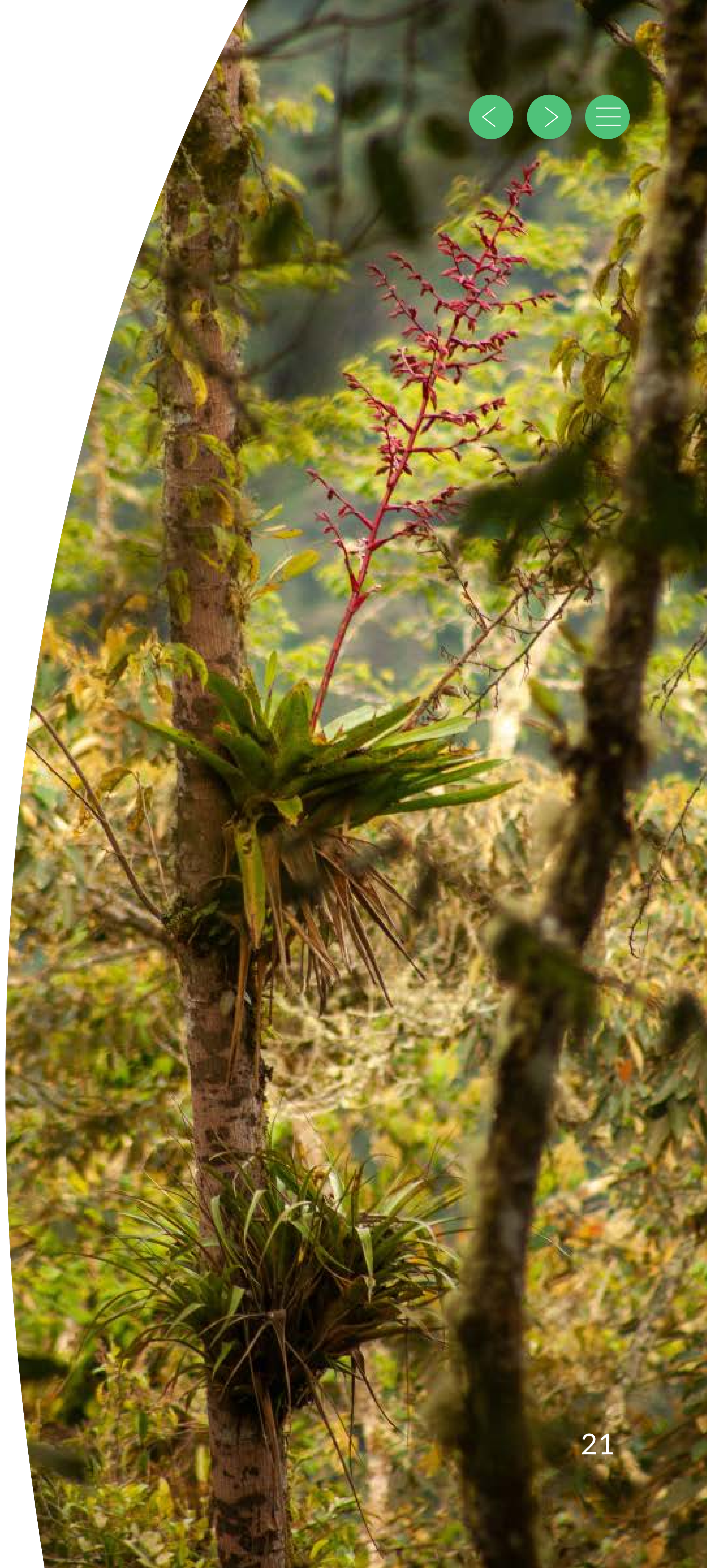
Sector-level screening

63% rely mainly on sector screening, most commonly via the sectoral risk-assessment tool ENCORE (56%). Sector screening is an important materiality assessment and a first step to measure impacts on biodiversity, with ENCORE as the primary tool being used by our signatories and members. However, a broader adoption of ENCORE was expected, because it is freely available and typically the first measurement step taken by financial institutions, according to feedback from members in our working groups.

Company-level assessments

Company-Level Assessment (Foot Printing) comes next at 40%, indicating a significant portion of respondents measure biodiversity impacts at the company level using footprinting methods. Company-Level Assessment (Others) is used by 32%, showing some diversity in company-level methodologies beyond footprinting (see figure 10 on the next page) .

This shows that most institutions rely on broader screening (sector-level) rather than granular, location-specific assessments, which may limit precision in understanding biodiversity impacts.



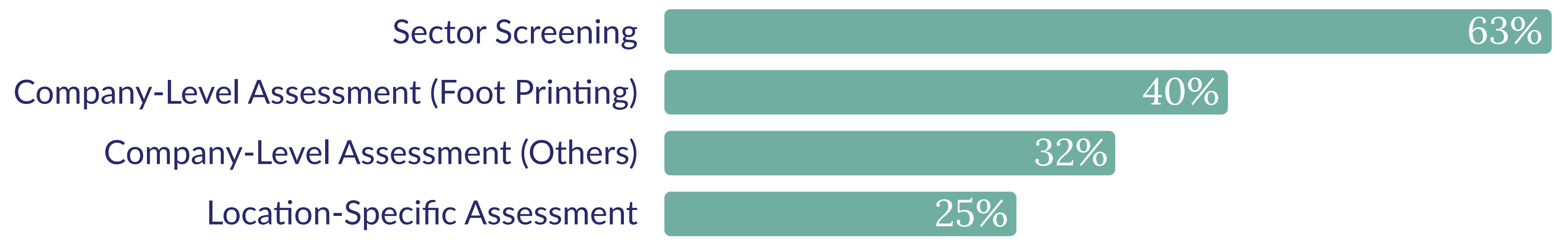
Location-specific assessments

Currently, only 25% of respondents conduct spatially explicit or location-specific assessments. Given that impacts and dependencies are inherently location-based—and data and tools are improving—this is a relatively low figure. Yet, this proportion should increase in the coming years. Where granular data are unavailable, proxy-based approaches at higher spatial scales (e.g., landscape, regional, or national) should be employed as a first step.

Figure 10
Overview of tools per screening and assessment category used

Sector Screening	• ENCORE • SBTN Materiality Screening Tool • ISS - Biodiversity Impact Assessment Tool • Bioscope (Recipe) • Global Canopy Sector Guidance on Deforestation • UNEP FI Portfolio Impact Analysis Tool for Banks
Company-level assessment (Footprinting)	• FFI - Biodiversity Footprint Financial Institutions • GBSFI - Global Biodiversity Score for Financial Institutions • BIA-GBS - Biodiversity Impact Analytics-Global Biodiversity Score • CBF - Corporate Biodiversity Footprint • GID - Global Impact Database • GIST Nature & Biodiversity Suite • MSCI Biodiversity Footprint Metrics • ISS - Biodiversity Impact Assessment Tool • Bioscope (Recipe) • Proprietary/internal biodiversity impact models
Company-level assessment (Others)	• ISS - Biodiversity Impact Assessment Tool • S&P Global - Nature & Biodiversity Risk Dataset • Nature Alpha - Biodiversity ESG Metrics • MSCI ESG • Bloomberg data • Forest 500 / Forest IQ • ENCORE
Location-specific assessments	• IBAT - Integrated Biodiversity Assessment Tool • WWF BRF - Biodiversity Risk Filter • WWF WRF - Water Risk Filter • MSCI ESG • ENCORE • AXA Climate

Figure 11
Type of biodiversity measurement approach or category used



Key takeaway: The data is encouraging; however, institutions must continue to move from high-level screening towards comprehensive company- and site-specific analyses to better inform engagement, risk management and capital allocation.

How is FfB Foundation responding to this need?

To support financial institutions in assessing and managing their biodiversity impacts and dependencies, the FfB Foundation has developed a suite of practical and data-driven tools. The updated Multi-tool study (launched October 2024) used a footprinting approach to provide estimated impacts and dependencies for over 2,300 companies from the MSCI All Country World Index (MSCI ACWI). The harmonised dataset, derived from four leading footprinting tools, allows users to explore results across multiple dimensions — including sector, company, driver of loss, ecosystem service, and scope.

Complementing this, our Biodiversity Data Platform (currently in development) will serve as a comprehensive data catalogue tailored to financial institutions, organising nearly 2,000 nature-related data points from more than 25 providers and tools under 40 criteria and filters. This data catalogue will allow financial institutions to identify and select the right data provider and data point for the right purpose.

Furthermore, the Foundation continues to update the Biodiversity Measurement Approaches Guide, with the 5th edition being published during 2025. This new edition will include one new metric (Biodiversity Intactness Index), updates on the existing tools, an updated section on measuring impacts on the marine environment, and more.

Finally, the Foundation is also developing measurement 'decision trees' for impact assessment, practical flow charts designed by asset class to guide users through the step-by-step process of conducting and disclosing biodiversity impact assessments.

Together, these tools will empower financial institutions to make informed, transparent, and comparable progress in understanding and addressing their impacts and dependencies on nature.

Good Practice Spotlight: Schroders — Comprehensive Biodiversity Impact Assessment

"In addition to drawing on ENCORE as a starting point, we invested a lot of time into creating a proprietary model for assessing our nature-related impacts, as we wanted to have a comprehensive view of our exposure to all five drivers of nature loss. This was necessary to respond to our commitment to understand the significant positive and negative impacts of our investments, as well as to the growing expectations of our clients."
– Schroders

Schroders stands out for its transparent and comprehensive approach to assessing biodiversity impacts and dependencies across both public and private assets. Using tools such as ENCORE, IBAT, and the WWF Biodiversity Risk Filter, alongside its own proprietary model NatCapEx, the firm applies sector-, company-, and location-based analyses to understand nature-related risks and opportunities.

This integrated approach enables Schroders to assess biodiversity dependencies throughout value chains and to identify where portfolio exposure to key drivers of nature loss is most material.

The firm's assessments are aligned with the Taskforce on Nature-related Financial Disclosures (TNFD) framework and are embedded into its strategic planning, risk management, and stewardship processes. Schroders also demonstrates good practice in transparency—openly publishing methodological detail, data sources, and known limitations, thereby setting a benchmark for accountability in biodiversity impact assessment. By systematically integrating these insights into investment decision-making and engagement, Schroders exemplifies how financial institutions can turn biodiversity analysis into actionable, nature-positive outcomes.

8 / From Initiation to Portfolio Targets

Linked to Commitment 4 of the FfB Pledge – Setting targets

Why targets matter

Nature targets turn ambition into accountability. By setting clear and measurable objectives, institutions can show how their commitments translate into concrete expectations for portfolio companies and investment decisions. To achieve real impact, targets must move beyond internal initiatives towards quantifiable outcomes and clear measures to achieve them — such as mitigating drivers of negative impact on biodiversity and setting robust engagement processes with the companies invested.

To support this shift, the FfB Foundation developed the Nature Target Setting Framework for Asset Managers and Owners (2024), which turns global biodiversity goals into practical steps for financial institutions. The framework helps financial institutions identify high impact sectors on nature, prioritise the most material drivers of nature change, and embed them into a broader strategy to define science-aligned portfolio targets.

Current state of target-setting

67% of respondents to the Impact Survey (i.e. signatories and members) indicated that they had set one or more biodiversity targets. This figure rises to 80% when looking at FfB Foundation members only in the IMPR survey. These figures demonstrate a willingness to drive change and are a commendable first step in the establishment of credible nature strategies.

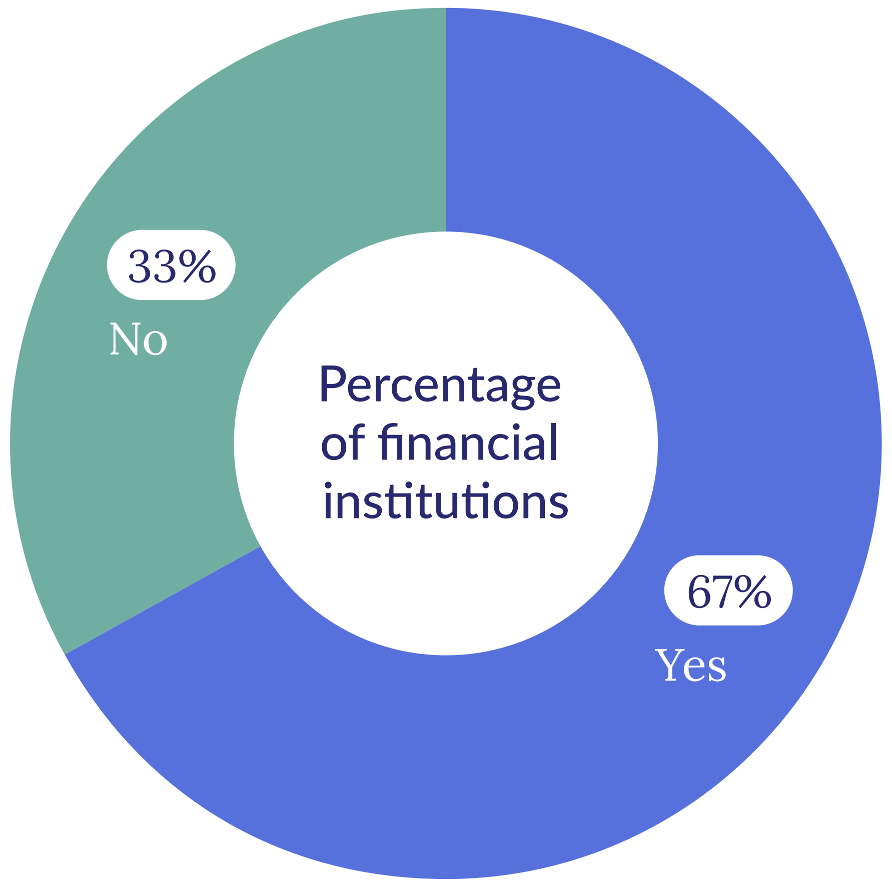


Figure 12
Percentage of respondents that have set one or more biodiversity targets

- Respondents that have set target(s)
- Respondents that haven't set target(s)

Framework Adoption Across Financial Institutions

Financial institutions are beginning to set individual biodiversity targets by adopting structured frameworks, though uptake varies. Some of the asset managers (47%) and asset owners (67%) align partially or completely with the Finance for Biodiversity nature targeting-settig framework.

Banks lag behind (18%), relying on UNEP FI's Principles for Responsible Banking Guidance on Biodiversity Target Setting, which ties biodiversity to lending and risk practices. Banks need a distinct methodology because the nature of their products, services and levers of action differ from investors. (The new "Nature Impact Target Setting for Banks" discussion paper, co-authored by UNEP FI and the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), proposes an approach for banks to set impact targets for nature – targets that aim to achieve an improvement in the state of nature through a set reduction of pressures across a bank's lending, investing, and underwriting activities.)

These frameworks are key to moving from ad-hoc commitments to science-based action, but uneven adoption still prevents a common baseline for progress. Furthermore, there is no formal guidance available today for Private Markets (private equity, private debt and real assets). This makes like-for-like assessment difficult and limits target-setting maturity in these asset classes.

Target typology

To distinguish maturity, we classify targets as follows:

1. **Initiation targets** (e.g. assess impacts, dependencies and risks on nature; build governance; training).
2. **Monitoring targets** (e.g. deploy resources to monitor KPIs on the identified drivers of nature change via data selection; and creation of a related stewardship policy).
3. **Portfolio/impact targets** (e.g. pressure-reduction focused KPIs like portfolio-wide no-deforestation timebound target; linkage to voting/engagement targets).
4. **Banks** follow a similar but distinct logic under UNEP FI PRB: process-oriented vs impact targets, with impact targets treated as the more advanced, outcome-focused category.

Types of targets set by asset managers and owners

i. Initiation targets by asset managers and owners

Looking at the IMPR data from FfB members, we see that most asset owners and managers indicated they included training & awareness (54%), impact assessment (45%) and governance and policy ambitions (41%) as topics in their targets.

ii. Monitoring and portfolio targets set by asset managers and owners

Of those FfB member asset owners and managers that have set monitoring and portfolio targets, most of these focus on deforestation (60%), land use change & sustainable agriculture (50%) and chemicals & hazardous substances (40%). Other topics such as plastics, climate change, ecosystem & biomass restoration, sustainable forestry and water use & stress are also popular.

Types of targets set by banks

i. Practice targets

Looking at the IMPR data from FfB members, we see that most banks indicated they included training & awareness (33%) and governance (& exclusion) policies on biodiversity (33%), followed closely by impact assessment (25%) and engagement with clients on nature (25%) as topics in their initiation/practice targets.

ii. Impact targets

Most FfB member banks that reported having already set impact targets have set targets regarding land use/sustainable agriculture (25%), water quality and stress (25%) and pollution (16%), among other topics including sustainable forestry, energy and fossil fuels, transport and the circular economy.

What the current pattern tells us

- Deforestation remains the most widely addressed topic among asset managers and owners. Together with broader land-use change, it is one of the biggest drivers of nature loss. It also benefits from comparatively extensive datasets, emerging regulatory frameworks, and a more advanced understanding of its impacts. As a result, investors often start by focusing on deforestation risks, particularly within the agrifood sector. We also observe that some investors are trying to broaden their scope to other themes—such as water overconsumption or pollution—but many ultimately encounter data limitations that hinder their ability to develop decision-useful KPIs.

- Land-use change and water quality or stress are the dominant focus areas for banks. These issues are highly material, comparatively measurable, and most directly connected to the impacts and risks associated with their financing activities and loan portfolios.

Biodiversity targets still lag behind climate targets

While the finance sector has made rapid progress on climate, nature target-setting remains at an earlier stage. More than 165 financial institutions now have SBTi-validated near-term climate targets, and over 325 Net Zero Asset Managers have set interim goals—supported by mature data, clear standards, and validation mechanisms.

By contrast, few financial institutions have quantitative or time-bound biodiversity targets, as highlighted by both our own data which shows that 23% have set monitoring or impact targets, and that of Responsible Investor in their Nature & Investors Survey (June 2025), to which only 25% of respondents reported having set measurable biodiversity or nature targets.

The main reasons for this are ongoing data gaps, methodological complexity, and the absence of consistent frameworks.

"Financial institutions are rapidly advancing on nature, but the market is still at the early stages of setting targets that meet the standards of scientific robustness and alignment with global goals. The next step is clear: align methodologies, strengthen the actions undertaken, and ensure targets are both decision-useful and driving real-world impact. Only then can this momentum translate into a transition towards nature-positive outcomes."
— Diane Roissard, Head of Nature Strategies, Finance for Biodiversity Foundation

What "good" looks like for 2026 and beyond

1. Science-informed, time-bound targets based on KPIs focusing on the most material drivers of impact on nature; explicitly stating the coverage across portfolios.

2. A robust stewardship strategy reflected in stewardship targets to complement portfolio targets, demonstrating progress towards their achievement.

3. Targets embedded into a broader firm-level strategy including all types of products, services and investment vehicles; across all asset classes; reflected in all investment and decision-making processes and incorporated in the firm's governance.

4. Framework-aligned and institution-specific: FfB Target-Setting Framework (asset managers/owners); UNEP FI PRB (banks); forthcoming FfB guidance to promote sector alignment and comparability among institutions.

5. Broader range of drivers of nature change addressed beyond land use and deforestation — covering the main high-impact sectors on nature within investors' portfolios and banks' lending activities.

Key Takeaway

Momentum across the financial sector is accelerating, driven in large part by the leadership of FfB Foundation signatories and members. Institutions are not only committing to act on biodiversity but are increasingly translating ambition into structured target-setting, supported by the Foundation's frameworks, guidance, and peer learning. The next critical step is shifting from broad commitments and early monitoring efforts towards **science-informed, time-bound targets grounded in KPIs**, underpinned by clear stewardship pathways that demonstrate how these targets will be achieved.

The Foundation will continue to work closely with its signatories, members, and external partners to turn this momentum into credible, transparent action for nature—helping financial institutions move decisively from commitment to impact.

Good Practice Spotlight: Resona Asset Management — Transparent Biodiversity Target Setting

"The urgency and importance of addressing natural capital, particularly biodiversity loss, are accelerating year by year. As responsible investors, we must collaborate with a broad range of stakeholders, including our investee companies, to enhance value across the market as a whole. Actions by FfB Pledge signatory institutions matter to solve complex, intertwined sustainability challenges and realise a better future society. These are not impossible targets. Let us steadily pursue them."
– Resona Asset Management

Resona Asset Management (RAM) has publicly disclosed biodiversity-related portfolio targets across key impact sectors including food, forestry, and chemicals. These are underpinned by in-house engagement projects with clear goals (e.g. sustainable palm oil and wood sourcing), predefined milestones, and measurable KPIs—such as the share of investee companies meeting all set milestones. Progress is monitored annually and reported in RAM's Climate and Nature Financial Disclosure Report.

RAM's escalation policy links target achievement directly to voting behaviour, embedding biodiversity considerations into governance and decision-making. The institution also reports target coverage by sector and portfolio percentage, aligning with FfB Foundation criteria for monitoring and portfolio targets. By combining sector-specific goals, transparent disclosure, and governance integration, RAM demonstrates a mature and actionable approach to nature target-setting.

9 / Financing Positive Impact on Nature

International agreements such as the GBF have made clear that the public and private financial sectors must play a leading role in halting and reversing biodiversity loss. Achieving a nature positive economy means ensuring that financial flows support the restoration and protection of biodiversity and ecosystems, while closing the estimated **USD 700 billion annual biodiversity finance gap**. For financial institutions, this includes mobilising funds for solutions that generate measurable positive outcomes for nature.

Defining "Nature Positive" and "Positive Impact"

In line with the GBF, nature positive refers to halting and reversing nature loss by 2030, with full recovery by 2050. For financial institutions, a positive impact on nature means allocating capital and engaging with clients in ways that restore ecosystems, enhance biodiversity, and transform economic models to reduce pressures on nature — going beyond risk management to actively contribute to global goals.

In the self-assessment survey, the respondents were invited to refer to the Finance for Nature Positive Working Model to indicate if they had allocated capital to financing and investments with the potential to contribute to the nature-positive goal.

Asking this question de facto eliminates the first definition level of "Nature Impact Mitigation Finance", which is only about compliance and the mitigation hierarchy. Given that 98% of survey respondents have nature-related policies (see page 15), they are expected to reach this minimum level of ambition.

Then, at this stage, it is not possible to differentiate between the next degrees of ambition within the financial flows reported by respondents - between "Nature Finance" and "Nature Positive Finance" - considering that operational qualification criteria remain under development.

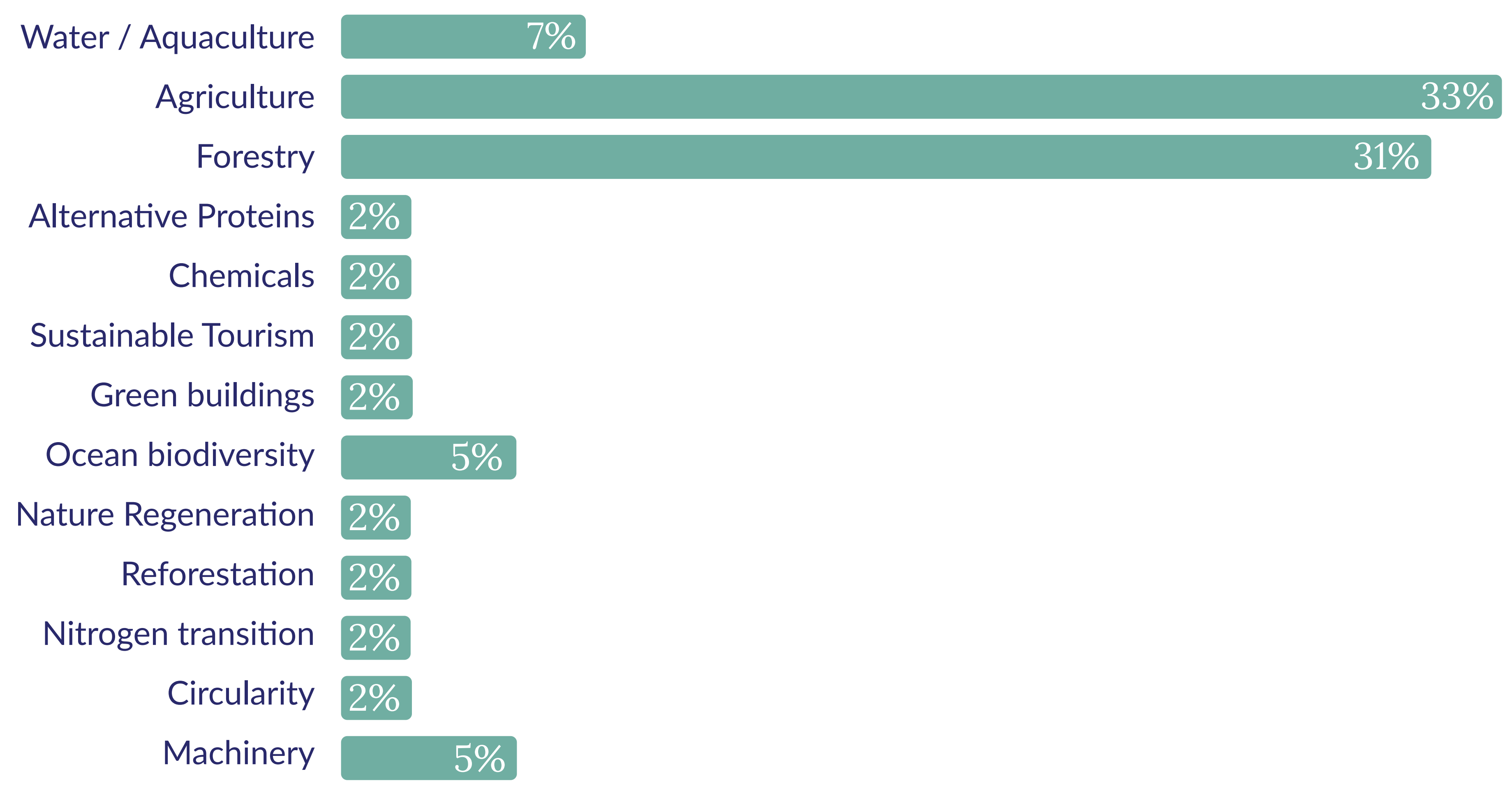
Based on the definitions of the World Bank Group, Nature Finance contributes to the broad transition of the economy towards biodiversity goals, while Nature Positive Finance demonstrates measurable positive outcomes and avoids any risks of adverse impacts on nature. Therefore, to build progress towards monitoring financial flows with the potential to contribute to the nature positive goal, respondents have been asked to indicate if they monitor the impacts on nature of their dedicated vehicles and products.

Current Allocation of Nature Impact Investments and Products

Over half (54%) of our Impact Survey respondents said they had already allocated capital towards nature impact investments and products, amounting to over EUR 53 billion. These assets are spread across equity, green bonds, loans, real assets, and project finance.

It's perhaps unsurprising that our data shows the strongest sectoral focus is on agriculture (33%) and forestry (31%), where frameworks and metrics are most developed. Investment in water and aquaculture (7%), oceans (5%), sustainable tourism (2%) and circular economy solutions (2%) is still noticeably lacking.

Figure 13
Top themes of positive impact investment



This concentration reflects the current maturity of nature finance markets — where financial opportunities with measurable biodiversity outcomes are more established in land-based sectors. These sectors offer clearer methodologies and metrics for biodiversity benefits, such as reforestation, sustainable land use, and regenerative agriculture, while opportunities in marine ecosystems and urban infrastructure remain underdeveloped.

In addition, for 90%* of the capital that survey respondents had allocated towards positive impact investments - EUR 48 billion - respondents declared they monitor positive outcomes on nature and shared their reports. This monitoring brings these financial flows closer to contributing to the nature-positive goal. The next methodological steps will include understanding if they 1) use state-of-nature metrics to justify outcomes over time, 2) rely on baselines and market references, and 3) cover all remaining risks of adverse impacts.

Respondents have mentioned various frameworks of reference guiding their practices, including ICMA Green Bonds categories, GIIN Impact Measurement & Management, Operating Principles for Impact Management, Planetary Boundaries, Biodiversity Net Gain, and Forestry Certifications including FSC and PEFC.

*The data on capital allocation towards nature impact investments and products is self-reported and the assets contained in each vehicle and product have not been verified by the FfB Foundation.

Appetite and Ambition

Encouragingly, **68% of institutions reported a high or very high appetite to scale up nature finance**, demonstrating strong intent to integrate biodiversity into mainstream financial decision-making. However, **only 20% have set concrete growth targets** for the next 3–5 years — revealing an ambition–action gap. Many FIs are awaiting clearer policy signals, data, and market incentives before committing to specific targets.

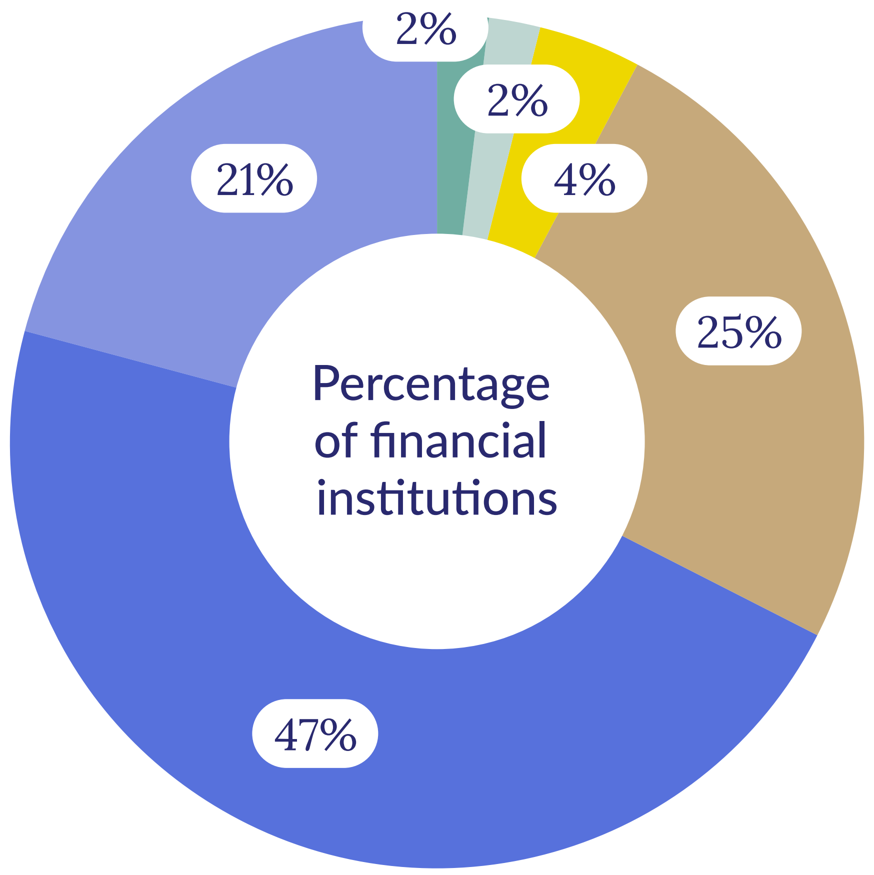


Figure 14
Percentages of financial institutions' appetite for positive impact investments in nature

- Unanswered
- Very Low
- Low
- Neutral
- High
- Very High

Barriers to Scaling Positive Impact Finance for Nature

Despite this growing momentum, the flow of capital into nature solutions remains a fraction of what is required. Institutions identified several barriers to scaling, including:

- Insufficient data and knowledge (reported by 43% of respondents), particularly on the financial performance and measurable impact of biodiversity projects
- Perceived investment risks (32%), especially in emerging markets, where nature-based projects often depend on evolving policy frameworks
- Lack of consistent standards and frameworks (30%), which complicates the classification and verification of "nature-positive" investments
- Lack of bankable / investable opportunities (27%)
- Internal institutional factors (27%)

Complexities also exist across asset classes, particularly for sovereign debt and listed equities, where linking biodiversity outcomes to financial instruments remains challenging.

> *"Financial institutions have not yet found scalable ways to generate biodiversity gains beyond agriculture and forests. While these sectors offer clearer pathways for impact, progress in areas such as oceans, infrastructure, and manufacturing will depend on greater collaboration and mainstreaming of biodiversity considerations across all sectors of the economy."*
> – Natacha Boric, Head of Policy and Positive Impact, FfB Foundation

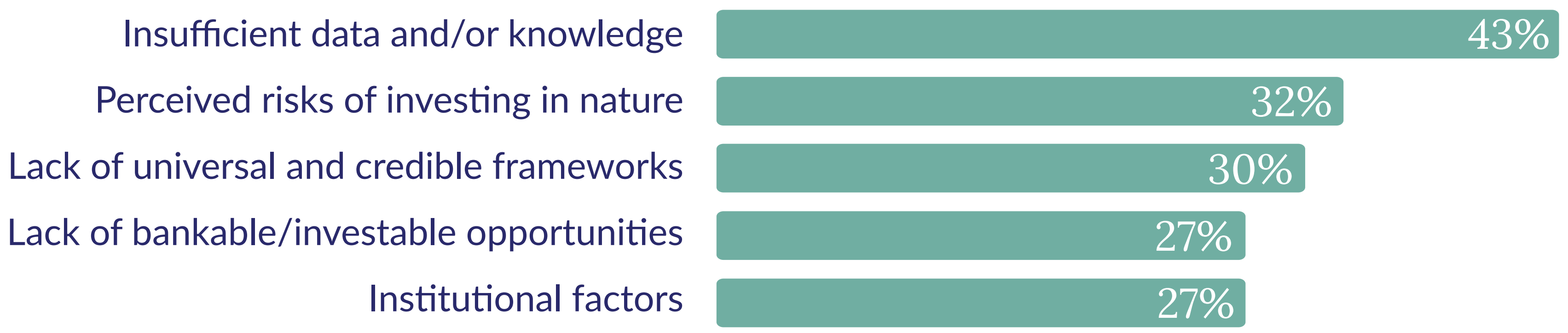
Finance for Nature Positive Programme

The FfB Foundation is addressing these gaps through its Finance for Nature Positive Programme, a multiple-year initiative that aims to catalyse systemic change across financial markets by equipping financial institutions with the tools and guidance to align portfolios, lending, and investment strategies with nature-positive outcomes. Specifically, the programme will:

- Build a practical framework that will help financial institutions identify, assess, and direct funding towards real economy players and countries with the potential to contribute to the nature-positive goal.
- Develop implementation materials to help support informed decision-making: case studies, country profiles and overview reports of available opportunities (financial products and vehicles).
- Expand the Finance for Nature Positive Working Model, providing common definitions and standards for measurable biodiversity outcomes.

Figure 15

Barriers to scaling positive impact investments in nature



In addition to "mainstream companies in transition" and "solutions providers and enablers", other collaborative workstreams focused on nature-positive outcomes include our Sovereign Debt and Real Assets working groups – two areas identified by members as particularly relevant to align with nature-positive objectives. These member-led groups will help develop guidance on engagement with countries, improve data infrastructure, and support the creation of regulatory conditions that enable investment in nature-related opportunities.

Global Reach and Emerging Markets

Some financial institutions are beginning to explore opportunities in the Global South, recognising the high potential for biodiversity gains in these regions. However, the combination of higher perceived risks, limited investable pipelines, and weaker regulatory environments still constrains large-scale investment. Strengthening partnerships between development finance institutions, local actors, and private investors will be critical to unlock nature-positive investment in emerging markets.

Good Practice Spotlight: AGRI3 Fund – Financing Food Systems Transition for Positive Impact

"Finance must mainstream biodiversity, moving beyond risk management toward opportunity."
— AGRI3 Fund

AGRI3 Fund is designed to mobilise private capital toward sustainable agriculture, forest protection and restoration, and improving livelihoods — with biodiversity embedded as a core investment objective. The fund integrates nature considerations throughout due diligence and investment decisions, focusing on mitigating deforestation and conversion risks, and ecosystem restoration potential.

Recent investments channelled capital into regenerative farming and forest conservation in emerging markets, each backed by project-specific biodiversity targets and regular monitoring. AGRI3 also supports sectoral progress through coalitions and partnerships with, amongst others, UNEP and Climate Bonds Initiative.

Despite challenges such as limited metrics and available data, AGRI3 tackles barriers through collaboration with its partner financial institutions, technical assistance, pragmatic assessments, and binding biodiversity targets that ensure accountability.

10 / Conclusion and Learnings

From Awareness to Accountability

Over the past five years, the FfB community has made remarkable progress in embedding biodiversity into financial decision-making. What began as a collective call to action has evolved into a structured, data-driven movement. Financial institutions are no longer treating nature as a peripheral ESG issue but as a core determinant of financial stability, risk, and value creation. The journey from awareness to accountability is well underway.

Our survey findings confirm that most signatories and members have established the governance, policies, and collaborative frameworks necessary to integrate nature considerations. Nearly all have embedded biodiversity into ESG policies, while engagement with companies has become the primary lever for influence. The next challenge lies in ensuring these structures deliver measurable outcomes for nature—turning commitments into concrete impacts.

Key Learnings from Five Years of Action

1. **Collaboration accelerates progress.**
   Peer learning through the FfB Working Groups has proven critical to advancing understanding and harmonising approaches. By co-developing guidance and frameworks, financial institutions gain the knowledge and understanding needed to influence standards, data providers, and policymakers.

2. **Data gaps remain the biggest barrier.**
   Despite significant advances, many financial institutions still struggle to assess biodiversity impacts and dependencies with precision. A lack of location-specific data, sector comparability, and consistent metrics continues to limit the depth of analysis. As mentioned already, the FfB Foundation is working on a *Biodiversity Data Platform*, which will allow members to access biodiversity data points from open source and commercial data providers. The next update of the *Biodiversity Measurement Approaches Guide* will also help to address these limitations.

3. **Targets drive accountability and integration.**
   Financial institutions with clear, time-bound biodiversity targets—especially those linking them to governance, voting, or lending decisions—show the most progress. Tools such as the *FfB Nature Target Setting Framework for Asset Managers and Owners* are key to scaling credible, portfolio-wide actions.

4. **Engagement is maturing—but outcomes must follow.**
   ost financial institutions in the FfB network now engage companies on biodiversity issues, often through structured frameworks with escalation mechanisms. The next frontier is ensuring that these engagements demonstrably improve biodiversity outcomes on the ground.

5. **Positive-impact investing remains nascent.**
   While momentum is growing, investment in biodiversity solutions remains concentrated in forestry and agriculture. Expanding into other sectors and themes, such as marine ecosystems, infrastructure, and the circular economy will require new partnerships, policy incentives, better data and investable pipelines.

A Maturing Movement

The FfB community is moving from pilot initiatives to system-level change. Our learnings highlight that integration of biodiversity is not a one-off project but an ongoing process – requiring adaptive management, transparency, and long-term vision. As methodologies mature and data availability improves, financial institutions are better positioned to set meaningful targets, assess progress, and demonstrate their contribution to global nature goals.

The past five years have shown that collaboration works. Financial institutions can and are driving the transition to a nature-positive economy. The coming phase will focus on the **implementation of nature across portfolios and asset classes, moving from sector to company-level impact measurement on nature, setting portfolio-level nature targets and increasing investments and activities that have a positive impact on nature** – ensuring that finance truly becomes a force for nature's recovery.

11 / Looking ahead

The Finance for Biodiversity Foundation and its members achieved significant milestones in 2025, expanding working groups and setting up engagement initiatives while tackling increasingly complex topics to unlock greater impact for nature. This year we launched two new asset class–focused working groups — one on real assets (covering infrastructure, real estate, and natural capital) and another on sovereign debt — both dedicated to developing practical guidance and tools that help investors integrate biodiversity into impact analysis, target setting, and investment decisions.

In 2026, the Foundation will continue to accelerate action on biodiversity finance through deeper member engagement, new and updated guidance, and expanded tools for our members. We will also extend our asset class–focused working groups and corporate engagement initiatives, addressing emerging and high-impact sectors where financial institutions can further advance biodiversity integration.

A key development for 2026 will be the launch of the **FfB Hub** — a new offering for non-Pledge signatory financial institutions (FfB Participants) seeking to gain knowledge, interact with peers and advance their nature strategies. The Hub will enable FfB Participants to benefit from peer learning, access to knowledge resources, and participation in selected open sessions of our working groups. Participants will also gain access to educational materials, workshops, and technical assistance to strengthen their approaches to target setting, impact assessment, and reporting. We also hope to be able to support, in particular, more financial institutions from emerging countries.

We will further enhance our annual benchmarking process to ensure it reflects the diversity of financial institutions and continues to capture both emerging challenges and advances in science and practice.

This will help ensure that our collective work remains grounded in the latest knowledge and relevant to the evolving needs of the sector.

Looking outward, the Foundation will deepen partnerships with governments, NGOs, the scientific community, and the public sector, expanding our policy engagement through the Public Policy Advocacy and Sovereign Debt Working Groups, as well as the country-specific subgroups. The upcoming CBD COP17 in Armenia will be a key moment to advance our collective advocacy for aligning financial flows with global biodiversity goals.

Sources

Overall

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Chapter 3

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