Finance and Biodiversity
Overview of initiatives for financial institutions
Momentum is growing

The momentum for biodiversity is growing amongst financial institutions, and so is the number of communities, networks and initiatives dedicated to this topic. This document provides a comprehensive overview of the main biodiversity-related initiatives currently targeting financial institutions. It shows the topics they address, as well as the activities and deliveries so far.

Towards a global agreement on biodiversity
The post 2020 Global Biodiversity Framework, to be adopted at the CBD COP15 in Kunming China in October 2021, aims to mobilize the world to protect and restore nature. It will serve as an umbrella strategy to governments at all levels, businesses, public and private finance, civil society, providing coherent guidance and support with the aim of conserving, restoring and sustainably using biodiversity and ecosystems.

Collaboration is key
Together with UNEP FI and the PRI, the Finance for Biodiversity Pledge and its initiator the Finance@Biodiversity Community want to help financial institutions to understand what initiatives are out there, and who is doing what. With this overview, we aim to enable synergies and accelerate collaboration on key topics. The definitions of the topics included can be found in the Guidance document of the Finance for Biodiversity Pledge.

Overview, fact sheets and updates
The table on the next page provides an overview of the twelve initiatives that we have mapped, the topics they address and their level of collaboration for each topic. Following this overview table, you can find a concise fact sheet for each initiative. We aim to provide quarterly updates to this document. Feedback and input to be included in the next updates of this document can be sent to info@financeforbiodiversity.org.
# Overview of initiatives

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**INITIATOR**
- European Commission
- Finance for Biodiversity Community
- PRI Principles for Responsible Investment
- PRI Biodiversity Investor Leadership Platform
- TNFD Guidance on Nature-related Financial Disclosures
- PRI Biodiversity Investment Platform
- ASN Bank, a.o.
- Global Canopy, UNEP FI, UNEP WCMC
- European Commission
- UNDP

**FOR WHOM?**
- Investors
- Banks
- Insurers
- Corporates

**TOPIC**
- ESG and Engagement
- Measurement and data
- Target setting
- Reporting & disclosure
- Positive impact
- Public policy advocacy

**Type of activities and level of collaboration**
- Sharing practices e.g. sharing and disseminating lessons
- Co-development e.g. collective hiring, develop guidance, involve and build expertise and tool(s)
- Collective action e.g. speak as ‘one voice’ with/to other stakeholders, advocacy, standardization
Intended as a bottom-up reinforcement, the Finance@Biodiversity Community (F@B) was set up by the European Commission in 2016 as part of the EU Business@Biodiversity Platform, facilitating the finance sector members to lead their collective biodiversity agenda. The F@B Community aims to accelerate the process of learning and support implementation, both at a strategic level and by sharing practical experiences, thereby supporting the transition towards a resilient financial sector.

Activities 2021-2022 and expected deliverables

ESG and Engagement
Two online workshops for peer-to-peer sharing and learning, inviting experts; and one webinar.
- Guide on engagement with companies (2021) with consolidated lessons learned

Measurement, metrics and data
One online workshop for peer-to-peer sharing and learning, inviting experts on a demand-based manner; and one webinar.
- Update to the Guide on measurement approaches in 2022, including case studies

Target setting
Sharing practices as part of Measurement activities

Reporting & disclosure
Included as part of Engagement activities

Positive impact
Included as part of Engagement and Measurement activities

Reports and actions so far
Positive Impact Finance for Business and Biodiversity, 2018
Finance for Biodiversity Pledge (collective commitment), 2020
Guidance to the Pledge. Reverse nature loss in this decade, 2020
Guide on biodiversity measurement approaches, 2021

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July 2021
The UN-supported Principles for Responsible Investment (PRI) is a network of over 3000 institutional investors who are committed to responsible investment and understanding and incorporating ESG factors into their long-term investment decision making processes. Biodiversity is one of many priority ESG issues of focus.

**Activities 2021-2022 and expected deliverables**

**ESG and Engagement**
PRI and UNEP FI informal reference groups for asset owners and asset managers: sharing learnings
- PRI and UNEP FI biodiversity webinar series
- Webinar on biodiversity and infrastructure

**Measurement, metrics and data**
- Biodiversity data scoping exercise
- Natural capital hotspots of depletion mapping with UNEP WCMC

**Target setting**
Sharing practices via webinars and reference groups with UNEP FI

**Reports and actions so far**
**Investor Action on Biodiversity**, 2020
**Mapping natural capital hotspots of depletion**, 2021, together with UNEP-WCMC

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**PRB, PSI & ILP**
Principles for Responsible Banking, Principles for Sustainable Insurance & Investment Leadership Platform

The Principles bring together banks committed to ensuring positive contributions to society and the environment. With United Nations Environmental Program Financial Institutions (UNEP FI) support, signatories jointly develop new guidance reports to best tackle pressing biodiversity issues.

**Activities 2021-2022 and expected deliverables**

**ESG and Engagement**
PRI and UNEP FI informal reference groups for asset owners and asset managers: sharing learnings
- PRI and UNEP FI biodiversity webinar series
- Finance stream of Science Based Targets Network

**Measurement, metrics and data**
- Biodiversity data efforts with TNFD
- Continued development of ENCORE for biodiversity including alignment module
- Joint support on metrics and data for targets with PRI

**Target setting**
See activities under Measurement, metrics and data

**Reports and actions so far**
**Beyond Business As Usual: Biodiversity Targets and Finance**, 2020, together with UNEP-WCMC and Global Canopy
Expanded the Sustainable Blue Economy Finance Initiative membership and developed its outreach, communication and work plan

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The Taskforce on Nature-related Financial Disclosures (TNFD) launched in June 2021, is a new global initiative that will deliver a framework for organisations to report and act on evolving nature-related risks. The TNFD was brought together by an Informal Working Group of 74 members, an informal Technical Expert Group and four founding partners, Global Canopy, UNEP FI, UNDP and WWF.

**Activities 2021-2022 and expected deliverables**

**Measurement, metrics and data**
To inform development of the TNFD framework, a Market Readiness Study will assess the current state of metrics, data, risk management, stress testing, tools and key practices to inform decisions on nature-related risks and dependencies across the private and public sector in the building phase of the framework.

When developing the framework, the TNFD will engage data providers, platforms and downstream data service providers to encourage the development of the data infrastructure required to meet its framework.

**Reporting & disclosure**
In 2023, the TNFD will deliver a framework for organisations to report and act on evolving nature-related risks, in order to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes. The TNFD framework will adopt a four-pillar approach, structured around how organizations operate: governance, strategy, risk management, metrics and targets. The TNFD will build on the format and principles of the Task Force on Climate-related Financial Disclosures (TCFD). The TNFD is not a new standard, but an aggregator of the best tools and materials to promote worldwide consistency for nature-related reporting.

**Reports and actions so far**
- **Nature In Scope: A summary of the proposed scope, governance, work plan, communications and resourcing plan for the TNFD, June 2021**
- **Proposed Technical Scope Recommendations for the TNFD, June 2021.**

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The Finance for Biodiversity Initiative (F4B) aims to increase the materiality of biodiversity in financial decision-making, and so better align global finance with nature conservation and restoration. F4B is advancing five workstreams: Market efficiency and innovation; Biodiversity-related liability; Citizen engagement and public campaigns; Responses to the COVID crisis; and Nature markets.

**Activities 2021-2022 and expected deliverables**

**ESG and Engagement**
Developing investor briefs to demystify the climate-nature nexus

**Measurement, metrics and data**
- Testing the feasibility of a midstream data platform containing geo-located asset data indexed to ownership.
- Developing a methodology for assessing the materiality of biodiversity on financial institution balance sheets.
- Creating data and disclosure to measure land use and food systems impact along the value chain and across portfolios.

**Reporting & disclosure**
Co-chairing the Informal Technical Expert Group in support of the TNFD launch

**Reports and actions so far**
- **Greening Sovereign Debt: Building a Nature Sovereign Bond Facility, 2021**
- **5th Greenness of Stimulus Index Report, 2021**
- **Aligning Development Finance with Nature’s Needs, 2020**
- **Aligning Global Finance with Nature’s Needs, 2020**
- **A full list of publications can be seen [here](#)**

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The **Science Based Targets Network (SBTN)** has been set up by the Global Commons Alliance. As a coalition of 45+ NGOs, the network is creating methods and tools for companies and cities to set integrated targets across all earth systems (freshwater, land, oceans, biodiversity, climate). Setting science-based targets will allow end-users to know if they are doing enough of the right actions, in the right places, to address their full value-chain impacts. The methods will help end users quantify their contributions on delivering progress towards global goals and other sustainability commitments. These science-based targets for nature will be available at the end of 2022.

### Activities 2021-2022 and expected deliverables

**ESG and Engagement**

SBTN’s Corporate Engagement Program (CEP) provides companies, consultancies, and industry coalitions with an opportunity to engage in the development of the methods, tools, and guidance between now and 2022. The list of CEP members can be found on the website.

**Measurement, metrics and data**

Developing standardized approach to measurement and target setting for key aspects of nature, including reducing pressures on nature and restoring states of nature.

**Target setting**

This is the entire purpose of SBTN—developing SBT methodologies for nature. The finance sector can start to build support for SBTs for nature among the entities they finance and can advocate for actions that companies and cities can start to take now. Financial firms that want to get involved in the co-creation of SBTs for companies and cities can join the corporate engagement program. The development of finance-sector specific targets will follow in due course.

**Reporting & disclosure**

SBTN is considering options for reporting, though this is work limited to reporting on targets and target progress.

### Reports and actions so far

**Science Based Targets for Nature. Initial Guidance for Business**, 2020

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### Align

**Aligning accounting approaches for nature**

The **Align project** will assist the European Commission’s efforts to support businesses and other stakeholders in developing standardised natural capital accounting practices, including a standardised approach to biodiversity measurement. This will be done through a new natural capital management accounting platform and a biodiversity measurement focused community of practice to facilitate best practice exchange among business practitioners and relevant stakeholders.

### Activities 2021-2022 and expected deliverables

**Measurement, metrics and data**

The Workstream on biodiversity measurement and data will work on sector-specific guidance for site-based, supply chain companies and financial institutions and a standardised approach for biodiversity measurement (2023). For this, Align is setting up a Community of Practice (CoP) and Technical Hub and a Community of Interest (CoI) for business and finance together:

- CoP: events focusing on natural capital management accounting and biodiversity measurement
- Technical Hub: a subset of the CoP focusing on biodiversity measurement technical challenges, gaps and potential solutions
- CoI: webinars and sharing project outputs

**Target setting**

Explored within the workstream on biodiversity measurement

**Reporting & disclosure**

The standardised approach for biodiversity measurement will provide details on reporting and disclosure and link to ongoing initiatives, e.g. GRI

**Positive impact**

Measurement of positive impacts included in biodiversity measurement approaches and natural capital management accounting

**Public policy advocacy**

Advocacy for the inclusion of private biodiversity measurement indicators and natural capital management accounting techniques within global policy developments.

### Reports and actions so far

Recruitment webinar held 10 March 2021

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The Partnership for Biodiversity Accounting Financials (PBAF) has been initiated and is run by financial institutions. Through discussions, the exchange of experiences and practical case studies, the partners cooperate in the development of a set of globally harmonized principles underlying biodiversity impact assessment in the financial sector: the ‘PBAF Standard’.

**Activities 2021-2022 and expected deliverables**

**ESG and Engagement**
Sharing practical experiences (case studies) and guidance regarding the use of biodiversity impact assessment in ESG and engagement.

**Measurement, metrics and data**
- PBAF partners cooperate in the development of globally harmonized principles underlying biodiversity impact assessment in the financial sector: the ‘PBAF Standard’.
- Specific topics, selected by participating financial institutions, are discussed in PBAF Working groups, supported by experts. Results feed into the PBAF Standard.
- Partners are supported in taking the first steps in biodiversity footprinting, e.g. through training and case studies.
- Regular (on/off-line) meetings.
- First steps focusing on dependency risks.

**Target setting**
Sharing practical experiences (case studies) and guidance regarding the use of biodiversity impact assessment in target setting.

**Reporting & disclosure**
The PBAF Standard will address the disclosure of impact assessment results; like the need to be transparent about assumptions made and the need to separate negative and avoided impacts.

**Positive impact**
Development of impact assessment principles regarding positive impacts, including sharing experiences (case studies).

**Reports and actions so far**

**Paving the way towards a harmonised biodiversity accounting approach for the financial sector**, 2020

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**ENCORE**
Exploring Natural Capital Opportunities, Risks and Exposure

ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a web-based tool developed by the Natural Capital Finance Alliance (Global Canopy, UNEP FI and UNEP-WCMC). ENCORE highlights economic activities’ dependencies and impacts on nature. It also provides spatial data, which helps understand potential location-specific risks of environmental change. Results can be applied for materiality assessment of risks and opportunities to banking, investment and insurance portfolios.

**Activities 2021-2022 and expected deliverables**

**ESG and Engagement**
A biodiversity module is in development (May 2021). The module, in addition to the existing tool, supports financial institutions with exploring potential alignment of activities in key sectors (agriculture and mining initially) with a nature-positive future. This will include information related to engagement with companies on biodiversity.

**Target setting**
The biodiversity module will help financial institutions take the first steps towards biodiversity-related target setting.

**Positive impact**
The biodiversity module will help financial institutions understand how they can work towards achieving positive impacts on biodiversity in their lending or investment portfolios.

**Measurement, metrics and data**
The biodiversity module will use two main metrics for biodiversity: species extinction risk and ecological integrity; they will be presented as portfolio level indicators of current exposure.

**Reports and actions so far**

**Exploring Natural Capital Opportunities, Risks and Exposure: A practical guide for financial institutions**, 2018

**Integrating Natural Capital In Risk Assessments: A step-by-step guide for banks**, 2018

**Beyond ‘Business as Usual’: Biodiversity Targets and Finance**, 2020

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July 2021
CBF
Consortium for Biodiversity Footprint

An investors consortium, consisting of Axa IM, BNP Paribas AM, Mirova and Sycomore AM, is developing the Corporate Biodiversity Footprint (CBF). This initiative aims at developing a common methodology and database to assess the biodiversity impact of investors’ portfolios. This entails an impact measurement approach based on product lifecycle analysis adapted to corporate sector specificities. Compatibility with existing taxonomy and regulation will be ensured while the tool will enable transparency and ease of communication.

Activities 2021-2022 and expected deliverables

Measurement, metrics and data
The consortium of four investors has hired Iceberg Data Lab and I Care & Consult which are currently developing measurement tools, metrics and data to assess the biodiversity impact of an investor’s portfolio.

First data has been delivered in H1 2021 with Food, Oil & Gas, Power, Forest & Paper, Tobacco, Electronics, Metals & Mining and Real Estate sectors covered. Sectorial coverage continues on H2 2021 with full sectors covered before the end of Q1 2022, including Sovereigns biodiversity footprint. New financial participants have recently joined the initiative while the methodology is continuously being upgraded with the inclusion of new pressures and consideration of the extension to new indicators.

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CPIC
Coalition for Private Investment in Conservation

The Coalition for Private Investment in Conservation (CPIC) is a global, multi-stakeholder initiative focused on enabling conditions that support a material increase in private, return-seeking investment in conservation. Founded by Cornell University, Credit Suisse, IUCN, and The Nature Conservancy, CPIC was launched in 2016 with 30 other organisations and has grown since to 85+ members.

Activities 2021-2022 and expected deliverables

Measurement, metrics and data
Research working group: developing analyses of methods and metrics to improve flow of investment to conservation of nature.

Positive impact
Building a pipeline of investable deals for conservation, through the collective action of a community of practice in conservation finance.

Reports and actions so far
Creation of Blueprints, i.e., model financial transaction structures intended to help facilitate replicable investments in priority conservation projects Conservation investment Blueprints Development Guide, 2018

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The UNDP - Biodiversity Finance Initiative (BIOFIN) supports 40 countries to develop and implement evidence-based Biodiversity Finance Plans. The implementation of selected biodiversity finance solutions enables the countries to reduce needs by greening sectoral budgets, increase resources and identify areas where available resources can be used more effectively.

**Activities 2021-2022 and expected deliverables**

**ESG and Engagement**
- Development of a menu of options for biodiversity positive CSR.
- Designing enhanced EIA systems that enable better assessments of potential biodiversity loss and associated mitigation options.

**Measurement, metrics and data**
- Biodiversity Expenditure Review for the Public and Private Sector as part of the BIOFIN Workbook.
- Development of a new expenditure catalogue with suggested ranges for attribution.

**Target setting**
- Development of sustainable finance strategies for the finance sector.

**Reporting & disclosure**
- Supporting TNFD and other initiatives at national level, working with central banks and other financial institutions.

**Positive impact**
- Developing biodiversity positive fintech applications, accelerator funds, green bond/green sukuk frameworks. Catalysing investments and improving their enabling environment.

**Public policy advocacy**
- Development and implementation of Biodiversity Finance Plans, including priority action for the finance sector.
- Analysing and developing plans to repurpose harmful subsidies.

**Reports and actions so far**
- **BIOFIN Workbook, 2018**
- **BIOFIN Catalogue of Finance Solutions, 2018**
- **Moving Mountains – Unlocking Private Capital for Biodiversity and Ecosystems, 2019**
- **Little Book for Investing in nature, 2021**
- **BIOFIN Webinars**

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