Principles for Responsible Investment

DISCUSSION PAPER

NATURE POLICY ROADMAP: POLICY RECOMMENDATIONS FOR SCALING UP INVESTOR ACTION FOR NATURE

July 2024

The following investor groups has been consulted to inform this briefing: the Global Policy Reference Group and the Nature Reference Group. This consultation is not an endorsement or acknowledgement of the views expressed in this briefing.

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ABOUT THE PRI

The Principles for Responsible Investment (PRI) works with its international network of signatories to put the six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories seeking to integrate these issues into investment and ownership decisions, where consistent with their fiduciary duties. The PRI acts in the long-term interests of its signatories and of the financial markets and economies in which they operate.

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system. More information is available at www.unpri.org

ABOUT THIS PAPER

This discussion paper sets out the importance of nature to economic and social systems, its relevance to responsible investors and the PRI's approach to nature policy. It provides a summary of the landscape of nature policies around the world. The report also proposes recommendations to governments, policymakers and regulators on what key policy reforms and instruments are necessary to

- enable investors to effectively address nature-related risks;
- pursue positive outcomes in alignment with their duties;
- and incentivise companies and capital market actors to align with the goals of the Kunming-Montreal Global Biodiversity Framework.

This paper invites discussion with signatories on the best ways to address nature issues from a policy perspective and serves as a resource for signatories for their own policy engagements on nature.

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Contents

WHAT IS NATURE?

Nature refers to the natural world, with an emphasis on its living components.[1]

Biodiversity is the variability among living organisms from all sources.[2] Biodiversity is an essential component of nature; it is critical to maintaining a functioning and resilient natural system that can continue to provide services for society.[3] Biodiversity enables ecosystems to be productive, resilient and adaptable to change.[4]

Ecosystem services are part of nature's contributions to people.[5] Ecosystem services include provisioning services such as the provision of food and raw materials, as well as regulating and maintenance services such as air and water filtration, carbon storage and climate regulation.[6]

Nature or Biodiversity?

This discussion paper focuses on the importance of nature policy and how the PRI engages with the topic. The paper adopts the broader concept of nature but acknowledges that biodiversity contributes to the maintenance and resilience of natural systems. Therefore, the principles and policies discussed in this paper apply to nature issues and to addressing biodiversity loss.

[1] IPBES (2019), Global Assessment Report on Biodiversity and Ecosystem Services
[2] Secretariat of the Convention on Biological Diversity (2011), Convention on Biological Diversity: Texts and Annexes
[3] PRI, Nature in responsible investments webpage
[4] PRI (2024), An introduction to responsible investment: Biodiversity for asset owners
[5] IPBES (2019), Global Assessment Report on Biodiversity and Ecosystem Services
[6] PRI (2024), An introduction to responsible investment: Biodiversity for asset owners

WHY NATURE MATTERS

THE IMPORTANCE OF NATURE

Nature, and the ecosystem services it provides, underpin our economy and societies globally. In 2020, it is estimated that US$44 trillion of economic value generation – roughly half of the world's total gross domestic product (GDP) – is moderately or highly dependent on nature.[7] In 2023, a new analysis increased this figure to US$58 trillion – 55% of the world's total GDP.[8]

Nature's goods and services are the foundation of our economies. They include provisioning services that supply goods (such as food, water, fibres, timber and medicines) and cultural services (such as the gardens, parks and coastlines we visit for pleasure or even the sustenance of emotional health). [9] Regulating and maintenance services sustain life as we know it through the preservation and regeneration of soil, flood control, pollutants filtration, waste assimilation, crop pollination, hydrological cycle maintenance and climate regulation and the maintenance of genetic diversity, which is vital for global food security and resilience of agricultural systems, amongst many other functions.[10] In economic terms, these elements can be characterised as natural capital, which refers to the stocks of environmental assets that generate flows of goods and services.[11]

NATURE IS IN DECLINE

Nature is essential for our livelihood and quality of life. Most of nature's contributions to people are not fully replaceable, and some are irreplaceable.[12]

Economic activities have an impact on nature by changing its state positively or negatively. Estimates suggest that US$7 trillion is invested annually in economic activities that have direct negative impacts on nature.[13]

Human activities have led to an unprecedented deterioration of nature and its contributions to people. Across the globe, nature has now been significantly altered, with the great majority of indicators of ecosystem health and biodiversity showing rapid decline. For example, 75% of the earth's land surface and 66% of its ocean area have been significantly altered and more than one million species are currently threatened with extinction.[14] Figure A below visualises the Biodiversity Intactness Index for 2020, which tracks how much of an area's natural biodiversity remains. The higher the index, the higher the intactness.

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[7] World Economic Forum (2020), Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy
[8] PwC, "PwC boosts global nature and biodiversity capabilities with new Centre for Nature Positive Business, as new research finds 55% of the world's GDP - equivalent to $58 trillion - is exposed to material nature risk without immediate action", press release, 19 April 2023
[9] Dasgupta, P. (2021), The Economics of Biodiversity: The Dasgupta Review
[10] Dasgupta, P. (2021), The Economics of Biodiversity: The Dasgupta Review
[11] European Commission (2023), Reflections on the Role of Natural Capital for Economic Activity
[12] IPBES (2019), Global Assessment Report on Biodiversity and Ecosystem Services
[13] UNEP (2023), State of Finance for Nature 2023
[14] IPBES (2019), Global Assessment Report on Biodiversity and Ecosystem Services

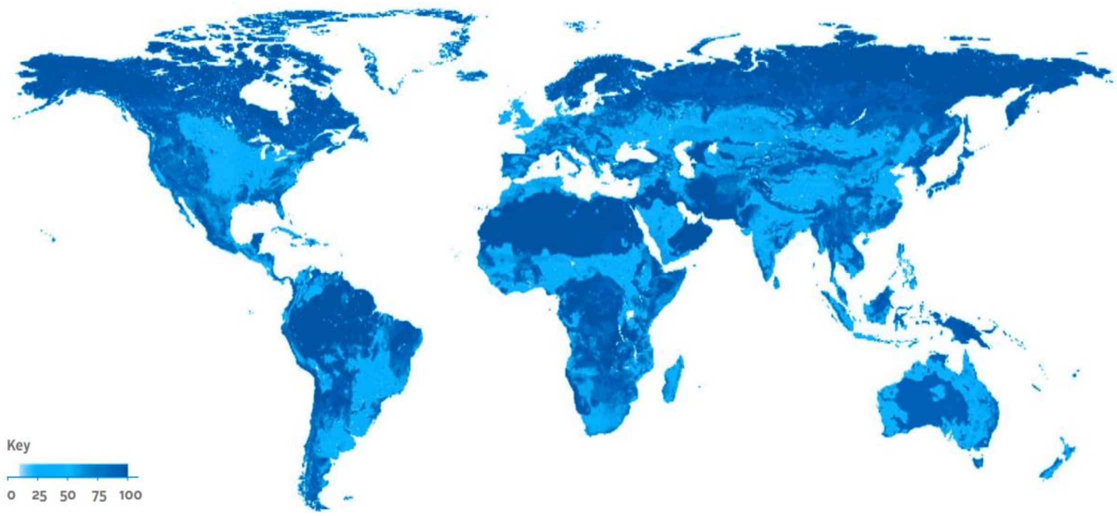

Figure A: Adapted from the Natural History Museum

The main human-influenced direct drivers of biodiversity loss, in descending order based on impact, are

- Land, freshwater and sea use change;
- Overexploitation of resources (such as harvesting, hunting, logging, and fishing);
- Climate change;
- Pollution; and
- Invasive species.[15]

Planetary Boundaries and Climate Change

The planetary boundaries concept presents a set of nine interrelated biophysical processes, whereby if human impacts to those systems are held within limits, humanity can continue to thrive for generations to come. However, crossing the critical thresholds increases the risk of large-scale abrupt or irreversible environmental changes, which poses risks to people and the ecosystems we are part of. As of 2023, it has been quantified that we have already exceeded six of the nine planetary boundaries.[16]

Climate change and nature decline are intrinsically linked; they are also crucial to understanding the interplay between planetary boundaries and to minimising the risk of irreversible environmental damage. While climate change is one of the five key drivers of biodiversity loss, conversely, forest loss and land use change is also a key contributor to climate change.[17] In terms of solutions, certain interventions can simultaneously contribute towards both nature and climate objectives, for example nature-based solutions.[18]

[15] IPBES (2019), Global Assessment Report on Biodiversity and Ecosystem Services
[16] Richardson, J., Steffen W., Lucht, W., Bendtsen, J., Cornell, S.E., et.al. (2023), "Earth beyond six of nine planetary boundaries", Science Advances, 9, 37
[17] United Nations, Causes and Effects of Climate Change webpage
[18] According to the International Union for Conservation of Nature and Natural Resources, nature-based solutions address societal challenges through actions to protect, sustainably manage and restore natural and modified ecosystems, benefiting

NATURE IS RELEVANT TO INVESTORS

Nature loss presents significant risks for businesses, investors and the wider economy. The World Economic Forum finds that critical changes to Earth's systems, biodiversity loss and ecosystem collapse, natural resource shortages and pollution are all among the top ten most severe global risks over the next ten years.[19]

Nature loss creates new financial risks for investors through two avenues: [20]

- **Impacts:** changes in the state of nature (quality or quantity). Examples include a factory polluting a river or the conversion of a natural habitat for infrastructure; and
- **Dependencies:** aspects of environmental assets and ecosystem services that a person or an organisation relies upon. For example, a farm might be dependent on ecosystem services such as water flow, pollination or the regulation of hazards such as floods.[21]

Impacts and dependencies on nature can materialise into risks that investors should address to protect clients and beneficiaries. The Taskforce on Nature-related Disclosures (TNFD) has categorised the following nature-related risks:[22]

- **Physical risks**: chronic or acute risks resulting from the degradation of nature, often location-specific, for example, increased flood risks from the loss of protective coastal habitats such as mangroves or increased costs to mitigate the loss of wild pollinator insects. The World Bank estimates that the collapse of just four ecosystem services could cost 2.3% of global GDP, or US$2.7 trillion annually by 2030.[23]
- **Transition risks:** misalignment of economic activities, prompted by changes in regulation and policy, legal precedent, technology or investor sentiment and consumer preferences. Please refer to The Landscape of Nature Policies section for more information on policy developments.
- **Systemic risks:** threats arising from the breakdown of the entire financial and natural systems. The Network for Greening the Financial System (NGFS) has noted that nature-related risks could have significant macroeconomic implications, and that failure to account for, mitigate, and adapt to these implications is a source of risk for financial stability.[24]

people and nature at the same time. They target major challenges, including climate change, disaster risk reduction, food and water security, biodiversity loss and human health, and are critical to sustainable development.

[19] World Economic Forum (2024), The Global Risks Report 2024
[20] PRI (2024), An introduction to responsible investment: Biodiversity for asset owners
[21] TNFD (2023), Glossary Version 1.0
[22] PRI, Nature in responsible investments webpage
[23] The World Bank (2021), The Economic Case for Nature
[24] The Network for Greening the Financial System, "NGFS acknowledges that nature-related risks could have significant macroeconomic and financial implications", press release, 24 March 2022

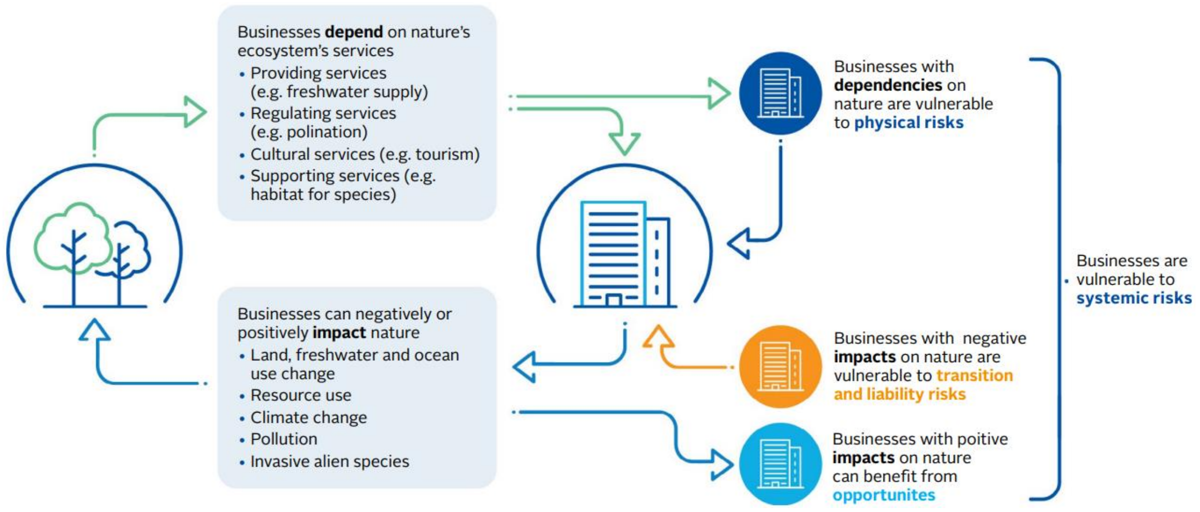

Figure B: Adapted from the Taskforce on Nature-related Financial Disclosures

Resources on Nature for Investors

The PRI has developed resources to help investors understand the importance of nature, develop nature-related strategies and integrate nature into investment practices.

An introduction to responsible investment: Biodiversity for asset owners is a starter guide introducing biodiversity to asset owners, focusing on drivers of biodiversity loss.

Developing a biodiversity policy: A technical guide for asset owners and investment managers explains how institutional investors can integrate biodiversity considerations into their responsible investment policies and investment processes.

Investing for nature: Resource hub is an online inventory of key resources and guidance from the PRI and partners on the topic of nature.

THE ROLE OF POLICY

The natural environment, along with all its associated ecosystem services, is a public good. Public goods benefit many people simultaneously; hence, they can also be called collective goods.[25] The collective benefit suggests a need for collective decisions on its management and utilisation, thereby providing a foundation for the need for public policy for nature.[26] Furthermore, from an economic perspective, unlike private goods, public goods are prone to market failure.[27] The problem stems from "free riding" – where individuals or entities have little incentive to voluntarily provide or maintain public goods when they can simply enjoy the benefits of public goods provided by others.[28] Public policy has a key role to play in correcting such market failures.

[25] Hillman, A.L. (2009) "Public Goods", in Public Finance and Public Policy: Responsibilities and Limitations of Government
[26] Hillman, A.L. (2009) "Public Goods", in Public Finance and Public Policy: Responsibilities and Limitations of Government
[27] Kotchen, M. (2012), Public Goods
[28] Kotchen, M. (2012), Public Goods

Public policy facilitates, enables and delivers global and national economic and sustainability objectives. Well-designed public policies can enhance the resilience and stability of financial, economic, social and environmental systems by providing overarching frameworks that address externalities and manage systemic risks. They can also improve market efficiency, address ESG issues and risks and increase the attractiveness of markets as investment destinations.[29]

Public policy influences the ability of investors to generate sustainable returns and create value.[30] Furthermore, voluntary sustainability actions from the private sector will only go so far in terms of scale and impact if the policy landscape and operating environment remain unchanged. Therefore, responsible investors have a clear interest in governments designing and implementing effective policy frameworks. [31]

The Kunming-Montreal Global Biodiversity Framework

The Kunming-Montreal Global Biodiversity Framework (GBF) was adopted during the 15th meeting of the Conference of the Parties (COP) to the Convention on Biological Diversity (CBD) in 2022. The GBF sets out an ambitious pathway to achieve the global vision of a world living in harmony with nature by 2050. Among the GBF's key elements are four goals for 2050 and 23 targets for 2030. Annexe 1 lists out the 23 targets.

Adopted by 188 governments, the GBF provides a framework for action to halt and reverse biodiversity loss by 2030 to put nature on a path to recovery.[32] The GBF has been regarded as the equivalent "Paris moment" for nature. In adopting the GBF, all parties committed to implementing its goals and targets at the national level.

The GBF is also referred to as the Biodiversity Plan.

[29] PRI (2023), Investing for the economic transition: the case for whole-of-government policy reform
[30] PRI, Our policy approach webpage
[31] PRI (2023), Investing for the economic transition: the case for whole-of-government policy reform
[32] PRI, Nature in responsible investments webpage

THE PRI'S APPROACH TO NATURE POLICY

THE PRI'S ROLE

As the world's leading proponent of responsible investment and an organisation with more than 5,000 signatories, the PRI works to identify policy-influencing opportunities to amplify signatories' voices on issues relevant to responsible investors.

Following the adoption of the GBF, the momentum behind the nature agenda has increased significantly from governments, regulators and private sector actors. The PRI is well-positioned to support signatories in preparing for changes in policy and market expectations. Moreover, the PRI can amplify investors' voices on how financial, corporate and real-economy policies can create an enabling landscape for responsible investors to address nature issues effectively.

THE PRI'S OBJECTIVE ON NATURE POLICY ENGAGEMENT

The PRI works with its signatory base to engage in the development of nature-related financial, corporate and real economy policies and regulations to create an enabling policy framework that benefits the environment and society as a whole. The PRI works to promote a policy landscape that enables investors to effectively address nature-related risks and pursue positive outcomes, and it promotes policies and regulations which incentivise companies and capital markets actors to align with the goals of the GBF. The PRI also works to empower investors to engage in nature policy as an extension of their fiduciary and stewardship duties.

While the PRI endeavours to engage in financial, corporate and real economy policies, the PRI's policy research and projects to date have primarily focused on financial and corporate policies. The PRI acknowledges that work on real economy policies will need to be further developed over time.

The PRI's Programme on Nature

Mobilising finance across all sources, including through the alignment of financial flows, is needed to address the US$4.1 trillion finance gap in nature by 2050.[33] The aim of the PRI's programme of activities on nature is to align investor action with the goals and targets of the GBF through three categories of action:

- **Capital allocation**: Support investment practices that align financial flows with the conservation and restoration of nature.
- **Stewardship**: Mainstream sustainable corporate practices through active ownership.
- **Policy engagement**: Call for the implementation of public policies that are aligned with the GBF and drive positive outcomes for nature.

[33] UNEP (2023), State of Finance for Nature 2023

THE LANDSCAPE OF NATURE POLICIES

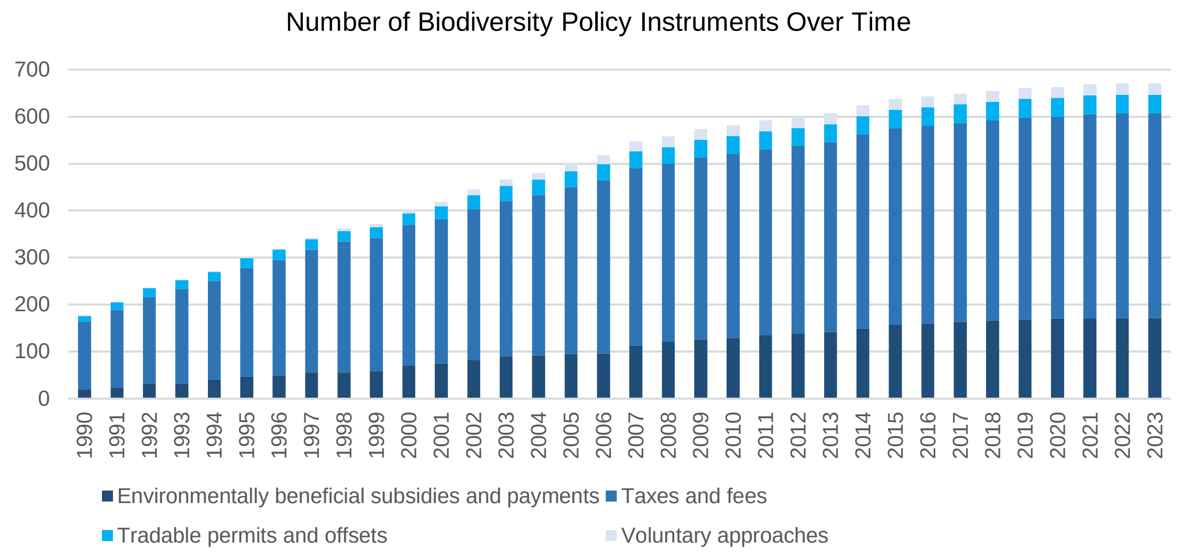

Figure C: Adapted from OECD [Policy Instruments for the Environment]

Since the Rio Conventions, including the CBD, entered into force in 1992, we have seen worldwide growth in policy instruments relating to biodiversity.[34] The policy instruments have primarily been real-economy policies, such as taxes to disincentivise pollution, fees and charges for national parks or sewage discharge, tradeable permits to allocate emission or resource exploitation rights, offsets to compensate for biodiversity impacts or subsidies and payments to encourage biodiversity-friendly projects or practices.[35]

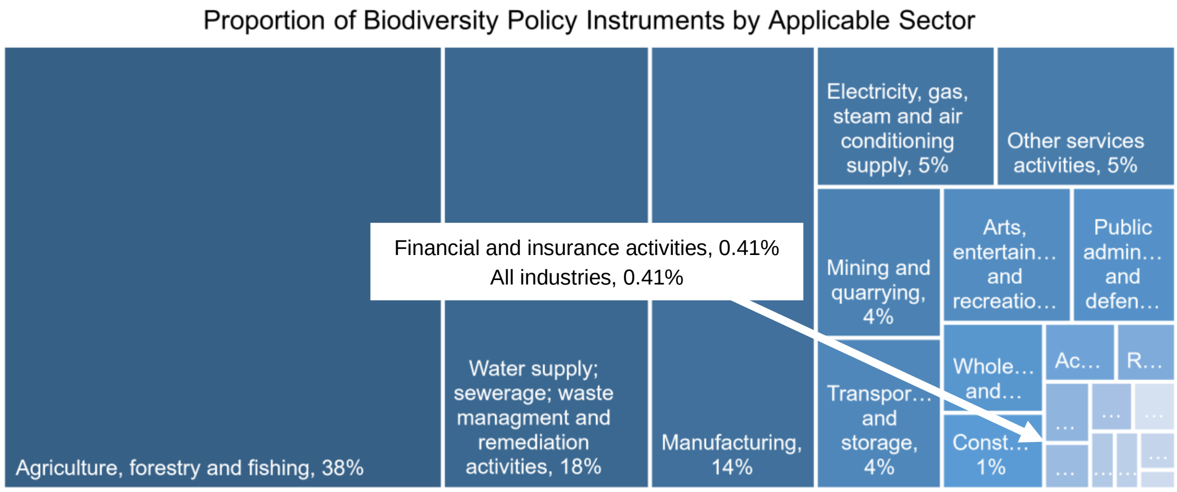

Figure D: Adapted from OECD [Policy Instruments for the Environment]

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[34] OECD, Policy Instruments for the Environment webpage
[35] OECD (2021), Tracking Economic Instruments and Finance for Biodiversity

Financial policies for nature are comparatively nascent. According to the Organisation for Economic Co-operation and Development's (OECD) policy instruments for the environment database, only 0.82% of all biodiversity policy instruments globally were applicable to financial and insurance activities as of June 2023.[36]

Recent Global Developments Influencing Policymaking

The following global developments are envisaged as having a strong influence on the development and direction of nature policies worldwide in the coming years.

Glasgow Leaders' Declaration on Forests and Land Use: Signed by 145 countries in November 2021, the declaration reaffirms governments' commitments to working to halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation.

Resolution to End Plastic Pollution: In March 2022, 175 nations endorsed a resolution to end plastic pollution and develop an international legally binding instrument (the so-called Global Plastics Treaty) that addresses the full lifecycle of plastics by 2024.

The Kunming-Montreal Global Biodiversity Framework: Adopted by 188 governments in December 2022, the GBF sets out four goals for 2050 and 23 targets for 2030. Parties must revise and submit their respective National Biodiversity Strategies and Action Plans (NBSAPs) ahead of COP16 in October 2024, embedding the GBF goals into national plans.

Taskforce on Nature-related Financial Disclosures: The TNFD published its final recommendations in September 2023. The recommendations will help operationalise Target 15 of the GBF and are expected to influence existing standards such as the Global Reporting Initiative (GRI) and International Sustainability Standards Board (ISSB) standards, as well as market regulation.

Outcome of the First Global Stocktake: In December 2023, the outcome of the first global stocktake under the United Nations Framework Convention on Climate Change was published, emphasising the importance of conserving, protecting and restoring nature and ecosystems to achieve the Paris Agreement temperature goal, including through halting and reversing deforestation and forest degradation by 2030.

Figure E and Annexe 2 highlight examples of nature policies across the world.

[36] OECD, Policy Instruments for the Environment webpage; the 0.82% is the sum of 0.41% for financial and insurance activities, and 0.41% for all industries.

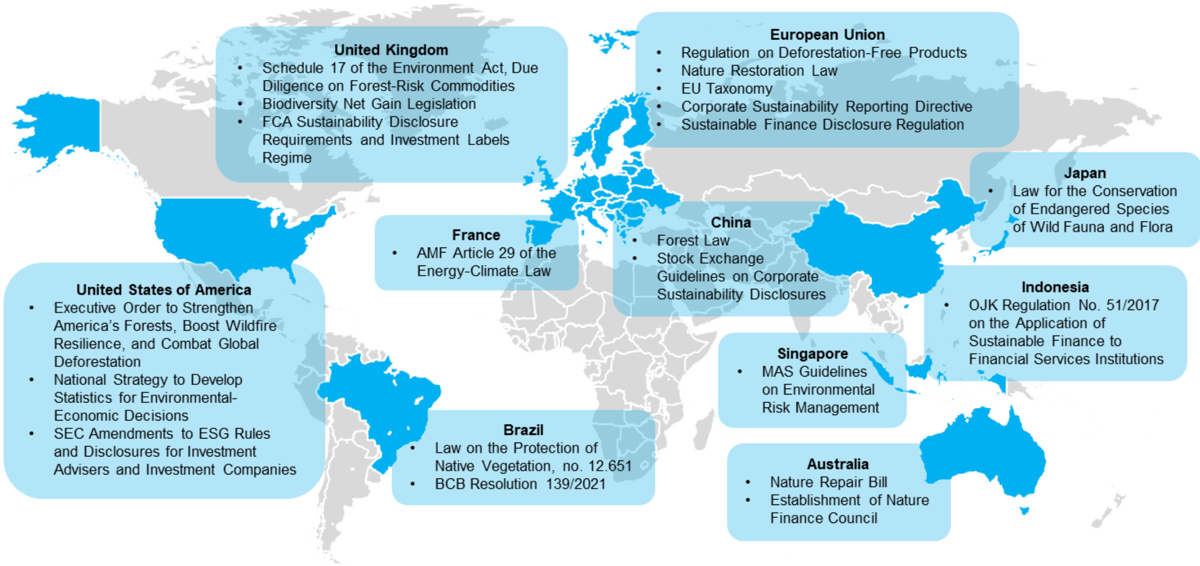

Figure E

Based on a scan of current nature policies, Figure F below summarises the range of policy tools governments can pursue for nature, ranging from financial to corporate and real economy policies. The policy types listed in the diagram are not meant to be exhaustive but aim to highlight the spectrum of possible policy instruments for nature.

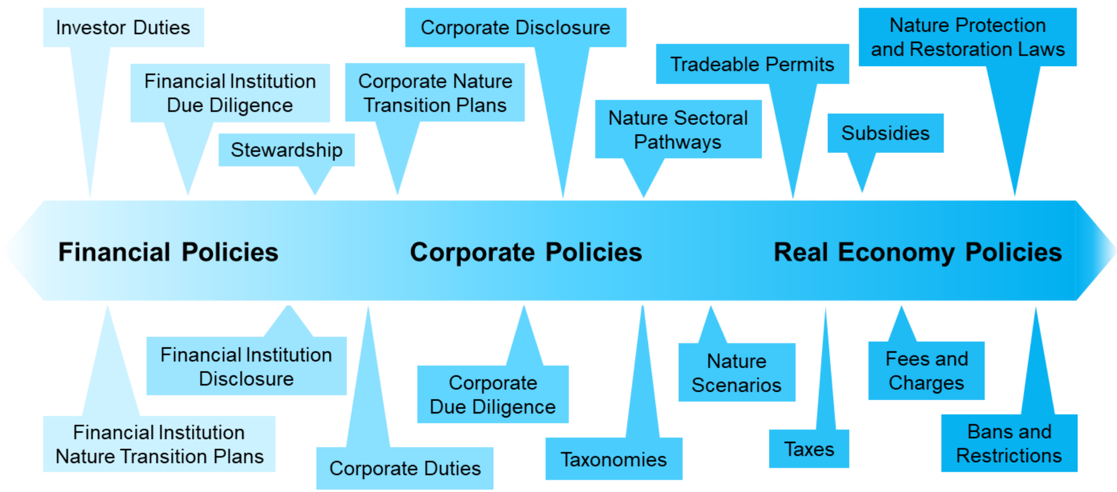

Figure F

Effective Governance and Enforcement

Effective governance and enforcement are essential to policy implementation and the achievement of policy objectives. A study has found that sociopolitical instability and ineffective governance – often associated with a lack of adequate enforcement and investment – are among the most significant indicators of biodiversity loss.[37] Illegal exploitation of the world's fauna and flora is a significant contributor to biodiversity loss,[38] with environmental crimes the fourth largest criminal enterprise globally.[39] As an illustration, 15–30% of all timber traded globally is estimated to be illegally harvested.[40]

Under this context, addressing issues relating to governments' capacity to enforce policies (including the enforcement of existing regulations) is just as important as the need to introduce policies.

[37] Amano, T., Székely, T., Sandel, B. et al. (2018), "Successful conservation of global waterbird populations depends on effective governance", Nature 553, 199–202
[38] UNODC (2024), World Wildlife Crime Report 2024
[39] UNEP, "UNEP-INTERPOL Report: Value of Environmental Crime up 26%", press release, 4 June 2016
[40] INTERPOL, Forestry Crime webpage

KEY POLICY REFORMS FOR NATURE

This section sets out the key policy reforms and instruments necessary to enable investors to effectively address nature-related risks and pursue positive outcomes, and to incentivise companies and capital market actors to align with the goals of the GBF. This section outlines overarching recommendations, followed by more specific policy recommendations. The recommendations build on the PRI's policy research and reports.

While the following policy recommendations focus primarily on financial and corporate policies, the PRI recognises the systemic importance of real-economy policies. Moving forward, the PRI will work to further develop policy recommendations relating to the real economy.

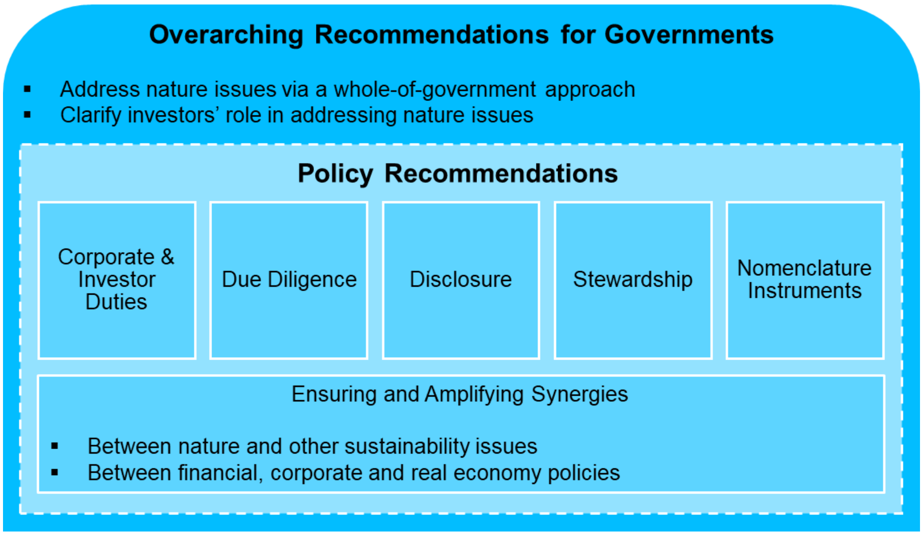

Figure G

While the policy recommendations have been developed to be globally applicable, the PRI recognises that jurisdictions are at different stages of their development pathways. Therefore, the pace at which these policy reforms are implemented may vary accordingly. Furthermore, given region-specific dynamics and specificities, the PRI recognises that how specific regulations are designed and implemented may vary according to local circumstances. Similarly, the PRI recognises that there may be circumstances where there are merits to allow market-led initiatives to precede regulatory requirements.

OVERARCHING RECOMMENDATIONS FOR GOVERNMENTS

ADDRESS NATURE ISSUES VIA A WHOLE-OF-GOVERNMENT APPROACH

The degradation of nature undermines the very foundations necessary for humanity, society and our economy to thrive. We urgently need to transition to a sustainable and equitable economy that benefits natural and social systems.

Governments have been introducing policies to address environmental and social issues, but reforms are often pursued in siloes and with insufficient influence over business-as-usual public policy and business strategy. An effective approach to redress decades of insufficient action needs to be the responsibility of governments as a whole and should be executed as such. The economic transition requires a whole-of-society transformation and should therefore be addressed by the government through a whole-of-government approach, with the economic transition as a central goal of public policy. [41]

The economic transition needs to shift our society and economy to align with the GBF's vision, goals and targets, along with climate and social goals.

> **Investing for the Economic Transition: The Case for Whole-of-Government Policy Reform**
>
> The PRI's Investing for the Economic Transition: The Case for Whole-of-Government Policy Reform policy white paper argues that governments should address market failures and pursue an economic transition via a whole-of-government approach.
>
> It sets out what is understood by a sustainable, just economic transition and presents a high-level framework to support governments in pursuing such a transition. It also examines how key jurisdictions are approaching the economic transition and explains how investors might best support governments in their efforts.

> **Effective Governance and Enforcement**
>
> As described in The Landscape of Nature Policies section, good governance and sufficient enforcement are essential to the effectiveness of any policies for nature. This can be realised through mechanisms such as ensuring sufficient resourcing for relevant enforcement departments, strengthening capacities for investigation, prosecution and adjudication, strengthening international cooperation amongst law enforcement authorities, combatting corruption and policies to prevent and deter environmental crimes.[42]

CLARIFY INVESTORS' ROLE IN ADDRESSING NATURE ISSUES

The degradation of nature creates systemic risks.

Investors are recognising that economic growth and financial returns depend on the viability and stability of environmental and social systems.[43] System-level risks cannot be mitigated simply by diversifying the investments in a portfolio, as they threaten the functioning of the economic, financial and wider systems on which investment performance relies.[44] If systemic risks are materialised, they would affect the performance of a portfolio as a whole and all portfolios exposed to those systems.[45]

Since systemic risks cannot be mitigated through diversification, the most direct way to mitigate systemic risks for investors is to invest for positive real-world outcomes for environmental and social systems. In other words, invest for positive sustainability impact to contribute to fixing the systems that have deteriorated in the first place.

[41] PRI (2023), Investing for the economic transition: The case for whole-of-government policy reform
[42] UNODC (2021), UNODC Approach to Crimes that Affect the Environment
[43] PRI (2021), A Legal Framework for Impact
[44] PRI (2021), A Legal Framework for Impact
[45] PRI (2021), A Legal Framework for Impact

A Legal Framework for Impact

A joint effort by the PRI, United Nations Environment Programme Finance Initiative (UNEP FI) and the Generation Foundation, the report A Legal Framework for Impact contains analysis of laws around the world and demonstrates that investors should feel empowered to set impact goals and measure their progress against them.

The report found that while there are differences across jurisdictions and investor groups, in localities where investing for sustainability impact approaches can be effective in achieving an investor's financial goals, investor will likely be required to consider using them and to act accordingly.

Governments should clarify the relevance of nature issues to investors and investors' role in addressing nature issues.

POLICY RECOMMENDATIONS

CORPORATE AND INVESTOR DUTIES

Corporate and investor duties establish requirements on how companies and investors (including asset owners and asset managers) should operate and conduct their businesses.

Regulators should clarify the relevance of nature issues to corporates and investors, and their duties to manage and address nature-related factors.

In 2014, the PRI, UNEP FI and UN partners identified the misinterpretation of fiduciary duties as a key barrier to ESG incorporation. The Fiduciary Duty in the 21st Century programme sought to clarify this conundrum.[46] The conclusions of the programme posit that as part of the fiduciary duties of loyalty and prudence, investors should consider:

- Incorporating material sustainability issues into investment analyses and decision-making processes;
- Encouraging high standards of sustainability practices in investee companies; and
- Understanding and incorporating beneficiaries' sustainability-related preferences.[47]

Considering the NGFS has acknowledged that nature-related risks are a source of risks for individual financial institutions as well as for financial stability,[48] regulators should all the more clarify the relevance of nature issues to investors as well as their duties to manage and address these factors. Corporate duties should be clarified as well as companies are systemically important to the investment ecosystem and for responsible investment practices.

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[46] PRI (2019), Fiduciary duty in the 21st century final report

[47] Local circumstances and dynamics shape the interpretation of fiduciary duties; hence interpretations may vary across markets and economies. Therefore, how and to what extent these conclusions should be applied would also differ across markets.

[48] The Network for Greening the Financial System, "NGFS acknowledges that nature-related risks could have significant macroeconomic and financial implications", press release, 24 March 2022

Robust corporate and investor duties regimes would include the following requirements:

- Companies and investors must assess and manage material sustainability risks and opportunities;
- Incorporate material sustainability risks and opportunities into decision-making processes (including business or investment processes);
- Ensure governance oversight of sustainability issues (for example through directors' and senior management's responsibilities);
- Integrate sustainability-related risks into risk management processes;
- Consider clients' and beneficiaries' sustainability preferences; and
- Conduct due diligence, stewardship and disclosure accordingly.

Nature Transition Plans as an Extension of Duties

As an extension of corporate and investor duties, companies and investors may seek to develop entity-level nature strategy and transition plans. Nature transition plans can be an effective means for institutions to orient their strategies and operations to align with the goals of the GBF. Recent developments are starting to crystalise what nature transition plans should look like. The United Kingdom's Transition Plan Taskforce has released its final set of resources for climate transition plans in April 2024, which included a report on integrating nature.[49] The Glasgow Financial Alliance for Net Zero (GFANZ) is developing guidance on integrating nature into net-zero transition plans, to be released in late 2024.[50] The NGFS is also furthering its seminal work on transition plans with the publishing of a package of reports.[51] Some business have begun to develop and publish stand-alone nature strategies.[52]

Moving forward, it may be the role of public policy to enable, encourage, and even require the development and disclosure of these plans. Governments can stimulate and facilitate corporate and investor nature transition plans through the provision of certain nomenclature instruments. This is elaborated on in the Nomenclature Instruments section.

Regulators' clarifications should provide investors and companies with sufficient discretion to incorporate nature-related factors into their decision-making processes as needed and consistent with fiduciary duties and achieving business objectives.

DUE DILIGENCE

Due diligence regulations help enterprises avoid and address negative environmental or social impacts in the companies' own operations, their subsidiaries, and their value chains.[53]

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[49] Transition Plan Taskforce, "Latest transition plan resources published today", press release, 9 April 2024
[50] GFANZ, "GFANZ delivers on the year of the transition plan with continued growth and progress to close key gaps in the global financial system and accelerate climate investment", press release, 4 December 2023
[51] The Network for Greening the Financial System, "NGFS publishes a package of reports relating to transition plans", press release, 17 April 2024
[52] Now for Nature, Featured Nature Strategies webpage
[53] OECD (2018), OECD Due Diligence Guidance for Responsible Business Conduct

Regulators should introduce practicable environmental and human rights due diligence requirements aligned with international standards.[54]

For due diligence regulations to have their full effectiveness, regimes should cover all companies, including financial institutions.

For investors, due diligence is an important tool to understand and manage the outcomes and impacts of their investment decisions and is particularly relevant for nature issues as most of investors' exposure to nature-related risks will be through their underlying investments. However, it is important to design regimes that are practicable[55] for the investment industry. Also, regimes should have proportionate requirements for small and medium-sized enterprises, for example through differentiated timing and phasing-in of obligations.

Due diligence legislation may take the approach of providing a non-exhaustive list of issues that companies should consider as part of their prioritisation stage, and for the rest of the due diligence process to be implemented through a risk-based approach.[56] The list of issues provided should encompass nature and should reflect the topics encompassed by the GBF.

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

The 2023 update to the guidelines clarified that enterprises should carry out risk-based due diligence to assess and address adverse environmental impacts, and it added a non-exhaustive list of environmental impacts that may be associated with their activities, including climate change, biodiversity loss, degradation of land, marine and freshwater ecosystems, deforestation, air, water and soil pollution and the mismanagement of waste, including hazardous substances.[57]

Robust due diligence regimes would require the following processes:

- Identify actual and potential negative outcomes. For nature, any activities related to the drivers of biodiversity loss should be identified;
- Prevent and mitigate the actual and potential negative outcomes identified;
- Track ongoing management of outcomes;
- Enable or provide remediation to actual adverse impacts, carrying out meaningful engagement with stakeholders; and
- Communicate publicly about outcomes and actions taken.

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[54] Namely, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights.
[55] As an example, the PRI has published a position paper on how to make the EU's Corporate Sustainability Due Diligence Directive practicable for the investment industry.
[56] The OECD Due Diligence Guidance for Responsible Business Conduct state that companies and investors are encouraged to identify general areas where the risk of adverse impacts is most significant and, based on this risk assessment, prioritise parts of their value chain for due diligence.
[57] OECD (2023), OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

When preventing, mitigating and providing remediation to nature-related impacts, actions should be aligned to the mitigation hierarchy.[58]

DISCLOSURE

Disclosure policies refer to the regulatory measures defining companies' obligations to periodically publish current and forward-looking data and analyses on sustainability risks, opportunities, impacts and dependencies.

As mandated by the GBF, regulators should introduce mandatory and standardised disclosure regimes for nature.

All investors need sustainability-related information to inform their assessment of companies' risks and opportunities[59], but investors also increasingly need information to assess and interpret a company's impacts on and alignment with sustainability goals and thresholds. While the ISSB standards are expected to enable disclosure of some of this information, it is unlikely they will provide investors with all the information they need on a company's impacts and dependencies.

In this context, and in line with the International Financial Reporting Standards Foundation's "building blocks" approach, regulators should consider adopting disclosure requirements additional to the ISSB standards that capture further information on organisations' sustainability impacts, based on the TNFD disclosure recommendations. Furthermore, disclosure regimes should cover all topics encompassed in the GBF.

Standardisation of disclosure requirements is important to produce decision-useful and comparable information for responsible investment.

Development of Biodiversity Disclosure Standards

In January 2024, GRI published an updated biodiversity standard, GRI 101: Biodiversity 2024. The standard builds on the GBF and the TNFD disclosure recommendations. The standard supports supply chain transparency, reporting of location-specific impacts and disclosures on the drivers of biodiversity loss.[60]

In April 2024, ISSB announced projects to research disclosure about risks and opportunities associated with biodiversity, ecosystems and ecosystem services. The ISSB will explore building on the Sustainability Accounting Standards Board Standards, Climate Disclosure Standards Board guidance and the TNFD recommendations.[61]

In line with the GBF, disclosure regimes should apply to corporate and financial institutions, taking into account investors' data needs.

58 Cross Sector Biodiversity Initiative (2015), A Cross-Sector Guide for Implementing the Mitigation Hierarchy
59 PRI (2020), How policy makers can implement reforms for a sustainable financial system
60 GRI, "Transparency standard to inform global response to biodiversity crisis", press release, 25 January 2024
61 ISSB, "ISSB to commence research projects about risks and opportunities related to nature and human capital", press release, 23 April 2024

ESG disclosure by corporates supports informed decision-making for responsible investment and is a prerequisite for financial institutions' disclosure.[62] Hence, disclosure by corporates is foundational to any disclosure regime.

Considering the dependency of financial institutions on data from corporates and the real economy, disclosure requirements for financial institutions may be applied initially through a comply-or-explain approach. On the other hand, it could be argued that disclosure requirements for financial institutions should serve as an impetus for higher quality disclosure by corporates and hence could be enacted in parallel with corporate requirements.

Regardless of the exact design of the requirements for financial institutions, despite the complexity of the process financial institutions should still conduct disclosure on a best-efforts basis.

Investor Data Needs for Nature

Responsible investors need decision-useful data to inform their investment process and reporting. The PRI's Investor Data Needs Framework offers a structure to identify decision-useful corporate sustainability data for responsible investors. This framework can help to ensure that disclosure standards, rules and laws produce decision-useful data that reflects the diversity in data needs among responsible investors.

Based on engagement with signatories, the PRI have identified that disclosure of the following is important considering investors' data needs on nature:

- Information across value chains, both upstream and downstream;
- Location-specific data subject to any commercial sensitivity, ideally at an asset level; and
- Contextual information that is critical for the interpretation of the disclosed information.

Governments' Role to Overcome Nature Data Limitations

While businesses can, and are increasingly, generating data on their impacts and dependencies on nature to facilitate risk assessment and mitigation; there remains a significant gap in state-of-nature data availability. Governments have an important role to play in generating and maintaining such data, both for national planning purposes (for example in the context of natural capital accounting) as well as to complement businesses' due diligence and disclosure. State-of-nature data should be underpinned by transparent methodological details and metadata, clear terms of use or data licenses and data sharing incentives to facilitate access by businesses.

Data quality assurance requirements can enhance disclosure quality.

Data must be verifiable. Investors should be able to corroborate disclosed data, or identify the underlying data used to derive it.[63] At the minimum, the underlying processes, metrics and methodologies relating to disclosed data should be transparent. [64] Assurance would further strengthen

[62] PRI (2020), How policy makers can implement reforms for a sustainable financial system
[63] PRI (2023), Understanding the data needs of responsible investors: The PRI's investor data needs framework
[64] PRI (2023), Understanding the data needs of responsible investors: The PRI's investor data needs framework

the quality of disclosures. Importantly, the TNFD recommends that nature-related metrics should be subject to independent assurance in the medium term.[65]

STEWARDSHIP

Stewardship, or active ownership, is the use of investor rights and influence to protect and enhance overall long-term value of assets.[66] Stewardship codes aim to formalise these expectations of investors in regulation or guidance.[67] The PRI's How policy makers can implement reforms for a sustainable financial system: Stewardship report elaborates on the case for providing a regulatory framework for stewardship, as well as what constitutes an effective stewardship regime.

Regulators should encourage stewardship on sustainability issues, including for nature.

Impacts and dependencies on nature from investors will primarily lie in their investment chains – with the companies they invest in. Therefore, engaging with and influencing investee companies is necessary for investors to address associated risks.

Stewardship codes should identify environmental and social issues as matters for investor attention, place a growing emphasis on public policy engagement by investors and the companies and other entities in which they invest and highlight that investors contribute to the achievement of sustainability outcomes through stewardship.[68]

Regulators should clarify how investors may engage in collaborative stewardship activities whilst remaining compliant with other market regulations.

Regulators should provide clear guidance for investors to carry out collaborative stewardship activities in a way that complies with antitrust and competition laws. Some regulators, such as the European Commission[69] and the United Kingdom Competition and Markets Authority,[70] have already made clarifications that collaborative stewardship activities for sustainability can be conducted in a compliant manner.

NOMENCLATURE INSTRUMENTS

Nomenclature instruments identify pathways, technologies and economic activities that contribute to sustainability goals and policy commitments. The criteria by which pathways or activities are identified build on scientific consensus and international norms. Examples of such instruments include taxonomies, sectoral pathways and scenarios.

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[65] TNFD (2023), Recommendations of the Taskforce on Nature-related Financial Disclosures
[66] PRI, Stewardship webpage
[67] PRI (2020), How policy makers can implement reforms for a sustainable financial system
[68] PRI (2020), How policy makers can implement reforms for a sustainable financial system
[69] European Commission, "Antitrust: Commission adopts new horizontal block exemption regulations and horizontal guidelines", press release, 1 June 2023
[70] Competition and Markets Authority (2023), Guidance on the Application of the Chapter I Prohibition in the Competition Act 1998 to Environmental Sustainability Agreements

Regarding taxonomies, the PRI's How policy makers can implement reforms for a sustainable financial system: Taxonomies report provides context on the key elements of a sustainable taxonomy and what constitutes well-designed taxonomies, including how global interoperability may be achieved.

Nature-related factors should be holistically integrated into the design of taxonomies. Specifically:

- Nature should be integrated into the objectives[71] of taxonomies, contributing to the goals and targets of the GBF;
- Nature-related technical screening criteria should be based on the best available scientific evidence and aligned with the ambition of relevant nature-related policy commitments; and
- Nature-related criteria should form part of the do-no-significant-harm requirements for sustainable activities under other objectives, and the criteria should similarly be aligned with the ambition of the GBF targets.

The GBF and Interoperability of Taxonomies

As with other policies, taxonomies should be designed with global interoperability as a key consideration. This can be realised through taxonomies: [72]

- Having similar objectives with each other;
- Using the same or easily comparable industry classification systems to define economic activities;
- Having a similar approach regarding the design of technical screening criteria; and
- Using consistent metrics and calculation methodologies.

As a global framework constituting specific targets and indicators, the GBF should serve as a unifying reference for the consistent design and rollout of taxonomies for nature around the world.

In May 2023, the International Finance Corporation updated its Biodiversity Finance Reference Guide to include a mapping of investment activities to the GBF. It can serve as a reference for further developments.

Biodiversity Offsets Should be Excluded from Eligible Activities

Conceptually, biodiversity offsets allow for damage to nature in one area to be offset through conservation work in another. However, as the characteristics of one natural ecosystem are never the same as another area, offsets will never fully and completely compensate for the damage done in the first place. The PRI calls for biodiversity offsets to be explicitly excluded from eligible sustainable activities in taxonomies. This is consistent with the European Union Taxonomy criteria in June 2023, which excluded offsetting activities.[73]

[71] Around the world, many taxonomies (in their current forms) are designed for climate mitigation or adaptation objectives only.
[72] PRI (2022), How policy makers can implement reforms for a sustainable financial system: Taxonomies
[73] European Commission (2023), Annex to the commission delegated regulation (EU)

Governments should support the development of sectoral pathways for nature.

Sectoral pathways provide clarity on how different economic actors can and should contribute to the goals of the GBF. Developing sectoral pathways also provides governments with the opportunity to define what the economic transition for nature should look like in the local context and clarify how private sector players should contribute to NBSAPs and National Biodiversity Finance Plans. Importantly, sectoral pathways can help stimulate and support institutions to develop their own entity-level nature transition and strategy plans.

Sectoral Guidance for Nature Action

Business for Nature, the World Economic Forum and the World Business Council for Sustainable Development have developed sectoral guidance to support businesses and financial institutions to take action on nature. The guidance identifies sector-specific nature-related issues and priority actions.

ENSURING AND AMPLIFYING SYNERGIES

In the pursuit of policies for nature, it is important to ensure and amplify synergies between nature and other sustainability issues, and between financial and real economy policies. Equally, any potential or actual trade-offs should be avoided or minimised where possible through good policy design.

Governments should take an integrated approach to nature and other sustainability issues in policymaking, to ensure that synergies are amplified and trade-offs successfully managed.

Examples of nature-climate synergies include

- Scaling up the deployment of nature-based solutions[74] and prioritising nature-based solutions over grey infrastructure where appropriate;
- Taking an integrated approach towards the management and use of biomass, considering both nature and climate objectives; and
- Addressing forest loss and land degradation without delay as part of climate efforts.

[74] Nature-based solutions should be aligned with the IUCN Global Standard for Nature-based Solutions.

Strengthening Synergies between NDCs and NBSAPs

The Paris Agreement of the United Nations Framework Convention on Climate Change requests each country to prepare, communicate and maintain the successive nationally determined contributions (NDCs) that it intends to achieve.[75] Essentially, NDCs outline and communicate each country's climate plans and actions. Similarly, the CBD require countries to produce NBSAPs.[76] Given the many linkages between climate and nature issues, governments should aim to develop and implement NDCs and NBSAPs in an integrated and coordinated manner, enhancing synergies where possible.

Scaling Up Private Investments into Nature-Based Solutions

Industry players observe two key barriers to scaling up private investments into nature-based solutions. First, there is often insufficient financial de-risking for nature-based solutions projects. Tools such as blended finance, insurance-type mechanisms and direct interventions to support the design and operation of nature-based solutions can help to overcome this barrier. Second, the delivery risk of nature-based solutions is at times perceived to be higher than that of grey infrastructure. In other words, the functioning and outputs of grey infrastructure solutions are perceived to be easier to predict and control. To address this barrier, there is a need to educate the market about nature-based solutions, build capacity for the management and monitoring of nature-based solutions and showcase successful deliveries and lessons-learned.

Examples of nature-social synergies include the following:

- Respecting the rights of Indigenous Peoples and local communities as part of nature conservation and management activities, including obtaining free, prior and informed consent for projects and activities;
- Recognising the contributions of Indigenous Peoples and local communities to the sustainable use and management of natural ecosystems; and
- Ensuring full, equitable and inclusive participation in decision-making and access to justice and information related to biodiversity.

[75] UN Climate Change, Nationally Determined Contributions (NDCs) webpage
[76] Secretariat of the Convention on Biological Diversity, What is an NBSAP? webpage

Just Nature Transition

While the just transition concept has been used predominantly in climate-related contexts, the concept of a just nature transition is starting to emerge.[77] A just nature transition can be defined as one delivering decent work, social inclusion and the eradication of poverty in the shift to a net zero and climate-resilient economy that simultaneously delivers biodiversity goals in agriculture, forestry, land-use and the oceans.[78] A report by the Grantham Research Institute has identified four priority areas where just nature transitions are needed: delivering sustainable agriculture and food systems, ending deforestation, scaling up nature-based solutions and restoring ocean ecosystems.

Governments should adopt coordinated and synergistic financial, corporate and real economy policies for nature, in line with a whole-of-government approach.

As one of the first steps in examining real economy policies for nature, the PRI has identified the following policies as integral to address the key sub-issue of forest loss and land degradation. The starting point of the analysis was research into the drivers (primarily economic drivers) of forest loss and what policies are best positioned to address those drivers.

- Policies applicable to producer markets[79] of forest-risk commodities:[80]
  - Policies relating to corruption or governments' capacity to enforce laws. Addressing corruption could strengthen the impact of existing forestry laws and regulations, which are often circumvented through corruption.
  - Policies relating to the environment and/or forests. Countries typically have laws and regulations on forest protection in some shape or form but may lack sufficient enforcement. Addressing implementation, such as through higher budgets for monitoring and applying penalties, could help halt forest loss.
  - Policies relating to the production, trade and/or financing of forest-risk commodities. Policies that promote the development and trade of certain commodities are the primary drivers of deforestation. Amending these policies such that forest loss and land degradation are considered could reduce deforestation rates.
- Policies applicable to consumer markets[81] of forest-risk commodities:
  - Policies relating to the production, trade, utilisation and/or financing of forest-risk commodities. These policies can have a significant impact on the demand for the

[77] Muller, S. and Robins, N. (2022), Just nature: How finance can support a just transition at the interface of action on climate and biodiversity
[78] Muller, S. and Robins, N. (2022), Just nature: How finance can support a just transition at the interface of action on climate and biodiversity
[79] Producer markets refer to markets, countries or jurisdictions that produce and export forest-risk commodities. Producer markets play a supply-side role as part of the economic drivers of forest loss. Deforestation fronts are typically located in producer markets.
[80] Forest-risk commodities can be understood as commodities in which their related production and harvesting processes are likely to drive a high level of forest loss and land degradation. Forest-risk commodities can include products such as soy, cattle, palm oil, pulp and paper, gold, nickel, coal and bauxite. In a legal sense, which commodities are classified as forest-risk commodities can differ between jurisdictions.
[81] Consumer markets refer to markets, counties or jurisdictions that import and consume forest-risk commodities. Consumer markets play a demand-side role as part of the economic drivers of forest loss. Consumer markets are systemically important as they could continue fuelling deforestation or start to demand conversion-free products.

commodities and associated products. Amending these policies such that commodity imports' impact on forest loss and land degradation is considered could reduce deforestation rates.

- Policies relating to the environment and/or forests, including for supply chains and portfolios. These policies have the potential to drive up demand (and therefore the price premium) for conversion-free commodities and products, without necessarily impacting the overall economic benefits that these commodities provide to the supply-side countries.

Real economy policies for nature, such as those listed above, should be pursued in parallel with the financial and corporate policies listed throughout this paper. Only a complete policy response across financial, corporate and real economy policies will create a landscape that fully corrects market failures and shifts our economy and society into alignment with the GBF.

Spring

Spring is a PRI stewardship initiative for nature, convening investors to use their influence to halt and reverse global biodiversity loss by 2030. Forest loss and land degradation has been identified as an important driver of biodiversity loss. The initiative therefore prioritises this driver in the first instance, with a focus on five deforestation fronts. Spring engages companies that have an influential voice in public policies that shape the dynamics of land use in the focus geographies, as responsible political engagement by companies can help enable the public policies necessary to address biodiversity loss.

LOOKING AHEAD

This paper discusses the relevance of nature policy to investors and sets out the key policy instruments available and reforms necessary to enable investors to effectively address nature-related risks, pursue positive outcomes and incentivise companies and capital markets actors to align with the goals of the GBF.

The PRI will refer to this paper as key reference material in its nature policy engagement activities. This paper is also intended to serve as a resource to support investors' own policy engagements for nature as an extension of their fiduciary and stewardship duties. Participants of the PRI's Spring initiative may also refer to this report in their engagements relating to companies' responsible political engagement for nature.

POLICY ENGAGEMENT OPPORTUNITIES

The PRI will conduct policy engagement with multilateral organisations, UN agencies, and national governments to promote the policy reforms described in this paper. The CBD COP16 in October 2024 marks the first COP following the agreement of the GBF. It is widely regarded as an implementation-focused COP and will be a key opportunity for policy engagement. At and beyond COP16, the PRI will engage governments on the development and implementation of public policies for scaling up investor action for nature.

2025 will also see countries submit their third round of climate pledges under the rachet mechanism of the Paris Agreement. Given the close interconnections between climate and nature issues, it will be an important moment to ensure that effective policies for nature are integrated into NDCs.

THE PRI'S NEXT STEPS FOR POLICY RESEARCH

The PRI will continue to engage with its signatory base and relevant stakeholders to further develop, refine and evolve policy recommendations as necessary in line with global developments and policy priorities for a sustainable financial system. The PRI recognises that nature policy is a dynamic topic.

The PRI will also work with its signatory base to further develop views on real economy policies over time.

ANNEXE 1: 2030 TARGETS OF THE GBF

Target 1: Plan and Manage all Areas to Reduce Biodiversity Loss

Target 2: Restore 30% of all Degraded Ecosystems

Target 3: Conserve 30% of Land, Waters and Seas

Target 4: Halt Species Extinction, Protect Genetic Diversity and Manage Human-Wildlife Conflicts

Target 5: Ensure Sustainable, Safe and Legal Harvesting and Trade of Wild Species

Target 6: Reduce the Introduction of Invasive Alien Species by 50% and Minimise Their Impact

Target 7: Reduce Pollution to Levels that Are not Harmful to Biodiversity

Target 8: Minimise the Impacts of Climate Change on Biodiversity and Build Resilience

Target 9: Manage Wild Species Sustainably to Benefit People

Target 10: Enhance Biodiversity and Sustainability in Agriculture, Aquaculture, Fisheries and Forestry

Target 11: Restore, Maintain and Enhance Nature's Contributions to People

Target 12: Enhance Green Spaces and Urban Planning for Human Well-Being and Biodiversity

Target 13: Increase the Sharing of Benefits from Genetic Resources, Digital Sequence Information and Traditional Knowledge

Target 14: Integrate Biodiversity in Decision-Making at every Level

Target 15: Businesses Assess, Disclose and Reduce Biodiversity-Related Risks and Negative Impacts

Target 16: Enable Sustainable Consumption Choices to Reduce Waste and Overconsumption

Target 17: Strengthen Biosafety and Distribute the Benefits of Biotechnology

Target 18: Reduce Harmful Incentives by at Least US$500 Billion per Year and Scale Up Positive Incentives for Biodiversity

Target 19: Mobilise US$200 Billion per Year for Biodiversity from all Sources, Including US$30 Billion through International Finance

Target 20: Strengthen Capacity-Building, Technology Transfer and Scientific and Technical Cooperation for Biodiversity

Target 21: Ensure that Knowledge Is Available and Accessible to Guide Biodiversity Action

Target 22: Ensure Participation in Decision-Making and Access to Justice and Information Related to Biodiversity for All

Target 23: Ensure Gender Equality and a Gender-Responsive Approach to Biodiversity Action

The PRI, jointly with UNEP FI and the Finance for Biodiversity Foundation, published Stepping up on biodiversity: What the Kunming-Montreal Global Biodiversity Framework means for responsible investors in April 2023 to outline the implications of each target and goal of the GBF for investors.

ANNEXE 2: EXAMPLES OF NATURE POLICIES

Australia	■ Nature Repair Bill ■ Minister for Environment and Water Establishes the Nature Finance Council
Brazil	■ Law on the Protection of Native Vegetation, no. 12.651 ■ Central Bank of Brazil Resolution 139/2021
China	■ Forest Law ■ Shanghai Stock Exchange, Shenzhen Stock Exchange, Beijing Stock Exchange Guidelines on Corporate Sustainability Disclosures
European Union	■ Regulation on Deforestation-Free Products ■ Nature Restoration Law ■ Taxonomy for Sustainable Activities ■ Corporate Sustainability Reporting Directive ■ Sustainable Finance Disclosure Regulation
France	■ Autorité des Marchés Financiers Article 29 of the Energy-Climate Law
Indonesia	■ Otoritas Jasa Keuangan Regulation No. 51/2017 on the Application of Sustainable Finance to Financial Services Institutions
Japan	■ Law for the Conservation of Endangered Species of Wild Fauna and Flora
Singapore	■ Monetary Authority of Singapore Guidelines on Environmental Risk Management
United Kingdom	■ Schedule 17 of the Environment Act, Due Diligence on Forest-Risk Commodities ■ Biodiversity Net Gain Legislation ■ Financial Conduct Authority Sustainability Disclosure Requirements and Investment Labels Regime
United States of America	■ Executive Order to Strengthen America's Forests, Boost Wildfire Resilience, and Combat Global Deforestation ■ National Strategy to Develop Statistics for Environmental-Economic Decisions ■ Securities and Exchange Commission Amendments to ESG Rules and Disclosures for Investment Advisers and Investment Companies