

Statement to governments to address biodiversity loss from long-term investors

Nature and biodiversity loss presents a serious risk to the stability of global financial markets. As long-term pension investors with diversified portfolios, we are invested across all sectors and geographies of the global economy, and have a long-term obligation to act in the best interests of our beneficiaries.

Nature and biodiversity loss is a systemic risk which poses a material risk to all levels of the economy and can impact investment returns in all asset classes and markets. As universal owners, we cannot diversify or stock pick our way out of large systemic risks. In order to safeguard the future prosperity of our beneficiaries we need to address the root causes contributing to this crisis.

Effective, robust nature and biodiversity policies and regulations are needed at all levels of government not only to protect the inherent value in nature to society, but also to protect the global economy and the proper functioning of markets on which long-term investment performance relies. Robust policy will help protect our investment portfolios and our beneficiaries' future prosperity and wellbeing from the potential impacts of unaddressed nature and biodiversity loss.

Therefore we are calling on governments to:

- Establish ambitious national targets, nature-related transition plans and commitments to halt and reverse biodiversity loss, with a focus on transformation of key sectors, stopping deforestation, and protecting and restoring critical ecosystems.
- Develop mandatory disclosure regulations for companies with material nature-related impacts or dependencies, as well as nature-related transition plans, with metrics strongly tied to biodiversity outcomes.
- Establish and implement regulation to protect nature and biodiversity for all sectors that contribute to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services' (IPBES) five drivers of biodiversity loss.
- Invest in the development and scaling of financial mechanisms to protect and restore nature and biodiversity.

Left unaddressed, the risks from nature and biodiversity loss will continue to erode both investment returns and also investor confidence. Conversely, jurisdictions which put effective policies, regulations, targets and disclosure standards in place will build resilience and are likely to attract nature-aware capital, driven by long term investors.

A whole-of-government approach is needed to unlock the public and private capital flows necessary to transition to a nature positive future. Long term pension investors stand ready to support governments to take action to address biodiversity loss today and into the future.

Signed by the following asset owners:

Æquo Shareholder Engagement Services

Ethos Engagement Pool International

Aegon UK

Ethos Foundation

AkademikerPension

Greater Manchester Pension Fund

AP1

HESTA

AP3

Länsförsäkringar AB (LFAB)

AP4

London CIV

AP7

New York City Office of the Comptroller

Australian Ethical

NN Group

Brightwell

Scottish Widows

Brunel Pension Partnership

Strathclyde Pension Fund

Caisse de Dépôt et Placement du Québec

The People's Pension

CalSTRS

United Nations Joint Staff Pension Fund

Cbus Super

Universities Superannuation Scheme (USS)

Church of England Pensions Board

Full set of policy positions

These positions were reviewed by academics, nongovernmental organisations and scientists, and are linked to the goals and targets of the Kunming–Montreal Global Biodiversity Framework.

Issue	Policy positions
National targets and plans	<ul style="list-style-type: none"> • National targets to halt and reverse nature and biodiversity loss and address the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services’ (IPBES) five drivers of biodiversity loss. • National commitments to halt deforestation and to identify, protect and expand biodiversity protected areas. • National and sector transition plans for nature, with a focus on the transformation of food systems with transition plans for specific commodities: beef, soy, palm oil, sugar, coffee, and cocoa. • Integrate nature and biodiversity into national fiscal risk management and policy. • National commitments should embed social justice considerations for communities including Indigenous populations. • Commitment to prioritise addressing national and global nature data gaps.
Corporate disclosure and transition plans	<ul style="list-style-type: none"> • Mandatory corporate disclosure building from existing frameworks and adapted to key issues and with decision useful metrics. • Disclosure should be linked to biodiversity outcomes, rather than limited to disclosure of risks, and take best efforts to avoid unintended negative consequences for nature and biodiversity. • Corporate disclosure expectations should include transparency on corporate lobbying, industry associations and companies’ policy activities related to nature and biodiversity.
Regulation to protect nature	<ul style="list-style-type: none"> • Establish and implement regulation to halt nature and biodiversity loss for all sectors that contribute to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services’ (IPBES) five drivers of biodiversity loss. • Regulatory bodies should be appropriately resourced and consequences for non-compliance clear and enforced. • Incorporate nature into the mandates of Central Banks and prudential regulators.
Finance for nature	<ul style="list-style-type: none"> • Invest in the development and scaling financial mechanisms to protect and restore nature, with particular efforts towards nature-rich countries, many of which are in emerging markets, and in developing instruments to catalyse private finance such as concessional capital for blended finance structures. • Release clear taxonomies and bond guidance that fully incorporate significant contributions to nature, and avoids harm to nature.