

XX Financial Institutions representing USD XX trillion Call to Action for Companies to Urgently Assess and Disclose their Impact and Dependencies on Nature

Natural ecosystems and biodiversity are experiencing an unprecedented decline. A million species are on course to be lost forever – many within decades.¹ This decline is creating huge risks to human health, food security and livelihoods. With the ecosystems on which we depend on the brink of irreversible tipping points, we need to drastically rethink and rewire our relationship with nature.

Nature-related inaction represents major financial risk. The World Economic Forum's 2024 Risk Report puts biodiversity loss as the third biggest global economic risk over the next 10 years.² Nature and biodiversity loss presents physical and transition risks for the companies assessed in the Nature Benchmark due to disruption of activities of value chain, raw material price volatility, adjustment or relocation of activities, pricing externalities, stranded assets and capital destruction. Impacts and dependencies on nature also represent a risk well beyond these specific companies. PwC's research shows that over 55% of the world's GDP (USD 58 trillion) is highly or moderately dependent on nature.³ This topic therefore also represents systemic risk for all Financial Institutions and the economy as a whole.

The World Benchmarking Alliance's [Nature Benchmark](#) has measured the performance of 800 companies spanning across 10 industries that have a large global impact on nature. Companies are assessed on 25 nature-specific indicators in three measurement areas: Governance and Strategy; Ecosystem and Biodiversity; Social Inclusion and Community Impact. The 2023 Nature Benchmark assessed the performance of 380 companies in the Food and Agriculture industry and the Paper and Forest product industry. These sectors account for over a third of global greenhouse gas (GHG) emissions and almost 90% of deforestation, affecting soil health, water pollution and availability, and biodiversity. Most concerning, only 2% of these companies currently disclose their environmental impacts and none of the companies comprehensively address and disclose their dependencies on nature. Assessing and disclosing impacts and dependencies is the critical building block for any company to both manage risks, but also to seize opportunities that can arise from managing costs or identify new revenue streams.⁴ It is also vital information that Financial Institutions need to be able to understand and act on the nature-related risks in their portfolios.

It has never been more urgent or necessary for companies to integrate nature into their decision making. Encouragingly, there are now a range of nature-focused standards, frameworks and initiatives to guide company actions, such as the [Taskforce on Nature-related Financial Disclosures](#) (TNFD), the updated [GRI Biodiversity Standard](#), the [Science Based Targets Network](#) (SBTN), [EU Corporate Sustainability Reporting Directive](#) (ESRS 4). All of these align on the need for companies to assess and disclose their impacts and dependencies.

As investors representing USD XX trillion in assets under management [will be added in the final published statement in September], we ask all companies we invest in that are assessed under WBA's Nature Benchmark to urgently assess and disclose their impacts and dependencies on nature, both within their own operations and the upstream and downstream parts of its value chain. We will use the Nature Benchmark and the World Benchmarking Alliance's interim updates on this topic to track progress on the world's most influential companies. Financial Institutions signing this statement recognise the role that companies must play in achieving the goals and targets of the Kunming-Montreal Global Biodiversity Framework, especially Target 15.⁵

What is required now is for companies to step up and for all stakeholders, including Financial Institutions, such as those signing this statement, to hold companies accountable for their actions – rewarding those that are taking positive steps and pressuring the laggards to do more.

¹ Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, IPBES, 2019

² WEF The Global Risks Report 2024, WEF, January 2024

³ It's now for Nature: Turning nature ambitions into action through the Nature Strategy Handbook, PwC

⁴ "Beyond Risk: Why Nature Related Disclosures will give business the edge", UNEP-WCMC, October 2022

⁵ "large and transnational companies and financial institutions" must "regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity, including with requirements for all large as well as transnational companies and financial institutions along their operations, supply and value chains and portfolios". [Target 15 \(cbd.int\)](#)

This Investor Statement is linked to the WBA's Collective Impact Coalition (CIC). For the list of current (multi-stakeholder) members and more information on this initiative, please see here: [All you need to know about the Nature Collective Impact Coalition | World Benchmarking Alliance](#)

