Thinking Ahead Institute

Federated Hermes Limited

Nature and biodiversity toolkit for investors

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Contents

Overview

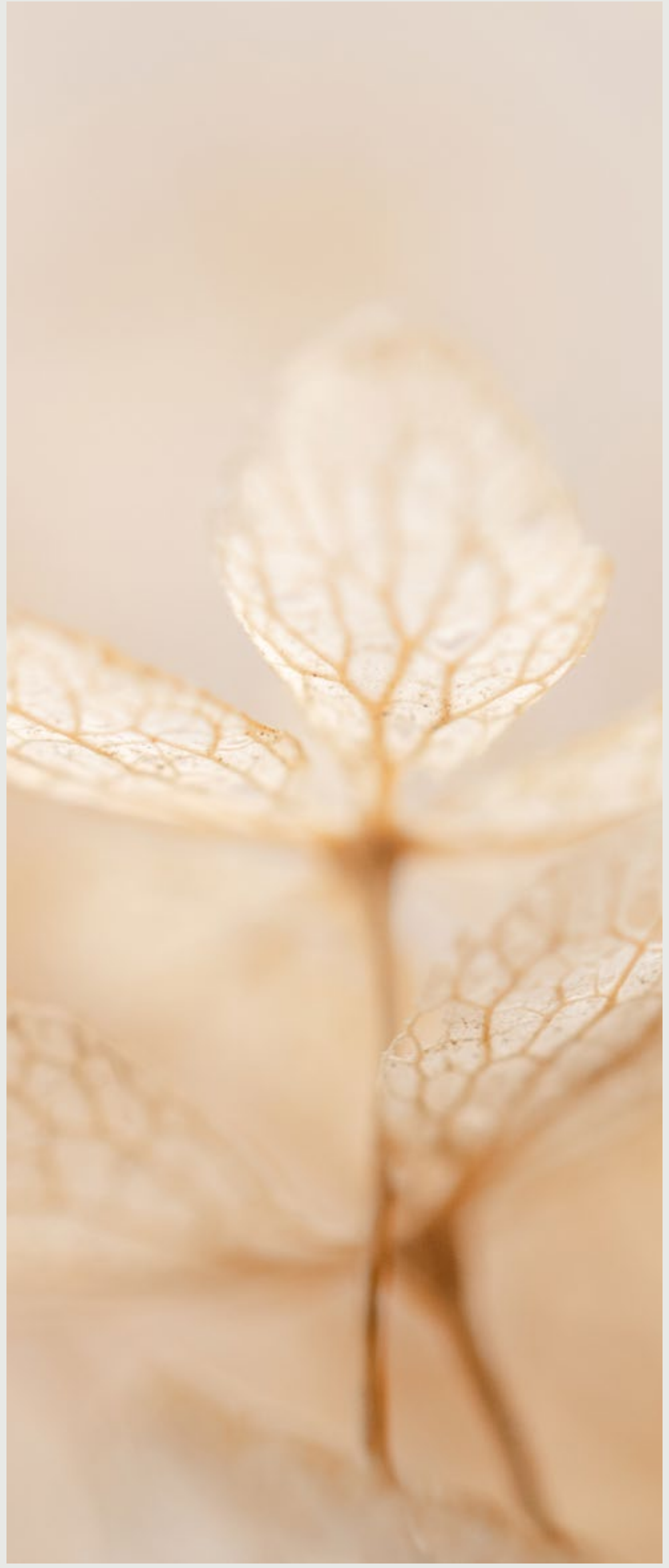
- Biodiversity is the variety in all living things on the planet.
- Human activity has caused significant biodiversity loss.
- Biodiversity loss is deeply connected with climate change.
- Biodiversity loss poses significant systemic and asset-level risks to investors.
- The Kunming-Montreal Global Biodiversity Framework will guide international action on biodiversity for the next decade.
- The Taskforce on Nature Related Disclosures (TNFD) provides a risk management and disclosure framework.
- Tools and data sources are emerging to support investors in integrating biodiversity loss into decision making and analysis.

We have identified the following priority steps for investors (see full steps on p. 14):

1. Understand biodiversity loss
2. Build internal capacity to address it
3. Include biodiversity as a priority theme
4. Make biodiversity a focus within stewardship activities
5. Develop strategies that address climate change and biodiversity loss holistically
6. Adopt the TNFD recommendations
7. Stay abreast of emerging nature-related regulation
8. Join industry groups and collaborative initiatives

Acknowledgements

This paper draws from and builds on the white paper, Our Commitment to Nature, which was written by EOS at Federated Hermes Limited in 2021.



1. Biodiversity in context

Biodiversity is the variety in all living things on the planet – from the smallest bacteria to the largest plants and animals. It refers to the extraordinary diversity of life on earth.

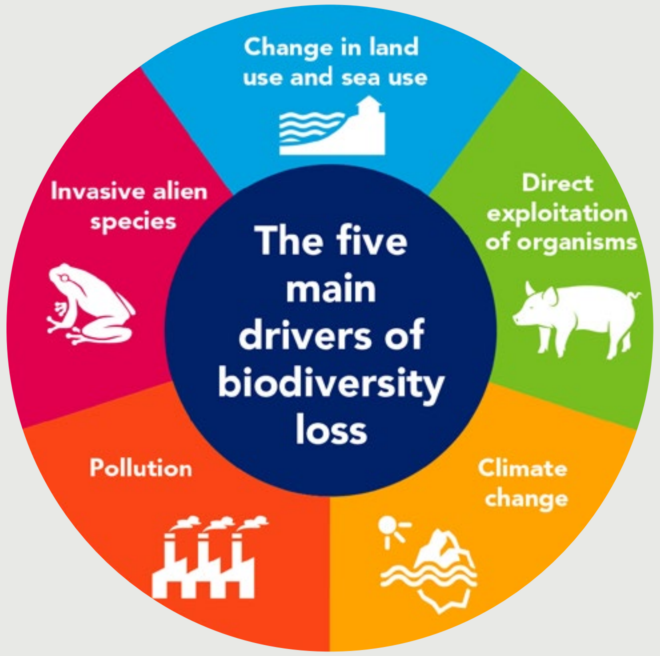
All living things exist within complex and delicately balanced ecosystems. The functioning of ecosystems enables and maintains all life on Earth through the provision of ecosystem services. These include food, clean air, the water cycle, and healthy soils, amongst many other fundamental aspects of life on Earth. Nature delivers medicines, textiles and shelter, and plays an important role in cultural and spiritual life. Biodiversity is a measure of the health of nature and the resilience of ecosystems.

Despite economies and societies being deeply embedded in nature, as articulated in The Dasgupta Review, there has been an increasing disconnect from nature and a subsequent lack of recognition of nature's intrinsic and economic value.

Human activity and the increasing consumption of resources have upset the balance of ecosystems and caused significant biodiversity loss.

- WWF's 2022 Living Planet Report found an average 69% decline in global populations of mammals, fish, birds, reptiles, and amphibians between 1970 and 2018
- The 2019 landmark Global Assessment Report by the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) reported one million animal and plant species are now threatened with extinction — the highest number in human history
- Biodiversity loss and ecosystem collapse was ranked as the third most severe threat humanity will face in the next 10 years in the World Economic Forum's Global Risks Report 2024

Figure 1 : the main drivers of biodiversity loss identified by IPBES and some specific examples of each driver (infographic developed by EOS at Federated Hermes Limited)



Change in land use and sea use	Direct exploitation of organisms	Climate change	Pollution	Invasive alien species
This driver is about how the use of land and seas changes over time. The pressures of the global food system are the most significant contributors, including deforestation and conversion of natural ecosystems for agricultural expansion. Other activities that compete with natural habitats include expansion of urban areas and infrastructure, and mining of the land and deep seas.	This driver covers the direct use of animals or plants for food or resources. For instance, over-fishing, high levels of meat consumption, hunting and the wildlife trade all contribute to biodiversity loss.	Changes in global temperatures, sea level rise and altered weather patterns have a significant impact on biodiversity and the viability of habitats. This driver is expected to become more pronounced as the physical impacts of climate change intensify.	Biodiversity loss arises through pollution of the air, water and soil. It includes plastic and microplastic pollution in freshwater bodies and oceans, air pollution caused by intensive agriculture and industry, soil and water pollution caused by chemical runoff from agriculture, and pollution from other hazardous chemicals, such as per- and poly-fluoroalkyl substances (PFAS).	These are species that have been introduced by humans into places where they did not historically or naturally occur. They may compete with local species and negatively impact biodiversity.

2. Nature-related risks and opportunities for companies and investors

Biodiversity loss and the degradation of nature pose systemic risks and company and asset-level risks to investors.

Systemic risks

All businesses, to varying degrees, are reliant on the common goods that nature provides. Unfortunately, the role that nature plays has often been under-appreciated by companies and their investors – both its intrinsic and social value, but also the economic value it underpins. Research from the World Economic Forum suggests that about $44 trillion of global value generation (over half the world's GDP) comes from industries that are highly or moderately dependent on nature. It follows that destroying ecosystems and biodiversity could have a detrimental impact on economies.

Research based on the planetary boundaries framework highlights that transgressing any of the planetary boundaries – but especially those for biodiversity loss and climate change – significantly increases the risk that the whole earth system will shift away from the stable state that has characterised the last 11,000 years. The complexity of natural systems means there are many interconnections and a high risk of tipping points, compounding the potential systemic risk of biodiversity loss and increasing overall exposure to a range of inter-related risks.

Company and asset-level risks

Some companies are likely to be more exposed to nature-related risks due to their sector or the location of their operations and supply chains. Risks for investors will similarly vary based on regional and sector exposure. For example, research from the Swiss Re Institute indicates that one fifth of the world's countries, including South Africa, Australia and India, are at high risk of ecosystem decline, which will have inevitable consequences for global supply chains. Asia is rich in biodiversity but the risk of nature degradation is high due to rapid urbanisation, agricultural expansion and over-fishing, amongst other factors.

In some sectors there is a combination of high impacts and dependencies on biodiversity and ecosystem services, meaning that risk exposure may be heightened. This includes utilities, mining and materials, consumer goods and retail (e.g. food, beverages, cosmetics, fashion, household products), oil and gas, agriculture, and real estate and construction. The financial services sector should also be considered within this category due to its financing of all other sectors across the real economy.

The impacts on global supply chains, societies and companies from the decline in ecosystems may include:

- Inability to source raw materials
- Stagnant or falling crop yields due to degradation of soil and water pollution
- Decline or loss of certain crops due to decline of pollinators
- Price shocks, prolonged food shortages, or regional famines
- Decline in public health due to polluted air, water and soil
- Reduced protection against extreme weather events (loss of reefs, mangroves, forests)
- Increased greenhouse gas emissions
- Knock-on effects on indirectly dependent sectors.

The table below further outlines the nature-related risks that companies and investors may face.

Reputational	Financial and legal
Consumers are increasingly indicating a preference for stronger sustainability practices and transparency. A company's impact on biodiversity loss will become an additional lens of scrutiny.	Oil spills , being found responsible for deforestation and other forms of biodiversity decline may cause significant reputational risks for companies, as well as the associated litigation and financial risks.
Transition	**Regulatory**
Companies that do not pivot to a nature-positive economy[1], which is closely related to the net zero transition, may face a series of transition risks. Getting ahead of the curve will improve the resilience of business models, operations, products and supply chains.	Companies are likely to face increasing nature-related regulation in the coming years, especially as the Kunming-Montreal Global Biodiversity Framework gets translated into national-level policy and regulation in the coming years. Some regulatory developments, such as the EU's deforestation due diligence requirement, is already impacting companies.

Opportunities

Whilst biodiversity loss poses significant risks to companies and investors, taking action to address it can also be a source of opportunities. According to the World Economic Forum, companies that develop nature-positive or nature-based solutions (NbS) to protect biodiversity have the potential to create $10 trillion in business opportunities and 395 million jobs by 2030. Consumers are becoming increasingly interested in more sustainable products, such as non-animal protein products, which companies should consider and reflect in their innovation activities.

[1] According to the *World Economic Forum* nature positive means enhancing the resilience of our planet and societies to halt and reverse nature loss by 2030.

3. Addressing climate change and biodiversity loss holistically

Climate change and biodiversity loss are intrinsically linked and should therefore be addressed simultaneously.

Climate change is one of the main drivers of biodiversity loss and is already having an impact by changing habitat ranges, and the availability of food and water. At the same time, nature and biodiverse ecosystems are key for climate change mitigation and adaptation. For example, forests and peatlands are natural carbon sinks which absorb and store huge quantities of carbon dioxide from the atmosphere. If degraded, it is possible for forests and peatlands to tip from being carbon sinks to carbon sources, releasing enormous quantities of stored carbon. Protecting these ecosystems is one of the most effective solutions to climate change, alongside the move away from fossil fuel use.

Meanwhile, mangroves, wetlands and other coastal systems provide vital protection from flooding and hurricanes for the millions of people facing increased flooding risk due to loss of coastal habitats and sea level rise.

From a practical point of view for investors and companies, there is value in developing a strategy to address climate change and biodiversity loss simultaneously. Where relevant, companies should consider a combined climate and nature transition plan, which also covers the approach to the just transition and climate adaptation. Some interventions, such as addressing deforestation and transitioning to regenerative agriculture, can enable climate change and biodiversity loss to be addressed holistically.

4. The Kunming-Montreal Global Biodiversity Framework

After being postponed several times, the Biodiversity COP15 went ahead in December 2022 in Montreal. The aim was to agree on a framework to guide international action on biodiversity for the next decade. The negotiations led to the agreement of the Kunming-Montreal Global Biodiversity Framework (GBF), which some people have compared to the equivalent of the Paris Agreement for biodiversity.

The most important outputs were:

- 196 governments from around the world agreed on a set of goals and targets to guide international action, with the stated mission to halt and reverse biodiversity loss by 2030;
- The framework features four goals for 2050 and 23 action-orientated targets for 2030;
- The role of private finance and business in addressing biodiversity loss is clearly emphasised, especially when compared with the previous iteration of the 10-year Aichi framework from 2010-2020;
- There was unprecedented attendance from businesses and financial institutions at COP15, and the first ever Finance and Biodiversity Day;
- Target 15 of the GBF requires governments to ensure that large companies and financial institutions assess and disclose their risks, impacts and dependencies on biodiversity throughout their operations, value chains and portfolios;
- Goal D and Target 14 call for the alignment of public and private financial flows with the GBF, meaning a required focus on reducing financial flows that are currently harming nature and increasing positive financial flows.

The full GBF text can be found here . The UNEP FI, Principles for Responsible Investment (PRI) and Finance for Biodiversity Foundation published a report that analyses what each target of the GBF means for responsible investors. The Finance for Biodiversity Foundation has also published a paper focused on how governments can effectively implement the GBF components that relate to private finance.

The targets of the GBF are not legally binding but countries must submit National Biodiversity Strategies and Action Plans (NBSAPs) ahead of COP16, which will take place in Colombia in October-November 2024. NBSAPs will outline how countries will implement the goals and targets of the GBF at the national level, meaning that investors can expect increasing nature-related policy and regulation in coming years.

5. Taskforce on Nature-related Financial Disclosures (TNFD)

The Taskforce on Nature Related Disclosures (TNFD) is a market-led, science-based initiative that published its final framework (TNFD Framework) in September 2023. The TNFD Framework is designed to provide companies and financial institutions with a risk management and disclosure framework to identify, assess, manage and report on their material nature-related impacts, dependencies, risk and opportunities.

It essentially operationalises the GBF's Target 15, as discussed above. The TNFD Framework is currently a voluntary framework, though it is likely to increasingly become a regulatory requirement in some countries, as has become the case with the Task force on Climate-Related Financial Disclosures (TCFD).

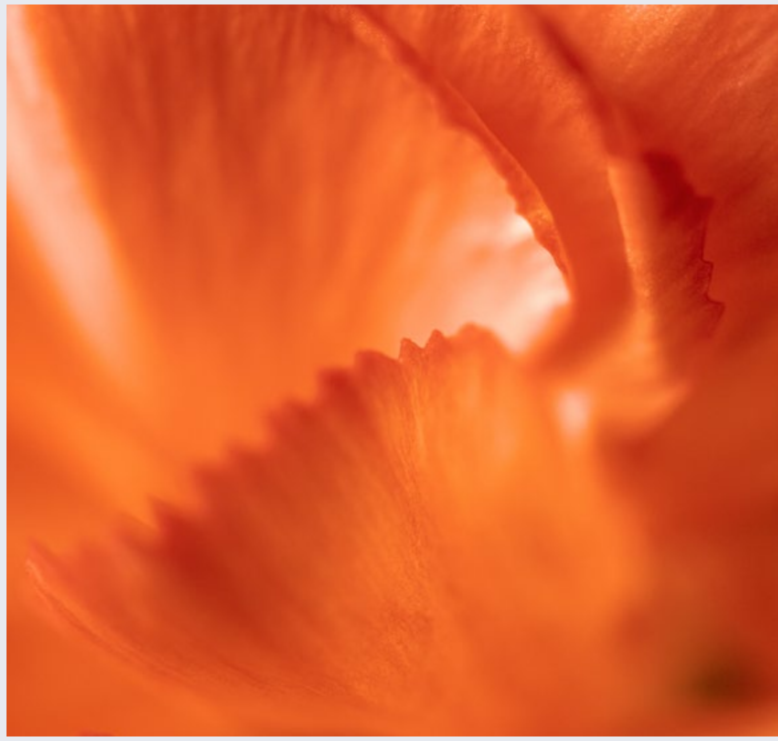
Investors should use the insights from their TNFD assessment to develop strategies, targets and actions plans focused on their most material risks and impacts. By integrating nature into strategic and capital allocation decision-making, financial flows can be more easily shifted away from nature-negative outcomes and towards nature-positive outcomes – the stated aim of the TNFD.

The TNFD Framework is built across the same four pillars as the TCFD: governance, strategy, risk and impact management, and metrics and targets (See Figure 2). Fourteen recommended disclosures are organised under the four pillars; eleven of them are consistent with the TCFD recommended disclosures. The three new disclosures, as denoted by the boxes in Figure 2 , focus on: (i) human rights policies and engagement; (ii) priority locations of assets and activities in direct operations and upstream and downstream value chains; and (iii) management of nature-related issues in upstream and downstream value chains. Harnessing its synergies with the TCFD, the TNFD Framework will support global consistency in nature-related disclosures and enable movement towards integrated climate- and nature-related reporting disclosures.

Figure 2: TNFD's recommended disclosures (new areas of disclosure compared to the TCFD highlighted in boxes)

Governance	Strategy	Risk & impact management	Metrics & targets
Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.	Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.	Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.	Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.
Recommended disclosures	**Recommended disclosures**	**Recommended disclosures**	**Recommended disclosures**
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities. **B**. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities. **C**. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	**A**. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term. **B**. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place. **C**. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios. **D**. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	**A**(i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations. **A**(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s). **B**. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities. **C**. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	**A**. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process. **B**. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature. **C**. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.

The TNFD Framework's recommended disclosures capture nature-related issues that are relevant to an organisation's direct operations, upstream value chains and downstream value chains. In the case of investors, their nature-related impacts and dependencies primarily arise through their investment portfolios rather than their direct operations. Investors should primarily focus on downstream value chains, including financed, facilitated, investment and insured activities and assets.



Investors, by virtue of their portfolios, have some of the most significant dependencies and impacts on nature. Therefore, the TNFD has published sector guidance for financial institutions to support their interpretation and application of the recommended disclosures, in addition to TNFD's general guidance document. The TNFD encourages investors to commence their TNFD assessments, aided by these guidances, despite the likelihood of incomplete data from investees and customers. Nature-related data will become more readily available as demand increases and with the expected inclusion of the TNFD Framework into regulatory frameworks in the coming years. As investors progress with their assessments and improve their understanding of their nature-related risks and impacts, they can become more informed and targeted in their stewardship and capital allocation decisions.

6. Increasing focus on biodiversity across the industry

There is growing awareness of biodiversity as a sustainability theme and recognition of the negative impacts that investment portfolios are having on nature. Asset managers and asset owners are increasingly considering how they can monitor their nature-related risks, impacts and dependencies, as well as how they can collaborate with other investors to drive more ambitious action.

Whilst the importance of biodiversity is gaining recognition, this is arguably not happening quickly enough given the scale of the risks – and opportunities – and investors are not placing sufficient weight on biodiversity loss in decision-making and analysis.

Investors face some challenges in integrating nature-related risks and impacts into their processes. These include a lack of data availability from investee companies, difficulty in putting a price on biodiversity loss, and differences in how nature-related risks materialise in different sectors and regions, amongst others. The TNFD and the GBF, amongst other developments, should significantly help these challenges.

Some of the biggest **asset owners** are beginning to be more vocal in their approach to biodiversity as a sustainability priority. Asset owners are under increasing scrutiny as consumers and regulation shine a spotlight on their role and approach as investors.

The Thinking Ahead Institute has identified the following examples of current practice amongst asset owners.

- LifeSight has a public deforestation statement which covers its approach to deforestation and its role in tackling the broader issues of climate change and biodiversity loss.
- Smart Pension recognises biodiversity and climate change as interconnected global challenges. Its default growth strategy now invests in a biodiversity fund.
- NEST lists natural capital as one of its 'new ESG priorities' in the latest responsible investment report, along with impact investing. It is continuing to study the topic and keeping a close eye on disclosure frameworks such as TNFD.
- Brunel Pension Partnership is vocal on biodiversity as a priority, including setting out actions and expectations in regard to biodiversity. It has also worked on two biodiversity reports with the University of Bath and recently announced it is embarking on a pilot to develop a biodiversity footprint to enhance analytics and disclosures.

In a similar way, **asset managers** are recognising biodiversity as a significant risk and noting the opportunity it brings in terms of capital flows, with several asset managers launching biodiversity-focused funds in recent years. The Thinking Ahead Institute has identified the following examples of these funds:

- AXA Biodiversity fund
- BNP Paribas Ecosystem Restoration fund
- Federated Hermes Biodiversity Equity fund
- Fidelity Sustainable Biodiversity Fund
- HSBC World ESG Biodiversity ETF
- Union Bancaire Privée (UBAM) Biodiversity Restoration fund

Collaborative investor initiatives

Finance for Biodiversity (FfB) Foundation	▪ Financial institutions have called for and committed to taking action on biodiversity by signing the FfB Pledge ▪ 170 signatories across 26 countries, including asset owners, asset managers, banks and insurers (as of May 2024) ▪ Total AUM of signatories over €22tn ▪ The FfB Foundation has numerous working groups to facilitate collaboration and knowledge sharing on topics such as measurement, engagement and positive impact
Nature Action 100	▪ Global investor engagement initiative focused on driving greater corporate ambition and action to reduce nature and biodiversity loss ▪ Facilitates engagement with a list of 100 focus companies (similar to Climate Action 100+) ▪ Initiative launched and engagement commenced in September 2023, with the Nature Action 100 corporate benchmark indicators launched in April 2024

Other sustainability focused industry initiatives are making useful resources available:

ICSWG	**FAIRR**
PRI	**Ceres**
Share Action	**World Benchmarking Alliance**
IIGCC	**ENCORE**
Planet Tracker	**Global Canopy**

7. Tools, data sources and measurement approaches

Nature-related data availability and consistency present a challenge for investors. Nature's multi-faceted dimensions, coupled by its more recent prioritisation within the financial sector, means that widespread capacity building of tools and metrics is ongoing. Notwithstanding, financial institutions can begin their nature-related assessments with the plethora of service providers, tools and metrics currently available. This section will discuss how each of these categories can be used in assessing financial institutions' nature-related impacts, dependencies, risks, and opportunities ("nature-related issues").

Third party ESG providers

Third-party ESG report and ratings providers offer aggregate level data to help inform a financial institution's investing and capital allocation decisions at a high level. Generally speaking, an ESG rating assesses a company based on its exposure to industry specific, material ESG risks (including nature) and its capacity to effectively manage those risks relative to peers. Reports can also include an assessment of ESG controversies and nature-related metrics. Examples of ESG data providers include:

- Sustainalytics
- MSCI
- ESGI
- Dun & Bradstreet
- Bloomberg
- FTSE Russell
- Institutional Shareholder Services
- S&P Global
- CDP

However, there is not a consistent regulatory scheme that governs ESG data providers, which can lead to greenwashing and/or subjective ratings. ESG ratings and reports should be taken into consideration alongside direct engagement and company disclosures.

Engagement

Direct engagement with investees can help investors understand the companies' nature-related issues and, in turn, the investor's exposure to risks and opportunities. Engagement with companies on biodiversity is particularly important given the urgency and complexity of the topic. Engagement can include direct engagement, collaborative engagement, and activity around shareholder meetings, such as supporting shareholder resolutions. To identify high risk companies to help prioritise the topics for engagement, investors can refer to external benchmarks and rankings, studies such as the FfB's multi-tool pilot study, and investor initiatives such as the Nature Action 100 list of 100 companies.

Nature-related impacts, dependencies, risks and opportunities assessments

Investors should consider assessing nature-related impacts and dependencies at an underlying asset level. These assessments are both qualitative and quantitative in nature, as reflected in the TNFD Framework, Global Reporting Initiative (GRI), International Sustainability Standards Board (ISSB), and FfB's guide on biodiversity measurement approaches. The ISSB has stated that following its work on climate disclosures, it will turn its focus to nature, as well as human capital.

The TNFD developed the LEAP (Locate, Evaluate, Assess, and Prepare) approach as part of the TNFD Framework to support an organisation's internal assessment of nature-related issues. It is a voluntary four-step guidance that ultimately helps organisations identify and report their material nature-related issues:

- **Locate** the interface with nature across sectors, value chains, geographies
- **Evaluate** your dependencies and impacts on nature
- **Assess** material risks and opportunities to the organisation
- **Prepare** to respond to, and report on nature-related issues

The TNFD has tailored the LEAP approach for financial institutions, aptly named the LEAP-FI. The TNFD's Guidance on the identification and assessment of nature-related issues: the LEAP approach offers support for both approaches. The TNFD Tools Catalogue provides a selection of tools that are relevant for each step of LEAP . Furthermore, each step of LEAP is aligned with a recommended disclosure on page 72 of the Recommendations of the TNFD.

Metrics

The TNFD has also sought to address the measurement challenges associated with the complexity of nature. Since a single metric cannot account for the multi-faceted dimensions of nature and biodiversity, the TNFD has developed 15 core global indicators and metrics to assist in the evaluation of nature-related issues. The core metrics are considered by the TNFD to be "relevant to most businesses in most sectors". There are 10 impact and dependency metrics, which cover the five drivers of biodiversity loss, and five risk and opportunity metrics (found in Annex 1 of the Recommendations of the TNFD). They initially function as baseline indicators that companies and investors are expected to provide as part of the TNFD Framework and subsequently report against to illustrate progress (or lack thereof).

The TNFD has also developed specific sectors metrics, including sector specific metrics for Financial institutions, and recommended a larger set of additional metrics, if needed, to account for an organisation's material nature-related issues. Within the TNFD sector guidance for Financial Institutions, biodiversity footprinting approaches are recognised as an additional disclosure metric that financial instituions may consider. However, the TNFD recommends caution when applying biodiversity footprinting tools in the financial sector, as this sort of application is new to this sector and can be misused when the tools are not fully understood. The TNFD published guidance further discussing the issues around biodiversity footprinting approaches for financial institutions in December 2023.

Target Setting

The Science Based Targets Network (SBTN) is aligned with the TNFD Framework and GRI and can help companies set science-based targets. SBTN defines science-based targets (SBTs) "as measurable, actionable, and time-bound objectives, based on the best available science, that allow actors to align with Earth's limits and societal sustainability goals." SBTN has created a target-setting process for land and freshwater, with the aim for companies to reduce their negative impacts and increase positive impacts for the planet and people. Investors should keep track of the ongoing developments within the SBTN. The FfB Foundation has published the Nature Target Setting Framework for Asset Managers and Asset Owners.

8. Call to action: priority steps for investors

Asset managers and asset owners can play an important role in deploying capital which mitigates nature-related risks and helps to address biodiversity loss. We have identified the following priority steps for investors:

- Take time to understand why biodiversity loss is relevant to investors, including the associated systemic risks
- Build internal capacity about how to address the issue, including bringing in external expertise if required
- Include biodiversity as a priority theme in public statements, responsible investment policies and sustainability reports
- Make biodiversity a focus within stewardship activities and engage with investee companies on material nature-related issues, including deforestation, sustainable agriculture, and water, amongst other topics
- Develop strategies and transition plans that address climate change and biodiversity loss holistically
- Adopt the TNFD recommendations to further understanding of exposure to nature-related impacts, dependencies, risks and opportunities in investment portfolios, focusing especially on priority sectors and/or geographies
- Stay abreast of emerging nature-related regulation in the UK, EU and other relevant markets
- Join industry groups and collaborative initiatives focused on biodiversity to support knowledge sharing and help drive change across the industry.

9. Further reading

Asia Investor Group on Climate Change (AIGCC) and PwC

- Nature as a tipping point: A guide and case studies for Asia Pacific investors on managing nature-related risks

BloombergNEF

- Biodiversity Finance Factbook

Make my Money Matter

- Cutting Deforestation from Our Pensions: How your money can help protect the planet

MSCI

- An Investor's Guide to Nature and Biodiversity Risks and Impacts
- Deforestation risks on the rise
- What biodiversity loss and the COP15 agreement mean for investors

PBAF

- Partnership for Biodiversity Accounting Financials (PBAF)

PRI

- Investor action on biodiversity: discussion paper

Responsible Investor

- Biodiversity report 2023

Science Based Targets Network

- Target-setting guidance for companies

ShareAction

- The Time is Now: Three ways the financial sector can take action to address biodiversity loss today

The Finance for Biodiversity Foundation

- Act Now! The why and how of biodiversity integration by financial institutions
- Guide on biodiversity measurement approaches
- Pilot study on tracking top biodiversity-impact sectors with footprinting tools
- Overview of initiatives for financial institutions
- Nature Target Setting Framework for Asset Managers and Asset Owners
- Guide on engagement with companies

TNFD

- TNFD Framework

Limitations of reliance

Limitations of reliance – Thinking Ahead Group 2.0

This document has been written by members of the Thinking Ahead Group 2.0. Their role is to identify and develop new investment thinking and opportunities not naturally covered under mainstream research. They seek to encourage new ways of seeing the investment environment in ways that add value to our clients. The contents of individual documents are therefore more likely to be the opinions of the respective authors rather than representing the formal view of the firm.

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About EOS at Federated Hermes Limited

EOS at Federated Hermes Limited is a leading stewardship services provider, offering engagement and voting services on behalf of the institutional investors it represents. The engagement team hold constructive engagements with corporate boards and executives on environmental, social, governance and strategic issues to enable improved long-term returns for investors, as well as better, more sustainable outcomes for society.

About the Thinking Ahead Institute

The Thinking Ahead Institute (TAI) is a not-for-profit research and innovation network motivated to influence the investment industry for the good of savers worldwide and to mobilise capital for a sustainable future. Since its establishment in 2015, over 90 investment organisations have collaborated to bring this vision to light through designing fit-for-purpose investment strategies; working towards better organisational effectiveness; and strengthening stakeholder legitimacy.

Led by Marisa Hall, Tim Hodgson and Roger Urwin, the Thinking Ahead Institute connects our members from around the investment world to harness the power of collective thought leadership and develop innovative solutions for the investment industry.

Join the Thinking Ahead Institute

We seek collaboration with like-minded organisations to achieve our vision, so for more information about us please contact:

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