

POSITION PAPER

Nature Integration in Banking

Ambition, Target-Setting
and Initiatives

July 2026

Table of Contents

Executive Summary	1
Introduction	2
1. Nature Integration Roadmap	4
Context	4
Positioning the Roadmap within Existing Frameworks	6
Assessing Progress and Developing Maturity Stages	6
2. Ambition Levels: Nature Positive and GBF Alignment	8
Context	8
Maturity Levels for Nature Ambition	9
Status Quo	11
Recommendations	14
3. Metrics, KPIs and Target-Setting	15
Context	15
Maturity Levels for Metrics, KPIs and Target-Setting	16
Status Quo	17
Recommendations	21
4. Initiatives and Pledges	22
Context	22
Maturity Levels for Initiatives and Pledges	23
Status Quo	24
Recommendations	25
5. Outlook: Strengthening Drivers and Overcoming Barriers	26
Context	26
Status Quo	27
Recommendations	30
 Messages for Policy Makers	 32
References	33
Appendix:	36
Approach of the Sustainable Finance Cluster Initiative	43
Acknowledgements	44
Imprint	45

Executive Summary

Nature underpins economic activities and financial stability, yet integrating it into banking processes is more challenging than integrating climate. Nature is local and multidimensional and there is not yet a single common metric to capture it. Building on the Sustainable Finance Cluster's 2025 paper Biodiversity in Banking, this paper extends the practical roadmap for nature integration and assesses the current maturity of banks across ambition, target-setting and participation in initiatives. The overall picture is a sector in transition. Banks have become better at articulating ambitions and measuring their own activities, but are still working on developing measurable and quantitative targets called for by international agreements.

This study identifies five priorities for advancing nature integration in banking:

1. ANCHOR AMBITION IN THE GBF – Direction, Not Destination

Nature positive is a societal goal that can only be reached collectively, not an operational target any individual bank can achieve on its own. Banks should anchor their ambition in the GBF and translate it into concrete targets based on portfolio and location analyses. The aim is to map the targets that matter for a bank's portfolio, not to maximise the number of targets covered.

2. MEASURE IMPACT – Not Just Processes

Banks have made progress in setting activity-related targets, but still need to evidence the impact their nature finance achieves. Most nature KPIs track the bank's own behaviour rather than outcomes. The next stage is to develop impact-oriented KPIs at portfolio level and set measurable targets, anchored to the 2020 GBF baseline with defined target years, while working in parallel to close the data gaps, rather than waiting for perfect data.

3. KEEP NATURE VISIBLE – Don't Let It Disappear into Climate

Nature and climate are deeply interconnected and should be managed together, since targets set in isolation can undermine one another. But integration must not mean absorbing nature into climate, where its specific priorities lose visibility. Banks should report nature-related targets and financial commitments distinctly and give nature the same structural standing as climate in strategy and governance, while aligning the two so that progress on one does not come at the expense of the other.

4. JOIN WITH INTENT – Pledges Are Not Proof

Participation in initiatives and public commitments is neither a substitute for implementation nor evidence of ambition. Used deliberately, however, it can be a genuine lever for transformation. Banks should join initiatives selectively and link commitments to governance, disclosure and portfolio action. The sequence of their commitments should be coupled to their institutional maturity rather than external expectations. The climate precedent, where participation often outpaced action, is a clear warning.

5. BUILD THE FOUNDATION TOGETHER – Banks Cannot Do It Alone

Nature integration is currently driven more by supervisory expectations than by business strategy or market incentives. Banks should treat supervisory expectations as a starting point and invest in data infrastructure and board-level ownership. However, banks cannot advance alone. Governments need to provide the enabling conditions through national sectoral pathways and standardised nature-KPI systems (like CO₂-equivalents) to make contributions comparable.

Introduction

Nature serves as the cornerstone of economic activities and financial stability, yet the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) assessment warns that biodiversity loss has reached unprecedented levels, creating profound systemic risks to global prosperity (IPBES 2026). These risks are increasingly material for the financial sector, with ECB research showing that 75% of euro area corporate bank loans are to firms highly dependent on vulnerable ecosystem services (ECB 2025). Recent Bundesbank analysis confirms that this exposure is also significant in Germany, where more than half of corporate lending is linked to firms with high dependencies on ecosystem services, with particularly high exposure among credit cooperatives and savings banks (Bundesbank 2026). This dependency is further complicated by “endogenous” risks, where bank-financed activities contribute to the degradation of the very ecosystem services that underpin their own portfolios (ECB 2025). Nature loss therefore potentially affects banks through deteriorating borrower earnings, disrupted supply chains, reduced collateral values, higher adaptation and compliance costs.

Despite these potential risks and impacts, global capital allocation remains severely misaligned. The United Nations Environment Programme (UNEP) report highlights that USD 7.3 trillion annually flows into nature-negative activities, dwarfing investments in nature-based solutions by a ratio of more than 30:1 (UNEP 2026). To address this

imbalance, the concept of nature positive has emerged as a societal goal capable of organising action across governments, business and finance, much as “Net Zero” galvanised the climate agenda. UNEP defines it as an intended future state of nature, where the abundance, diversity, integrity and resilience of species and ecosystems are measurably greater than the current state. Consequently, if banks¹ are to contribute to the goals of the Kunming-Montreal Global Biodiversity Framework (GBF)² and spark the necessary “Big Nature Turnaround,” isolated portfolio assessments or disclosures will not be enough (UNEP 2026). Progress depends on connecting governance, strategic ambition, risk management and client engagement into a coherent logic capable of driving nature positive outcomes.

This paper builds on the Sustainable Finance Cluster’s 2025 position paper Biodiversity in Banking: Pathways for Strategic and Operational Integration and extends it by proposing an updated Nature Integration Roadmap and a maturity framework for assessing implementation. **It addresses two central questions: What are the essential steps for integrating nature into banking practices, and how far have banks progressed in implementing them?** The paper introduces an updated Nature Integration Roadmap and assesses banks’ current level of nature integration maturity, focusing on ambition, target-setting as well as participation in initiatives. The paper is structured as follows. It begins with an updated

¹ We use the term “banks” for readability. Much of the analysis applies more broadly to financial institutions, and some of the examples discussed in this paper are asset managers or development banks rather than commercial banks.

² The GBF itself does not use the term nature positive; its mission is to “halt and reverse biodiversity loss... by 2030” towards a 2050 vision of living in harmony with nature. Nature positive has become the standard shorthand among businesses, financial institutions and NGOs for substantively the same trajectory, and is used as such throughout this paper. Technically, four alternative terms are available to banks seeking language that is more bounded than “nature positive”. They operate at different levels of specificity and should not be treated as equivalents. Nature-related finance is the broadest, covering any financial flow associated with dependencies on or impacts to natural systems, whether harmful or beneficial; it is primarily a disclosure and classification concept, operationalised by the TNFD (2023). Finance contributing to GBF-aligned outcomes is more directional, denoting flows explicitly oriented towards the goals and targets of the Kunming-Montreal Global Biodiversity Framework, particularly Target 19 (CBD 2022; UNEP FI 2023a). Finance for nature-based solutions is the most project-specific, referring to financing of solutions that are inspired and supported by nature, that are cost-effective, and that simultaneously provide environmental, social and economic benefits and help build resilience, as defined under EU law (European Parliament and Council 2024). Transition finance is the most sector-focused, denoting capital that enables high-impact economic actors to move towards nature-compatible business models (OECD 2022).

Nature Integration Roadmap (**chapter 1**), before turning to ambition and GBF alignment (**chapter 2**); metrics, KPIs and target-setting (**chapter 3**); and public commitments, initiatives and pledges (**chapter 4**). It continues by examining the drivers and barriers that determine whether nature integration becomes operational (**chapter 5**) and concludes with messages for policy makers.

It draws on workshops, interviews and a survey conducted among banks participating in the Cluster Initiative. This is complemented with a document analysis of 44 international banks³ to

identify where the sector currently stands, what barriers continue to slow progress and which practical steps can strengthen ambition and implementation. In doing so, the paper is intended as a guide for C-level executives, sustainability and risk professionals and all those working on the strategic integration of nature in banking. At the same time, it provides evidence-based insights for regulators, policy makers and other stakeholders seeking to create an enabling environment for more credible and effective nature integration in the financial sector.



IMAGE SOURCE: dmitriock87_316679226 - stock.adobe.com

³ To maintain readability, only a concise overview of the methodology is presented in the main text. Detailed descriptions of the research methods are provided in the Appendix. If you have further questions, feel free to contact the lead author.

1. Nature Integration Roadmap



KEY TAKE-AWAYS

Nature integration requires an institutional roadmap, not isolated activities. Banks need a structured approach that connects governance, assessment, target-setting, operational integration and disclosure, so that nature becomes embedded in strategic and day-to-day decision-making rather than treated as a standalone reporting topic.

Progress is visible but uneven. Banks have advanced in portfolio analysis, governance anchoring, reporting readiness and the recognition of nature as a risk-management issue. However, these developments remain largely foundational and have not yet translated systematically into portfolio steering, pricing, target-setting or client engagement.

Understanding maturity helps institutions turn the roadmap into a practical management tool. It shows where progress is still foundational, where integration is uneven across dimensions and which capabilities are needed next to move from assessment towards steering.

Context

Banks need more than ad hoc nature-related activities. They need a structured approach for embedding nature across the institution over time. In this paper, nature integration refers to the progressive incorporation of nature-related considerations into a bank's strategy, governance, risk management, client engagement, product portfolio, target-setting and disclosure. Rather than a standalone project or reporting exercise, it is an organisational transformation process through which nature becomes embedded in how a bank sets priorities, steers portfolios and manages its impacts, dependencies, risks and opportunities.

To support this process, a Nature Integration Roadmap translates this broad objective into a set of core building blocks that help banks identify what activities need to be implemented, how different elements relate to one another and where important capacity gaps remain. The roadmap is therefore not intended as a compliance checklist,

but as a practical orientation framework for institutional change. Building on the cluster discussions and the further development of the framework, this paper therefore proposes an updated **Nature Integration Roadmap** with **16 steps** (see **Figure 1** below for details). The roadmap captures the core dimensions of strategic and operational nature integration in banks, from A) Foundation & Governance and B) Assessment & Target-Setting to C) Operational Integration and D) Disclosure & Reporting.

The sequence of steps should not be read as a rigid chronology, nor should every step be understood as a mandatory or independent requirement for nature integration. In practice, banks often move iteratively, advance in some areas before others and revisit earlier steps. Some steps are also substantively interlinked rather than isolated. Regulatory and supervisory expectations, for instance, shape not only disclosure (step 14), but also risk

management (step 11) and board-level governance (step 2). Others, such as participation in initiatives and pledges (step 9), are best understood as enablers that can support nature integration rather than a precondition for it. A bank that does not

join external initiatives is not thereby failing to integrate nature. Still, the roadmap helps make visible what comprehensive nature integration entails and where an institution's current approach remains partial.

Figure 1: Nature Integration Roadmap

Domains	A. Foundation & Governance	B. Assessment & Target-Setting	C. Operational Integration	D. Disclosure & Reporting
Steps	1. Assess the status quo and identify gaps (organisational maturity, regulatory and market context) 2. Ensure board-level support and anchor nature in corporate governance 3. Determine the organisational model, establish the team and allocate resources 4. Build internal awareness and nature literacy	5. Conduct a portfolio analysis to identify material DIROs (screening and assessment) 6. Define the ambition level 7. Identify relevant metrics and KPIs 8. Set targets (qualitative and quantitative)	9. Commit to initiatives and pledges 10. Define measures, client engagement and sectoral strategies 11. Integrate nature in risk and impact management & credit processes 12. Develop new products and scale investments	13. Integrate nature into internal management reporting and steering 14. Disclose on nature with relevant reporting standards 15. Monitor and engage with nature-related ESG rating criteria 16. Fulfil supervisory and regulatory reporting requirements
Content	• Board-level ownership and governance discussed in chapter 5 (drivers and barriers)	• Ambition level and GBF alignment in chapter 2 • Metrics, KPIs and target-setting in chapter 3	• Initiatives and pledges in chapter 4 • Client engagement and risk integration in chapter 5 (drivers and barriers)	• Reporting and supervisory requirements in chapter 5 (drivers and barriers) • Reporting and supervision in chapter "messages for policy makers"



IMAGE SOURCE: iStock.com/Mimadeo, Bild-ID: 585298860

Positioning the Roadmap within Existing Frameworks

The Nature Integration Roadmap is broadly consistent with the leading nature-related frameworks developed for the private sector, while adapting them to the specific role of banks and financial institutions. It builds on the Taskforce on Nature-related Financial Disclosures' (TNFD) LEAP approach (Locate, Evaluate, Assess, Prepare) (TNFD 2024) and the ACT-D (Assess, Commit, Transform, Disclose) framework developed by the World Business Council for Sustainable Development (WBCSD) in collaboration with the TNFD, the Science Based Targets Network (SBTN), the World Wide Fund for Nature (WWF) and other partners (WBCSD 2023). Further, the roadmap is closely related to the emerging concept of nature in transition planning. As defined by the TNFD (TNFD 2025) and elaborated in the Carbon Disclosure Project (CDP) and WWF report, nature in transition planning refers to an organisation's goals, targets, actions, accountability mechanisms and resources to respond and contribute to the transition implied by the GBF (CDP & WWF 2026). However, the Roadmap extends these frameworks by reflecting the intermediary function of banks and incorporating banking-specific dimensions, including governance and incentive structures, portfolio analysis, client engagement and supervisory reporting.

Its structure is further supported by a review of relevant frameworks for banks (Green Finance Institute 2024; Landwirtschaftliche Rentenbank 2025; Moosmann 2021; Sustainable Finance Platform 2021; UNEP FI 2023b; WWF 2025). Although the Roadmap's four domains are reflected across existing guidance, no single framework combines them into a comprehensive orientation for banks. The Roadmap fills this gap by consolidating the relevant steps into one coherent framework.

Assessing Progress and Developing Maturity Stages

Comparing the findings from this year's research with the 2025 position paper shows incremental but uneven progress in nature integration. The most visible advances are in portfolio analysis, governance anchoring, reporting readiness and the recognition of nature as a risk management issue. Banks are no longer only recognising nature as relevant or conducting basic screenings; several now combine ENCORE-based approaches with additional tools, location-specific data and internal risk processes. This is particularly relevant for credit portfolios, where nature-related dependencies, impacts and risks can arise through high-risk sectors, supply-chain vulnerabilities and location-specific exposures. In some cases, nature-related information is beginning to inform Environmental, Social and Governance (ESG) risk management, credit risk discussions and steering processes.

However, this progress remains largely foundational. Many banks have become better at identifying and organising nature-related risks, but in most cases these insights are not yet systematically reflected in credit steering, pricing, portfolio management or strategic decision-making. KPIs, GBF-aligned targets, transition plans and systematic portfolio steering remain the main gaps. Overall, the sector appears to have moved from awareness and initial analysis towards more structured assessment and risk governance, but not yet towards full nature integration.⁴ A maturity framework is useful because it captures progress that is real, but partial and uneven across different dimensions of nature integration.

Nature integration is not a binary state that institutions either achieve or do not. Readiness varies widely with size, sector, geographic footprint and

⁴ This pattern is consistent with recent evidence from the German banking market, which finds that banks increasingly recognise nature-related risks but rarely translate nature-related data into regular and traceable credit decisions, due mainly to data gaps, weak supply-chain visibility and limited location-specific tools (Klim & Capgemini Invent 2026).

sustainability maturity. A meaningful distinction exists between institutions experimenting with foundational steps and those that have embedded nature across strategy, governance and operations. Expectations therefore need to be differentiated by institutional maturity.⁵ Without this differentiation, expectations may either become difficult to operationalise or lead to approaches that remain disconnected from day-to-day processes. This risk is recognised both in the CDP/WWF report on nature in transition planning and in the WBCSD Roadmaps to Nature Positive, which are designed for use across the full spectrum of nature-action maturity. Further, experience from climate transition planning further suggests that institutions rarely advance uniformly, as partial assessments and subsectional approaches typically precede more comprehensive integration.

To address this, rather than covering all sixteen steps in equal depth, this paper develops differentiated maturity levels for a selected set of dimensions, which are defining the ambition level (Step 6),

metrics and KPIs (Step 7), target-setting (Step 8) and participation in initiatives and pledges (Step 9). These reflect the thematic focus of the working sessions conducted within the Cluster Initiative, through which member institutions collectively explored the practical dimensions of nature integration in banking. For these dimensions, the roadmap introduces four maturity stages, Beginning, Intermediate, Advanced and Leading, as a structuring principle for assessing institutional progress. The development of maturity levels across all remaining steps is an important goal for future iterations of this framework.

The following chapters begin with ambition since this aspect is the core of the strategic direction. Ambition expresses how a bank understands its role in contributing to a nature positive society and how explicitly it aligns with the GBF. Ambition is not yet implementation, but it shapes what a bank is willing to improve, monitor and disclose. The chapters then move to the more operational questions of metrics and KPIs, target-setting and initiatives and pledges.



IMAGE SOURCE: iStock.com/Frank Wagner, Bild-ID: 2229362178

⁵ This staged logic also has conceptual grounding in the academic literature on sustainability maturity, which broadly describes a progression from compliance and incremental improvement towards strategic integration and measurable impact. The literature spans organisational strategy (Dyllick & Muff 2016), internal processes and performance metrics (Sohns et al. 2023; Vásquez et al. 2021) and multidimensional capability development (Baumgartner & Ebner 2010). The closest parallel to the Roadmap's structure is Borgman et al.'s (2023) biodiversity-specific scoring system, whose assessment dimensions of strategy, management, systems, governance and communication directly align with the Roadmap's domains.

2. Ambition Levels: Nature Positive and GBF Alignment



KEY TAKE-AWAYS

Most banks investigated in this study view nature positive as an important societal ambition, but not as a realistic or measurable target at the level of an individual financial institution. None of the participating banks had adopted a public nature positive commitment.

Banks' reluctance to adopt formal nature ambitions stems from three key barriers: the difficulty of measuring and comparing diverse nature impacts, the lack of clear baselines and sectoral pathways for setting targets and concerns that unsupported commitments could expose them to accusations of greenwashing.

Rather than pursuing institution-wide nature positive commitments, participants favoured more practical approaches such as financing nature-based solutions, adopting net-gain frameworks and developing portfolio-level science-based targets that can deliver measurable contributions to the GBF.

Leading banks distinguish themselves not through stronger rhetoric, but through explicit GBF alignment, target mapping and integration of nature into existing strategic frameworks.

Context

The international agreement that turns the nature positive ambition into concrete actions is the GBF. Often called the biodiversity equivalent of the Paris Agreement, it commits 196 countries to halting and reversing nature loss by 2030 through four long-term goals and 23 targets, built on a “whole-of-society” approach. These ambitions become operational through national strategies. GBF targets are translated into domestic policy via National Biodiversity Strategies and Action Plans (NBSAPs), ideally aligned with Nationally Determined Contributions (NDCs) and other national strategies to create coherence across the Rio Conventions (UNEP 2026).



IMAGE SOURCE: iStock.com/saroyut, Bild-ID: 1181366400

The GBF explicitly names the financial sector as a key actor and sets expectations on flow alignment, disclosure and resource mobilisation (target 19) (UNEP FI 2023a). Because banks finance the activities that depend on and impact nature, their decisions are decisive for whether the goal is reached. For an individual bank, the framework therefore must be translated again, whether directly or through national strategies, into institution-specific objectives and actions. How individual banks position themselves in relation to nature positive and frame their role, however, varies widely.⁶

The remainder of this chapter describes four maturity levels of nature ambition, detailing what each entails for GBF alignment, before presenting perspectives from the banks in the cluster.



IMAGE SOURCE: Stock.com/Gabriel Gulgocz, Bild-ID: 222678090

Maturity Levels for Nature Ambition

To distinguish how far individual banks have moved along this path we apply four maturity stages to the specific dimension of nature ambition. What separates the four levels is not only how explicitly a bank claims to be nature positive, but how far that ambition has translated from language into structure, traced along four dimensions: how a bank frames its nature ambition and contribution, whether it references the GBF, whether it maps its strategy to specific GBF targets and whether it connects to national strategies such as National Biodiversity Strategies and Action Plans (NBSAPs). At the **Beginning** level, nature is treated purely as a matter of risk and exclusion, with no nature positive framing and no engagement with the GBF. At the **Intermediate** level, a bank begins to use the language of nature positive, describing itself as “developing” or “contributing to” it without yet making a firm commitment. Further, it refers to the GBF only in general terms. At the **Advanced** level, ambition becomes concrete: the bank makes an explicit 2030 commitment, maps its strategy to specific GBF targets and aligns with national biodiversity strategies. At the **Leading** level, nature becomes a central organising principle of strategy, with nature positive ambition backed by quantified targets and the GBF used to structure the bank’s whole approach. **Table 1** below sets out each level against these four dimensions.

Two points are worth emphasising. First, the four dimensions of nature ambition maturity tend to advance together, but not perfectly. A bank may adopt nature positive language while its GBF engagement remains contextual or map several targets while its own commitment stays aspirational. A bank’s maturity level therefore reflects its overall balance across all four dimensions, not its strongest single claim. Second, the typology

⁶ The relevance and levers of nature integration depend strongly on a bank’s business model. Real-economy-oriented banks face different levers than globally active universal banks with diversified capital-markets activities. Findings should therefore be read as business-model-dependent, not as a uniform sector standard.

describes the maturity of a bank's stated ambition and alignment, not the ecological outcomes it has achieved. A bank can articulate an advanced

framing while implementation is still catching up, and the analysis weighs stated ambition against the operational evidence that supports it.

Table 1: Maturity Levels for Nature Ambition

Dimension	Beginning	Intermediate	Advanced	Leading
Nature ambition and contribution framing	Nature is addressed only through risk management, exclusions or general conservation policies. The bank does not use nature positive language.	The bank refers to nature positive as an aspiration or direction of travel, for example by describing itself as developing, assessing or contributing to it. It has not made a firm institutional commitment.	The bank makes an explicit commitment to halt and reverse nature loss by 2030 and supports this with dedicated actions on avoidance, reduction, restoration or regeneration.	Nature positive serves as the organising goal for the bank's nature strategy. It is supported by quantified targets, recognised assessment methods, portfolio metrics and sector leadership.
GBF reference	The bank does not explicitly refer to the Kunming-Montreal GBF, or mentions it only in passing.	The GBF is used as background context or a broad guiding vision, but it is not yet operationalised.	The bank explicitly commits to the GBF goals and uses 2030 or 2050 milestones to frame its ambition.	The GBF provides the central organising framework for the bank's nature strategy.
GBF Target mapping	The bank does not map its institutional strategy to specific GBF targets.	The bank shows general awareness of the GBF goals, including the 2030 mission, but does not map its strategy to specific targets.	The bank maps its strategy to selected GBF targets that are material to its activities and portfolio.	The bank maps its strategy comprehensively across the GBF targets and tracks its contribution to each relevant target.
National strategy link	The bank does not refer to national biodiversity strategies or action plans.	The bank refers loosely to national or regional biodiversity strategies, but without clear alignment.	The bank explicitly aligns its approach with relevant national biodiversity strategies or action plans.	The bank actively engages with national biodiversity policy processes and uses this engagement to strengthen alignment between its strategy and public policy priorities.

Status Quo

Evidence from the Cluster

This section now turns to the German banking perspective on nature ambition, drawing on the workshop discussions and a survey among the eight participating institutes. The survey signals considerable caution. Of the seven respondents, three described their nature ambition only in terms of high-level visions or statements of intent, while four reported having no official, standalone ambition level at all. Only three had communicated their ambition publicly. Asked to classify it, two pointed to a clear definition, one was in the process of developing one and four had made no formal commitment. Notably, none of the participating banks has entered a public nature positive commitment.

This caution was the central theme of the workshop discussion, which produced a striking consensus. While nature positive is endorsed as a societal ambition and a point of orientation, participants were largely united in viewing it as currently unrealistic as a measurable target for an individual bank.

The reasoning is structural. Because financing economic activities inevitably carries negative impacts on nature, a bank cannot become positive through its lending; at best, it might theoretically approach a Net-Zero position, and even that is regarded as highly ambitious. Nature positive, participants argued, is a societal vision, to which banks contribute, rather than a goal for an individual institution.

This interpretation echoes the World Bank's premise that individual financial institutions support a societal goal rather than become nature positive themselves. The contrast with climate is instructive, as Net Zero is far easier to measure and aggregate because CO₂-equivalents provide a single common indicator, whereas biodiversity has no such equivalent.

Three sets of barriers explain this reluctance:

1. Measurement and Aggregation

There are no common KPIs that would make different nature impacts comparable. Weighing, say, biodiversity loss from building a rare-earth recycling facility on species-rich land against the habitat disruption avoided by reducing rare-earth mining elsewhere amounts to comparing incommensurable things.

2. The absence of foundations for target-setting

Without a clear baseline, progress cannot be measured, and the national sectoral pathways that would tell banks what contribution is expected from which sector do not yet exist. The data itself, though partly available, remains incomplete and difficult to compare across institutions, built on inconsistent baselines and mixing absolute with relative measures.

3. Reputational risk

Without robust evidence, ambitious claims risk being read as greenwashing, and several participants noted that their institutions would not enter a nature positive commitment that could not be substantiated. This concern has grown since the adoption of the EU's EmpCo Directive, which restricts unsubstantiated environmental claims.

Faced with these constraints, participants converged on more pragmatic alternatives that allow a measurable contribution to the GBF without claiming institutional nature positivity. Financing nature-based solutions, directing capital towards projects with the best possible impact on nature, was seen as more tractable. Several institutions reported orienting towards the "net gain" approach used by multilateral development banks, with the World Bank's Common Principles for Tracking Nature Finance cited as a useful reference. A further proposal was to develop portfolio-level science-based targets that contribute meas-

urably to the GBF within a clear frame of reference. Participants stressed that these alternatives reflect the present state rather than a permanent limitation. Work is underway across the sector to develop more robust metrics and targets. This will make banks' contributions to nature increasingly measurable and manageable, even though an individual institution will not be able to declare itself nature positive, since location-specific and non-fungible effects cannot be summed into a single net figure.

The unifying idea is that nature positive sets a direction rather than an operational target, much like the global 1.5°C climate goal. Both are society-wide objectives that orient collective action but that no single actor, whether a bank, a company or a country, can reach alone. As one participant put it, it is for now an ambition level rather than a goal, and very hard for an individual institution to reach. Its value lies in setting direction and inspiring more concrete approaches; its limits lie in the trade-offs, measurement gaps and weak steerability that make it unworkable as an institutional metric, for now. For that reason, participants were clear that ambitious bank-level goals cannot emerge in a vacuum. They called for government to “set the fence,” for national sectoral pathways and for a standardised nature-KPI system analogous to CO₂-equivalents.

Evidence from the Document Analysis: GBF Alignment

Nature positive sets a direction and GBF alignment translates that ambition into more specific commitments and actions. Alignment with it, rather than the strength of nature positive language alone, is what distinguishes the most mature banks. In the document analysis, only a small leading edge treats the GBF not as background context, but as an active structuring device for its nature strategy. The clearest examples come as much from asset managers and development banks as well as from commercial banks. Across these institutions, six best practices emerge. Three of those concern how a bank maps its strategy to the framework and are discussed below. The other three concern how that alignment is then put into practice (see Table 2).

The first is comprehensive target mapping. Rather than referencing the 2030 mission in general terms, the most advanced institutions map their activities to specific GBF targets. Mapping at this resolution creates a clear line of sight between what the institution does and what the framework asks of it. In turn, this enables a systematic gap analysis. This can reveal which targets are well served by existing activities and which are not yet addressed, so that effort can be prioritised, where it is most needed.



IMAGE SOURCE: Francesco_277159209 - stock.adobe.com

The second is alignment of strategic objectives to specific (GBF) targets. Rather than mapping the institution's activities, the practice is to link each strategic objective to the targets it contributes to. This translates the framework down into individual business lines so that each understands its own contribution to the global goals. This way, nature alignment becomes part of how the business is run rather than a separate reporting exercise. Mapping of either kind, however, marks the start of operationalisation rather than its completion. The harder steps, science-based target-setting and tracking of actual portfolio impact, generally remain under development.

The third, which is not explicitly about the GBF, is integration of nature into existing strategic frame-

works. Rather than building a parallel system, leading institutions fold nature into the sustainability, environment or climate-alignment architecture they already have. This reduces duplication and complexity, but its more important effect is signalling. By giving nature the same structural standing as climate, an institution treats it as a matter of equal strategic weight, rather than a secondary concern.

Taken together, these practices convert a broad commitment to the GBF into an operational map. They establish where an institution stands against each of the framework's goals, assign responsibility for closing the gaps to specific parts of their business and embed nature in the structures through which strategy is already governed.

Table 2: Best Practices for GBF Alignment

Best Practice	Example (Type)	Approach	Source
Mapping Strategy to the Framework			
Comprehensive target mapping	LBP AM/LFDE (asset manager)	Measures mapped to 19 of the 23 GBF target actions.	LBP AM & LFDE, 2025
Strategic objective-to-target alignment	ING (bank)	Three nature objectives linked to selected GBF targets (science-based targets and impact tracking still under development).	ING Group 2024, 2025
Integration into existing frameworks	ING (bank)	Nature approach built on the existing Terra climate-alignment methodology rather than a parallel system.	ING Group 2024, 2025
Putting Alignment into Action			
Multi-lever implementation	La Banque Postale (bank / asset manager)	Combines financing and investment exclusions, customer/issuer and shareholder engagement, biodiversity tools, sustainable finance and advocacy.	La Banque Postale, 2025; LBP AM & LFDE, 2025
Industry coalition leadership	BNP Paribas AM (asset manager)	Founding member of Nature Action 100; Biodiversity Lead on its Technical Advisory Group.	BNP Paribas AM, 2026
Country-level conservation finance	IDB (development bank)	Ecuador debt-for-nature conversion supporting national biodiversity targets, framed against the GBF 30×30 target.	IDB, 2024, 2026

Recommendations

The evidence concludes that nature positive is not a target an individual bank can reach, but the GBF gives banks a concrete way to contribute to it. The task is not to wait for an institutional nature positive goal that structural barriers place out of reach, but to anchor ambition in the GBF and translate it into material, portfolio-level objectives. Three priorities follow.

Treat nature positive as direction, not destination. An individual bank cannot credibly claim to become nature positive on its own; the relevant question is how it can contribute measurably to the societal goal behind it. Adopt it as a north star and resist public commitments that cannot yet be substantiated.

Anchor ambition in the GBF and translate it into material targets. Map strategy to the targets material to the portfolio rather than across all 23 for breadth's sake, and carry each through into concrete objectives. Mapping becomes credible when it leads to decision-relevant commitments rather than remaining a descriptive classification exercise.

Advance through substantiated interim steps. More cautious institutions need not defer until the leading practices are within reach. Financing nature-based solutions, orienting towards the “net gain” approach and the World Bank’s Common Principles for Tracking Nature Finance and developing portfolio-level science-based targets all allow a measurable contribution now.

Bank-level progress, however, has a ceiling that banks cannot raise alone. Ambitious goals depend on governments to create a framework through national sectoral pathways and on a standardised nature-KPI system, analogous to CO₂-equivalents, that makes contributions viable and comparable. As these foundations mature, the leading institutions should shift from declaring GBF alignment to evidencing measurable contributions.



IMAGE SOURCE: iStock.com/Fahroni, Bild-ID: 1493187091

3. Metrics, KPIs and Target-Setting



KEY TAKE-AWAYS

Banks have significantly improved their ability to measure nature-related aspects in their activities. **However, they have not yet managed to develop impact-oriented targets** that guide decision-making and portfolio management.

Across the sector, most KPIs track actions rather than outcomes: engagement, screening and disclosure are increasingly measured, while impacts on ecosystems and biodiversity remain rarely quantified.

Target-setting therefore represents a critical bottleneck of nature integration. The absence of robust targets typically signals unresolved challenges in data, methodology, governance and strategic prioritisation rather than a lack of awareness or ambition.

Context

Where the previous chapter showed how banks anchor ambition in the GBF, this chapter turns to what makes that alignment operational. Nature-related targets and KPIs are the mechanism through which banks translate high-level ambitions into measurable outcomes and operational guidance. Metrics provide the underlying data layer from which KPIs are derived to track progress towards specific targets. Without concrete targets and metrics, institutions cannot track progress, demonstrate accountability or make data-based decisions about portfolio allocation and nature-related impacts, dependencies, risks and opportunities.

KPIs follow a progression from qualitative to quantitative. Qualitative KPIs support practice-based targets and create transparency, typically expressing the binary status of a policy or process (e.g. whether a nature strategy exists). They are not inherently weaker but, as the Principles for Responsible Banking (PRB) note, a necessary stage in the progressive approach. Semi-quantitative

KPIs attach a measurable share or count to an otherwise qualitative construct (e.g. training a set percentage of staff, engaging a defined number of clients). Quantitative KPIs provide genuine steering capability and have the potential to underpin impact-based targets through physical units such as hectares converted or volumes of water withdrawn but demand high-quality, often geospatial data. Beyond this core progression, KPIs can be classified by scope, temporal horizon, framework alignment, verification and sector specificity, and include portfolio-alignment ratios such as the Green Asset Ratio (GAR) and Banking Book Taxonomy Alignment Ratio (BTAR), among others. A good KPI is regularly measured, management-relevant, implementable within existing processes, supported by available data and capable of influencing strategic decision-making.

Target-setting mirrors this progression:

Practice-based targets focus on the bank's own actions, policies and procedures rather than

ecological results. These include exclusion and restriction criteria, policy and process integration, capacity-building and governance (e.g. appointing a biodiversity officer) as well as assessment and disclosure commitments.

Transition targets form the bridging layer, reflecting that most bank finance sits with transitionable clients. They comprise client-engagement targets (encouraging clients to set science-based targets, supported by instruments such as sustainability-linked loans) and financial-allocation targets (volumes of transition finance, increased nature positive exposure and phasing out the most harmful activities).

Impact-based targets are quantitative targets that reduce the direct pressures on nature caused by financing (spanning land-use change, freshwater, pollution and the climate-nature nexus) such as reducing freshwater withdrawal by 10% by 2030.

Beyond these, **state-of-nature targets** address ecosystem condition itself and remain largely aspirational for banks today. The unifying logic is sequencing under uncertainty as banks begin with qualitative KPIs and practice targets, progress through transition and engagement and move towards quantitative KPIs and impact targets as data and methods mature, all anchored to the GBF and embedded in strategy, governance and disclosure (Oliver Wyman 2025; SBTN 2024; UNEP FI 2023c & 2025).

Maturity Levels for Metrics, KPIs and Target-Setting

The guidance literature implies a staged pathway rather than a single leap from commitment to impact measurement. Banks typically move from qualitative practice-based indicators to more structured KPIs and only then to targets that can inform portfolio steering (UNEP FI 2025). This makes target-setting one of the clearest markers of maturity in nature integration, as it reveals whether a bank still treats nature mainly as a disclosure topic or whether it has begun to translate nature-related priorities into management-relevant objectives. Target-setting is therefore one of the main ways maturity becomes visible in practice. The four stages below describe this pathway, and the evidence from the interviewed banks and the document analysis shows where institutions currently stand.

At the **Beginning** level, KPIs are largely absent and any that exist serve disclosure rather than steering, with no nature targets in place. At the **Intermediate** level, some qualitative, high-level KPIs emerge alongside practice-based targets focused on the bank's own actions, policies and processes. At the **Advanced** level, KPIs become quantitative and used for steering, and targets gain a clear timeline towards quantification. At the **Leading** level, KPIs are decision-relevant, granular and aligned across climate and nature, and targets are quantitative and impact-based, reducing the direct pressures on nature caused by financing.

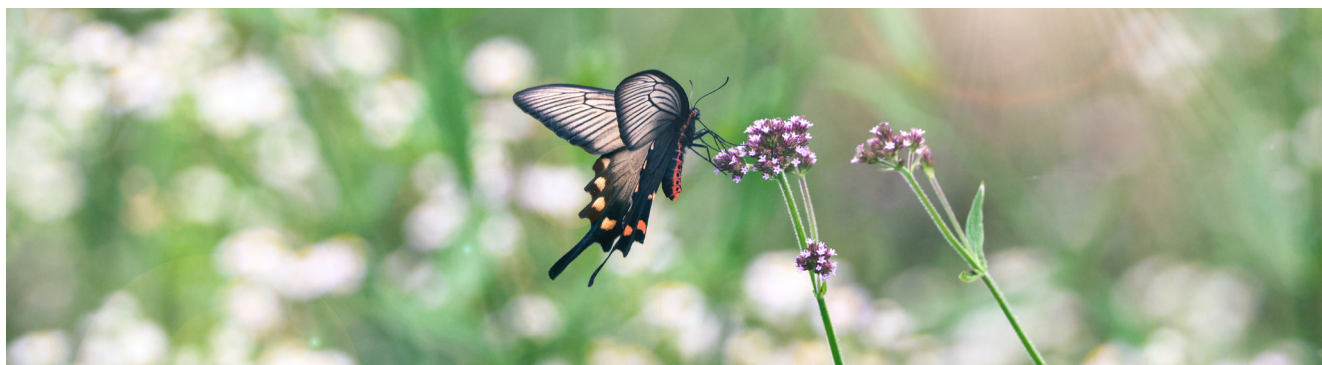


IMAGE SOURCE: iStock.com/hawk111, Bild-ID: 1325114684

Table 3: Maturity Levels for Metrics, KPIs and Target-Setting (steps 7 & 8)

Step	Beginning	Intermediate	Advanced	Leading
Metrics and KPIs (7)	KPIs and metrics are largely absent; where they exist, they are mainly reported for disclosure and carry no steering relevance.	Some KPIs exist but are often qualitative, defined at a high level rather than sector-specific, and serve descriptive transparency rather than management.	KPIs are quantitative, measurable and used for steering, backing goals with evidence of progress.	KPIs are fully decision-relevant, granular and sector-specific, aligned across all levels of the organisation and combine climate and nature to enable integrated steering.
Target-setting (8)	No nature targets in place; engagement is mainly triggered by regulation rather than strategic ambition.	Qualitative, practice-based targets are set, focusing on the bank's own actions, policies and processes (e.g. exclusion criteria, governance, capacity-building).	Qualitative targets are established and partly semi-quantitative, with a clear timeline for moving to quantitative targets.	Quantitative, impact-based targets are developed that reduce the direct pressures on nature caused by financing.

Status Quo

Evidence from the Cluster

The interviews with the banks from the cluster reveal why many banks are having difficulty along this path. KPI development often begins with a reporting logic rather than a steering logic. Indicators, in some cases even quantitative ones, are formulated without being linked to ambition levels or operational consequences and the existence of indicators alone should not be confused with effective integration. The harder step is translating indicators into measurable objectives that steer action. Unlike climate, where sector-specific intensity metrics at least offer a workable basis for target-setting, nature-related issues lack even this kind of common reference point and are more heterogeneous, location-specific and methodologically evolving. Banks may therefore recognise the need for targets well before they feel capable of setting them, which makes target-setting a useful diagnostic.

In our sample, we find that nature-related target-setting remains at the Beginning and Intermediate stages and is rarely embedded in strategic steering since no bank has yet reached a position where quantitative, publicly disclosed and decision-relevant nature targets actively guide portfolio management. Where target-setting exists, it is typically qualitative, internal and provisional rather than quantitative, externally communicated and binding. Banks also stall at different points along the same path. Some are developing initial targets internally but have not yet translated them into formal steering tools; others explicitly defer target-setting, arguing that further location-specific portfolio analysis, methodological refinement and clearer prioritisation are needed first; and others remain constrained by more basic barriers such as weak internal awareness, limited resources or the low strategic salience of nature. Across these positions, the common thread is that target-setting is held back not by a single obstacle but by a combi-

nation of insufficient data, methodological uncertainty, limited institutional capacity and incomplete strategic integration.

Taken together, the evidence reinforces the central argument of this chapter. A fully mature model would embed target-setting in a strategic architecture combining clear ambition, decision-relevant KPIs and alignment between climate and nature objectives. Target-setting is thus both one of the least developed dimensions of nature integration and one of its clearest tests of maturity. It is precisely where banks would need to convert emerging nature metrics into measurable, decision-relevant KPIs that most institutions still hesitate, defer or stop.

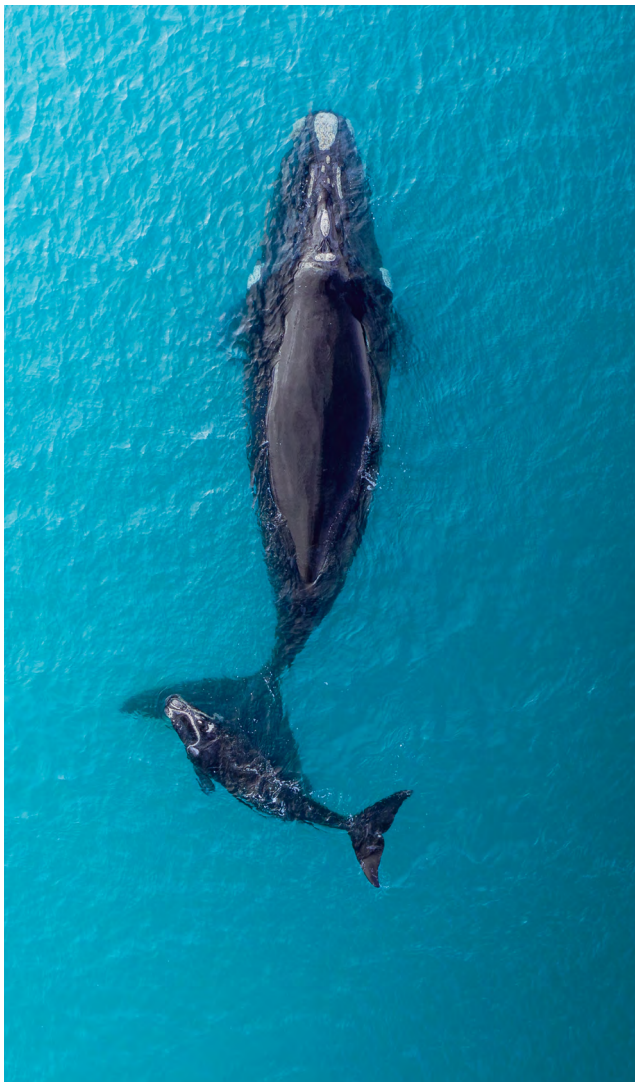


IMAGE SOURCE: iStock.com/Wirestock, Bild-ID: 144268667

Evidence from the Document Analysis

The document analysis of 44 international banks confirms this pattern. Banks increasingly publish commitments and early KPIs, but robust targets that guide portfolio decisions remain rare. The sector is moving from policy commitments towards measurement, but is still far from the quantitative impact targets required for credible nature integration.

The defining structural feature is the dominance of practice targets over impact targets. Most quantitative KPIs measure bank behaviour (clients engaged, share of portfolio screened, capital allocated) rather than outcomes for nature, such as avoided ecosystem conversion, restored habitat or changes in species populations. This imbalance between practice and impact targets is one of the clearest findings in the sample. Across almost all KPI categories (exclusion policies, portfolio screening, disclosure commitments, staff training and most client-engagement metrics), banks overwhelmingly measure their own actions rather than outcomes for nature and impact targets remain rare.

Where practice is most mature, it concentrates on exclusion and restriction policies rather than active, nature positive strategy. Exclusions tied to United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage sites, Ramsar wetlands and International Union for Conservation of Nature (IUCN)-protected categories are close to universal across the sample, while deforestation and certification requirements are widespread, though applied less consistently. These constitute the industry's baseline "do no harm" floor, but they are predominantly compliance-driven instruments for risk-avoidance rather than levers for positive outcomes and the enforcement and monitoring processes that would render them credible are rarely disclosed in detail.

Client engagement is the most common medium-term strategy but is generally measured by activity

rather than outcome. Leading institutions report large numbers of dedicated engagements and transition conversations. Yet almost all banks measure engagement by inputs, such as meetings held or companies contacted rather than results such as the share of clients adopting nature policies. The result is a sector that has made visible progress in measuring activity, process and governance, but only very limited progress in measuring whether financing is reducing pressure on nature or improving ecosystem conditions.

But even where impact indicators appear, they are often concentrated in a few institutions and frequently limited to projects rather than the portfolio. And even among institutions that measure nature at portfolio level, convergence on units is poor as they rely on several mutually incompatible units⁷, so cross-bank comparison of impact is currently impossible at the metric level. Coverage across environmental pressures is highly uneven. Deforestation is by far the most-covered pressure, with many banks reporting some quantitative deforestation-linked target. However, comparability is not given, due to the use of different approaches. Cut-off dates vary widely, from several years back to recent years to none, and commodity scope varies dramatically across what seems to be the same KPI. On the other hand, pollution is barely addressed and invasive species remain essentially absent.

Aggregating the recurring shortcomings reveals four weaknesses that explain why so few KPIs are decision-relevant. The most widespread is the absence of proper baselines and target years, which means many indicators cannot monitor whether performance is improving or permit meaningful accountability. A second shortcoming is scope, since many metrics still capture banks' own operations rather than financed activities, especially in areas such as water, waste and energy, even though financed impacts are far

more material. A third is the difficulty of getting access to asset-level and location-specific data, which remains a constraint for most banks and makes it particularly difficult to assess nature impacts credibly. Finally, comparability and credibility are undermined by inconsistent definitions of which commodities and sectors a target covers, limited external assurance and the use of climate indicators as proxies for nature performance. Together, these barriers limit the extent to which many current KPIs can function as reliable instruments for portfolio steering.



IMAGE SOURCE: iStock.com/NanoStockt. Bild-ID: 1131282162

⁷ Such as MSA per square kilometre, MSA per billion euros invested and Biodiversity Footprint for Financial Institutions (BFFI) hectares.

Minimum Viable Disclosures by Category

Based on the document analysis, we developed a catalogue of metrics, KPIS and targets that reflects the range of indicators currently used by leading institutions. It is organised around recurring target types and the main environmental pressures they address. The full catalogue is provided in the Appendix. **Table 4** and the more extensive list in the appendix therefore present an illustrative set of

(minimum viable) KPIS and targets across selected categories. These examples should be interpreted as a potential starting point for institutions seeking to move from assessment to measurable steering, rather than as a prescribed standard. They should be adapted to each bank's portfolio, data availability and methodological maturity, with simpler versions suitable for earlier-stage institutions and more granular indicators appropriate for more advanced ones.

Table 4: Minimum Viable Nature KPIS and Targets

Category	Minimum Viable KPIS and/or Targets
Category 1 (Impact) Land & Ecosystems	Hectares of avoided conversion + hectares restored, reported with PBAF-style separation of negative vs. avoided impact.
Category 1 (Impact) Water	% of portfolio exposed to water-stressed basins (WRI Aqueduct / WWF BRF) with reduction target.
Category 1 (Impact) Pollution	Absolute N, P, hazardous waste and air pollutant flows from top 5 nature-sensitive sectors (LBP minimum disclosure).
Category 1 (Impact) Biodiversity (state of nature)	Portfolio biodiversity footprint in a recognised unit (MSA, PDF, BFFI, EINES) with stated coverage % and methodology.
Category 2 Assessment, Screening & Disclosure	100% of corporate exposure screened via ENCORE or equivalent within 2 years; TNFD core metrics disclosed annually.
Category 3 Portfolio Composition & Financial Allocation	% of portfolio dedicated to nature positive financing, baselined to 2020, with a 2030 target $\geq 5\%$ of total assets.
Category 4 Policy & Process Integration	Explicit mapping of bank's quantitative KPIS to specific GBF targets.
Category 5 Exclusion & Restriction	Time-bound (≤ 2025) deforestation-free commitment covering all seven forest-risk commodities (soy, palm, beef/leather, cocoa, coffee, rubber, timber/pulp) with a stated cut-off date no later than 2020.
Category 6 Client Engagement & Coverage	% of corporate exposure in high-impact sectors engaged on nature, with a 2026–2028 target $\geq 50\%$.
Category 7 Governance	100% of relevant credit and risk staff with nature training; board-level oversight with quarterly cadence; nature in Risk Appetite Framework (RAF).

Recommendations

The evidence converges on the conclusion that banks are making progress in articulating nature ambitions and developing activity-based metrics while decision-relevant, impact-oriented targets are still at an early stage. Closing this gap is less a matter of waiting for perfect data than of changing how target-setting is approached. Three priorities follow.

Commit to measurable nature targets now. Banks should not wait for perfect data before acting. The experience of leading institutions demonstrates that meaningful assessment and target-setting are already feasible. Targets should be anchored to the 2020 GBF baseline, include explicit target years and use transparent, robust metrics to enable consistent tracking of progress across institutions.

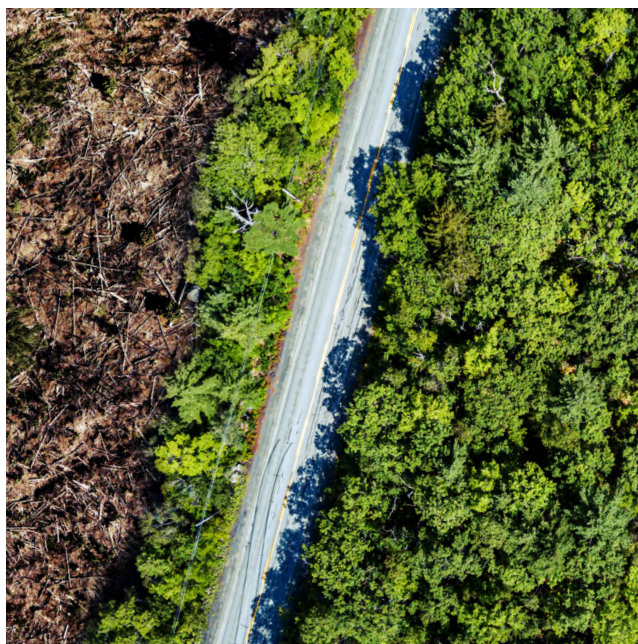


IMAGE SOURCE: iStock.com/shaunl, Bild-ID: 1168480166

Strengthen the quality and visibility of nature-related performance measurement. Current frameworks remain heavily focused on process and behaviour indicators. Banks should complement these with outcome-oriented metrics that measure actual biodiversity and ecosystem impacts at portfolio level. At the same time, nature-related targets and financial commitments should be reported distinctly rather than merged into climate reporting, so that nature-specific action and resource allocation remain visible and accountable.

Embed nature targets into governance and strategic decision-making. Nature-related targets should be integrated into the Risk Appetite Framework, product development and impact management and overseen at board level. Aligning climate and nature targets within governance structures can help avoid conflicting incentives and move banks from disclosure-focused approaches towards genuine strategic integration.

The evidence suggests that the next stage of nature integration will depend less on developing additional indicators than on making existing metrics decision-relevant. Banks have begun to measure their activities, but the transition from measurement to management remains incomplete. Progress will therefore depend on embedding nature targets into governance, portfolio steering and capital allocation, so that metrics become instruments for decision-making rather than disclosure alone. How banks translate these ambitions into institutional commitments and external accountability is the subject of the next chapter on initiatives and pledges.

4. Initiatives and Pledges



KEY TAKE-AWAYS

Participation in initiatives can support nature integration, but it does not replace it. Across the sector, participation reflects very different levels of ambition, capacity and strategic intent.

Banks primarily value initiatives for peer learning, methodological guidance and external credibility, while concerns about resource requirements, limited added value and greenwashing risks continue to constrain participation.

The most advanced institutions use initiatives as stepping stones towards operational nature integration and GBF alignment. The real test of maturity is not membership itself but whether commitments are translated into measurable and meaningful action.

Context

Participation in initiatives and committing to pledges cannot replace ambition, strategy, governance or implementation. They can, however, play an important enabling role in nature integration. In a field still marked by evolving concepts, limited data and emerging methodologies, voluntary initiatives can help structure and accelerate banks' nature integration efforts. They offer a shared language, practical guidance and peer exchange, and thereby they can help institutions move from ad hoc exploration towards a more systematic integration of nature-related risks, impacts, opportunities and disclosure practices.⁸

Their relevance for ambition lies in the way they translate broad societal expectations into institutional signals, processes and public accountability. Initiatives such as the PRB, TNFD and the Finance

for Biodiversity Foundation⁹ differ in scope and stringency. However, together they illustrate a progression from general responsible banking principles to more structured assessment and disclosure, and further towards explicit commitments on impact assessment, target-setting, engagement and public reporting. They therefore act as visible markers of how far a bank is willing to move beyond compliance and how clearly it positions itself in relation to the transition towards nature positive outcomes.

This also makes them relevant for alignment with the GBF. The initiatives do not amount to full GBF alignment in themselves, but they can operationalise important parts of it. TNFD directly supports the disclosure logic reflected in GBF Target 15, which calls on large companies and financial insti-

⁸ The experience with climate offers a cautionary precedent. As banks took up climate goals, many joined several voluntary alliances and treated membership itself as a marker of ambition. However, participation often outran substantive action, and several of these coalitions have since ceased to exist. The lesson for nature is that signing a pledge is in itself not evidence of durable integration; what counts is whether participation is translated into governance, portfolio steering and credible targets.

⁹ We acknowledge that there are many more initiatives, internationally and nationally (including our own Cluster Initiative amongst others). However, we found that those mentioned here are the most relevant ones internationally for developing industry standards and best practices. For the sake of brevity we do not mention others explicitly here. The Finance for Biodiversity Foundation has recently provided an updated overview of (international) initiatives for financial institutions (July 2026).

tutions to assess, disclose and reduce biodiversity-related risks, dependencies and impacts. The Finance for Biodiversity Pledge goes further by asking signatories to collaborate and share knowledge, engage portfolio companies, assess impacts, set targets and report publicly, thereby linking disclosure with portfolio action and resource mobilisation in ways that resonate particularly with GBF Targets 15 and 19. UNEP FI's PRB and related nature target-setting guidance similarly help banks connect nature considerations to strategy, target-setting and portfolio steering, in line with the GBF's broader objective of aligning financial flows with biodiversity goals.

Maturity Levels for Initiatives and Pledges

Participation in initiatives and pledges can be treated as a marker for maturity within the broader framework of nature integration. They do not determine maturity on their own, but they offer an additional lens on how a bank positions itself externally, how it uses voluntary initiatives for

learning and accountability and how far it is prepared to translate broad nature ambitions into visible public commitments.

Table 5 therefore distinguishes four maturity levels across two related dimensions, the extent and the purpose of engagement. At the **Beginning** level, a bank does not participate in relevant initiatives and sees little value in external commitments beyond compliance. At the **Intermediate** level, engagement is selective and exploratory, motivated mainly by learning, benchmarking and peer exchange. At the **Advanced** level, the bank participates actively in recognised initiatives, using them deliberately to strengthen governance, disclosure and accountability. At the **Leading** level, participation is embedded in a coherent external positioning strategy and used as a lever for transformation and to contribute to industry standards rather than merely to signal intent. Importantly, higher maturity does not simply mean signing more pledges. It depends on whether participation is selective, strategically justified and meaningfully connected to the bank's wider approach to nature integration.

Table 5: Maturity Levels for Initiatives and Pledges

Dimension	Beginning	Intermediate	Advanced	Leading
Extent of participation	No active participation in initiatives, pledges or frameworks; external commitments are not yet considered relevant.	Selective monitoring or informal engagement with initiatives; participation remains exploratory and commitment decisions are still under review.	Active participation in one or two initiatives, with commitments used deliberately to support nature integration.	Participation in multiple initiatives is embedded in a coherent external positioning strategy, with the bank actively contributing to emerging industry standards and best practices.
Purpose of engagement	No articulated rationale for external commitments, or a view that they add little value beyond compliance requirements.	Engagement is primarily motivated by learning, benchmarking, peer exchange or market observation rather than explicit strategic intent.	Initiatives are used strategically to strengthen governance, disclosure, internal capability-building and external accountability.	Initiatives are used to shape emerging industry standards and best practices through active contributions to working groups, guidance development and peer learning.

Status Quo

Evidence from the Cluster

Drawing on the cluster workshops and the survey of the participating banks, the picture among German institutions is distinctly heterogeneous. Some institutions already use international initiatives actively as instruments for strategic positioning, technical exchange and alignment with emerging standards. The PRB appear to be the most widespread and are often regarded as a baseline or entry point. TNFD shows a more differentiated pattern, with at least one institution already acting as an adopter and valuing not only the framework itself but also the working groups and peer-learning opportunities around it, while several others are still assessing whether to join. The Finance for Biodiversity Foundation is likewise being reviewed selectively; two institutions have already joined, while others are still examining its implications. By contrast, some banks remain at a much earlier stage of their nature journey and are not yet considering international initiatives at all.

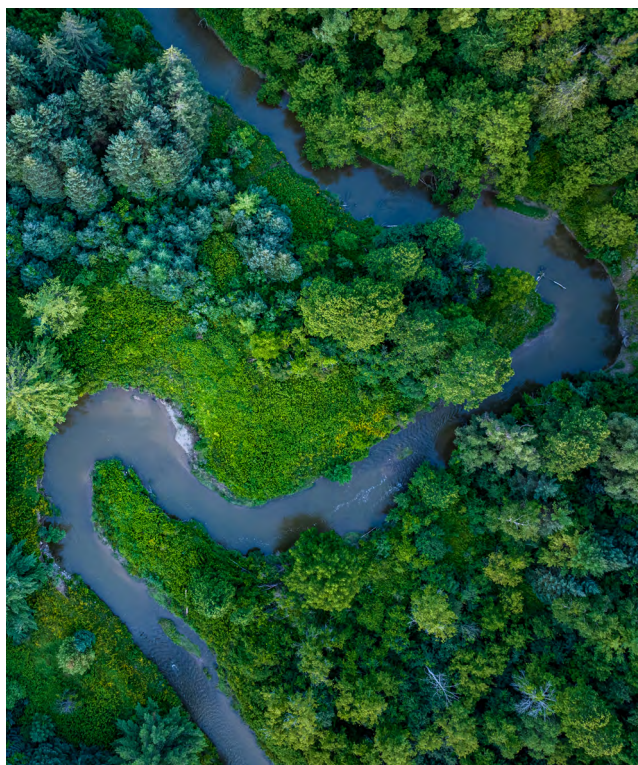


IMAGE SOURCE: iStock.com/jinfeng, Bild-ID: 1567647177

The survey and workshop suggest that the main drivers for participation are external positioning, peer learning and access to relevant networks and working groups. For several institutions, the main value of voluntary initiatives lies not in formal commitments but in providing a structured forum for learning, benchmarking and gradual capability-building. This is particularly valuable in a field where methodologies, data sources and reporting expectations are still evolving. Signatory status can therefore function as an outward signal that the institution is taking the topic seriously.

The reasons for restraint are equally important. Participants highlighted limited perceived relevance, the absence of strong stakeholder pressure, resource constraints and a preference to avoid additional commitments beyond regulatory requirements. Several questioned the incremental value of voluntary initiatives where Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) already entail substantial reporting effort. Above all, the discussion returned to the risk of greenwashing. Where measurement remains weak, aggregation is unresolved and robust evidence is still lacking, public commitments can create reputational exposure if they imply more than a bank can credibly demonstrate. Last, national subsidiaries of internationally active banking groups may have limited influence over external commitments, as decisions on initiatives and pledges are often made centrally at group level rather than by the domestic entity.

The implication for nature integration and ambition is therefore twofold. Participation in initiatives and pledges can be meaningful indicators of ambition because they make nature integration more visible, structured and externally accountable. They can also support progression towards GBF alignment by embedding disclosure, assessment, target-setting and engagement practices. Yet they

remain only one part of the picture. Participation only indicates higher maturity when it is translated into governance, portfolio steering, metrics and credible targets. Conversely, a cautious bank may still be making substantive progress if it is building the internal foundations needed to make future commitments credible. In practice, the most advanced institutions are likely to be those that use external initiatives neither as external signalling nor as ends in themselves but as stepping stones towards a more operational form of nature integration and a clearer contribution to the GBF.

Looking ahead, several banks expect to make formal membership decisions on TNFD, the Finance for Biodiversity Pledge or other relevant initiatives during the coming year. For many institutions, the current phase is one of assessment rather than commitment. They are reviewing which initiatives fit their strategy, governance capacity and current level of maturity. These decisions are likely to depend not only on the perceived strategic value of individual initiatives but also on the evolving regulatory environment, particularly the practical implementation of CSRD, and on further progress in measurement, data quality and KPI development. Over the longer term, participants expressed a clear desire for a more consolidated initiatives landscape and for greater clarity on how different commitments relate to one another.

Recommendations

The picture that emerges is clear in that participation in initiatives and pledges is neither a substitute for ambition nor proof of it. Used deliberately, however, it is one of the most effective levers available for making nature integration visible, structured and externally accountable. The task is not to maximise the number of commitments but to ensure that those made are selective, credible and connected to substantive action. Three priorities follow.

Join with intent and operational follow-through. Membership in initiatives carries weight only when it is tied to governance, disclosure and portfolio action. Banks should treat initiatives as stepping stones towards operational nature integration, not as signals of ambition that substitute for it. The climate precedent, where participation often outran substantive action, is a warning worth heeding.

Use initiatives as capacity-building infrastructure. For banks still building internal foundations, the publications, peer-learning, benchmarking and working-groups of initiatives provide practical value regardless of formal signatory status. Banks should actively utilise these resources by attending working groups and workshops, drawing on guidance and using the frameworks to review and develop internal approaches before making public commitments they cannot yet substantiate.

Sequence commitments to match maturity. Decisions about memberships should not be rushed to meet external expectations. A commitment made before the measurement, governance and target-setting foundations are in place may create reputational risk and limit strategic value. Banks should decide when joining will be credible and what internal conditions must be met first.

Progress, however, is not banks' to make alone. A more consolidated and legible initiatives landscape requires the initiatives themselves to clarify how they relate to one another, to the GBF and to mandatory reporting requirements. This would help institutions assess which initiatives add strategic value. However, decisions on participation should remain institution-specific and reflect each bank's ambition, strategy, priorities, resources and maturity.

5. Outlook: Strengthening Drivers and Overcoming Barriers



KEY TAKE-AWAYS

Nature integration is currently driven by regulators rather than prioritised by business strategy. Supervisory expectations have put nature on the agenda of compliance-oriented approaches focused on risk management but have not yet created the strategic ownership needed for institution-wide transformation.

Data, metrics and pathways remain the critical bottleneck. Without credible baselines, comparable KPIs and sector-specific transition pathways, banks cannot move from assessment to effective steering and target-setting.

The next phase of maturity will depend less on new frameworks and more on leadership, incentives and implementation. Board ownership, stronger client engagement and a stronger integration of nature in financial activities will determine whether nature integration becomes a strategic issue rather than a compliance exercise.

Context

Having discussed some of the steps in detail, we now zoom out again to look at the bigger picture of nature integration. Interviewees across banks and advisory organisations acknowledged the value of roadmaps and maturity frameworks as orientation tools. They provide an overview of the steps, help to structure an institution's journey and offer a reference point for conversations with internal stakeholders. Yet nearly all also noted that frameworks alone do not create action. Hence, the roadmap and maturity frameworks are a map, not an engine. What matters is who is driving and

what compels them to move. This chapter therefore examines the drivers and barriers of nature integration.

Nature integration today is driven less by voluntary ambition, disclosure requirements or business strategy than by regulatory and supervisory pressure. The main barriers are a lack of data and KPIs, board-level ownership that is still emerging and the absence of a compelling business case. These dynamics indicate where banks and policy makers need to focus next.

Table 6: Overview of key Drivers & Barriers

Regulation and supervision	Are the strongest drivers of nature integration, especially via EBA, ECB and BaFin expectations (risk management).
Reporting (e.g. CSRD)	Help structure the topic, but they do not create action without strong internal ownership and commitment.
Data, metrics and KPIs	Are a major bottleneck: without them, banks cannot effectively steer, track or compare progress. Currently a major gap.
Board support and incentives	Essential but often missing, which limits strategic anchoring and makes nature integration largely compliance-led.
Business case / incentives	Remain weak: unlike climate, nature lacks strong market signals or a clear business case, which slows progress.

Status Quo

Regulation and Supervision: The Primary Driver

Across all interviews, regulatory and supervisory expectations emerged as the most powerful driver of nature integration.¹⁰ The European Banking Authority (EBA) Guidelines on ESG Risk Management, alongside expectations from the ECB and the Federal Financial Supervisory Authority (BaFin), are cited consistently by German banks as the key lever for integrating nature into risk frameworks, stress tests and ESG processes. For many institutions, the decisive question is not whether they find nature intrinsically important but whether supervisors require them to measure and manage it. One consultancy described banking supervision as the strongest driver to make nature-related risks measurable.

This risk-based framing has important implications. Nature is primarily entering banks through the credit risk and ESG risk management door, not through strategy or business model development.

The result is that integration tends to be technical and compliance-driven rather than strategic. Several interviewees described their approach as shaped by supervisory expectations, peer practices and available data.

There is a clear tension here. Supervisory pressure drives action but may also encourage institutions to focus first on minimum risk management requirements. Supervisory expectations have expanded



IMAGE SOURCE: iStock.com/Alones Creative, Bild-ID: 2233704354

¹⁰ The discussion of drivers and barriers is based on the interviews; unlike the preceding chapters, this outlook does not draw on the document analysis, as it concerns institution-internal dynamics that public disclosures do not capture.

the frame as nature risks are now on the agenda, but they have not yet generated the kind of strategic ownership that would embed nature across business lines, lending or investment decisions and client engagement.

A further complication is the deregulatory trend in sustainability reporting. The Omnibus rollbacks to CSRD are widely seen as slowing progress by reducing the flow of nature-relevant data from the real economy to banks. Several interviewees noted that banks will find it increasingly difficult to assess and manage nature-related risks, if the smaller and non-listed clients they depend on for data are no longer required to disclose. Much of banks' real-economy exposure sits with these companies, while large listed firms will continue to report. This asymmetry, where supervisory expectations on banks increase while corporate reporting obligations decrease, creates a structural obstacle that no amount of goodwill or internal capability-building can fully compensate.



IMAGE SOURCE: iStock.com/Okeo, Bild-ID: 515480764

Reporting: A Weak Driver but a Potential Starting Point

The role of disclosure frameworks, particularly CSRD and ESRS E4, as drivers of nature integration is more limited than is often assumed. Most interviewees describe reporting primarily as a downstream activity, the end product of integration work rather than its catalyst. The majority was explicit that disclosure requirements are not what shapes their strategic direction.

Interviewees also noted that, in some cases, the materiality assessment process may allow institutions to delay deeper engagement with nature-related disclosures. This suggests that, in the absence of stronger substantive requirements, reporting frameworks can be navigated in ways that slow rather than advance integration.

That said, reporting is not without value as a starting point. The CSRD process has prompted many institutions to think seriously about biodiversity and ecosystem services for the first time, to conduct materiality assessments and to engage with frameworks such as TNFD. The key distinction is whether reporting remains a compliance exercise or becomes a mechanism for building internal strategic approaches, data infrastructure and accountability. Institutions that use the ESRS environmental standards as a genuine baseline for identifying knowledge and data gaps will be better positioned as expectations increase.

Data, Metrics and KPIs: The Critical Bottleneck

Across the research, the absence of usable, comparable data and agreed metrics emerges as one of the most fundamental barriers to nature integration. Nature is location-specific, multi-dimensional and resistant to standardisation. Banks report that without trackable KPIs, they cannot steer progress, set meaningful targets or demonstrate credibility to supervisors and stakeholders.

Several institutions acknowledge that they have neither quantitative nor qualitative targets for nature, because they do not yet have the data or metrics to anchor them. Data acquisition is therefore often treated as a central priority. Defined metrics are also a precondition for integrating nature into management and lending or investment processes. These findings are consistent with the findings of the Sustainability Transformation Monitor 2026, which shows that biodiversity management remains at an early stage across the real economy (in Germany). Since the real economy constitutes the client base and portfolio of banks, these capability gaps are directly transmitted to the financial sector. While 46% of companies report that they understand the impacts of their own operations on biodiversity, only 16% report a comprehensive understanding of impacts across their value chains. Knowledge of dependencies on natural capital is more limited, with more than half of companies reporting little or no understanding thereof (Bertelsmann Stiftung 2026). Banks therefore cannot be expected to comprehensively assess and steer nature-related risks without corresponding improvements in corporate capabilities, information and decision-useful disclosures.

Nevertheless, the metric catalogue and typology of targets developed in chapter 3 are a direct response to this barrier. The priority for most institutions in the near term is not to leap immediately to ambitious impact targets but to establish a solid foundation of measurable indicators that can be tracked, improved and in time linked to portfolio steering and client engagement.

To this end, two foundations are missing. The first is a set of agreed baselines and scenarios for the different dimensions of nature; without them, progress has no reference point against which it can be measured. The second is country- and location-specific sectoral pathways that would inform banks what they need to finance and what they need to stop financing in each sector to move towards nature positive outcomes in the global economy.

Banks have a part to play in developing both, but it is unrealistic to expect them to generate this knowledge alone. It depends on governments, scientific bodies and data providers building the public infrastructure that bank-level steering presupposes.

Board Ownership and Incentive Alignment: The Missing Internal Driver

Perhaps the most difficult barrier to address through external pressure alone is securing strategic ownership at board and senior management level. Interviewees across the sample described how hard it can be to establish nature as a board-level priority. This is because the benefits of nature integration are often long-term and unclear, while the required investment is immediate. Without a clear business case or strong regulatory mandate for strategic transformation (as opposed to minimum risk management compliance), nature often remains less central in business planning than topics with clearer near-term financial returns. Compared with topics that have clearer financial upside, nature is harder to position as a traditional business case.

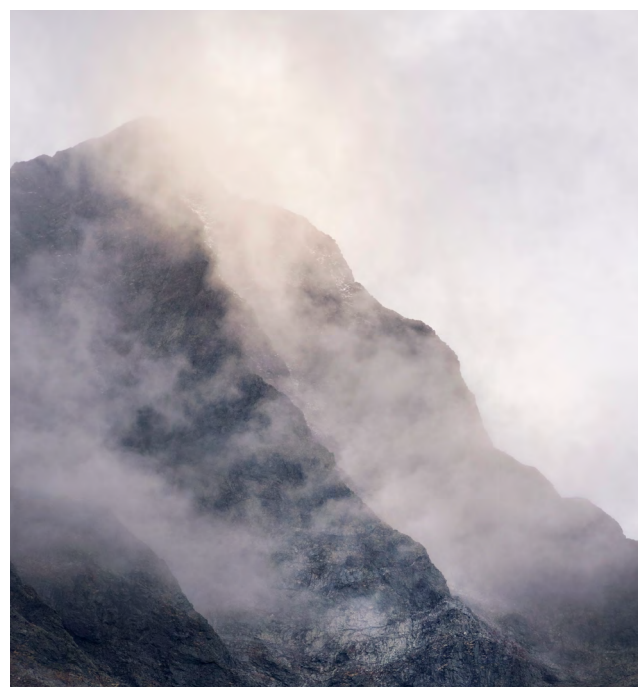


IMAGE SOURCE: iStock.com/WoutervandenBroek, Bild-ID: 624653250

One proposal that emerged from several interviews is to link nature-related targets to variable remuneration at board level. The rationale is that tying executive incentives to measurable nature outcomes would help embed the topic in strategic decision-making and give it greater weight in how attention and resources are allocated. Climate-related targets have been introduced in executive pay structures at several European financial institutions and there is no structural reason why nature targets could not follow the same path.

The Business Case: A Long-Term but Necessary Frontier

The absence of strong market and financial incentives for nature finance is consistently identified as a constraint on ambition beyond compliance. Several interviewees compared this with climate policy, where carbon pricing has created clearer financial incentives for emissions reduction. No equivalent mechanism currently exists for nature. Unlike in climate policy, where carbon pricing has created clearer incentives for emissions reduction, comparable market mechanisms for biodiversity and ecosystem impacts are still emerging. Nature credit and biodiversity-linked finance approaches are being explored, but they are not yet sufficiently standardised, liquid or widely adopted to create strong incentives for commercial banks.

This does not mean the business case is absent. Client engagement, reputational differentiation, access to investment opportunities with nature positive impacts and the long-term management of stranded asset risk all represent potential value levers. But these are currently too diffuse and long-dated to drive strategic transformation in commercial banks. Closing this gap will require clearer standards in nature credit and nature-linked finance markets as well as regulatory signals that make the financial costs of nature-related risks more tangible.

Recommendations

Based on the analysis above, the following actions are recommended for banks seeking to move beyond compliance-led nature integration:

1. Treat supervisory expectations as a floor, not a ceiling. EBA, ECB and BaFin requirements create a baseline for nature risk management and meeting even that baseline credibly is already demanding. Banks that invest in building genuine analytical capability beyond the minimum needed to satisfy supervisors will be better positioned as expectations increase and as nature risks become more financially material.

2. Build internal data and metrics infrastructure as a strategic investment. Closing the data gap is not a technical task that can be deferred. It is rather a precondition for steering, target-setting and credible disclosure. Banks should prioritise data acquisition and the development of a working set of nature-related metrics. Qualitative indicators are an acceptable starting point, but the objective should be the sector-specific metrics that decision-relevant steering requires, in line with the maturity levels set out above.

3. Use CSRD and ESRS E4 reporting as a genuine baseline, not a compliance exercise. First-year disclosures are an opportunity to establish what is known, what is missing and what data infrastructure needs to be built. Institutions that treat their materiality assessment rigorously and that report transparently on gaps will build more durable capabilities than those that manage the process defensively.

4. Establish board-level ownership and align incentives accordingly. ESG teams cannot carry nature integration alone. Embedding nature in existing governance structures helps give it strategic weight, and some institutions are exploring whether

to reflect nature-related objectives in executive incentives where this fits their wider remuneration framework. Clear ownership at senior level supports a more consistent allocation of resources and signals commitment across the organisation.

5. Invest in client engagement as a core integration mechanism. Banks cannot fully understand or manage nature-related risks and opportunities without better data from their clients and counterparties. Proactive engagement, i.e. using existing client relationships to understand nature exposure, encourage transparency and support transition, also builds the data foundation that internal processes depend on.

6. Engage actively in industry and regulatory dialogue. The frameworks, metrics, thresholds and guidance documents that would make nature integration more tractable do not yet fully exist. Banks that participate actively in their development through industry initiatives, regulatory consultations and pre-competitive collaboration contribute to the enabling environment from which all institutions benefit. The Cluster Initiative underlying this paper is itself an example of such pre-competitive collaboration.

7. Think outside the 30% and explore business opportunities in the real economy. Banks should look beyond nature protection alone and identify bankable opportunities in the real economy, including bioeconomy and circular economy solutions that rethink the current production and consumption patterns. By supporting business models that reduce pressure on nature while creating economic value, banks can help turn nature integration from a risk-management topic into a source of transition finance and client engagement.

The findings of this paper point to a common conclusion. Nature integration is no longer primarily a question of awareness but of implementation. Banks have established the first elements of governance, assessment and disclosure, yet progress remains constrained by gaps in data, metrics, incentives and public infrastructure. Closing these gaps will require coordinated action. Banks must strengthen their internal capabilities and strategic ownership, while governments, regulators and standard-setters provide the enabling conditions through better data, common metrics and clear policy direction. Only by advancing both institutional action and the broader enabling environment can nature integration evolve from a compliance exercise into a strategic driver of resilient and nature positive finance.



IMAGE SOURCE: iStock.com/TT, Bild-ID: 1486281889

Messages for Policy Makers

The findings point not only to what banks must do, but also to what governments, regulators and standard-setters must provide. Banks can advance nature integration, but they cannot establish the enabling conditions on their own.

The underlying structures for quantitative target-setting, robust measurement and inter-institutional data flows must be supported by several key actors. We derive four messages for policy makers and regulators.

1. Make Supervisory Expectations Proportionate and Actionable

The sector- and location-specific expectations now embedded in EBA, ECB and BaFin guidance are advancing faster than the data and methodological capabilities currently available to many banks. Supervisors should (1) complement regulatory expectations with practical guidance, so that institutions can translate them into feasible internal processes, and (2) recognise that meeting even a credible baseline for nature risk management is already demanding.

2. Resolve the Reporting Asymmetry

Supervisory expectations on banks are rising while corporate disclosure obligations they rely on are being scaled back. Banks can only assess and steer nature-related risk if the clients and counterparties they finance provide comparable, decision-useful nature data, especially on location-specific exposures, value-chain dependencies and impacts. Policy makers should (1) ensure that the simplification of

corporate reporting does not remove the very data foundation which bank-level nature integration relies on, (2) keep the environmental standards under CSRD/ESRS usable and material and (3) support proportionate data approaches across financing contexts, recognising that data availability differs between listed companies, SMEs and non-listed clients.

3. Drive Convergence on Metrics and Standards

The absence of a shared measurement language is a major barrier to nature integration. Current market practice often relies on incompatible measuring approaches and metrics, inconsistent baselines and definitions that cannot be compared across banks. Standard-setters and regulators should promote convergence towards recognised metrics and, over time, a standardised nature-KPI system analogous to CO₂-equivalents.

4. Provide the Public Foundations for Target-Setting

Nature targets require two foundations: The first are the baselines and scenarios for the different dimensions of nature. The second are country- and location-specific sectoral transition paths, which define what sectoral activities need to be financed to move portfolios towards nature positive outcomes. Governments, scientific bodies, civil society and data providers should build this information infrastructure, so that institutional ambition has a reference point.

References

Baumgartner, R. J., & Ebner, D. (2010)

Corporate sustainability strategies:
Sustainability profiles and maturity levels
Sustainable Development, 18(2), 76–89
<https://doi.org/10.1002/sd.447>

Bertelsmann Stiftung (2026)

Sustainability Transformation Monitor 2026
<https://www.sustainabilitytransformation.org/studien-downloaden/>

BNP Paribas Asset Management (2026)

Sustainability report 2025: Driving change together
<https://docfinder.bnpparibas-am.com/api/files/04408808-fc03-42c9-956a-f2dce0a28d94>

**Borgman, E., Fischer Bogason, R.,
Engelbrecht Hansen, A., & Møller Nielsen, A. (2023)**

Biodiversity and financing: Review of tools
in the Nordic countries
Nordic Council of Ministers
<https://diva-portal.org/smash/get/diva2:1803819/FULL-TEXT02.pdf>

**Bundesbank (2026). Monthly Report – April 2026:
Sustainability risks in banking supervision**

<https://publikationen.bundesbank.de/publikationen-en/reports-studies/monthly-reports/monthly-report-april-2026-993254?article=sustainability-risks-in-banking-supervision-973484>

CBD (2022)

Kunming–Montreal Global Biodiversity Framework
CBD/COP/15/L.25
Convention on Biological Diversity
<https://www.cbd.int/doc/c/e6d3/cd1d/daf663719a03902a9b116c34/cop-15-l-25-en.pdf>

CDP & WWF (2026)

Enabling and scaling nature in transition planning
https://wwfint.awsassets.panda.org/downloads/wwf_int_rapport_finance-final.pdf

Dyllick, T., & Muff, K. (2016)

Clarifying the meaning of sustainable business:
Introducing a typology from business-as-usual
to true business sustainability
Organization & Environment, 29(2), 156–174
<https://doi.org/10.1177/1086026615575176>

ECB (2025)

Nature at risk: Implications for the euro area economy
and financial stability (Occasional Paper Series No. 380)
<https://www.ecb.europa.eu/pub/pdf/scpops/ecb.op380.en.pdf>

European Parliament and Council (2024)

Regulation (EU) 2024/1991 of the European Parliament
and of the Council on nature restoration
Official Journal of the European Union
<https://eur-lex.europa.eu/eli/reg/2024/1991/oj/eng>

Finance for Biodiversity Foundation (2026)

Finance and Biodiversity:
Overview of initiatives for financial institutions
https://www.financeforbiodiversity.org/wp-content/uploads/2026/07/Finance-and-Biodiversity-Overview-of-Initiatives-July_2026.pdf

Green Finance Institute (2024)

Biodiversity net gain: A roadmap for action
<https://www.greenfinanceinstitute.com/wp-content/uploads/2025/09/GFI-BNG-ROADMAP-FULL.pdf>

IDB (2024)

Inter-American Development Bank
sustainability report 2023
<https://publications.iadb.org/publications/english/document/Inter-American-Development-Bank-Sustainability-Report-2023.pdf>

IDB (2026)

Annual report 2025: The year in review
<https://publications.iadb.org/en/inter-american-development-bank-annual-report-2025-year-review>

ING Group (2024)

ING Group nature report
<https://ing.com/binaries/content/assets/documents/sustainability/ing-nature-publication.pdf>

ING Group (2025)

ING Group annual report
<https://ing.com/binaries/content/assets/documents/annual-reports/2025-ing-groep-nv-annual-report.pdf>

IPBES (2026)

Summary for policymakers of the methodological assessment report on the impact and dependence of business on biodiversity and nature's contributions to people

IPBES Secretariat

[IPBES_BBA_SPM_Layout_16.06.2026.pdf](#)

Klim & Capgemini Invent (2026)

The Unpriced Crisis: Nature, Risk, and Finance.
How nature loss quietly undermines portfolios, valuations, and systemic stability

<https://www.klim.eco/download/the-unpriced-crisis-nature-risk-and-finance>

La Banque Postale Asset Management (2025)

Biodiversity policy 2025

https://www.lbpam.com/publication/ComplianceDoc/LBPAM_Biodiversity_Policy_2025.pdf

La Banque Postale (2025)

Universal registration document: Annual financial report

https://www.actusnews.com/en/download/la-poste/2025/04/16/91061-la_poste_dev_2024_mel_uk_202504161524.pdf

Landwirtschaftliche Rentenbank, & Capgemini Invent (2025)

Zwischen Risiko und Verantwortung: Eine Marktstudie zur Berücksichtigung von Biodiversität im Agrarbanking

https://publikationen.rentenbank.de/export/sites/publikationen/pdf/rentenbank_capgemini_studie_zwischen-risiko-und-verantwortung.pdf

Moosmann, L. (2021, 14. Juli)

Über die Pilotierung von BVR-NachhaltigkeitsCockpit und -Nachhaltigkeitsleitfaden
Wir leben Genossenschaft

<https://www.wir-leben-genossenschaft.de/de/Ueber-die-Pilotierung-von-BVR-NachhaltigkeitsCockpit-und-Nachhaltigkeitsleitfaden-9958.htm>

OECD (2022)

OECD Guidance on Transition Finance:
Ensuring Credibility of Corporate Climate Transition Plans
Green Finance and Investment
Paris: OECD Publishing

<https://doi.org/10.1787/7c68a1ee-en>

Oliver Wyman (2025)

How banks can contribute to global nature goals

[how-banks-can-contribute-to-global-nature-goals-06082025.pdf](#)

SBTN (2024)

Corporate manual for setting
science-based targets for nature

sciencebasedtargetsnetwork.org/wp-content/uploads/2024/07/Corporate-manual-for-setting-SBT-for-Nature.pdf

Sohns, T. M., Aysolmaz, B., Figge, L., & Joshi, A. (2023)

Green business process management for business sustainability: A case study of manufacturing small and medium-sized enterprises (SMEs) from Germany
Journal of Cleaner Production, 401, 136667

<https://doi.org/10.1016/j.jclepro.2023.136667>

Sustainable Finance Cluster (2025)

Biodiversity in Banking – Pathways for strategic and operational integration

sustainablefinancecluster.com/wp-content/uploads/2025/08/SFC_Biodiversity_Sep2025.pdf

Sustainable Finance Platform (2021)

Biodiversity in the financial sector:
From pledges to action: A practitioners' guide
Sustainable Finance Platform

<https://www.dnb.nl/media/dyykgsrc/from-pledges-to-action-2021.pdf>

TNFD (2023)

Recommendations of the Taskforce on
Nature-related Financial Disclosures
September 2023

<https://tnfd.global/recommendations-of-the-tnfd>

TNFD (2024)

Guidance on the identification and assessment
of nature-related issues: the LEAP approach

<https://tnfd.global/publication/additional-guidance-on-assessment-of-nature-related-issues-the-leap-approach/#publication-content>

TNFD (2025)

Guidance on nature in transition plans

https://tnfd.global/wp-content/uploads/2025/11/Guidance-on-nature-in-transition-plans_DIGITAL-1.pdf

UNEP (2026)

State of finance for nature 2026: Nature in the red – Powering the trillion dollar nature transition economy

<https://wedocs.unep.org/items/a4a8edaa-3896-4811-b527-1583dfce7201>

UNEP FI (2023a)

Banking on nature: What the Kunming-Montreal Global Biodiversity Framework means for responsible banks

<https://www.unepfi.org/wordpress/wp-content/uploads/2023/01/21-Banking-on-nature.pdf>

UNEP FI (2023b)

High-level roadmap: Aligning financial flows with the Kunming-Montreal Global Biodiversity Framework

<https://www.unepfi.org/publications/high-level-road-map-aligning-financial-flows-with-the-kunming-montreal-global-biodiversity-framework/>

UNEP FI (2023c)

PRB nature target-setting guidance

https://www.unepfi.org/wordpress/wp-content/uploads/2023/11/PRB-Nature-Target-Setting-Guidance_2023.pdf

UNEP FI (2025)

Nature impact target setting for banks [Discussion paper]

<https://www.unepfi.org/industries/banking/nature-impact-target-setting/>

Vásquez, J., Aguirre, S., Puertas, E., Bruno, G., Priarone, P. C., & Settineri, L. (2021)

A sustainability maturity model for micro, small and medium-sized enterprises (MSMEs) based on a data analytics evaluation approach
Journal of Cleaner Production, 311, 127692

<https://doi.org/10.1016/j.jclepro.2021.127692>

WBCSD (2023)

Roadmaps to nature positive:
Foundations for all businesses

<https://www.wbcsd.org/resources/roadmaps-to-nature-positive-foundations-for-all-businesses/>

WWF Deutschland (2025)

WWF-Bankenrating 2025: Deutsche Banken und ihr Beitrag für zukunftsfähiges Wirtschaften

<https://www.wwf.de/nachhaltiges-wirtschaften/sustainable-finance/bankenrating-2025>

Appendix: Catalogue of Metrics, KPIs & Targets

Catalogue Description

The catalogue was developed based on an AI-supported analysis of 109 documents, including bank reports and sustainability disclosures. Drawing on established guidance frameworks, this material was categorised into seven thematic areas, each reflecting a distinct dimension of nature-related banking practice. To ensure conciseness and relevance, only metrics reported by at least five institutions were retained in the final catalogue, enabling a structured comparison of measurable commitments and ambition levels across institutions.



IMAGE SOURCE: iStock.com/WANAN YOSSINGKUM, Bild-ID: 1922342677

Overview of Categories

	Quantitative Targets	Qualitative Targets	Total Targets
Category 1 Impact KPIs	11	0	11
Category 2 Assessment, Screening & Disclosure KPIs	2	9	11
Category 3 Portfolio Composition & Financial Allocation KPIs	5	2	7
Category 4 Policy & Process Integration KPIs	0	7	7
Category 5 Exclusion & Restriction KPIs	0	6	6
Category 6 Client Engagement & Coverage KPIs	0	4	4
Category 7 Governance KPIs	0	4	4

Category 1 – Impact KPIs

Table A.1: Quantitative Impact KPIs

	Metric	Unit	Frequency	Range (min–median–max)	Type	Pressure
1	Operational water reduction (own buildings)	%	High	-17% to -72%	Practice (operations)	Resource use: water
2	# trees planted (cumulative)	# trees	High	7,000 – 35,000,000	Impact (proxy)	Land use
3	Hectares restored / reforested (cumulative)	hectares	Medium	18.6ha – 133,000ha	Impact	Land use
4	Carbon sequestered by nature/forestry projects	tCO ₂ /yr	Low	0.7ktCO ₂ – 70ktCO ₂	Impact	Climate
5	Single-use plastics elimination (operations + supply chain)	binary / %	Low	100% target	Practice (operations)	Pollution
6	Water savings/ treatment volume from financed projects	m ³	Low	7M – 1,900M m ³	Impact	Resource use: water
7	% of portfolio exposed to water-stressed basins (mapped)	% portfolio	Low	5% – 25%	Disclosure	Resource use: water
8	Pollutant reduction targets in sustainable finance use-of-proceeds	various (mg/L, t/yr, %)	Low (taxonomy-based)	various	Practice	Pollution
9	Acreage of regenerative agriculture (via client commitments)	hectares / % acreage	Low	“100%” (client-level)	Transition	Land use / Pollution
10	Species protected / endangered species impacted	# species	Low	3 – 131 species	Impact (project)	Cross-cutting
11	Ecosystem services dependency materiality (categorical)	category share	Low	qualitative–quantified	Disclosure	Cross-cutting

Legend – Frequency Ranking

Low = 5-10 bank responses **Medium** = 11-20 bank responses **High** = 21-30 bank responses **Very high** = 31+ bank responses

Category 2 – Assessment, Screening & Disclosure

Table A.2.1: Quantitative Assessment, Screening & Disclosure KPIs

	Metric	Unit	Frequency	Range (min–median–max)	Type	Pressure
1	% of portfolio assessed using ENCORE / LEAP / equivalent dependency-impact tool	%	Medium	5% – 100%	Practice	Cross-cutting
2	Office / branch location assessment against KBAs and protected areas	# sites / %	Low	0% – 56.17%	Practice (operations)	Land use

Table A.2.2: Qualitative Assessment, Screening & Disclosure KPIs

	Target	Frequency
1	Publish nature/biodiversity disclosures aligned with TNFD recommendations, covering the four pillars: Governance, Strategy, Risk Management, and Metrics & Targets	High
2	Commit to annual public reporting on positive and negative biodiversity impacts, aligned with Finance for Biodiversity Pledge requirements and evolving regulatory frameworks (CSRD, SFDR)	Medium
3	Develop and apply a portfolio-level nature/biodiversity heatmap or sector-level impact and dependency assessment using ENCORE or equivalent tools to identify sectors most exposed to nature-related risks	Medium
4	Conduct geographic/location-based analysis to identify portfolio exposure to biodiversity-sensitive areas, Key Biodiversity Areas, and priority ecosystems using spatial data tools	Medium
5	Assess and disclose ecosystem service dependencies across the portfolio, distinguishing between direct operations (Scope 1) and upstream value chain (Scope 3) dependencies	Medium
6	Conduct regular (at least annual) biodiversity risk materiality assessments at portfolio and/or operational level, with defined materiality thresholds	Medium
7	Develop and disclose a biodiversity/nature baseline assessment as a prerequisite for setting future quantitative targets	Medium
8	Measure and disclose the biodiversity footprint of the investment/lending portfolio using a standardised methodology (BIA-GBS, BFFI, PBAF standard, EINES, or equivalent)	Medium
9	Develop internal guidance, tools, and proprietary methodologies for assessing nature-related impacts and dependencies specific to the bank's portfolio composition	Medium

Legend – Frequency Ranking

Low = 5-10 bank responses **Medium** = 11-20 bank responses **High** = 21-30 bank responses **Very high** = 31+ bank responses

Category 3 – Portfolio Composition & Financial Allocation KPIs

Table A.3.1: Quantitative Portfolio Composition & Financial Allocation KPIs

	Metric	Unit	Frequency	Range (min–median–max)	Type	Pressure
1	Sustainable / green finance mobilisation (umbrella – partial nature relevance)	\$/€/local currency	High	€/\$10bn – €/\$500bn	Practice	Cross-cutting
2	% of corporate portfolio in priority/high nature-impact sectors (TNFD core metric)	%	Medium	13% – 67.68%	Disclosure	Cross-cutting
3	Total positive-impact products (current stock)	\$/local currency	Medium	hundreds of millions – hundreds of billions	Practice	Cross-cutting
4	% of corporate portfolio with critical ecosystem-service dependency	%	Medium	18% – 62%	Disclosure	Cross-cutting
5	% of portfolio with material negative impact on biodiversity pressures	%	Low	35% – 75%	Disclosure	Cross-cutting

Table A.3.2: Qualitative Portfolio Composition & Financial Allocation KPIs

	Target	Frequency
1	Commit to a specific volume of sustainable/green finance that includes nature positive or biodiversity-relevant activities within a defined timeframe	Medium
2	Develop and scale nature-based solutions (NbS) investment products, including loans, bonds, and equity investments with explicit biodiversity co-benefits	Medium

Legend – Frequency Ranking

Low = 5-10 bank responses **Medium** = 11-20 bank responses **High** = 21-30 bank responses **Very high** = 31+ bank responses

Category 4 – Policy & Process Integration KPIs

Table A.4: Qualitative Policy & Process Integration KPIs

	Target	Frequency
1	Commit to halting and reversing biodiversity loss by 2030 and achieving a nature positive or “in balance with nature” state by 2050, aligned with the Kunming-Montreal Global Biodiversity Framework	High
2	Integrate nature/biodiversity considerations into credit risk assessment and ESG due diligence processes for all new lending, investment decisions, and periodic reviews	High
3	Adopt and implement the TNFD LEAP approach (Locate, Evaluate, Assess, Prepare) across lending, investment, and/or underwriting portfolios to systematically identify nature-related risks and opportunities	High
4	Progressively update and strengthen sector-specific environmental and social policies to explicitly cover biodiversity impacts across all high-risk sectors (forestry, agriculture, palm oil, mining, O&G, hydropower, fisheries, biomass)	Medium
5	Conduct direct ecosystem restoration and conservation activities (tree planting, mangrove restoration, seagrass restoration, rewilding, forest acquisition) as part of corporate responsibility and nature positive strategy	Medium
6	Integrate nature-related risks into the bank’s Risk Appetite Framework, designate climate/nature as a “top risk” category, and ensure regular monitoring through risk governance structures	Medium
7	Implement operational biodiversity measures at own premises, including green roofs, biodiversity gardens, pollinator habitats, sustainable water management, and nature-integrated building design	Medium

Legend – Frequency Ranking

Low = 5-10 bank responses **Medium** = 11-20 bank responses **High** = 21-30 bank responses **Very high** = 31+ bank responses

Category 5 – Exclusion & Restriction KPIs

Table A.5: Qualitative Exclusion & Restriction KPIs

	Target	Frequency
1	Exclude financing for projects with significant negative impact on UNESCO World Heritage Sites, Ramsar Convention Wetlands, or IUCN Category I–IV protected areas	Very high
2	Exclude financing for illegal logging, deforestation, and conversion of high conservation value forests, primary forests, and peatlands	High
3	Exclude or phase-out of financing for new coal-fired power plants, coal mining, and coal infrastructure expansion	High
4	Demand mandatory sustainability certification requirements for clients in palm oil (RSPO), soy (RTRS), forestry (FSC/PEFC), and beef (GRSB) sectors in high-risk regions	Medium
5	Exclude financing for deep-sea / seabed mining projects or pure-play deep-sea mining companies until adequate environmental impact assessment is available	Medium
6	Exclude financing for activities in or immediately adjacent to biodiversity hotspots, mangroves, peatlands, or Key Biodiversity Areas (KBAs) above defined overlap thresholds	Medium

Category 6 – Client Engagement & Coverage KPIs

Table A.6: Qualitative Client Engagement & Coverage KPIs

	Target	Frequency
1	Engage with clients in high-impact sectors (agriculture, forestry, mining, food & beverage, shipping, energy) to encourage adoption of nature positive practices, policies, and targets	High
2	Engage with clients on deforestation-free supply chains, requiring full traceability and NDPE compliance for high-risk commodities (palm oil, soy, beef, cocoa, rubber, coffee, wood)	Medium
3	Encourage investee companies and sovereigns to adopt TNFD-aligned disclosure of nature dependencies, impacts, risks, and opportunities	Medium
4	Ensure all relevant clients have a nature and biodiversity policy in place by 2030, addressing key drivers of nature loss, targets, measures, and action plans	Medium

Legend – Frequency Ranking

Low = 5–10 bank responses **Medium** = 11–20 bank responses **High** = 21–30 bank responses **Very high** = 31+ bank responses

Category 7 – Governance KPIs

Table A.7: Qualitative Governance KPIs

	Target	Frequency
1	Participate actively in industry-wide biodiversity initiatives and working groups to advance collective action and knowledge sharing	Very high
2	Establish board-level oversight and accountability for nature/biodiversity-related risks and opportunities, with regular reporting to the board	Medium
3	Provide (mandatory or structured) employee training on biodiversity, natural capital, ecosystem services, and nature-related financial risks across relevant business lines	Medium
4	Establish a dedicated cross-functional biodiversity/nature working group or expert team to coordinate strategy implementation across the organisation	Medium

Legend – Frequency Ranking

Low = 5-10 bank responses **Medium** = 11-20 bank responses **High** = 21-30 bank responses **Very high** = 31+ bank responses

Approach of the Sustainable Finance Cluster Initiative

To assess the current state of nature integration in the banking sector, the Sustainable Finance Cluster launched an initiative in early 2026.

The following empirical methods were employed in the period of February – June to create insights and develop evidence-based recommendations. For further information about the research methods, feel free to contact the lead author.



IMAGE SOURCE: iStock.com/Leonabox, Bild-ID: 2206993513

Focus Group Workshops

Format: Pre-competitive exchange between institutions (presentations and discussions)

Focus: Key challenges, current practices, and emerging solutions

Participants: Deka, Deutsche Börse, DKB, DZ BANK, ING Germany, KfW, LBBW and Umweltbank

Survey

Focus: Nature ambition, target-setting and pledges

Sample: the participating banks of the Cluster Initiative

Interviews

Focus: Nature integration maturity levels, drivers and barriers thereof

Sample: eight German banks, three consultants and one lobbying organisation

Document analysis

Focus: Nature ambition, target-setting & KPIs (qualitative and quantitative)

Sample: 109 publicly available documents on nature from 44 international banks from three repositories that flag potential front-runners on nature integration and target-setting: the Finance for Biodiversity Foundation, the TNFD (reporters and adopters in commercial banking) and the World Benchmarking Alliance's 2025 Financial System Benchmark.

Acknowledgements

This initiative has received funding from the Hessian Ministry of Economy, Energy, Transport, Housing and Rural Areas.

We thank the participants of the Cluster Initiative for their contributions:

Dr. Alex Kusen (Deka Investment)
Carola Menzel (FS-UNEP Centre)
Gerald Rosenfeld (DekaBank)
Insa Schüßler (DKB)
Dr. Johanna Gloël (ING)
Jonas Stäudle (LBBW)
Julian Salg (House of Finance)
Katja Schwengler (DZ BANK)
Leonie Abrahams (Deutsche Börse)
Liesa Heidl (ING)
Philipp Kuhs (Umweltbank)
Serkan Sayman (DekaBank)
Sofia Denfeld (KfW)
Susanna Schmidt (LBBW)

Part of this research was conducted by **Martha Nowakowski** for her master's thesis in MSc Sustainability Science and Policy at Maastricht University. We gratefully acknowledge her contribution and thank her supervisor, **Dr. Clarence Bluntz** (Assistant Professor at the Maastricht Sustainability Institute), for his support. **We also thank all interviewees who generously shared their time and expertise.**

We are also grateful for the contributions to the workshop on target-setting from **Samantha Burke** (UNEP FI).

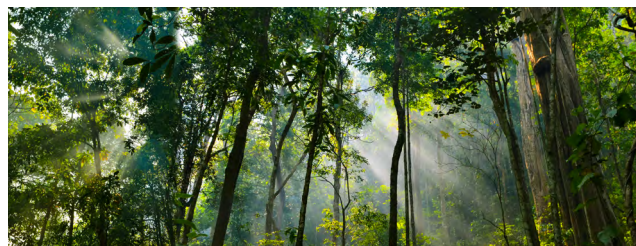


IMAGE SOURCE: chokniti_491471254 - stock.adobe.com

! Disclaimer

The views and opinions expressed in this position paper are those of the contributing authors and do not necessarily reflect the official policy or position of all stakeholders involved, including members of the focus groups.

This document solely serves as general background material in the field of banking and nature. The authors and members of the Sustainable Finance Cluster have not specifically verified the information contained herein, nor can they be held responsible for any subsequent use which may be made of this information.

Claude (Anthropic) and Copilot (Microsoft) were used as assistants for the document analysis, text generation and text review. The ideas, analytical frameworks, structure and conclusions presented are entirely the authors' own. All AI-assisted work was critically reviewed and/or validated by the authors.

Imprint

Lead Author

Dr. Lukas Figge-Muschalik
lukas.figge@sustainablefinancecluster.com

Co-authors

Enzo Matos Balleux, Julian Salg (House of Finance),
Luca Steinhauer and Martha Nowakowski

Layout by YPSPUNKT Fotografie & Design

Sustainable Finance Cluster e.V.

www.sustainablefinancecluster.com

Managing Director

Matthias Hübner
matthias.huebner@sustainablefinancecluster.com