



FfB Foundation  
Impact Report 2025

# Policy Brief

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December 2025

**About Finance for Biodiversity Foundation | [financeforbiodiversity.org](https://financeforbiodiversity.org)**

The Finance for Biodiversity (FfB) Foundation – an independent non-profit organisation established in 2021 – unites around 200 global financial institutions as signatories of the FfB Pledge. Collectively, they manage over €23 trillion in assets across 29 countries. Some 90 members of the FfB Foundation are actively engaged in peer learning and collaboration in FfB working groups, building ongoing guidance and frameworks for the financial sector on integrating nature into strategies, investments, and ESG policies, including target setting and corporate engagement. We also advocate for world leaders to take decisive action to halt and reverse biodiversity loss this decade.

FfB Foundation plays a critical and unique role in supporting financial institutions to act on nature loss and drive positive impact. Together, we are shaping a financial system that values and protects nature.

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# Introduction: From Pledge to Progress

The financial sector is at a turning point: five years ago, biodiversity scarcely featured in policies and strategies from financial institutions. Today, through the action of over 200 signatories to the Finance for Biodiversity (FfB) Pledge, biodiversity has moved into the mainstream of sustainable finance. The finance community is now actively integrating nature-related considerations into their strategies, investments, and financing activities. They recognise that nature-related physical, regulatory, financial, and systemic risks are rising, alongside significant opportunities for resilience and long-term value creation.

This Policy Brief provides an overview of the findings and lessons from the wider [FfB Foundation Impact Report 2025](#), which presents the aggregated results of 126 Pledge signatories who completed a self-assessment survey (the “Impact Survey”), asking questions about their progress towards the Pledge’s five commitments of collaboration and knowledge sharing, engaging with companies, assessing impact, setting targets and reporting publicly. It aims to support not only the FfB community but also the broader financial sector, policymakers, NGOs, data providers and civil society seeking clarity on the state of nature-related action in finance.

Building on these insights, this Brief places the results in the policy context – connecting them directly to the FfB Foundation’s policy paper, [Aligning Financial Flows with the Global Biodiversity Framework](#) (April 2024). Together, these publications aim to inform and inspire government action that enables private finance to accelerate the transition towards a nature-positive global economy.

Specifically, this Policy Brief distils three core dimensions of action where government support and policy coherence are critical:

- 1 Drive ambition and transparency in the private finance sector**
- 2 Lead the nature-positive transition of the economy**
- 3 Create economic incentives for positive impact**

The April 2024 FfB paper underscored the urgency: achieving the goals and targets of the Kunming-Montreal Global Biodiversity Framework (GBF) requires aligning all financial flows – public and private – with nature-positive outcomes. This paper highlights the emerging pathways, persistent barriers, and the key policy asks from the finance sector to governments. Public-private collaboration, coherent policy signals, robust disclosure frameworks, and effective de-risking mechanisms are indispensable if the momentum built by the FfB Pledge community is to translate into the scale of capital required for global nature recovery.



# Background: The history of FfB policy asks and activities

In September 2020, 26 pioneering financial institutions launched the Finance for Biodiversity Pledge, calling on global leaders to agree on effective measures to halt and reverse nature loss this decade. The Pledge was the first global initiative to mobilise financial institutions on biodiversity, with a commitment to contribute to the protection and restoration of biodiversity and ecosystems through their financing activities and investments. Now, 200 financial institutions support the FfB Pledge, as a concrete sign of demand for policy leadership to align financial flows with global biodiversity goals.

In the run-up to COP15, held in Montreal, Canada, in 2022, the members of the Public Policy Advocacy working group of the FfB Foundation advocated for an ambitious agreement that explicitly addresses: 1) the alignment of all financial flows, both private and public, with nature; and 2) improved disclosure of biodiversity impacts and dependencies. Both of these components were successfully included in Goal D and Targets 14, 15, 18, and 19 of the GBF.

Since then, the FfB Foundation and its members have consistently called for the alignment of all financial flows, both from private and public sources, to be successfully implemented at the national level. “Aligning financial flows” means reducing harmful public and private financial flows and channelling financial activities and investments towards economic activities that enhance our stock of natural assets and encourage sustainable consumption and production. Alongside conservation and restoration of biodiversity, supporting innovation and mainstreaming the sustainable use of natural resources is essential to building a sustainable global economy.

In April 2024, the FfB Foundation published its seminal policy paper, [Aligning Financial Flows with the Global Biodiversity Framework](#), with concrete actions that governments can take to support the alignment of financial flows with the GBF. The paper advocates for a whole-of-government approach to implementing the GBF, including steering economy-wide sectoral transformation pathways. The four key recommendations addressed in the paper are: 1) nature-related disclosure requirements; 2) mandating integrated climate and nature transition plans; 3) action from central banks and supervisors; and 4) economic incentives to maximise the mobilisation of private finance.

The [FfB Impact Report 2025](#) tracks the progress, achievements, and challenges of the community of FfB Pledge signatory financial institutions that are driving action on nature. The lessons learned from the report offer evidence on the influence of the above key policy asks to governments on the private finance sector’s practices. This Policy Brief explores the expectations for policymakers to drive ambition and transparency in the private finance sector, to lead the nature-positive transformation of the economy, and to create incentives for positive impact across sectors.

# 1 Drive ambition and transparency in the private finance sector

The financial institutions captured by the FfB Impact Report 2025 are demonstrating strong progress on the integration of nature into their policies and reporting practices. Such results signal the need for government support for collaboration as a crucial component to sustain the private finance sector’s collective ambition – particularly in the context of GBF targets 14 and 15. These targets focus on ensuring market readiness through mainstreaming biodiversity in decision-making and encouraging assessment, disclosure, and reduction of biodiversity-related risks and negative impacts.

## Supporting collaboration as a source of knowledge and capacity-building

Overall, the [FfB Impact Report 2025](#) showcases how the ambition of the FfB Community has been growing steadily – from 26 founder signatories in 2020 to more than 200 in 2025. Notably, 98% of FfB Pledge signatories have a nature-related policy, compared to a weighted market average of 55%\*, demonstrating the leadership of this community. However, it requires support and policy coherence to expand further. At a time when it is increasingly difficult for some financial institutions to make sustainability commitments, governments should continue to support collaboration as a source of **knowledge sharing** and capacity building (FfB Pledge Commitment #1).

The FfB Impact Report 2025 highlights that over half (54%) of institutions collaborate with public authorities.

\*This weighted estimate draws on data from the [Global Association of Risk Professionals \(GARP\) Global Survey of Nature Risk Management at Financial Firms \(2024\)](#) and the [Responsible Investor Nature and Investors Survey \(2025\)](#).

Thus, there is scope for further engagement opportunities to build meaningful relationships between financial institutions and policymakers.

To inform policymakers on the progress status and the needs of financial institutions, Figure 1 depicts the content of the nature-related policies of FfB Pledge signatories. The topics of “Portfolio Integration”, “Targets”, “Positive impact”, and “Considerations of Indigenous Peoples” appear as the ones that could benefit from further guidance and support.



Figure 1: ESG policy components where biodiversity is addressed

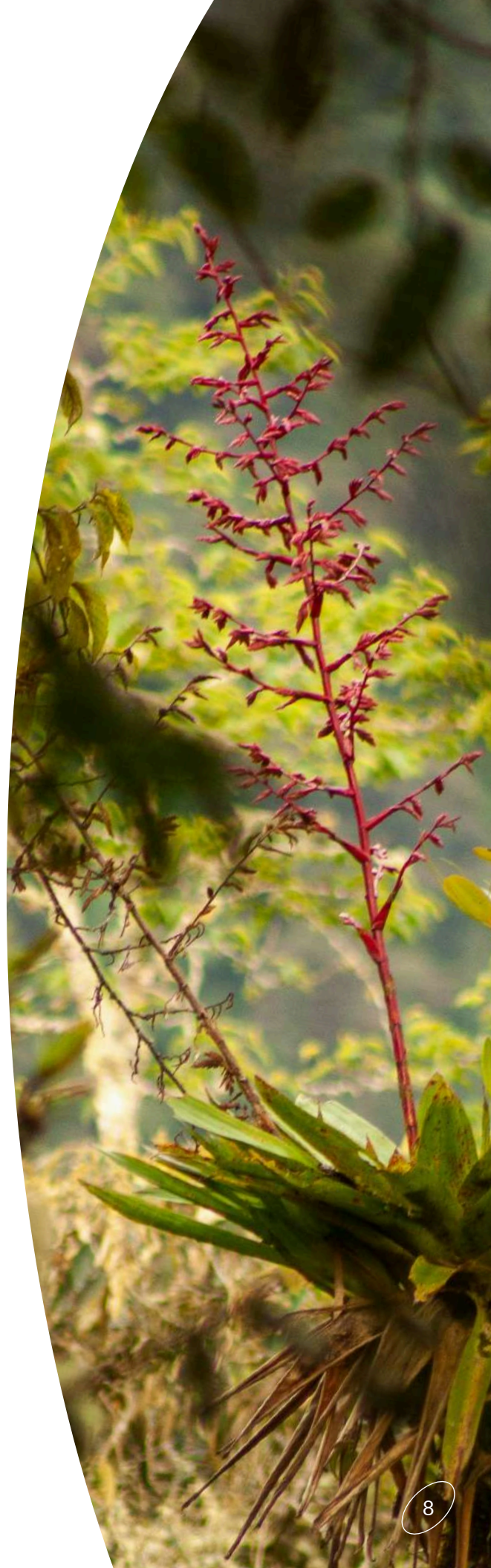
To answer these needs, the FfB Foundation is developing a Policy Engagement Initiative to enable the private finance sector to share its perspective on GBF implementation, which will be supported by the FfB [Sovereign Debt Nature Assessment Model](#), providing insights on nature policy ambition. This initiative will build on a long-standing history of policy engagement at the international level, including in key negotiating arenas such as the UN Biodiversity COPs.

### Facilitating nature-related disclosures as a key driver of decision-making

Disclosure is one of the key topics in nature-related policies, covered by 66% of respondents. To deliver on GBF Target 15, policymakers must maintain the focus on promoting uptake of nature-related disclosure frameworks and ensuring interoperability between frameworks.

[The Taskforce on Nature-related Financial Disclosures \(TNFD\)](#), for example, counts over 700 adopter organisations from over 50 countries or areas. Of this, 33 organisations are FfB signatories. As expressed in its "[Discussion paper on identification, assessment and disclosure of dependencies and impacts on nature in financial portfolios](#)", there is an opportunity to further translate TNFD recommendations for the practices of the finance sector. The paper underlines "a lack of methodologies or metrics to support identification and assessment of all issues, which could also improve aggregation".

To note, [77% of investors](#) in a Responsible Investor survey indicated they would like to see specific nature-related standards building on the TNFD. In November 2025, the ISSB announced its intention to [develop a nature standard](#).



This difficulty is also expressed in the reporting on impact assessment (FfB Pledge Commitment #3) practices of FfB Pledge signatories: over 72% of respondents have conducted company-level assessments, among which 40% said they were using footprinting methods that rely on modelled data. Only 25% of respondents conduct spatially explicit or location-specific assessments.

The FfB Impact Report 2025 results are encouraging; however, institutions must continue to move from high-level screening towards company- and site-specific analysis to generate insights that can inform engagement, risk management, and capital allocation.

#### Recent market developments aim for further reliance on location-based assessments:

- “Locate” is the first step of the [TNFD LEAP Approach](#) (Locate-Evaluate-Assess-Prepare) towards the assessment of nature-related impacts, dependencies, risks, and opportunities.
- A harmonisation effort regarding [State-of-Nature Metrics](#) is led by the Nature Positive Initiative.
- The [European Sustainability Reporting Standard \(ESRS\)](#) includes a “biodiversity-sensitive areas” screening in the Double Materiality Assessment.

#### Policy implication

Policymakers should continue to encourage ambitious sustainability practices by supporting collaboration as a source of knowledge and capacity building. They can drive transparency through both the requirement of nature-related disclosure and the encouragement of voluntary uptake of standards. Governments can mandate interoperable, location-based disclosure frameworks and support open-source data and methodologies to accelerate transparency and decision-making.

## 2 Lead the nature positive transition of the economy

This section highlights the strong and growing demand from financial institutions for a nature-positive transition, reflected in their active corporate engagement efforts and increasing ambition in setting nature-related targets. These findings underscore the need for greater policy coherence and long-term signals to enable an economy-wide transition. This requires mandating integrated climate- and nature-transition plans for companies, as well as developing sectoral transformation pathways aligned with national environmental goals.

### A clear demand for transformation at sector and company-level, across economic sectors

With 79% of our Impact Survey respondents (reported in the [FfB Impact Report 2025](#)) taking part in collaborative **engagement** initiatives and 60% implementing bilateral dialogue (FfB Pledge Commitment #2), it is clear that financial institutions are expecting the sustainable transition of the companies they finance and invest in. Their efforts could be reinforced by clear guidance and policy signals from policymakers, encouraging transformations at company and sector levels, notably through regulation and incentives.

To further inform policymakers on the expectations of financial institutions, Figure 2 analyses engagement topics. It reveals deforestation and land degradation (67%), general biodiversity (63%), and sustainable agriculture (53%) to be the most popular areas of engagement. It seems that government-backed frameworks, certifications, and other policy instruments are a core reason for the high percentage of engagement on topics such as deforestation. Engagement practices notably also appear to be supported by the existence of high-quality data in the market.

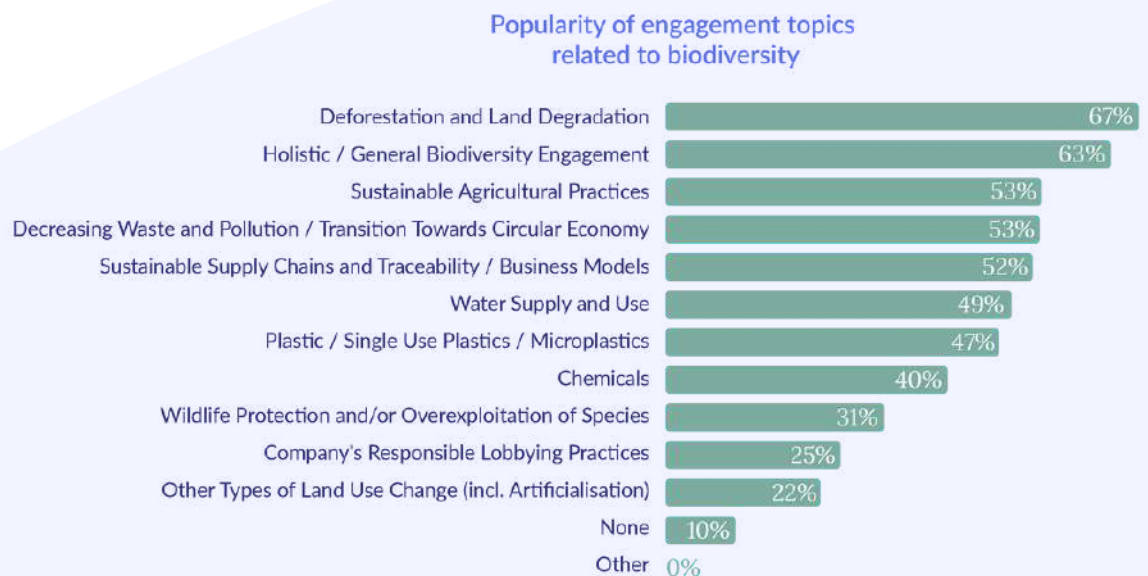


Figure 2: Popularity of corporate engagement topics related to biodiversity

### Links between global policy priorities and engagement topics:

- 2025 saw active international discussions regarding the Plastics Treaty, which has so far failed to materialise a binding agreement. Financial institutions have been particularly active in their mobilisation on the issue and are calling for global ambition in the [Finance Statement on Plastic Pollution](#).
- At the European level, it is important to note the relevance of developments regarding the EU Deforestation Regulation and the EU Circular Economy Act, with financial institutions engaging on these topics at 67% and 53% respectively.
- As a counter example, the topics of “Ocean” or the “Blue Economy” have not yet emerged as a key topic for engagement with companies, despite being in the first line of international discussions with the ratification of the High Seas Treaty, and generating active mobilisation from financial institutions in the [Statement to Governments on Deep-Seabed Mining](#).

To support broader investor engagement for all key sectors and issues, policymakers can support sectoral research through financing and suitable policies. Notably, policymakers can focus on identifying harmful practices and on developing knowledge about overlooked biomes, which would further benefit related sectors in a knock-on effect.

Financial institutions’ engagement with the companies they finance will be more effective if it is aligned with the overall policy direction, leading to more effective outcomes.

By establishing clear transformation pathways, implementing regulations, and guiding innovation, policymakers can provide long-term clarity and directly support the mobilisation of the private sector to align financial flows with the sustainable use, conservation, and protection of biodiversity.

### A strong need to stimulate target setting and effective transition plans

**Target-setting** (FfB Pledge Commitment #4) is a key component of the FfB Pledge, turning ambition into accountability for institutions through setting clear and actionable objectives. 67% of our Impact Report 2025 Survey respondents have already embedded one or more biodiversity or nature targets in their strategies. This demonstrates a willingness to drive change and is a commendable first step in the establishment of credible nature strategies.

To note, the topic analysis of nature targets reveals the same sectoral bias found in engagement. The most specific, actionable targets are set on issues where data, regulation, and risk salience are most advanced, such as deforestation. Progress on other key themes, such as water overconsumption or pollution, ultimately encounters data limitations that hinder their ability to develop decision-useful KPIs.




Momentum across the financial sector is accelerating. The next critical step is shifting from broad commitments and early monitoring efforts towards science-informed, time-bound targets grounded in KPIs, underpinned by clear stewardship pathways that demonstrate how these targets will be achieved. Overall, practices are still far behind compared to climate targets and need further integration for financial institutions to manage synergies and trade-offs along the biodiversity-climate nexus.

This limited progress could be explained by the low number of transition plans currently published by companies, limiting, in turn, target setting by financial institutions. Transition plans are effective, time-bound strategies to reduce negative impacts and increase positive impacts, raising overall ambition.

They support and enable companies across sectors to effectively address their climate and nature-related risks and opportunities. Transition plans should integrate nature and climate where possible, as recommended by the TNFD.

Policymakers can also encourage transition planning by companies and financial institutions by setting ambitious national targets, both for climate through their Nationally Determined Contributions (NDCs) and biodiversity through their National Biodiversity Strategies and Action Plans (NBSAPs). To note, as of November 2025, only 60 Parties have published their NBSAPs – which can be found on the [CBD Online Reporting Tool](#).



### Policy implication

Governments can require businesses (including financial institutions) to develop integrated climate and nature transition plans, supported by clear transformation pathways across sectors in line with national environmental targets.

# 3 Create economic incentives for positive impact

This section reveals the degree of ambition and appetite of the FfB community for nature-positive outcomes, even in the face of concrete challenges. To accelerate the mobilisation of financial resources towards closing the biodiversity finance gap, policymakers should address the barriers faced by the private finance sector and support the development of solutions that can create concrete opportunities for positive impact.

Our 2025 survey shows that 54% of financial institutions covered by the [FfB Impact Report 2025](#) have already allocated capital towards biodiversity products and investments, amounting to over €53 billion. In addition, 68% have indicated a high or very high appetite for nature-positive outcomes, and 20% have set targets to increase their capital allocation.

To note, some financial institutions are beginning to explore opportunities in the Global South, recognising the high potential for biodiversity gains in these regions. Strengthening partnerships between development finance institutions, local actors, and private investors will be critical to unlock positive impact investments on nature in emerging markets.

The graph below (Figure 3) shows that the top barriers in mobilising resources for nature impact reported by respondents are “insufficient data and knowledge”, “perceived risks of investing in nature”, and “lack of credible and widely applicable frameworks”. This demonstrates that public-private finance partnerships and aligned incentives are still required to de-risk and catalyse nature impact finance strategies.

## Barriers to scaling positive impact investments

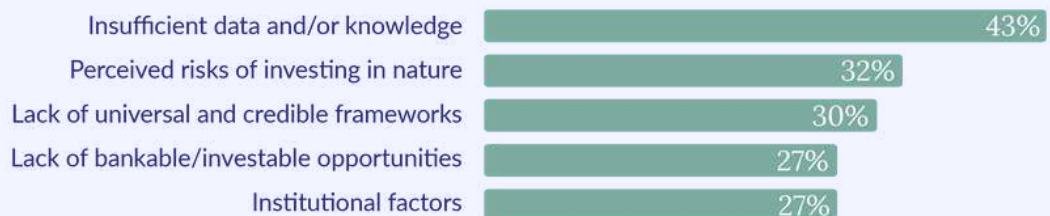


Figure 3: Barriers to scaling positive impact investments in nature

Furthermore, most of the capital has been allocated to the agriculture and forestry sectors. This means that financial institutions have not yet found a way to contribute to nature positive outcomes in other economic sectors, such as tourism, real estate, or the blue economy.

However, the [Finance for Nature Positive Working Model](#), developed by the FfB Foundation with UNEP FI, aligned with the definitions of the Nature Positive Initiative and the World Bank Group, calls for the improvement of the state of nature to be achieved across all economic sectors, via different strategies: sustainable use, conservation/restoration of nature, and innovation for system changes.

This calls for the development of taxonomies and frameworks, across economic sectors, to identify the opportunities, products and services that can contribute to nature-positive outcomes.

Policymakers can incentivise action for nature and mobilisation of resources at speed through initiating coordination between ministries in a whole-of-government approach. They can also create a more enabling environment for the transformation and reduction of barriers to investment through reorienting tax policies and subsidies, developing sovereign green finance instruments, and mobilising private sector financing and investment for biodiversity through the use of private-public instruments.

Notably, with sovereign debt being the largest asset class globally, policymakers can directly mobilise capital at scale through their own financing strategies, including through the design of nature-linked products. The FfB Foundation has developed a [Sovereign Debt Nature Assessment Model](#) to enable the identification of nature-related risks and opportunities in these portfolios.

### Policy implication

Governments can design de-risking instruments (e.g., blended finance, guarantees), reform subsidies (e.g. tax incentives, market mechanisms) to phase out nature-harmful financial flows, and establish taxonomies and frameworks that enable credible economic opportunities and financial instruments that contribute to nature-positive outcomes.

# Summary of Policy Expectations

Based on the [FfB Impact Report 2025](#) results and building on the policy recommendations from our publication [Aligning Financial Flows with the Global Biodiversity Framework](#), we advance the following expectations for actions from policymakers:

## 1 Drive ambition and transparency in the private finance sector

- **Support collaboration and capacity-building** – Governments should engage with initiatives (like the FfB Foundation) to share knowledge, encourage cross-institution learning, and embed nature into financial strategies, recognising that private finance ambition on sustainability thrives in collaborative fora.
- **Promote nature-related disclosure and data infrastructure** – Require nature disclosures, enable interoperable standards, and invest in open-source spatial and site-level data to support portfolio analysis and company-level decision-making.

## 2 Lead the nature-positive transition of the economy

- **Mandate integrated climate and nature transition plans and long-term strategic alignment** – Mandate companies and financial institutions to develop transition plans, with targets where relevant, to support companies to better manage climate and nature risks and opportunities, and integrate these into national strategies and regulatory oversight.
- **Steer economy-wide sectoral transformation pathways** – Governments can lead and support the development of sectoral transformation pathways, especially for sectors with high nature-related risks and impacts, such as agriculture, mining, forestry and others.

## 3 Create economic incentives for positive impact

- **Reduce barriers and de-risk strategies for nature** – Reform subsidies, taxes, monetary/prudential and market mechanisms to catalyse capital allocation and deploy blended finance and guarantee mechanisms to reduce risk perception.
- **Foster opportunities and long-term public-private alignment** – Set taxonomies and certification frameworks for products and services contributing to nature-positive outcomes. Develop nature-linked products and sovereign finance practices offering opportunities for financial institutions.

All policy recommendations should be underpinned by a whole-of-government approach, as well as action from central banks and supervisors, to amplify nature ambition and support systemic change.

# Conclusion

The financial sector's journey from marginal awareness to active integration of biodiversity considerations is real and accelerating. The FfB community's leadership is clear, but to translate ambition into scale, a robust enabling environment is essential. Public-private collaboration, data and disclosure transparency, strategic coordination across sectors, and fiscal and economic levers are the linchpins of this journey.

Specifically, this Policy Brief distils three core dimensions of action where government support and policy coherence are critical: 1) Drive ambition and transparency in the private finance sector; 2) Lead the nature-positive transition of the economy; and 3) Create economic incentives for positive impact. All policy recommendations should be underpinned by a whole-of-government approach, as well as action from central banks and supervisors, to measure systemic nature-related risks and opportunities.

As the UN Biodiversity COP17 and the planned Global Review of Collective Progress are approaching, the FfB Foundation calls on governments to publish their NBSAPs, build action plans to achieve their targets, and actively capture the role of the private sector, for example by developing sectoral transformation pathways. By delivering on their own commitments, policymakers can increase coherence and build confidence for all stakeholders.

Policymakers have the opportunity – and responsibility – to catalyse this much-needed transformation towards a nature-positive economy, in line with the GBF's mission of halting and reversing biodiversity loss by 2030.

