

## **Growing momentum as 85% of surveyed asset owners integrate or plan to integrate nature and biodiversity into sustainability strategies**

**January 27 2025, LONDON, UK:** An unprecedented 65% of asset owners are now incorporating nature and biodiversity into their sustainability strategies whilst a further 20% already plan to do so, according to a new report by Pensions for Purpose, commissioned by the First Sentier MUFG Sustainable Investment Institute.

The new research, *“Integrating nature & biodiversity into investment – an asset owner perspective”* sheds light on the pressing need for the financial sector to confront biodiversity risks, the findings highlight the financial materiality propelling this transformation. Asset owners are increasingly aware of the risks of biodiversity loss: from supply chain vulnerabilities to ecosystem fragility, which threaten the long-term stability of investments.

**Bruna Bauer, Research Manager at Pensions for Purpose said:** “Financial materiality, rather than regulatory pressure, has emerged as the primary reason for asset owners to act. Biodiversity loss poses tangible risks to investments, including supply chain vulnerabilities and ecosystem fragility, prompting schemes to move proactively to protect their portfolios. Asset owner respondents have realised ignoring nature-related risks is not just a sustainability issue but has financial consequences too, leading to the integration of nature into sustainable strategies before more regulation mandates it.”

This growing momentum is supported by an additional 20% of asset owners, actively working to incorporate nature and biodiversity considerations into their strategies within the next year, according to the research.

Despite the progress, asset owners still face considerable challenges in reporting on nature-related risks. The report highlights the challenges do not lie in the availability of data but in data variety and interpretation. Unlike climate metrics, such as carbon emissions, which are more straightforward, biodiversity assessments demand a nuanced approach, blending qualitative and quantitative insights. Many asset owners are still building internal capacity, exploring suitable metrics and forging partnerships with academic institutions and non-government organisations to navigate these complexities.

The report also emphasises the connection between nature and climate within sustainability strategies. Asset owners increasingly view nature-based solutions as vital for carbon sequestration and climate resilience. However, most funds still lack

dedicated governance structures for nature, with biodiversity often embedded within broader ESG policies focused primarily on climate. To address this gap, many schemes are expanding teams or relying on external expertise to inform trustee decision-making.

**Karen Shackleton, Chair and Founder of Pensions for Purpose said:** “The report serves as a wake-up call for the investment industry to be proactive in addressing biodiversity loss. With the Taskforce on Nature-related financial disclosure (TNFD) framework gaining momentum, asset owners must leverage existing climate efforts and structures to build comprehensive strategies for biodiversity.”

**Bruna Bauer continued:** “COP16 underscored the urgency of this mission, highlighting the critical need to protect 30% of the world’s ecosystems by 2030. Current efforts fall far short, with developing nations, which host the majority of the global biodiversity, advocating for increased international financial support. Asset owners have a unique opportunity to align their strategies with global sustainability goals, ensuring portfolio resilience and ecological preservation.”

**Sudip Hazra, Director, First Sentier MUFG Sustainable Investment Institute, said:** “The First Sentier MUFG Sustainable Investment Institute sponsored this report as asset owners are at a critical point in their nature and biodiversity journeys. As more funds engage with the TNFD framework, clarity is being sought on key motivations, challenges and gaps as the need for the theme to be integrated more deeply into portfolios progressively strengthens.”

## **ENDS**

### **Notes to Editors**

### **About the Report**

The report, ‘[\*Integrating nature & biodiversity into investment – an asset owner perspective\*](#)’, was commissioned by the First Sentier MUFG Sustainable Investment Institute. It provides actionable insights for asset owners navigating the complexities of nature-related reporting and investment practices.

Respondents who gave permission for their name to be listed in our report are:

#### Asset owners

- Bank für Kirche und Caritas eG
- Bedfordshire Pension Fund
- Brightwell
- Coal Pensions
- Guy's and St Thomas' Foundation

- London CIV
- Nest Pensions
- Pension Protection Fund
- PGGM
- Phoenix Group
- Scottish Widows Mastertrust
- Strathclyde Pension Fund
- Wiltshire Pension Fund

#### Asset Managers

- Cambridge Associates
- Capital+ SAFI
- Fama re.capital
- JANA

#### **About Pensions for Purpose:**

Pensions for Purpose exists as a bridge between asset managers, pension funds and their professional advisers, to encourage the flow of capital towards impact investment.

Impact investments are made with the intention to generate positive, measurable, social and environmental impact alongside a financial return.

Pensions for Purpose seeks to empower pension funds to make informed, sustainable investment decisions through our member Community, training, events, Impact Lens research and unique Knowledge Centre.

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