

# A framework for shareholder engagement on biodiversity

“Financial institutions need to build internal capacity”

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## What is the focus of the paper?

This paper explores how financial institutions can effectively engage on biodiversity. It reviews recent academic insights and knowledge from the sector on biodiversity finance, including the results of interviews with financial institutions, NGOs, corporations, and other stakeholders to capture perspectives from the field.

## What are the key findings and implications?

Biodiversity loss poses a systemic threat to the global economy, finance, and human well-being. Through their portfolios, pension funds and insurers are both exposed to and responsible for biodiversity risks.

Drawing on literature and expert interviews, this paper identifies four criteria for effective biodiversity engagement: (1) knowledge, (2) workable metrics, indicators, and targets, (3) size of equity stake, and (4) momentum and legitimacy.

**Knowledge** is necessary for meaningful engagement. Financial institutions need to build internal capacity through education and external partnerships to understand biodiversity and its impacts.

**Metrics and indicators** remain a major challenge. Despite progress made in measurement and accounting initiatives, data gaps and methodological inconsistencies continue. Overreliance on aggregated or self-reported data also persists. Engagement strategies must therefore combine quantitative information with qualitative insights.

**Size of equity stake** influences engagement leverage. Collaboration with other investors can help amplify efforts.

**Momentum and legitimacy** determine sustained influence, supported by transparency, escalation protocols, and alignment between voting behavior and engagement goals. Building momentum and legitimacy is crucial, as initial efforts often set the stage for broader action.

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Want to know more? Read the paper:

**Conservation through conversation: A framework for shareholder engagement on biodiversity**