



Working paper

Principles for Investing in Nature as an Asset Class

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The need for biodiversity restoration and the rise of nature as an asset class

Over the past years, the need for biodiversity restoration increased. Biodiversity is defined by the UN Convention on Biological Diversity (CBD) as: “The variability among living organisms from all sources, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems” (CBD, 1992). The numbers on biodiversity loss are striking: Estimations show an average decline of 73% in monitored species population since 1970 (WWF, 2024). About 25% of total species (1 million species) face extinction, with a rate of extinction from tens to hundreds of times higher than the past era’s average. There are five direct drivers of biodiversity loss: land- and sea-use change, resource exploitation, climate change, pollution, and invasive alien species (IPBES, 2019). These drivers are caused mostly by economic activities, which are called indirect drivers. In essence, our economies are embedded within nature and depend on its services (Dasgupta, 2021). Nature is not external to financial systems; by not including nature in our analysis, we miss an inherent part of the functioning of financial systems. With increasing pressures on nature, there is growing acknowledgment that nature is a finite, rather than an infinite inflow for economic activities (Dasgupta, 2021). It is therefore necessary to extract less resources, and to restore and conserve nature.

Fortunately, in December 2022 worldwide targets have been set to restore nature, included in the Kunming-Montreal Global Biodiversity Framework (GBF). This framework is adopted by 196 countries and focuses on four key areas: to halt loss and restore nature, to use land and sea sustainably, to share benefits and services and to mobilise necessary resources. For the first area, the goal is to restore 30% of all degraded ecosystems by 2030, and conserve 30% of land, waters and seas by 2030. The last area includes the goal of bridging the annual biodiversity financing gap of 700 billion USD by 2030 (CBD, 2025). This annual financing gap entails, for the largest part (500 billion USD), reducing harmful incentives to nature, e.g. reducing subsidies for agriculture, fishing, and fossil fuels (CBD, 2025). The relatively smaller portion – 200 billion USD – is needed to increase nature conservation and restoration. Or, as the Dasgupta report describes:

‘Existing private financial flows that are adversely affecting the biosphere outstrip those that are enhancing natural assets, and there is a need to identify and reduce financial flows that directly harm and deplete natural assets.’ (Dasgupta, 2021, p.474)

Hence, the priority in restoring biodiversity is on halting negative impacts. The mitigation and conservation hierarchy (Figure 1 and Table 1) is often used to show the logical order of mitigating negative impacts: first to avoid, then minimise, restore and offset negative biodiversity impacts.

Figure 1 Mitigation and conservation hierarchy (Ecology by Design, 2025)

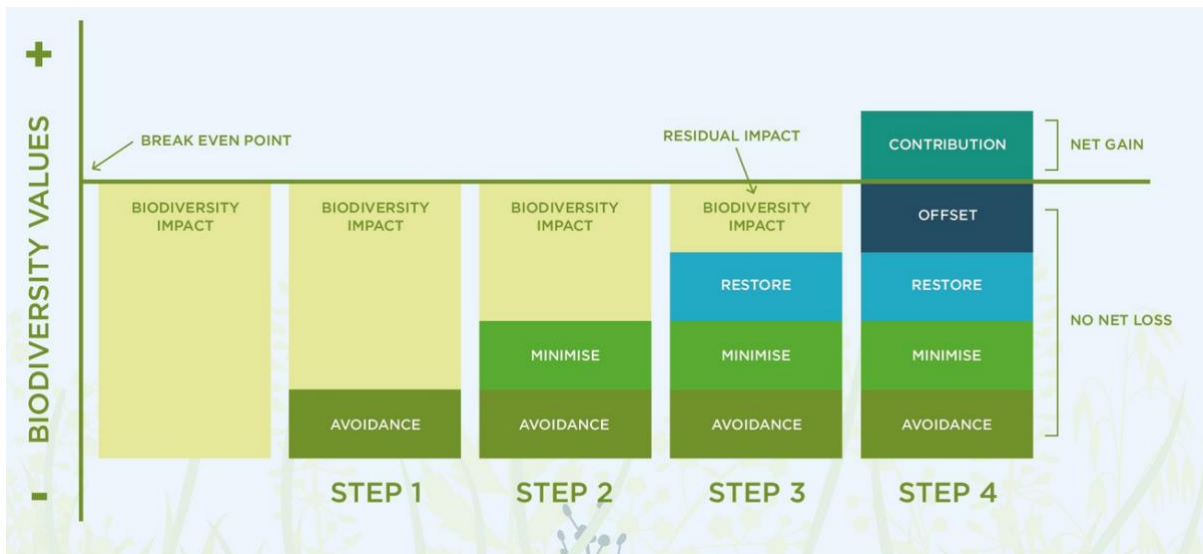


Table 1 Mitigation and conservation hierarchy examples

	Reactive impact mitigation	Proactive conservation
Avoid	Retain woodland patches on project site	Identify areas for protected area expansion
Minimise	Reduce pollutant runoff	Collectively manage polluters to prevent habitat degradation
Restore	Regenerate habitat impacted during construction	Actively restore degraded habitat areas
Offset	Restore and protect habitat offsite	Fund conservation activities in other nations
Contribution	Support community-led	Increase biodiversity

conservation initiatives	in protected areas
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In the past years, investors have become increasingly aware of biodiversity decline. Several investors took initiative to invest in nature and look for investments that restore nature. As some investments differ from current asset classes, this investor focus can lead to the set-up of an asset class specifically to invest in nature. There is a rise in financial instruments that intend to achieve a positive biodiversity impact (Kedward & Ryan-Collins, 2022). An overview by the Global Canopy (Tobin-de la Puente & Mitchell, 2021) includes for example green bonds, green lending, green equity, green microfinance, payments for ecosystem services (PES), biodiversity offsets and tradable permits, concessional debt, and guarantees. Despite its growing popularity, green finance does not meet funding needs for nature, with the Intergovernmental Panel on Climate Change (IPCC) reporting a major funding gap. Green finance needs to increase by three to six times the current levels to meet global targets (Sharma & Babic, 2025). The Global Biodiversity Framework put private sector finance forward as a source to fund the annual financing gap, specifically mentioning impact funds and other financial instruments (CBD, 2025). Flammer et al. (2025) in their overview of biodiversity finance, point out that for many deals blended finance is an important tool. This instrument “blends” private with public or philanthropic capital subsidising and de-risking private capital.

Both the overviews by the Global Canopy (Tobin-de la Puente & Mitchell, 2021) and Flammer et al. (2025), as well as Zu Ermgassen et al. (2024) point out that besides private finance, there remains a large need for government actions to decrease harmful subsidies and to increase government budgets and taxation. While private capital plays a critical role, it is most effective when aligned with and supported by strong governmental frameworks and policies. Effective public policies cannot be replaced by private capital. Investing in nature is embedded in the acting of governments to implement the Global Biodiversity Framework in local regulation and action. This provides a reference point for investors and a necessary basis for realising targets.

The problem

While the rise in investment interest in nature is motivated by positive arguments, there are also concerns. Arjaliès & Banerjee voice this concern as follows:

‘A remarkable feature of capitalism is that it can sell itself as the only reasonable solution to ecological breakdown, a problem it has created. However, solutions like emissions trading, green technologies, carbon capture and storage, circular economy, and sharing economy do not address the fundamental cause of our ecological crisis: humans’ transactional and extractive relationships with nature.’ (Arjaliès & Banerjee, 2024, p. 37)

This points to the underlying cause of biodiversity decline: the transactional and extractive practices by humans in using nature. By viewing nature as an investable category, as an asset, it may lose its inherent value. Nature enjoys intrinsic and relational appreciation, which is the key reason for its protection

(Palmer, 2023). Or, arguing more from a rights-based approach, the rights of nature and of indigenous people are inherently present and need to be respected. Wording it in more religious logic, former Pope Francis wrote in the famous *Laudato Si* (2015, 33): 'Because of us, thousands of species will no longer give glory to God by their very existence, nor convey their message to us. We have no such right.'

The process of seeing nature increasingly as a commodity or asset, is well documented in academic literature (e.g. Arjaliès & Gibassier, 2023; Hahn et al., 2015). The first step is instrumentalising nature's value to people. This is inherent to the concept of ecosystem services, e.g. the benefits that humans extract from the ecosystem, like provisioning services (e.g. food, water), regulating services (e.g. climate regulation), habitat services (e.g. maintenance of genetic diversity) and cultural and amenity services (e.g. recreation, spiritual experience) (Kennedy et al., 2023). Second comes the valuation of nature by counting physical metrics, for example in property rights and liabilities (Arjaliès & Gibassier, 2023). In many cases, it is not so easy to 'count' nature, as ecosystems are complex and change over time. A telling example is a marine ecosystem, where millions of species live and move daily. Third, a process of financialisation takes place, in which 'financial actors invest in units of conserved nature and turn these investments into financial instruments which are traded on financial markets' (Hahn et al., 2015, p. 78). Financialisation is not a process unique to nature but refers to a more general process, 'a pattern of accumulation in which profits accrue primarily through financial channels rather than through trade and commodity production.' (Krippner, 2005, p. 174). In short, it concerns paying for profit generated from financial capital and not from the real economy, so from selling and earning on products and services. In fact, this assetisation process does not only take place with nature; many 'things' are turned into assets, such as skills, relations, and public goods (Birch & Muniesa, 2020). But counting nature can be useful. Assigning it an economic value can help communicate its importance to audiences familiar with monetary terms, though expressing this value in monetary terms is not always necessary.

Assetisation becomes especially problematic when the financial structure or logic becomes more important than nature. For example, when a nature-positive investment in regenerative agriculture yields financially less than expected, this can put pressure leading to changes in the agricultural approach that increases output - but may in fact degrade nature. Another example is the conservation impact bond, studied by Arjaliès & Gibassier (2023), where the return for investors (5%) is determined based on what impact investors 'usually receive', not based on what is achieved in conservation, or a return that matches what the nature conservation activities yield.

There is a dominant tendency in which economic interests prevail over the interests of nature (Villiers, 2025). This underscores the need for principles for nature finance to serve the goal of nature conservation and restoration. The need for investors to invest in nature grows when public finance and action are lacking. This paper proposes five key principles that guide good management of nature as an asset class. In this, we take a positively critical stance to investing in nature and aim to contribute to the goals investors must set in nature conservation and restoration.

Principles for good management of investments in nature

Investing in nature is about reducing negative harm first and then providing capital for restoration and conservation. Although this paper focuses on the latter, we - as authors - acknowledge that minimising harm is the first and most profound step. We propose five fundamental principles for good management of investments in nature:

1. A biodiversity goal is set and measured in ecological values, aligning with global biodiversity goals.
2. Minimising harm to nature precedes investing in nature conservation and restoration.
3. A solid basis for realising biodiversity goals lays in establishing a theory of change and a cycle for impact management.
4. The governance and financing structure must align with realising nature conservation and/or restoration.
5. Relevant parties (stakeholders/rightsholders) must be involved.

Principle 1. A biodiversity goal is set and measured in ecological values, aligning with global biodiversity goals

This first principle secures the nature goal as the priority, rather than the financial structure. A biodiversity goal is a high-level statement of direction and ambition, including a timeframe (TNFD, 2024). In many cases, it will be possible to set a biodiversity target: a specific, quantitative and time-bound objective, preferably with a defined means of measurement (TNFD, 2024). To set a goal or target, sufficient understanding is required on how nature conservation and/or restoration can be achieved with the intended investments (see Principle 3).

In the section ‘The problem’ we describe the assetisation process of nature, where the risk is that the economic or monetary value assigned to nature becomes more important than nature itself. Some level of counting nature is needed to measure and manage the intended impact, but by setting a goal in ecological values, focus remains on realising the nature goal. For the purpose of communication (e.g. to potential investors), these values can be translated to economic or monetary values, but the goal needs to be set on the state of nature itself. As global biodiversity targets have been set in the Global Biodiversity Framework, it is good practice to relate the biodiversity goal to the goals set in this Framework. The TNFD (2024) guidance on target setting includes a range of illustrative targets for organisations, and relates these directly to the targets set in the Global Biodiversity Framework, see Table 2 for examples.

Table 2. Illustrative biodiversity targets and related GBF targets (amended from TNFD (2024)).

Illustrative targets for organisations	Related Global Biodiversity Framework targets
Number of hectares of restored area (total and added last year), target includes number to be reached by 2030.	Target 2. Ensure that by 2030 at least 30% of areas of degraded terrestrial, inland water and coastal and marine ecosystems are under effective restoration, to enhance biodiversity and ecosystem functions and services, ecological integrity and connectivity.
Agricultural land, aquaculture, fisheries and/or forestry areas under management are managed in line with internationally recognised certification by 2026.	Target 10. Ensure that areas under agriculture, aquaculture, fisheries and forestry are managed sustainably, through the sustainable use of biodiversity, including through a substantial increase of the application of biodiversity-friendly practices, such as sustainable intensification, agroecological and other innovative approaches contributing to the resilience and long-term efficiency and productivity of these production systems and to food security, conserving and restoring biodiversity and maintaining nature’s contributions to people, including ecosystem functions and services.
Share of land area of new urban developments by the organisation that are public green/blue space increased to X% by 2030 compared to Y% in 2020.	Target 12. Significantly increase the area and quality and connectivity of, access to, and benefits from green and blue spaces in urban and densely populated areas sustainably, by mainstreaming the conservation and sustainable use of biodiversity, and ensure biodiversity-inclusive urban planning, enhancing native biodiversity, ecological connectivity and integrity, and improving human health and well-being and connection to nature and contributing to inclusive and sustainable urbanisation and the provision of ecosystem functions and services

Recommendations for investors

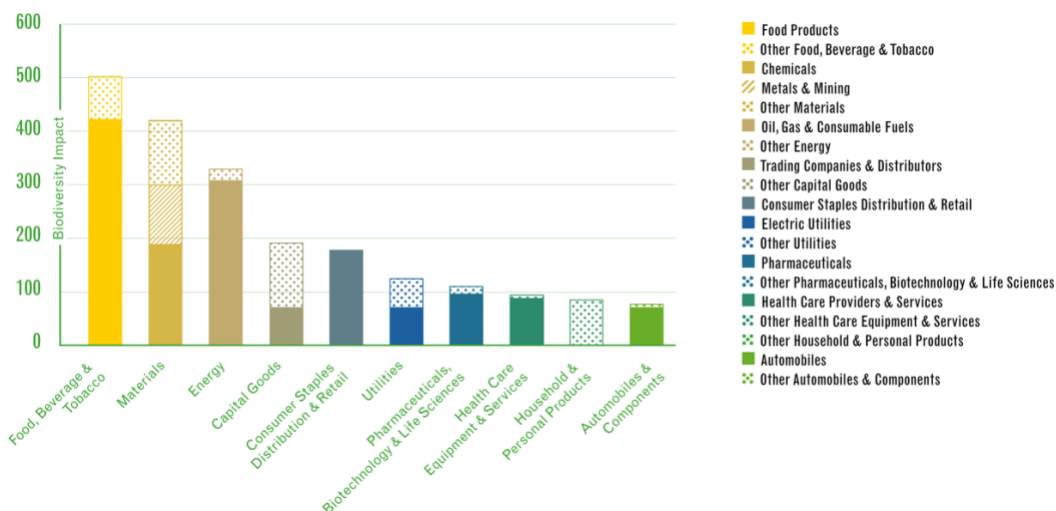
- Prioritise nature-positive outcomes over financial structuring: Ensure investment decisions are guided by clearly defined biodiversity goals aligned with the Global Biodiversity Framework, focusing on ecological outcomes rather than economic valuations.
- Demand measurable, time-bound biodiversity targets: Encourage investees to set and report on specific ecological indicators, such as hectares restored or sustainable land management practices, linked to global biodiversity targets to ensure accountability and impact.

Principle 2. Minimising harm to nature precedes investing in nature conservation and restoration

The introduction showed that the larger part of the financing gap for restoring nature lays in halting harmful activities, rather than increasing conserving and restoring activities. Nature itself has an incredible strength for recovery and growth. The reason nature is in decline is because human activities put pressures upon it. Therefore, reducing harmful activities precedes investing in nature conservation and restoration.

The IPBES (2019) report, the basis for international biodiversity negotiations, elaborates on activities that directly affect nature: fisheries and aquaculture, agriculture, forestry, harvesting plants and animals, mining, infrastructure, and tourism. A recent analysis of the top 250 companies in the MSCI World Index shows that over half (53%) of potential impact on biodiversity is concentrated in three sectors: Food, beverage & tobacco, Materials, and Energy (Finance for Biodiversity Foundation, 2024). Figure 2 provides insights per sector (GICS Industry groups and GICS Industries) based on the sum of normalised average impact scores. The Nature Action 100 initiative (2024) provides insights on 100 companies' progress, selected for their relatively large impact on nature.

Figure 2. Biodiversity impact top 250 companies MSCI World Index Finance for Biodiversity Foundation (2024)



In the past few years, several measurement approaches and databases became available to measure and analyse the (potential) biodiversity impact of investments. The Finance for Biodiversity Foundation provides overviews of these approaches for the convenience of financial institutions. Achieving the goals of the GBF in fact requires significant changes to business practices across all sectors. Investors can establish a transition plan, where they analyse exposure to sectors, companies and/or projects that

potentially harm nature, and which actions they plan to take to avoid, minimise and restore these effects (in line with the mitigation hierarchy). As the financing gap entails halting large subsidy flows to certain sectors, it is also relevant to analyse whether companies do not in fact lobby against the necessary measures to restore nature (VBDO, 2023).

In the effort to minimise harm to nature, investors must prioritise engagement and adopt divestment as a last resort. Stakeholder engagement has proven to be more effective in driving change compared to disengagement as it allows investors to influence corporate behaviour from within (Delabre et al., 2023). Firm and stakeholder cooperation is necessary in creating shared value that can drive social and environmental sustainability (Porter & Kramer, 2011; Strand & Freeman, 2015). Forms of engagement include open dialogues, setting clear environmental expectations, and encouraging transparency in reporting. When investors' engagement attempts are met with inaction from the firm, disengagement should be resorted to. Among the forms of disengagement, divestment is a powerful tool that highlights that investor support is contingent on the firm's commitment to sustainable practices (Delabre et al., 2023). This two-step approach allows investors to drive change while holding firms accountable for their harmful biodiversity impact.

Recommendations for investors

- Prioritise the reduction of harmful impacts before funding restoration efforts: Evaluate portfolio exposure to high-impact sectors (e.g., food, materials, energy) and integrate transition plans that align with the mitigation hierarchy - avoid, minimise, restore, before allocating capital to conservation initiatives.
- Adopt a two-step engagement strategy: Actively engage with companies to reduce biodiversity harm through dialogue and clear expectations, using divestment only as a last resort when firms fail to act, thereby maximising influence and accountability.

Principle 3. Improving biodiversity outcomes requires both engaging existing companies and making new impact investments based on a clear Theory of Change

Improving biodiversity outcomes requires financial decisions to be guided by a coherent and explicit Theory of Change (ToC). This means clarifying how financial inputs, whether in existing holdings or new investments, are expected to lead to ecological results. A ToC provides structure and accountability: it outlines the intended biodiversity outcomes, the actions to achieve them, the assumptions behind these actions, and the methods for monitoring and adjusting along the way (Rice et al., 2020). It prevents the risk that impact becomes a box-ticking exercise or is reduced to easily quantifiable but ecologically

irrelevant metrics (Hehenberger & Buckland, 2024). Instead, a well-articulated ToC ensures that the focus remains on real, positive change for nature.

1. Applying a Theory of Change to existing portfolios: reducing harm and enhancing positive contributions

For investors with exposure to publicly listed or mature companies, a ToC starts with assessing where harm can be reduced and where biodiversity outcomes can be improved. In sectors with large negative impacts, such as food, energy, and materials, investors should engage companies to eliminate or reduce harmful practices and encourage the adoption of nature-positive business models. This is not merely about risk reduction, but about reshaping the purpose of capital. Engagement, as aforementioned, is a key mechanism for aligning corporate behaviour with biodiversity goals. However, where sustained engagement does not lead to meaningful change, divestment remains a last-resort tool to signal unacceptability and redirect finance to better-performing entities (Delabre et al., 2023). By applying a ToC to the existing portfolio, investors clarify how their influence, whether through engagement or divestment, contributes to measurable biodiversity outcomes and avoids unintended consequences such as greenwashing or superficial compliance.

2. Making new nature-positive investments, guided by a Theory of Change

In addition to improving existing holdings, investors must allocate new capital toward projects that directly conserve or restore biodiversity. This includes financing instruments like conservation bonds, rewilding initiatives, agroecological transitions, and green infrastructure. For such investments to be effective, a detailed ToC should be established.

As outlined by Rice et al. (2020), a strong ToC for new investments includes:

- Beneficiaries: Who or what ecosystems benefit from the intervention?
- Desired outcomes: What biodiversity gains are intended?
- Context and triggers: What socio-ecological conditions must change?
- Actions and assumptions: What steps will be taken, and under what assumptions?
- Impact and financial risks: What could go wrong, and how will this be mitigated?
- Monitoring and adaptation: How will progress be tracked and strategies adjusted?

This approach ensures that investments are additional, i.e., they create outcomes that would not have occurred without the intervention. Furthermore, it allows for adaptive management through

continuous monitoring and the implementation of a “plan-do-check-act” cycle (Schaltegger et al., 2023) which is especially critical in the biodiversity domain, where ecological feedback loops are complex and non-linear.

In listed markets or when trading nature-positive bonds, additionality is harder to prove. In such cases, the focus should shift to impact risk: the risk that capital does not contribute meaningfully to environmental outcomes due to flawed design or weak execution (Thompson, 2023).

This principle underscores that whether improving existing portfolios or directing new capital, a ToC is essential. It helps investors move beyond ad hoc actions or passive impact reporting toward intentional, accountable strategies for biodiversity. By clarifying objectives, actions, and assumptions, and embedding mechanisms for learning and adaptation, a ToC provides the backbone for effective nature-positive finance.

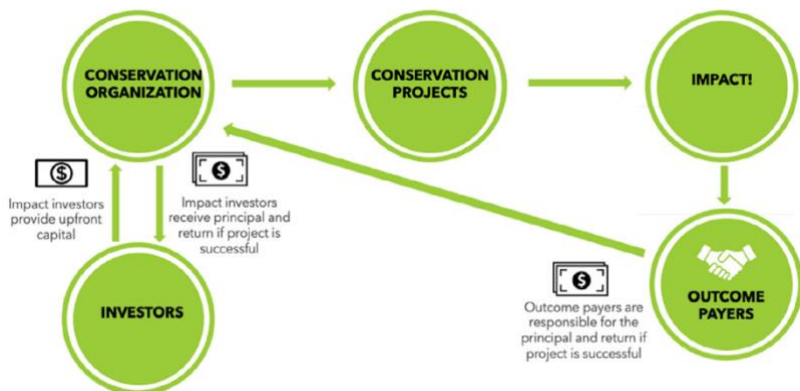
Recommendations for investors

- Improve existing company practices by engaging with high-impact firms to reduce harm to nature, using divestment only as a last resort when engagement fails.
- Make new nature-positive investments guided by a clear ToC, with continuous monitoring, risk assessment, and adaptive management to ensure real biodiversity outcomes.

Principle 4. Align governance and finance structure with nature outcomes

This principle considers the structure of investments, the financing method, and the associated governance or agency of the investor. Different financial instruments imply different levels of investor influence and accountability. Equity investors, for example, typically have long-term interests and agency as shareholders. Bondholders, in contrast, may have limited formal influence due to the fixed-term nature of bonds. Outcome-based financing models, such as payments for ecosystem services or social impact bonds, tie financial returns directly to verified environmental results (see Figure 4). These structures help prevent scenarios where investors profit without ensuring ecological success. Simplified, outcome-driven frameworks are crucial to avoid fragmented efforts where multiple financial actors benefit without guaranteeing that biodiversity goals are met. When investors hold long-term lease agreements with land users, for example, conservation measures can be contractually secured. Yet in more opaque, private structures, investor influence may be high, but transparency and ecological accountability can be lacking (Kedward & Ryan-Collins, 2022).

Figure 4. Structure of payment for ecosystem services



The duration of investments is a key consideration. Ecological restoration takes time, sometimes exceeding conventional investment horizons: it may take ‘too much time by modern investment standards’ (Dempsey & Bigger, 2019, p. 534). Misalignment between investment duration and ecological impact timelines can lead to uncertainty about the longevity of conservation outcomes (Thompson, 2023).

Despite the temporal misalignment, where conventional investment horizons often fail to accommodate the long-term nature of ecological restoration, this principle underscores the need for governance and financial structures to be intentionally designed to promote environmental outcomes and actively avoid extractive investment logic. While institutional investors like pension funds may be better suited to longer-term commitments, it is not feasible to place the burden of financing the biodiversity transition solely on them. Instead, all investors must align financial mechanisms with the extended timeframes and systemic integrity required for nature recovery. This demands a shift toward regenerative investment logic, in which capital structures and incentives support ecological resilience rather than short-term extraction (Dempsey & Suarez, 2016; Kedward & Ryan-Collins, 2022). To ensure these investments yield genuine nature-positive outcomes, transparent accountability mechanisms, such as publicly disclosed impact metrics, third-party verification of biodiversity results, and standardised reporting frameworks, must be embedded across financial structures. This is particularly crucial in contexts where investor influence is limited or indirect. The Taskforce on Nature-related Financial Disclosures (TNFD, 2024) highlights the importance of science-based, decision-useful indicators tailored to local contexts to assess nature-related impacts. Without transparency and traceability, nature-based investments risk becoming vehicles for reputational greenwashing rather than instruments of ecological restoration (Busch et al., 2021).

Recommendations for investors

1. Select governance and financing structures that support long-term ecological outcomes and provide appropriate influence or agency, depending on the nature of the investment.

2. Ensure alignment between impact timelines and investment duration, recognising that ecological restoration may require longer timeframes than conventional financial instruments typically allow.
3. Establish transparent accountability mechanisms to monitor and report nature impacts, ensuring that all investors, regardless of their level of influence, are accountable for the nature outcomes.

Principle 5. Relevant parties (stakeholders/rightsholders) must be involved

In prioritising the conservation and restoration of biodiversity, the proposed principles should guide financial structures to nurture the relationship between humans and nature rather than exploiting it (Villiers, 2025). One way to achieve this is by ensuring that the financialisation of nature recognises and respects the rights of all relevant rights-holders and stakeholders.

Rights-holders are defined individuals or groups with recognised claims over resources or land, including Indigenous Peoples and local communities (UNESCWA, 2025). Target 22 of the GBF calls for inclusive participation in decision-making, respecting the rights of Indigenous Peoples, local communities, women, youth, and marginalised groups (CBD, 2025). Involving these rights-holders ensures the legitimacy of decisions that affect ecosystems, allowing for governance that is inclusive and equitable (Leenders & den Besten, 2023).

Recognising and including the rights of these right-holders in the governance frameworks of nature-related financial mechanisms is critical for biodiversity conservation. Governance models often overlook the complex and varied conceptions of land and resource ownership across cultures. As Arjaliès & Banerjee (2024) emphasise, for these communities, land is not just a commodity but a spiritual, cultural, and collective asset. By coupling Indigenous and Western knowledges through a Two-Eyed Seeing approach, there can be a shift in how land is envisioned (Arjaliès & Banerjee, 2024). This approach allows for a wider range of perspectives to be included in decision-making, especially from those who view nature not as a resource to be extracted from, but as a living system with its own value and a vital connection to human communities. By embracing a regenerative vision of capital over an extractive one, this approach moves decision-making beyond purely financial motives, promoting collective interests, Indigenous resurgence, and the restoration of ecosystems.

Isolated efforts, where different groups or organisations work on biodiversity challenges independently without coordination, have led to conflicting policies and missed opportunities for broader impact (Gimenez, 2024). In response, a whole-of-society or 'nexus' approach, one that includes diverse stakeholders, is championed across multiple sources to ensure nature-based solutions are both effective and just (Ecoculture Partners, 2023; Leenders & den Besten, 2023). Nature investments should involve

civil society across landscapes and sectors, with advisory bodies that include private and public sector actors, financial experts, government representatives, NGOs, and Indigenous groups to strengthen decision-making (Arjaliès & Banerjee, 2024). The IPBES Nexus Report highlights the urgent need to address the interlinked crises of biodiversity, water, food, health, and climate for transformative change. The report states that inclusive, integrated governance is fundamental to overcome siloed institutions and fragmented responses and to align action across sectors for ecosystem resilience (Gimenez, 2024).

Recommendations for investors

- Ensure inclusive governance in nature-related investments: Actively involve rights-holders, such as Indigenous Peoples, local communities, women, and youth, in decision-making processes to uphold legitimacy, equity, and alignment with Global Biodiversity Framework Target 22.
- Adopt a ‘whole-of-society’ approach to investment planning: Structure biodiversity investments with advisory input from diverse stakeholders (e.g. civil society, Indigenous leaders, NGOs, and public/private sector actors) to enhance ecosystem resilience and avoid fragmented or conflicting actions.

Conclusion

Nature conservation is now high on the global policy agenda, and financing nature has become just as important as financing climate solutions. But there is a clear tension: financial markets aim for high returns, while nature needs long-term care and protection. Without clear rules, there is a real risk that financial goals will come before nature goals.

To help avoid this, this paper offers five principles that allow investors to put nature first. These principles guide investors to focus on reducing harm, setting clear ecological goals, using responsible governance and financing structures, and involving local communities and rights-holders. They also help distinguish between improving current business practices and investing in new, nature-positive projects. A coherent Theory of Change lies at the heart of this: it helps investors act intentionally, plan for impact, and ensure accountability.

If followed, these principles can ensure that financial investments truly support the restoration and conservation of nature. As nature becomes more connected to the financial world, it is essential that finance becomes part of the solution, not part of the problem.

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