

SPRING: A PRI STEWARDSHIP INITIATIVE ON NATURE

INTRODUCTION

The worldwide deterioration of nature is a source of material risk for institutional investors, as long-term value creation is dependent on a wide range of ecosystem services. To help mitigate this systemic risk, PRI is developing a new collaborative stewardship initiative on nature. This initiative will convene a group of investors to use their voice and influence to drive positive outcomes for nature. The initiative aims to maximise the investment community's contribution to the global goal of halting and reversing biodiversity loss by 2030, including commodity-driven deforestation. By addressing biodiversity loss, the initiative also aims to contribute to other sustainable development goals, including mitigating and adapting to climate change and advancing human rights. In line with PRI's [Active Ownership 2.0](#) framework, the initiative intends to contribute to positive real-world and system-level outcomes, centred around common goals and collaborative action.

[Spring – a PRI stewardship initiative on nature](#) focuses in its first phase on forest loss and land degradation as a key driver of biodiversity loss. Multiple interventions are needed to successfully decouple economic activity from deforestation, conversion and associated human rights abuses (including abuses of indigenous peoples' rights). These interventions include, but are not limited to, the responsible production and sourcing of forest-risk commodities¹, and the adoption and implementation of supportive public policies. Responsible political engagement from companies can help enable such public policies. Spring intends to engage companies that have an influential voice in shaping public policies relating to deforestation dynamics, either through their direct political engagement or indirectly through their membership in or association with trade associations, think tanks and similar bodies.

This investor statement outlines the initiative's high-level views on the need for action and its expectations of companies. Endorsers of this investor statement publicly support the initiative but retain complete discretion over whether and how to support any given engagement activity. The expectations outlined in this investor statement are aligned to those of other collaborative engagement initiatives. This includes (but is not limited to) [Nature Action 100](#), [Investor Policy Dialogue on Deforestation](#) and [Finance Sector Deforestation Action](#).

¹ Forest-risk commodities are understood here as both agricultural commodities (e.g. cattle, wood, palm oil, soy, rubber, coffee and cocoa) and mineral commodities that originate from forested areas.

INVESTOR STATEMENT

THE NEED FOR URGENT ACTION

Biodiversity, and the ecosystem services it supports (e.g., pollination, food production, infectious disease control, carbon sequestration, coastal protection) underpin our financial and economic systems. The investment value chain, and our ability to optimize overall returns to end clients and beneficiaries, depends on and impacts biodiversity and ecosystem services. The planetary crisis – encompassing climate change, biodiversity loss, and pollution – therefore presents a systemic risk with material impacts for institutional investors.

With an unprecedented loss of biodiversity occurring globally, and over one million species threatened with extinction², urgent action is needed. The [Paris Agreement](#) (2015, adopted by 196 countries) and the [Kunming-Montreal Global Biodiversity Framework](#) (2022, adopted by 188 countries) have provided governments and non-state actors with frameworks for action that include overarching goals and targets³. Full implementation of these landmark agreements is essential to global economic and social prosperity. Given its importance for long-term financial performance, our core duty as investors includes addressing the systemic, physical and transition risks stemming from biodiversity loss in line with internationally agreed frameworks.

Forest loss and land degradation has been identified as an important driver of biodiversity loss and is responsible for a significant share of global CO₂ emissions.⁴ The [Glasgow Leaders' Declaration on Forests and Land Use](#) (2021, adopted by 145 countries) highlighted the need to halt and reverse forest loss and land degradation by 2030 to meet global climate, biodiversity and sustainable development goals. Forest loss and land degradation also presents reputational, legal, market and systemic risks for investors.

We recognise the role that we as investors can play to halt and reverse forest loss and land degradation as a key driver of biodiversity loss, including through investor stewardship.

We acknowledge the potential of collaborative engagement initiatives to enhance corporate practices regarding nature and reduce risks to our investments. We support collaborative investor action to clarify expectations of companies and other stakeholders and will look for opportunities to work with companies and other stakeholders to meet those expectations.⁵ Each endorsing investor shall make individual decisions around (proxy) voting, escalation and any use of investment powers, but we nonetheless support ambitious collaborative stewardship activities that target positive change.

² <https://www.ipbes.net/global-assessment>

³ In particular Article 2.1c of the Paris Agreement and Target 14 of the Global Biodiversity Framework that mandate alignment of all financial flows with the missions of the two frameworks.

⁴ Forest loss and land degradation is understood here as the conversion of natural lands, where conversion is defined as the “change of a natural ecosystem to another land use or profound change in the natural ecosystem’s species composition, structure, or function” (<https://accountability-framework.org/use-the-accountability-framework/definitions/>). The AFOLU sectors are responsible for 13% of global CO₂ emissions. https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Chapter_07.pdf.

⁵ Each endorsing investor shall abide by applicable PRI terms of reference, policies and guidelines, their own antitrust/competition compliance policies, and all applicable laws in their jurisdiction(s) potentially applicable to joint action.

EXPECTATIONS OF COMPANIES

BUSINESS OPERATIONS, STRATEGY AND RISK MANAGEMENT

- Publicly commit to take action to halt and reverse biodiversity loss by 2030, in line with the Global Biodiversity Framework.
- Establish Board oversight of assessing and managing nature-related dependencies, impacts, risks and opportunities.
- Regularly monitor, assess, disclose and mitigate⁶ nature-related dependencies, impacts, risks and opportunities along operations and value chain. Seek alignment with internationally agreed disclosure frameworks such as the Taskforce on Nature-related Financial Disclosure (TNFD).
- Set ambitious time-bound and science-based targets, with interim milestones, towards eliminating deforestation and biodiversity loss across operations and value chain.⁷
- Adopt sustainable practices for land-based operations to reduce land degradation while increasing biodiversity and soil health, in line with the UN's Land Degradation Neutrality Principles.

SUPPLY CHAIN MANAGEMENT

- Set goals towards no-deforestation, no-conversion of natural ecosystems and respect for human rights as part of responsible sourcing policies, across geographies and direct and indirect suppliers. Apply internationally agreed definitions and cut-off dates for such goals.⁸
- Establish due diligence company systems to implement these goals.
- Map, assess and monitor risks throughout the full supply chain of forest-risk commodities, ensuring an appropriate scope of responsible sourcing policies and managing for compliance.
- Consider suitable escalation strategies in case of non-compliance.
- Publicly report progress towards company goals, disclose (non-)compliance of supply chain partners with responsible sourcing policies, and ensure accuracy in claims about company performance.

POLITICAL ENGAGEMENT

- Publicly commit to align direct and indirect political engagement activities with the missions of the Global Biodiversity Framework and Paris Agreement.⁹
- Establish and disclose robust governance processes and board oversight to ensure alignment of all direct and indirect political engagement, in all geographic regions, with those missions.
- Disclose affiliations to trade associations, think tanks and similar bodies across geographies.
- Identify, assess, and monitor the policy positions and activities of such bodies. Where there is misalignment with the aforementioned missions, consider corrective action, with suitable escalation strategies.

⁶ Mitigation should take place according to the mitigation hierarchy principles, with prioritisation of avoidance, minimisation, restoration, and only as a last resort compensation and offsetting. <http://www.csbi.org.uk/our-work/mitigation-hierarchy-guide/>

⁷ 2025 is the Accountability Framework's recommended target date for eliminating deforestation and ecosystem conversion, with the Glasgow Leaders Declaration on Forests and Land Use committing to working to halt forest loss and land degradation by 2030. Implementation towards these goals should be underway or commence immediately.

⁸ See definitions from the Accountability Framework: <https://accountability-framework.org/use-the-accountability-framework/definitions/>

⁹ For further information on alignment with the Paris Agreement, see the Global Standard on Responsible Corporate Climate Lobbying <https://climate-lobbying.com/>. Its principles are also applicable to alignment with the Global Biodiversity Framework.