

A lush green forest scene with tall trees and sunlight filtering through the canopy, creating a bright sun flare on the right side.

bioSFer

Committed to Nature

KfW

Contents

3	Foreword Acting responsibly – embracing opportunities	12	KfW recognises its responsibility
4	Persistent biodiversity loss	14	bioSFer Committed to Nature
5	Causes of biodiversity loss	23	Abbreviations
6	We can still reverse the trend	24	References
7	GBF as a global framework Living in harmony with nature	25	Endnotes
8	Identifying opportunities Leveraging economic potential	26	Imprint
11	Double materiality for banks		



Disclaimer

This paper does not fall within the regulatory or statutory reporting obligations of KfW Group. Nor does it constitute an offer to enter into a contractual relationship or an invitation to submit an offer. Rather, its sole purpose is to provide information about KfW's intended positioning on the issue of biodiversity and about the activities that KfW intends to pursue in the context of developing a biodiversity strategy. No legal entitlement to binding implementation can therefore be derived from the position paper.

The facts presented herein have been carefully selected and reviewed to the best of KfW's knowledge and belief. In particular, KfW assumes no obligation to update the data and statements contained in this paper. Insofar as legally permissible, KfW also excludes liability for any damage caused by the use of the information provided. All texts, images, graphics, brands and logos are protected by copyright and exploitation law.



Foreword

Acting responsibly – embracing opportunities

Dear readers,

Biodiversity on our planet is not only a valuable asset; it is the essential foundation for our economic stability and the well-being of humanity. The challenges we face are diverse: the loss of habitats, climate change, and the overexploitation of natural resources necessitate a shift in thinking – including within the financial sector.

As a bank, we have a responsibility to incorporate environmental and social aspects into our decision-making alongside economic considerations. This is the only way we can make a contribution to a sustainable future, for both current and future generations.

KfW Group is committed to sustainably improving living conditions. However, this goal can only be achieved if we work together to counteract the ongoing loss of biodiversity.

We see significant opportunities here: decisive action not only benefits nature, it also enhances the resilience of our economy, which is significantly reliant on nature.

In order to turn the challenges in biodiversity into opportunities for nature, the economy, our customers and ourselves as a bank, we launched the bioSFer project. The aim is to lay the foundation for actively contributing to a life in harmony with nature by 2050.

This position paper sets out what we have planned with bioSFer.

I hope you enjoy reading it.

Jürgen Kern, *Chief Sustainability Officer of KfW*



Persistent biodiversity loss

Biodiversity – every species counts!

At night, this little creature rustles through the undergrowth of our gardens. The hedgehog. However, in 2024, the Western European hedgehog was placed on the International Union for Conservation of Nature (IUCN) Red List as “Near Threatened”.¹ Over the last ten years, its population in Europe has declined by up to 50%. One of the primary causes is the degradation of rural habitats due to roads, urban development and the intensification of agriculture.

As an important part of the ecosystem, the hedgehog helps to maintain the natural balance. Through its varied diet – including insects, beetles and snails – it regulates animal populations and promotes species-rich flora and fauna. A downturn in hedgehog populations can disrupt this balance and in turn affect biodiversity.

Like the hedgehog, each species of animal and plant has its own role to play in the ecosystem. The extinction of a species is irreversible and can disrupt the ecological balance. Biodiversity, on the other hand, increases the robustness of ecosystems to external factors. It is therefore crucial to preserve the diversity of all living animal and plant species, as well as that of fungi, bacteria and microorganisms. The hedgehog is just one example of a species worthy of protection. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), an estimated one million species – out of a total of around eight million – are threatened with extinction worldwide.² More recent estimates even suggest still higher figures.³

There is immense pressure on biodiversity, and consequently on the stability of ecosystems. The loss of biodiversity associated with ecosystem collapse is ranked as the second-largest global risk to humanity in the next ten years.⁴

Causes of biodiversity loss

Five direct drivers

IPBES identifies five key direct drivers for the increase in biodiversity loss.⁵ These are largely human-driven changes.

- 1 Land/sea use change, particularly due to agriculture, forestry and urbanisation
- 2 Direct exploitation of natural resources, including through harvesting, deforestation, hunting and fishing
- 3 Persistent climate change
- 4 Pollution of air, water and soil
- 5 Spread of invasive alien species.

The direct drivers, in turn, are influenced by global demographic and sociocultural, economic and technological trends, institutions and governance, as well as conflicts and epidemics, which together are referred to as indirect drivers.

Indirect drivers

Demographic and sociocultural

Economic and technological

Institutions and governance

Conflicts and epidemics

Direct drivers



Land/sea use change



Direct exploitation



Climate change



Pollution



Invasive alien species



Nature, biodiversity, ecosystems and ecosystem services – how are they linked?

The Taskforce on Nature-related Financial Disclosures (TNFD) follows IPBES in defining nature as the natural world.^{6,7} This includes, in particular, the diversity of living organisms, including humans, as well as their interactions with each other and with their environment. Biodiversity is a subset of “nature”. It comprises the living part of nature and consists of three components: diversity within species, between species and of ecosystems.⁸ Functioning ecosystems contribute directly to human well-being by providing ecosystem services. Examples of these services include clean water, clean air for breathing, soil fertility, security of food supply, medical resources, building materials and much more.⁹ It follows that intact ecosystems are a prerequisite for survival, well-being and prosperity.

Figure 1: Direct and indirect drivers of biodiversity loss

We can still reverse the trend

“Bending the Curve”

Life on earth is not possible without biodiversity. Yet biodiversity loss has been accelerating for decades. However, model-based analyses show that it is possible not only to stop this trend, but even to reverse it (see Figure 2).¹⁰ Doing so requires rapid, ambitious and jointly coordinated efforts. According to estimates, additional expenditure of around USD 700 billion per year on average is needed worldwide to conserve biodiversity.¹¹

The signatory states of the Kunming-Montreal Global Biodiversity Framework (GBF) have also adopted the goal of reversing the trend as part of their vision of “a world of living in harmony with nature, where by 2050 biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people”.¹² Concrete action is now needed at all levels to achieve this ambitious vision.

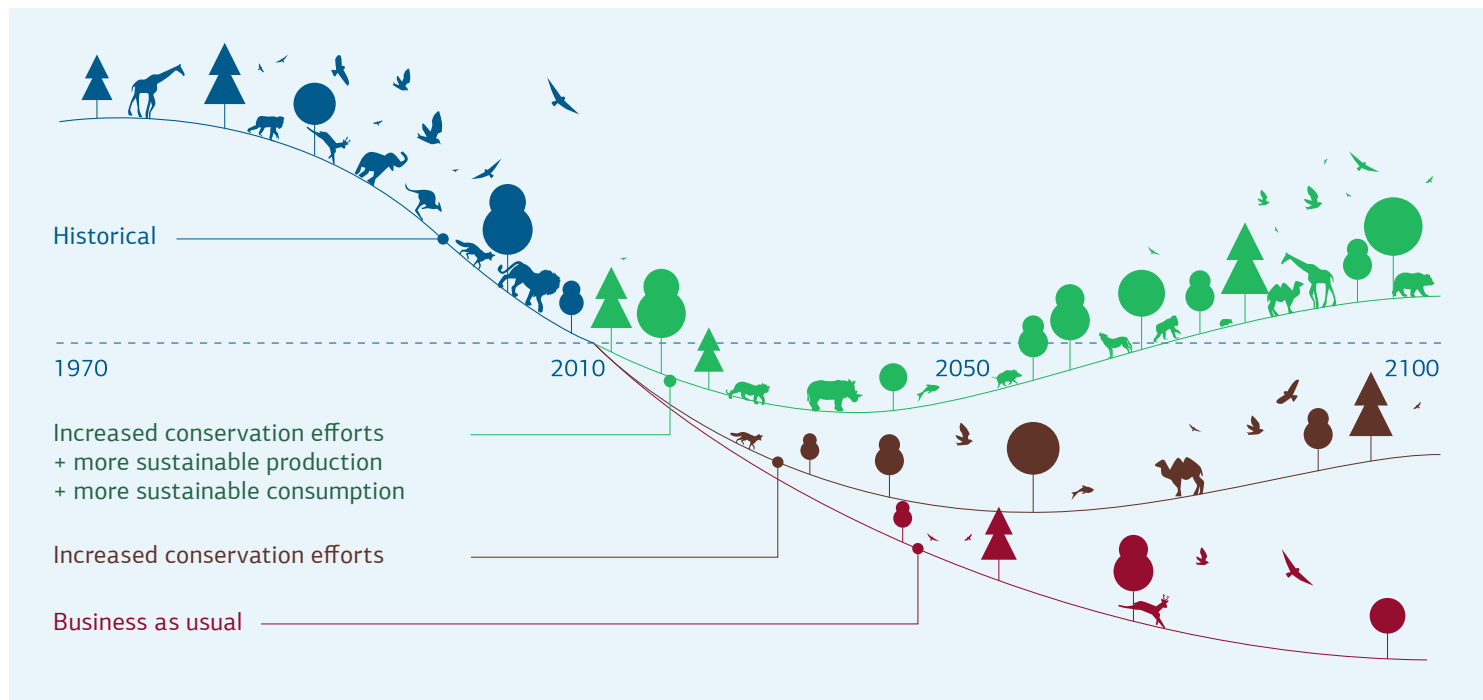


Figure 2: Progression of biodiversity loss depending on actions taken¹⁴



Climate and biodiversity

The two most pressing challenges of our time – climate change and biodiversity loss – are closely linked through causes and effects.¹³ For example, the consequences of human-caused climate change, such as rising temperatures, water scarcity or extreme weather events, are putting significant pressure on local ecosystems and intensifying the loss of biodiversity. At the same time, ecosystems destroyed by humans, such as cleared forests or dried up peatlands, significantly exacerbate climate change, as these environments are no longer able to function as carbon sinks. In turn, effective measures to protect nature and restore biodiversity also benefit the climate. The restoration of carbon sinks, such as forests or coral reefs, can help mitigate climate change. Given these dependencies and interactions, as well as potential conflicts of objectives, it is reasonable to address climate and biodiversity issues in a holistic manner.

GBF as a global framework

Living in harmony with nature



Kunming-Montreal Global Biodiversity Framework

The Kunming-Montreal Global Biodiversity Framework (GBF) was adopted during the fifteenth meeting of the Conference of the Parties in Montreal in 2022.¹⁵ The central goal of the GBF is to halt and reverse biodiversity loss and to achieve life in harmony with nature by 2050. The GBF is setting four long-term goals for 2050 and 23 action-oriented targets for 2030. Central points of action include the protection and restoration of nature, the reduction of threats to biodiversity, the sustainable use of natural resources, and the equitable sharing of benefits for example arising from the utilisation of genetic resources.

One of the targets is that by 2030 at least 30% of the world's terrestrial and water areas are effectively conserved. States also agreed to jointly invest USD 200 billion per year in the protection of biodiversity

worldwide by 2030. Countries in the Global South are to be provided with financial support. Appropriate incentives are to be created for companies and financial institutions to monitor and disclose risks and impacts on biodiversity.

Financial institutions play an important role in the implementation of the investment goals – for instance by offering targeted financing opportunities or mobilising additional private capital. They can also contribute to reducing the negative impacts of financing on biodiversity and to more closely integrating biodiversity considerations into financial and economic decisions.

The goals of the GBF are now to be integrated into the respective national biodiversity strategies.



Identifying opportunities

Leveraging economic potential

A substantial financial gap

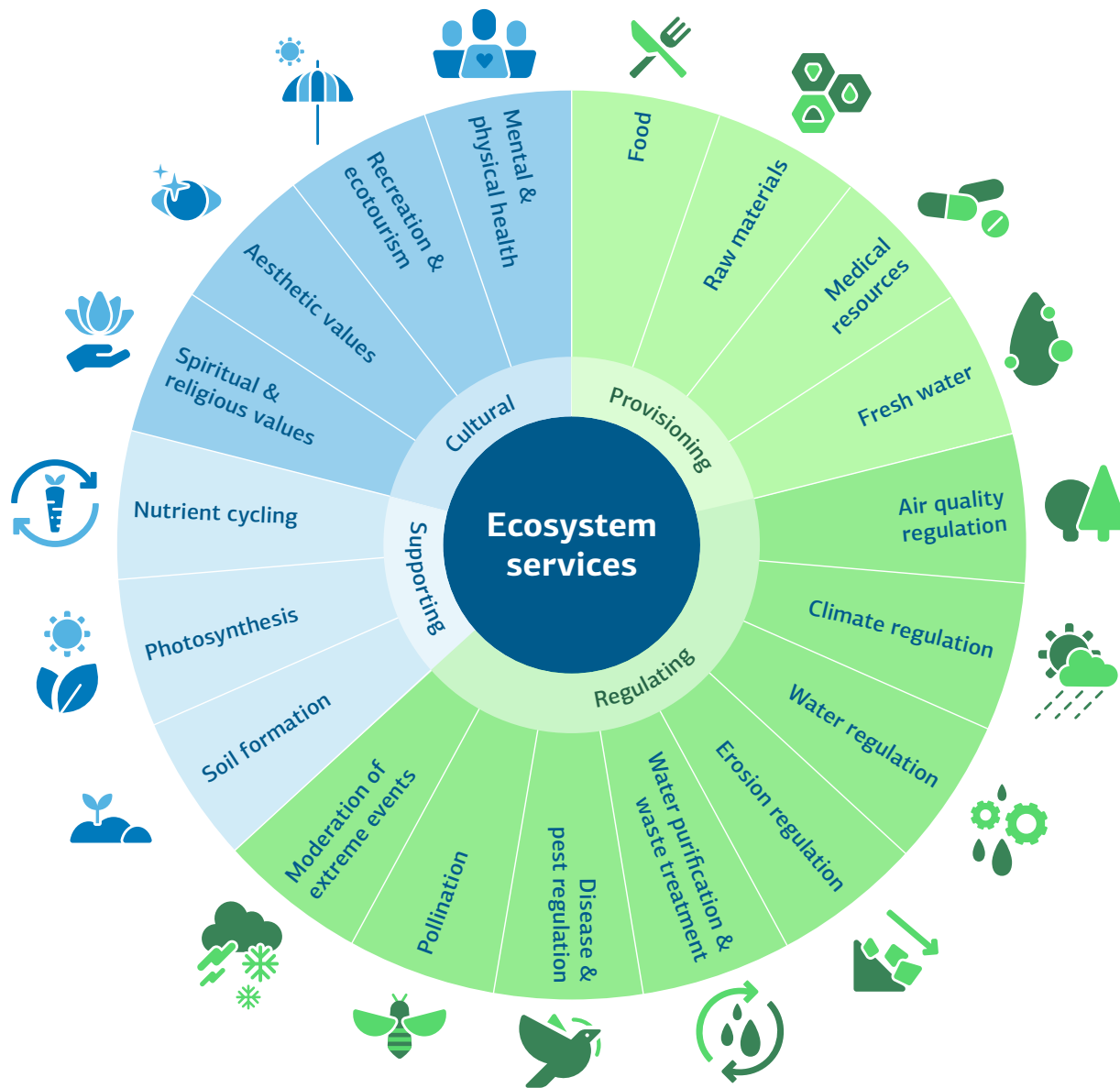
The economic value of nature is immense. It provides numerous ecosystem services, for example timber as a raw material for the construction industry or natural compounds for the pharmaceutical sector (see [page 9](#)). Our economic performance depends on these services: more than half of global economic output is moderately or highly dependent on ecosystem services.¹⁶

Nature provides these ecosystem services worldwide free of charge. Their monetary value can only be estimated at approximately USD 170 to 190 trillion per year.¹⁷ The impairment of ecosystem services caused by biodiversity loss can place a significant burden on the economy.

Even the loss of individual ecosystem services – such as wild pollination, the provision of food from marine fisheries, or timber from native forests – could lead to a noticeable decline in global gross domestic product.¹⁸

The conservation of biodiversity is therefore of central importance. However, as already noted, there is an estimated average financing gap of around USD 700 billion per year.¹⁹ This gap cannot be closed through public funds alone. Additional mobilisation of private capital is required – as explicitly stipulated in target 19 of the Global Biodiversity Framework.





Ecosystem services²⁰

Ecosystem services refer to the contributions made by ecosystems to human well-being – that is, services and the goods that provide humans with direct or indirect economic, material, health or psychological benefits.

They can be divided into four groups:

- 1 Provisioning services:** Provision of resources such as food, wood and water
- 2 Regulating services:** Natural processes that regulate the climate, filter water, control pests and improve air quality
- 3 Supporting services:** Fundamental ecological processes that enable other ecosystem services, such as soil formation and nutrient cycling
- 4 Cultural services:** Non-material values that people derive from nature – such as recreation, aesthetic values, spiritual experiences and education

Figure 3: Ecosystem services²¹



Leveraging potential

Nature benefits from decisive action, which at the same time strengthens the resilience of the economy and opens up concrete business opportunities from a global economic perspective. The World Economic Forum estimated this potential as of 2020 to be USD 10 trillion, coupled with the potential to create 395 million jobs by 2030. The areas examined were “Food, land and ocean use”, “Infrastructure and the built environment” and “Energy and extractives” (see Figure 4).²²

Leveraging these potentials requires the interaction of various actors. Banks can take on a guiding role in this context – for instance, by offering appropriate financing solutions to realise these biodiversity-related business opportunities. They can also play a significant role in raising awareness of biodiversity within society and the economy, particularly through dialogue with their customers and partners.

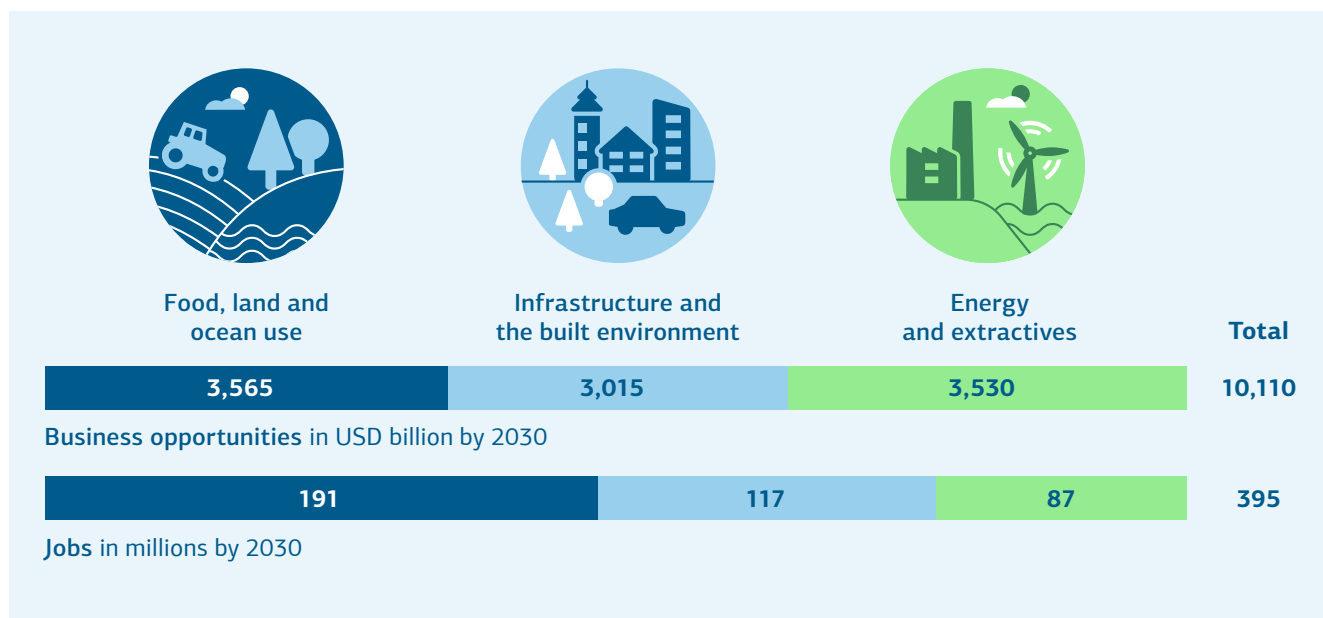


Figure 4: Business opportunities in the transition²⁴



Biodiversity-related opportunities for business

Opportunities that may arise from the perspective of individual companies can be classified, for example, as follows.²³

Scape-based opportunities can be achieved through targeted measures to protect, sustainably use or restore landscapes, habitats or ecosystems. These opportunities focus on strengthening local biodiversity. An example of this is a peatland rewetting project, which not only promotes biodiversity but also makes a significant contribution to combating climate change by reducing CO₂ emissions.

Market-based opportunities arise when companies recognise economic potential in biodiversity-promoting activities. They are based on market mechanisms, regulatory frameworks or business innovation, for example through new financing or investment models for start-ups that develop technologies to reduce pesticide use in agriculture.

Operation-based opportunities refer to activities within a company's own operations or along the supply chain that reduce negative impacts on nature. Examples include more environmentally friendly and circular production methods, such as the switch to recyclable packaging.

Double materiality for banks

Many banks recognise their responsibility to support the transformative change towards a sustainable world. In this context, two perspectives are relevant.²⁵

Inside-out: Impacts

The business activities of financial institutions can have both positive and negative impacts on biodiversity through the projects and activities they finance. Financing activities to protect or restore ecosystems have positive impacts on biodiversity.

However, many financed projects, such as infrastructure projects, have potentially unintended negative impacts on biodiversity. In order to increase the positive contribution of financing to the conservation of biodiversity while simultaneously avoiding, wherever possible, minimising or offsetting negative impacts, robust classification approaches as well as clear requirements for the Environmental and Social Appraisal are crucial.

Outside-in: Risks and dependencies

The indirect dependency of banks on ecosystem services is high. According to estimates, 75% of loans granted in the euro area are allocated to companies that are highly dependent on at least one ecosystem service.²⁶ Any decline in ecosystem services as a result of the progressive loss of biodiversity may therefore affect the risk position of banks via its borrowers. Therefore, it is essential for banks to establish an appropriate biodiversity-related risk management.



Regulatory requirements for banks

The regulatory landscape related to biodiversity is dynamic. Financial institutions face numerous requirements to consider biodiversity when designing business activities and processes. For example, the Corporate Sustainability Reporting Directive (CSRD), together with the European Sustainability Reporting Standards (ESRS), extends the requirements for sustainability reporting in terms of biodiversity for companies in the European Union (EU). The EU Taxonomy also considers biodiversity aspects, and the upcoming Corporate Sustainability Due Diligence Directive (CSDDD) will as of now integrate biodiversity into corporate due diligence requirements.

Furthermore, the European Banking Authority (EBA), in its guidelines on the management of environmental, social, and governance (ESG) risks, requires large financial institutions to gradually integrate biodiversity risks into their risk management processes.

In light of these developments, it is crucial that financial institutions engage with the new requirements at an early stage, continuously monitor the dynamically evolving environment, and adapt their business activities as necessary.

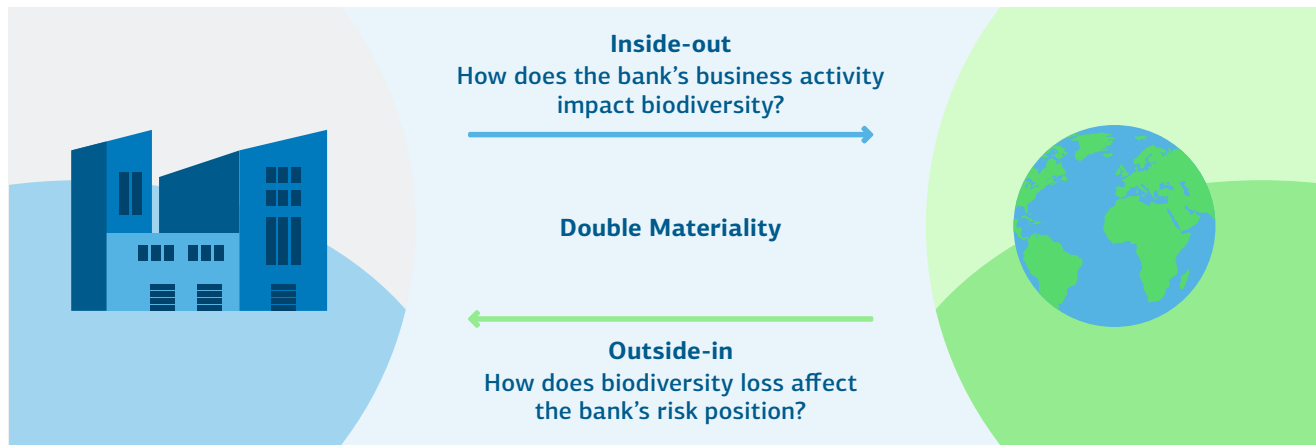


Figure 5: Double materiality

KfW recognises its responsibility

A good starting position

Portfolio already includes biodiversity protection

KfW Group already supports projects in sectors that, according to the World Economic Forum, can play a central role in the transition towards more biodiversity – for example in the areas of sustainable forestry, marine conservation or the promotion of nature in urban spaces.

With an active portfolio of around EUR 4.5 blions, KfW is already one of the [largest financiers of biodiversity conservation worldwide](#). For many years, KfW Development Bank has been making a significant contribution to protecting nature on behalf of the German Federal Government. For example, it supports more than 800 conservation areas in around 70 countries covering a total area of approximately 2 million square kilometres. This corresponds to around five times the area of Germany. The bank also contributes to sustainable forestry, agriculture and fishing.

Furthermore, KfW is actively implementing the [Action Plan on Nature-based Solution](#) for Climate and Biodiversity of the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear

Safety. Various programmes for municipalities and businesses support measures such as the removal of surface sealing or renaturation projects. The aim of the action plan is to improve the general condition of ecosystems in Germany and thereby enhance their resilience and climate mitigation performance. In addition, KfW is already providing financing that

counteracts significant causes of biodiversity loss, for example in the area of the circular economy.

Last but not least, KfW has firmly embedded the topic of biodiversity in its [Green Bond Framework](#) for the issue of its own green bonds.



Circular economy and biodiversity

Our current production and consumption patterns contribute to biodiversity loss, including through the overexploitation of natural resources and environmental pollution. Leading international environmental organisations underline that a sustainable design of our production and consumption system, including the value chains of products, is essential to stop biodiversity loss and combat climate change.²⁷ Such a transformation is the main objective of the circular economy, which follows the principle of keeping materials and products in circulation for as long as possible, maximising their value throughout the entire life cycle and recycling them at the end of this cycle.²⁸

Processes established to avoid negative impacts

To fulfil its promotional purpose, while at the same time appropriately taking into account environmental and social concerns in its financing activities, KfW has already established the necessary requirements and processes.

To this end, it uses a group-wide [exclusion list](#) that excludes new financing in defined sectors. Additionally, specific [guidelines](#) at business-unit level establish processes for the environmental and social appraisal process, which serves to identify potential negative impacts of a project to be financed – including impacts on biodiversity – and to define avoidance or mitigation measures.

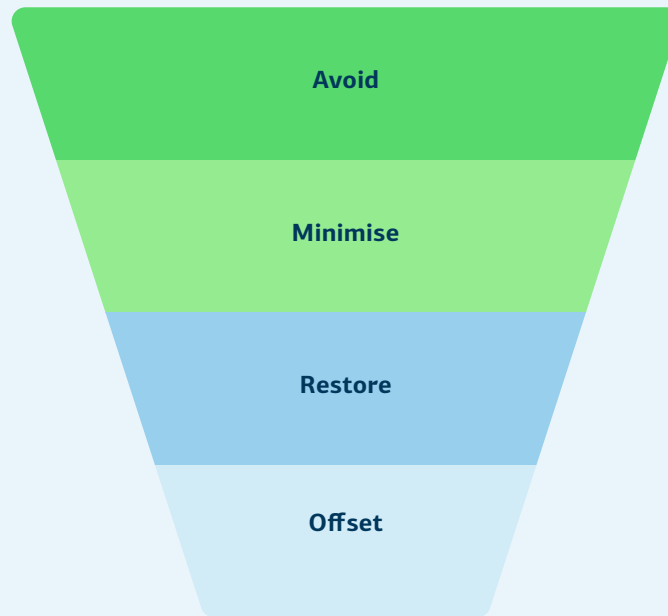


Figure 6: Mitigation hierarchy in accordance with “Good International Industry Practice”



Elements of an Environmental and Social Appraisal and the mitigation hierarchy

The aim of an Environmental and Social Appraisal is to identify and assess potential negative impacts of projects on people and the environment and to avoid, wherever possible, or minimise them through suitable measures. Typically, the appraisal begins with a screening for potential environmental and social risks and impacts associated with a project. As a result, the project is assigned to an environmental and social risk category that determines the scope and depth of the appraisal. If the project has deficiencies in terms of compliance with national or international environmental and social standards, measures to remedy these are defined. The measures established are implemented and their effectiveness is monitored.

The Environmental and Social Appraisal typically applies internationally recognised environmental and social standards, such as the IFC Performance Standards or the World Bank’s Environmental and Social Standards (ESS). Biodiversity is assigned significant importance in these standards; consequently, it is addressed through a dedicated standard. The underlying principle is the concept of the “mitigation hierarchy”. According to this hierarchy, the primary goal is to avoid negative environmental impacts. If avoidance is not possible, the impacts should be minimised as far as possible. If harm occurs, such as to ecosystems, this must be restored or offset elsewhere.

bioSFer

Committed to Nature

Launch of the bioSFer project

KfW intends to build on its solid starting position. To this end, it launched the bioSFer project in 2025. The aim of bioSFer is to lay the foundation for actively contributing to the recovery of biodiversity and to living in harmony with nature by 2050.

The core element of bioSFer is the development of a biodiversity strategy for KfW Group. The preparatory work and analyses were completed in 2024 as part of KfW's biodiversity roadmap. These were used as the basis to define the priority topics for bioSFer.

bioSFer contributes directly to the [KfWplus transformation agenda](#) in the "Climate & environment" action area, thereby complementing the strategic direction of KfW Group.

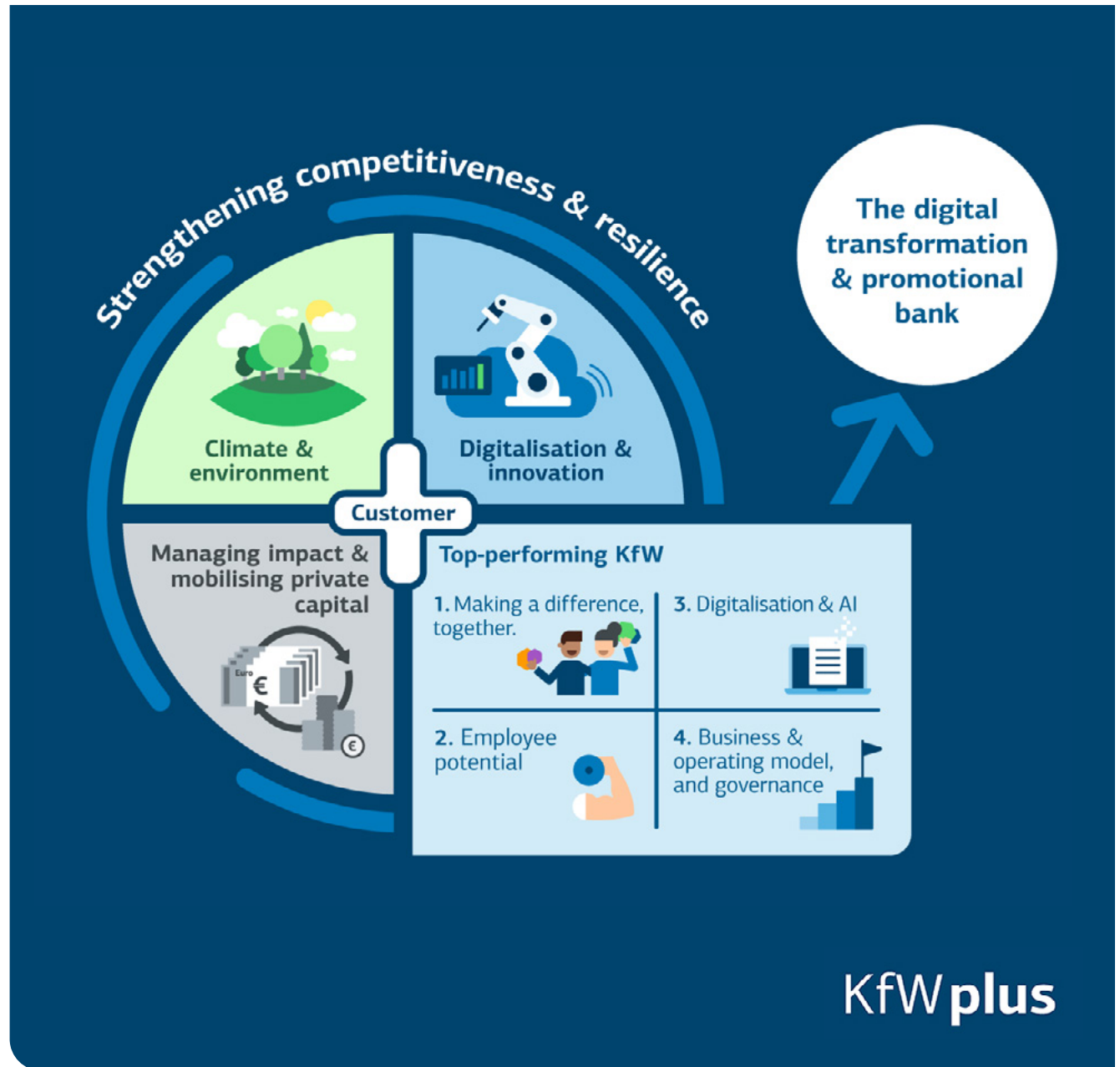


Figure 7: KfWplus

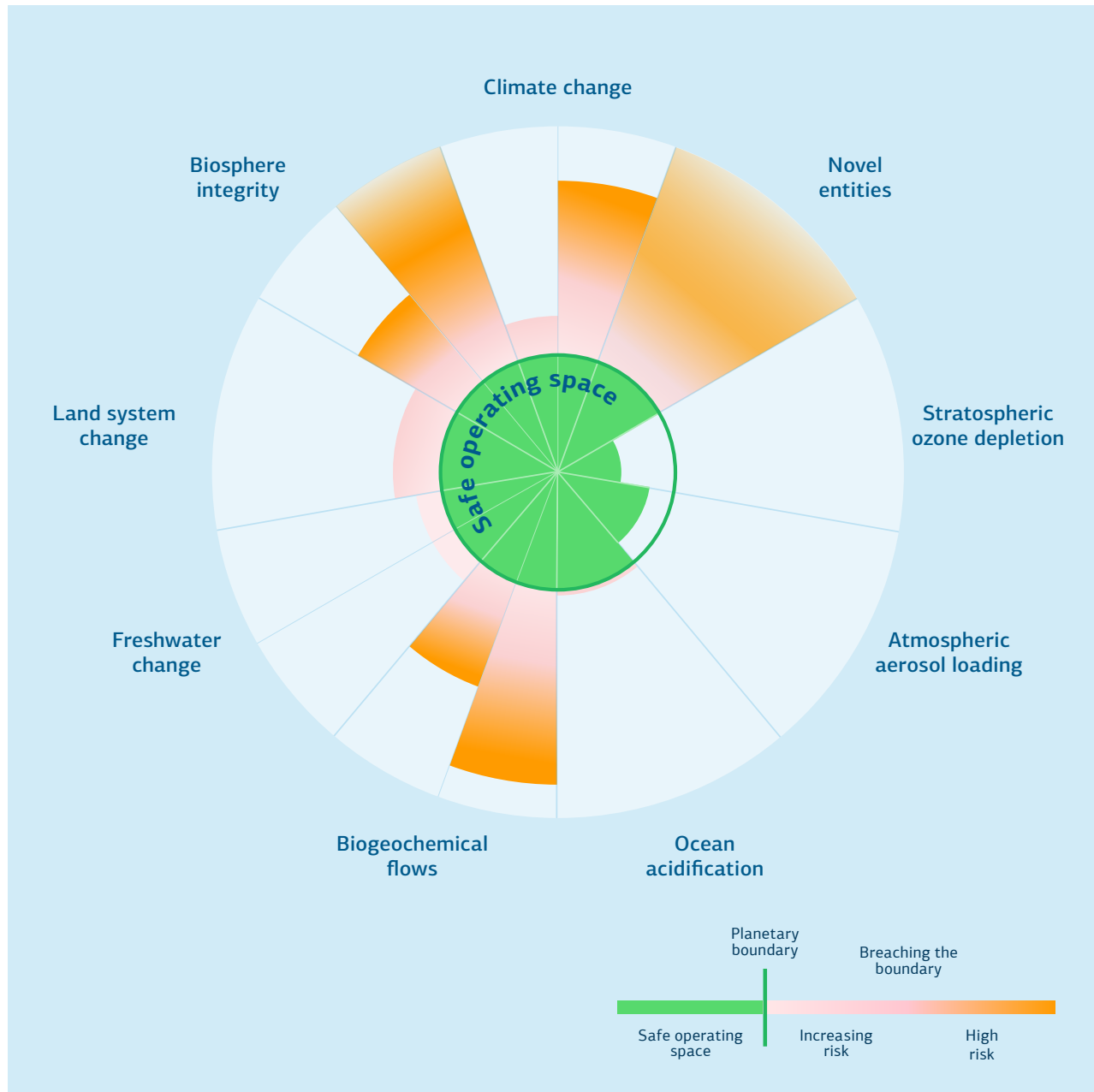


Figure 8: Planetary boundaries³¹



bioSFer – Committed to Nature

bioSFer is an artificial word derived from the planetary boundary “biosphere integrity”.²⁹ This planetary boundary refers to the state of biological diversity, ecosystems and their ecological functions. According to current research, this boundary has already been significantly exceeded.³⁰ The capital letters SF highlight the project’s integration into KfW Group’s Sustainable Finance concept. Thus bioSFer combines ecological urgency with KfW’s strategic responsibility.

The “Committed to Nature” claim reflects KfW’s long-standing commitment to environmental protection. Since its foundation, KfW has assumed responsibility for the environment. In the 1950s, KfW was the first German promotional institution to fund measures aimed at protecting the environment. This is based on the Law Concerning Kreditanstalt für Wiederaufbau, which expressly mandates KfW to promote environmental protection.

bioSFer – project dimensions

The bioSFer project takes a comprehensive approach. It comprises six dimensions which, as shown in Figure 9, combine to form a ‘strategy flower’ and whose contents are outlined in this paper. By considering all six dimensions, bioSFer not only influences KfW’s internal management processes but also exerts an external impact through its strategic positioning and financing perspective.

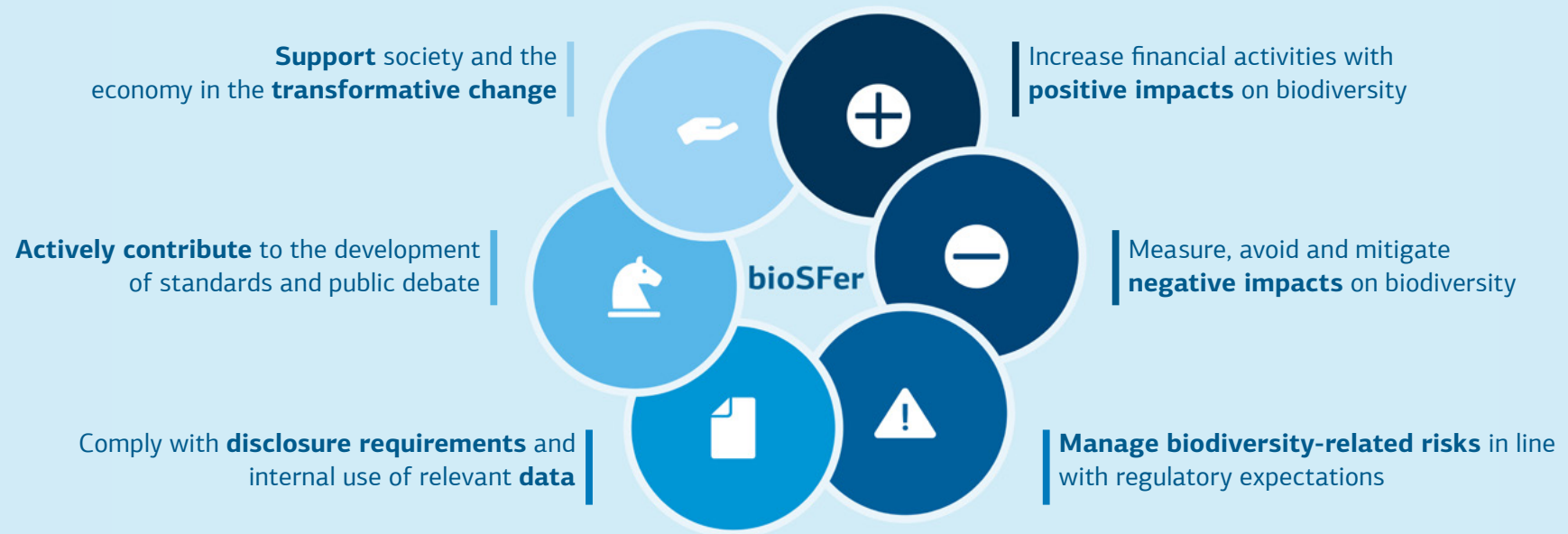
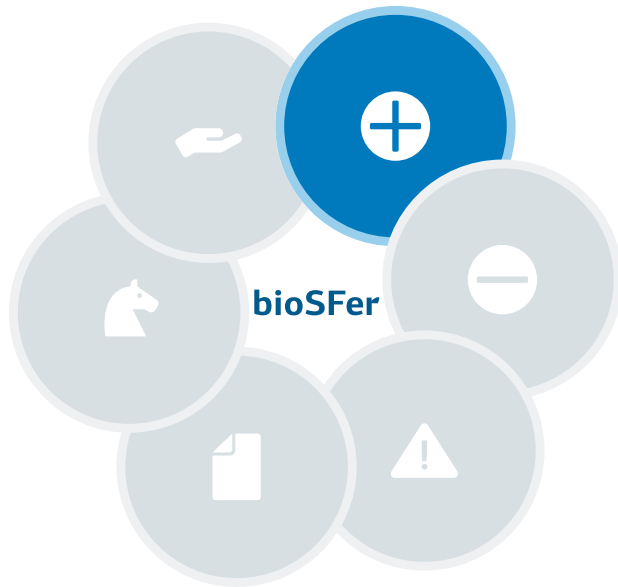


Figure 9: The six dimensions of bioSFer



Dimension

Increase financial activities with positive impacts (inside-out)

There is currently no common and uniformly used classification methodology for “Nature Finance” in the financial world. However, this is a necessary prerequisite for identifying the positive contribution made to biodiversity by potentially financed projects. Banks are also exploring how “Nature Finance” can be made scalable and “bankable” in order to enhance the appeal for private sector involvement.

The focus will therefore be on developing a methodology on the basis of existing approaches for KfW Group to classify projects with regard to their contribution to biodiversity. In addition, opportunities for integrating biodiversity aspects into all sectors are being explored.

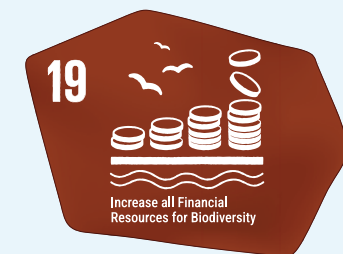


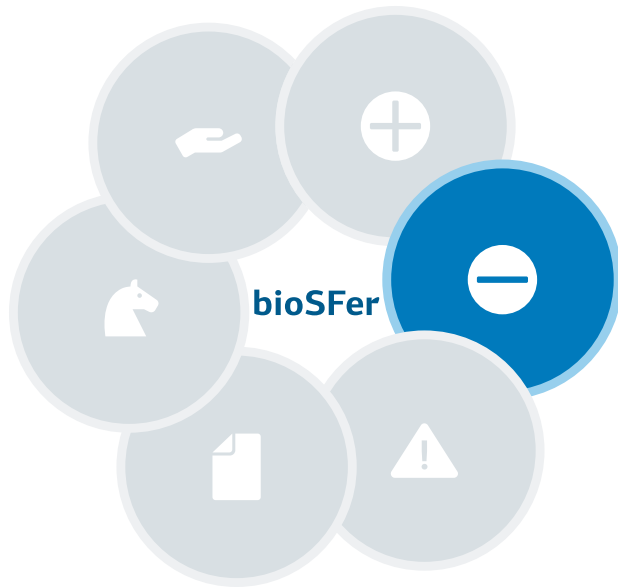
Building on biodiversity projects already in the portfolio, KfW aims to expand its financial activities, provided that the necessary promotional funds are made available. There is therefore an additional focus on work to develop innovative financing approaches with positive effects on biodiversity, including an emphasis on leveraging private capital.

This dimension is directly linked to numerous targets of the GBF. The main point of reference is target 19, which aims to increase the financial resources available for biodiversity and to mobilise private capital. This will also enable contributions to other targets, such as targets 11 and 12, which aim to promote sustainable management and the

use of nature-based solutions in productive sectors and urban spaces. The same applies to targets 2 and 3, which aim to restore, maintain and expand at least 30% of terrestrial, inland water and marine areas by 2030 – the so-called “30 x 30” target.

GBF target





Dimension

Avoid and mitigate negative impacts (inside-out)

KfW, through its financing and investment decisions, potentially contributes to the global loss of biodiversity and the alteration of ecosystems. Capital flows into certain activities, products or companies can indirectly and unintentionally lead to land use changes, resource overexploitation, pollution or the spread of invasive species. Without targeted avoidance and mitigation measures, the impact of such interventions could be considerable and in some cases irreversible.

In light of the urgent need to decisively combat biodiversity loss, as part of the bioSFer project KfW has set itself the goal of reviewing existing processes for avoiding and mitigating negative impacts (see [page 13](#)) to identify potential areas where further development is needed.

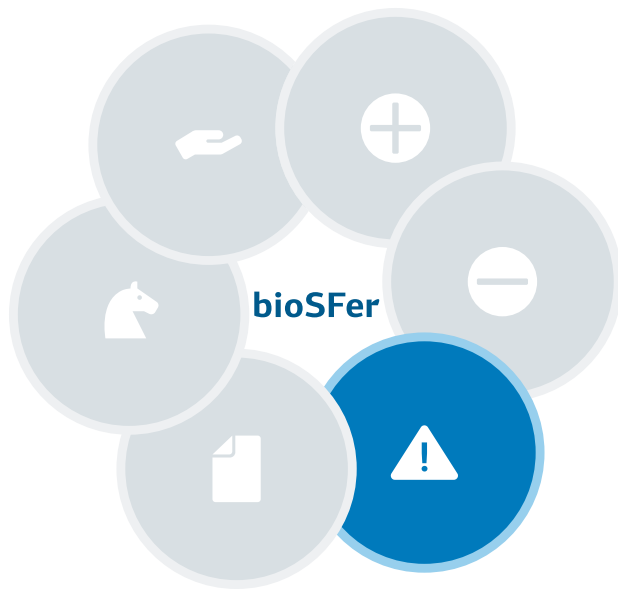


To this end, the portfolio will be analysed for possible negative impacts. The analysis is primarily based on science-based materiality and geolocation assessments. Furthermore, human rights principles, international standards and political requirements, as well as business unit-specific conditions within KfW Group, are considered.

This dimension is linked to numerous targets of the GBF. The link to targets 14 and 15 is worth highlighting. Work in this dimension serves firstly to “assess” potential negative impacts on biodiversity (target 15) and secondly to further strengthen biodiversity aspects in KfW’s decision-making processes (target 14).

GBF targets





Dimension

Manage biodiversity-related risks (outside-in)

KfW is currently in the process of gradually integrating biodiversity-related risks into its risk management processes. KfW recognises the need to develop approaches to gain a comprehensive understanding and manage the financial risks arising for KfW from the increasing loss of biodiversity and ecosystem services, while taking regulatory requirements into account. Initial materiality analyses have been carried out on the portfolio. In addition, a scenario narrative for stress tests relating to transitional biodiversity risks has been created, based on the main drivers of biodiversity risks.

KfW also aims to integrate biodiversity risks into its existing risk frameworks and processes, ensuring that they are adequately considered in terms of their materiality and that current regulatory requirements are met.

The first steps in this ongoing development process include carrying out stress tests and scenario analyses, as well as expanding the risk inventory and materiality analysis with regard to biodiversity-related risk drivers. In addition, KfW will identify relevant data needs in order to ensure a comprehensive and, if possible, quantitative analysis of the risks in future.

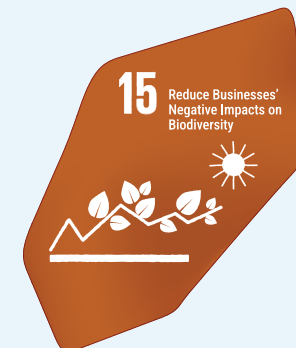


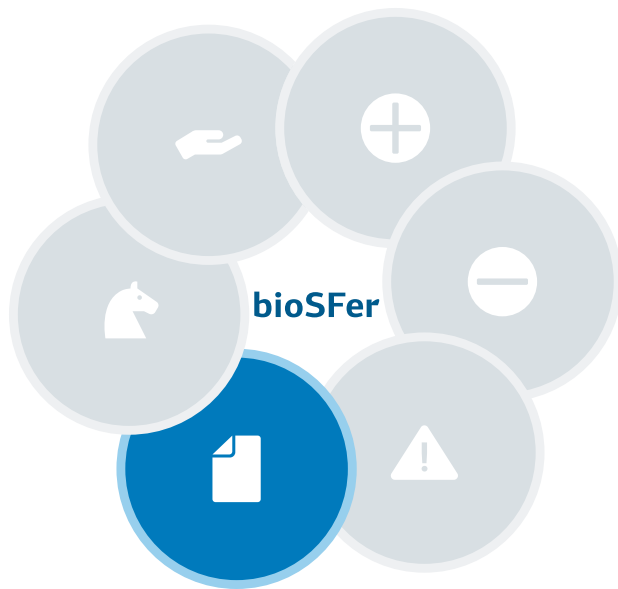
Physical and transition risks

With regard to the risks for financed companies arising from the loss of biodiversity, a distinction is made in the same way as for climate risks – between physical risks and transition risks. **Physical risks** arise when the economic activity of the financed company is heavily dependent on ecosystem services such as the provision of natural resources. If a decline in ecosystem services threatens the profitability of a company, the default risk for the bank increases. **Transition risks**, such as declining revenues or rising costs, particularly affect companies with negative impacts on biodiversity, if, for example, legal measures to protect biodiversity are introduced.

This dimension is strongly linked to GBF target 15, which calls for regular “monitoring, assessment and disclosure” of biodiversity-related risks. The project work contributes to strengthening transparency with regard to biodiversity-related risks and to appropriately taking these risks into account in risk management.

GBF target





Dimension

Disclosure requirements and data

In order to address the increasing disclosure and due diligence requirements concerning impacts, risks and opportunities related to biodiversity, and to comply with the requirements for biodiversity risk management, KfW needs reliable data.

In addition to its own data, KfW also uses external biodiversity datasets such as ENCORE and IBAT for analytical purposes. Findings from the Environmental and Social Appraisals in connection with the assessment of financing projects are also considered. However, KfW's biodiversity analyses are still limited. There is a need for more comprehensive and specific data to better understand the impacts of its financing on biodiversity and potential biodiversity risks.

Data needs will be systematically assessed during the project and any missing data points identified in order to close data gaps. In the long term KfW aims to establish a robust infrastructure for biodiversity data.

The next steps involve the targeted identification and specification of the required data, particularly resulting from regulatory requirements, as well as the selective collection of geolocation data to serve as a basis for further methodological and analytical work.

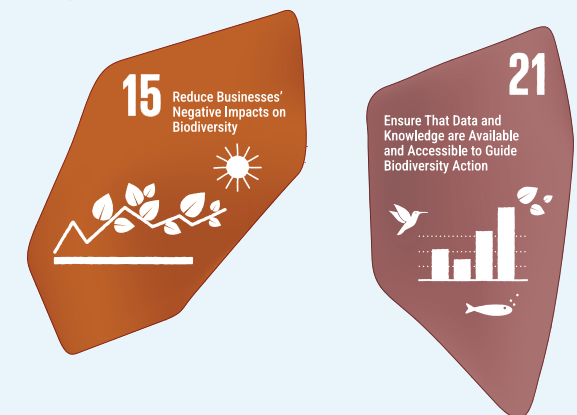
This dimension is linked to GBF targets 15 and 21, as the required financial and biodiversity data form the basis for KfW's decision-making processes (target 21).

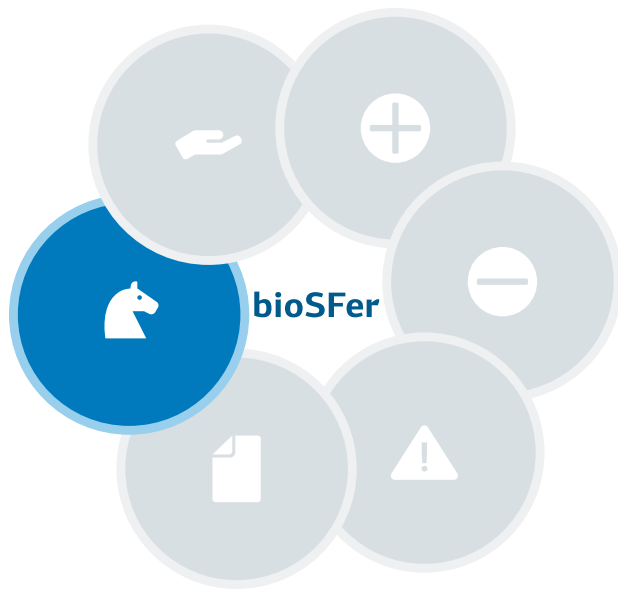


Data availability and data quality

One of the key challenges for banks is the availability and quality of data used to assess and monitor their biodiversity impacts and risks. To be able to make informed decisions, banks must be able to take into account local biodiversity data. However, the information required is often fragmented, incomplete or difficult to access. The structured definition of data needs and their successful procurement are often time-consuming and costly. Another challenge lies in the integration of biodiversity-related data into the existing IT architecture and banking processes.

GBF targets





Dimension

Actively contribute to standards and public debate

KfW engages in regular dialogue with other financial institutions on the topic of biodiversity at both international and national levels through various channels. For example, participation in working groups of the Association of German Public Banks (VÖB), the Sustainable Finance Cluster (SFC) and the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten (VfU) allows for in-depth discussions on relevant topics such as regulation, reporting, strategy development, key performance indicators (KPIs), or methodologies in the environmental and social appraisal processes. Moreover, KfW Development Bank is part of an international network of collaborations in global nature conservation, which further enriches professional exchange.

KfW aims to strengthen cooperation with selected peers, engage with the real economy and join international initiatives that specifically focus on the issue of biodiversity. The overarching goal is to better understand the complex challenges, to tackle them with suitable solutions and to support the development of standards. Finally, KfW seeks to engage in the public debate and collaborate with its stakeholders (customers, financing partners, ministries, etc.) to promote the integration of the protection and sustainable use of biodiversity at all relevant levels.

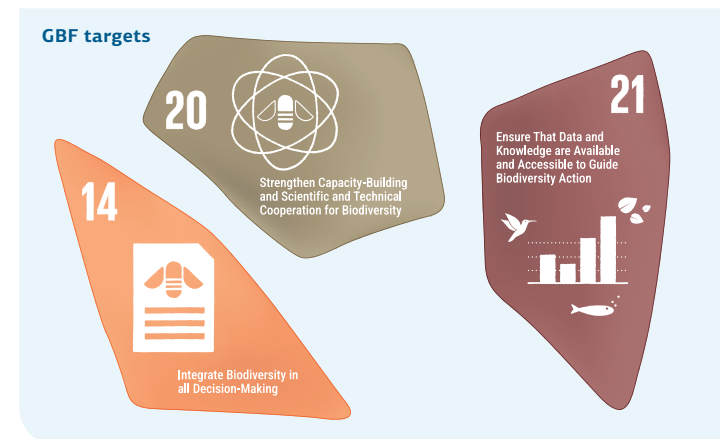
This dimension is closely linked to GBF targets 14, 20 and 21. Measures in this context promote the exchange of information and knowledge regarding available data

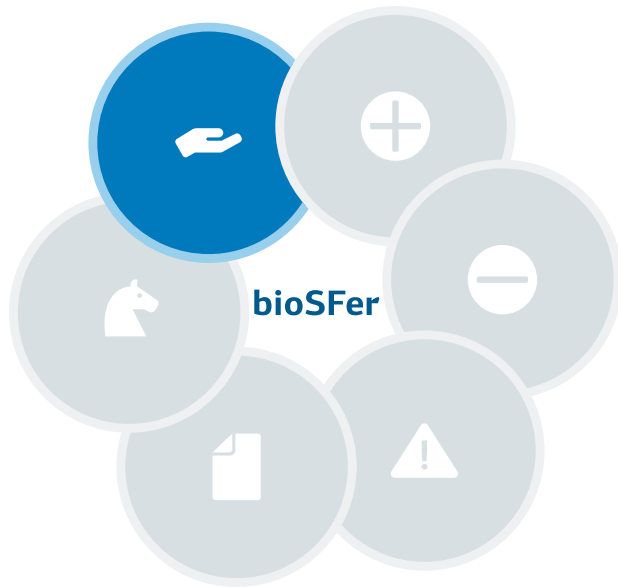


Cooperation is key

A bank has an influence on biodiversity through its financing decisions. However, the responsibility for the actual implementation of projects does not lie solely with the bank, but in particular with the borrower or the actors responsible for the project. These ultimately ensure that the projects are implemented in an environmentally and socially responsible manner. Depending on its role, the financing bank can assist customers or partners in this regard – for example, by providing advice, facilitating processes or defining specific criteria. Regulatory requirements for banks or businesses can serve as a framework. Ultimately, protecting and promoting biodiversity effectively requires close cooperation between banks, borrowers and decision-makers.

and methods, strengthen communication, raise awareness, build skills, facilitate technology transfer and make essential biodiversity information accessible to decision-makers.





Dimension

Support society and the economy in the transformative change

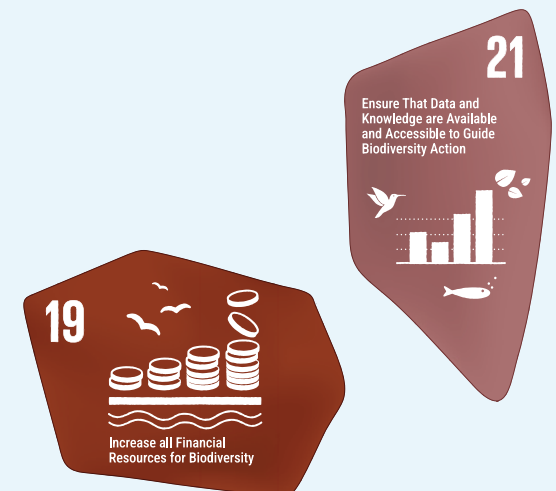
The GBF seeks transformative change to realise the vision of living in harmony with nature. This calls for transformative action in policy and society, which the GBF aims to initiate. Additionally, elements such as transformative education, awareness-raising and capacity-building among all stakeholders are essential.

By launching bioSFer, KfW aims to expand its contribution to transformative change in the various dimensions of the project.



The defined priorities link this dimension, among others, to targets 19 and 21 of the GBF: providing financing options and mobilising private capital (target 19) as well as raising public awareness through participation in the public debate (target 21).

GBF targets



Abbreviations

Abbreviation	Term
CBD	Convention on Biological Diversity
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
EBA	European Banking Authority
ECB	European Central Bank
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
ESS	Environmental and Social Standards (World Bank)
EU	European Union
GBF	Kunming-Montreal Global Biodiversity Framework
IFC	International Finance Corporation
IPBES	Intergovernmental Platform on Biodiversity and Ecosystem Services
IPCC	Intergovernmental Panel on Climate Change
IUCN	International Union for Conservation of Nature
KPI	Key Performance Indicator
NABU	German Nature and Biodiversity Conservation Union
SFC	Sustainable Finance Cluster
TNFD	Taskforce on Nature-related Financial Disclosures
UNEP	United Nations Environment Programme
VfU	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten
VÖB	Association of German Public Banks
WEF	World Economic Forum
WWF	World Wide Fund For Nature

References

CBD (1992): Convention on Biological Diversity; Text and Annexes/Secretariat of the Convention on Biological Diversity. Text of the Convention. [Link](#)

CBD (2022): The Kunming-Montreal Global Biodiversity Framework. [Link](#)

Deutz et al. (2020): Financing Nature: Closing the global biodiversity financing gap. The Paulson Institute, The Nature Conservancy, and the Cornell Atkinson Center for Sustainability. [Link](#)

Díaz et al. (2015): The IPBES Conceptual Framework – connecting nature and people. Current Opinion in Environmental Sustainability 14: 1–16 The IPBES Conceptual Framework – connecting nature and people | IPBES secretariat. [Link](#)

ECB (2023): Living in a world of disappearing nature: physical risk and the implications for financial stability, Occasional Paper Series No. 333. [Link](#)

European Commission (2024): Study for a methodological framework and assessment of potential financial risks associated with biodiversity loss and ecosystem degradation – Final report, Publications Office of the European Union, 2024. [Link](#)

Günther et al. (2023): Circular Economy and Biodiversity. ETC CE Report 2023/7. European Topic Centre on Circular Economy and Resource Use. [Link](#)

Hochkirch et al. (2023): A multi-taxon analysis of European Red Lists reveals major threats to biodiversity. PLOS ONE 18(11). [Link](#)

IPBES (2019): Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. [Link](#)

IUCN (2024): The IUCN Red List of Threatened Species. Version 2025-1. [Link](#)

Leclère/Obersteiner/Barrett et al. (2020): Bending the curve of terrestrial biodiversity needs an integrated strategy. Nature 585, 551–556 (2020). [Link](#)

Millennium Ecosystem Assessment (2005): Millennium Ecosystem Assessment, 2005. Ecosystems and Human Well-being: Synthesis. [Link](#)

NABU/BCG (2020): The Biodiversity Imperative for Business. [Link](#)

Planetary Boundaries Science (2025): Planetary Health Check 2025, Potsdam Institute for Climate Impact Research (PIK), Potsdam Germany. [Link](#)

Pörtner et al. (2021): Scientific outcome of the IPBES-IPCC co-sponsored workshop on biodiversity and climate change; IPBES secretariat, Bonn, Germany, DOI:10.5281/zenodo.4659158. [Link](#)

Rockström et al. (2009): Planetary boundaries: exploring the safe operating space for humanity. Ecology and Society 14(2): 32. [Link](#)

TNFD (2025): Glossary, Version 3.0. [Link](#)

UNEP (2024): Global Resources Outlook 2024: Bend the Trend – Pathways to a liveable planet as resource use spikes. International Resource Panel. Nairobi. [Link](#)

United Nations et al. (2024): System of Environmental-Economic Accounting Ecosystem Accounting. Statistical Papers, Series F No. 124. [Link](#)

WEF (2020a): Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy. [Link](#)

WEF (2020b): The Future of Nature and Business. New Nature Report II. [Link](#)

WEF (2025): Global Risk Report 2025, 20th Edition, Inside Report Global Risks Report 2025 | World Economic Forum. [Link](#)

Worldbank Group (2021): The Economic Case for Nature; A global Earth-economy model to assess development policy pathways. [Link](#)

WWF (2022): A Biodiversity Guide for Business. [Link](#)

WWF (2016): Living Planet Report 2016. Risk and resilience in a new era. WWF International, Gland, Switzerland. [Link](#)



Endnotes

- ¹ [IUCN 2024](#)
- ² [IPBES 2019](#)
- ³ [Hochkirch et al. 2023](#)
- ⁴ [WEF 2025](#)
- ⁵ [IPBES 2019](#)
- ⁶ [TNFD 2025](#)
- ⁷ [Díaz et al. 2015](#)
- ⁸ [CBD 1992](#)
- ⁹ [WWF 2016](#)
- ¹⁰ [Leclère/Obersteiner/Barrett et al. 2020](#)
- ¹¹ [Deutz et al. 2020](#)
- ¹² [CBD 2022](#)
- ¹³ [Pörtner et al. 2021](#)
- ¹⁴ [IIASA 2020; Leclère/Obersteiner/Barrett et al. 2020](#)
- ¹⁵ [CBD 2022](#)
- ¹⁶ [WEF 2020a](#)
- ¹⁷ [NABU/BCG 2020](#)
- ¹⁸ [World Bank Group 2021](#)
- ¹⁹ [Deutz et al. 2020](#)
- ²⁰ [United Nations et al. 2024; Millennium Ecosystem Assessment 2005; WWF 2016](#)
- ²¹ [WWF 2016](#)
- ²² [WEF 2020b](#)
- ²³ [WWF 2022](#)
- ²⁴ [WEF 2020b](#)
- ²⁵ [European Commission 2024](#)
- ²⁶ [ECB 2023](#)
- ²⁷ [Pörtner et al. 2021; IPBES 2019; UNEP 2024](#)
- ²⁸ [Günther et al. 2023](#)
- ²⁹ [Rockström et al. 2009](#)
- ³⁰ [Planetary Boundaries Science 2025](#)
- ³¹ [Planetary Boundaries Science 2025](#)



Imprint

Published by

KfW Group
Palmengartenstrasse 5–9
60325 Frankfurt am Main, Germany

Phone +49 69 7431-0
Fax +49 69 7431-2944

www.kfw.de
nachhaltigkeit@kfw.de

Editor

Gesa Reese

Photo credits

Cover: Smileus/istockphoto.com
Page 4: Moorland Roamer/istockphoto.com
Page 7: Grafissimo/istockphoto.com
Page 8: Stefan Kuerzinger/istockphoto.com
Page 17: diegograndi/istockphoto.com
Page 18: Aliusimago/istockphoto.com
Page 22: Jonathan W. Cohen/istockphoto.com
Page 25: SREM TONH/istockphoto.com
Page 26: borchee/istockphoto.com

Content subject to change without notice

Status: October 2025



