

LIVING PLANET REPORT 2026: WHAT THE FINANCE SECTOR NEEDS TO KNOW



EXECUTIVE SUMMARY

WWF's Living Planet Report (LPR) tracks the health of the natural systems behind food production, supply chains and economic resilience. **The LPR 2026 shows the average size of monitored global vertebrate wildlife populations has declined by 73% since 1970**, but around half are stable or increasing, so recovery is possible.

For financial institutions, the report shows how fast nature loss is moving, what drives it, and how finance can help reverse it.

WHY THIS MATTERS FOR FINANCIAL INSTITUTIONS

- **Nature loss is reaching company balance sheets, and through them, financial portfolios.** Every business depends on ecosystem services, from raw materials to water and climate regulation. As nature loss such as soil erosion and water overexploitation compound climate change, companies face higher input costs, operational disruption and asset write-downs. Corporate filings that mention extreme heat, drought and wildfire have recently jumped. [[link](#); [link](#)] These pressures pass to lenders, investors and insurers as weaker credit quality, impaired collateral, stranded assets and volatile returns, especially in utilities, food and manufacturing.
- **Environmental crime is a blind spot.** Illegal mining, deforestation, wildlife trade and unreported fishing overlap with financial crimes such as corruption, money laundering, fraud and human rights abuses. Exposure comes through investment, capital provision and trade finance in commodities such as cattle, soy, palm oil, timber, cocoa, coffee, rubber, minerals, fishing, and oil and gas.
- **Regulation is advancing, though unevenly.** The US and, to a lesser extent, Europe are deregulating in some areas, but Europe is also moving forward on nature, with the EU Deforestation Regulation due to apply from December 2026. Malaysia, Japan, Singapore and South Korea have strengthened nature and climate disclosure, China is expanding green finance, and Brazil is leading on transition finance frameworks.

FINANCE CAN BE AN ENGINE FOR SYSTEMS CHANGE

Energy shows finance can move a system.

Policy incentives and technology improvements allowed clean energy costs to fall, then investor sentiment, and capital reallocated quickly. In 2026, about \$2.2 trillion is expected to flow to clean energy and electrification, against \$1.2 trillion for fossil fuels. [\[link\]](#) Sustainable bond issuance has topped \$1 trillion for three years running. [\[link\]](#) This is clear progress but finance deployment for clean energy and electricity needs to further accelerate to meet climate and nature goals. [\[link\]](#) Clear metrics, client engagement, dedicated instruments and public disclosure got finance moving, and insurers have reinforced the shift by pricing climate risk into premiums and starting withdrawing cover from the highest-risk fossil assets. This needs to be expanded to other sectors to improve supply chain and economic resilience, particularly in agri-food systems.

Soy and palm oil show that the agri-food and finance sectors can drive change.

Deforestation in monitored Amazon municipalities fell 69% between 2009 and 2022 while planted soy area grew 344%. [\[link\]](#) Palm-oil deforestation in Indonesia fell 82% from its 2008–12 peak to 2018–2020. [\[link\]](#) Supply-chain commitments, certification and transparency drove both, reinforced by financial institutions' due diligence, policies and client engagement. These gains, however, need defending: Abiove, the soy traders' association, withdrew from the Amazon Soy Moratorium in January 2026, and Indonesian palm-oil clearing still exceeded 31,000 hectares in 2025. [\[link\]](#)

Why finance action matters.

The business case (resilience, efficiency, long-term asset value, market access) does not depend on governments moving first, and leading institutions have shown ambitious action is viable even in a weak policy environment, particularly when acting in coordination with peers and clients or investees.

WHAT FINANCIAL INSTITUTIONS CAN DO

1. Assess nature risk and disclose

- **Analyse nature dependencies and impacts** across portfolios using the Taskforce on Nature-related Financial Disclosures (TNFD), starting with the most exposed sectors and locations.

- **Report** both your impacts on nature and the threats from your dependencies on it, prepare for the ISSB nature standards, and **develop and disclose a climate and nature transition plan**.
- **Feed nature risk into core financial processes**, so it is assessed alongside climate and other financial risks: banks into credit assessment and covenants; asset managers and owners into valuation, allocation and stewardship; insurers into underwriting, pricing and product design.
- **Train teams** across credit, investment, risk, underwriting and relationship management to read nature data and apply it in their own decisions, so that nature risk is assessed alongside climate and other financial risks.

2. Use client and investee engagement to support climate and nature transition

- **Use the nature risk analysis findings in client and investee dialogue**, since many companies already see these risks and helping them build resilience is a source of new business.
- **Work with peers to coordinate engagement**. Institutional investors filing climate and nature resolutions and engaging directly with boards have demonstrated real influence.
- **Extend financial products to nature-positive outcomes**, tailored to each institution's role: banks and asset managers through green and sustainability-linked debt; insurers through underwriting incentives and risk-transfer products, such as parametric cover, for nature-positive and restoration activities. The priority is adopting credible market standards and maintaining rigorous labelling frameworks that prevent greenwashing and translate product demand into genuine shifts in underlying portfolio allocation rather than superficial rebranding.

3. Screen for environmental crime

- **Build environmental crime into existing financial-crime controls**, with enhanced due diligence and transaction monitoring for high-risk commodities (cattle, soy, palm oil, timber, cocoa, coffee, rubber, minerals, fishing, and oil and gas).
- **Train compliance teams** to understand and spot links to corruption, forgery, money laundering and trafficking linked to environmental crimes.

4. Engage with peers and policymakers on climate and nature

- **Learn from peers.** Much progress on sustainability continues inside financial institutions, although more quietly than in previous years. Sharing methods, data and lessons helps everyone facing the same risks and opportunities.
- **Call for improved regulation that makes nature-related disclosure consistent and comparable** (aligned with TNFD and ISSB)
- **Advocate for increased policy ambition** to change the economics of climate and nature investments, and maintain rules, incentives and enforcement stable enough for institutions to plan long-term.

WWF is working with financial institutions to tackle nature risk and improve resilience and welcomes collaboration to help accelerate a nature-positive and resilient finance system.

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ADDITIONAL RESOURCES

Analyse impacts, dependencies, risks and opportunities related to nature

- WWF risk filter suite [\[link\]](#)
- MSCI's tools to identify and measure portfolio impacts and nature dependencies: [\[link\]](#)
- Taskforce on Nature-related Financial Disclosures (TNFD)'s disclosure recommendations and guidance [\[link\]](#)

Broaden sustainable debt products to nature-focused outcome

- Multilateral Development Bank (MDB) Common Nature Taxonomy [\[link\]](#)
- Sustainable Bonds for Nature: A Practitioner's Guide; International Climate Markets Association [\[link\]](#)

Build environmental crime into existing financial-crime controls

- Environmental Crimes Financial Toolkit [\[link\]](#)

Upskill finance practitioners

- WWF Nature Finance Academy [\[link\]](#)
- Chapter Zero resources for non-executive directors and Chairs [\[link\]](#)

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