



GARP Publishes Inaugural Global Survey of Nature Risk Management Across Financial Firms

New report reveals a growing regulatory focus on nature risks, despite only 25% of firms having identified nature-related risks or opportunities

JERSEY CITY, NJ, April 16, 2024 – The Global Association of Risk Professionals (GARP) has published its first-ever survey of nature risk management across the financial industry, titled ["Global Survey of Nature Risk Management at Financial Firms."](#)

Conducted by GARP Risk Institute (GRI), the inaugural report examines the impact of nature risk on the portfolios of 48 top firms around the world via six, key dimensions: governance; strategy; risk management; metrics, targets, and limits; scenario analysis; and disclosures. Participating firms were comprised of 37 banks, seven asset managers, and four insurers with nearly USD 33 trillion of assets on their balance sheets.

According to the survey, which was conducted in 2023 and titled "2024: A Discipline in Its Infancy," there is a clear growing regulatory focus on nature risks, with 31% percent of firms reporting that their regulators have published formal expectations for nature risk management and another 13% expecting their regulators to do so.

However, maturity levels remain relatively low with respect to firms' strategic engagement with nature. Only 25% of the firms have identified nature-related risks or opportunities, compared with over 80% of firms in GRI's inaugural climate survey in 2019, and over 40% of firms are still investigating whether nature risk should even be treated as a risk.

"Overall, we've found that most firms are indeed at the very start of their journey in assessing the risks and opportunities associated with nature loss," said Jo Paisley, president of GARP Risk Institute. "Nature risk faces many of the same challenges and barriers as climate risk — poor availability of data and models, regulatory uncertainty, and availability of staff, to name a few. But, as with climate, these concerns are expected to ease over the longer term, indicating that these things take time to set up and mature."

Other key survey takeaways include a rise in nature-risk staffing and training. Around half of firms currently offer nature-risk training to some functions, with 13% of firms offering it to their entire staff. Firms also expect to hire more staff with nature risk expertise in the next two years.

In addition, nearly half of the boards across the surveyed firms have oversight of nature-related risks and opportunities, with most of the remaining firms working or intending to work on this in the imminent future.

“Given that such a large part of the economy is dependent upon nature, nature risks are likely to become an increasingly important area of focus for regulators, investors, and civil society,” said Paisley. “The financial system has a potentially influential role to play in the transition to a nature positive world, and good risk management practices can be a powerful foundation for that.”

GRI will be hosting a [free webcast](#) on May 21, where they’ll discuss some of the survey’s top findings, including the main challenges facing firms in the development of their nature risk management capabilities, the maturity of nature risk management compared to climate risk management at financial firms, and more.

To read GARP’s “Global Survey of Nature Risk Management at Financial Firms,” visit [here](#).

About the Global Association of Risk Professionals

The Global Association of Risk Professionals is a non-partisan, not-for-profit membership organization focused on elevating the practice of risk management. GARP offers the leading global certification for risk managers in the Financial Risk Manager (FRM®), as well as the Sustainability and Climate Risk (SCR®) Certificate and ongoing educational opportunities through Continuing Professional Development. Through the GARP Benchmarking Initiative (GBI)® and GARP Risk Institute (GRI), GARP sponsors research in risk management and promotes collaboration among practitioners, academics, and regulators.

Founded in 1996 and governed by a Board of Trustees, GARP is headquartered in Jersey City, N.J., with offices in London and Hong Kong. For more information, visit garp.org or follow GARP on [LinkedIn](#), [Facebook](#), and [X \(formerly Twitter\)](#).

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