

JBA Comments on Finalising consensus on a universal state of nature metrics framework by Nature Positive Initiative (NPI)

#	Question	Comment
Background information		
-	Which realms are relevant for your organization when assessing state of nature?	<ul style="list-style-type: none"> • Terrestrial, Freshwater and Marine
-	Which use cases are most relevant for your organization when assessing state of nature?	<ul style="list-style-type: none"> • Voluntary disclosures • Setting targets • Compliance monitoring • Peer, clients or other external company performance monitoring <hr/> <p>• From the perspective of financial institutions, the proposed framework may, over time, serve as one of reference information when considering further analysis, assessment, or disclosure of nature-related impacts associated with priority sectors or individual companies within their loan portfolios.</p> <p>However, the credibility and practicality of the assessment results remain unclear. Therefore, at this stage, the framework cannot be considered suitable for direct application to use cases such as “developing strategies or initiatives” or “financial/investment decision-making”.</p>

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Section A: Metrics Process Outputs		
1	Consider the metrics framework (Consultation Brief page 15) Please score the following:	
	Clarity I believe this framework is sufficiently clear	<ul style="list-style-type: none"> • 2 – Disagree
	Practicality I believe this framework is sufficiently practical	<ul style="list-style-type: none"> • 2 – Disagree
	Comprehensiveness I believe this framework is sufficiently comprehensive to provide an understanding of the state of nature	<ul style="list-style-type: none"> • 2 – Disagree
	Robustness I believe this framework is sufficiently robust	<ul style="list-style-type: none"> • 2 – Disagree
	Decision-useful I believe this framework is sufficiently decision-useful	<ul style="list-style-type: none"> • 2 – Disagree

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2	Please provide comments to explain your scoring	<p>Comments:</p> <p>Clarity:</p> <ul style="list-style-type: none"> While the individual metrics—such as the “area of net change in extent of natural ecosystems” and the “number and proportion of priority species with populations”—are clearly defined, it is unclear what the actual evaluation outcomes would look like due to the absence of concrete application examples. <p>Practicality and Decision-useful:</p> <ul style="list-style-type: none"> The proposal to use different metrics at the site and landscape levels makes it challenging to accurately understand the state of natural capital. This raises concerns, from the perspective of financial institutions, regarding the effectiveness and usability of these metrics. In addition, as stated in our response in the Background Information, land use in Japan is characterized by a high degree of diversity and a fine-grained mosaic structure. Given these characteristics, it remains uncertain whether this universal state of nature metrics framework can appropriately assess the state of nature in Japan. <p>Comprehensiveness:</p> <ul style="list-style-type: none"> It is unclear whether indicators limited to the “areas of net change” or the “number and proportion of priority species” are sufficient to capture the full range of impacts on nature. <p>Robustness:</p> <ul style="list-style-type: none"> It also remains uncertain whether the proposed framework is designed to assess impacts on nature in a manner that adequately reflects actual conditions. Accordingly, the framework should be reviewed and updated as necessary going forward.

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Section B: Optional questions on iterative guidance		
3	<p>Optical focus question: Species populations only</p> <p>Please review the Species Selection Filter for prioritizing species populations measurements on page 12-13 of the Measurement Guidance Executive Summary or page 22 of the Consultation Brief.</p> <p>Please provide any recommendations to improve the credibility or practicality of the Filter.</p>	<p>Comments:</p> <ul style="list-style-type: none"> • Providing opportunities for pilot use of the tool in practice would be effective in gathering recommendations to enhance the credibility and practicality of the Species Selection Filter.
4	<p>Optional focus question: Freshwater only</p> <p>Smaller freshwater systems (e.g. small rivers and streams) may not be captured in spatial datasets, requiring the use of indicator species as proxies.</p> <p>In practice, this means using the species populations metrics as a proxy for ecosystem health is this proxy approach credible and practical for application?</p>	<ul style="list-style-type: none"> • Not Sure <hr/> <p>Please explain your answer below:</p> <ul style="list-style-type: none"> • Proxies can be applied as reference figures when underlying data cannot be captured. However, metrics based on region-specific species entails a risk of producing figures that may not reflect actual conditions, thereby raising concerns in terms of comparability and credibility. <p>Accordingly, sufficient verification is required to determine whether this proxy-based approach is applicable from the perspectives of credibility, practicality, and comparability.</p>

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5	<p>Optical focus question: Marine only</p> <p>In testing the marine metrics, challenges were identified including that the ocean lacks data availability and is subject to diffuse impacts, particularly across offshore and data-poor regions.</p> <p>To what extent do you agree that the proposed marine metrics sufficiently address the following concerns:</p>	
a)	<p>Lacking data availability:</p> <p>A lower maximum Global Ecosystem Typology level has been proposed for marine systems, with a flexible spatial resolution range that depends on ecosystem type and data availability.</p> <p>See Measurement Guidance Executive Summary Page 5.</p>	<ul style="list-style-type: none"> Partially – concern partially addressed
b)	<p>Subject to diffuse impacts:</p> <p>Pressure-specific additional metrics and measurement options are added to account for diffuse pressures from activities impacting priority ecosystems, activities in intensively used marine ecosystems and activities that exploit populations or cause indirect mortality.</p> <p>See Measurement Guidance Executive Summary page 28</p>	<ul style="list-style-type: none"> Not sure
	<p>Please explain your answer below.</p>	<ul style="list-style-type: none"> Allowing flexibility in setting ecosystem classification levels or spatial resolution in cases of data limitations can be a useful approach to enable a certain level of analysis and assessment. However, sufficient verification is required to ensure the credibility and practicality of the assessment results obtained through such flexible settings.

#	Question	Comment
Optional additional question		
6	Is there any other input you would like to provide?	<p>Comments:</p> <ul style="list-style-type: none"> Given current data constraints, the practicality and decision-usefulness of the proposed metrics framework for assessing the state of nature cannot be assumed at this stage. Therefore, decisions regarding whether to adopt this framework and which metrics to apply should be left to the voluntary discretion of individual companies and financial institutions. Since impacts on nature vary significantly among companies even within the same sector, resulting in limited comparability, this framework should not be established as a standard for regulatory or mandatory disclosure. <p>Furthermore, although financial institutions are identified as one of the initial focus users of the framework, the framework does not clearly specify the purposes for which, or situations in which, financial institutions are expected to utilise the proposed metrics. Accordingly, we request that typical use cases and concrete utilisation scenarios be clearly articulated and explained, differentiated by type of financial institution, such as banks, insurance companies, and asset management firms.</p>

(End)