

## The Statement<sup>1</sup>

Humanity faces a triple planetary crisis of biodiversity loss, pollution, and climate change. With more than half of the world's GDP dependent on nature and biodiversity<sup>2</sup>, these ecosystem losses pose a systemic risk to companies and their shareholders. Pollution is one of the major drivers of biodiversity loss and it is an increasingly relevant global risk, as highlighted by the World Economic Forum's Global Risks Report 2025<sup>3</sup>. Efforts to address and mitigate the impacts of nature and biodiversity loss have been codified in the goals and targets of the Kunming-Montreal Global Biodiversity Framework (GBF) and the Global Framework on Chemicals – For a Planet Free of Harm from Chemicals and Waste (GFC). Unfortunately, although more than two years have passed since the adoption of the Framework, its implementation has seen little substantive progress.

While operationalization of the framework is a shared responsibility between public and private sectors, governments have a critical role to play, particularly in the initial stages, by creating an enabling environment for a nature-positive global economy. At a minimum, current policies and incentives should be aligned, and not work against, the targets of the GBF. But that is currently not the case. UNEP, FAO, and UNDP assessed that governments spend US\$470 billion annually on biodiversity-destructive agricultural subsidies<sup>4</sup> – which alone could fill 67% of the nature funding gap. If one adds to that the amount spent on all environmentally harmful subsidies – which is estimated at US\$2.6 trillion annually<sup>5</sup> – the funding gap would be closed many times over, not to speak of the biodiversity loss prevented. Furthermore, as investors, we are deeply concerned that a lack of robust, clear, and globally harmonized regulation of the chemicals sector hinders the industry-wide phase-out of Highly Hazardous Chemicals<sup>6</sup> and the transition to safer alternatives for biodiversity and human health.

In 2022, 196 parties to the Convention on Biological Diversity adopted the KM-GBF. Target 7 of the KM-GBF is to reduce pollution to levels that are not harmful to biodiversity by 2030, setting a crucial global ambition backed by governments

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<sup>1</sup> This Statement has been jointly drafted and coordinated by Achmea Investment Management, ChemSec, Erste Asset Management, IEHN of Clean Production Action, Mercy Investment Services, Planet Tracker, and ShareAction.

<sup>2</sup> [PwC, 2019. Managing nature risks: From understanding to action](#)

<sup>3</sup> [https://reports.weforum.org/docs/WEF\\_Global\\_Risks\\_Report\\_2025.pdf](https://reports.weforum.org/docs/WEF_Global_Risks_Report_2025.pdf)

<sup>4</sup> UNEP, FAO, and UNDP. 2021. A multi-billion-dollar opportunity – Repurposing agricultural support to transform food systems. [doi.org/10.4060/cb6562en](https://doi.org/10.4060/cb6562en) 8

<sup>5</sup> Earth Track. 2024. Protecting Nature by Reforming Environmentally Harmful Subsidies. Retrieved from: [earthtrack.net](https://earthtrack.net)

<sup>6</sup> For this statement, we define Highly Hazardous Chemicals [HHCs] as any substance meeting the criteria of being either a Substance of Very High Concern (SVHC) according to REACH; or meeting the criteria of being a Substance of Concern (SoC) according to the CSRD or that is listed as a HHC by the US OSHA.

worldwide. In 2023, over 1100 delegates from 140 countries developed the Global Framework on Chemicals— For a Planet Free of Harm from Chemicals and Waste and the Bonn Declaration. This included Target A7, which called on all stakeholders to work towards eliminating highly hazardous pesticides by 2035. Implementation of UN GFC Target A7 was further supported when the United Nations Environment Assembly (UNEA) passed a resolution on March 1, 2024, calling for the elimination of highly hazardous pesticides (HHPs) by 2035<sup>7</sup>. The resolution also established a global alliance to help phase out HHPs.

We are asking governments to reflect this global ambition into policies on Hazardous and Highly Hazardous Chemicals. We particularly welcome governments worldwide implementing regulations focused on the systematic avoidance of chemical hazards as a principle, halting the release of untested and unmonitored chemicals into the environment, and strengthening the quality of impact assessments and the capacity to support regulatory monitoring at the necessary speed.

Rigorous, clear and globally harmonized policy frameworks can enable a race to the top in the chemicals industry and support the reduction of the impacts it currently presents to the global environment and human health. We urge governments to act as reliable partners to the private sector by providing clear and consistent signals, thereby enabling the long-term planning and commitments essential for the chemical sector's transition.

## **POLICY RECOMMENDATIONS**

Recognising their vital role in enabling the global transition of the chemicals industry, we ask governments to:

- (i) *Work with the Parties to the GBF and GFC to align the hazard-based definition of highly hazardous chemicals and establish a transnational mechanism for continuous global collaboration on chemical regulation. This mechanism should ensure regulations are globally harmonised and regularly updated, supporting the global transformation of the chemical industry toward safer alternatives for biodiversity, the environment, and human health.*
  - a. *Develop a hazard-based definition of Highly Hazardous Chemicals, including Highly Hazardous Pesticides, that will be included into and guide regulatory frameworks.*

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<sup>7</sup> <https://www.chemicalsframework.org/page/resolution-v11-highly-hazardous-pesticides>

- b. Implement the Globally Harmonized System of Classification and Labelling of Chemicals (GHS).
  - c. Develop a standardized biodiversity impact assessment and management methodology for the chemical sector.
- (ii) *Develop a national biodiversity strategy for the chemical industry to enable the sustainable management of chemicals throughout their life cycle, in alignment with the Global Framework on Chemicals.*
- Design regulations that address hazardous chemicals as a class, adopting a hazard-based approach and incorporating the mitigation hierarchy principle.
  - Develop and disclose a phase-out plan for Highly Hazardous Chemicals, including Highly Hazardous Pesticides, where alternatives are available.
  - Redirect subsidies that currently enable the production and commercialisation of highly hazardous chemicals towards developing green chemistries, facilitating the transition to independently verified safer and sustainable alternatives and providing financial incentives to farmers to reduce synthetic inputs.
- (iii) Governments should work to implement Strategies for Sustainability Transition in the chemical sector and enforce compliance with their respective domestic regulation (e.g., REACH in the EU).

Signatories below:

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Pictet Group  
Rathbones Group  
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