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Nature-Intelligent Legal Advisory and Clause Guide: For Nature-Integrated Legal Practice

Part of The Nature-Intelligent Legal Services series

Contents

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Overview of the Nature-Intelligent Legal Services series

The Nature-Intelligent Legal Services series:

1. **Legal Nature Risk and Opportunity: A Business Case Guide** – Why legal services providers (LSPs) should act: examining nature-related risks, opportunities and strategic benefits.
2. **Nature-Intelligent Legal Services Toolkit** – How to assess: evaluating client nature exposure and developing strategic positioning.
3. **Nature-Intelligent Legal Advisory and Clause Guide** – How to implement: embedding nature across legal advice and agreements, with practical clause templates.

This is the **Nature-Intelligent Legal Advisory and Clause Guide**.

The full series is available at **www.ibanet.org/IBA-Nature-Intelligent-Legal-Services-Series**

Introduction

Nature-related dependencies and impacts lead to physical and transition risks and opportunities for all businesses and their value chain partners, including legal service providers (LSPs). These risks include resource scarcity, supply chain disruption, reputational risks and evolving regulatory requirements, while opportunities may arise through access to green and sustainable finance, competitive advantage from nature-positive products and services, and stronger stakeholder relationships. See **Legal Nature Risk and Opportunity: A Business Case Guide** for further details and why this is relevant to lawyers.

The **Nature-Intelligent Legal Services Toolkit (Toolkit)** provides a methodology for LSPs to assess their clients' nature-related exposure and identify strategic priorities. It does not cover nature-related issues arising out of LSP's operations and upstream value chain, which can be addressed through existing business sustainability frameworks.

For LSPs, downstream client relationships represent a distinctive and material source of nature-related risks and opportunities, both through exposure to clients' nature-related business risks and through the potential to add value by supporting clients' nature transitions. There are key opportunities for lawyers to create value for their clients in the nature positive transition. This guide highlights some of the ways that lawyers can embed nature in their services, with links to further resources.

Nature intelligence refers to the knowledge and insights about how organisations depend on and impact nature, and how these interactions create risks and opportunities.

Nature-intelligent services integrate this understanding into legal practice to support clients' nature-related decision-making and transitions.

How to use this Guide

Part 1: Nature-intelligent client advisory provides:

- corporate governance advice on directors' duties and legal risk management;
- greenwashing advice on liability risks in sustainability communications;
- advice on operationalising governance through documentation.

Part 2: Nature-intelligent contracting provides:

- thirteen universal template clauses adaptable across contract types;
- sector-specific case studies demonstrating application across industries;
- a library of additional clause ideas.

Both parts can be used independently or together. LSPs can start with either part depending on immediate client needs.

Introduction

Understanding client nature context

When advising clients on nature-related matters or drafting nature-related contract clauses, legal professionals should first review:

- **the client's sectoral nature indicators** to identify which nature topics are most material. **Nature Intelligent Legal Services Toolkit Annex 2** provides guidance and detailed sector-by-sector impact and dependency scores; and
- **the client's sustainability reports, annual reports, and nature-related disclosures** to understand specific activities, locations, supply chains and existing nature commitments.

Just transition in legal advice and contract clauses

'Just transition' broadly means shifting to an environmentally sustainable economy in a fair and inclusive manner, ensuring no groups are disproportionately or inequitably affected.[1] When drafting or advising on nature-related contract clauses, consider their potential just transition impacts, including the following.

- **Avoiding unfair risk transfer:** address social and environmental risks not only with direct counterparties but also across supply chains to prevent harm being externalised downstream. Ensure obligations are proportionate to counterparty capacity - particularly for micro, small or medium-sized enterprises and suppliers in lower income countries – supporting positive change through capacity-building, technology access, finance and proportionate cost-sharing rather than imposing unsustainable compliance burdens.
- **Stakeholder engagement and social dialogue:** guide engagement with Indigenous and local communities affected by the contract, ensuring free, prior and informed consent (FPIC) and compliance with the UN Guiding Principles on Business and Human Rights and related international norms.[2] Proactively involve workers, unions and other stakeholders in contract negotiations and transition planning.[3]

1 See Muller S and Robins N, Just Nature: How finance can support a just transition at the interface of action on climate and biodiversity (2022) Grantham Research Institute on Climate Change and the Environment and Centre for Climate Change Economics and Policy, London School of Economics and Political Science.

2 United Nations, Declaration on the Rights of Indigenous Peoples (2007); UN Guiding Principles on Business and Human Rights (2011).

3 International Labour Organisation, Guidelines for a just transition towards environmentally sustainable economies and societies for all (2016).

Part 1: Nature-intelligent client advisory

Part 1 addresses the following legal advisory areas:

1A: Greenwashing advice

1B: Corporate governance

1C: Operationalising governance through documentation

These advisory areas represent high-leverage points where LSPs can immediately mitigate client risk and add strategic value. While contracting offers numerous tactical opportunities (see Part 2), these advisory functions provide the governance and risk management framework that should inform all nature-related legal work.

Part 1A: Greenwashing advice

Lawyers advising on corporate disclosures, advertising and sustainability claims play an essential role in helping clients navigate the growing legal risks around greenwashing, including in relation to biodiversity and nature. As investor and consumer scrutiny of environmental claims intensifies, clients face liability exposure for making statements about nature-related credentials that are misleading, unsubstantiated, or omit material information.

Many jurisdictions have general consumer protection laws and advertising codes which prohibit misleading or deceptive statements and conduct, and there are several examples of companies and financial services firms facing penalties for breaching such instruments by making false or misleading environmental or sustainability claims (see box below). Regulators and standard setters in some jurisdictions have released specific guidance to support accurate environmental claims.[4] For example, guidance from the UK Advertising Authority (ASA) and the Advertising Standards Council of India (ACSI) stress that green claims must be substantiated with credible evidence and reflect the full lifecycle of a product or service.[5]

Four areas of practice that law firms can develop:

1. materiality review – support clients in identifying nature-related dependencies, impacts, risks and opportunities relevant to their disclosures;
2. claim audit – assess existing public statements for potential exposure to greenwashing risk, particularly around biodiversity or ecosystem impacts;
3. substantiation – advise clients to ensure that they hold robust evidence (eg, lifecycle assessments, biodiversity footprinting) to support nature-related claims; and
4. disclosure design – help clients align voluntary disclosures (eg, TNFD reporting, sustainability marketing) with regulatory requirements.

4 See for example, the Advertising Standards Council of India, Guidelines for Advertisements Making Environmental/Green Claims (2024); UK Competition and Markets Authority (CMA) Making environmental claims on goods and services (2021); the Australian Competition and Consumer Authority, A guide to making environmental claims for business (2023); US Federal Trade Commission, Guides for the Use of Environmental Marketing Claims (2012). The European Commission adopted a proposal for a Directive on Green Claims in 2023.

5 UK Advertising Standards Authority, Misleading environmental claims and social responsibility in advertising (2025); ASA, Environmental claims: General 'Green' claims (2025); EC, Green claims; UN Environment Programme, One Planet Network, Guidelines for Providing Product Sustainability Information (2022).

Part 1: Nature-intelligent client advisory

Further resources: greenwashing

While LSPs will need to consider the specific legislation and regulatory guidance which applies in their jurisdiction, the following global resources provide a useful starting point for understanding and managing risks of misleading environmental claims.

- OECD (2025), **Protecting and empowering consumers in the green transition: Misleading green claims**.
- World Federation of Advertisers (2022), **Global Guidance on Environmental Claims**.
- UN One Planet Network's **Guidelines for Providing Product Sustainability Information**.

Case studies: Greenwashing in advertising

UK drinks producer: In 2022, a campaign by a soft drinks producer that depicted people cleaning up nature was banned by the ASA for misleadingly implying that buying the drinks would have a positive environmental impact.[6] While the company had broader sustainability initiatives, the specific claims in the ad could not be substantiated.

EU clothing retailer: A Swedish fast fashion retailer faced scrutiny for marketing that was found to include vague and unverified claims about sustainability and material sourcing.[7]

South African energy company: In 2024, the South African Advertising Regulatory Board found that an energy company's website statement advertising its commitment to 'sustainable development' in relation to sponsorship of national parks was misleading in contravention of South Africa's Code of Advertising Practice, in circumstances where fossil fuel exploitation formed the company's core business.[8]

These cases underscore the need for advertisers to clearly connect environmental claims to actual business practices and outcomes.

Part 1B: Corporate governance

Lawyers can play an essential role in advising their clients on the duties of their board directors to consider nature. See **Legal Nature Risk and Opportunity: A Business Case Guide** for an overview of nature-related financial risk and governance considerations. Since nature-related risks are capable of affecting the company's short- and long-term financial success, they are relevant to the exercise of directors' general duties of care and diligence and the duty of loyalty (to promote the success of the company).

Independent legal opinions on the duties of directors with respect to managing climate and nature-related risks have been published in several jurisdictions.[9] Broadly, these opinions highlight the need for directors to identify nature-related risks faced by them; assess which risks are material; consider risk mitigation strategies and disclosures and provide clear documentation at each step.[10]

6 UK Advertising Standards Authority, ASA Ruling on Innocent Ltd t/a Innocent (2022).

7 The Sustainable Fashion Forum, H&M is Being Sued For 'Misleading' Sustainability Marketing. What Does This Mean for the Future of Greenwashing? (2022).

8 South Africa Advertising Regulatory Board, Decision of the Advertising Regulatory Board: TotalEnergies Marketing South Africa (Pty) Ltd (2024). TotalEnergies' appeal was dismissed.

9 Commonwealth Climate and Law Initiative (CCLI), Shivji KC, Stubbs KC, Burton, Anderson and Sharafi, Nature-related risks and directors' duties under the law of England and Wales (March 2024); Hartford-Davis and Bush, Nature-related risks and directors' duties (CCLI, October 2023); Dr Yoshihiro Yamada, Dr Janis Sarra, and Dr Masafumi Nakahigashi, Directors' Duties Regarding Climate Change in Japan (CCLI, March 2025); Chapman Tripp, New Zealand Director Duties to Manage Nature-Related Risk and Impact on Natural Capital (March 2023); Lisa (Elisabeth) DeMarco, Dr DT Vollmer, Associate, Nature-related risks and the duties of directors of Canadian corporations (CCLI, July 2025).

10 See, for example, the recommendations of the UK legal opinion: Shivji KC, Stubbs KC at n 9 above. Note that exact requirements will vary across jurisdictions.

Part 1: Nature-intelligent client advisory

There are many resources available to support lawyers to advise clients on how nature-related risks are relevant for directors, and how to upskill boards so that they are equipped to engage with nature-related risks.

An important way in which lawyers can help directors to fulfil their duties in relation to nature-related risks is through supporting robust corporate nature transition planning. When done well, a transition plan can provide documented evidence of strategic consideration and mitigation of nature-related risks. (See the section on transition planning in **Legal Nature Risk and Opportunity: A Business Case Guide** for further detail.)

Further resources: corporate governance

- **Biodiversity Risk: Legal Implications for Companies and their Directors** (2022) – this report details why nature-related risks are likely to be relevant to directors' duties in many jurisdictions around the world. This provides a detailed analysis of corporate legal considerations and directors' duties in relation to nature and biodiversity, complete with practical examples. Appendices feature an analysis of biodiversity risk as a material financial risk, sector studies on companies' interface with biodiversity in the agricultural and construction industries and a table of multi-sector examples of company interfaces with nature taken from company reports and studies.[11]
- **Directors' Duties Navigator** – includes features on biodiversity for Australia, Canada, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Africa, the UK and the US.[12]
- **Asking Better Questions on Nature** – a short list of questions to consider at board meetings and ask company executives, to ensure that nature-related issues are appropriately incorporated into governance, strategy, risk management and capital allocation decision making.[13]
- **Taking TNFD to Your Board** – engagement materials for preparing for a board discussion or upskilling on nature.[14]

Integrated governance of environmental and social risks

Lawyers advising on nature-related corporate governance will be aware of the potential 'trade-offs' between climate and nature-related issues and between environmental and social issues. For example, climate mitigation activities (eg, wind turbines, hydroelectric dams or monoculture bioenergy crops) may drive biodiversity loss, or biodiversity protection. Similarly, climate mitigation may impact human rights (eg, infringement of local land rights in conservation areas or labour rights infringements in mining of transition minerals). It is possible that, in addressing one identified material risk, an unforeseen impact may subsequently turn into a risk to the company that is, or becomes, material in terms of reputation and long-term value.[15]

11 CCLI, Ramos and Sedilekova, Biodiversity Risk: Legal Implications for Companies and their Directors (December 2022).

12 CCLI and Climate Governance Initiative, Directors' Duties Navigator: Climate Risk and Sustainability Disclosures, 4th edn (September 2024); CCLI and Chapter Zero Alliance, Directors' Duties Navigator: Climate Risk and Sustainability Disclosures (5th Edition, January 2026).

13 TNFD, Chapter Zero, Competent Boards, Commonwealth Climate and Law Initiative, Green Finance Institute, Asking Better Questions on Nature: For board directors (2025).

14 TNFD, Green Finance Institute and Chapter Zero, Taking TNFD to your board (2024); Business for Nature, High-level Business Actions on Nature.

15 CCLI, Ramos, Cooper and Sedilekova, Trade-offs in corporate governance and balancing directors duties on the climate–biodiversity–society nexus (2022).

Part 1: Nature-intelligent client advisory

Supporting higher ambition in nature governance

Some businesses have chosen to take innovative approaches to embedding nature in their governance processes, and lawyers have played a key role in enabling this to occur. For example, Lawyers for Nature (UK); Earth Law Center (US), supported by Shearman & Sterling, designed the model for UK company Faith in Nature to amend its Objects clause in the Articles of Association, to embed both their combined commercial and environmental purposes, and the legal standing of Nature as a Director on the board. Two co-proxies were appointed to represent, speak and vote for Nature.[16] There are several resources that lawyers can access to support clients wishing to take this more ambitious approach to nature governance, including:

- **Onboarding Nature Toolkit** – this toolkit provides a comprehensive guide to nature as a stakeholder within corporate governance, through the lens of four models: Nature as Inspiration, Nature as Advisor, Nature as Director and Nature as Shareholder. Using multiple case studies of companies that have formalised Nature's role in their decision-making models, it sets out the business benefits and practical steps of including Nature as an organisational stakeholder.[17]
- **Corporate Governance for Nature: Surveying the Legal Landscape** – this book chapter examines the concept of nature as a shareholder, stakeholder, or director of a company and provides practical examples of implementation.[18]

16 Faith in Nature, Lawyers for Nature and Earth Law Center, Nature on the Board: an Open Source Guide (2022).

17 B Lab Benelux, Earth Law Center-Nature Governance Agency, Nyenrode Business University, Onboarding Nature Toolkit (2024).

18 Sedilekova, Ramos, Graham & Luyt, Corporate Governance for Nature: Surveying the Legal Landscape, The Palgrave Handbook of Environmental Policy and Law (2025).

Part 1: Nature-intelligent client advisory

Contract clauses provide a way to address nature-related risks, formalise nature-related business opportunities, and to help value chain partners integrate consideration of nature-related **dependencies, impacts, risks and opportunities (DIRO)** into their activities. This follows the example set by The Chancery Lane Project (TCLP), an initiative that provides a range of template clauses that address climate risks and opportunities across multiple industries and sectors. Since climate change is one of the five key anthropogenic drivers of biodiversity loss, TLCP clauses already address an important element of biodiversity and nature risk. Many of the legal concepts developed through TCLP can be readily adapted to address nature-related risks and opportunities beyond greenhouse gas emissions. The examples in this guide, inspired by TCLP clauses, show how this might be done. They can be used alongside TCLP's guides on using contracts to operationalise deforestation-free supply chains and implement climate and nature transition plans.[19]

- Part 2A sets out 13 universal template clauses, which LSPs can use to incorporate nature considerations into a variety of contract types (eg, supply chain, or finance agreements). They are intended to be adapted and customised to specific contexts, jurisdictions and client needs rather than used as final drafting.
- Part 2B provides a range of fictional case studies to help LSPs recognise how contracts can be used to mitigate nature-related risks across a range of sectors. The case studies draw on the framework for nature considerations outlined by the Taskforce for Nature-related Financial Disclosures (see box below – Understanding nature-related dependencies, impacts, risks and opportunities: DIRO).
- Part 2C provides a more extensive library of clause ideas that LSPs can use to integrate nature in different circumstances.

An important first step is governance.

Part 1C: Operationalising governance through documentation

Governance-focused **climate template clauses** from **The Chancery Lane Project** (TCLP) can be readily adapted to embed nature considerations into corporate structures:

- **Griff's Clause** (template board paper for significant contracts and transactions) – adapt for nature risk assessment;
- **Darcy's Board Minutes** (encouraging climate risk consideration in board decisions) – modify for nature-related risks;
- **Scarlett's Performance Conditions** (ESG-based performance conditions for employee incentive awards) – extend to nature targets;
- **Elsie's Resolutions** (shareholder resolutions relating to climate commitments) – adapt for nature commitments;
- **Jedda's Clause** (corporate governance framework for appointing a board director with traditional or relevant environmental knowledge); and
- **Ragnar's clause** (framework of green obligations for a company's articles).

19 TCLP, Guide: Ensure deforestation-free supply chains, Guide: Deliver a climate transition plan (2025).

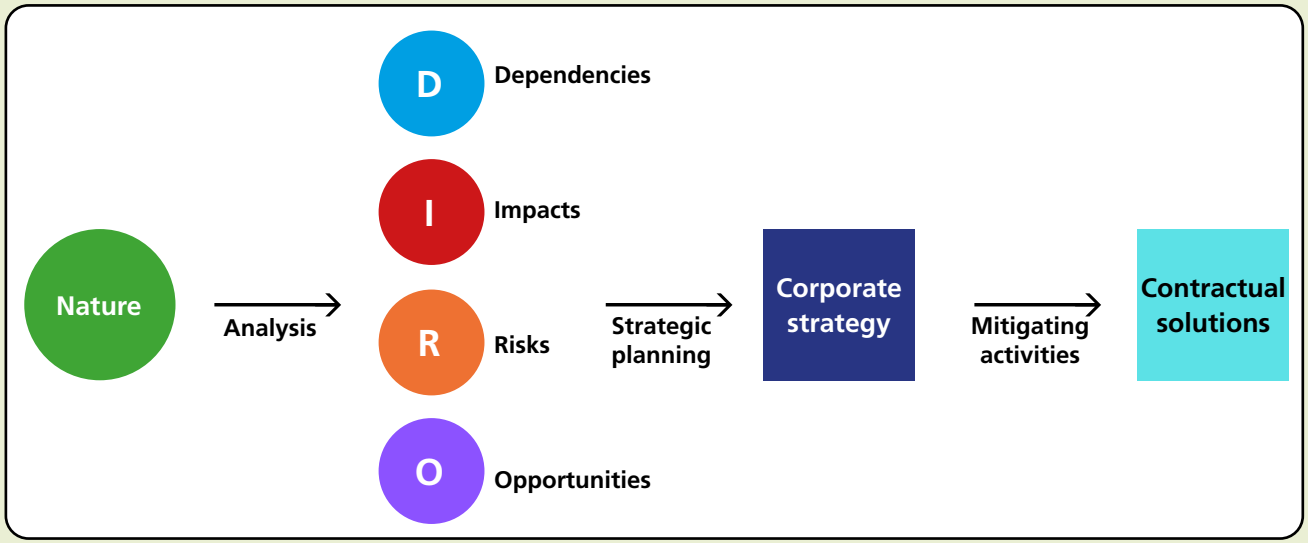
Part 2: Nature-intelligent contracting

Beyond governance documentation, contracts across all sectors can integrate nature considerations through the DIRO framework:

Understanding nature-related dependencies, impacts, risks and opportunities: DIRO

The Taskforce for Nature-related Financial Disclosures (TNFD) framework structures nature-related analysis around four key elements: dependencies on ecosystem services (eg, water provision, pollination), impacts on nature (eg, land use change, pollution), risks arising from nature-related issues (including physical and transition risks), and opportunities for nature-positive business outcomes – collectively known as 'DIRO'.[20]

The case studies in **Part 2B** use fictional company examples based on real TNFD disclosures to demonstrate how DIRO analysis translates into contractual solutions. (Climate-related dependencies and impacts are excluded as they are comprehensively addressed by TCLP's climate clauses.)



20 TNFD, Recommendations of the Taskforce on Nature-related Financial Disclosures (September 2023), p 29.

Part 2: Nature-intelligent contracting

Clause navigation and quick use matrix

The quick use matrix below helps you quickly identify the most relevant clauses for your contract type – start with the suggested Universal Clauses, then refer to the detailed sector guidance case studies and clause ideas library as needed.

Contract Type	Start with Universal Clauses	Then see Sector Section	Consider Further Clause Ideas
Supply/Procurement	2 (Deforestation), 5 (Due Diligence), 7 (Chemical Management)	Corporate/Commercial	Traditional Knowledge, Forest Commodities Traceability, Sustainable Minerals
Finance/Lending	4 (Sustainability-Linked), 8 (Risk Disclosure), 13 (Transition Planning), 5 (Due Diligence – adapt for finance context)	Finance and Investment	Natural Capital Accounting, Debt-for-Nature, Investment Exclusions
Construction/Development	3 (Biodiversity Net Gain), 6 (Circular Economy), 1 (Water)	Real Estate OR Construction/ Mining	Nature-based Resilience, Progressive Rehabilitation
Employment/Governance	11 (Director Duties), 12 (ESG Compensation)	Any sector, Operationalising Governance Through Documentation	Stewardship Voting
Energy/Infrastructure	1 (Water), 9 (Stakeholder Engagement), 10 (Progressive Improvement)	Utilities and Energy	Ecosystem-Based Management, Regional water stress assessment
International/Shipping	5 (Due Diligence), 9 (Stakeholder Engagement)	Construction/Mining, Shipping	Invasive Species, Marine Resource, Genetic Integrity
M&A/Due Diligence	8 (Risk Disclosure), 5 (Due Diligence)	Relevant sector based on target	Investment Screening, Nature Scenario Analysis
Property Leases	3 (Biodiversity Net Gain), 10 (Progressive Improvement)	Real Estate	Circular Luxury Models, Nature-based Resilience, Water Technology
Joint Ventures/Partnerships	9 (Stakeholder Engagement), 13 (Transition Planning)	Relevant sector	Innovation Partnerships, Ecosystem-Based Management

Part 2A: Starter pack – 13 universal contract clauses for nature

These template clauses provide starting points for incorporating nature-related considerations into a variety of contract types (eg, supply chain or finance agreements) or other corporate documents (such as governance or strategy documents – see **Part 1C Operationalising governance through documentation**). They are deliberately brief as they are designed to be adapted and customised to specific contexts, jurisdictions and client needs rather than used as final drafting. While these clauses could be grouped thematically (resource management, governance, disclosure, etc), they are presented as a single set of universal tools because many address multiple dimensions of nature risk and can be combined flexibly to suit different transaction types.

Adapting clauses for legal enforceability: These template clauses are intentionally drafted as flexible starting points rather than final contract language. Users should adapt them to ensure legal enforceability in their specific context, which may include:

- structuring obligations as representations, warranties, and/or covenants as appropriate;
- assigning clear responsibilities to named parties;
- including monitoring, verification and reporting mechanisms with specified timeframes;
- establishing remedies or consequences for breach;
- defining technical terms either within each clause or in a separate definitions section.

The level of specificity and enforcement will depend on the parties' bargaining positions, risk appetites, and the maturity of their nature governance systems.

- **Universal Clause 1**: Water Stewardship Clause
- **Universal Clause 2**: Deforestation-Free Supply Chain Clause
- **Universal Clause 3**: Biodiversity Net Gain Requirement
- **Universal Clause 4**: Sustainability-Linked Performance Clause
- **Universal Clause 5**: Supply Chain Due Diligence Clause
- **Universal Clause 6**: Circular Economy Design Clause
- **Universal Clause 7**: Chemical Management and Green Chemistry Clause
- **Universal Clause 8**: Nature Risk Disclosure Clause
- **Universal Clause 9**: Stakeholder Engagement and Rights Protection Clause
- **Universal Clause 10**: Progressive Environmental Improvement Clause
- **Universal Clause 11**: Director Duties and Nature Governance Clause
- **Universal Clause 12**: ESG-Linked Executive Compensation Clause
- **Universal Clause 13**: Nature Transition Planning Requirement Clause

Part 2A: Starter pack – 13 universal contract clauses for nature

Universal Clause 1: Water Stewardship Clause

1. [Contractor] shall implement water efficiency measures targeting [X] percent reduction in freshwater use relative to the baseline year [insert year] and by [insert target date], to be measured in compliance with [insert framework/quality standard].
2. [Contractor] shall:
   a. establish greywater recycling where [technically/economically] feasible [consistent with applicable regulations]; and
   b. participate in local watershed protection initiatives.
3. In water-stressed regions,[21] [Contractor] must demonstrate:
   a. alternative water sourcing;
   b. drought contingency planning; and
   c. monitoring of water use and quality,

   in accordance with Schedule [X].
4. [Contractor] shall implement a regular monitoring program for Per- and Polyfluoroalkyl Substances (PFAS) in both its water intake sources and effluent discharge, utilising accredited laboratory methods (such as EPA Method 533 or 537.1 or subsequent equivalent standards). Any [relevant] detection of PFAS shall be reported to [the other Party] within [X] days, along with a corresponding risk mitigation plan.
5. [Contractor] shall engage relevant local stakeholders [to be defined] regarding water management practice [to be more specifically defined and agreed].[22]

USE: Any water-intensive operations | **ADDRESSES:** Water stress, ecosystem degradation

21 Water-stressed regions should be defined using recognised criteria such as World Resources Institute (WRI) classifications, local government designations, or client-specific risk assessments. The WRI's Aqueduct website provides a water risk framework with 13 indicators to map global water risks.

22 Further clauses and definitions will need to specify baseline measurement, ongoing reporting requirements, and auditing/verification methods according to local standards and client operational context (eg, annual consumption data, third-party verification, industry benchmarking standards, performance reporting schedules).

Part 2A: Starter pack – 13 universal contract clauses for nature

Universal Clause 2: Deforestation-Free Supply Chain Clause

1. [Supplier] warrants that [products/materials][23] are sourced:
   a. with zero deforestation[24] commitment by [target date];
   b. with full supply chain traceability to farm/forest level; and
   c. [third-party certification][25] [or an equivalent credible verification] for forest-risk commodities including palm oil, soy, timber, cattle, rubber, and cacao [and other regionally relevant commodities].[26]
2. Any sourcing with deforestation after [target date] is strictly prohibited.
3. [Supplier] shall conduct and document due diligence, including information collection, risk assessment, and mitigation of non-negligible risks, to ensure that products/materials are deforestation-free.
4. [Supplier] shall provide a legally binding due diligence statement, including geolocation data and confirmation of legal compliance in the country of origin.
5. Where deforestation has occurred, [Supplier] shall:
   a. implement restoration or conservation measures; and
   b. report [to A, B, C] [insert timeframe] on compliance, biodiversity impacts and stakeholder engagement [with agreed stakeholders].[27]

USE: Any supply chain | **ADDRESSES:** Land use change (30 per cent of biodiversity loss)

23 Terms should be tailored to the contract circumstances.

24 Include a definition for 'deforestation', aligned to the relevant jurisdiction and define 'zero' forestation. For example, The EU Deforestation Regulation's definition is 'the conversion of forest to agricultural use, whether human-induced or not, which includes situations caused by natural disasters'. EC, Implementation of the EU Deforestation Regulation.

25 The certification standard and compliance demonstration requirements (including documentation standards, audit protocols, and certificate verification processes) will need to be specified. Suggestions include Forest Stewardship Council (FSC) or Roundtable on Sustainable Palm Oil (RSPO) certification or equivalent: FSC, Certification; RSPO, Certification.

26 This can be expanded to cover a wider scope of deforestation-risk commodities (eg, coffee) depending on the client sector and location.

27 In multi-tier supply chains, these requirements should be cascaded through contracts to all relevant downstream partners, ensuring that obligations reach the ultimate supplier who provides the materials and performs the restoration/conservation activities.

Part 2A: Starter pack – 13 universal contract clauses for nature

Universal Clause 3: Biodiversity Net Gain Requirement

1. All development/operations must:
   a. achieve minimum [10-20%] Biodiversity Net Gain[28] from a pre-development baseline; and
   b. include 30-year habitat management plans incorporating adaptive management based on independent ecological monitoring.[29]
2. Where on-site gains are insufficient to meet [the BNG requirement in clause 1.a], biodiversity credit frameworks or equivalent verified offset mechanisms may be used.
3. [Party] must prioritise local habitats and species of conservation importance and engage relevant stakeholders in biodiversity planning and delivery.[30]

USE: Any land use/development | ADDRESSES: Habitat loss, regulatory compliance

Universal Clause 4: Sustainability-Linked Performance Clause

1. [Party] shall achieve the following nature-related performance targets:
   a. [specify science-based water efficiency/biodiversity metrics/waste reduction metrics].
2. Performance will be measured annually:
   a. through [independent verification][31] by an approved third party;
   b. using [specify methodology for measurement] or a credible replacement methodology;
   c. against the baseline specified in [consider specifying a specific baseline and framework per target].
3. Automatic pricing adjustments of [X basis points/percentage] shall apply for exceeding targets or for failure to meet agreed benchmarks.[32]
4. Targets may be reviewed and adjusted in response to unforeseen circumstances, regulatory changes or updated best-practice standards.[33]

USE: Any contract type | **ADDRESSES:** Continuous improvement incentives

28 This term will need to be defined according to local standards and regulations. In the UK it can reference current legal provisions, since the term is defined in law.

29 Reporting schedules and performance verification methods should be specified, including baseline assessment protocols and ongoing monitoring standards.

30 Terms should be defined more precisely according to the circumstances of the contract to avoid vagueness, eg, if there are any identified local habitats or species of conservation importance, or relevant stakeholders, these should be specified.

31 Independent verification requirements and methodologies will need to be specified (eg, third-party auditor qualifications, reporting standards, measurement protocols).

32 Adapt from TCLP's Bella's Clause (management equity ratchet) and Laith & Irsa's Clause (interest ratchet) for nature metrics. Include premium pricing tiers for suppliers exceeding nature-related targets (eg, Nestlé model paying dairy farmers premiums for sustainable farming practices that protect supply chain resilience – Cambridge Institute for Sustainability Leadership, Modelling better business: Nestlé trials natural capital premium with UK dairy farmers (2018).)

33 This clause is intended to link to contract-related targets. However, it could alternatively be drafted with targets linked to existing sustainability commitments of the obligor in which case, an additional clause could be added requiring that results be reported to relevant stakeholders to ensure transparency and alignment with broader ESG and nature-positive commitments.

Part 2A: Starter pack – 13 universal contract clauses for nature

Universal Clause 5: Supply Chain Due Diligence Clause[34]

1. [Supplier] shall implement due diligence to identify, prevent, mitigate and remediate adverse impacts on human rights and the environment across its operations and value chain, including:
   a. integrating due diligence into policies and risk management systems;
   b. completing an annual environmental and human rights questionnaire based on recognised frameworks covering water use, waste management, chemical usage, land use impacts, biodiversity risks and human rights considerations;[35]
   c. mapping upstream supply chain tiers for high-risk commodities;[36]
   d. submitting to risk-based on-site audits and implementing remediation plans for high-risk activities within [timeframe];[37]
   e. consulting with affected local stakeholders to verify and support mitigation measures;
   f. establishing complaint mechanisms; and
   g. reporting audit findings, remediation progress and due diligence effectiveness to Buyer [quarterly/annually].
2. [Supplier shall provide contractual assurances of compliance with Buyer's code of conduct. Verification measures shall include third-party verification where appropriate, site inspections and regular reporting on nature-related risks including deforestation, water stress, biodiversity impacts and pollution.]

USE: All supplier/procurement contracts, vendor agreements | **ADDRESSES:** Value chain due diligence, Regulatory compliance (EU Corporate Sustainability Reporting Directive or Corporate Sustainability Due Diligence Directive)

Universal Clause 6: Circular Economy Design Clause

1. Products/services shall incorporate Circular Design Principles[38] including:
   a. [X%] recycled content (measured in accordance with recognised standards and minimums);[39]
   b. design for disassembly/recyclability; and
   c. take-back programmes for end-of-life materials.[40]
2. [Supplier] shall set waste reduction targets that are, where feasible, linked to broader ESG or nature-positive objectives and report to the [Purchaser] annually on progress against those targets.
3. Supplier shall conduct [annual, monthly, to be agreed] product lifecycle assessments which will include consideration of the environmental impacts of raw materials used in the products.
4. [Supplier] shall enter into equivalent contractual terms with all suppliers and subcontractors involved in production to ensure that those parties shall comply with the requirements in clause [1a].

USE: Product/manufacturing contracts | **ADDRESSES:** Resource extraction, waste impacts

34 This clause incorporates the core due diligence framework from the EU Corporate Sustainability Due Diligence Directive (Art 5 and 10(2)(b), 10(5)), while maintaining global applicability. The specific provisions in sub-paragraphs (a) to (g) operationalise the CSDDD requirements for identification and assessment of risks (Art 5(1)(b)), prevention and mitigation (Art 5(1)(c)), remediation (Art 5(1)(d)), stakeholder engagement (Art 5(1)(e)), and reporting (Art 5(1)(f)). For contracts subject to EU CSDDD requirements, consider adding: 'Buyer shall ensure fair treatment of small and medium-sized enterprises in verification processes, including proportionate cost coverage where appropriate.'

35 This should link to a template in an annex. It could be based on TNFD or ISO 14001. See TCLP's Raphael's Procurement DDQ (climate change due diligence questionnaire for suppliers). Consider adapting TCLP's Ayshe's Clause framework to ensure procurement due diligence covers nature impacts of 'green' purchases – renewable energy, sustainable materials, etc.

36 'High-risk commodities' should be defined according to recognised risk-assessment criteria (eg, WWF's priority commodities, TNFD sector materiality assessments).

37 Audit frequency and timeframes should be specified based on risk level and materiality of impacts.

38 This term will need to be defined according to local standards and regulations.

39 Specific percentages and material types for recycled content should be defined according to industry standards and product feasibility.

40 Adapt from TCLP's Alex's Clause (Circular Economy Product Design Obligation) and Aatmay's Clause (sustainable and circular economy principles).

Universal Clause 7: Chemical Management and Green Chemistry Clause

1. [Party] shall [use best endeavours to]:[41]
   a. [eliminate][42] harmful chemicals as defined in the Restricted Substances List;[43]
   b. prioritise bio-based or safer alternatives;[44] and
   c. implement green chemistry principles.[45]
2. [Party] shall:
   a. provide Material Safety Data Sheets demonstrating reduced environmental impact;
   b. report [periodically] to [named party] on compliance and progress against the obligations in [clause 1.a]; and
   c. commission independent audits [periodically] to verify adherence to the obligations in [clause 1.a].

USE: Any chemical use/manufacturing | **ADDRESSES:** Pollution (14 per cent of biodiversity loss)

Universal Clause 8: Nature Risk Disclosure Clause

1. [Party] shall assess and annually disclose nature-related dependencies, impacts, risks and opportunities using the Taskforce for Nature-related Financial Disclosures framework or equivalent and applying the TNFD LEAP methodology for structured assessment.[46]
2. Disclosures shall be independently verified where feasible and reported to relevant stakeholders, including clients and investors.[47]
3. Within [timeframe] [Party] shall:
   a. develop science-based targets[48] based on the results of the assessments in clause [1] and prioritising the most material nature dependencies and impacts; and

integrate these targets into broader environmental, social, sustainability and nature-positive strategies.

USE: Any significant contract | **ADDRESSES:** Financial risk management, governance

41 Timeline and targets should be specified for elimination and implementation obligations according to operational feasibility and regulatory requirements.

42 'Eliminate' could be substituted with 'minimise' or 'phase out'.

43 Restricted substances list should be defined according to applicable regulations and industry standards (eg, EU REACH Regulation, the Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive) and client-specific requirements. See European Commission information pages: REACH Regulation; RoHS Directive for details of EU restrictions.

44 Bio-based alternatives criteria should be specified (eg, minimum bio-content percentages, feedstock sustainability requirements, lifecycle impact thresholds). See standards ASTM D6866-22 Standard Test Methods for Determining the Biobased Content of Solid, Liquid, and Gaseous Samples Using Radiocarbon Analysis and ISO 16620-2 Plastics – Biobased content: Part 2: Determination of biobased carbon content.

45 Green chemistry principles will need to be defined according to applicable industry standards and client-specific environmental criteria. This could include atom economy, renewable feedstocks and reduced toxicity. See IUPAC (International Union of Pure and Applied Chemistry), Green Chemistry Committee and 12 Principles of Green Chemistry at EPA website.

46 TNFD, Recommendations of the Taskforce on Nature-related Financial Disclosures (September 2023), at p 29. Equivalent frameworks will need defining and include those providing equal or greater disclosure scope, such as EU Corporate Sustainability Reporting Directive (which incorporates double materiality), GRI biodiversity standard, or other established nature-related disclosure standards. The chosen framework should address dependencies, impacts, risks and opportunities at minimum.

47 Disclosure requirements should increase in ambition over time as the organisation progresses through nature governance stages (see Toolkit Stage 2 categorisation) and as industry best practice evolves. For example, by introducing transition planning requirements (see Universal Clause 13 below). Consider periodic enhancement of disclosure scope and methodology.

48 Science-based targets should be defined with reference to SBTN (Science Based Targets Network) standards and validation services.

Part 2A: Starter pack – 13 universal contract clauses for nature

Universal Clause 9: Stakeholder Engagement and Rights Protection Clause

1. [Party] shall conduct [its operations] to include:
   a. Indigenous rights protection protocols;
   b. integration of traditional ecological knowledge;
   c. consultation with local communities using Free, Prior and Informed Consent (FPIC) procedures;[49]
   d. grievance mechanisms; and
   e. benefit-sharing mechanisms for conservation and nature-positive outcomes.[50]
2. [Party] shall monitor engagement processes and report [periodically] to [party], including detail of the resolution of any grievances or conflicts.
3. All engagement activities shall align with [broader ESG, human rights and biodiversity commitments] and shall be independently verified where feasible.

USE: Any land/resource use | **ADDRESSES:** Human rights, social licence to operate

Universal Clause 10: Progressive Environmental Improvement Clause

1. [Contractor] commits to:
   a. [continuous environmental performance improvement] with annual targets for [key nature impacts], measured using recognised metrics and methodologies;[51]
   b. regular monitoring and [frequency] reporting to the [counterparty], reports to be independently verified where [reasonably possible];
   c. applying [adaptive management protocols][52] to respond to [outcomes]; and
   d. escalating improvement requirements over the contract term [with targets increasing by X% annually / aligned with science-based trajectories / following agreed milestone schedule].
2. Progress and results shall be reported to relevant stakeholders and performance shall be linked to broader ESG and nature-positive objectives.

USE: Long-term contracts | **ADDRESSES:** Long-term nature positive transition

49 FPIC procedures should be defined by reference to established international standards such as International Labour Organization Convention 169 (ILO, Indigenous and Tribal Peoples Convention, 1989) or the United Nations Declaration on Rights of Indigenous Peoples (UN Department of Economic and Social Affairs, UNDRIP).

50 Benefit-sharing mechanisms should be defined by reference to established international standards such as ILO Convention 169 (ILO, Indigenous and Tribal Peoples Convention, 1989) or UN Declaration on Rights of Indigenous Peoples (UN Department of Economic and Social Affairs, UNDRIP).

51 The terms 'Continuous Environmental Performance Improvement' and 'Key Nature Impacts' will need defining according to context and client requirements. Separate enforcement provisions should detail remedies for non-compliance (eg, termination, renegotiation, or financial penalty) and time periods for triggering such remedies, including cure periods for late compliance.

52 The term 'adaptive management protocols' will need defining according to context and client requirements.

Part 2A: Starter pack – 13 universal contract clauses for nature

Universal Clause 11: Director Duties and Nature Governance Clause

1. Directors shall consider nature-related dependencies, impacts, risks and opportunities material to [company] operations in strategic decision-making and oversight functions.
2. Directors shall:
   a. complete [appropriate nature-risk training][53] within [X months] of appointment and annually thereafter;
   b. review [quarterly] management reports on nature-related risks material to operations;
   c. prepare annual board papers on nature risk assessment, including evaluation of:
      i. [progress towards] published disclosures aligned with the recommendations of the Taskforce for Nature-related Financial Disclosures;
      ii. integration of nature considerations into risk management frameworks and strategy; and
      iii. document consideration of nature-related risks in board minutes where relevant.[54]

USE: Corporate governance agreements, board service contracts | **ADDRESSES:** Fiduciary duty compliance, material risk oversight

Universal Clause 12: ESG-Linked Executive Compensation Clause

1. Executive variable compensation shall include nature-related performance criteria comprising [X%] of variable pay, with specific measurable metrics such as [Biodiversity Net Gain[55] achievement/water/waste reduction targets/science-based target progress[56]/ nature transition plan implementation milestones.][57]
2. The [Company/Board/Compensation Committee] shall:
   a. engage independent auditors to verify achievement of nature-related performance criteria;
   b. evaluate performance against predefined thresholds [quarterly/annually];
   c. report performance results to [the Board/shareholders] within [timeframe] of period end; and
   d. communicate outcomes to relevant stakeholders, including investors, in [annual compensation report/proxy statement].[58]

USE: Employment contracts, incentive plans | **ADDRESSES:** Accountability for nature commitments, performance alignment

53 Consider defining 'appropriate training'.

54 This clause is designed for corporate governance agreements and board service contracts where imposing directorial duties is appropriate. For commercial contracts with third parties (eg, supply agreements, joint ventures), adapt as a representation that directors have considered nature-related risks material to the specific transaction, or as a covenant to maintain governance processes for identifying nature risks relevant to the contractual relationship.

55 Biodiversity Net Gain will need to be defined according to local standards and regulations. In the UK it can reference current legal provisions, since the term is defined in law.

56 Science-based targets should be defined with reference to SBTN (Science Based Targets Network) standards and validation services.

57 See TCLP, Scarlett's Performance Conditions (ESG-based performance conditions for employee incentive awards).

58 Include further terms specifying performance period and vesting conditions. The Board may implement claw-back provisions for backtracking after initial progress.

Part 2A: Starter pack – 13 universal contract clauses for nature

Universal Clause 13: Nature Transition Planning Requirement Clause

1. [Party] must develop and annually update a nature transition plan aligned with the recommendations of the Taskforce for Nature-related Financial Disclosures, integrating with existing climate transition planning where applicable.[59]
2. The transition plan must:
   a. set (or incorporate existing) science-based targets with [specific milestones/dates];
   b. assess nature-related dependencies and impacts using [LEAP/specified methodology];
   c. detail risk mitigation strategies with implementation timelines;
   d. establish stakeholder engagement protocols specifying consultation frequency and methods; and
   e. include progress monitoring mechanisms with annual independent verification by [qualified auditors].[60]
3. [Party] shall:
   a. define timeframes for updates and target achievement in the initial plan;
   b. standardise metrics using [TNFD/SBTN/specified] frameworks;[61]
   c. report progress to [Board/shareholders/investors] [quarterly/annually] within [X days] of period end; and
   d. publish reports to stakeholders via [annual report/sustainability disclosure].
4. The [Board/designated committee] shall maintain oversight of the nature transition plan, reviewing progress [quarterly] and ensuring alignment with broader sustainability and nature-positive objectives.

USE: Investment agreements, major contracts, governance documents | **ADDRESSES:** Strategic planning for nature positive transition

59 See 'Assisting Clients to Implement Transition Plans and Targets' in Legal Nature Risk and Opportunity: A Business Case Guide. Verification methodology and standards should be specified, including auditor requirements and assessment criteria for transition plan progress.

60 Verification methodology and standards should be specified, including auditor requirements and assessment criteria for transition plan progress.

61 TNFD, https://tnfd.global/; SBTN, https://sciencebasedtargetsnetwork.org.

Part 2B: Sector-specific contracting case studies

These case studies provide illustrative examples of how nature-related DIRO might be identified and addressed through contractual approaches in different sectors. They are high-level starting points rather than comprehensive analyses, and do not attempt to cover all nature-related DIRO for each sector.

Scope and approach

While climate change affects all nature dependencies, these examples focus on direct ecosystem service dependencies to avoid duplication with existing climate guidance and TCLP clauses. Not all examples include detailed clause wording; lawyers should adapt the suggested approaches to their clients' specific circumstances, jurisdictions and risk profiles. The examples can be used in conjunction with the Universal Clauses in Part 1 and the library of clause ideas in Part 3. Many sectors also carry social risks requiring integrated environmental and social assessment (see Just Transition in Legal Advice and Contract Clauses).

Physical vs transition risks

The fictional company examples focus on physical risks and direct operational impacts. However, transition risks from evolving regulations (and associated litigation, reputational, market and financing risks) are also relevant across all sectors. These include requirements under the EU Deforestation Regulation,[62] EU Corporate Sustainability Due Diligence Directive,[63] and likely implementation of **TNFD** into regulations.

- Regulatory compliance risks can be uniformly addressed through enhanced due diligence questionnaires and disclosure requirements from counterparties.
- Market and financing risks increasingly require nature-positive positioning, target setting and transparent disclosure.
- Lawyers should consider incorporating standardised requests for nature-related certifications, compliance statements, and risk assessments into their template agreements to enable systematic identification of risk exposure across the entire supply chain.
- This can be combined with the sector-specific examples below to focus on the unique physical and operational risks facing each industry.

62 Regulation (EU) 2023/1115 on deforestation-free products.
63 Directive (EU) 2024/1760 on corporate sustainability due diligence.

Part 2B: Sector-specific contracting case studies

Sector navigation

The case studies are organised into six sector groupings. If your sector is not represented, refer to the grouping with the most similar characteristics.

- Corporate/commercial contracts: fictional case studies – agricultural products company, consumer apparel company.
- Finance and investment contracts: fictional case study – commercial bank.
- Utilities and energy: fictional case studies – renewable energy company, water utility company.
- Construction, metals and mining: fictional case study – integrated mining company.
- Fisheries and shipping: fictional case study – global shipping company.
- Real estate: fictional case study – commercial property development and investment company.

Corporate/commercial contracts

Addressing supply chain and operational impacts

Unique challenges, risks and opportunities associated with biodiversity loss can flow through supply chains, driven by and impacting companies which are not directly dependent on or impacting ecosystem services. Studies consistently show that the majority of companies' nature-related risks stem from their supply chains rather than direct operations. For example:

- analysis by the Green Finance Institute found that half of the UK's nature-related financial risks originate overseas;[64] and
- the World Economic Forum identified significant 'hidden dependencies' where industries with low direct nature dependency can have over 50 per cent of their supply chain value highly dependent on nature.[65]

Contract solutions must prioritise addressing the company's highest nature dependencies and most significant impact areas. Lawyers can select clauses based on their clients' likely sectoral exposure, geographic operations, and nature governance maturity level (see **Nature Intelligent Legal Services Toolkit**).

Read the case studies below to see how these contractual solutions can work in practice.

64 Green Finance Institute, Assessing the Materiality of Nature-Related Financial Risks for the UK (April 2024).

65 Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy (January 2020) p 8.

Part 2B: Sector-specific contracting case studies

Fictional client: an agricultural products company[66]

The client produces plant-based oils and flours with global sourcing operations and seeks advice on integrating nature-related risk management into their supplier contracts and financing arrangements. Some potential nature-related considerations and corresponding contractual approaches include:

Key nature dependencies: water supply for irrigation and processing, healthy soil for crop productivity and pollination for crop yields.

Priority impacts: freshwater use from operations, land ecosystem change from sourcing expansion (deforestation risk), chemical pollution from agricultural runoff and impacts on pollinator populations.

Priority physical risks:[67] water stress disrupting production, supply chain disruption from ecosystem degradation, deforestation regulatory compliance requirements, acute water-related risks in sourcing regions (eg, drought-prone river basins) and reduced crop yields.

Contract opportunities: water efficiency financing advantages, regenerative agriculture investment, certified sustainable sourcing and biodiversity credit opportunities.

Contract solutions:

- negotiate sustainability-linked loans tied to water reduction targets, with clear measurement and verification processes;[68]
- require water stewardship and risk mitigation clauses with agricultural suppliers (eg, measurable use reductions and contingency plans);[69]
- implement regenerative agriculture incentives in supplier contracts, such as payment for ecosystem services;[70]
- require deforestation-free supply chain certification from suppliers, with traceability to farm or forest level and independent verification;[71]
- include water stewardship commitments in operational agreements (eg, reporting and adaptive management);
- consider water stress risk-sharing mechanisms with key partners (eg, joint investment in water infrastructure or insurance for drought impacts);[72] and
- apply Universal Clause 11 (Directors' Duties) for board oversight and strategic management of material water and agricultural supply chain risks.

Transferability: Food manufacturing, textile supply chains, any water-intensive operations.

66 For examples of nature-related disclosures and reporting in this sector, see: Bunge, 2025 Global Sustainability Report.

67 For transition risks from nature-related regulations and potential solutions, which apply across all sectors, see Physical vs transition risks, above.

68 See TCLP's Evie's Clause – water performance adjusted interest payments, the Loan Market Association's Draft Provisions For Sustainability-Linked Loans and Sustainability-Linked Loan Principles.

69 See above Just Transition in Legal Advice and Contract Clauses.

70 Implement Nestlé-style premium pricing mechanisms for suppliers adopting regenerative practices – price premiums linked to soil health metrics, water efficiency, and biodiversity indicators – see Cambridge Institute for Sustainability Leadership, Modelling better business: Nestlé trials natural capital premium with UK dairy farmers (2018). Adapt the TCLP's Soren's Clause for sustainable soil management, Rowen's Clause for supply chain sustainable land use or carbon reduction supply chain clauses, see Guide: Enforce and incentivise decarbonisation through contracts.

71 Adapt the TCLP's Benton's Clause – deforestation and land use change questionnaire.

72 Adapt TCLP's Iris's Clause – Climate Contract Risk Sharing (ex Force Majeure).

Part 2B: Sector-specific contracting case studies

Fictional client: consumer apparel company[73]

The client operates global fashion and textile operations with complex supply chains and requests guidance on sustainable sourcing contracts and regulatory compliance strategies. Some potential nature-related considerations and corresponding contractual approaches include:

Key nature dependencies: water supply for textile processing, healthy soil and pollination supporting cotton and wool farming, fibre provision from agricultural systems.

Priority impacts: freshwater use in textile processing, chemical pollution from dyeing and finishing, land ecosystem change from cotton production, pollution from plastic particles released during full lifecycle of apparel and packaging (eg, washing and in landfill).

Priority physical risks:[74] water stress affecting manufacturing productivity, chemical management regulatory pressure, materials scarcity from ecosystem degradation, supply chain traceability challenges. Pollution of ecosystems from dyeing or other chemicals and plastics, resulting in clean-up costs and reputational damage.

Contract opportunities: Sustainable materials market positioning, circular economy through textile recycling, regenerative agriculture partnerships and access to sustainability-linked financing.

Contract solutions:

- require sustainable material sourcing requirements (organic cotton, recycled fibres, deforestation-free tree fibres), with verification, traceability, stakeholder engagement and community benefit provisions;
- include water stewardship and community engagement clauses in manufacturing contracts;
- require chemical management standards and reporting in dyeing and finishing contracts (eg, restricted substances lists, green chemistry practices);
- implement regenerative agriculture incentives for cotton and wool suppliers (eg, payment for ecosystem services, training or technical support);
- mandate circular design obligations in product development contracts, including recyclable design, take-back programs and minimum recycled content; and
- consider Universal Clause 12 (ESG-Linked Compensation) tied to sustainable materials sourcing achievements and Universal Clause 13 (Nature Transition Planning) for supply chain transformation.

Transferability: Fashion/textile industries, any chemical manufacturing, consumer goods with end-of-life considerations.

73 For examples of nature-related disclosures and reporting in this sector, see: H&M Annual and Sustainability Report 2024.

74 For transition risks from nature-related regulations and potential solutions, which apply across all sectors, see Physical vs transition risks, above.

Part 2B: Sector-specific contracting case studies

Finance and investment contracts

Addressing portfolio exposure to nature-related financial risks, sustainability-linked mechanisms and green project financing

Unique challenges are faced by financial institutions in addressing nature-related risks across their portfolios. Unlike direct operational impacts, financial services firms must primarily address nature exposure through their lending, investment and insurance activities.

Contract solutions focus on portfolio-level risk assessment, sustainability-linked financing mechanisms, and green taxonomy alignment. These contracts enable financial institutions to systematically integrate nature considerations into credit decisions, investment mandates, and client relationships whilst meeting evolving regulatory requirements under frameworks such as TNFD, the EU Corporate Sustainability Reporting Directive, and emerging prudential regulations.

Read the case study below to see how these contractual solutions can work in practice with a commercial banking client.

Part 2B: Sector-specific contracting case studies

Fictional client: a commercial bank[75]

The client provides commercial lending, project finance, and corporate banking services with significant exposure to nature-dependent sectors and seeks guidance on integrating nature risk assessment into lending decisions. Some potential nature-related considerations and corresponding contractual approaches include:

Key nature dependencies: client dependencies on surface water (agricultural lending), genetic diversity (food sector loans), ecosystem services supporting borrower operations.

Priority impacts: financed land and sea use change, ecosystem degradation, over-exploitation of natural resources, pollution discharge and invasive species spread arising from agricultural and infrastructure lending, resource extraction financing, industrial client operations, trade and transport.

Priority physical risks:[76] credit defaults when ecosystem-dependent borrowers face service disruption, stranded assets in nature-dependent sectors, regulatory compliance requirements for nature disclosure (eg, TNFD, EU Deforestation Regulation), reputational risks from financing harmful activities and social licence risks from inadequate community or stakeholder engagement.

Contract opportunities: sustainable finance market leadership, green bond structuring capabilities, client transition advisory revenue and enhanced stakeholder relationship management.

Contract solutions:

- mandate TNFD-aligned disclosure requirements in lending agreements, with independent verification;
- negotiate sustainability-linked loans with nature-based KPIs;
- build a portfolio of green loans for transition-linked projects and impact finance for projects with positive environmental impact;[77]
- require nature-related impact assessments in project finance and large infrastructure projects;
- include transition finance mechanisms in lending agreements for high-impact sectors, funding nature-positive business transformation;
- mandate stakeholder engagement protocols in infrastructure project finance and other high-risk sectors;
- establish science-based targets requirements for large borrowers; and
- implement **Universal Clause 11 (Directors' Duties)** for nature risk governance and **Universal Clause 13 (Nature Transition Planning)** requirements for large borrowers.

Transferability: All commercial lending/development finance, export credit agencies, commodity trading finance and investment banking with exposure to nature-dependent sectors.

75 For examples of nature-related disclosures and reporting in this sector, see: ING Groep NV, ING Group Nature Publication (2024) and UBS Climate and Nature Report 2023.

76 For transition risks from nature-related regulations and potential solutions, which apply across all sectors, see Physical vs transition risks, above.

77 See the Loan Market Association's Draft Provisions for Green Loans and TCLP's Matteo's Clause – Climate and Nature Impact Investing Terms.

Part 2B: Sector-specific contracting case studies

Utilities and energy

Addressing the nature-related risks arising from infrastructure and utility supply

Unique challenges: utilities and energy companies operate critical infrastructure that both depend heavily on ecosystem services and creates significant nature impacts through land use, water consumption, and habitat modification. These sectors face challenges around long-term asset management, regulatory compliance with environmental standards, and transitioning to renewable energy systems whilst maintaining service reliability.

Contract solutions must address infrastructure siting and design, resource access and stewardship, biodiversity net-gain requirements, and supply chain sustainability across complex energy value chains spanning generation, transmission, distribution, and water treatment operations.

Read the case studies below to see how these contractual solutions can work in practice.

Part 2B: Sector-specific contracting case studies

Fictional client: a renewable energy company[78]

The client develops and operates wind farms, solar installations, and hydroelectric facilities and requires advice on managing biodiversity requirements and stakeholder engagement across project lifecycles. Some potential nature-related considerations and corresponding contractual approaches include:

Key nature dependencies: water flow regulation, flood mitigation, soil retention and storm protection for infrastructure resilience, climate regulation for predictable operations, marine ecosystems for offshore projects.

Priority impacts: land and sea use change through infrastructure development, river ecosystem disruption from hydroelectric operations, habitat disturbance from construction, species impacts from turbine operations (eg, bird and bat mortality).

Priority physical risks:[79] regulatory restrictions in ecologically sensitive areas, stakeholder opposition from environmental impacts, fish migration and aquatic habitat impacts from hydroelectric projects, ecosystem instability affecting infrastructure, supply chain material scarcity.

Contract opportunities: net positive biodiversity competitive advantage, habitat restoration revenue streams, enhanced stakeholder relationships and potential eligibility for biodiversity-linked financing mechanisms.

Contract solutions:

- mandate net positive biodiversity requirements in development agreements;
- require wildlife-friendly design standards and materials in construction and equipment procurement;[80]
- include ecosystem restoration clauses in land lease agreements with landscape-scale conservation measures and long-term monitoring;
- establish decommissioning and habitat restoration obligations in planning and project agreements (with timelines, restoration standards and verification); and
- apply Universal Clause 11 (Directors' Duties) for biodiversity impact oversight and Universal Clause 12 (ESG-Linked Compensation) linked to net positive biodiversity achievements.

Transferability: All infrastructure development, transmission/distribution networks, offshore industries.

78 For examples of nature-related disclosures and reporting in this sector, see: Iberdrola, Consolidated Non-Financial Information Statement (NFIS) and the Sustainability Reporting Financial Year 2024 ; Ørsted, Annual report 2023 and Vattenfall Biodiversity Transition Plan (2025).

79 For transition risks from nature-related regulations and potential solutions, which apply across all sectors, see Physical vs transition risks, above.

80 Include Ayshe's Clause principles in equipment procurement to ensure renewable energy infrastructure minimises biodiversity impacts (eg, bird-friendly turbine designs, habitat-sensitive solar panel siting). (For the US, see TCLP's Miko's Clause – Encourage Sourcing of Greener, Fairer Renewable Energy.)

Part 2B: Sector-specific contracting case studies

Fictional client: a water utility company[81]

The client provides water supply, wastewater treatment, and distribution services and seeks guidance on nature-based solutions and biodiversity compliance across their operational portfolio. Some potential nature-related considerations and corresponding contractual approaches include:

Key nature dependencies: freshwater ecosystem filtration and purification for water quality, water supply and flow regulation for operations, healthy soils for water retention,riparian vegetation for bank stabilisation, sediment control and natural flood management for infrastructure protection.

Priority impacts: freshwater abstraction from natural systems, altered water flow patterns, pollution discharge from storm overflows and water treatment processes, river and catchment ecosystem disruption from infrastructure and abstractions, land use change and habitat loss from infrastructure development.

Priority physical risks:[82] water availability reduction from ecosystem degradation, drought impacts on supply reliability, regulatory requirements for stricter discharge standards, biodiversity compliance obligations, catchment degradation affecting supply quality and treatment costs.

Contract opportunities: nature-based solutions cost advantages, biodiversity compliance benefits, catchment partnership efficiencies, natural capital value creation and green and sustainability-linked financing for capital schemes.

Contract solutions:

- mandate net positive biodiversity requirements in development agreements;
- require wildlife-friendly design standards and materials in construction and equipment procurement;
- include ecosystem restoration clauses in land lease agreements with landscape-scale conservation measures and long-term monitoring;
- establish decommissioning and habitat restoration obligations in planning and project agreements (with timelines, restoration standards and verification); and
- apply Universal Clause 11 (Directors' Duties) for biodiversity impact oversight and Universal Clause 12 (ESG-Linked Compensation) linked to net positive biodiversity achievements.

Transferability: All utility sectors, drainage authorities, flood defence/coastal management.

81 For examples of nature-related disclosures and reporting in this sector, see: Severn Trent Plc, Annual Report and Accounts 2025 and United Utilities Group Plc, Sustainability Report 2024.

82 For transition risks from nature-related regulations and potential solutions, which apply across all sectors, see Physical vs transition risks, above.

Part 2B: Sector-specific contracting case studies

Construction, metals and mining

Addressing sustainable materials sourcing, land use and habitat protection

Unique challenges include managing extensive land use impacts, ecosystem disruption, and resource extraction across global operations. These sectors involve long-term concessions, complex environmental permitting, substantial infrastructure development, and rehabilitation obligations spanning decades.

Contract solutions must address cumulative disturbance management, biodiversity net gain requirements, water stewardship across mining lifecycles, responsible waste management including tailings, pollution management and post-closure land use transitions.

These contracts often involve **multiple stakeholders** including governments, local communities, indigenous peoples, and environmental agencies, requiring comprehensive stakeholder engagement frameworks and traditional ecological knowledge integration.

Read the case study below to see how these contractual solutions can work in practice, working with an integrated mining company.

Part 2B: Sector-specific contracting case studies

Fictional client: an integrated mining company[83]

The client operates iron ore, copper, and zinc mining operations globally and requests advice on rehabilitation requirements and community partnership frameworks. Some potential nature-related considerations and corresponding contractual approaches include:

Key nature dependencies: water supply and groundwater management for processing operations, geological materials for extraction, ground stability for operational safety, soil integrity for rehabilitation, and on-site and local ecosystem stability for long-term site management.

Priority impacts: extensive land and species disturbance from extraction, impacts on local and Indigenous communities' land and water access, water and aquatic ecosystem disruption, groundwater depletion, waste generation from processing, soil and groundwater pollution and habitat loss and fragmentation.

Priority physical risks:[84] water scarcity affecting production processes, ecosystem degradation affecting operational stability, rehabilitation regulatory requirements, social licence risks from inadequate community engagement.[85]

Contract opportunities: biodiversity net positive leadership, waste-to-value revenue streams, community partnership benefits, technology innovation advantages.

Contract solutions:

- include biodiversity net positive requirements in mining concessions, operational agreements and environmental performance bonds;
- implement comprehensive water stewardship clauses in operations contracts (eg, abstraction limits, efficiency measures and contingency planning);
- require cumulative ecosystem impact assessments, adaptive management clauses and phased land rehabilitation obligations in mining operational agreements, specifying timelines, restoration standards, progressive updates and independent verification;
- include waste recovery requirements in processing contracts;
- implement community partnership and stakeholder engagement protocols with Indigenous rights protection, benefit-sharing mechanisms and reporting;
- negotiate sustainability-linked financing tied to biodiversity and rehabilitation targets, with clear KPIs and verification processes; and
- implement Universal Clause 11 (Directors' Duties) for rehabilitation oversight and Universal Clause 12 (ESG-Linked Compensation) tied to biodiversity net positive targets.

Transferability: All extractive industries, major infrastructure development, resource processing with waste streams.

83 For examples of nature-related disclosures and reporting in this sector, see: Anglo American plc, Sustainability Report 2023, Teck Resources Limited, Climate Change and Nature 2024 Report and Vale, 2023 TNFD Report.

84 For transition risks from nature-related regulations and potential solutions, which apply across all sectors, see Physical vs transition risks, above.

85 See above Just Transition in Legal Advice and Contract Clauses.

Part 2B: Sector-specific contracting case studies

Fisheries and shipping

Unique challenges: the fisheries and shipping industries operate within complex marine ecosystems whilst facing evolving international regulations for ocean protection, invasive species prevention, and sustainable resource management.

Contract solutions require specialised approaches addressing marine spatial planning, sustainable catch limits, ballast water management, underwater noise reduction, and protection of critical marine habitats, including areas beyond national jurisdiction. Shipping contracts must incorporate emerging requirements for marine protected area compliance, speed restrictions for wildlife protection, and invasive species prevention measures. Fisheries agreements require integration of stock assessments, ecosystem-based management, certification requirements, and adaptive management frameworks that respond to changing ocean conditions and regulatory landscapes.

Read the case study below to see how these contractual solutions can work in practice, working with a global shipping and logistics company.

Part 2B: Sector-specific contracting case studies

Fictional client: a global shipping and logistics company[86]

The client operates container vessels, car carriers, and logistics services worldwide and seeks guidance on marine environmental compliance and stakeholder engagement strategies. Some potential nature-related considerations and corresponding contractual approaches include:

Key nature dependencies: marine ecosystems for operational routes, storm protection from coastal ecosystems for port infrastructure.

Priority impacts: marine area usage from global operations affecting sensitive marine habitats and biodiversity, invasive species introduction through ballast water and hull fouling, underwater noise affecting marine life, pollution from fuel or cargo escapes, air pollution from burning fuel oil.

Priority physical risks:[87] invasive species regulatory compliance costs, marine protected area route restrictions, underwater noise regulation requirements, coastal ecosystem degradation affecting port operations.

Contract opportunities: early regulatory compliance advantages, environmental monitoring partnership value, green financing access, sustainability certifications for shipping operations.

Contract solutions:

- mandate ballast water management in vessel operational agreements, including treatment systems exceeding International Maritime Organization D-2 standards, real-time water quality monitoring, ecological impact assessments and verified reporting;[88]
- implement marine protected area compliance clauses in charter agreements, specifying routing, seasonal restrictions and mitigation measures;
- require invasive species prevention protocols in port operations, including hull cleaning, treatment of ballast water and monitoring;
- include underwater noise reduction clauses in vessel design contracts and environmental technology clauses in vessel upgrade contracts;[89]
- establish environmental monitoring and marine impact data collection requirements with adaptive management clauses in operational contracts;
- negotiate environmental performance requirements linked to funding in financing agreements;[90] and
- apply Universal Clause 11 (Directors' Duties) for board oversight and strategic integration of marine environmental risk governance.

Transferability: Marine transport/offshore industries, international logistics, any marine environment operations.

86 For examples of nature-related disclosures and reporting in this sector, see: NYK Group, TNFD Report 2024 and Wallenius Wilhelmsen Annual Report 2024.

87 For transition risks from nature-related regulations and potential solutions, which apply across all sectors, see Physical vs Transition risks, above.

88 International Maritime Organization, International Convention for the Control and Management of Ships' Ballast Water and Sediments (2017), Regulation D-2 Ballast Water Performance Standard.

89 This could include clauses for sharing costs of vessel upgrades, eg, ballast filtration management systems and underwater noise reduction technology.

90 This could include clauses with termination provisions for carriers that fail to meet marine protected area compliance or invasive species prevention protocols.

Part 2B: Sector-specific contracting case studies

Real estate

Addressing biodiversity net gain requirements, sustainable materials sourcing, land use and habitat protection

Unique challenges: the real estate sector often faces biodiversity net gain requirements,[91] sustainable building standards, and long-term asset management across diverse urban and rural environments that are changing as a result of ecosystem degradation and climate change.

Contract solutions can integrate statutory biodiversity net gain compliance, urban greening factors, natural climate solutions, and community health considerations. Property management agreements require ongoing biodiversity monitoring, energy efficiency improvements, sustainable materials sourcing, and resilience planning for climate impacts. These contracts often span decades and must accommodate evolving environmental regulations, planning policy changes, and increasing stakeholder expectations for nature-positive development outcomes.

Read the case study below to see how these contract solutions can work in practice, working with a commercial property development and investment company.

91 For example, in England biodiversity net gain is a mandatory requirement for most new developments under the Environment Act 2021. Similar approaches are encouraged by the EU and biodiversity offsetting policies exist in some Australian and US states.

Part 2B: Sector-specific contracting case studies

Fictional client: commercial property development and investment company[92]

The client develops and manages retail, office, and mixed-use properties and requires advice on biodiversity net gain compliance and sustainable materials sourcing across their development portfolio. Some potential nature-related considerations and corresponding contractual approaches include:

Key nature dependencies: geological materials for construction, forests for sustainable timber supply and urban ecosystems (including soil and vegetation providing temperature regulation, air quality, stormwater management, flood prevention, and noise reduction) for building performance.

Priority impacts: land use change from development, habitat fragmentation from construction, materials sourcing impacts through supply chains, construction waste generation.

Priority physical risks:[93] biodiversity net gain compliance requirements, materials supply disruption from ecosystem degradation, sustainable sourcing regulatory requirements, stranded asset risks from unsustainable buildings.

Contract opportunities: biodiversity compliance competitive advantages, nature-based solutions efficiency benefits, sustainable materials positioning, urban greening value creation, green or sustainability linked finance.

Contract solutions:

- mandate biodiversity net gain requirements in development agreements, with measurable targets, monitoring and verification;[94]
- require nature-based solutions integration in building design contracts;[95]
- require sustainable materials sourcing and impact assessment in construction contracts, including traceability and verification;[96]
- include urban green space integration requirements in planning agreements and design contracts to support ecosystems and community wellbeing;
- implement operational biodiversity management in property management agreements;
- require sustainable finance linkage in investment and lending agreements, tying financial terms to delivery of nature objectives;[97] and
- consider **Universal Clause 12 (ESG-Linked Compensation)** linked to biodiversity net gain delivery and **Universal Clause 13 (Nature Transition Planning)** for sustainable development strategies.

Transferability: All development sectors, infrastructure development, commercial property management.

92 For examples of nature-related disclosures and reporting in this sector, see: Landsec, Sustainability Performance and Data Report 2024.

93 For transition risks from nature-related regulations and potential solutions, which apply across all sectors, see Physical vs transition risks, above.

94 In jurisdictions without formal Biodiversity Net Gain (BNG) systems or laws, contractual agreements can create binding obligations to enhance biodiversity as part of development projects. However, without statutory backing, enforceability depends on contract strength and party commitment. Such obligations can be secured through bespoke agreements or conservation covenants, similar to the UK's Section 106 agreements. For the UK context, see Planning Advisory Service clauses such as the PAS Biodiversity Net Gain Legal Agreement and Planning Condition Templates.

95 See TCLP's Mary's Clause - JCT Energy Efficiency and Environmental Obligations.

96 See TCLP's Kori's Clause – Consolidated Sustainability Clauses for Supply Chain Contracts and Mary's Clause (ibid).

97 See TCLP's Matteo's Clause – Climate and Nature Impact Investing Terms.

Part 2C: Library of clause ideas

Many of these clause ideas are adapted from real corporate practices or in response to DIRO, disclosed by leading companies.[98]

Corporate/commercial: supply chain due diligence and standards See also: Natural capital accounting, Progressive rehabilitation, Disease prevention monitoring	
Sustainable minerals certification **Clause:** Responsible minerals certification, supply chain transparency requirements	**Risk addressed:** Legal and reputational risks from sourcing unsustainable, conflict-associated minerals **Best used in:** Electronics, manufacturing, jewellery sectors
Forest commodities traceability **Clause:** Deforestation-free palm oil/pulp with traceability requirements	**Risk addressed:** Supply chain disruption from forest ecosystem collapse **Best used in:** Any forest-risk commodities
Anti-counterfeiting protection **Clause:** Traceability requirements around sustainable labelling	**Risk addressed:** Reputational risk and undermining of sustainability spend **Best used in:** Brand protection, IP-sensitive, luxury goods
Circular luxury models **Clause:** Take-back schemes, refurbishment programmes, and material passports	**Risk addressed:** Resource depletion, waste, consumer demand changes **Best used in:** High-value goods, durable products
Traditional knowledge protection **Clause:** Prior informed consent and benefit-sharing in bioprospecting agreements	**Risk addressed:** Legal/reputational risk from indigenous rights violations **Best used in:** Any natural ingredient sourcing
Microplastics monitoring **Clause:** Microplastics reduction and monitoring clauses in product development	**Risk addressed:** Environmental impact risk from product pollution **Best used in:** Consumer products, packaging
Pharmaceutical waste management **Clause:** Specialised waste handling in manufacturing or outsourcing	**Risk addressed:** Physical risk from water contamination affecting manufacturing operations **Best used in:** Any pharmaceutical operations
Pollinator protection **Clause:** Pesticide timing restrictions and pollinator habitat requirements	**Risk addressed:** Agricultural productivity decline from pollinator loss **Best used in:** Agriculture, land management, food production

98 For example including Glenmark Pharmaceuticals Taskforce on Nature-related Financial Disclosures (TNFD) Report 2024-5; GSK Annual Report 2023; Holcim 2023 Integrated Annual Report; Unilever Annual Report and Accounts 2024; Kao Corporation Sustainability Report 2025; Kering Universal Registration Document 2024; L'Oreal 2024 Universal Registration Document; Nestlé Non-Financial Statement 2024; Seven & i Holdings Sustainability, Taskforce on Nature-related Financial Disclosures (TNFD); Storebrand Asset Management Climate and Nature Report: Integrated TCFD and TNFD Report 2024; Legal & General Group Plc, 'Investing in a Greener Future,' Climate and nature report 2023; Nissui Group TNFD Report 2023, and others. Further examples can be found at the TNFD Knowledge Hub – Example TNFD reporting.

Part 2C: Library of clause ideas

Corporate/commercial: innovation and partnerships See also: Water technology partnerships, Ecosystem-based management, Debt-for-nature	
Green chemistry R&D **Clause:** Low toxicity solvents, atom economy targets, biodegradable design	**Risk addressed:** Market opportunity from bio-based innovation and reduced toxicity **Best used in:** Any chemical R&D partnerships
Bio-based materials innovation **Clause:** Natural ingredient alternatives development partnerships	**Risk addressed:** Transition risk from resource scarcity and sustainability demands **Best used in:** FMCG, materials development
Synthetic biology partnership **Clause:** Bio-innovation for green chemistry development	**Risk addressed:** Market opportunity from sustainable chemistry innovation **Best used in:** Biotech, chemicals, materials
Alternative protein development **Clause:** Sustainability criteria in protein innovation partnerships	**Risk addressed:** Market risk from changing consumer demands and resource constraints **Best used in:** Food technology, agricultural innovation
Water technology innovation partnerships **Clause:** Collaborative water-efficient technologies in water-stressed regions	**Risk addressed:** Physical risk from water infrastructure inadequacy **Best used in:** Water-intensive manufacturing, joint ventures
Ecosystem resilient agriculture **Clause:** Drought-resistant crops and adaptive farming practices	**Risk addressed:** Physical risk from ecosystem degradation reducing yields **Best used in:** Agricultural partnerships
Finance and investment contracts **See also:** Forest commodities traceability, Sustainable minerals certification, Circular luxury models	
Stewardship Voting Policy **Clause:** Supporting nature-positive shareholder resolutions	**Risk addressed:** Financial risk from nature-dependent portfolio exposure **Best used In:** Investment management
Natural capital accounting **Clause:** Ecosystem service valuation in investment analysis	**Risk addressed:** Financial risk management for nature-related assets **Best used in:** Project finance, infrastructure investment

Part 2C: Library of clause ideas

Debt-for-nature swaps **Clause:** Debt restructuring linked to conservation and sustainability commitments	**Risk addressed:** Credit and funding risk from environmental performance **Best used in:** Development finance, sovereign lending
Investment exclusion criteria **Clause:** Sector exclusion policies (eg, no deforestation, no peatland conversion)	**Risk addressed:** Reputational risk from financing harmful nature activities **Best used in:** All financial products, sustainable finance
Portfolio screening **Clause:** Nature risk assessment and exclusion criteria for portfolios	**Risk addressed:** Exposure to high nature-risk assets **Best used in:** Asset management, institutional investment
Nature scenario analysis **Clause:** Mandatory ecosystem risk scenario modelling in finance decisions	**Risk addressed:** Financial risk from nature-dependent asset exposure **Best used in:** Corporate lending, project finance, investment, insurance
Utilities and energy **See also:** Circular luxury models, Coastal habitat protection, Nature-based resilience integration, Sustainable minerals certification	
Air quality management **Clause:** Dust and NOx controls with community monitoring protocols	**Risk addressed:** Physical risk from air quality degradation affecting community relations **Best used in:** Heavy industry, manufacturing
Water efficiency technology **Clause:** Greywater recycling and smart water system requirements	**Risk addressed:** Water scarcity and operational constraints **Best used in:** Building design, facility management
Natural refrigerant adoption **Clause:** Cold chain efficiency with environmental refrigerants	**Risk addressed:** Market opportunity from reduced environmental impact **Best used in:** Logistics, cold chain operations
Regional water stress assessment **Clause:** Regional water stress risk assessment and mitigation in supply agreements	**Risk addressed:** Physical risk from water scarcity affecting operations **Best used in:** Household goods, water-intensive supply chains

Part 2C: Library of clause ideas

Ecosystem-based management **Clause:** Holistic ecosystem management requirements in resource contracts	**Risk addressed:** Single-species approach failing to protect ecosystems **Best used in:** Fisheries, forestry, natural resource management
Construction, metals and mining See also: Sustainable minerals certification, Natural capital accounting, Forest commodities traceability, Water technology partnerships, Traditional knowledge	
Nature-based resilience integration **Clause:** Nature-based solution requirements in design (green infrastructure, sustainable drainage, wetland management, habitat restoration, soil health)	**Risk addressed:** Degradation of ecosystem affecting infrastructure **Best used in:** Infrastructure, construction, development, urban planning
Habitat connectivity requirements **Clause:** Wildlife corridor protection and ecosystem connectivity in infrastructure projects	**Risk addressed:** Biodiversity loss from habitat fragmentation **Best used in:** Linear infrastructure (roads, pipelines), large-scale development
Responsible mining standards **Clause:** Environmental/social criteria for precious metals with transparency	**Risk addressed:** Reputational risk from unethical sourcing practices **Best used in:** Jewellery, electronics, luxury sectors
Progressive quarry rehabilitation **Clause:** Biodiversity management for extraction site restoration	**Risk addressed:** Physical risk from ecosystem degradation disrupting extraction operations **Best used in:** Extractives, aggregates, mining
Fisheries and shipping See also: Traditional knowledge protection, Water technology partnerships	
Marine resource sustainability **Clause:** Sustainable harvesting limits for marine biological resources	**Risk addressed:** Supply chain disruption from marine resource depletion **Best used in:** Marine-dependent industries
Invasive species control **Clause:** Ballast water management and invasive species prevention protocols	**Risk addressed:** Physical risk from biosecurity failures **Best used in:** Shipping, port operations, international logistics

Part 2C: Library of clause ideas

Genetic integrity protection **Clause:** Genetic diversity maintenance requirements in breeding/sourcing	**Risk addressed:** Loss of genetic diversity in sourced materials **Best used in:** Agriculture, aquaculture, forestry, pharmaceuticals
Disease prevention monitoring **Clause:** Disease prevention with health surveillance and antibiotic restrictions	**Risk addressed:** Physical risk from pathogen spread affecting operations **Best used in:** Aquaculture, livestock operations
Sustainable seafood certification **Clause:** MSC/ASC certification requirements with stock assessment compliance	**Risk addressed:** Overfishing and marine ecosystem collapse **Best used in:** Food service, retail, seafood processing
Sustainable feed sourcing **Clause:** Sustainable feed sourcing with fishmeal traceability and alternatives	**Risk addressed:** Supply chain disruption risk from feed resource depletion **Best used in:** Aquaculture, animal feed supply chains
Coastal habitat protection **Clause:** Coastal habitat protection with impact assessments and restoration bonds	**Risk addressed:** Physical risks from critical ecosystem impact **Best used in:** Coastal development, marine operations

A concluding note, and looking ahead

This guide marks the third and final part of this Nature-Intelligent Legal Services series. Building on the unequivocal evidence that nature poses material risks and opportunities for businesses and LSPs alike (set out in the *Legal Nature Risk and Opportunity: A Business Case Guide*), this guide has illustrated that there are many avenues through which lawyers can leverage their understanding of clients' nature exposures (assessed using the *Nature-Intelligent Legal Services Toolkit*), to add real value to their legal services and discharge their professional duties effectively.

This guide has not sought to provide an exhaustive roadmap for embedding nature into legal services: instead, it has provided inspiration for innovation, reflection and future development. LSPs are encouraged to access the many sources listed throughout this guide, and to consider how they can work with their law firm and colleagues to mainstream nature into legal practice, integrated with equally critical considerations including climate change and human rights. Nature risk management is a rapidly evolving field, with new regulations, frameworks and best practices emerging continuously. The clauses in this guide are intended as illustrative starting points and we encourage readers to stay engaged with the growing body of nature-focused legal resources and professional networks.

Thank you for engaging with this ambitious and important project. As we look ahead to a world of escalating nature loss and ecosystem collapse, we hope that this series has encouraged you to consider how nature-related risks are impacting your clients, and prepared you to play an essential role in mitigating these risks whilst capturing the strategic opportunities they present. As leading professional advisers with duties to guide clients through material risks, you have both the opportunity and responsibility to support client transitions towards resilience and competitive advantage in the nature transition.