

Leveraging the *Roadmap to Nature Positive:*  
*Foundations for the built environment system*

Examples from the built  
environment industry:

→ *Manulife Investment  
Management*





# General introduction

WBCSD and its member companies have now launched the *Roadmap to Nature Positive: Examples from the built environment industry*. These cases explore how built-environment industry businesses are leveraging WBCSD's [Roadmap to Nature Positive: Foundations for the built environment system](#).

The *Roadmap Foundations* provide companies with a comprehensive step-by-step "how to" guide to taking credible, impactful nature action. It follows the underlying logic of key frameworks, including the [High-level Business Actions](#) on Nature to Assess, Commit, Transform and Disclose (**ACT-D**), the [Taskforce on Nature-related Financial Disclosure \(TNFD\) LEAP approach](#) (Locate, Evaluate, Assess, and Prepare) and the [Science Based Targets Network \(SBTN\) AR3T](#) (Avoid, Reduce, Restore & Regenerate, Transform) Action Framework.

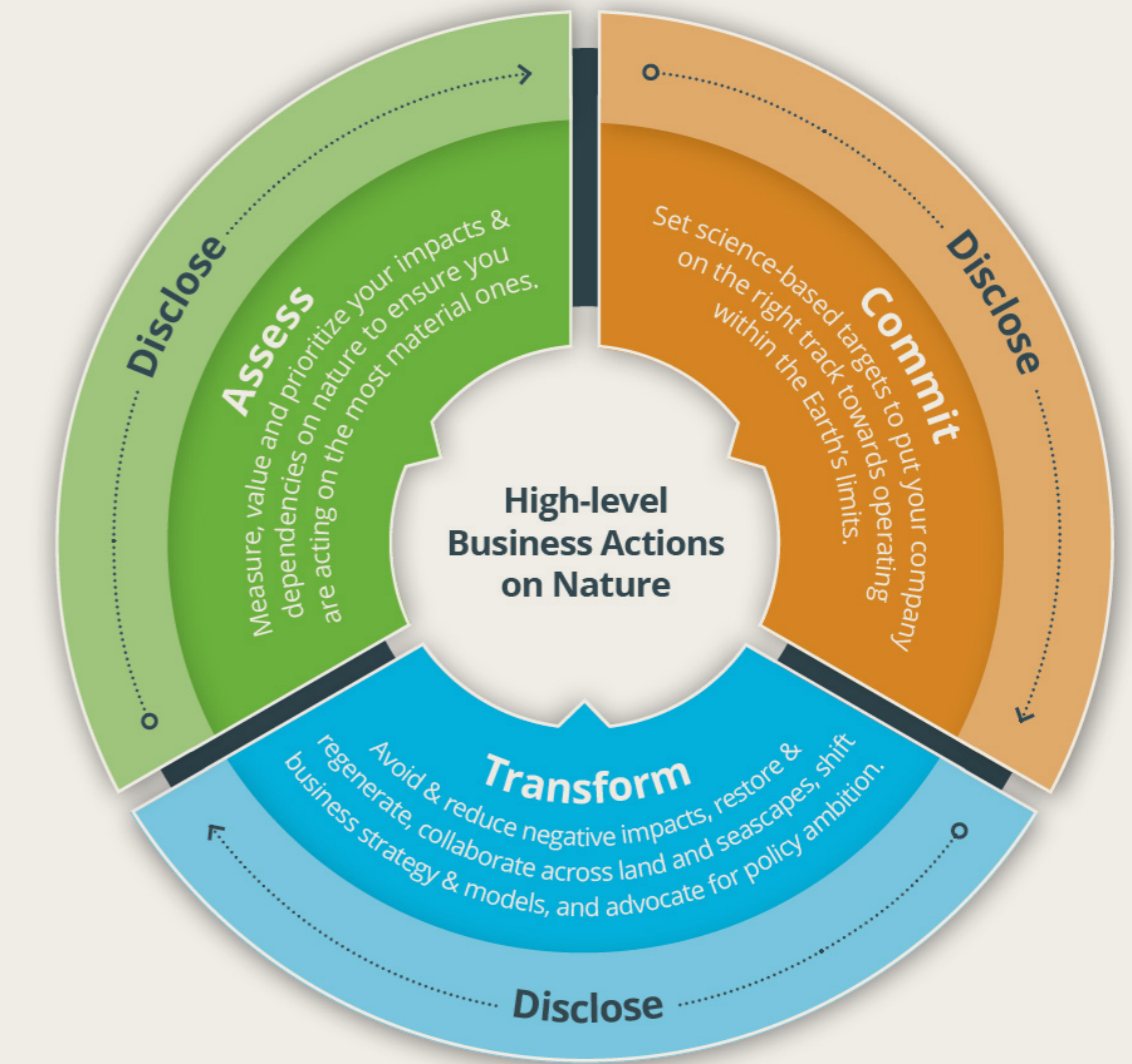
These industry examples serve as **practical illustrations that bridge the gap between theory and industry practice**. Building upon the Roadmap, they aim to show how companies in the built environment system are navigating their journey to nature action, offering

valuable insights into the **particular and specific challenges** that businesses encounter on this journey.

As each organization confronts a combination of **unique and shared hurdles**, it is important to openly share these experiences to foster collaboration among peers and **support the development of effective solutions**.

*It is by making these lessons available and collaborating with peers to develop solutions that it is possible to reach the speed and scale needed to achieve the shared goal of halting and reversing nature loss by 2030.*

Figure 1: ACT-D framework, SBTN



Source: Business for Nature (2022). [High-level Business Actions on Nature](#)

# Built environment member: *Manulife Investment Management*

**Sector:** Real estate

**Value chain:** Wealth and asset management

## *Company strategy & approach to nature positive*

Manulife Investment Managements' (Manulife IM) real estate platform has been acquiring and managing real estate for nearly a century. As a global manager of real estate assets, our clients' properties are diversified across sectors and strategically located in urban centers across the globe. We provide investment solutions globally as part of our comprehensive private markets capabilities. As of 31 December, 2023, our \$18.5 billion platform<sup>1</sup> offers core, core-plus, and value-add strategies spanning over 81 million square feet of office, industrial, retail and multifamily assets, strategically located in Canada, the United States and Asia-Pacific.

Manulife IM incorporates sustainability considerations into its investment management and operational practices throughout the real estate value chain, from construction and acquisition of an asset through aspects of asset management.

As part of the company's commitment to helping clients pursue their objectives and build resilient portfolios, Manulife IM is dedicated to positively affecting nature and biodiversity through business and investment activities. Consideration of nature goes beyond the initial investment process to its stewardship responsibilities and management practices where the company directly operates assets.

Resources such as proprietary sustainability investment and due diligence tools, new construction sustainability design requirements and Sustainable Building Standards lay the groundwork for sustainability integration throughout the investment life cycle. Building on its [Nature statement](#), Manulife IM leverages these resources to address topics of growing importance and emerging trends such as nature and biodiversity considerations.

From building construction to operations, the real estate sector is highly dependent on nature and Manulife IM recognizes the substantial material inputs that building construction and maintenance require. From an operations perspective, the company also understands the role nature plays in protecting against flooding, providing clean water, reducing temperatures during heatwaves and – for many buildings – creating a pleasant environment.

<sup>1</sup> Assets are shown in U.S. dollars. Source: Manulife IM. Data as of 31 December, 2023. Canada and the United States include property development investments. Totals may not sum due to rounding.



Built environment member: Manulife  
*continued*

## ***Rationale for the company to start the nature journey:***

Manulife IM recognizes that nature degradation and loss entail a direct and significant risk for human well-being and economic systems worldwide. As such, the company acknowledges the importance of:

- **The Global Goal for Nature and the role of investors:** The 2022 United Nations Biodiversity Conference (COP15) and the advent of the TNFD have put into focus the need to address the climate and nature crises together. The TNFD's recommendations, coming as a follow-up to the Taskforce on Climate-related Financial Disclosures, sends a strong signal that investors must actively combat nature loss, as well as climate change.
- **Increasing nature-related risks affecting financial institutions:** Businesses, the public sector, and financial institutions increasingly recognize that the widespread decline of natural systems is eroding both intrinsic and monetary value, which is mobilizing an unprecedented global business response. Nature loss represents a systemic risk that companies should widely consider as part of investment due diligence.

- **Investor demand for positive impact on biodiversity in their portfolios:** Manulife IM is seeing demand from major institutional investors who want to have a positive impact on biodiversity in their portfolios. In addition, assets that don't comply with environmental regulations run the risk of losing value and becoming stranded assets.
- **Compliance and enduring value:** Regulation will likely heavily affect how companies approach biodiversity and nature loss in the future and failing to implement a positive approach to it could have a significant impact on asset valuations. For example, the UK's Biodiversity Net Gain regulations require a 10% increase in biodiversity for all new developments.





Built environment member: Manulife  
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### *Nature frameworks and guidelines that Manulife IM considers*

Asset owners and managers of the built environment have begun to look to newly evolving industry resources on nature-positive solutions. These include [TNFD LEAP approach](#), Urban Land Institute's [Nature Positive and Net Zero: The Ecology of Real Estate](#), WBCSD [Roadmap to Nature Positive: Foundations for the built environment system](#) and building certification bodies such as [Leadership in Energy and Environmental Design \(LEED\)](#), [Building Owners and Managers \(BOMA\) BEST](#) certification program and International Living Future Institute's [Living Building Challenge](#), as well as municipal regulatory frameworks such as the [Toronto Green Standard](#). These industry standards and frameworks outline practical building-level strategies and measures to reduce the negative impact on nature and biodiversity. Manulife IM has sought to consider such best practices and integrate them in its strategy and procedures throughout the real estate life cycle to manage nature and biodiversity risks and dependencies.



Built environment member: Manulife  
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## Stage 1 in the Roadmap to Nature Positive - Assess

*This section describes how the company is assessing dependencies, impacts, risks and opportunities (DIROs).*

Amid this growing awareness and calls to action, Manulife IM conducted a review of its existing real estate practices in 2023 to identify opportunities for improvement, focusing on two key areas:

- Metrics and reporting
- Building-level strategies

### Scope & locate, impacts & dependencies

#### *Metrics and reporting*

Manulife IM has been tracking and monitoring nature-related metrics for several years such as water use and greenspace. However, the company recognizes there is a need to collect and assess more comprehensive data sets to better understand its impacts and dependencies on nature and biodiversity.

In 2023, Manulife IM participated in a pilot assessment with an external consultant and its parent company, Manulife Financial Corporation, to better understand its key nature factors to drive nature-positive opportunities and manage financial risk exposure. The pilot aimed to provide a preliminary view of potential nature impact and exposure areas, within a selected scope based on strategic areas across its business and data availability. This included a subset of Manulife IM's real estate portfolio, totaling 103 real estate assets throughout North America and Asia.



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### Nature assessment pilot project

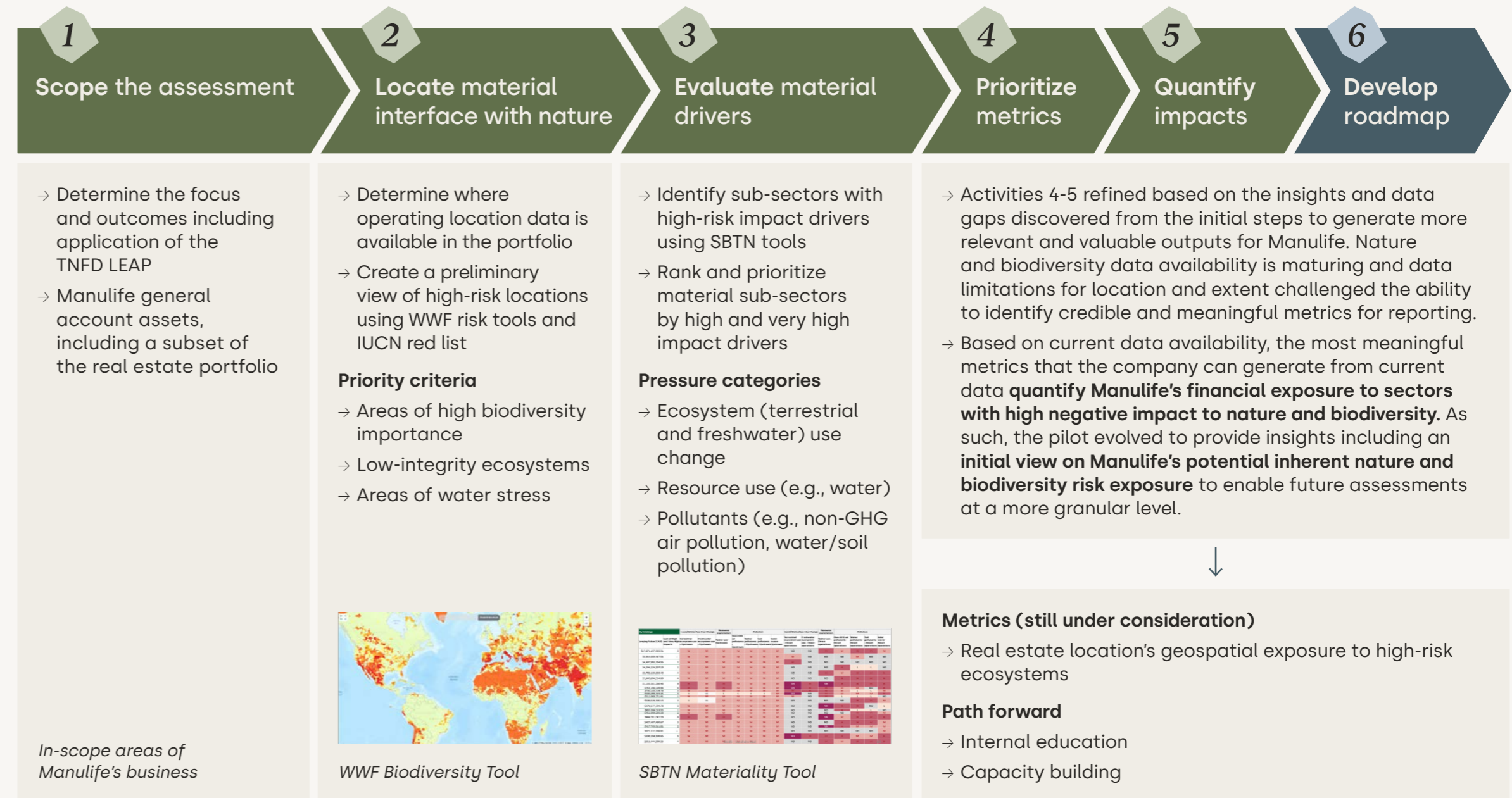
The assessment leveraged the application of the TNFD's LEAP approach and included an industry scan of best practices and frameworks to support the integration of nature and biodiversity considerations as part of Manulife IM's investment process. This effort leveraged external databases and tools such as the Integrated Biodiversity Assessment Tool (**IBAT**), the World Wide Fund for Nature (WWF) **Water Risk Filter**, the SBTN **Sectoral Materiality Tool** and Exploring Natural Capital Opportunities, Risks and Exposure (**ENCORE**) to identify and assess key nature and biodiversity metrics to understand potential impacts. Presented on the next pages are the steps that were taken as part of this assessment.

Figure 2: Nature assessment pilot project

Source: Manulife

### Nature assessment pilot project

→ **Biodiversity and nature loss are a material topic for Manulife.** The initial goal of the pilot was to identify and quantify some key nature and biodiversity metrics to understand its footprint.





Built environment member: Manulife  
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### Risks & opportunities

The pilot identified key insights for enhancing future assessments, including potential high-risk areas for prioritization, while recognizing the challenges of data availability and limitations of the nature-based tools available on the market. Due to current data limitations, more granular data will allow the company to generate more location- and sector-specific insights in the future.

#### How data granularity can impact location risk rating

Manulife IM identified a need to secure more granular operating location data to better prioritize assets exposed to areas of potentially high ecosystem risks and inform future investment and operating strategies.

- Using the [WWF biodiversity risk filter tool](#), Manulife IM evaluated corporate office location in relation to areas of biodiversity importance, low integrity ecosystems and water stressed areas. The indicator of areas of biodiversity importance is the [World Database on Protected Areas \(WDPA\)](#).
- For example, based on this analysis, Manulife IM learned that a Montreal office location had a low (0%-5%) overlap with any surrounding protected areas, meaning that activities around the building, such as pesticide use, construction activities and other human disturbances have a low potential to influence or impact the ecosystem condition of local protected areas such as the Bois  de Saint-Sulpice park. However, if the company only specifies the location as the General Montreal region, a conservative approach would result in a higher location risk for that same

- asset, consistent with a 5%-30% overlap and therefore prioritized as higher risk.
- As such, location and operating extent data are critical to accurately prioritizing higher risk assets and avoiding the overstatement of risks. The company would require additional information to further refine efforts through nature datasets.

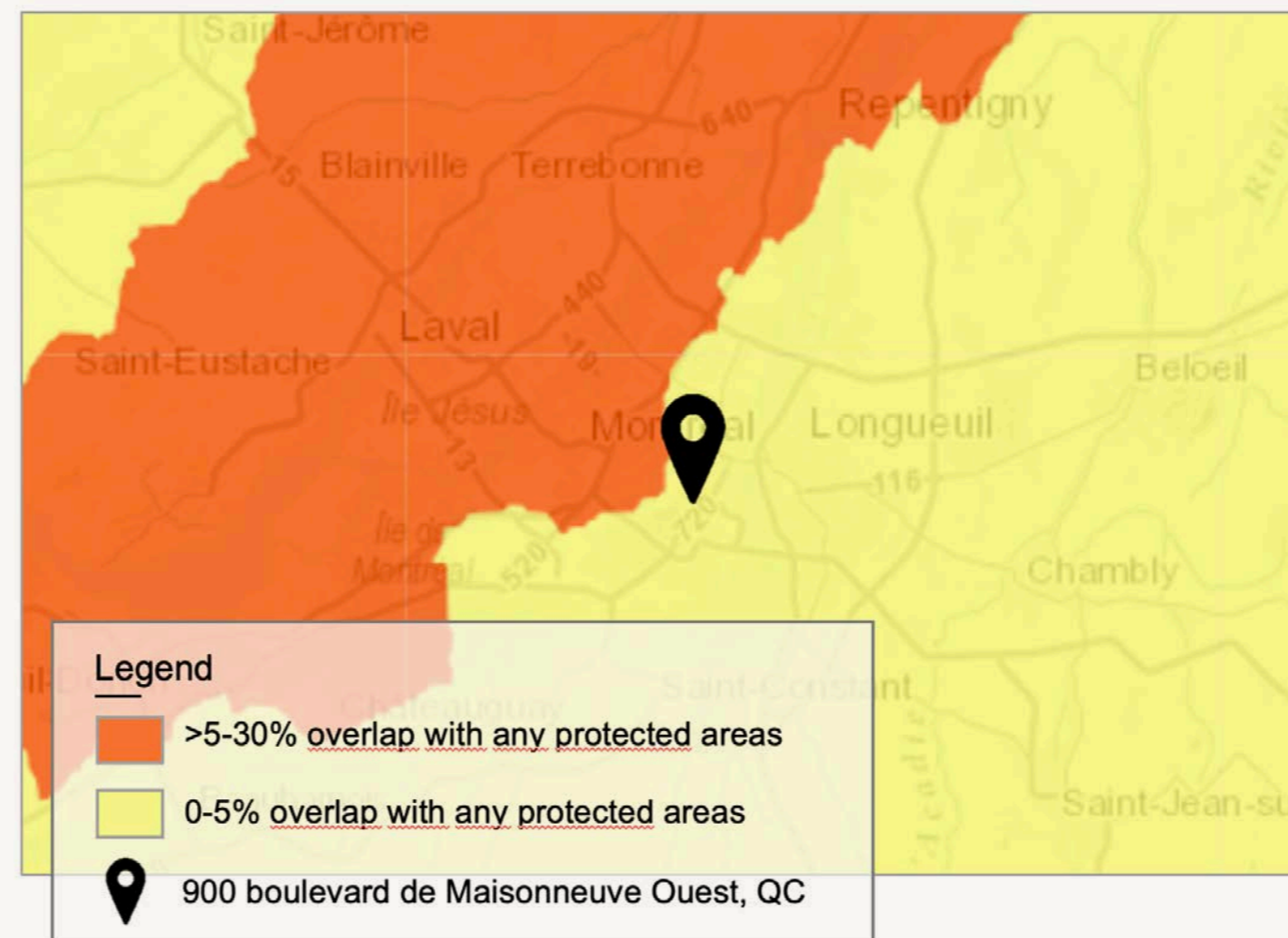
Available tools prescribe a risk rating for locations and sectors respectively; however, these scores tend to reduce

the complexity of the biological and ecological contexts of company-specific operations and introduce artificial classifications to fit global datasets.

Moving forward, Manulife IM is developing strategies that address its nature footprint and the data gaps. While the data is still evolving, the outputs of such tools can still act as a starting point to identify potential areas of risk and where more detailed, site-specific assessment are needed.

**Figure 3: World Database on Protected Areas (WDPA) risk map**

Source: data as of May 2023, from IBAT through the WWF Biodiversity Risk Filter





Built environment member: Manulife  
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### ***Building level strategies - opportunities and next steps for Manulife IM real estate assets***

Manulife IM assesses land use, green space and biodiversity impacts across its global real estate portfolio. The company uses proprietary checklists to assess and integrate nature considerations into their investments and new developments. In 2023, Manulife IM completed a gap assessment of emerging best practices to identify opportunities to bolster its consideration of nature and biodiversity across the real estate lifecycle.

Highlighted in green box are nature-related strategies that are already incorporated into Manulife IM internal tools and resources. This is a sample of nature-related strategies and is not a comprehensive list of Manulife IM's sustainability considerations. Items highlighted in orange box are strategies identified as potential additional considerations following the company's 2023 gap assessment.

#### **Integrated nature-related strategies**

- Have a policy to eliminate pesticide use
- Convert 50% of hardscapes to green / open-grid paving
  - Install green roof or rooftop garden
  - Apply bird-friendly glass when undertaking window retrofits or replacements
- Assess land use and green space
- Grow tree canopy on streets and parking lots
- Convert hardscapes to green or cool paving
  - Use a minimum of 50% native plants for landscaping
  - Install a green roof for all usable roof space

#### **Potential additional considerations**

- Complete an ecological assessment to understand baseline environmental conditions and ecosystem sensitivities
- Develop biodiversity action plans at priority sites
- Set target to achieve net-positive biodiversity impact
- Complete material life cycle assessments
- Target building certification credits focused on nature and biodiversity
- Purchase land space nearby and preserve for nature



Built environment member: Manulife  
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## Stages 2 & 3 in the Roadmap to Nature Positive - Commit & Transform

*This section illustrates how the company, after identifying the material DIROs is setting its commitments, implementing practical and concrete actions, and improving its nature-related strategy.*

Setting targets for nature is challenging because it requires good baseline data and the ability to measure aspects such as biodiversity, which have historically been difficult to obtain. For this reason, Manulife IM's current nature targets are process-oriented and focus on establishing the measurement protocols required to monitor current status and progress.

As a global real estate manager with a diversified portfolio of assets with unique environmental characteristics, Manulife IM recognizes that a one-size-fits-all approach will not be appropriate for its management of nature and biodiversity. As such, the company continues to educate itself on the topic, avoid overly prescriptive practices and take a stepwise approach to strategically creating the greatest impact. This may include piloting best practices, such as the building-level opportunities mentioned above, at priority assets to determine the feasibility of scaling these approaches across the portfolio.





Built environment member: Manulife  
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## Stage 4 in the Roadmap to Nature Positive – Disclose

*This section illustrates how the company is currently disclosing and planning to disclose, including any relevant disclosure requirements it aligns with.*

Manulife IM maintains sustainability policies and practices and regularly reviews them to reflect any changes in its investment and stewardship processes. This is done to help ensure their clients and stakeholders have clear and relevant information about sustainability strategy and activities. This includes statements on **Water, Nature and Climate Change**.

Manulife IM is considering the integration of the TNFD's recommendations into its reporting. Additionally, it discloses according to **GRESB** (formerly the Global Real Estate Sustainability Benchmark), **Principles for Responsible Investment (PRI)** and the **CDP** (formerly the Carbon Disclosure Project). Manulife IM publishes an **Annual Real Estate Sustainability Report** that aligns with the **Global Reporting Initiative (GRI)** and **Sustainability Accounting Standards Board (SASB)** standards.





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## Key challenges & lessons learned

- **Data limitations:** As scientific understanding of the natural world, policies and data evolve, so too will Manulife IM's approach to integrating nature-related considerations into the investment process. More granular data would allow the company to generate more location-specific insights in the future. There is a need to secure more granular location data to better prioritize those assets exposed to areas of potentially high ecosystem risks and to inform future investment and operating strategies.
- **Portfolio and building-level strategies:** The initial assessment of existing Manulife IM real estate strategies to mitigate impacts on nature versus current best practices has uncovered opportunities to strengthen the company's approach. For example, leveraging data sources, establishing baselines and targets, enhancing building-level strategies throughout the investment life cycle to support asset stewardship and aligning with industry disclosure standards such as the TNFD.
- **Business and investor relations:** Manulife IM believes that nature-related impact and dependencies can be a material factor when assessing risk-return profiles of real estate investments.

- **Building internal capacity to support internal buy-in:** As awareness and demand for action on nature and biodiversity continue to grow and the landscape continues to evolve, the company recognizes the opportunity to educate its teams on the importance and actions to take to minimize its impact on nature. As part of this, Manulife IM has developed a Nature Working Group with members from its real estate, infrastructure, private equity and credit, timberland and agriculture businesses. This group will identify risk mitigation strategies and value-added opportunities and to establish standard approaches and methodologies.

## Outcomes and benefits

Manulife IM believes that nature-related impacts and dependencies can affect the value and resiliency of its clients' real estate assets. As it continues to mature its nature strategy, risk management and reporting over time, further assessments should produce more granular and credible data for improving decision-making.

The key benefit of this exercise was gaining a better understanding of where the company has opportunities for improvement as nature and biodiversity considerations within commercial real estate is an area

that continues to mature. Using the key findings from this assessment and ongoing engagement with industry associations, Manulife IM will continue to review and update its processes to ensure nature considerations are an integral part of its investment decision-making and asset stewardship practices.





# Acknowledgements

## Disclaimer

This publication has been written by Manulife IM in collaboration with WBCSD and represents Manulife IM's perspective and position. This publication is not a disclosure document. The report has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice.

This publication is a complementary resource of WBCSD's **Roadmap to Nature Positive: Foundations for the Built environment system** guidance. It showcases a practical example of a corporate approach to building a nature strategy for the built environment system. The primary intention is to offer a real-life case illustrating how an industry player is undertaking their nature journey.

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## About Manulife Investment Management

Manulife Investment Management is the brand for the global wealth and asset management segment of Manulife Financial Corporation. Our mission is to make decisions easier and lives better by empowering investors for a better tomorrow. Serving more than 17 million individuals, institutions, and retirement plan members, we believe our global reach, complementary businesses, and the strength of our parent company position us to help investors capitalize on today's emerging global trends. We provide our clients access to public and private investment solutions across equities, fixed income, multi-asset, alternative, and sustainability-linked strategies, such as natural capital, to help them make more informed financial decisions and achieve their investment objectives. Not all offerings are available in all jurisdictions. For additional information, please visit [manulifeim.com](https://www.manulifeim.com).

## About Manulife

Manulife Financial Corporation is a leading international financial services provider, helping people make their decisions easier and lives better. With our global headquarters in Toronto, Canada, we provide financial advice and insurance, operating as Manulife across Canada, Asia, and Europe, and primarily as John Hancock in the United States. Through Manulife Investment Management, the global brand for our Global Wealth and Asset Management segment, we serve individuals, institutions, and retirement plan members worldwide. At the end of 2023, we had more than 38,000 employees, over 98,000 agents, and thousands of distribution partners, serving over 35 million customers. We trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges, and under '945' in Hong Kong. Not all offerings are available in all jurisdictions. For additional information, please visit [manulife.com](https://www.manulife.com)

## About WBCSD

The World Business Council for Sustainable Development (WBCSD) is a global community of over 220 of the world's leading businesses, representing a combined revenue of more than USD \$8.5 trillion and 19 million employees. Together, we transform the systems we work in to limit the impact of the climate crisis, restore nature and tackle inequality.

We accelerate value chain transformation across key sectors and reshape the financial system to reward sustainable leadership and action through a lower cost of capital. Through the exchange of best practices, improving performance, accessing education, forming partnerships, and shaping the policy agenda, we drive progress in businesses and sharpen the accountability of their performance.

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