

















\$440 billion

Needed to achieve the Aichi Targets

# Bor, Müller, & Duke, 2018



# Credit and investment risk

As a result of failing ecosystem services, natural inputs can become inaccessible and therefore lead to production disruptions. This can lead to credit and investment risks for financial institutions and it can lead to

STEMATIC RISA

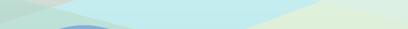
PERUTATIONAL BUSK



"Biodiversity loss will also undermine 80% of the goals related to health, water, hunger, poverty, cities, land and oceans."

According to IPBES, as a result of the integrated and indivisible nature of the Sustainable evelopment Goals (SDG), Díaz et al., 2019.

ipbes



**Opportunities and risks** 

for the financial sector

Marine and terrestrial able to sequester 60%

As part of a sector-wide initiative, FMO has been building capacity in the Paraguayan banking sector for managing environmental (including biodiversity) and social impacts and risks associated with their investments, in close collaboration with leading NGOs such as WWF and other Development Financial

## Rabobank In the Netherlands, Rabobank runs a pilot with a planet impact loan. The loan provides farmers who score in

the top 25% on the Biodiversity Monitor with an interest rate discount for a period of 5 years. Under the Delta Plan Biodiversity Recovery, Rabobank committed to scale the pilot to include all dairy and arable farmers in the

Netherlands via a public-pri-

vate partnership by 2020.

partners Rabobank and Vitens initiated the charter coalition to develop the 'Open Bodem Index' (OBI insight in their soil quality aspects: structure, biology and chemistry. Based on the current management plan of

farmer could consider to

to improve the soil.

discuss with his agronomist or

agricultural consultant in order

# A call to action

Financial institutions can contribute to reducing biodiversity loss by taking steps to start monitoring the impact on biodiversity from their own activities.

Delta Plan for Biodiversity Recovery

A large number of partners has set-up the Delta Plan for Biodiversity recovery. The Delta Plan identifies

Incentivizing and consistent laws and regulations

five success factors that make it simple and

attractive for land users to contribute to the

Development of new business models

Collaboration with all regional land users

restoration of biodiversity.

Knowledge and innovation

Additionally, financial institutions can contribute to bringing biodiversity policies of financial institutions to the next level through .

- increasing company biodiversity data transparency
- work on suitable investment instruments
- methodological consistency in measuring biodiversity impacts, and by
- working on these topics together

Moreover, financial institutions can make a conscious effort to finance pro-biodiversity projects. If we work together and learn from each other, finance can become an even larger driving force in securing a planet that can be enjoyed for generations to come.

## Join us!



www.dnb.nl/en/about-dnb/co-operation/ platform-voor-duurzame-financiering/biodiversiteit

# **Legal liability**

Operations resulting in biodiversity loss may lead to lawsuits by the parties that incur damages. This risk may increase as governments and financial regulators ask for more disclosure and reporting regarding biodiversity impacts.



Financial institutions can be confronted with a decline in the market value of their investment portfolios if crossing the tipping point of biodiversity leads to large-scale failure of ecosystem services and a resulting loss of production possibili-



Clients and financiers may withdraw

from companies if these companies neglect the risk their environmental

externalities may have for their client's) reputation.

Robeco Biodiversity is a part of the Corporate naire which is sent to the 3800 largest global companies, part of the MSCI World, and comprises of an extensive set of questions related to various ESG indicators. Firms that have a lower negative impact on biodiversity score better in their overall ascore and therefore have a higher

# Bank has chance of entering Robeco's

Water Bonds since 2014. The proceeds from these Green Bonds are used to finance water authorities' projects that mitigation, climate adaptation and biodiversity.

setting the audacious goal of having a net positive effect on biodiversity with all of their loans and investments by 2030, ASN is aligning natural capital protection and the firm. In addition, by initiating the Partnership Biodiversity Accounting Financials (PBAF) its working

# chains. Its focus is on key commodities including palm

towards a set of harmonized principles underlying biodiversity impact assessments and disclosure.

oil, soy and cattle. APG has a team of specialists who talk to the companies on location to encourage them to produce sustainable palm oil. As part of the UN PRI - Ceres Investor Initiative for Sustainable Forests initiative APG is engaging with a number of companies across the cattle and soy value chains to require appropriate management and disclosure of deforestation risks.

special attention to

## strategic partnership with Satelligence, a satellite imagery company that is able to detect and monitor activities that lead to biodiversity loss, such as deforestation. Using satellite approach companies in its

Actiam

has started a

### New and stricter biodiversity related regulations are expected to be introduced, possibly resulting in transition risks and stranded assets (Suttor-Sorel, 2019).



restoration with the strategy of

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