

European Business & Nature Summit

Group Session 3

Target and measure net positive biodiversity impact from a finance perspective

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Business @
Biodiversity

7 & 8 November 2019

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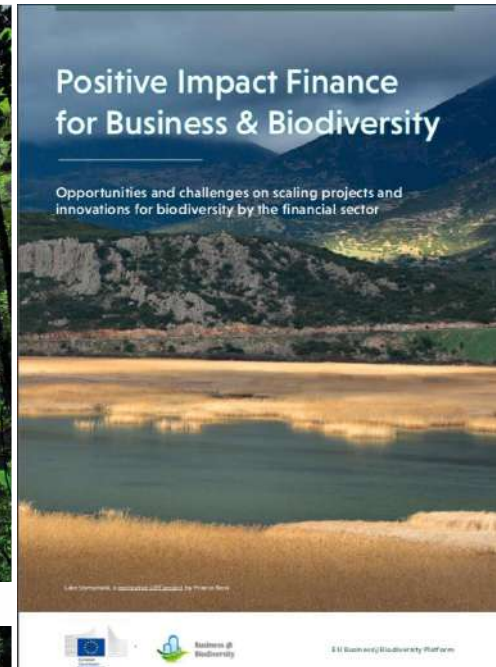
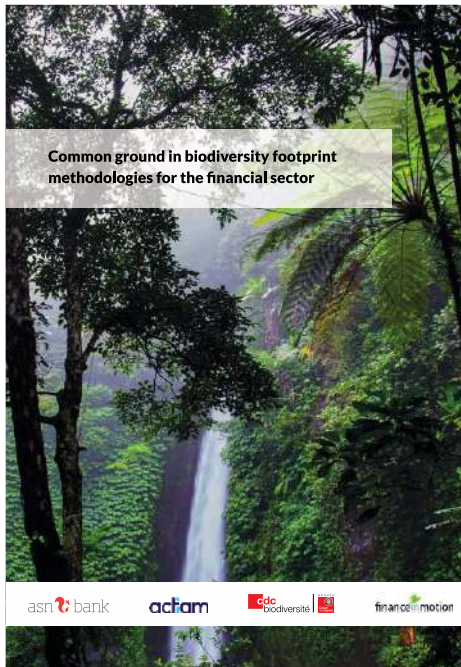


Agenda 2017 - 2019

- **Biodiversity Accounting**
Decrease negative impact & dependencies
- **Positive Biodiversity impact**
Impact Investing & Increase positive impact in 'regular' investing
- **Ambition levels & targets**
- **High risk & high opportunity** sectors, Tools to assess
- **Disclosure**

https://ec.europa.eu/environment/biodiversity/business/workstreams/finance/index_en.htm

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Positive biodiversity impact from a finance perspective

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CREM

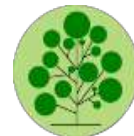
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PRE

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ASN Bank & Sustainability

- 3 pillars: Climate, human rights and biodiversity
- Cooperation in platforms and methodology development
- Long term goals

Assess the biodiversity footprint of a financial institution (BFFI)

- Started in 2014
- Development and testing of methodology
- Stakeholder consultation
- Pilot: calculation of ASN Bank's biodiversity footprint
- Long term goal: Net positive impact with all investments in 2030
- Need to focus on biodiversity-positive investments
- Integration in the BFFI

Finance target

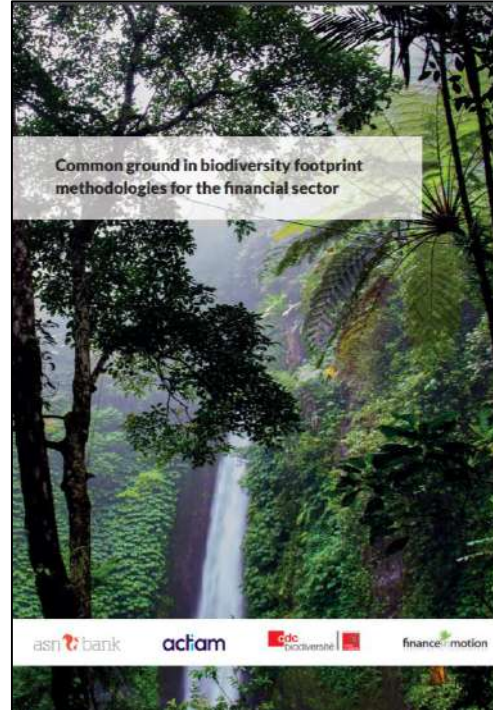
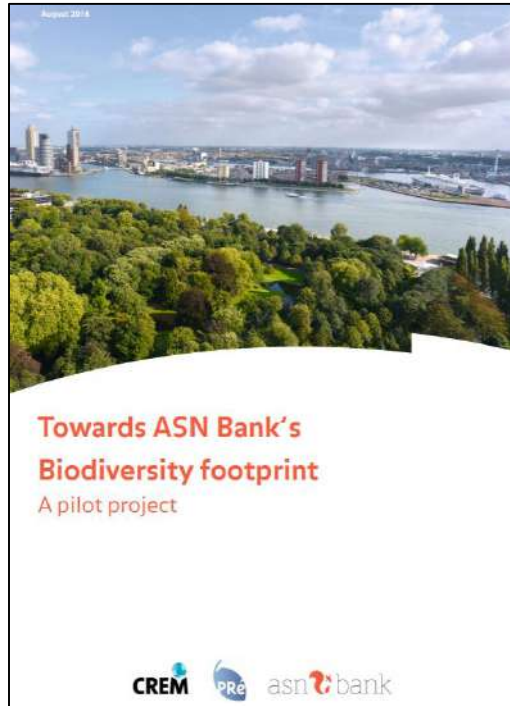


Net positive effect on biodiversity in 2030

Biodiversity underpins everything that sustains us and our society. But biodiversity is declining rapidly at the moment. ASN Bank is therefore committed to conserving and protecting biodiversity.



Biodiversity-positive investments in the BFFI



<https://www.asnbank.nl/over-asn-bank/duurzaamheid/biodiversiteit/biodiversity-in-2030.html>

Biggest challenges

- 1) The understanding of the value of biodiversity is very low for many people, business and governments
- 2) The number of projects that aim for a positive impact on biodiversity is still limited globally
- 3) The impact measurement of current impact investments projects is not sufficient
- 4) The data on (the value of) ecosystem services not widely known or available to many people, businesses and (local) governments

Biodiversity footprinting

Step 1
Understand the
investment



Investments

Company info

- Reports
- Company databases

Step 2
Assess environmental
inputs and outputs



**Economic
activities +
Location**

**Environmental
Inputs &
Outputs**

- Land use
- Land transformation
- Water use
- Emissions

LCA data

- Ecoinvent
- Exiobase

Step 3
Assess environmental
pressures and the
impact on biodiversity



**Environmental
Pressures**

- Climate change
- Land use
- Land transformation
- Water use
- Etc.

ReCiPe
Based on
Pressure -
Impact relations

Step 4
Interpretate the
results and
take action



**Biodiversity
footprint
(PDF.m2.yr)**

**Interpretation
results**

**Qualitative
analysis**

Towards a net gain in 2030

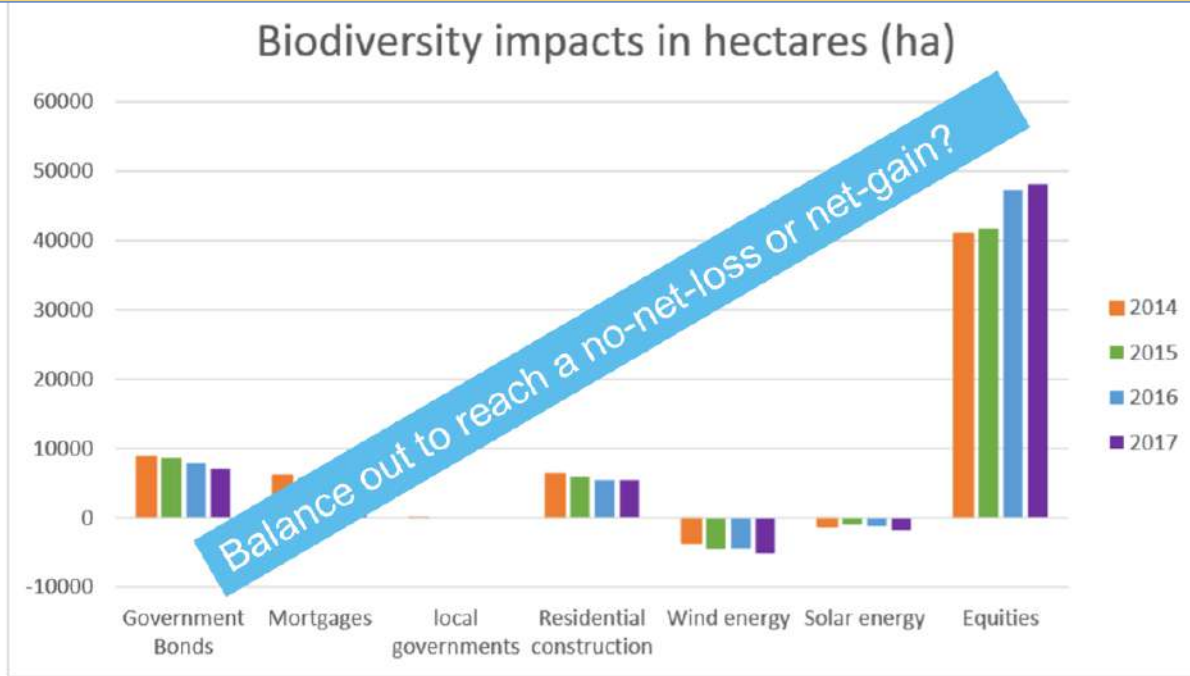
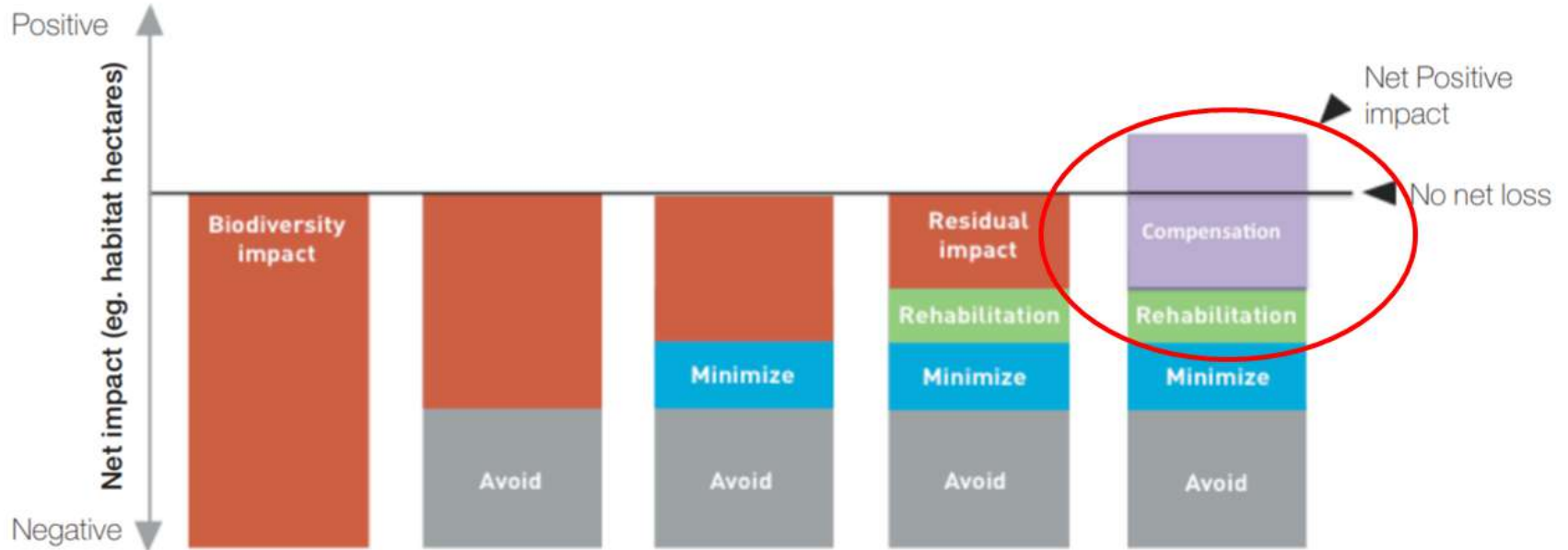


Figure 1: Biodiversity impacts expressed as hectares equivalent. This is the number of hectares that have lost all biodiversity. Note: one hectare is 10,000 m²

The mitigation hierarchy



How to compensate and reach a no-net-loss or net-gain?

What are biodiversity positive investments?

Biodiversity-positive investments in the BFFI

- What is a biodiversity positive investment?

An investment resulting in:

-an increase in biodiversity (e.g. restoration)?
-reduction of negative impact (e.g. good agricultural practices)?
-avoidance of a negative impact (e.g. green energy)?

- Can all of these be used to reach a not-net-loss or net-gain?
- Positive compared to what?

⇒ Positive impacts in the BFFI



Biodiversity-positive investments in the BFFI

What is already out there?

BBOP, GIIN / IRIS+, CPIC, UNEP-FI, PCAF, STAR, etc.

How can this be used to:

- define biodiversity positive impacts
- measure or calculate impact
- integrate this in the biodiversity footprint financial institutions
- reach a common ground

Identify follow-up steps

Biodiversity-positive investments in the BFFI

Investments with the aim to contribute to ('impact investing'):

- Investments in the enhancement of existing biodiversity
- Investments in the restoration of biodiversity to a specific prior state
- Reduced negative impacts on biodiversity by addressing one or more of the drivers of biodiversity loss of existing economic activities (how to deal with certification?)
- Avoided negative impacts on biodiversity by addressing 'green' energy or resources, alternative livelihoods (preventing biodiversity loss) or known future risks to biodiversity
- Investment criteria & Engagement

Biodiversity-positive investments in the BFFI

	Report on	Integration in footprint?	Use to reach a no-net-loss?	Use to reach a net-positive-gain?
Impact investing				
Increase of biodiversity				
Enhancement of biodiversity	Net positive impact	✓	✓	✓
Nature restoration	Net positive impact	✓	✓	✓
Reduction of negative impacts				
Interventions addressing drivers of biodiversity loss	Net positive impact	✓	✓	
Avoided negative impacts				
Green energy and resources	Net positive impact	✓	✓	
Alternative livelihoods	Net positive impact	✓	✓	
Interventions averting future risks	Net positive impact	✓	✓	
All investments				
Negative impacts on biodiversity	Net negative impact, adjusted for: <ul style="list-style-type: none"> Investment criteria Engagement resulting in positive change 	✓	n.a.	n.a.
The mitigation hierarchy	Application of the mitigation hierarchy		✓	✓

Biodiversity-positive investments in the BFFI - Cases

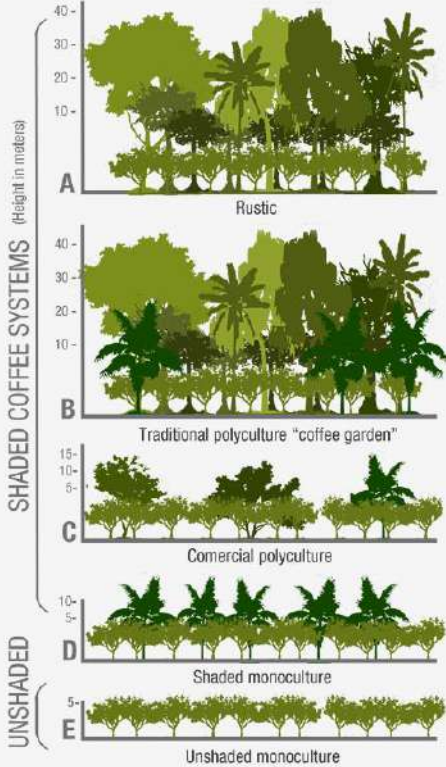
Biodiversity positive investments

- (Re)forestry
- Agroforestry
- Wind energy at sea

Potential positive impacts

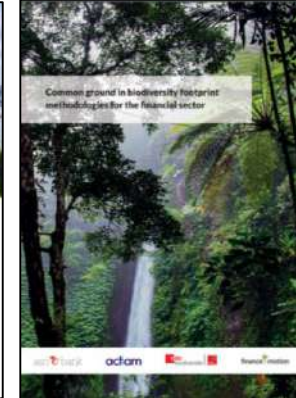
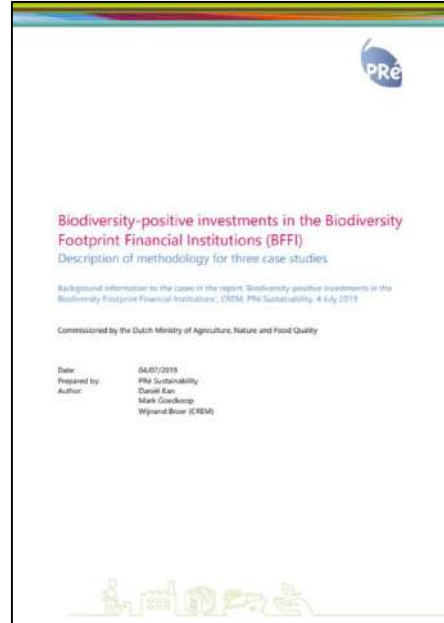
- Carbon sequestration / avoided emissions
- Reduction of biodiversity impact through a more sustainable use of land
- Enhancement of biodiversity through the creation of (undisturbed) habitat in the sea

Biodiversity-positive investments in the BFFI - Cases



1. Retention harvesting
2. Selection systems
3. Reduced impact logging
4. Conventional selective logging
5. Clear-cutting
6. Agroforestry
7. Timber plantations
8. Fuelwood plantations
9. Slash and burn
10. Plantation non-timber

Biodiversity-positive investments in the BFFI



<https://www.government.nl/documents/reports/2019/09/25/report-positive-impacts-in-the-biodiversity-footprint-financial-institutions>



Thank you

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Questions?

Suggestions?



The EU CoP Finance@Biodiversity



ASN Bank, CDC Biodiversité and GS3 Participants

- What does the outcome of the meeting mean for next steps of -finance and business-participants in the room?
- Actions that finance/business can do to scale up biodiversity restoration and protection
 1. Start to think from outside your business and ask yourself what do ecosystems need in order to sustain?
 2. Set ambitious goals, decrease the negative impact you have and act restorative in all business and investments
 3. Cooperate with other financial institutions/businesses in mainstreaming biodiversity impact measurement



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Thank you!
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