

Biodiversity: And now what?

ESG Finance Day | 9 November 2023

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Impact House by Grant Thornton

Impact House

Building together for a sustainable future



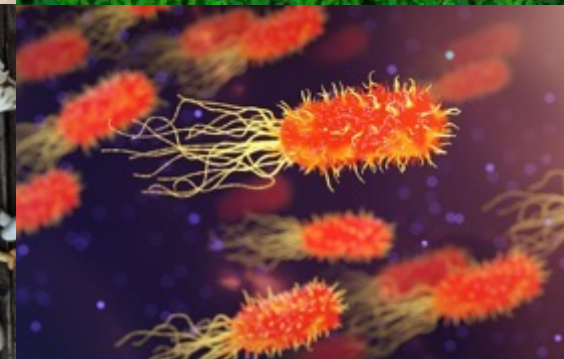
Agenda

- 1 Wat is Biodiversiteit?
- 2 Wat betekent het voor mijn organisatie?
- 3 Hoe maak ik het inzichtelijk?

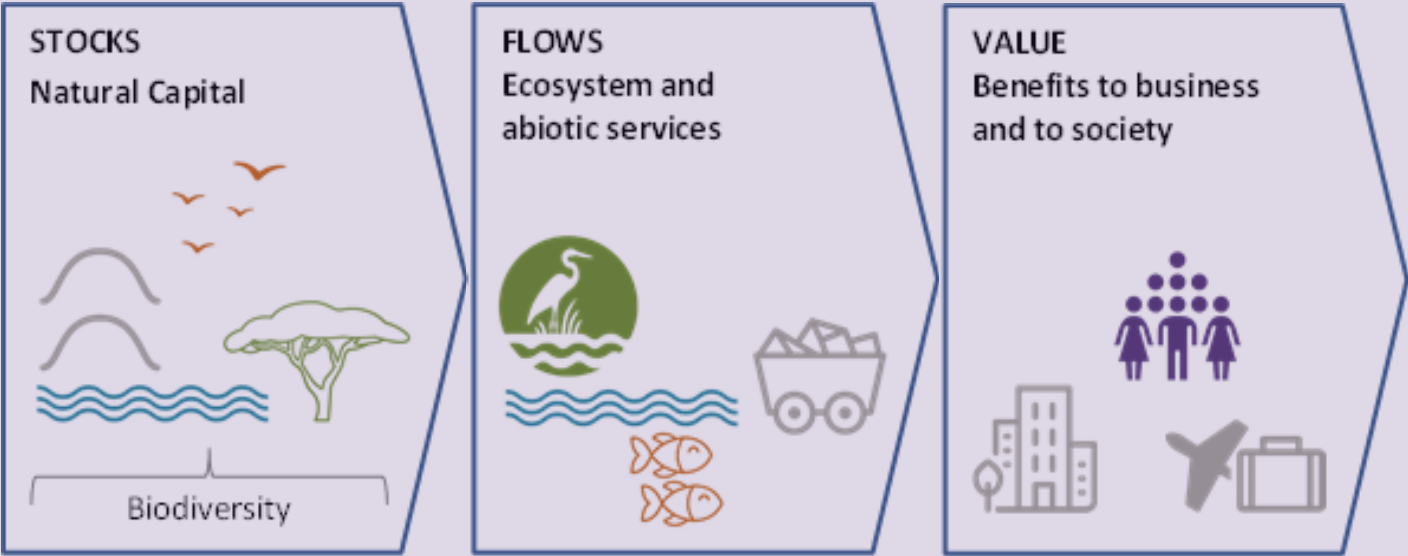
What is Biodiversity?



Biodiversity captures the variety of animals, plants, fungi, and microorganisms like bacteria that make up our natural world.

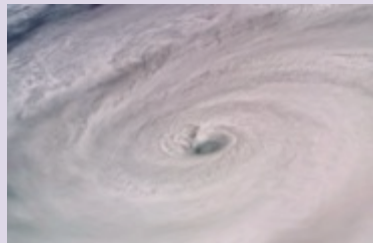


Why is Biodiversity important?



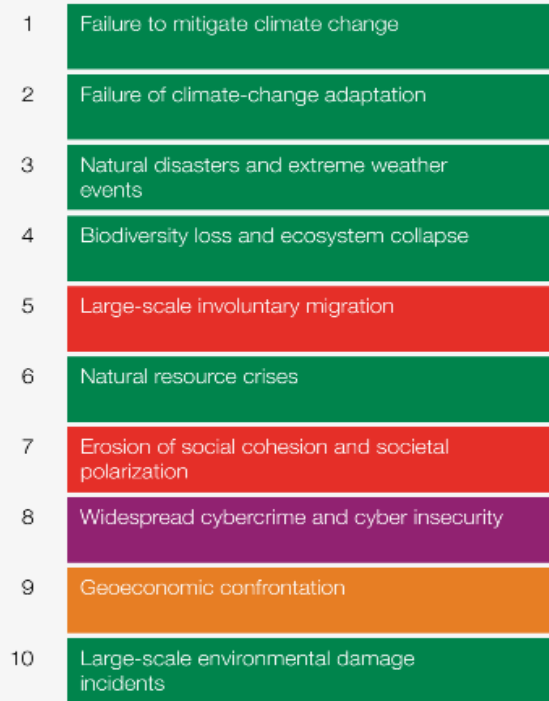
Source: Natural Capital Coalition, 2016

Biodiversity supports human health and well-being



What is at risk?

10 years The Global Risk Report 2023



€ 234 billion of economic value provided by ecosystem services in the EU

The European Commission

More than 50% of Global GDP 'at risk'

The Global Assessment Report on Biodiversity and Ecosystem Services (IPBES, 2020)

Because of increasing pressure on biodiversity

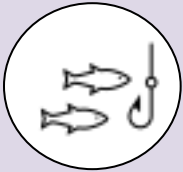
Pressures on nature



Habitat loss



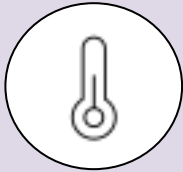
Invasive species



Overexploitation



Pollution



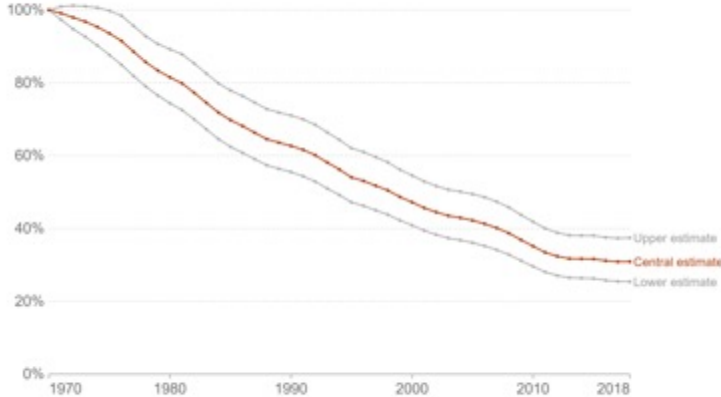
Climate Change



Living Planet Index, World

The Living Planet Index (LPI) measures the average decline in monitored wildlife populations¹. The index value measures the change in abundance in 31,821 populations across 5,230 species relative to the year 1970 (i.e. 1970 = 100%).

Our World
in Data

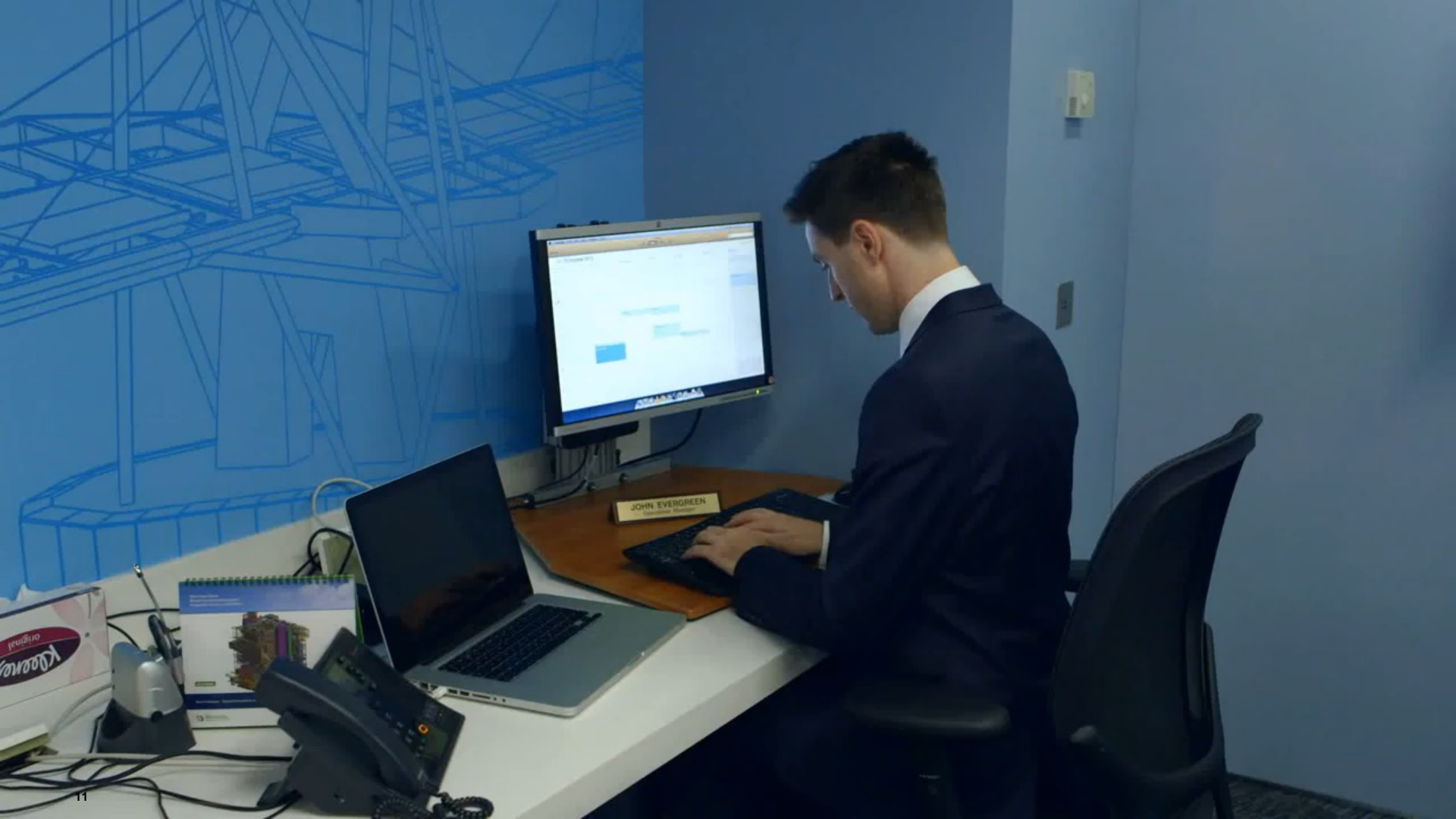


Data source: World Wildlife Fund (WWF) and Zoological Society of London

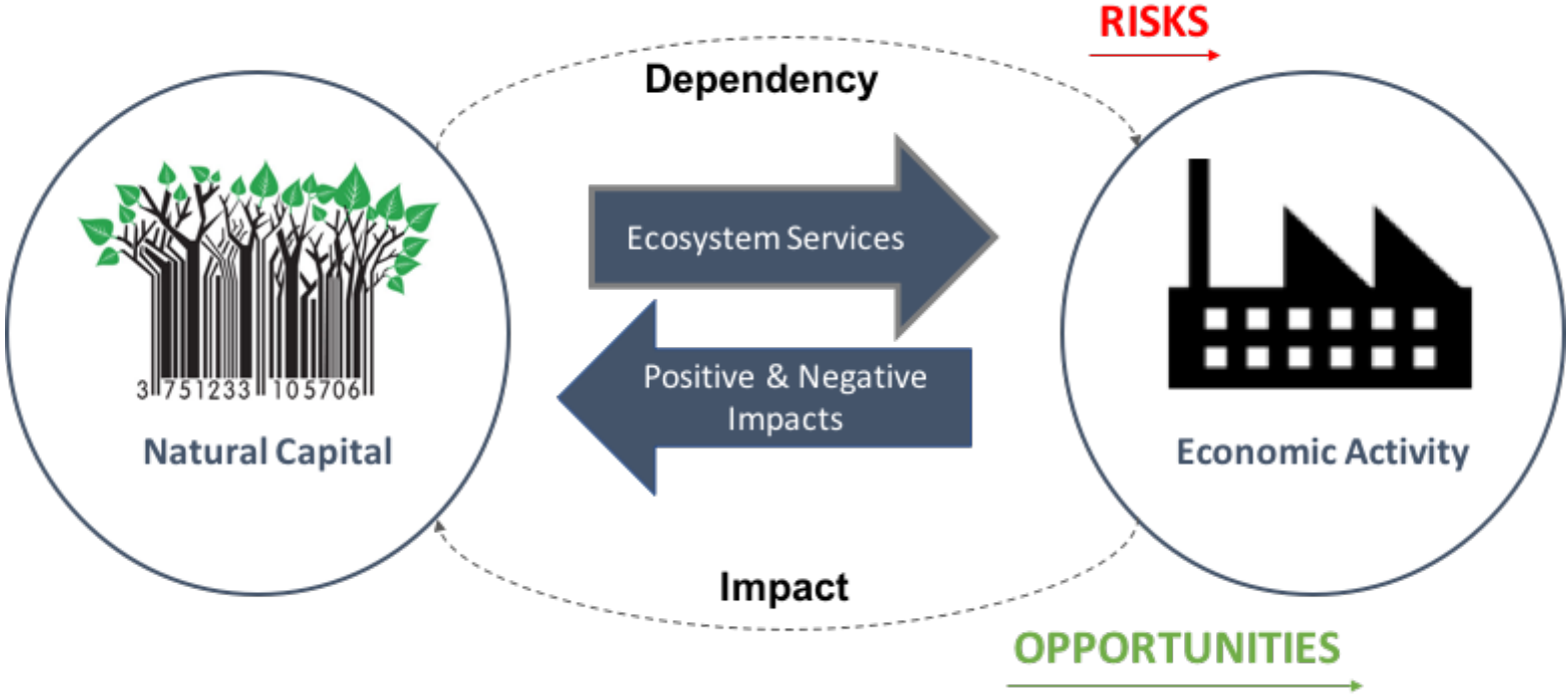
OurWorldinData.org/biodiversity | CC BY

¹ Population: A population is a group of individuals of the same species that live in the same geographic area. A species will often have multiple or many populations, each living in a different area.

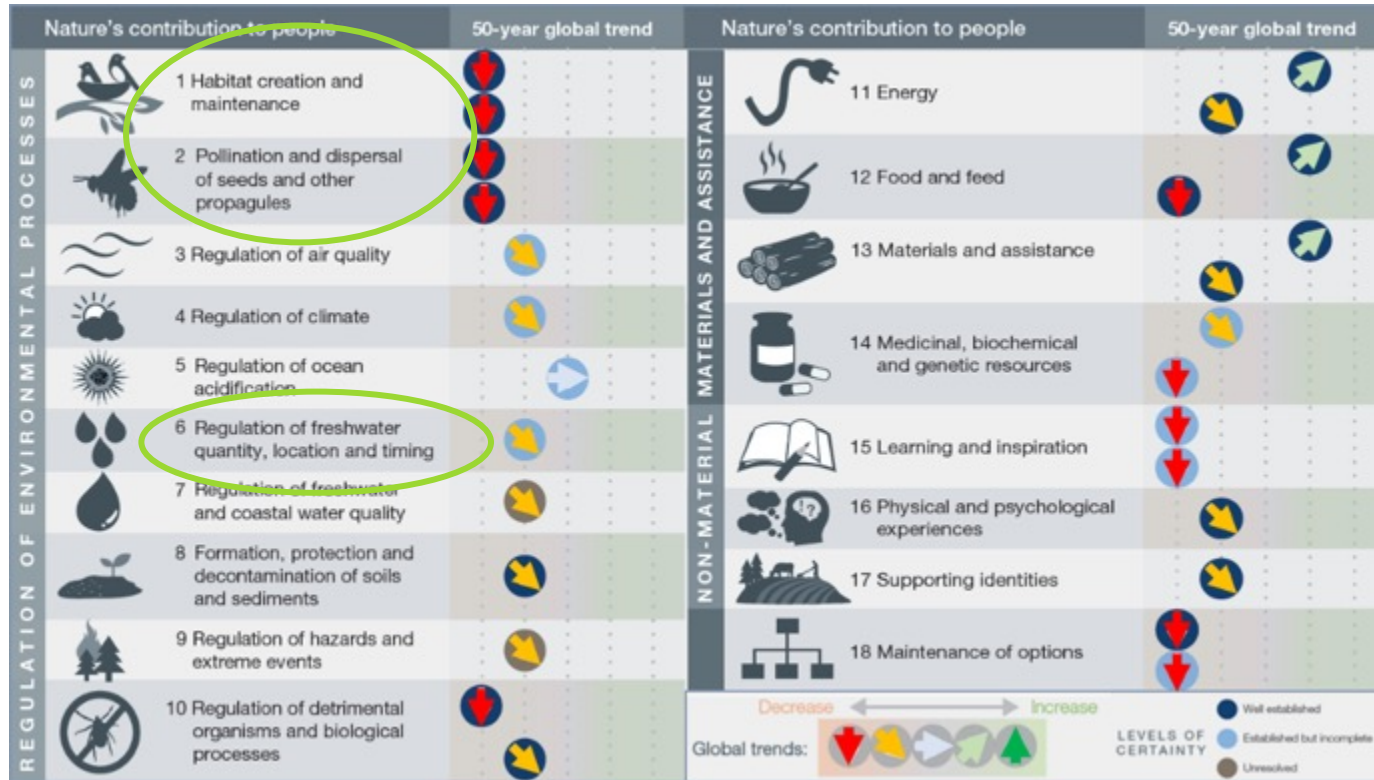
What does this mean for my organisation?



Dependency of - and impact on Biodiversity

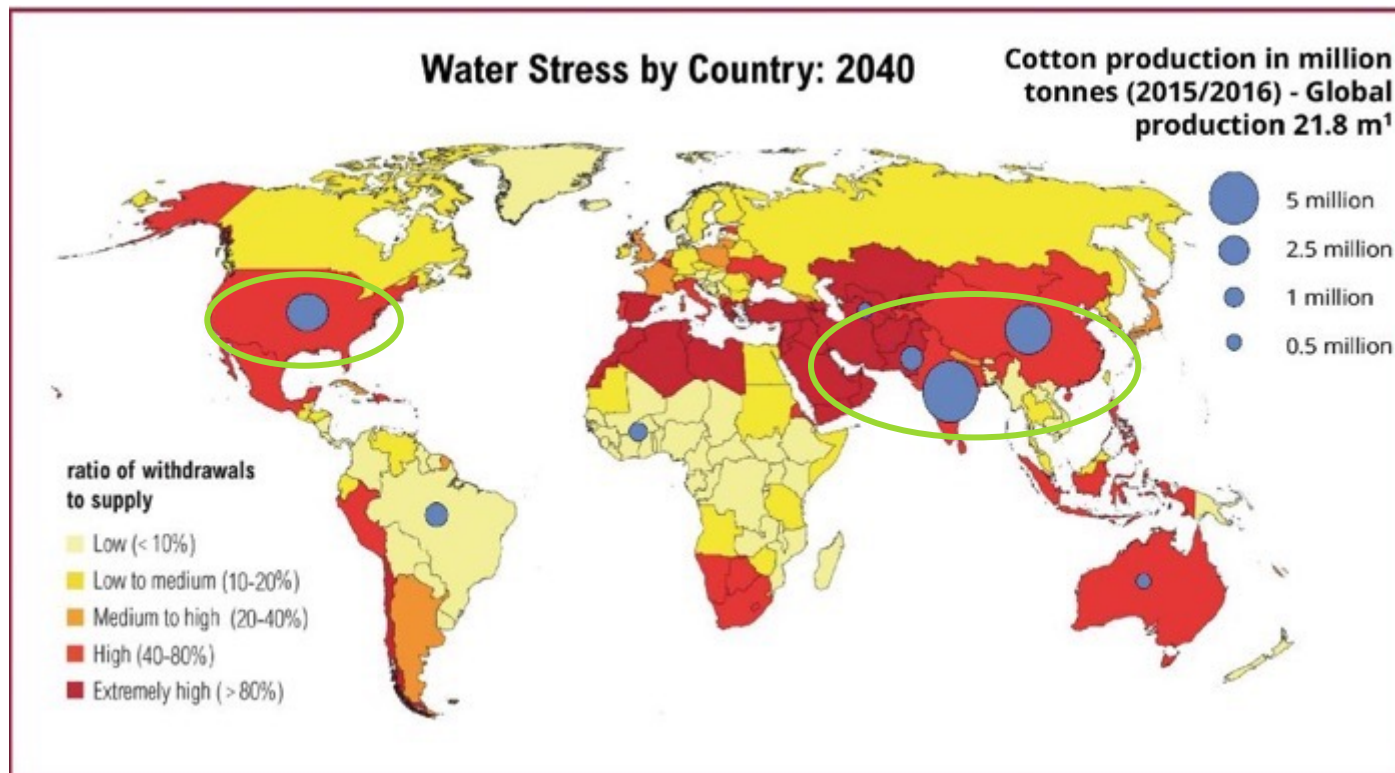


Consequence of biodiversity loss to ecosystem services



IPBES report 2021

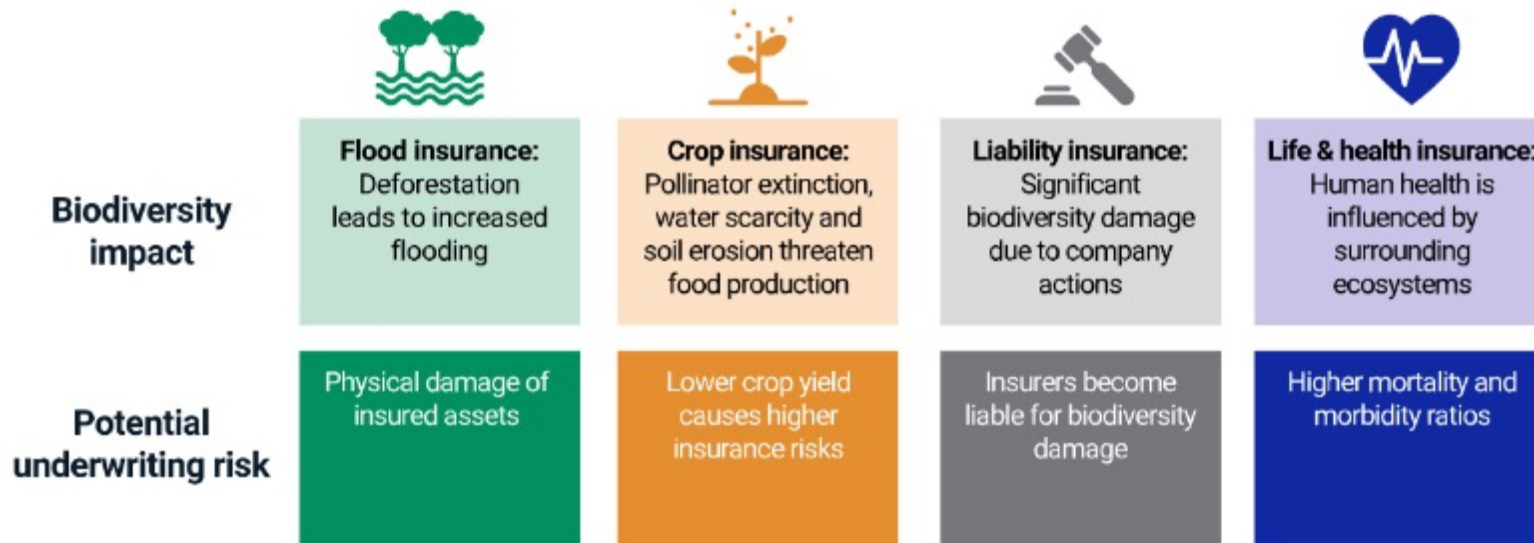
Risk of biodiversity loss for water retention



Source: Framing stranded assets in an age of disruption, 2018

Example: Impact of Biodiversity loss for insurance

Examples of how biodiversity risks may impact underwriting activities



Source: MSCI ESG Research, 2023

How to create insight?

How to identify the importance of Biodiversity for your organisation?

L

Locate interface
with nature

E

Evaluate impacts
& dependencies

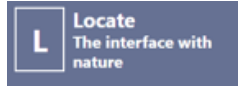
A

Assess risks and
opportunities

P

Prepare strategy
and monitoring
framework

Locate your interface with nature



a) What are the main components of my **value chain**?

b) What are main **drivers of ecosystem changes** caused by my industry?

c) Where do I impose **impacts** on ecosystems?

Where is your interface with nature?



Impact Drivers

Land use change				
Direct Resource Exploitation				
Water pollutants				
Soil pollutants				
Solid waste				
Invasive species				
Value Chain	Upstream (SC)	Downstream (SC)	Operations	Direct Assets

Positive Impact

Negative Impact

Evaluate dependencies and impacts



E Evaluate
Priority
dependencies and
impacts

a) What are your nature related impacts?

b) What are your nature related dependencies?



Impacts and dependencies: example

	Driver	Related Ecosystem Services	Impact	Dependency
	Land use change	Water retention, flood prevention, real estate value	Soil loses its water storage ability: Flooding occurs	Decreasing real estate values
	(Toxic) Waste generation	Nutrient cycling, habitat provision, water provisioning	Soil acidification, land and water contamination	Scarcity and increased raw material prices, increased regulation

Wrap-up

- Biodiversity impact is about our **interaction** with natural systems
- **Complex:** multitude of drivers for biodiversity loss and many benefits
- Specific to sectoral (value chain) and geographic **context**
- It is not only about **impact** on drivers but also **dependency** on biodiversity & ecosystem services
- **LEAP (TNFD)** provides a very useful approach

Thank you for
your **attention!**



Contact

Meer weten?



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