Biodiversity impact assessment by ASN Bank and the Partnership for Biodiversity Accounting Financials (PBAF)

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A growing maze of initiatives

- EU Taxonomy (what is a green investment?)

- TNFD: Task Force Nature-related Financial Disclosures

- Finance for Biodiversity Pledge: 26 signatories, 10 countries

- ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure (dependencies) UNEP-WCMC

- Integration of sustainability (biodiversity) in reporting organisations (CDP, CDSB, GRI, IIRC, SASB)

- Different methodologies to assess biodiversity impact (BFFI by ASN Bank, GBS by CDC Biodiversité, CBF by Iceberg datalab, Encore by UNEP, STAR by IUCN).
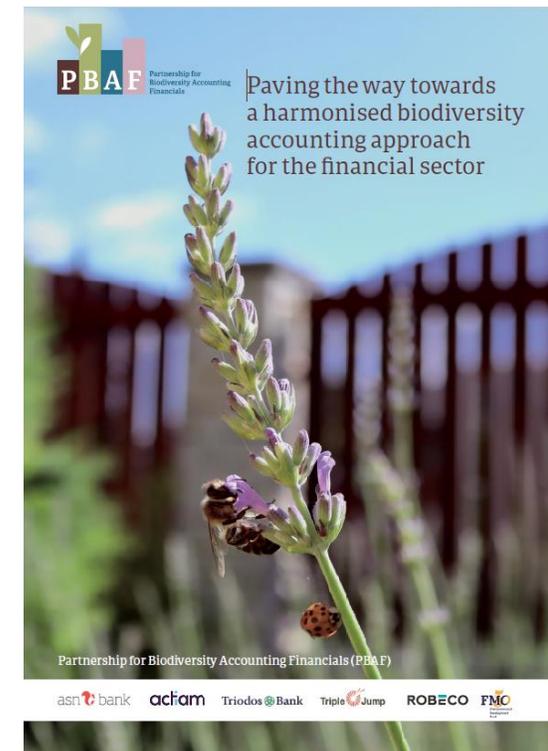
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The goal of Partnership for Biodiversity Accounting Financials:

- The development of a set of globally harmonized accounting principles underlying biodiversity impact assessment and disclosure.

- Not reserved to one specific impact assessment methodology.

- Contribute to the development of a harmonised biodiversity accounting approach in the financial sector

- Supported by the Dutch goverment: Ministry of Agriculture, Nature, Food Quality

What will PBAF offer?

- Introduction to biodiversity impact assessment through online trainings.
- Help you through the maze: regular online updates on the ins and outs of other relevant initiatives.
- Participation in the development of impact assessment principles via PBAF working groups focusing on specific topics, supported by experts.
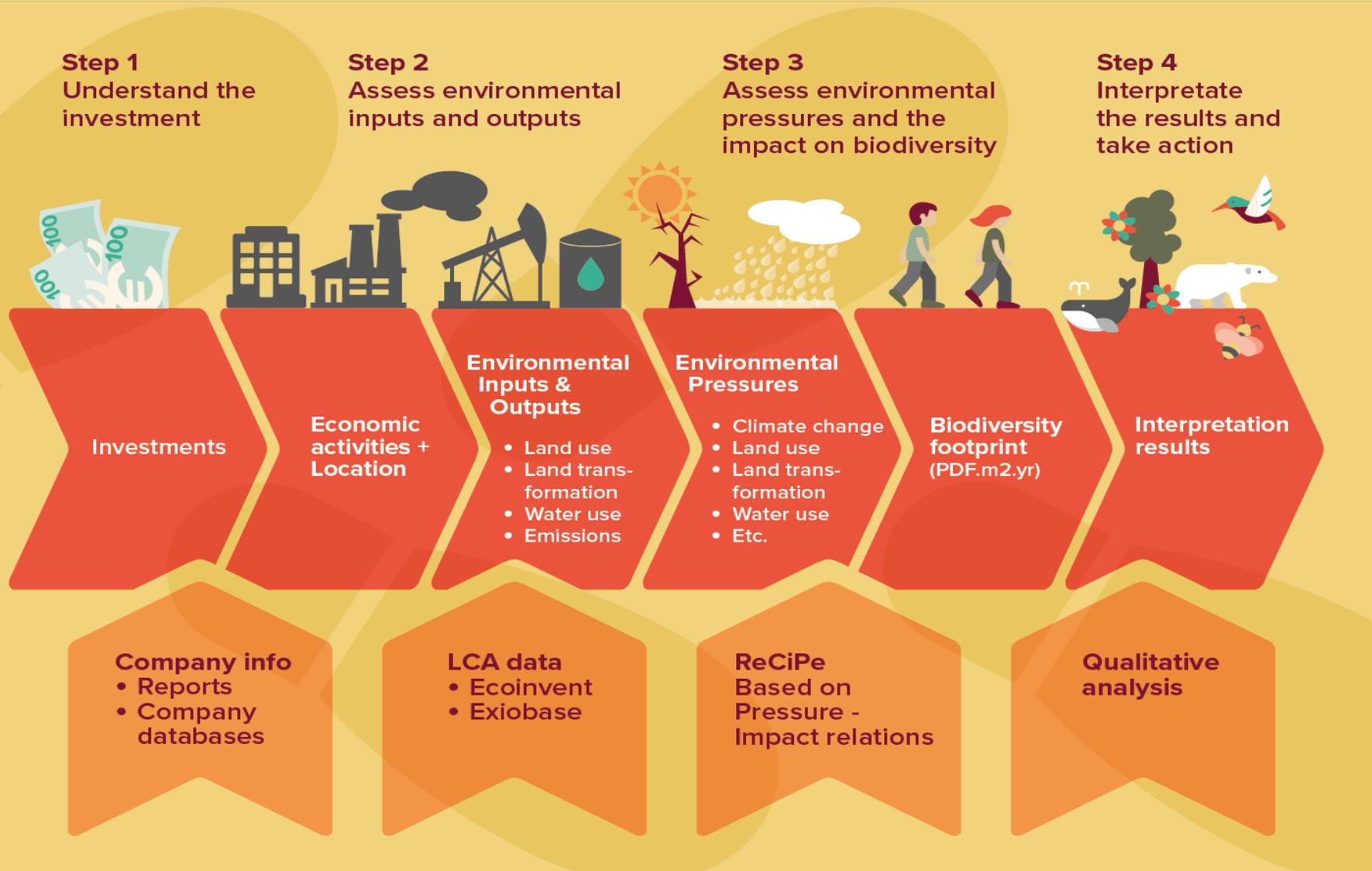
More information, first report can be found on: www.pbafglobal.com

Biodiversity impact measurement by ASN Bank

- Started in 2014: where to begin?

- Stakeholder consultation

- Pilot: Calculation of ASN Bank's biodiversity footprint

- Development of the Biodiversity footprint financial institutions (BFFI)

- Long term goal: Overall net positive impact with all investments in 2030

- Need to focus on biodiversity-positive investments

Biodiversity footprint financial institutions: A 4-step approach

Step 1
Understand the investment

Step 2
Assess environmental inputs and outputs

Step 3
Assess environmental pressures and the impact on biodiversity

Step 4
Interpretate the results and take action

Investments

Economic activities + Location

Environmental Inputs & Outputs
- Land use
- Land transformation
- Water use
- Emissions

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

Biodiversity footprint (PDF.m2.yr)

Interpretation results

Company info
- Reports
- Company databases

LCA data
- Ecoinvent
- Exiobase

ReCiPe
Based on Pressure - Impact relations

Qualitative analysis

Steps of measuring impact on <u>portfolio level</u>

- Assessing impact of all assetclasses

- Use of specific data and background data (EXIOBASE, ecoinvent) to make an analysis feasible

Identify impact hotspots – zoom in

EXIOBASE: Global multiregional input-output database

43 countries (28 EU member plus 16 major economies)
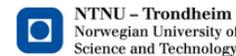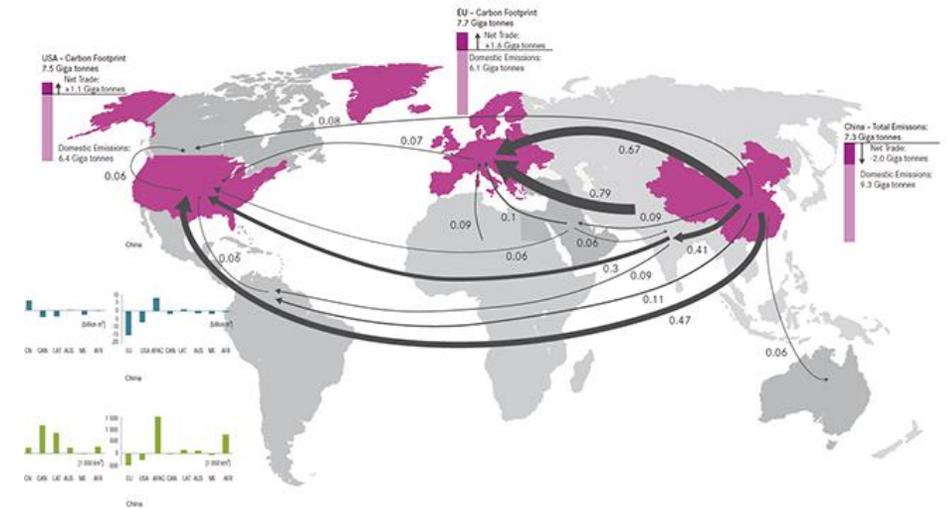
5 rest of the world regions.

164 sectors for all included countries/regions

Environmental extensions:

- Energy: 60 primary and secondary energy products
- Emissions: 66 emissions
- Land accounts: 15 types
- Water accounts: Blue and Green
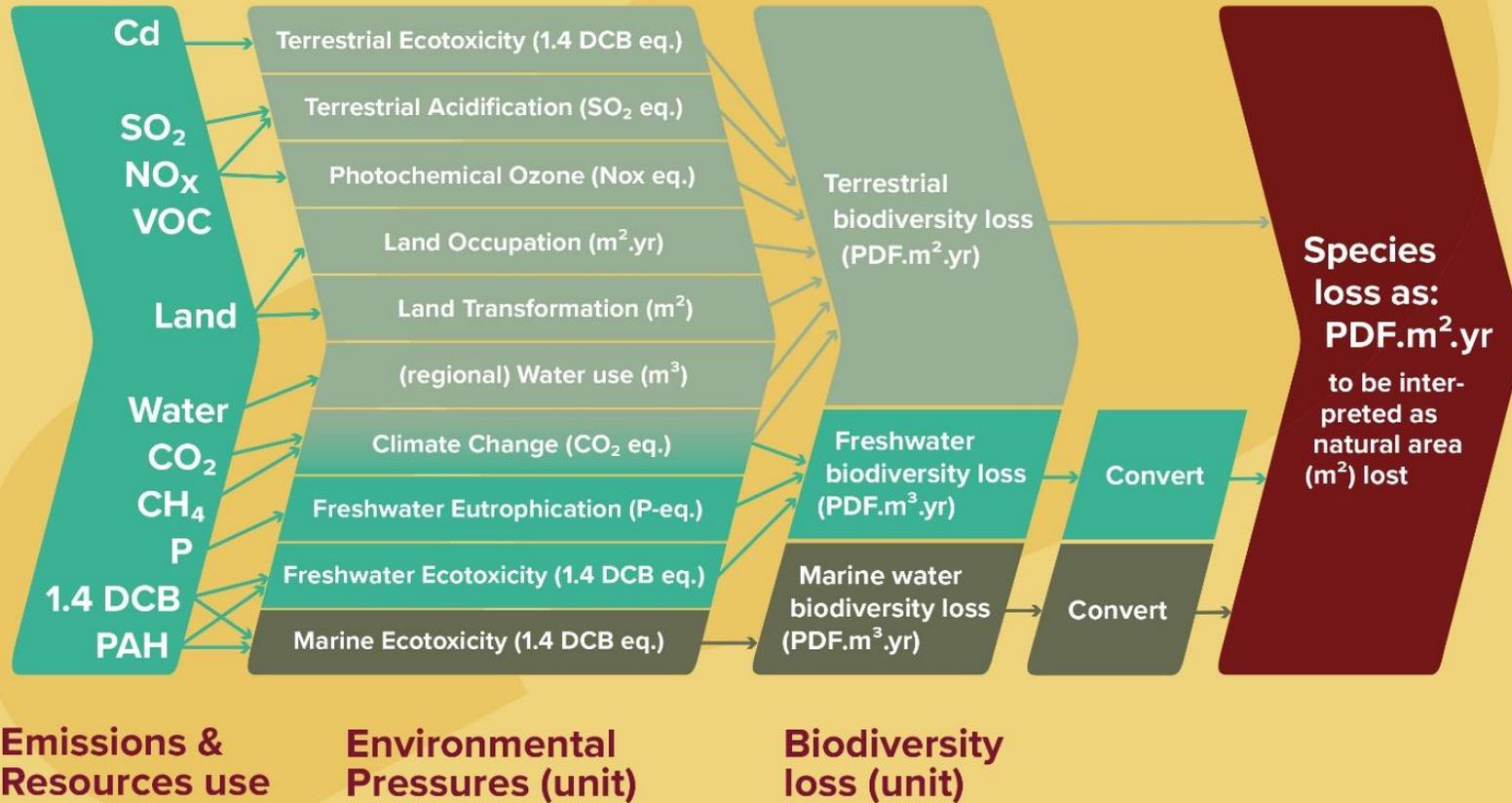- Material Accounts: Energy Product and Resource Extraction

➢If better data available (background data / direct data)
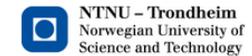Option to use other data (replace EXIOBASE data)

ReCiPe2016 developers:

Figure 9: The biodiversity impacts in hectares per investment category from 2014 -2018
*ABB was reported as equity in the footprints of the previous years

The footprint shows where the highest impact (-/+) on biodiversity can be expected and why

It provides an indication of the impact (in m^2 where all biodiversity is lost), but the real value of the footprint is in differences, changes and drivers

The footprint may not be very accurate, but can serve as a compass (where to focus our efforts, where to zoom in, what is the right direction?) and triggers action.

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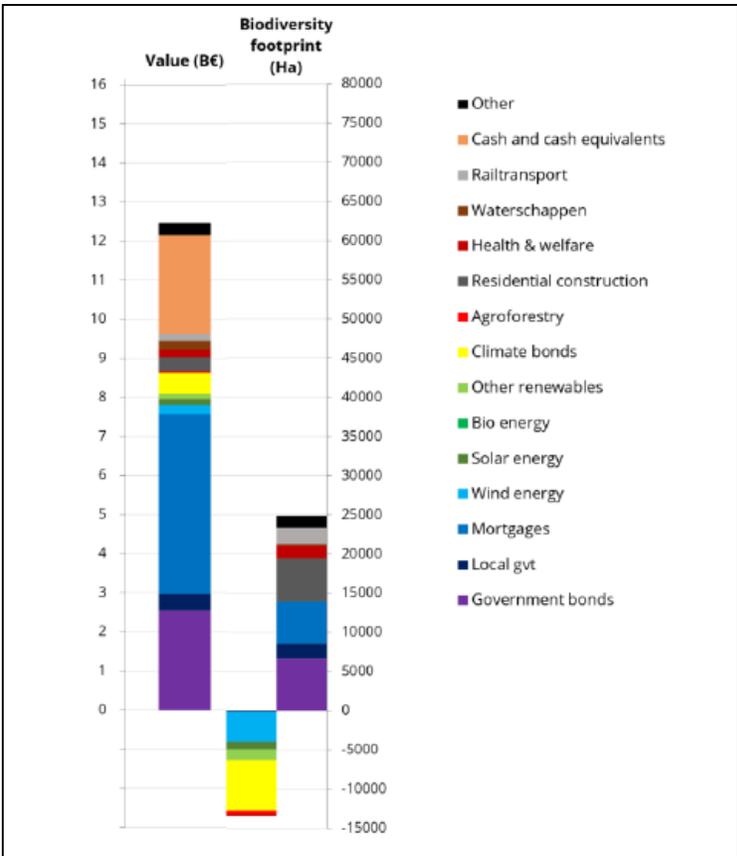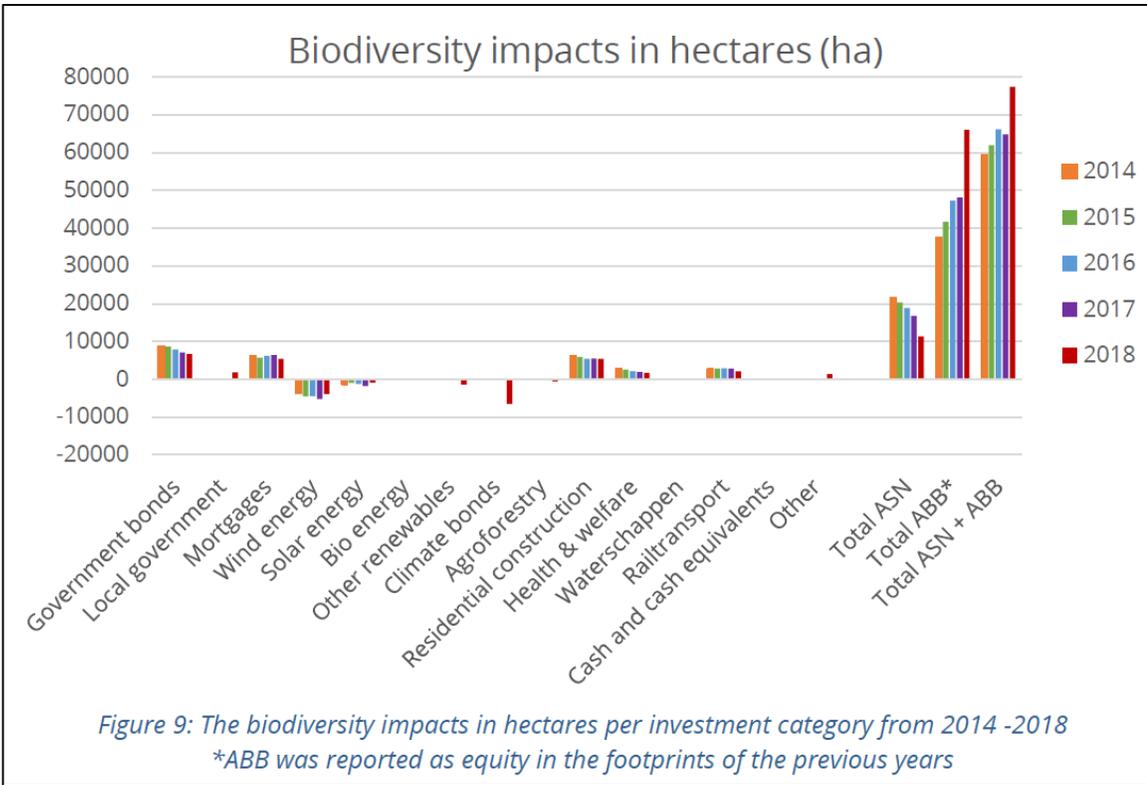
1) The understanding of the tremendous value of biodiversity (and the risks) for financial institutions and business is still low. What do stakeholders think and expect?

2) Start with small pilots, gain understanding and grow support.

3) Measuring (on portfolio level) gives insight in hotspots, a focus on biodiversity forces you to look at all aspects and tradeoffs between topics.

4) Without measuring which direction is the right one?

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Thank you

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