

Launch webinar | MEB's report N°50

Bridging finance and nature: the role of BIA-GBS and GBSFI in measuring biodiversity-related financial risks

March 20, 2024, 14:00-15:00 CET

Welcoming words



Arthur Campredon

Biodiversity Footprint Director
CDC Biodiversité

Launch webinar | New MEB's report

March 20, 2024



Agenda

13:45 – 14:00 *Waiting room for participants*

14:00 – 14:10 **Welcoming words** – Opening of the webinar and agenda

Arthur Campredon
Biodiversity Footprint Director
CDC Biodiversité

14:10 – 14:20 **Foreword**

Julen González Redín
Technical Director
Finance for Biodiversity Foundation

14:20 – 14:40 **Presentation of the publication content** – Overview and focus on the technical in-depth publication content

Violette Pradère
Head of the Finance team
CDC Biodiversité

14:40 – 14:55 **Case study** – How BIA-GBS can be used to disclose in line with the TNFD framework? The case of agriculture and fisheries in Europe

Alexis Sciau
ESG Data Analyst
Amundi Asset Management
Julie Bonnet
Research officer
CDC Biodiversité

14:55 – 15:00 **Closing words** – Join CDC Biodiversité's ecosystem on biodiversity footprinting

Violette Pradère
Head of the Finance team
CDC Biodiversité



The biodiversity in crisis



The biodiversity crisis is now widely documented

Human activity is eroding the world's ecological foundations at an alarming rate.

Biodiversity-related risks



Corporates, and therefore financial institutions, impacts and depends on biodiversity.

These impacts and dependencies create biodiversity-related risks.

Call to action

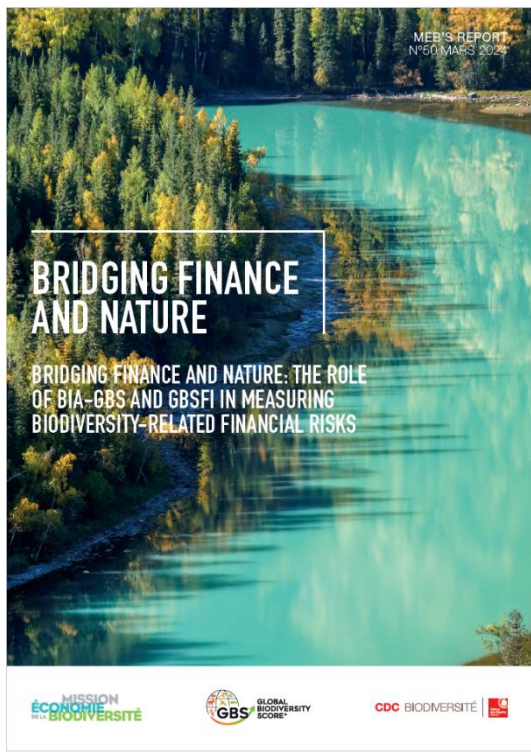


More and more financial institutions are seizing the subject through global initiatives (FfB foundation) and emerging frameworks (CSRD, TNFD...).

Solutions by CDC Biodiversité



CDC Biodiversité works since 2020 on the Global Biodiversity Score, a biodiversity footprinting tool, with two applications for the financial actors: BIA-GBS and GBSFI.



The MEB is releasing today its newest report (N°50):

“Bridging finance and nature: the role of BIA-GBS and GBSFI in measuring biodiversity-related financial risks”



MEB's objectives: identify, study and experiment innovative tools to connect biodiversity and the economy, by sharing its works through publications and various supports



Latest GBS publication ([MEB's report N°49](#)): *“Global Biodiversity Score – Accounting for Positive and Negative Impacts throughout the value chain”*

*From 2012 to 2021, the MEB's work was published in two collections (BIODIV'2050 and Cahiers de BIODIV'2050), but since 2022, it publishes its work within a single unified collection, the “MEB's reports”.

New MEB's report – Overview



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PUBLICATION OF THE MISSION ECONOMY OF LA BIODIVERSITÉ, FINANCED BY THE BANCORP DES ENTREPRENEURS DES DÉPÔTS

REFERENCE: CNP BIODIVERSITY GOALS BRIDGING FINANCE AND NATURE: THE ROLE OF BIA-GBS AND CRISI IN MEASURING BIODIVERSITY-RELATED FINANCIAL RISKS. BONNET, L., GONZALEZ, A., JOUINON, V., PRADIER, L. MISSION ECONOMY OF LA BIODIVERSITÉ, PARIS, FRANCE, 2023



What is in this new publication?

A foreword from **Julen González Redín**, Technical Director at Finance for Biodiversity Foundation

Overview of GBS-linked solutions for the financial sector

Assessing impacts and dependencies of **listed equities and bonds**

Evaluating **non-listed assets** impacts and dependencies with GBSFI solutions

Assessing biodiversity-related risks: role of the GBS in the **measurement landscape**

Three **case studies**:

- Analysis of the impact of a **STOXX Europe 600 portfolio** on biodiversity
- How BIA-GBS can be used to disclose in line with the **TNFD framework**?
- Assessing the **Biodiversity-Related Financial Risks of the French financial institutions** with BIA-GBS



Foreword



Julen González Redín

Technical Director
Finance for Biodiversity Foundation

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Finance for Biodiversity Foundation

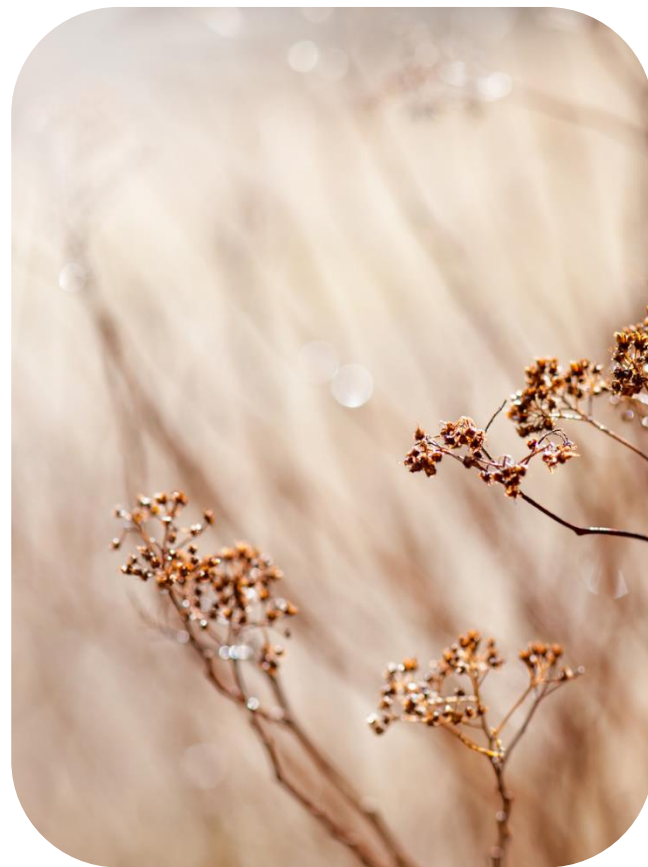
Introduction to our measurement projects



Content

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- 1. About the Finance for Biodiversity Foundation**
- 2. Guide on Biodiversity Measurement Approaches**
- 3. Multi-tool project: Biodiversity footprint analysis of the MSCI ACWI and Nature Action 100 companies**



1. About the Finance for Biodiversity Foundation

Finance for Biodiversity Pledge

We, 163 financial institutions, representing EURO 21.7 trillion in assets, call on global leaders to take effective measures to reverse nature loss this decade and to ensure ecosystem resilience.

As financial institutions, we know that healthy societies, resilient economies and thriving businesses rely on nature. Together let's protect, restore, and sustainably manage our natural resources. We make every effort to take our share of responsibility and contribute to the protection and restoration of biodiversity and ecosystems through our financing activities and investments.

We therefore commit to do the following by 2024 at the latest:

1

Collaboration and knowledge sharing

We will collaborate and share knowledge on assessment methodologies, biodiversity-related metrics, targets and financing approaches for positive impact.

2

Engaging with companies

We will incorporate criteria for biodiversity in our ESG policies, while engaging with companies to reduce their negative and increase positive impacts on biodiversity.

3

Assessing impact

We will assess our financing activities and investments for significant positive and negative impacts on biodiversity and identify drivers of its loss.

4

Setting targets

We will set and disclose targets based on the best available science to increase significant positive and reduce significant negative impacts on biodiversity.

5

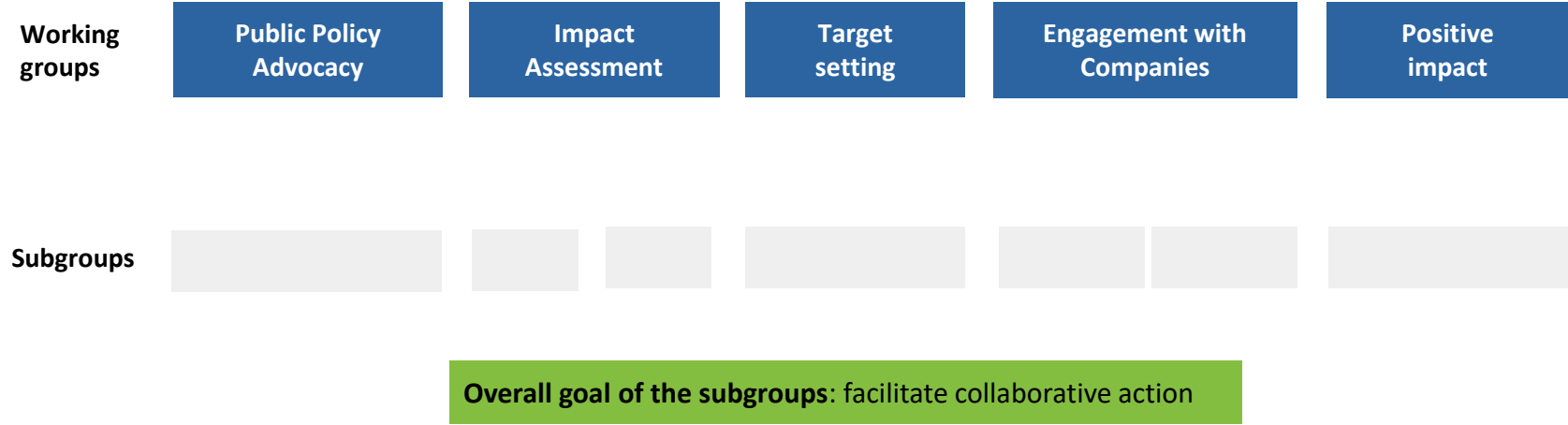
Reporting publicly

We will report annually and be transparent about the significant positive and negative contribution to global biodiversity goals linked to our financing activities and investments in our portfolios.

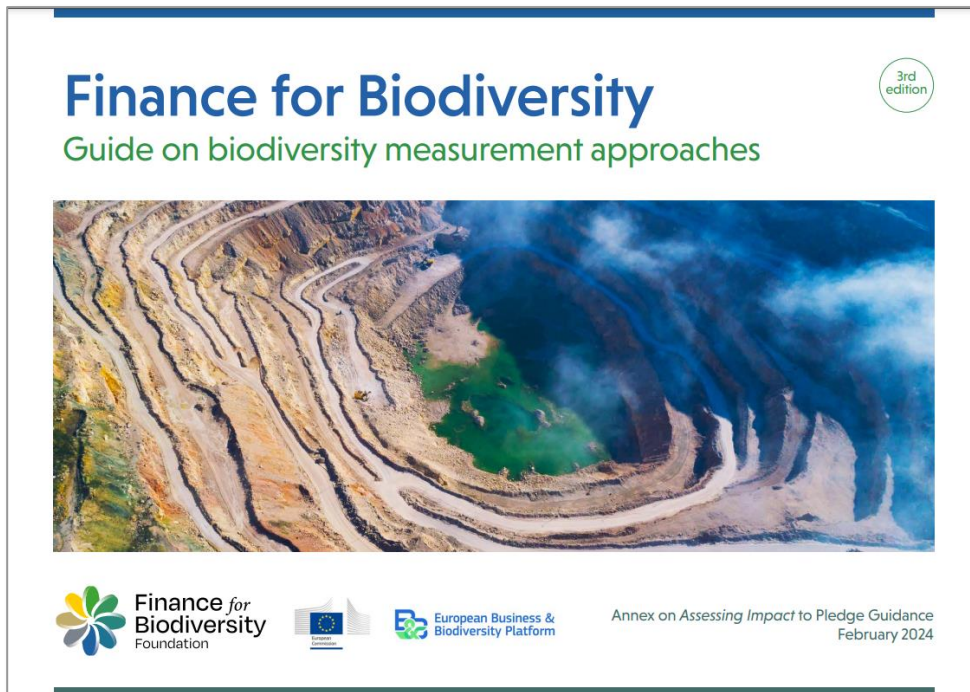
1. About the Finance for Biodiversity Foundation

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Five active working groups linked to the FfB Pledge commitments



2. Guide on Biodiversity Measurement Approaches



Measurement approaches in the 3rd Edition

- 2.1 Sector screening
- 2.2 Location screening
- 2.3 Dependencies & impacts evaluation

Upcoming 4th Edition (by H2 2024)

- New tools
- Positive impact approaches

Alignment and collaboration with other measurement guides (e.g., EU B&B Platform)



3. Multi-tool project: Footprint analysis of MSCI ACWI and NA100

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OBJECTIVE

To perform a full-scale multitool analysis on the biodiversity footprint (impacts & dependencies) of MSCI ACWI and Nature Action 100 companies.

METHODOLOGY

Four biodiversity footprinting tools:

- Biodiversity Impact Analytics powered by the Global Biodiversity Score - CDC Biodiversité and Carbon4 Finance
- Corporate Biodiversity Footprint - Iceberg Data Lab
- Biodiversity Footprint for Financial Institutions - PRé Sustainability
- Global Impact Database - Impact Institute

EXPECTED OUTCOMES

- Contribute to the growing biodiversity measurement and footprinting fields.
- Allow informed engagement actions between financial institutions and companies through a transparent process highlighting the strengths and limitations of footprinting.

[Access the project press release](#)

3. Multi-tool project: Footprint analysis of MSCI ACWI and NA100

PROJECT PARTNERS

Project coordination



Knowledge partner and technical assistance



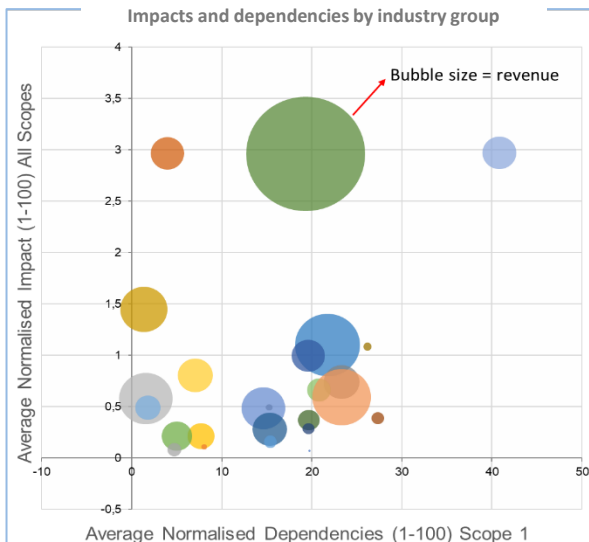
Tool developers



Project reviewers



3. Multi-tool project: Footprint analysis of MSCI ACWI and NA100



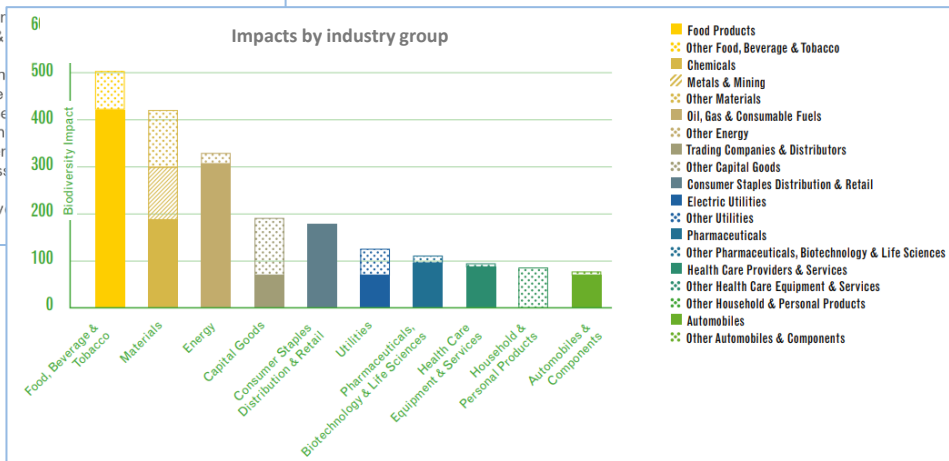
INDUSTRY GROUPS (GICS)

- Food, Beverage & Tobacco
- Consumer Staples Distribution & Retail (New Name)
- Energy
- Banks
- Materials
- Household & Personal Products
- Utilities
- Consumer Discretionary Distribution & Retail (New Name)
- Capital Goods
- Pharmaceuticals, Biotechnology & Life Sciences
- Automobiles & Components
- Insurance
- Financial Services (New Name)
- Consumer Services
- Health Care Equipment & Supplies
- Consumer Durables & Automobiles
- Transportation
- Real Estate Management & Services
- Technology Hardware, Equipment & Software
- Telecommunication Services
- Media & Entertainment
- Semiconductors & Electronic Equipment
- Commercial & Professional Services
- Software & Services
- Equity Real Estate Investment

Preliminary data (for illustration purposes only)

PUBLIC REPORTS RELEASE

- Aggregated results report and methodology
- Expected by May/June 2024



Preliminary data (for illustration purposes only)

Thank you!

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Please contact me

(julen.gonzalez@financeforbiodiversity.org)

for any questions or comments you may have!



Publication content







Violette Pradère

Head of the Finance team
CDC Biodiversité

A various range of options with the GBS...



		BIA-GBS	GBS-FI – Loans and Equity		
		 			
TYPE OF ASSESSMENT		Screening	Advanced Screening	Simplified Biodiversity Footprint Assessment	
 Asset class		Listed corporates (equities and bonds), sovereign bonds	All types of portfolios	Real estate, private companies, project finance	Infrastructure, private companies (Small to mid-caps)
 Data collected by the end-user		ISIN and invested amounts	Sector and country of the financing Outstanding or investment amount Turnover, EVIC	Screening data + Less than 20 portfolio-specific physical indicators ⁽¹⁾ (GHG, land occupation, raw materials...)	Screening data + Less than 100 refined physical indicators (GHG, land occupation, raw materials...)
 Cost of the assessment		Subscription with annual fee	~25-35k€	~35-45k€	~15-30k€ / company ~15-40k€ / infrastructure ⁽²⁾
 Time required to obtain impacts and dependencies		Immediate (access to a database)		3-5 months ⁽³⁾	

Financial institutions are presented with a diverse range of options encompassing various asset classes.

The spectrum of choices starts with a **Screening**, which relies heavily on **financial data**. The Screening is calculated using information about the **sectors** and **countries** involved in the financing.

It can be carried out via the BIA-GBS database in the case of listed assets, or directly with the GBS for unlisted assets, using data provided by the financial institution.

On the other hand of the spectrum, **more advanced approaches** call for a **higher level of data granularity**, asking for up to a hundred physical indicators to be collected. Those in-depth methods, while requiring greater effort from the financial institution to collect the data, enable a **nuanced response to precise needs**.

...Encompassing a various range of use cases

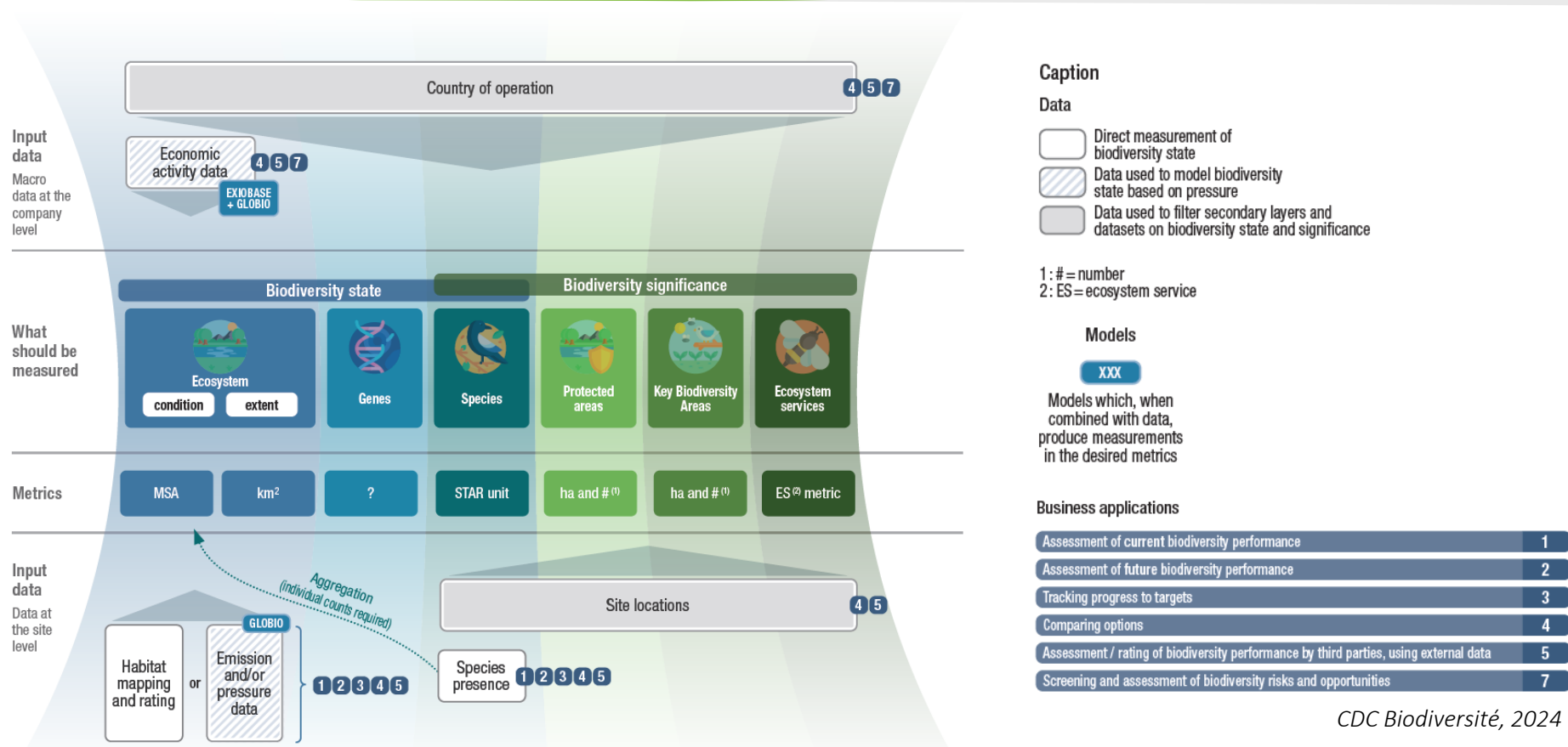
GBS-linked solutions



	BIA-GBS		GBS-FI – Loans and Equity	
TYPE OF ASSESSMENT	Screening		Advanced Screening	Simplified Biodiversity Footprint Assessment
Asset class	Listed corporates (equities and bonds), sovereign bonds	All types of portfolios	Real estate, private companies, project finance	Infrastructure, private companies (Small to mid-caps)
Needs addressed	<ul style="list-style-type: none"> Identification of hotspots of sectoral impacts and risks: key sectors and/or issuers for further analysis Ground for engagement with corporates 		<ul style="list-style-type: none"> Identification of best-in-class players Monitoring of portfolios' biodiversity performance 	<ul style="list-style-type: none"> Identification of hotspots of impacts Definition of action plan for the issuer
Business applications				Assessment of current biodiversity performance BA 1
				Assessment of future biodiversity performance BA 2
			N.B. The Advanced Screening approach provides only a partial response to BAs 1 and 2, while the Simplified Biodiversity Footprint Assessment approach is more suited to addressing these BAs.	
				Tracking progress to targets BA 3
			Comparing options BA 4	
			Assessment / rating of biodiversity performance by third parties, using external data BA 5	
	Screening and assessment of biodiversity risks and opportunities BA 7			

These different options will address different needs and business applications (from [EU Business @ Biodiversity Platform](#))

The role of the GBS in biodiversity-risk measurement





Case study - Amundi

Alexis Sciau

ESG Data Analyst
Amundi Asset Management



Julie Bonnet

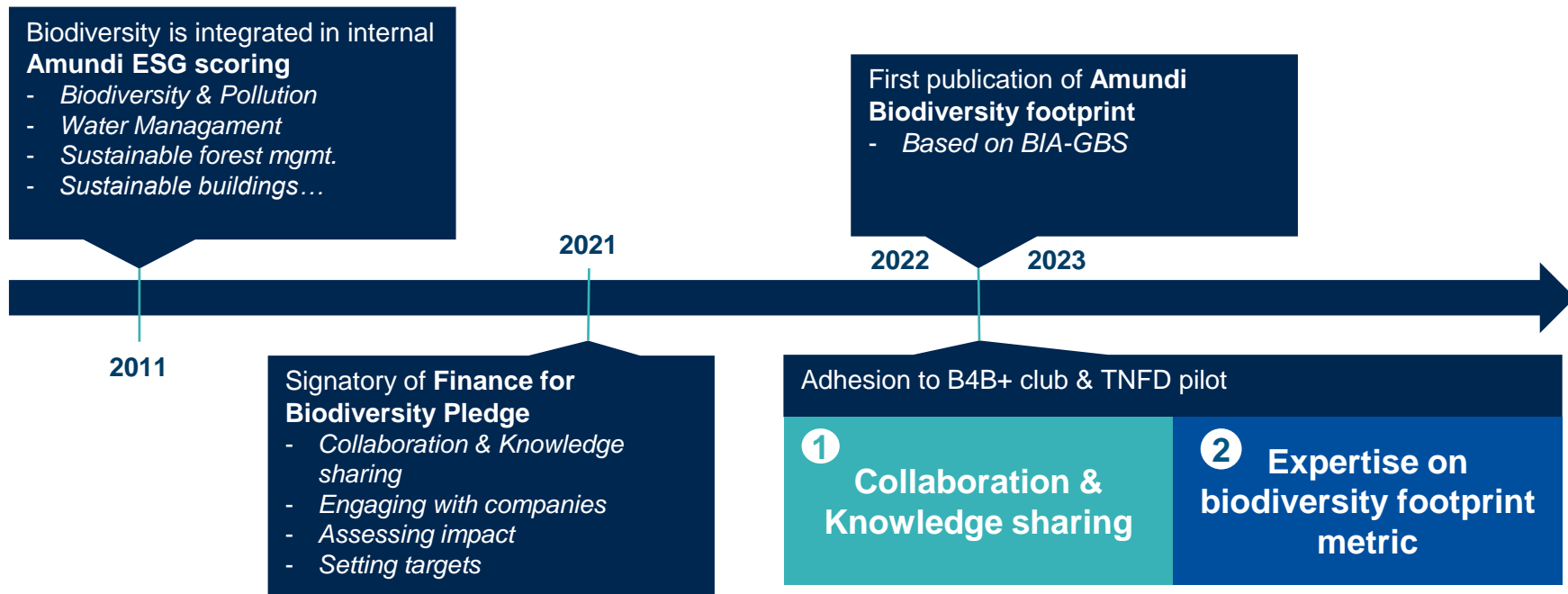
Research officer
CDC Biodiversité



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Integrating biodiversity: a step by step process



Overview of the methodology used for the TNFD pilot

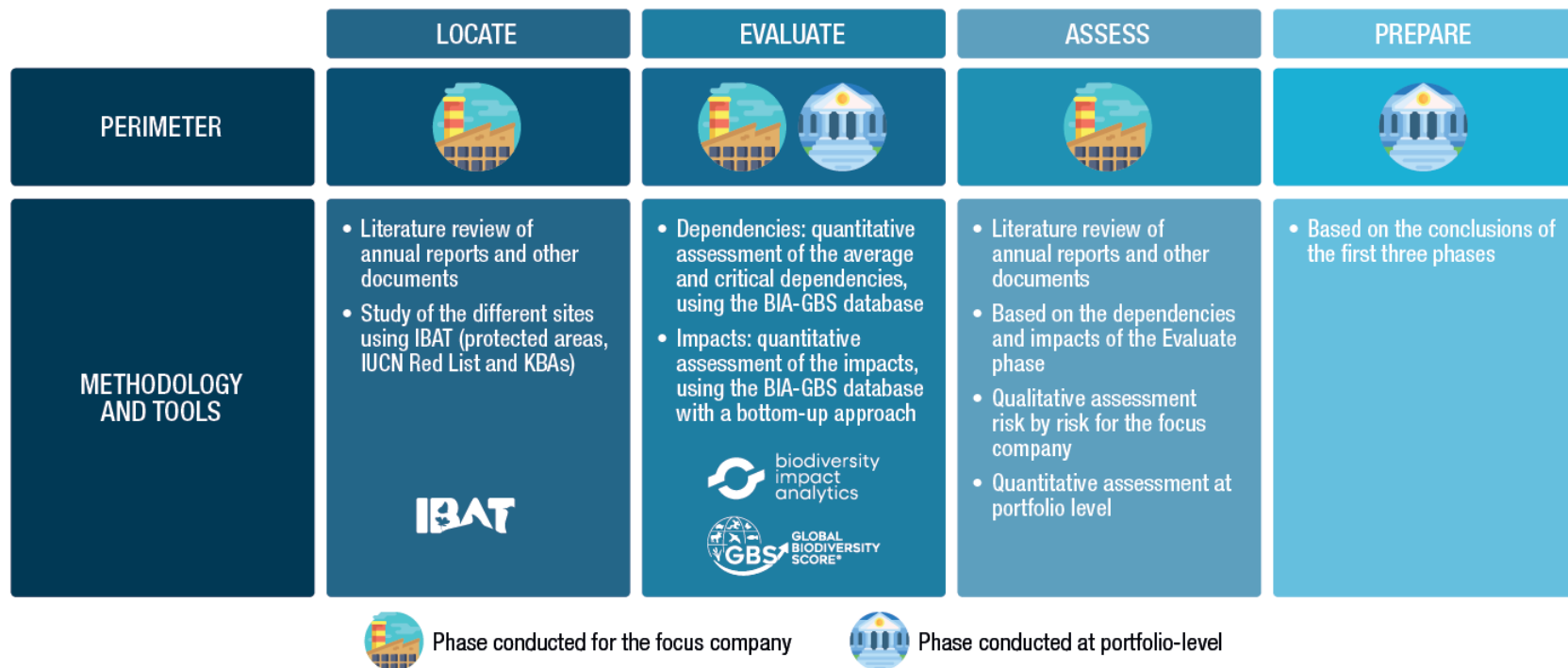


Figure 21: Overview of the methodology used for each phase of the pilot

The bottom-up approach, with more granular input data, was used

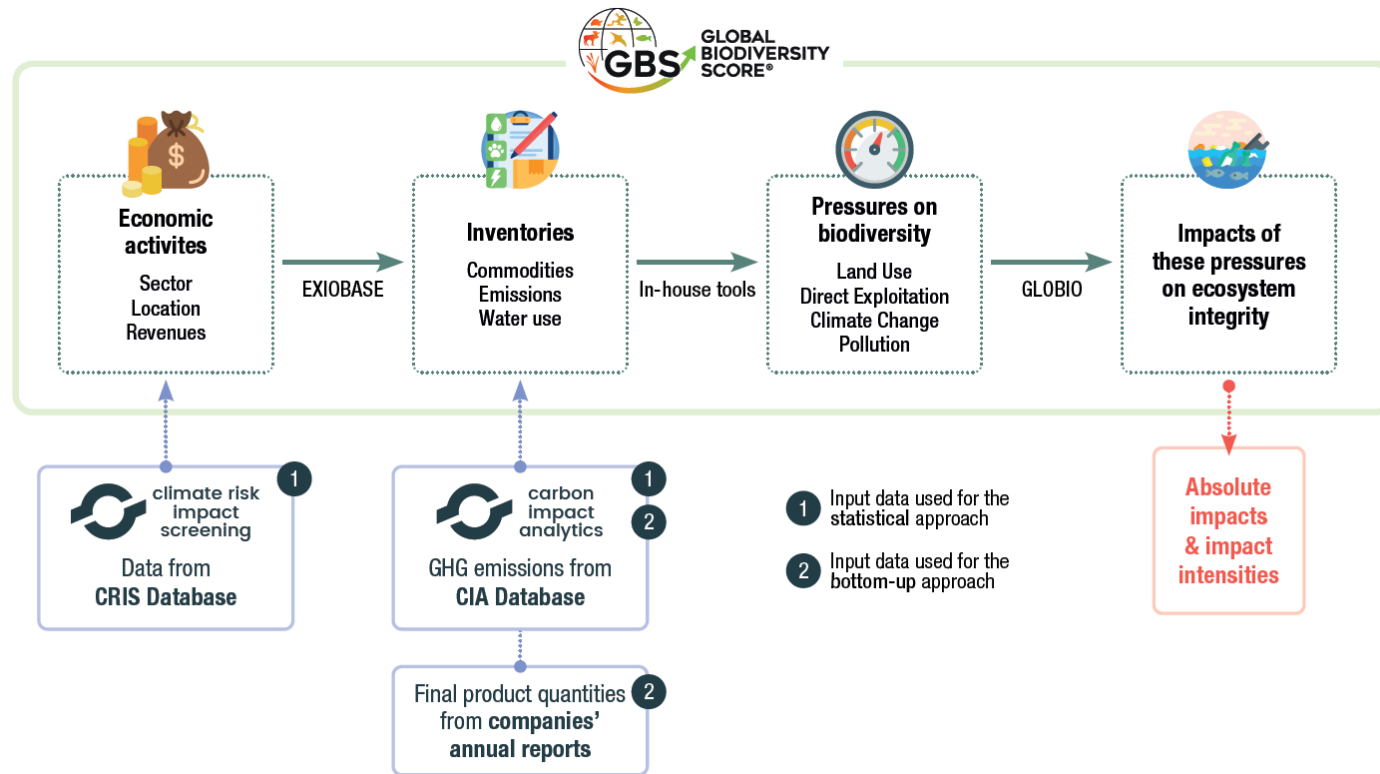
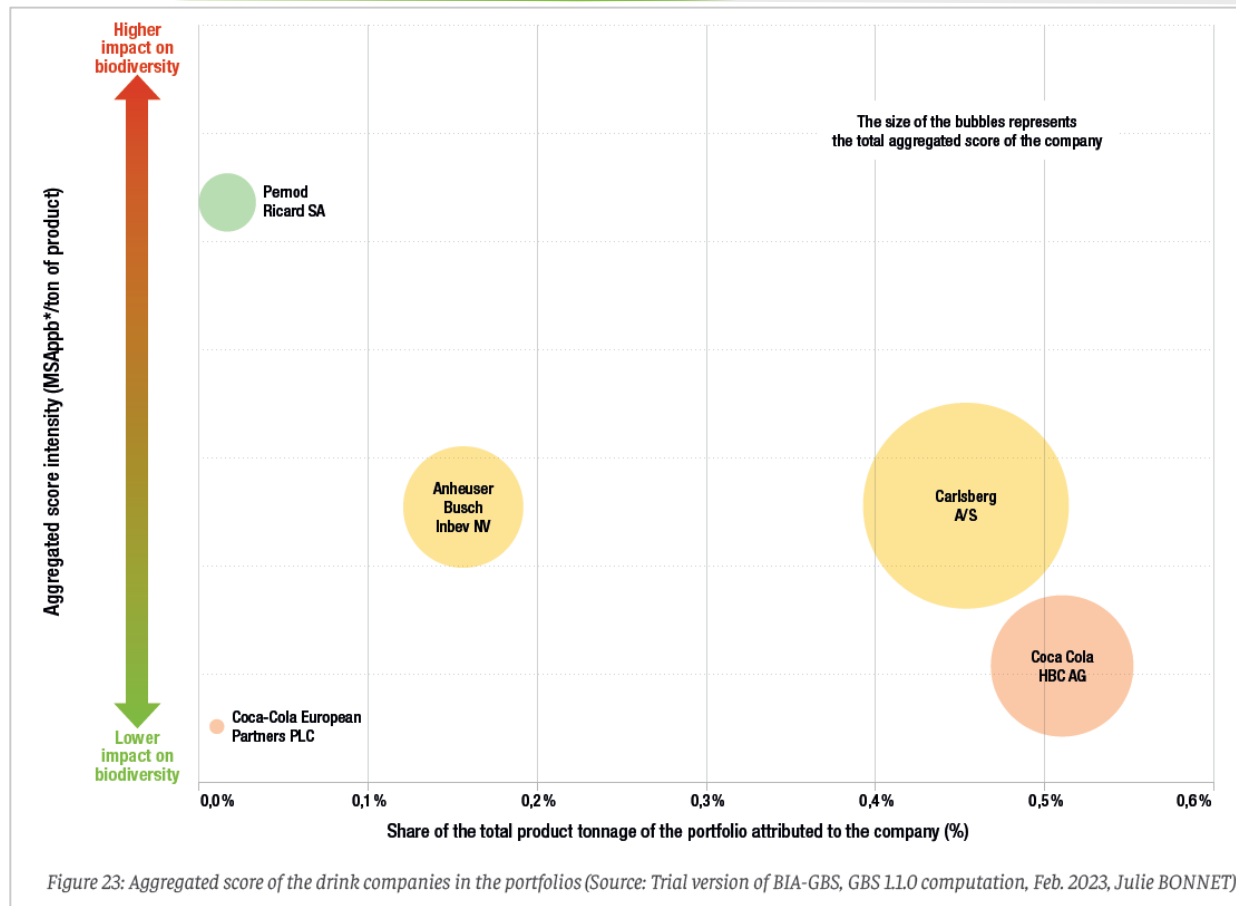


Figure 10: Simplified methodology of BIA-GBS

The bottom-up approach allows to differentiate companies within the same sector



Analysis of the impact of different products on biodiversity

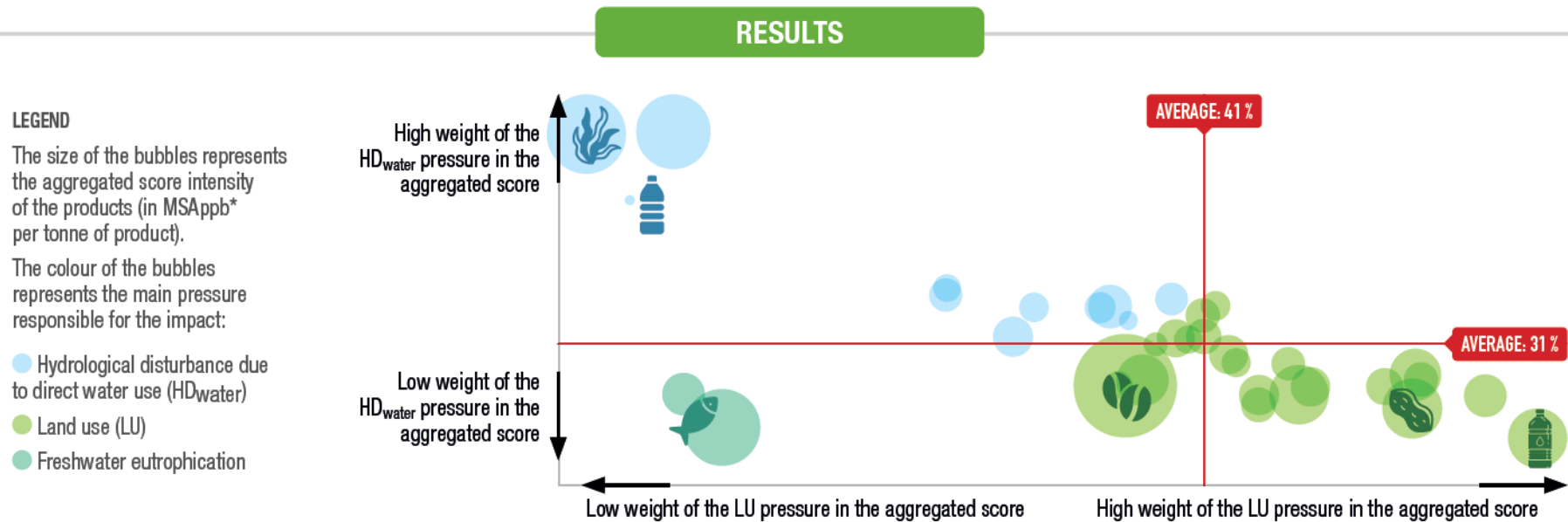


Figure 20: Contribution of the Land Use and Hydrological disturbance due to direct water use (HD_{water}) pressures to the aggregated score for the different products of the portfolios (Source: Trial version of BIA-GBS, GBS 1.1.0 computation, Feb. 2023, Julie BONNET)

These results inspired our biodiversity framework

1

Avoid

Exclusion of issuers whose practices are not compatible with global biodiversity objectives based on through a “**Biodiversity Pressures Exclusion**” assessment:

- Controversies
- Efficiency: Material Practices & Policies
- Activities



2

Reduce

Reduce impact biodiversity through inter and intra-sector portfolio management :

- by lowering the portfolio's biodiversity footprint
- by improving its Biodiversity score: internal score assessing intra-sector performance of an issuer on biodiversity



3

Favour

Select investments showcasing **good practices** on biodiversity

- At issuer level, based on revenues with environmental impact
- At security level, based on allocation to biodiversity positive projects



4

Engage with corporates on biodiversity with double materiality approach



Focus on selecting investments showcasing good practices

EQUITY & FIXED INCOME

Investing in companies with revenues in positive environmental impact activities

“FAVOR issuers” are identified based on revenues in pre-defined activities:

- Natural Capital revenues > 20%
- Climate Change revenues > 80%

FIXED INCOME

Investing in green or sustainability bonds financing biodiversity positive projects

“FAVOR securities” are Green or Sustainability Bonds that invest > 20% in projects with positive biodiversity impact



GLOBAL
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SCORE®

CDC BIODIVERSITÉ



Closing words



Violette Pradère

Head of the Finance team
CDC Biodiversité



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How CDC Biodiversité can support you in your biodiversity journey?


You want to better understand biodiversity footprint & use the GBS?



 Get trained with CDC Biodiversité

You want to exchange on your biodiversity footprinting challenges and remain updated about latest changes?



 Join the B4B+ Club

You want to...



Understand your **impacts** and **dependencies** on biodiversity ?



Prepare for the arrival of new **regulations** and **standards** ?



Reduce your biodiversity footprint & set **quantitative targets** ?

 Get support from CDC Biodiversité

Publication on the GBS-linked solutions for financial institutions

Thanks for your participation!

The publication is now available

