



**Clean  
river**



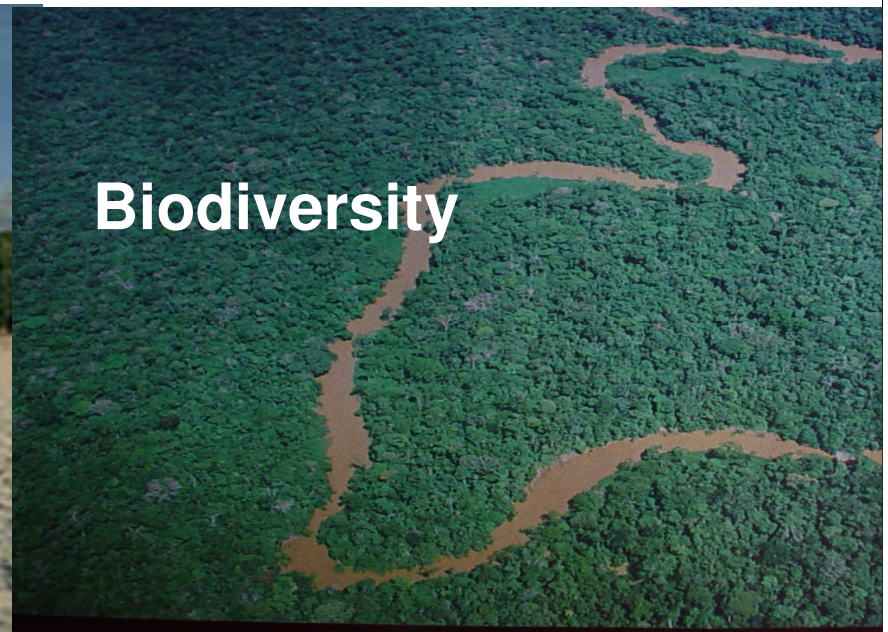
**Clean air**

## **Some externalities**

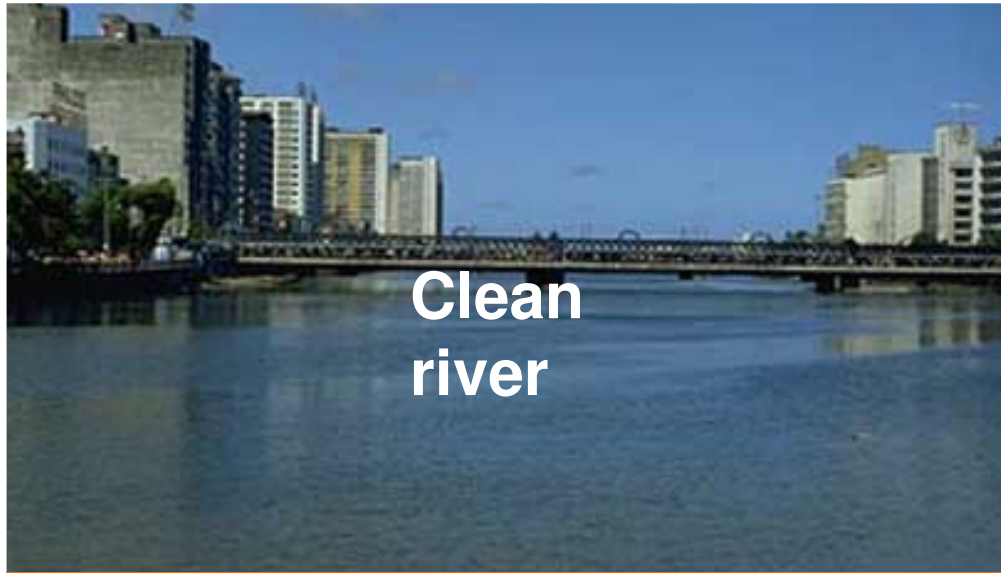


**Stable climate**

**Clean sand**



**Biodiversity**



Clean river



Clean air

Externalities now have prices



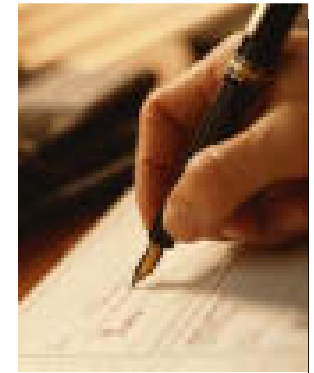
Stable climate

Clean sand



Biodiversity

# These costs will rise



- ☒ Cost of water
- ☒ Cost of *treating* water
- ☒ Cost of garbage disposal
- ☒ Cost of cleaning up contaminated land
- ☒ Cost of reducing air pollution
- ☒ **Cost of protecting biodiversity**
- ☒ **Cost of emitting greenhouse gases**
- ☒ Environmental fines of any kind
- ☒ Cost and *number* of indemnities to employees and clients
- ☒ Damage caused by NGO campaign against your company

# Risks for a financial institution



Credit risk: default

Collateral: depreciated assets

Reputation risk

Shareholder risk: depreciation of stocks