The Business of Natural Capital for Investors

Ivo Mulder, Programme Officer UNEP FI

www.unepfi.org
The world is changing....

- The 21st century requires holistic investment approach: In-depth understanding of ESG issues
- Not from a corporate responsibility perspective: It makes business sense
- 3000 largest public companies externalise environmental costs: $2.2 trillion per year: huge time bomb!
- Corporate performance on biodiversity and ecosystem services may determine the “winners” and “losers” – the “buys” and “sells” of 21st century.
Addressing BES risks: The key for investors lies in moving from passive to reactive

Source: UNEP FI CEO Briefing

..share price BP between 20 April and 5 August ‘10
A reflection from CBD COP 10 in Nagoya

- 47 decisions were adopted during CBD COP 10.
- **Business relevance:** 1) decision on ‘access and benefit sharing’; 2) enhanced liability to source GMOs
- Decisions relevant for biotechnology industry, pharmaceutical sector, etc
- **Strategic goal:** 17% terrestrial PAs / 10% marine PAs
- UNEP FI launched new CEO Briefing: >8,000 hits in 4 weeks
- Available in 3 languages (ultimately to be available in 5)
Perception UNEP FI members and PRI signatories on exposure to BES risks for diversified FI sector

Responses: 48
Banks: 36
Investors: 24
Insurers: 13

Source: UNEP FI CEO Briefing
Why it makes sense for investors to join the NVI

- Efficient way to get up to speed on BES (biodiversity and ecosystem services)
- Practical: opportunity to engage with portfolio companies
- Access to large network (UNEP FI, FFI, other partners)
- Relevant: benchmark of food & beverages, pharmaceutical, extractives sectors
Thanks for your attention!

ivo.mulder@unep.org
+41 22 9178690
How FIs *claim* to integrate BES in financial products and services

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<th>Engagement with policy makers on the regulatory frameworks related to BES</th>
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<td>BES risks and opp. considered in investment analysis</td>
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<td>Engagement with portfolio companies on BES risks and opps.</td>
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<td>Request AM to engage and report on their management BES risks and opps.</td>
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<td>Provision of insurance to clients related to BES risks</td>
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<td>Engagement policy to guide clients with adverse env. impacts (BES included)</td>
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