Principles for Responsible Banking: Guidance for banks

UN environment programme | finance initiative

Principles for Responsible Banking

Case studies

PRB Nature Target Setting

Disclaimer

The case studies are examples of nature-specific activity and practices by signatories to the Principles for Responsible Banking which are highlighted to demonstrate positive, first steps.

The nature-related activity referred to in these case studies represent each named banks' own individual progress and action, reflective of their business activities, country context and sustainable banking strategies. The collation of these case studies should in no way be construed as suggesting that the banks represented have worked together on any form of collective action. While the activity may have been inspired and supported by nature-related working groups convened by the UNEP FI, their consolidation and publication within this supplement does not represent an endorsement by the UNEP FI as to the quality or correctness of the banks' individual action reported within public disclosures.

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The Case Study Summary Box shown with each case study represents UNEP FI's own categorisation assessment based on the relevant bank's public disclosures and, amongst other things, aims to identify Global Biodiversity Framework (GBF) targets which are in focus. The Case Study Summary Box and its contents should not be construed as suggesting or confirming alignment to GBF or other targets.

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Contents

Introduction

This compilation is a collection of 17 case studies received from ten member banks. Its purpose is to serve as an inspiration for banks and the broader community by showcasing how some 'early mover' banks are mobilising finance for nature and mainstreaming nature related considerations in their business. The case studies have been compiled using publicly available information and insights gathered from member banks. They offer practical examples of the successful implementation of financial products and policies, illustrating how the Goals and relevant Targets of the GBF can be put into action while upholding the Principles for Responsible Banking.

Bank	Case study	Spotlight	Ecosystem	Sector	Type of finance	Value
ANZ	Climate and nature linked financing to meat sector clients	Mobilising finance	Terrestrial, water	Food/red meat sector	Nature positive	NZD 320 m
	Sustainability linked financing in energy sector	Mobilising finance	Terrestrial, forests	Energy	Nature positive	AUD 920 m
	Social & environmental risk policy	Mainstreaming nature	Various	Various	N/A	N/A
Bank of Ireland	Woodland nature credits	Mobilising finance	Terrestrial, forests	Forestry	Nature positive	EUR 2 m
BARCLAYS	Toughening deforestation rules for the beef sector	Mainstreaming nature	Terrestrial, forests	Beef sector/ food processing	N/A	N/A
	Barclays nature-linked financing—Cairn Homes plc biodiversity linked SLL	Mobilising finance	Terrestrial, forests	Residential real estate	Nature positive	EUR 277.5 m
	Sustainable impact investment in ECOncrete Tech	Mobilising finance	Marine, ocean	Offshore/ coastal infrastructure	Nature positive	Unknown
BBVA	Water footprint linked loans	Mobilising finance	Freshwater	Energy/ utilities	Transition finance	EUR 50 m & EUR 2.5 bn
	Blue bond for water conservation, water infrastructure and water use efficiency	Mobilising finance	Freshwater	Agriculture/ infrastructure/ industry	Transition finance	USD 50 m
BNP PARIBAS	Deforestation free supply chains for beef and soy from Cerrado and Amazon regions in Brazil by 2025	Mainstreaming nature	Terrestrial, forestry	Beef/soy	N/A	N/A
	Sustainable palm oil policy	Mainstreaming nature	Forests	Palm oil	N/A	N/A

Bank	Case study	Spotlight	Ecosystem	Sector	Type of finance	Value
CRÉDIT AGRICOLE S.A.	Statement on biodiversity and natural capital	Mainstreaming nature	Freshwater, terrestrial, marine	Various	N/A	N/A
Danske Bank	Client engagement targets for lending and investment portfolios in select sectors with high impact on nature and biodiversity	Mainstreaming nature	Various	Select high impact sectors for nature & biodiversity	N/A	N/A
ING	Engagement with agricultural commodities clients through deforestation policy	Mainstreaming nature	Forests	Agricultural commodities	N/A	N/A
Rabobank	Assessing dependencies and impacts on nature for private loan portfolio	Mainstreaming nature	Freshwater, terrestrial, marine	All	N/A	N/A
Rabobank	Biodiversity monitor for sustainable dairy and crop farming	Mainstreaming nature	Terrestrial	Dairy/farming	N/A	N/A
UBS	Sustainability and climate risk framework	Mainstreaming nature	Various	Various	N/A	N/A

Figure 1: Overview of nature case studies

ANZ

Case study 1: **Climate and nature linked financing to meat sector clients**

Case Study Summary Box	
Ecosystem	Terrestrial, water
Sector	Food/red meat sector
Region	New Zealand
Type of initiative	Mobilising finance
Type of product	Sustainability linked loan
Type of finance	Nature positive
Nexus	Nature x climate x pollution
GBF target in focus	Target 1–4, 7, 8, 15, 19, 21

What?

In April 2022, ANZ supported Silver Fern Farms Limited to refinance NZD 320 million in working capital facilities and linking the financing to the company achieving pre-determined climate and nature linked performance targets.

Who?

- ANZ provided the sustainability-linked financing as Sole Mandated Lead Arranger and Bookrunner, and Joint Sustainability Coordinator, along with a syndicate of lenders comprising Bank of China, BNZ, Citibank and Rabobank.
- The financing was provided to Dunedin based Silver Fern Farms Limited—a New Zealand livestock processing multinational meat company.

Why and how?

The structure of the sustainability-linked financing facilities has been tailored to the challenges faced by the red meat sector in terms of farming practices, water use and waste management as well as emissions reduction initiatives.

The sustainability targets include:

- Adoption of the comprehensive New Zealand Farm Assurance Programme Plus (NZFAP+) by Silver Fern Farms' suppliers
- Reduction of processing emissions in line with its Science-Based Target initiative (SBTi) target of 42% Scope 1 and Scope 2 GHG Emissions reduction by 2030 from 2020 baseline year
- Reduction of total waste to landfill (including organic waste) from processing sites
- Reduction of water used at processing sites
- Enhanced environmental monitoring and reporting

Case study 2: **Sustainability linked financing in energy sector**

Case Study Summary Box	
Ecosystem	Terrestrial, forests
Sector	Energy
Region	New Zealand/Australia
Type of initiative	Mobilising finance
Type of product	Sustainability linked loan
Type of finance	Nature positive
Nexus	Nature x climate x pollution x social
GBF target in focus	Target 1–4, 7, 8, 15, 19, 21

What?

In March 2022, ANZ participated in Endeavour Energy's AUD 920 million syndicated Sustainability Linked Loan (SLL).

Who?

- ANZ acted as Joint Sustainability Coordinator and Mandated Lead Arranger for the loan as part of a syndicate of 17 banks.
- Endeavour Energy is the electrical Distribution Network Service Provider (DNSP) for Greater Western Sydney, the Blue Mountains, the Southern Highlands and the Illawarra region of NSW, Australia and the first known electricity DNSP in Australia to have access to sustainability linked financing.

How?

Sustainability targets for the loan focused on four areas including GHG emissions reduction, landfill waste diversion, net habitat gain and mental health and wellbeing.

In setting the GHG emissions sustainability performance target, Endeavour Energy has committed to achieve a 40% reduction in CO2e Scope 1 and Scope 2 emissions (excluding line-loss related emissions) by 2030. Line losses account for around 96% of Endeavour Energy's reportable Scope 2 emissions caused by upstream fossil fuel generation outside of Endeavour Energy's strictly regulated control and are largely determined by the emissions intensity of the generation mix powering the grid and are also associated with the amount of electricity lost through the transmission and distribution networks.

As part of the SLL, Endeavour Energy has welcomed a 'gateway' clause tied to reporting on initiatives that either improve line losses or contribute to the decarbonisation of the grid. These initiatives reflect Endeavour Energy's increasing role in facilitating and better supporting localised renewable energy generation from its customers through the use of new technologies and markets, including community batteries allowing customers to store their excess renewable solar generation to be used at times of high losses, localised Distributed Energy Management Systems (DERMS) to optimise the balance of renewables on the system and digital technology systems to optimise voltages on the network to avoid renewable curtailment.

For more information on this case study, please click here.

Case study 3:
Social & environmental risk policy

Case Study Summary Box	
Ecosystem	Various
Sector	Various
Region	Australia
Type of Initiative	Mainstreaming nature
Nexus	Nature x climate x social
GBF target in focus	Target 1–4, 8, 15, 19, 21

What?

ANZ seeks to assess and manage the impacts of its lending decisions through the application of its Social and Environmental Risk Policy and accompanying requirements for sensitive sectors, including energy, forestry, extractive industries and water.

Why?

ANZ acknowledges the need to protect, restore and mitigate biodiversity loss including as a result of species extinction or decline, ecosystem degradation and nature loss. It seeks to understand the impacts—positive and negative—their large business customers can have on biodiversity and the impacts that biodiversity loss may have on the customer. ANZ recognises the contribution it can make by working with its customers to understand risks and opportunities posed by their operations and to manage their impacts and works with customers that support social and environmental sustainability in their approach.

How?

- Recognising that one of the most valuable contributions it can make, is to inform and work with its customers to understand risks and opportunities posed by their operations, ANZ engages actively with customers that support social and environmental sustainability in their approach. This includes the effect of their operations on human rights, biodiversity, cultural heritage, indigenous rights, health and safety, governance and environmental sustainability.
- Prior to entering into a relationship with any large business customer, ANZ bankers are expected to examine a broad range of social and environmental issues. They must also have specific knowledge of the customer's history and approach to dealing with any potential (or historical) social and environmental impacts. ANZ's Social and Environmental Risk Policy outlines the social and environmental considerations to be taken into account by bankers, and due diligence processes applicable to large business customers.
- In line with the Policy, it expects its business customers to use or migrate towards internationally accepted industry practices to manage social, environmental and economic impacts, including potential impacts on biodiversity.

- ANZ's Land Acquisition Statement acknowledges that it will not knowingly support customer activities that significantly impact on culturally or environmentally sensitive areas, including: World Heritage Areas, wetlands on the Ramsar list, designated national parks and conservation areas, activities that threaten species listed in CITES, the IUCN Red List or relevant national legislation, activities that result in the broad-scale conversion of intact native forests and High Conservation Value Areas, or activities which are in breach of agreed international treaties and agreements.
- In 2022 ANZ broadened its engagement with 100 of its largest emitting business customers to include a focus on biodiversity, encouraging and supporting them to identify and manage their potential impacts and dependencies on biodiversity. ANZ encourages them to establish or strengthen their approach to biodiversity through effective Board governance, policies and strategies, and disclosures using recognised indicators or metrics.
- ANZ is seeing increased customer awareness of biodiversity and an increasing willingness to improve holistic management approaches, for example by putting in place governance and strengthening how they measure their impacts on nature. For example—one customer in ANZ's largest emitting customer group reported identifying and understanding the material biodiversity issues in their operations, including deforestation management, and is conducting an audit of wildlife sightings to ensure more robust measurement.
- ANZ is considering how it might apply what it learns from its customer engagement to identify and engage with other large business customers likely to have significant impacts on biodiversity.
- ANZ is also part of the TNFD Forum to support its work and recognises its important role in driving widespread and improved disclosures of biodiversity impacts.

For more information on ANZ's Social and Environment Risk policy please click here.

Bank of Ireland

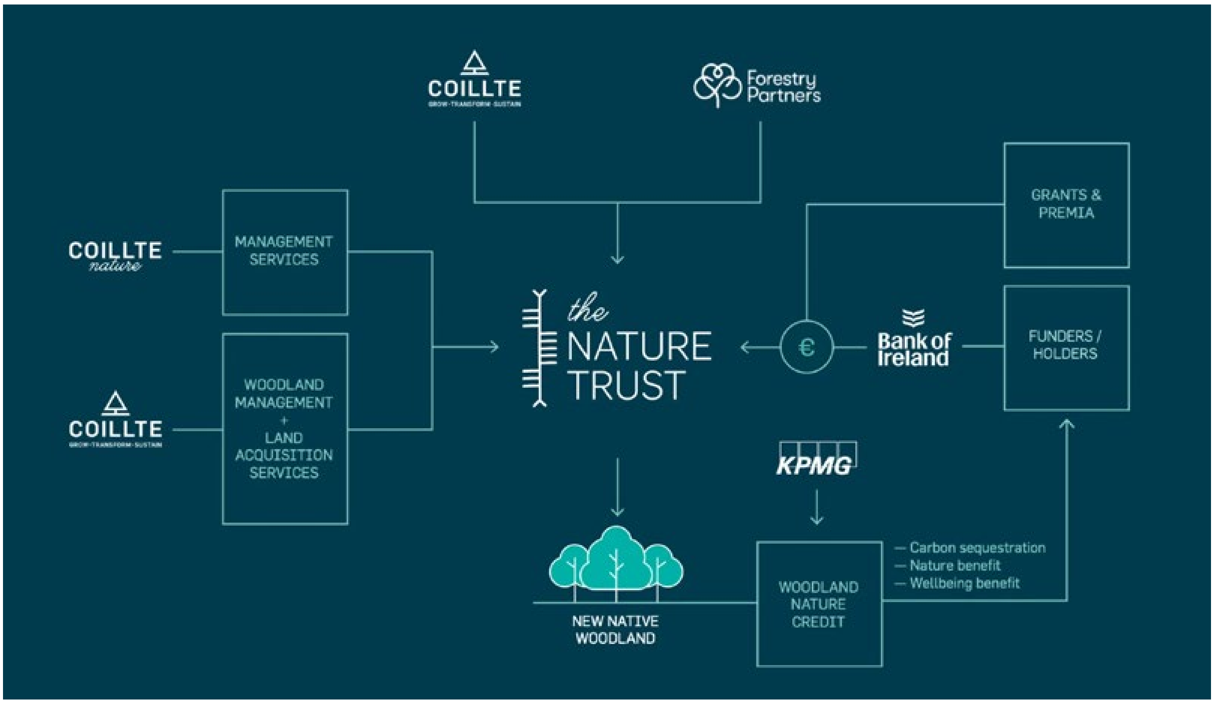
Case study 1:
Woodland nature credits

Case Study Summary Box	
Ecosystem	Terrestrial, forests
Sector	Forestry
Region	Ireland
Type of Initiative	Mobilising finance
Type of Product	Nature credits/PES
Type of Finance	Nature positive
Nexus	Nature x climate x social
GBF target in focus	Target 1-4, 8, 15, 19, 21

What?

Woodland Nature Credits are a first of its kind innovative Payment for Ecosystem Services (PES) model providing (i) carbon sequestration, (ii) biodiversity improvement from native woodlands and (iii) amenity value to the public, under the EU taxonomy, using a multistakeholder approach between the Irish Government and the private sector.

Who?



Source: greenfinanceinstitute.com/gfihive/case-studies/bank-of-ireland-woodland-nature-credits/

Coillte a commercial forestry business owned by the Irish State managing over half of Ireland's forests, joined forces with *Forestry Partners* to establish *The Nature Trust* (the issuer), a not-for-profit subsidiary.[1] The primary objective of *The Nature Trust* is re/afforestation covering approximately 70,000 hectares of land held by *Coillte*. To finance

1 https://www.greenfinanceinstitute.com/gfihive/case-studies/bank-of-ireland-woodland-nature-credits/

the acquisition of land and tree planting efforts, private investment was sought. *Bank of Ireland* (BoI) helped identify benefits and potential returns from re/afforestation that would attract private investors. BoI acted as the Lead Arranger and *KPMG* oversaw the assurance process.

Why?

Ireland has low forest cover, with native Irish species accounting for only 18% of the total. Additionally, approximately 75% of the trees in Ireland are less than 30 years old implying that the carbon sequestration and biodiversity benefits provided by these forests are relatively low.

How?

BoI developed a model in which the costs associated with land acquisition, planting and light maintenance could be covered through a revenue stream derived from selling the three distinct benefits using an innovative instrument called Woodland Nature Credits.

- To determine the carbon sequestration value, BoI employed the Woodland Carbon Code calculator which quantifies the carbon capture potential of a woodland over a 100-year span. In order to make this a marketable product, BoI and Nature Trust reduced this timeframe to 25 years, with measurement and verification processes conducted five times over this period.
- To factor in the biodiversity uplift, the UN's System of Environmental-Economic Accounting (SEEA) was used, bringing in the economic and environmental benefits derived from natural capital.
- For measurement of amenity value[2], BoI deployed the Contingent Valuation Method, a survey-based economic approach commonly used for non-market assets valuation.
- For determining the biodiversity and amenity value of the projects, BoI developed a proprietary model to convert these into a carbon equivalent basis in order to include them in the Credits. About 75% of the Credit value is determined by carbon sequestration, 15% by biodiversity uplift and the remaining 10% is driven by the amenity value. The price of the Credits encompasses the land acquisition costs; measurement and verification costs, as well as the assurance process. Additionally, a 20% buffer was incorporated into the Credits to account for potential non-performance.
- A total of EUR 2 million of Credits was identified across five different sites (to spread risk of physical events such as fire). These sites covered 200 hectares across Ireland, with approximately 600,000 trees. The identification and acquisition of the land for reforestation was made possible through the upfront investment from the Nature Trust's funders, who were later reimbursed.

2 The significance of access to outdoor space became more evident during the COVID-19 pandemic lockdowns in 2020 when the Irish population was limited to a 5km radius from their homes. During this time, access to woodlands became crucial for people's wellbeing. For instance, a 250% surge in foot traffic was observed in some of Coillte's forests.

The Nature Credits fulfil the demand of corporations primarily focused on offsetting carbon emissions while also seeking to make a positive biodiversity and social impact. What sets this product apart from traditional offsets is its initial form as an environmental coupon, which then yields its Credits contingent on performance. If carbon sequestration within the sites exceeds initial projections, the value of the environmental coupon increases. Buyers have the option to sell on any extra Credits yielded that they may not wish to retain.

Upon issuing the buyer memorandum, several companies expressed their interest, although however AXA ended up buying the entire EUR 2 million. AXA intends to use the Credits to offset the individual carbon emissions generated by its car insurance policy holders, and to include this in both their reporting requirements and their product offerings to customers. In response to the high demand for the first round of issuance, BoI delivered a second round of EUR 5 million of Credits which were purchased by Aviva.

There is still untapped potential to be explored for this product. Nature Credits could also be applied to peatlands, seagrass and even tiny forests in urban settings.

For more information on this case study, please click here.

Barclays

Case study 1: **Toughening deforestation rules for the beef sector**

Case Study Summary Box	
Ecosystem	Terrestrial, forests
Sector	Beef sector/food processing
Region	South America
Type of initiative	Mainstreaming nature
Nexus	Nature x climate
GBF target in focus	Target 1–4, 8, 15, 19, 21

What?

Barclays introduced a Forestry & Palm Oil Statement in 2019. As the sector evolves, the Bank has also been updating its approach to reflect ongoing developments.

In 2023, Barclays significantly enhanced the Statement to cover South American Beef, and strengthen the existing provisions for palm oil, soy and timber. Barclays' updated approach is consistent with industry guidance that companies in these sectors commit to eliminate deforestation across commodity supply chains by 2025.

Why?

Barclays recognises that deforestation is a key driver of climate change and biodiversity loss and is frequently linked with significant adverse human rights impacts. They are a signatory to the New York Declaration on Forests and its objectives of ending deforestation by 2030. They seek to support clients that promote sustainable land management practices while respecting the rights of workers and local communities.

A major cause of deforestation is the production of agricultural commodities such as timber products, palm oil and soy, for which they have established a position statement and due diligence approach that applies to clients involved in these activities.

How?

Barclays' updated Forestry and Agricultural Commodities Statement now requires, amongst other criteria, that clients that majority own or operate beef production or primary processing operations in High Deforestation Risk Countries in South America:[3]

- Prohibit the production or primary processing of beef on/from areas in the Amazon cleared or converted after 2008.

3 All South American countries in the Forest 500 High Risk Country List where beef or soy is identified as an important driver of deforestation. These countries are: – Argentina, Bolivia, Brazil, Colombia, Ecuador, Paraguay. Source: Forest 500

- Commit to achieving full traceability of their South American beef supply chain (direct and indirect) by December 2025 in Areas at High-Risk of Deforestation and Conversion,[4] which include the Amazon, Cerrado and Chaco Biomes.
- Commit to achieving a Deforestation-Free[5] South American beef supply chain (direct and indirect) by December 2025 in Areas at High-Risk of Deforestation and Conversion, which include the Amazon, Cerrado and Chaco Biomes.
- Monitor, verify and report on Deforestation-Free beef volumes by December 2025.

Barclays has established a detailed due diligence questionnaire which is applied to clients on an annual basis to assess their alignment with the requirements of the Forestry and Agricultural Commodities Statement and other environmental and social criteria, and seeks to evaluate whether they are appropriately managing their material environmental and social impacts.

For more information on the approach described in the above, please click here.

4 Areas at High-Risk of Deforestation and Conversion—Areas identified by soy companies and beef companies as presenting High-Risk of Deforestation and Conversion through their participation in the Agriculture Sector Roadmap to 1.5°C. At a minimum, these areas must cover the Amazon, Cerrado and Chaco Biomes.

Deforestation—Loss of natural forests as a result of i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation. Source: Accountability Framework Initiative

Conversion—Conversion of a natural ecosystem (including but not limited to natural forests) to another land use or profound change in the natural ecosystem's species composition, structure, or function. Source: Accountability Framework Initiative

5 Deforestation-Free—Commodity production and sourcing that does not cause or contribute to deforestation.

Case study 2: **Barclays nature-linked financing—Cairn Homes plc biodiversity linked SLL**

Case Study Summary Box	
Ecosystem	Terrestrial, forests
Sector	Residential real estate
Region	Ireland, United Kingdom
Type of initiative	Mobilising finance
Type of product	Sustainability linked term loan, revolving credit facility
Type of finance	Nature positive
Nexus	Nature x climate
GBF target in focus	Target 1–4, 8, 15, 19, 21

What?

Barclays Corporate Banking Sustainable Product Group provided support to Cairn Homes plc (Cairn) in the selection of meaningful targets and indicators linked to certain sustainability performance targets.

Who?

The sustainability linked term loan (SLL) and revolving credit facility (RCF) was arranged with AIB, Bank of Ireland and Barclays Bank Ireland.

Why and how?

In July 2022, Cairn completed a refinancing of its EUR 277.5 million syndicate facility into a SLL and RCF, one of the largest of its type arranged in the Irish homebuilding sector.

The term loan and revolving credit facility interest rates are linked to Cairn meeting certain sustainability performance targets on biodiversity, decarbonisation and its people strategy.

From a biodiversity perspective, Cairn's annual targets include a commitment to increase biodiversity net gain across Cairn's new developments measured as a percentage of overall new homes commenced. Biodiversity net gain delivers measurable improvements for ecology by protecting, enhancing and creating habitats in association with development and Cairn's approach includes a development-specific biodiversity programme that replaces or improves the local biodiversity of each new Cairn development or otherwise contributes to the improvement of Ireland's biodiversity.

For more information on this case study, please click here (page 120).

Case study 3: **Sustainable impact investment in ECOncrete Tech**

Case Study Summary Box	
Ecosystem	Marine, ocean
Sector	Offshore/coastal infrastructure
Region	North America and Europe
Type of initiative	Mobilising finance
Type of product	Impact investment/equity
Type of finance	Nature positive
Nexus	Nature x climate
GBF target in focus	Target 1–4, 8, 15, 19, 21

What?

Barclays' Sustainable Impact Capital investment in ECOncrete Tech, a pioneering start-up delivering high-performance concrete structures, demonstrates Barclays' support for innovative environmental solutions. The technology creates biologically available surfaces for marine life, and can be used for shoreline protection, waterfront infrastructure and offshore applications.

Why and how?

- ECOncrete's technology seeks to enhance marine life on offshore and coastal infrastructure. The technology creates new biologically available surfaces for marine life such as oysters, corals or barnacles, while preserving and strengthening the infrastructure's functional and structural properties. Species like oysters, for example, become a critical ecological stepping stone for additional organisms to live on and around a structure and also act as biological glue, enhancing the strength and durability of structures.
- Compared with traditional concrete, ECOncrete's technology has shown the ability to double the biodiversity and abundance of marine species, provide an active carbon sink over the lifespan of the structure, and significantly improve water quality. This is due to their patented admixture and unique design which meets construction standards, has been peer reviewed[6] and evaluated by marine scientists.
- ECOncrete's activities are helping to solve a key environmental challenge for the coastal and marine industries, improving the health and resilience of surrounding ocean life.
- Barclays' support in ECOncrete's growth ambitions through Sustainable Impact Capital equity investment will help enable ECOncrete to expand rapidly into new markets and scale operations into large-scale projects.

For more information on this case study, please click here (page 113).

6 icevirtuallibrary.com/doi/abs/10.1680/fsts.59757.124

BBVA

Case study 1: **Water footprint linked loans**

Case Study Summary Box	
Ecosystem	Freshwater
Sector	Energy/utilities
Region	Spain, Italy, EU
Type of initiative	Mobilising finance
Type of product	Revolving credit facility/sustainability-linked loan
Type of finance	Transition finance
Nexus	Nature x climate x pollution
GBF target in focus	Target 1–4, 7, 8, 15, 19, 21

What?

In 2022, BBVA introduced two of the world's pioneering Sustainability-Linked Loans related to water. One is a Revolving Credit Facility (RCF) linked to the water footprint of *Iberdrola* (Jul 2022) to the tune of EUR 2.5 billion and the other is a floating rate term loan again linked to the water footprint of *Iren* (Sep 2022) for EUR 50 million.

Who?

BBVA extended the RCF to Iberdrola, Spain's largest energy conglomerate and one of the foremost players in the electric utilities sector and renowned for its leadership in wind power. BBVA took on multiple roles, serving as the sole Sustainable Coordinator, Bookrunner, Mandated Lead Arranger and Facility Agent. A total of 24 banks participated in providing the financing.

BBVA extended the five-year term loan to Iren SpA, a prominent Italian utilities company. Iren maintains a portfolio of over two million customers in the energy sector and provides service to a total of approximately six million inhabitants in the water and environmental cycle.

July 2022	
EUR 2,500,000,000	
Revolving Credit Facility	
Iberdrola	
Global Coordinator, Bookrunner, MLA, Sustainable Coordinator & Facility Agent	
Key terms & conditions	
Borrower	Iberdrola Financiacion, S.A.U.
Total amount	EUR 2.5 bn
Type	RCF
Tenor	5+1+1 years
SUSTAINABLE DEVELOPMENT GOALS	6 CLEAN WATER AND SANITATION

September 2022	
EUR 50,000,000	
Water footprint linked term loan	
iren	
Key terms & conditions	
Borrower	Iren S.p.A
Total amount	EUR 50 m
Type	Term loan
Tenor	5 years
KPIs	Water withdrawal and water consumption
6 CLEAN WATER AND SANITATION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER	

How?

Water withdrawal or Water Consumption—MANDATORY in all Water footprint Loans
(Equivalent to Scope 1+Scope 2 emissions in Carbon footprint)

KPI definition: sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period. Total water withdrawal should be equal to total water consumed + total water discharged

Additionally a maximum of 2 more Water KPIs selected from the list* included herein

	KPI Name	Definition	To	Unit (%)
#1	Rainwater consumption	Rainwater consumption over total water consumed	Increase	litres/m³
#2	Consumption of reused/recycled water	Consumption of reused and/or recycled water consumed over total water consumed	Increase	litres/m³
#3	Water consumption	Water consumption in areas with High Water Stress over total water consumption	Reduce	litres/m³
#4	Sale of pro-water products	Sale of products that reduce the final consumer's water consumption by a certain percentage, over the total number of products produced (an ecolabel-type certificate would be interesting)	Increase	eco Sales over total production
#5	Manufacture of eco-products	Manufacture of products made with techniques that reduce water consumption during the production process by at least X% over the total number of manufactured products (an ecolabel-type certificate would be interesting)	Increase	Units/tons/litres//m³ over total production
#6	Water pollution	Concentration of pollutants or water discharge volumes (polluted)	Reduce	ppmv or kg/m³

*In order to create this list, with the most common and appropriate KPIs, together with the CIB Sustainable Finance team, water related metrics of existing ESG Mreporting frameworks (i.e. World Economic Forum Stakeholder Capitalism, Sustainability Accounting Standards Board and Global Report Initiative) as well as water metrics provided by different rating agencies (such as Refinitv, Trucost and CDP), have been analysed in detail

For Iberdrola, the floating Interest margin is linked to (i) the performance of two water related indicators (Scope 1 Water consumption, Scope 2 CDP Water score) and (ii) its credit rating. These metrics are reported by Iberdrola in its annual audited Sustainability Report and CDP website.

For Iren, the floating Interest margin is linked to (i) water withdrawal, primarily freshwater extraction from surface water bodies such as rivers and streams, either on permanent or temporary basis, and its transportation to a designated place of use, and (ii) water leakage, the ratio of total real volume of water leaks to total volume entering the aqueduct system during a given year. These metrics are reported by Iren in its annual audited Sustainability Report.

Why?

Water is a precious, finite and unevenly distributed resource. According to World Bank projections, by 2050, water scarcity could potentially affect GDP growth by up to 11.5% in some regions. Despite a six-fold increase in its utilisation throughout the last century, roughly two billion people still have limited access to safe drinking water, and a quarter of the global population resides in countries facing severe water stress.

Within BBVA's footprint, Mexico, Turkey and Spain are exposed to the highest water stress related risks. These statistics underscore the pressing need to address water-related challenges and prioritise water footprint. Therefore, BBVA has found water-related financing opportunities amounting to EUR 8.56 million by 2026 within 3 key sectors: Agriculture (irrigation and water reuse systems), Infrastructure (new and renewal of water supply, treatment and distribution) and Industry (water related investments throughout the value chain). BBVA is successfully prioritising transition finance within its portfolio and is fully dedicated to incorporating sustainability into its ongoing initiatives, establishing key performance indicators (KPIs) related to water mobilisation and water target reporting, and aligning processes to deliver tailored value proposition for its customers by segment:

- BBVA is supporting Iberdrola in its shift towards making significant contribution to UN SDG Goal 6 (Clean Water and Sanitation), in addition to their prior focus on contributing to the UN SDGs 7 and 13 (Clean and Accessible Energy and fight against Climate Change).
- Similarly, the water footprint term loan provides supports to Iren's SDG alignment efforts including UN SDG 6 (clean water and sanitation), SDG 13 (Climate Action) and SDG 14 (Life Below Water), diversifying its financing to a broader range of UN SDGs.

With these products, the companies benefit from their efforts in reducing their water footprint, not only through pricing of the loans, but also in terms of reputation and by distinguishing them from competitors. Furthermore, the water-footprint loan offers tailored sustainability solutions in these sectors where water management could achieve tangible impact.

BBVA is actively pursuing corporate water targets in line with the UNEP FI PRB framework addressing both SDG 6, the Alliance for Water Stewardship and SBTN. The bank is formulating sector-specific roadmap to seize water-related opportunities, including tailored actions within its ongoing initiatives. For instance, BBVA is pinpointing the Agriculture and Food and Beverage sectors as its highest priority for investments in water-related projects.

For more information on this case study, please go to:

- Iberdrola
- Iren

Case study 2:
Blue bond for water conservation, water infrastructure and water use efficiency

Case Study Summary Box	
Ecosystem	Freshwater
Sector	Agriculture/infrastructure/industry
Region	Colombia
Type of initiative	Mobilising finance
Type of product	Blue bond
Type of finance	Transition finance
Nexus	Nature x climate x pollution
GBF target in focus	Target 1–4, 7, 8, 15, 19, 21

What?

In June 2023, BBVA introduced Colombia's first blue bond, to the tune of USD 50 million with an objective to support initiatives aimed at protecting Colombia's water resources. The capital raised from both private and public investments, will be allocated to finance various projects such as the construction of water treatment and sewage facilities, the rehabilitation of watersheds, improvements in irrigation and drainage systems, preservation of oceans, and the protection of lakes, moorlands and mangroves.

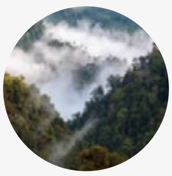
Who?

BBVA collaborated with IFC for the initial tranche of USD 50 million.

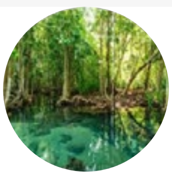
Why?

Colombia stands as one of the world's most abundant nations in terms of aquatic resources. BBVA has identified significant business potential within Colombia that aligns with the existing National Development Plan "Colombia World Potential for Life", while also highlighting the social and economic impact. There are more than 20 projects of significant national impact related to water, spanning across a substantial portion of Colombia's territory.

Páramos
- It has an area of 2,906,000 he
- 50% of the world's páramos are in national territory
- The páramos directly benefit 70% of the population colombian



Bosque alto andino
- It has an area of 9,626,600 he
- They help regulate and purify the flow of water resources consumed by 70% of the Colombian population, including 20 cities that depend on water from the páramos and this ecosystem.



Manglar
- It has an area of 9.626, 600 he
- 1 he of manglar can retain up to 1,000 tons CO_2

For more information on this case study, please click here.

BNP Paribas

Case study 1:
Deforestation free supply chains for beef and soy from Cerrado and Amazon regions in Brazil by 2025

Case Study Summary Box	
Ecosystem	Terrestrial, forestry
Sector	Beef/soy
Region	Brazil
Type of initiative	Mainstreaming nature
Nexus	Nature x climate
GBF target in focus	Target 1–4, 8, 15, 19, 21

What?

BNP Paribas strengthened its commitment to contribute to preserve and restore biodiversity in 2021. It published a public position in May 2021 and updated its financing and investment policy on agriculture to reinforce its strong commitment against deforestation.

BNP Paribas committed itself to encourage its customers producing or buying beef or soy from the Amazon and the Cerrado in Brazil to become 'zero deforestation' and to demonstrate transparently their progress. As a result, BNP Paribas will only provide financial products or services to companies (producers, meat conditioners and traders) with a strategy to achieve zero deforestation in their production and supply chains by 2025. In particular:

- BNP Paribas will not finance customers producing or buying beef or soybeans from land cleared or converted after 2008 in the Amazon.
- BNP Paribas will encourage its clients not to produce or buy beef or soybeans from cleared or converted land in the Cerrado after 1st January 2020, in line with global standards.

For all its customers, BNP Paribas will require full traceability of beef and soy (direct and indirect) channels by 2025.

Who?

The clients with whom BNP Paribas has engaged a dialogue on this topic are companies (producers, meat conditioners and traders) producing or buying beef or soybeans from the Amazon and the Cerrado region in Brazil.

Why?

The 2021 BNP Paribas' position on the preservation of biodiversity aims to clarify and structure its actions regarding the four major threats to biodiversity (according to IPBES 2019 report) viz. Changes in land and sea use, Direct exploitation of certain organisms, Climate Change and Pollution.

In terms of land use change, it is widely considered that deforestation linked to agrifood supply chains is one significant driver of biodiversity degradation worldwide.

How?

BNP Paribas is engaged in a constructive dialogue with its clients involved in beef and soy (direct and indirect) channels coming from the Amazon and Cerrado region in Brazil.

BNP Paribas also develops sustainable finance tools to encourage companies to adopt best practices. In the last few years, BNP Paribas has participated in several Sustainability-Linked Loans (SLL) and green bonds with targets and uses of proceeds focused on biodiversity and more particularly on forest preservation.

For more information on this case study, please click here.

Case study 2:
Sustainable palm oil policy

Case Study Summary Box	
Ecosystem	Forests
Sector	Palm oil
Region	Worldwide
Type of initiative	Mainstreaming nature
Nexus	Nature x climate x pollution
GBF target in focus	Target 1–4, 7, 8, 15, 19, 21

What?

BNP Paribas has reinforced its commitment to biodiversity through its public position outlining its strategies to address major threats to biodiversity. These threats encompass changes in land and sea use, direct exploitation of certain organisms, climate change, and pollution. As part of its commitment to corporate social responsibility, BNP Paribas has formulated an internal policy to encourage palm oil companies to establish standards and processes to foster sustainable production in the industry.

Who?

The policy is applicable to companies that are directly engaged in the palm oil value chain, including production (plantations and/or mills) as well as the refining and/or trading of crude palm oil. However, companies positioned further down the value chain, such as those involved in the production or trading of palm oil derivatives or the manufacturing of ingredients, do not fall under the scope of this policy.

Why?

The establishment of palm oil plantations could potentially bring about detrimental impacts on local communities, climate change and ecosystem. At the same time, palm oil production plays a pivotal role in providing livelihoods and serving as a vital source of nutrition in developing nations. Various initiatives have been established to confront environmental and social challenges and to facilitate a transition towards more responsible practices in the palm oil sector. One noteworthy effort in this regard is the Roundtable on Sustainable Palm Oil (RSPO), in which BNP Paribas is affiliated and actively involved as a participant.

How?

BNP Paribas has developed a policy that mandates certain criteria for palm oil producers. These producers must either be existing members of RSPO or possess a clear and actionable plan to become RSPO members. They are also required to have published a timely communication on their progress, and establish a time-bound plan for achieving full RSPO certification in their operations:

- For **upstream palm oil companies including plantations and mills**, the policy also entails the following requirements:
  - They are obligated to have a policy in place for conducting High Conservation Value (HCV) assessments before embarking on new oil palm plantation projects. Furthermore, they must have a policy in place to protect the identified HCV areas within their concession territories.
  - These companies are also required to have a policy in place for conducting High Carbon Stock (HCS) assessments before initiating any new oil palm plantations development. Moreover, they are expected to safeguard the HCS forests identified within their concession areas.
  - To mitigate GHG emissions, these companies must adopt policies to refrain from burning during the development of oil palm plantations, to avoid the development of new oil palm plantations on peatlands, irrespective of depth, and to minimise the use of artificial fertilisers.
  - They are not permitted to develop new plantations on UNESCO World Heritage Sites, Wetlands on the Ramsar list, Alliance for Zero Extinction sites, or IUCN Category I-IV areas.
- For **downstream companies, which include refiners and traders**, they are also assessed regarding the following criteria:
  - They are required to be RSPO members (or have a time-bound plan to become RSPO members), to have published and up-to-date communication on progress and to have a defined plan with specific timeframes to achieve full RSPO certification of their operations.
  - Enhancing the traceability of their palm oil supply chain is also an important evaluation criterion.
  - BNP Paribas also assess whether these companies have a time-bound plan to ensure that their palm oil suppliers adhere to specific guidelines, including refraining from development activities in HCS forests and HCV areas, no burning during the establishment of new plantations, avoiding development on peat, regardless of depth, abstaining from the use of child or forced labour.

For more information on this case study, please click here.

Crédit Agricole

Case study 1:
Statement on biodiversity and natural capital

Case Study Summary Box	
Ecosystem	Freshwater, terrestrial, marine
Sector	Various
Region	All
Type of initiative	Mainstreaming nature
Nexus	Nature x climate
GBF target in focus	Target 1–4, 8, 15, 19, 21

What?

Halting and reversing nature loss is an essential component of Crédit Agricole's ESG Strategy, in line with its Sustainability and Social Responsibility commitments. Crédit Agricole S.A. has identified five priority areas to address this major nature crisis, in its first-ever statement on biodiversity and natural capital, which was published on September 15, 2023:

1. Assessing material impacts and risks of nature loss on our activities;
2. Embedding nature and biodiversity into our sectoral policies;
3. Mobilising financial resources to contribute towards nature-positive actions and activities;
4. Supporting collective initiatives to address nature loss and ecosystem services' decline;
5. Reducing our internal environmental footprint and promoting biodiversity onsite

Who?

Clients, investee companies, partners, international and domestic organisations related to biodiversity.

Why?

Taking action in support of nature and biodiversity is essential to Crédit Agricole's environmental strategy, as with climate change, economic players can be affected by biodiversity loss and nature degradation, such as reduced agricultural yields and coastal erosion.

How?

Regarding the five axes:

1. Assessing material impacts and risks of nature loss on Bank activities

Crédit Agricole S.A. has begun to identify and evaluate tools and indicators related to biodiversity, in particular those that have methodologies based on the five pressures identified by the 2019 IPBES Global Assessment Report on Biodiversity and Ecosystem Services. In 2022, Crédit Agricole S.A., Amundi (Crédit Agricole's asset manager) and Crédit Agricole CIB carried out initial work on this subject via Taskforce on Nature-related

Financial Disclosures (TNFD) pilots on the agricultural and fishery sector.

2. **Embedding nature and biodiversity into Bank sectoral policies**

In its financing and investment activities, Crédit Agricole S.A. has taken various steps to manage biodiversity risks as well as minimise the negative impacts of its activities. For example, biodiversity is one of the themes of Amundi's ESG analysis and thus contributes to the construction of issuers' ESG ratings. It is also integrated into the financing policies of Crédit Agricole CIB for large corporates.

3. **Mobilising financial resources to contribute towards nature-positive actions and activities**

Although common indicators and standards for biodiversity are less advanced than for climate change, Crédit Agricole S.A. has chosen to take action through its financing, investment and insurance activities, and to raise awareness of these issues among its employees, clients and investee companies. For example, in 2022, Amundi and Accor announced a close collaboration with the Fondation de la Mer, which has developed an analytical framework to help companies measure and reduce their seabed impacts. In 2021, Crédit Agricole launched a new fund "to support the development of agricultural techniques towards a competitive and sustainable agri-food system", with a target of raising up to EUR 1 billion.

4. **Supporting collective initiatives to address nature loss and ecosystem services' decline**

Crédit Agricole S.A. collaborates with national and international initiatives to better understand the impacts and risks of nature loss, as well as to potential opportunities to contribute to the preservation, conservation and restoration of biodiversity. For example, since 2022, Crédit Agricole S.A. has been a TNFD Forum member and is also part of France's Consultation Group with Sustainable Finance Institute (Institut de la Finance Durable) and Enterprises for the Environment to better identify, assess, manage and eventually report on nature-related risks and opportunities.

5. **Reducing our internal environmental footprint and promoting biodiversity onsite**

Beyond reducing Crédit Agricole S.A.'s indirect environmental footprint from its financing, investment, and insurance activities, the Group also strives to reduce its direct environmental footprint to help protect biodiversity. For example, the Montrouge and Saint-Quentin-en-Yvelines sites have been awarded the "Refuges LPO" label.

For more information on the case study please click here.

Danske Bank

Case study 1:
Client engagement targets for lending and investment portfolios in select sectors with high impact on nature and biodiversity

Case Study Summary Box	
Ecosystem	Various
Sector	Select high impact sectors for nature & biodiversity
Region	Denmark, Copenhagen
Type of initiative	Mainstreaming nature
Nexus	Nature x climate
GBF target in focus	Target 1–4, 8, 15, 19, 21

What?

Through an analysis of portfolio data, impact assessment and identification of high priority sectors, Danske Bank has set, engagement targets in its lending and investment portfolios in selected sectors with highest potential negative impact on nature and biodiversity.

Who?

Danske Bank is setting targets for engagement with customers within 1) agriculture including food products and fisheries, 2) forestry, pulp and paper and 3) shipping in their lending portfolio, as well as 30 large, global companies spanning high-impact sectors such as energy, food and transportation in their investment portfolio.

Why?

Danske Bank wants to be a catalyst in protecting both people and planet as well as the global economy and reversing nature loss by actively engaging with the companies they lend to and invest in. Therefore, they have conducted an impact assessment of their lending and investment portfolios to identify the sectors and investee companies that have the highest potential negative impact on nature and biodiversity. Through this assessment, they have been able to get an understanding of the negative sector impacts on nature and biodiversity. This enables them to interact with customers and investee companies in high-impact sectors and help them understand both their potential adverse impacts on nature and the potential financial risks.

How?

As a first step for companies and for the bank to be able to better understand and manage nature-related impacts and dependencies with the aim of supporting the protection of nature, Danske Bank has set targets for:

1. **Customer Engagement in three high-impact sectors in their lending portfolio**

- The assessment revealed three sectors in their lending portfolio with the highest potential negative impact on nature and biodiversity which are i) agriculture including food products and fisheries, ii) forestry, pulp and paper and iii) shipping.
- They will engage with customers in these sectors on identified nature and biodiversity indicators specific and relevant for the industry before the end of 2024.
- Their Business Customers business unit, will engage with 300+ customers in the agriculture sector, which covers more than one-third of their lending exposure.
- Their Large Corporations & Institutions business unit, will engage with a total of 50+ customers across the food products and fisheries sector, the forestry, pulp and paper sector and the shipping sector, which covers at least two-thirds of their lending exposure in each respective industry.

2. **Investee company Engagement with 30 companies in their investment portfolio**

- For investments, their analysis indicates that 60% of assets under management potentially have a high negative impact on nature and biodiversity through the operations of the investee companies. Furthermore, almost 30% of the investee companies potentially have a high dependence on nature and its ecosystems.
- Danske Bank has therefore, together with Danica Pension, committed to engage with 30 large, global investee companies that have a significant impact on nature and biodiversity before the end of 2025 and span high-impact sectors such as energy, food and transportation.
- Their engagement will enhance their understanding of the impacts and dependencies on nature of their investee companies. They can create awareness of the importance of sufficiently managing impacts and related risks, which, in turn, can help to address some of the associated risks and contribute to safeguarding the value of their customers' investments.
- To achieve this, they have initiated a targeted active ownership effort, where they will engage in dialogue with 30 large, global companies

An essential message that Danske wishes to communicate to their peers and institutional customers is that in lieu of an exhaustive analysis of every asset and liability within their portfolio, it is more effective to focus first on areas/sectors where the most significant impacts are anticipated.

For more information on this case study, please click here.

ING

Case study 1:
Engagement with agricultural commodities clients through deforestation policy

Case Study Summary Box	
Ecosystem	Forests
Sector	Agricultural commodities
Region	Worldwide
Type of initiative	Mainstreaming nature
Nexus	Nature x climate
GBF target in focus	Target 1–4, 8, 15, 19, 21

What?

In December 2022, ING strengthened their stance aimed at curbing deforestation and ecosystem conversion, to contribute to the protection of invaluable ecosystems. ING's sustainability practice is guided by their Environmental And Social Risk (ESR) policy framework, which strives to ensure that environmental and social risks are properly identified, assessed, mitigated and monitored.

Who?

The ESR policy framework applies to all corporate clients of ING. The overarching environmental policies specify restrictions on deforestation and ecosystem conversion, as well as providing examples of industry best practices, such as certification and sustainability programs. In specific sectors like forestry and agricultural commodities, where deforestation and ecosystem conversion risks are greatest, ING conducts enhanced due diligence aimed to understand where clients are active, and if their policies and commitments mitigate risks sufficiently.

Why?

Forests currently cover 31% of the Earth's land surface[7] but are rapidly diminishing due to urbanisation, wildfires and logging. The primary catalyst for deforestation and forest degradation is agricultural expansion, leading to the loss of biodiversity in the forests. With the world population now having passed the eight billion mark, the challenge of food security and protecting forests is even greater.

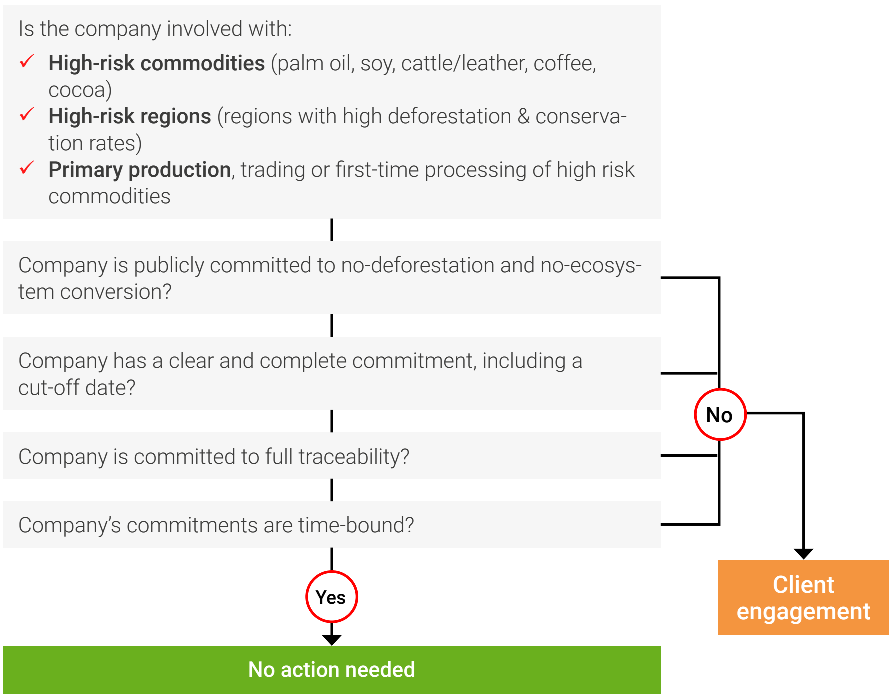
How?

ING's ESR policy on deforestation requires the performance of due diligence for agricultural commodities clients, including whether those clients comply with programmes and/or certifications relevant to the sector:

7 According to the FAO, UN. Between 2015 and 2020, the rate of deforestation was estimated at 10 mn hectares p.a.

Commodity	Programmes/certificates
Soy	▪ Roundtable on Responsible Soy Association (RTRS) ▪ Basel criteria on responsible soy production
Palm oil	▪ Roundtable on Sustainable Palm Oil (RSPO) ▪ Principle and Criteria for Responsible Palm Oil Production
Cotton	▪ Better Cotton Initiative
Coffee, tea, cocoa	▪ Common Code for the Coffee Community (4C) ▪ Tropical Commodities Coalition for Sustainable Tea Coffee and Cocoa (TTC) ▪ Ethical Tea Partnership (ETP) ▪ World Cocoa Foundation (WCF) ▪ Rainforst Alliance
Wood	▪ Forest Stewardship Council (FSC) certification ▪ Programme for the Endorsement of Forest Certificatioin (PEFC) ▪ FSC chain of custody certificate

- As per this policy ING does not provide new financing to clients that are involved in illegal deforestation and/or the removal of High Conservation Value (HCV) or primary forest.
- If research or third parties indicate clients might be linked to deforestation, ING verifies this information. This may lead to further engagement with their clients to understand if actual adverse impacts are happening and what actions their clients are taking to address these impacts. If engagement is not possible, ING will consider several actions that may include the termination of their relationship with the client.
- In addition to the above, ING is also actively engaging with targeted clients within cattle, palm oil, soy, wood, rubber, cocoa, and coffee industries. The bank is using their influence and leverage to encourage clients to put in place no-deforestation and no-ecosystem conversion commitments and policies and regarding their actions and targets to work towards full traceability in their supply chains.
- This engagement approach follows the steps outlined in the visual here:



- For wood and rubber, the engagement takes place in line with ING's regular ESR policy standards, which for instance include an FSC or PEFC certification requirement for wood.
- ING is working on the development of the means and the metrics to disclose the progress of their efforts on this topic on an annual basis with a first report envisaged in 2024.
- In doing so, the bank aims to be transparent in their approach and analyse if their efforts are working to contribute to a deforestation-free and ecosystem conversion-free world.

For more information on this case study, please click:

- ING's deforestation stance
- the ESR policy framework

Society is transitioning to a low carbon economy. So are ING's clients and so is ING. The bank finances a lot of sustainable activities but still finances more that's not.

See how ING is progressing at ing.com/climate

Rabobank

Case study 1: **Assessing dependencies and impacts on nature for private loan portfolio**

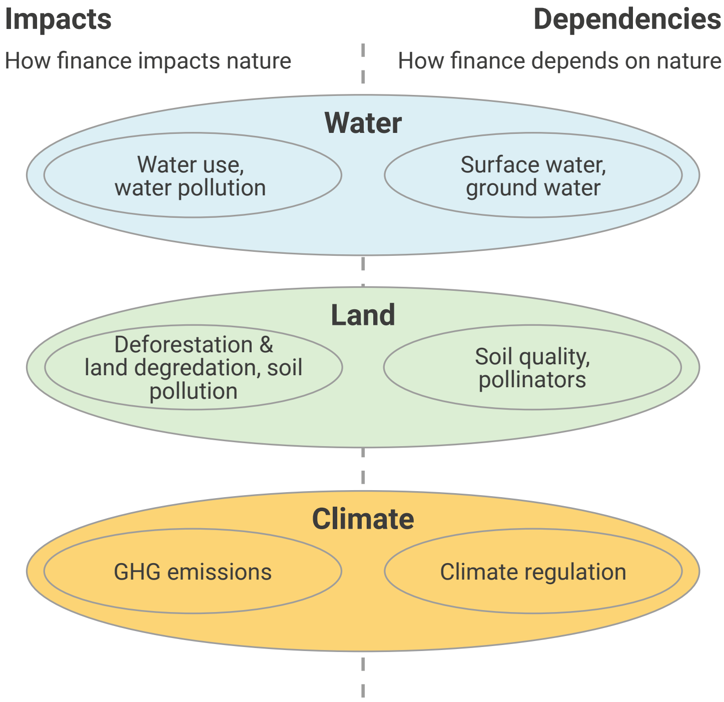
Case Study Summary Box	
Ecosystem	Freshwater, terrestrial, marine
Sector	All
Region	Netherlands
Type of initiative	Mainstreaming nature
Nexus	Nature x climate
GBF target in focus	Target 1–4, 8, 15, 21

What?

Rabobank has incorporated the concept of double materiality into its private loan portfolio through the Assessment of Impacts and Dependencies using the ENCORE[8] tool.

Why?

This approach will help to understand how Rabobank and its clients depend on Nature, in particular on the ecosystem services (the benefits that nature provides to society and the economy) that underpin the various sectors in its loan portfolio (Dependency on Nature), and how Rabobank and its clients impact Nature (positive or negative contributions), thus improving its assessment of risks arising from the decline in biodiversity and ecosystem services.



Who?

The tool was implemented to assess Rabobank's private sector loans. Results have shown that the highest dependencies in Rabobank's portfolio are linked to water use (surface and ground water), climate regulation and soil quality, followed by pollination. Potential impacts on biodiversity resulting from their loan portfolio, in terms of how financing activities affect nature, are likely associated with water use, deforestation (or other land use), and pollution (e.g. GHG and nitrogen emissions, and the pollution of water and soil). Looking at Food and Agriculture specifically, certain sectors such as Beef, Dairy, Cotton, and Soy display high impacts and dependencies.

8 ENCORE is a tool developed by UNEP to help Financial Institutions improve their understanding and assessment of risks resulting from the decline in biodiversity and ecosystem services. The ENCORE database details dependencies on 21 ecosystem services for 86 business processes.

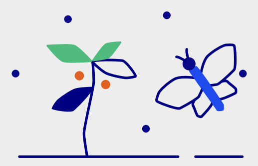
How?

The ENCORE tool was applied to assess the EUR 212 billion private sector loan portfolio of Rabobank. Initially, the portfolio (sub)sectors were linked to economic sectors listed in ENCORE. Subsequently, the portfolio exposure to each of the sectors was determined. Finally, the (sub)sectors within the portfolio that ENCORE identified as having at least one "Very High" or "High" Dependency on Nature were taken into account, constituting approximately two-thirds of the loan portfolio. Results of the analysis were later published in Rabobank's Impact and Annual Report 2022.

For more information on this case study, please click here.

Case study 2: **Biodiversity monitor for sustainable dairy and crop farming**

Case Study Summary Box	
Ecosystem	Terrestrial
Sector	Dairy, farming
Region	Netherlands
Type of initiative	Mainstreaming nature
Nexus	Nature x climate
GBF target in focus	Target 1–4, 8, 15, 19, 21



Features of the biodoversity monitor

- Target-based on biodoversity indicators
- Data-driven (using existing available data)
- Science-based
- Standardisation on KPIs for rewarding
- Integral approach
- Multi-stakeholder

What?

Rabobank played a pivotal role in funding, co-developing and operationalising the Biodiversity Monitor for Crop Farming[9] and Dairy Farming.[10] This tool serves as a means to measure and reward biodiversity preservation in the dairy and farming sector, with the goal of restoring biodiversity in these areas. The tool provides insights through metrics which quantify efforts of dairy farmers in improving biodiversity on their farms and in broader contexts, and it also aims to develop new revenue models across the supply chain to reduce dairy farmers' dependence on government funding.

Who?

- Friesland Campina: A cooperative of 20,000 dairy farmers in the Netherlands, Germany and Belgium that produces and sells dairy products globally for its members globally. They work closely with their dairy farmers to ensure sustainable milk production.
- WNF: the Dutch chapter of the WWF, an international environmental organisation committed to preserving the natural world.
- Farmers' organisations, food supply chain partners, land users, consumers, academia and (local) governments.

Multiple rewards by stakeholders as an important incentive for dairy farnmers to meet KPIs

9 BiodiversiteitsMonitor-Akkerbouw-Brochure-2023-Engels.pdf (bo-akkerbouw.nl)
10 Biodiversiteitsmonitor_engels.pdf

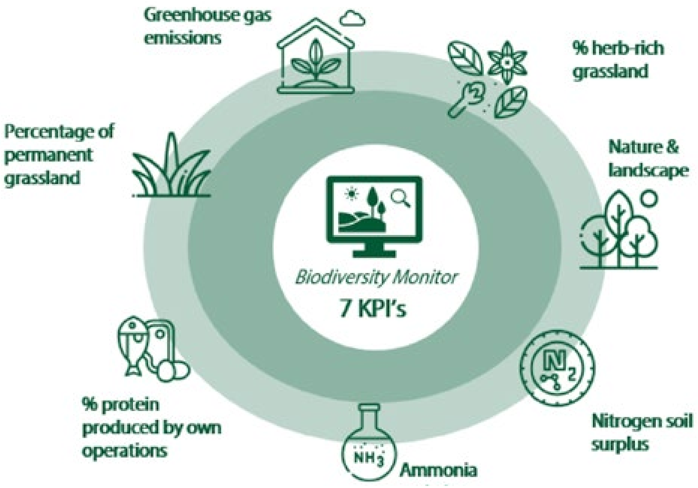
Why?

Biodiversity in the Netherlands is declining, with plant and animal species becoming extinct despite all the efforts of NGOs, researchers and land users. Restoring biodiversity within dairy and crop agriculture is essential for ensuring the resilience of the agriculture sector and supporting long term benefits derived from the land owned by farmers. Rabobank is fully committed to reversing biodiversity loss in the Netherlands and it is dedicated to working towards the recovery of biodiversity through effective use of natural resources and active collaboration with customers and partners to conserve and restore biodiversity, including the dairy sector.

How?

The Biodiversity Monitor is an innovative tool designed to support regenerative agriculture among dairy and crop farmers. It quantifies, measures, facilitates and rewards continuous improvement in on-farm biodiversity performance. This is achieved through the measurement of seven target-based KPIs aimed at measuring and rewarding biodiversity.

7 KPIs to measure and reward biodoversity



These multiple rewards by stakeholders act as an important incentive for dairy farmers to meet KPIs. The biodiversity monitor for dairy is part of the "on the way to planet proof" certificate. Within Rabobank the biodiversity monitor is the standard for measuring sustainability performance, the frontrunners are rewarded by a interest discount as part of the multiple rewarding.

For more information on this case study, please click

- Biodiversity monitoring tool for arable farming
- Biodiversity monitoring tool for dairy sector

UBS

Case study 1: **Sustainability and climate risk framework**

Case Study Summary Box	
Ecosystem	Various
Sector	Various
Region	Global
Type of initiative	Mainstreaming nature
Nexus	Nature x climate x social
GBF Target in focus	Target 1–4, 8, 15, 19, 21

What?

At UBS, sustainability and climate risk is defined as the risk that UBS negatively impacts, or is impacted by, climate change, natural capital, human rights, and other environmental, social, governance (ESG) matters. Sustainability and climate risk may manifest as credit, market, liquidity, and/or non-financial risks for UBS, resulting in potential adverse financial, liability and/or reputation impacts. Our principles and standards apply across all business divisions, group functions, locations, and legal entities. They define roles and responsibilities for 1LoD (1st Line of Defense, i.e., client and supplier onboarding, transaction due diligence, periodic know-your-client reviews), for 2LoD (2nd Line of Defense, i.e., sustainability and climate risk transaction assessments), and for the Group Executive Board (that sets the sustainability and climate risk appetite standards of the firm.

Why?

Managing sustainability and climate risk is a key component of our corporate responsibility. We apply a sustainability and climate risk policy framework to all relevant activities. This helps us identify and manage potential adverse impacts on the climate, environment and to human rights, as well as the associated risks affecting our clients and us. We have set standards for product development, investments, financing and supply chain management decisions. We have identified certain controversial activities we will not engage in, and certain areas of concern where we will only engage in under stringent criteria. As part of this process, we are committed to engaging with clients and suppliers to better understand their processes and policies and to explore how climate, environment- and human-rights-related risks and impacts may be mitigated.

How?

We have set standards in product development, investments, financing and supply chain management decisions. These include the stipulation of controversial activities and other areas of concern we will not engage in, or will only engage in under stringent criteria.

Controversial activities—where UBS will not do business

UBS will not knowingly provide financial or advisory services to clients whose primary business activity, or where the proposed transaction, is associated with severe environmental or social damage to or through the use of:

- World heritage sites as classified by the UN Educational, Scientific and Cultural Organisation (UNESCO);
- Wetlands on the Ramsar list;
- Endangered species of wild flora and fauna listed in Appendix 1 of the Convention on International Trade in
- Endangered species;
- High conservation value forests as defined by the six categories of the Forest Stewardship Council (the FSC);
- Illegal fire: uncontrolled and/or illegal use of fire for land clearance;
- Illegal logging including purchase of illegally harvested timber (logs or roundwood);
- Child labour according to International Labor Organisation (ILO) Conventions 138 (minimum age) and 182 (worst forms);
- Forced labour according to ILO Convention 29; and
- Indigenous peoples' rights in accordance with IFC Performance Standard 7.

The same standards apply when UBS purchases goods or services from suppliers. In addition, UBS does not directly or indirectly finance the development, production or purchase of controversial weapons of such companies determined to fall within the "Swiss Federal Act on War Materials." On the topic of cluster munitions and anti-personnel mines, UBS does not provide credit facilities to, nor conduct capital market transactions for, companies that are involved in the development, production or purchase of cluster munitions and anti-personnel mines. UBS does not include securities of affected companies in its actively managed retail and institutional funds and in discretionary mandates. UBS draws upon external expertise to decide whether a company is subject to the restrictions imposed by Swiss law.

Areas of concern—where UBS will only do business under stringent criteria

We apply specific guidelines and assessment criteria to transactions with corporate clients engaged in specific areas of concern. The guidelines and assessment criteria apply to loans, trade finance, direct investments in real estate and infrastructure, securities and loan underwriting transactions, and investment banking advisory assignments.

Transactions in the specific areas trigger an enhanced due diligence and approval process. In addition to the assessment of regulatory compliance and adherence to UBS's controversial activities standards, as well as consideration of past and present environmental and human rights performance and concerns of stakeholder groups, these transactions require an assessment of the following criteria. Among the areas covered are soft commodities, power generation, and extractive activities,

For more information on UBS's Sustainability and Climate Risk Framework please click here.

UN environment programme

finance initiative

UNEP Finance Initiative brings together a large network of banks, insurers and investors that collectively catalyses action across the financial system to deliver more sustainable global economies. For more than 30 years the initiative has been connecting the UN with financial institutions from around the world to shape the sustainable finance agenda. We've established the world's foremost sustainability frameworks that help the finance industry address global environmental, social and governance (ESG) challenges.

unepfi.org

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/UNEPFinanceInitiative

UN Environment Programme Finance Initiative

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