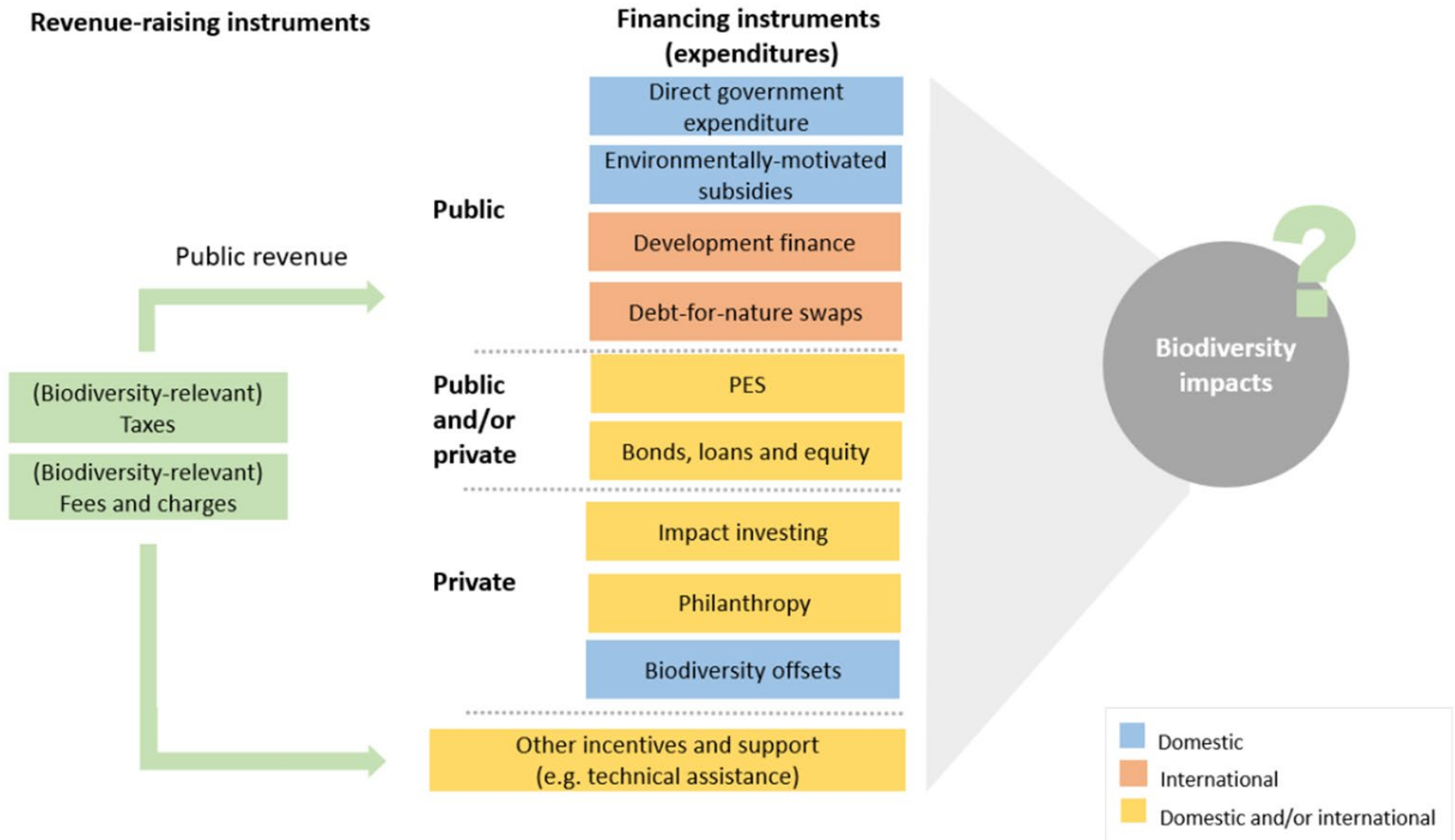


BIODIVERSITY & ECOSYSTEM SERVICES

STUDY ON INVESTMENTS IN THE NATURAL CAPITAL AND CIRCULAR ECONOMY



FINANCIAL FLOWS



THE CHALLENGES WITH INTEGRATING BIODIVERSITY IN BUSINESS

AND INVESTMENT DECISIONS RELATE TO:

- Lack of business case in the absence of pricing of biodiversity
- Lack of awareness and understanding by businesses and the financial sectors on biodiversity impacts and dependencies, as well as related risks and opportunities
- Quantifying the value of biodiversity, and agreeing on common metrics and a framework to understand and measure biodiversity impacts and dependencies
- Integrating the measurement of biodiversity impacts and dependencies across governance, strategy, risk management, impact assessment, due diligence, disclosure and communication of corporations and financial actors
- Short-termism in business and investment decisions
- Considering biodiversity investment opportunities within green sustainable finance

INTEGRATION OF BIODIVERSITY IN BUSINESS AND INVESTMENT DECISIONS, KEY AREAS:

- **Strategy:** embedding biodiversity in the overall corporate strategy of businesses and financial actor
- **Governance:** aligning corporate governance frameworks with biodiversity factors through strong leadership and changes in governance at the board and management levels
- **Impact and dependency assessment and risk management:** businesses and financial organisations need to carry these out across all organisational levels (site, product, project and supply chains) and aggregate them at the corporate and portfolio levels.
- **Due diligence:** a due-diligence approach can help identify and prioritise action in order to avoid or mitigate adverse impacts on biodiversity.
- **Disclosure and external reporting:** disclosure and external reporting of biodiversity impacts, dependencies, risks and opportunities remain limited compared to climate disclosure,
- **Voluntary industry standards, labels and certification schemes**
- **Communication**

- **LAND:** Between 1997 and 2011, global estimates suggest the world lost USD4-20trillion per year in ecosystem services owing to land-cover change (and USD6.3-10.6trillion per year from land degradation)

ELD Initiative, 2015 and Costanza "Changes in the global value of ecosystem services" 2014

- **OCEANS** - poor management of oceans (e.g. invasive marine species carried in ship ballast water, over-exploitation of fisheries and nutrient pollution) costs at least USD200billion per year

UNDP and GEF, 2012

Thank You!



Frankfurt School of Finance & Management
Adickesallee 32-34
60322 Frankfurt am Main
Phone +49 69 154008 – 695