

UN
environment
programme



finance
initiative

Principles for
Responsible Banking

PRINCIPLES FOR RESPONSIBLE BANKING

SHAPING OUR FUTURE

BIODIVERSITY TARGET-SETTING
Guidance Version 1 launch

24 June 2021



Agenda

1. ***Introduction from session moderator: Jessica Smith***, Nature Lead, UNEP FI
2. ***Collective Progress Review – Findings Biodiversity: Johanna Dichtl***, Sustainability Expert & PRB Implementation Support Manager, UNEP FI
3. ***Version 1 of PRB biodiversity target-setting guidance: Sasha Wiese***, Technical Advisor, UNEP FI with ***Christopher Rene Czura***, Nature Team Intern, UNEP FI
4. ***Panel discussion with working group members, Q&A***

Panelists

- **Justine Bolton**, Environmental Sustainability Manager, FirstRand Limited
- **Nathalie Jaubert**, Deputy Head of CSR, BNP Paribas

Agenda

1. ***Introduction from session moderator: Jessica Smith***, Nature Lead, UNEP FI
2. ***Collective Progress Review – Findings Biodiversity: Johanna Dichtl***, Sustainability Expert & PRB Implementation Support Manager, UNEP FI
3. ***Version 1 of PRB biodiversity target-setting guidance: Sasha Wiese***, Technical Advisor, UNEP FI with ***Christopher Rene Czura***, Nature Team Intern, UNEP FI
4. ***Panel discussion with working group members, Q&A***

Panelists

- **Mariuz Calvet**, Director of Sustainability and Responsible Investment, Grupo Financiero Banorte
- **Michael Torrance**, Vice President, Chief Sustainability Officer, BMO Financial Group

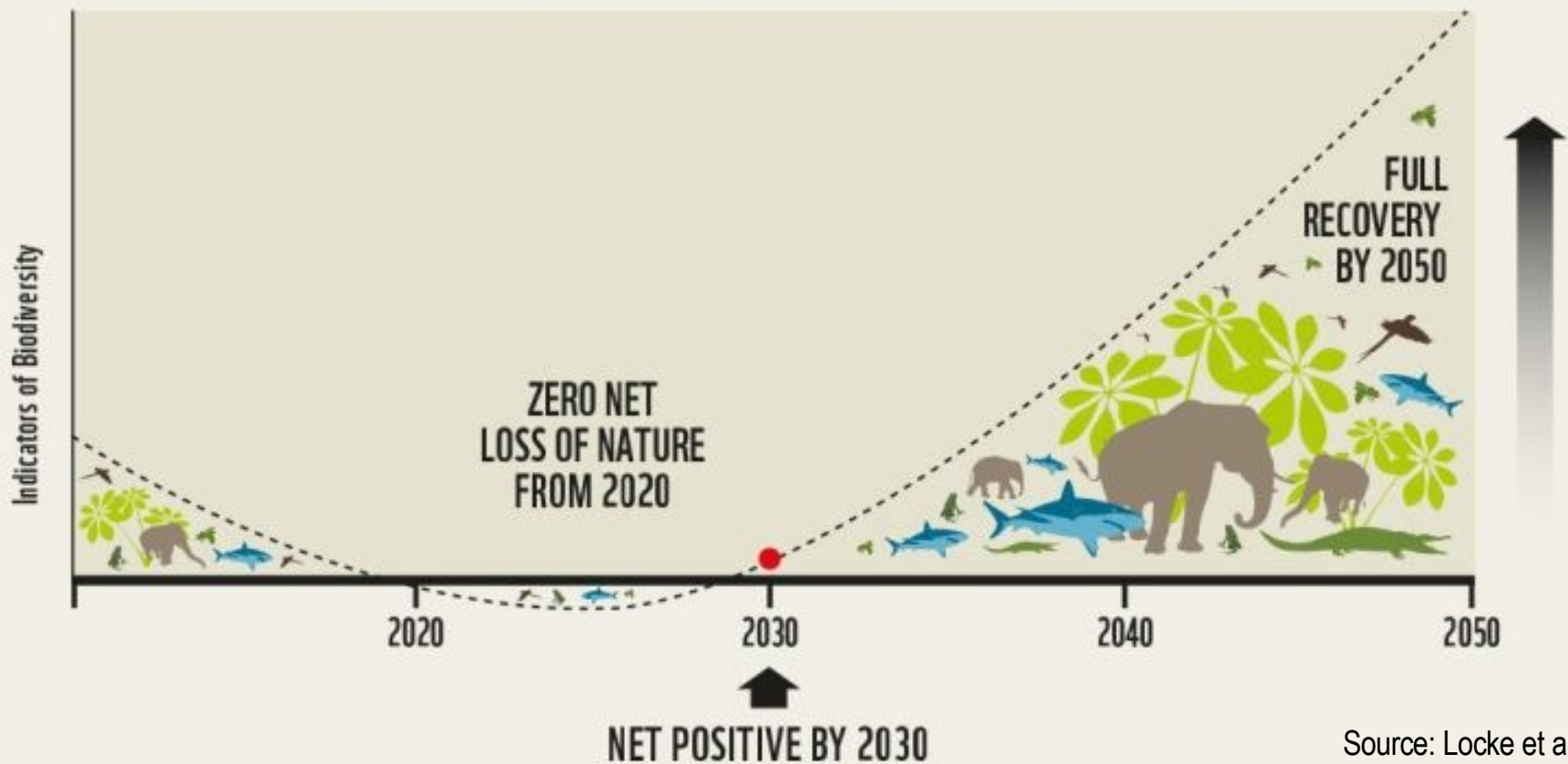


Version 1: readiness

It is expected that in the next 6–12 months there will be agreed global biodiversity goals that give **clear goals, targets** and allow **more harmonised metrics** for ‘nature positive’ portfolios.

In concert, in the climate space, a more detailed roadmap for **deforestation and nature-based solutions** is expected that will allow for to converge on this topic also within their ‘net zero’ strategies.

Global Goal for Nature: Nature Positive by 2030



Source: Locke et al, 2021

Biodiversity

The global ecosystem is rapidly approaching a **planetary tipping point** – the first of its kind caused by humans (the 'Anthropocene').

The banking sector is not only **contributing** to this through its lending and investments, but is also **impacted** because of the increased **financial risk** nature loss represents.

All PRB signatories commitments to set and deliver on portfolio targets in areas of significant **impact**.

47%

All the world's ecosystems have declined by almost 47%

83%

Of wild mammals have been destroyed by humanity (Proceedings of the National Academy of Sciences)

\$44tn

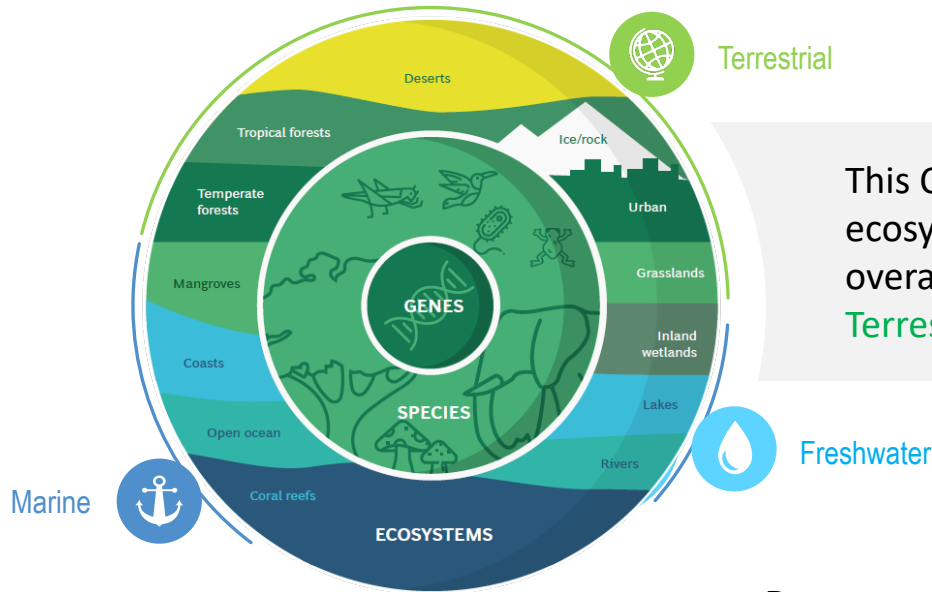
Over 50% global GDP is moderately or highly dependent on nature (World Economic Forum)

\$479bn

Degradation of ecosystem services represent enormous annual loss per year

Approaching Biodiversity

Variety of living organisms from all sources including, terrestrial, marine and aquatic ecosystems and the ecosystems they are part of. This includes diversity within species, between species and of ecosystems”



This Categorization provides links between ecosystems, to species to genes across three overarching ecosystems: **Terrestrial, Marine and Freshwater.**

Promotes readiness to use **SBTN** framework

Source: BCG's "The Biodiversity Crisis Is a Business Crisis"

Collective Progress Review – Findings Biodiversity

Based on a preliminary data analysis
21 June 2021
Johanna Dichtl

UN 
environment
programme

finance
initiative

Principles for
Responsible Banking

Collective Progress of PRB signatories

The Collective Progress Report maps the early stages of a major and critical transition of 40% of the global banking system towards sustainable finance.

Over 200 banks contributed to this report, providing a status update on their progress in implementing the Principles for Responsible Banking, designed to mainstream sustainable finance and bring banks in line with the SDGs and the Paris Climate Agreement.

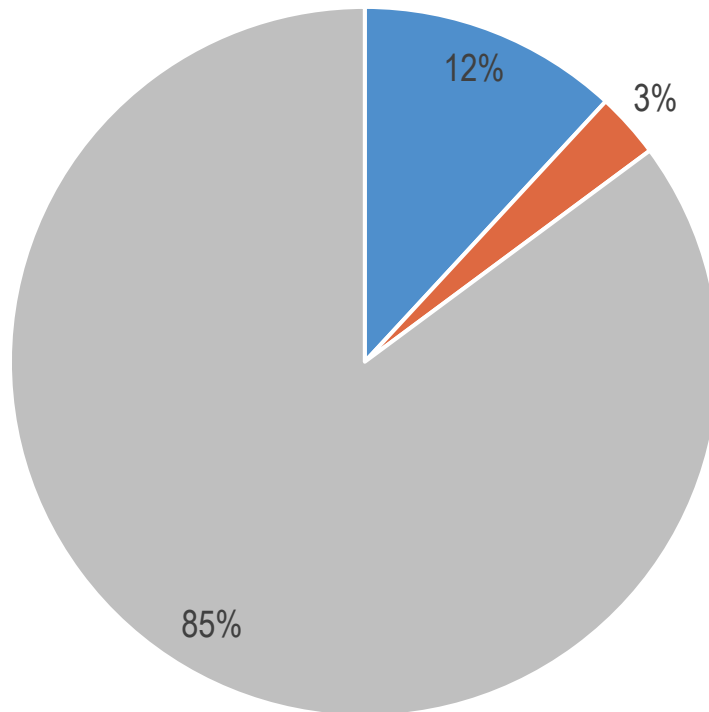
→ This report is the first collective baseline, marking 1.5 years on the Principles' 4-year journey, with banks reporting either on their 1st or 2nd year of implementation.

Data collection (from March 29 until May 7)

- Number of questionnaires received: 203
- Response rate (out of 218 PRB signatory banks, i.e. the group of banks that joined before March 2021): 94.04%

DISCLAIMER: The results shown are based on a self-assessment of banks, the data were not verified by UNEP FI. It is expected that the data would have been validated by each bank in terms of quality and accuracy.

Baseline: commitments to biodiversity amongst PRB Signatories



■ Area of most significant impact ■ Impact Area ■ No

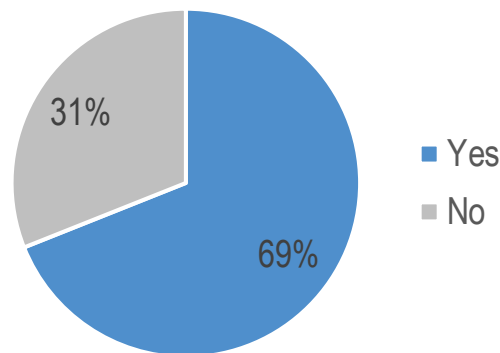
Most significant impact area – Biodiversity: Did your bank identify biodiversity as one of the most significant impact areas or topics, as a result of the impact analysis?

- 24 banks (12%) identify biodiversity as an area of most significant impact
- 6 banks (3%) identify biodiversity as an impact area

Baseline: commitments to biodiversity amongst PRB Signatories

69% have taken actions to start setting targets by signing a pledge for biodiversity or being part of different biodiversity initiatives. 20% have already set portfolio targets, 19% are in the process of setting a biodiversity target.*

Have any actions been taken in order to commit to starting the process of setting targets (e.g. signing of a pledge etc.)?

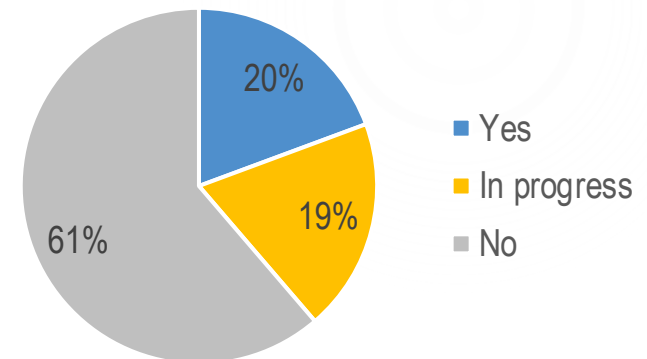


*n = 29

Examples:

- Finance for Biodiversity Pledge
- Partnership for Biodiversity Accounting Financials (PBAF)
- TNFD
- ENCORE testing group
- Act4Nature

Targets: Has your bank set SMART (i.e. specific, measurable, achievable, relevant, timebound) target(s) for biodiversity?

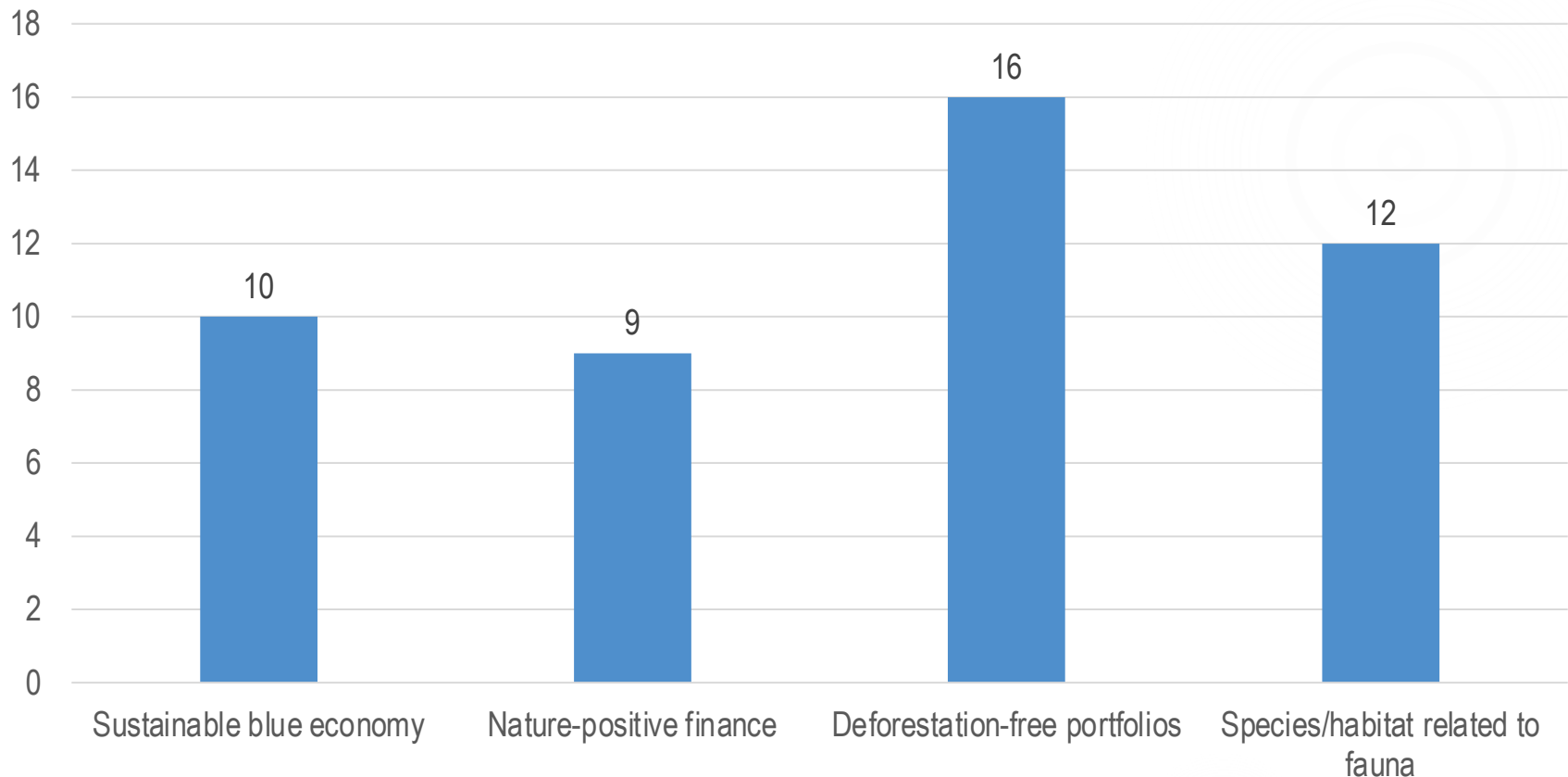


n = 30

- **67%** (20 banks) identified having **business opportunities** from biodiversity
- **20%** (6 banks) report to have developed **KPIs** that measure their progress in the field of biodiversity through the core banking business

Baseline: commitments to biodiversity amongst PRB Signatories

61% of the banks with biodiversity as an impact area have exclusion or no-go policies in place. Of the 30 with biodiversity as an impact area, a third to a half have policies related to different aspects of biodiversity in place, on key themes as shown:



Version 1 of PRB biodiversity target- setting guidance

Alexander “Sasha” Wiese
Christopher Czura

UN 
environment
programme

finance
initiative

Principles for
Responsible Banking



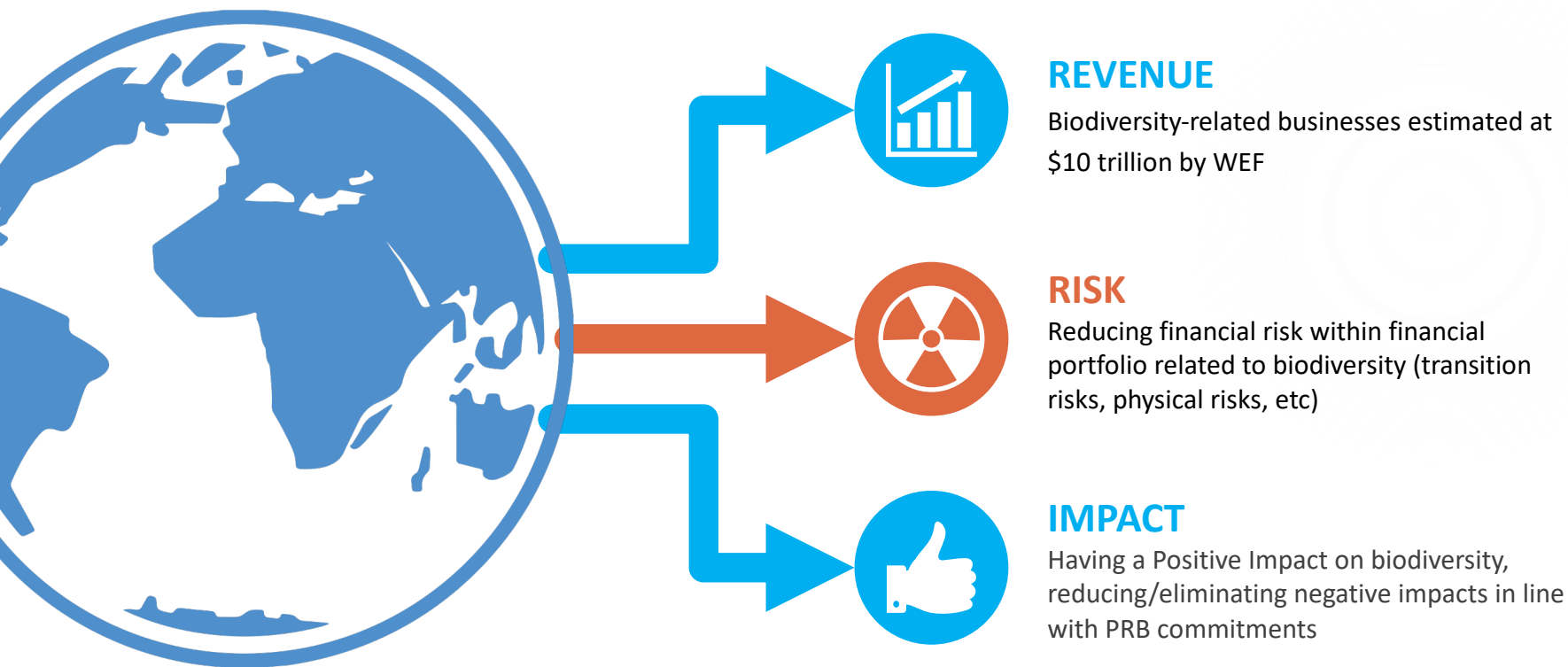
Guidance for banks
Version 1 (June 2021)

Biodiversity Target-setting

Principles for Responsible Banking

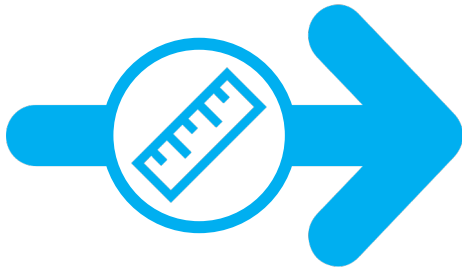


Business Case for Biodiversity Targets



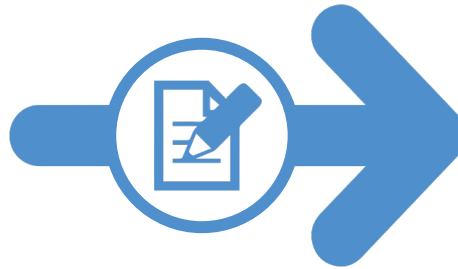
Challenge of Biodiversity Data

MRV for Nature



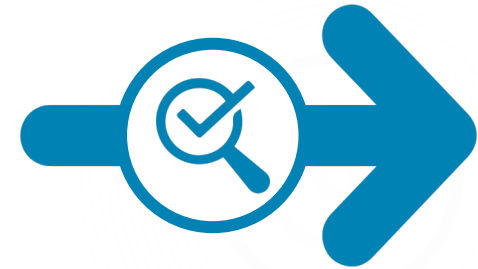
MEASUREMENT

Robust and measurable data for comparable indicators. Often bank data is aggregated at a national level, whereas much of the relevant biodiversity data is needed at a much finer scale.



REPORTING

Inaccurate or unreliable data places banks at risk of regulatory risk. Periodic and consistent reporting is needed to avoid pressure from regulatory bodies (CSRD, SFRD)



VERIFICATION

Verification of data on the impact of biodiversity. Proof of impact of funds within biodiversity investments and for third party assurance of performance.

Importance of new Technology

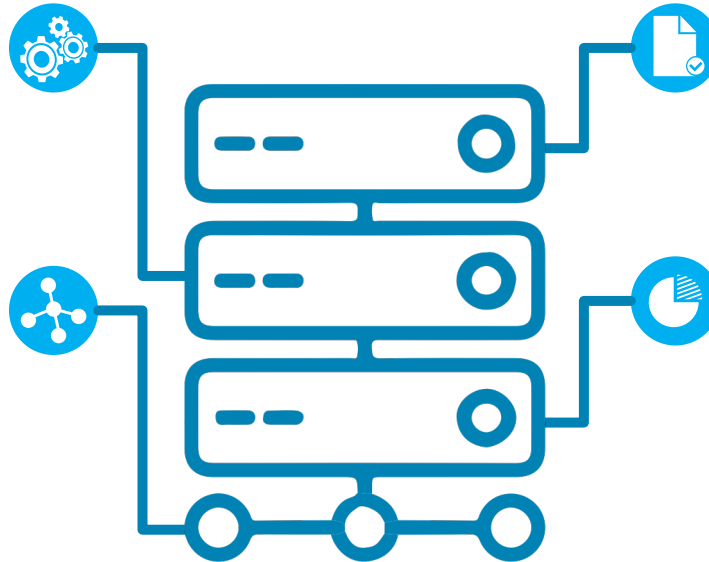
Bridging the data gap

Useful Tools

Use of tools like ENCORE, TRASE, SPOTT, IBAT, Forest 500 and TNFD can help in understanding biodiversity impacts and what targets to set.

New Technology

Advances in AI, IoT, eDNA and Blockchain can help smooth a transition and improve MRV



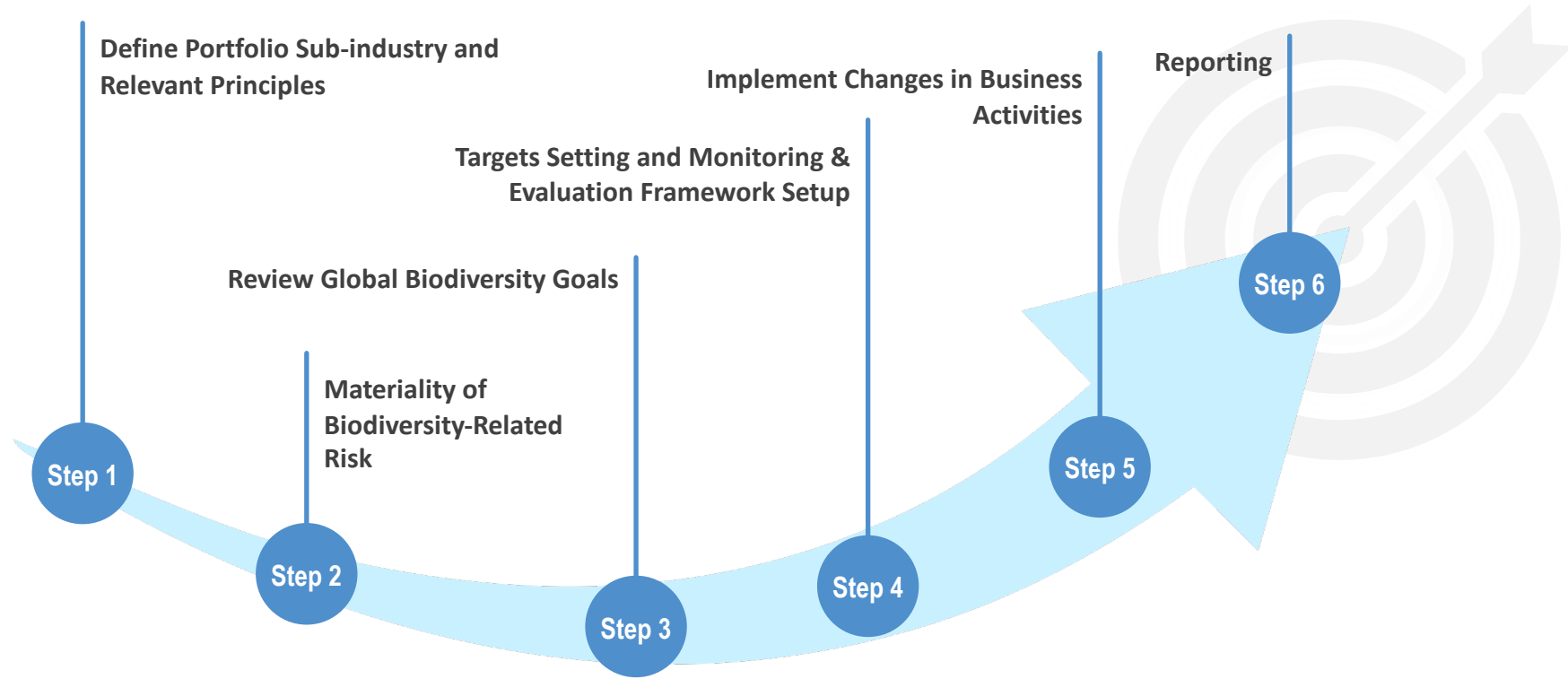
Development of data sharing polices

Improve access to biodiversity data and sharing across industries to help facilitate their implementation

Encourage continued funding into data infrastructure

Monitoring data compiled over many years is essential in understanding change over time, and for developing the indicators that are increasing being used in assessing progress in achieving targets.

Biodiversity Target Setting



Example of Headline Targets

Nature positive portfolios by 2030, deforestation free by 2025, significant new investments in NbS



MARINE

- No net loss or degradation of marine and coastal habitats or biodiversity in IUCN Red List identified Ecosystems
- No net loss of biodiversity from all direct activities of lending and investments



TERRESTRIAL

- Deforestation-free portfolios by 2025
- Net positive terrestrial biodiversity from all lending and investment by 2030



FRESHWATER

- Zero Pollution: Treat 100% of wastewater to effluent quality levels
- Limit freshwater abstraction / net zero

Example of Exclusion Criteria



MARINE

Do not finance where species being fished, processed or sold are on the IUCN Red List of Threatened Species. (seafood)



TERRESTRIAL

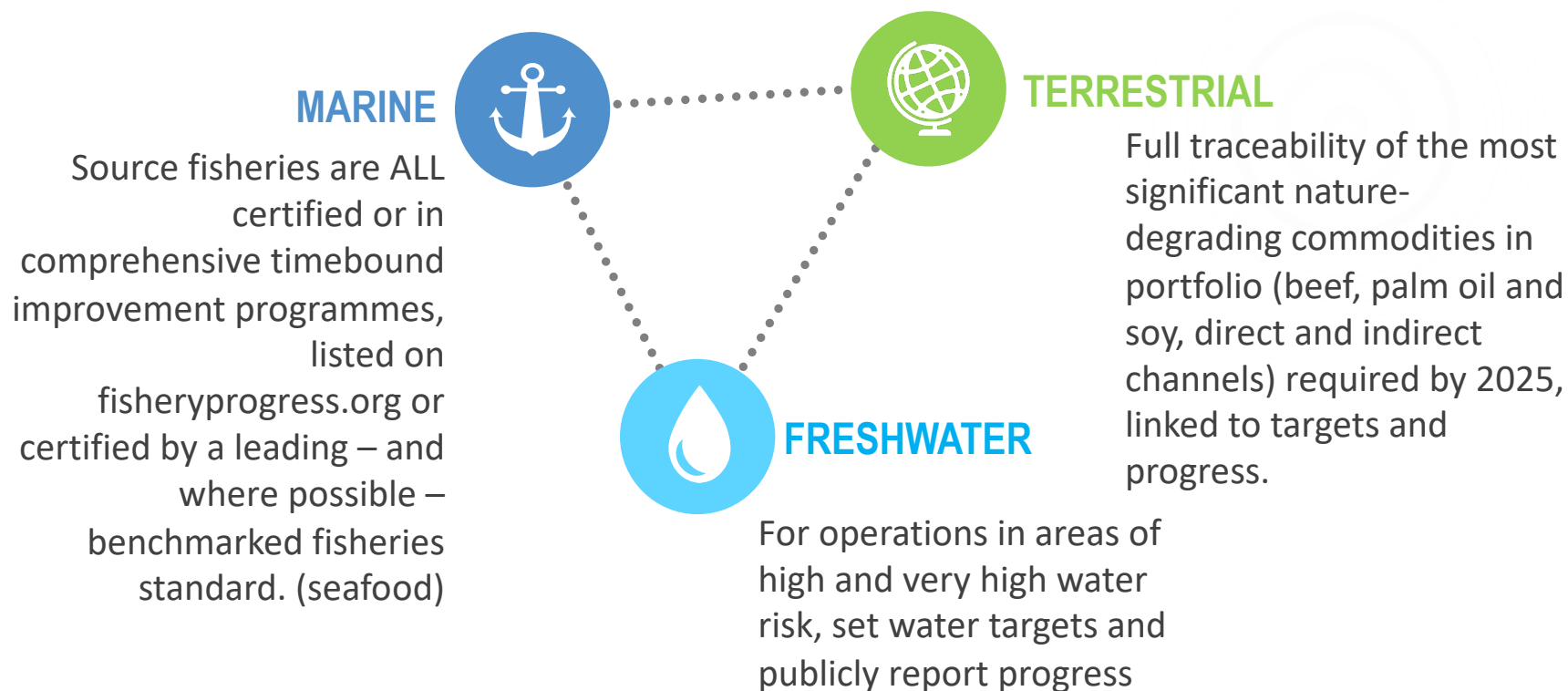
Do not finance where clients are producing or buying beef or soybeans from land cleared or converted after 2008 in the Amazon.



FRESHWATER

Do not finance where clients converting of peatlands and wetlands from sourced commodities.

Example Nature-positive KPIs



Case studies using the-step-by-step approach

- 1: ING on Agriculture
- 2: Credit Suisse on Blue Economy
- 3: Rabobank on Deforestation-free portfolios
- 4: Mitsubishi UFJ Financial Group (MUFG)

Panel discussion

Panelists

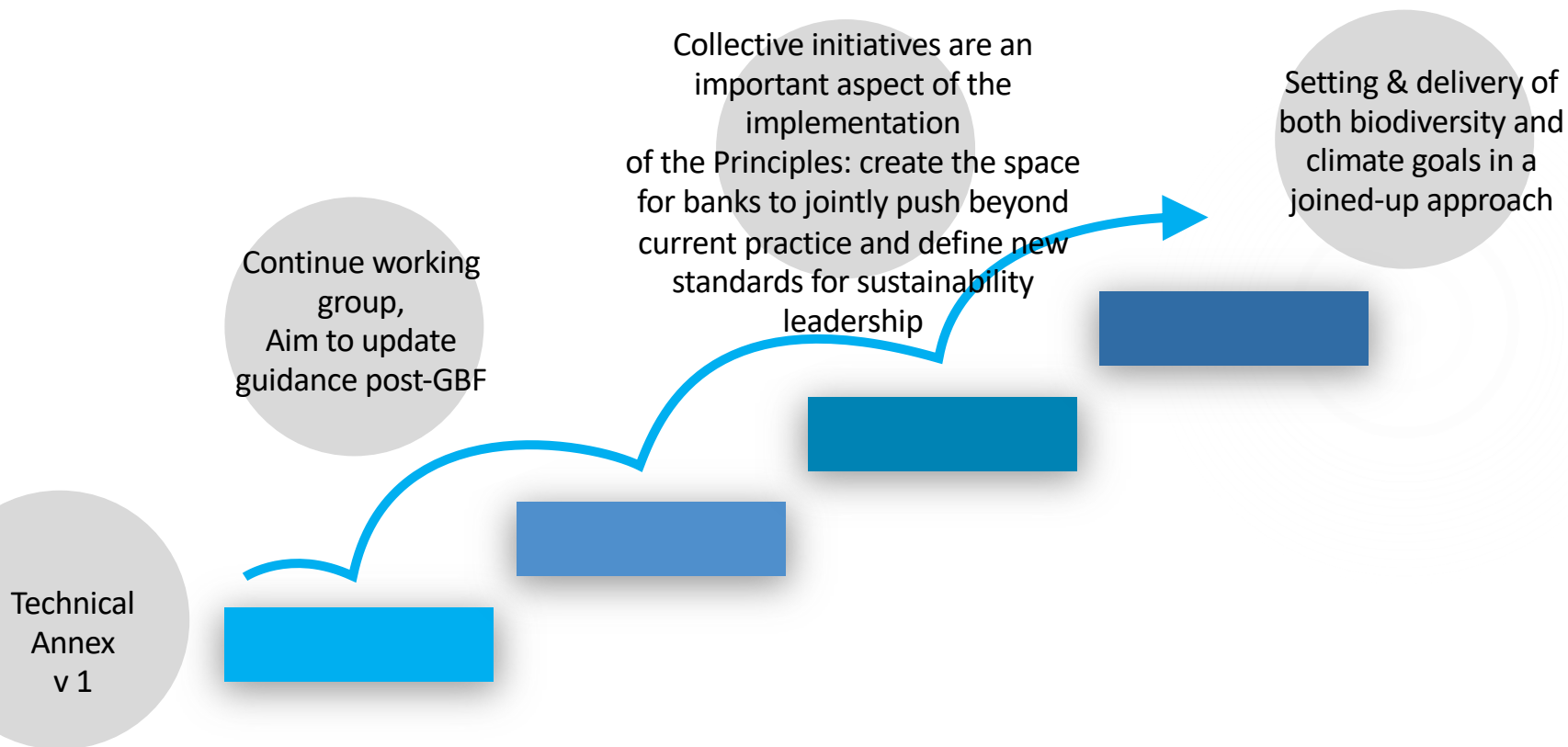
- **Justine Bolton**, Environmental Sustainability Manager, FirstRand Limited
- **Nathalie Jaubert**, Deputy Head of CSR, BNP Paribas

Panel discussion

Panelists

- **Mariuz Calvet**, Director of Sustainability and Responsible Investment, Grupo Financiero Banorte
- **Michael Torrance**, Vice President, Chief Sustainability Officer, BMO Financial Group

Next steps



Welcome comments on the guidance
via jessica.smith@un.org