

# Exploring Natural Capital Opportunities, Risks and Exposure

Romie Goedicke, UNEP FI

---





# Biodiversity is the fastest developing ESG theme in global capital markets



- More than half of global economic output – **US\$44 trillion** – is dependent to some extent on nature. Increasing nature loss therefore presents a threat to the long-term sustainability of businesses, their investors and creditors and the global economy as a whole.
- The IPBES Global Assessment report in 2019 showed that an estimated **1 million species** are under risk of extinction, most of them in the near future.
- Nearly **US\$3 trillion** could be lost from global GDP by the end of the decade without sustained action to protect biodiversity and ecosystems (World Economic Forum's Global Risks report).
- For 3 years running, the loss of biodiversity has been identified by the World Economic Forum's **Global Risk Report** as among the top 5 risks by impact to the global economy. The loss of biodiversity could have significant economic and financial implications, heavily impacting the supply chains and raw materials that underpin companies.

οἶκος  
oikos / house

Erasmian Pronunciation

LOGOS

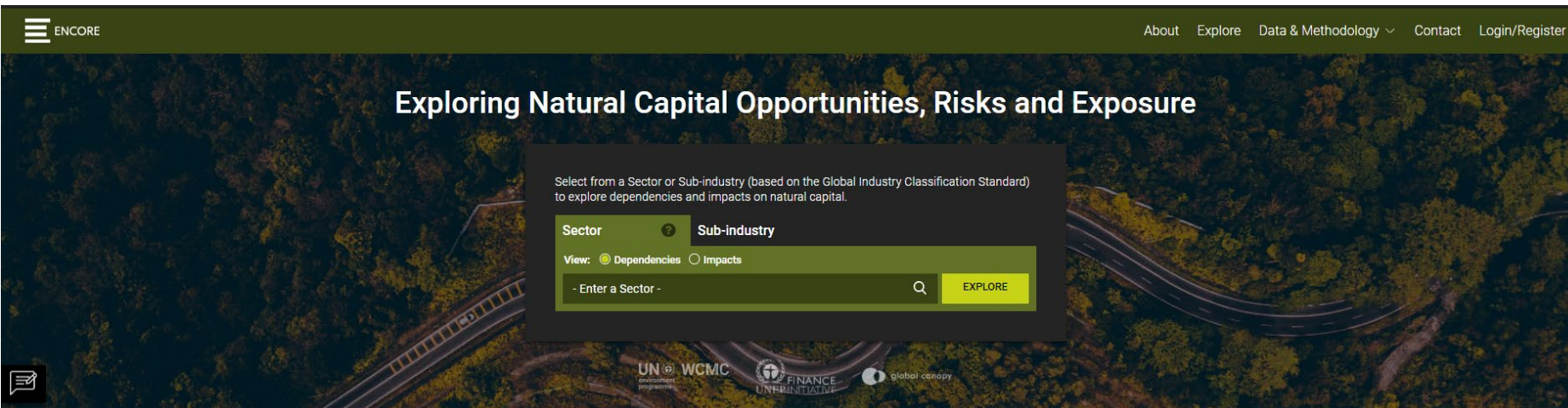
# What is green?

---





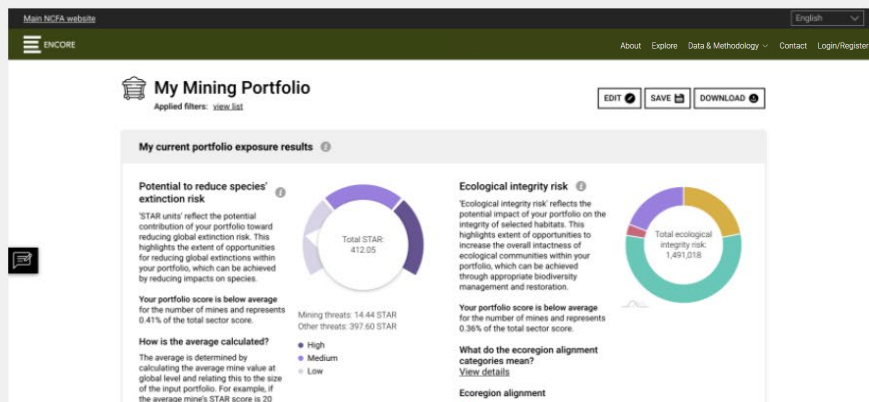
# What is ENCORE?



- Synthesises large body of literature on natural capital



- Helps users build understanding of dependencies and impacts



## New biodiversity module available!

Sign up to access new features of ENCORE, including a module that helps financial institutions understand how they can move towards potential portfolio alignment with global biodiversity goals.

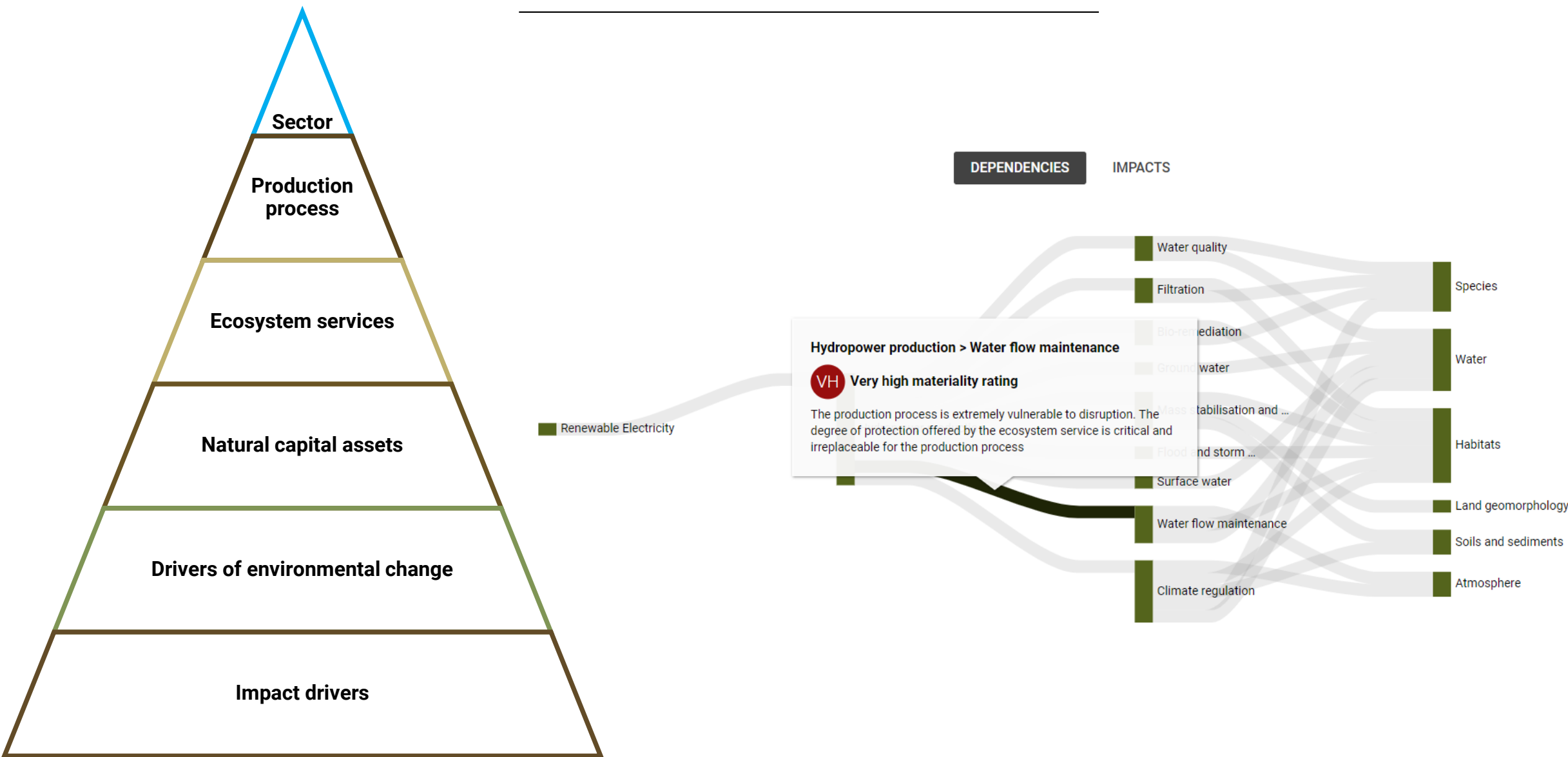
[LOGIN/REGISTER](#)



- Provides a foundation for further detailed analyses

Visit: [encore.naturalcapital.finance](https://encore.naturalcapital.finance)

# ENCORE's knowledge base and functionality



# Work building from ENCORE

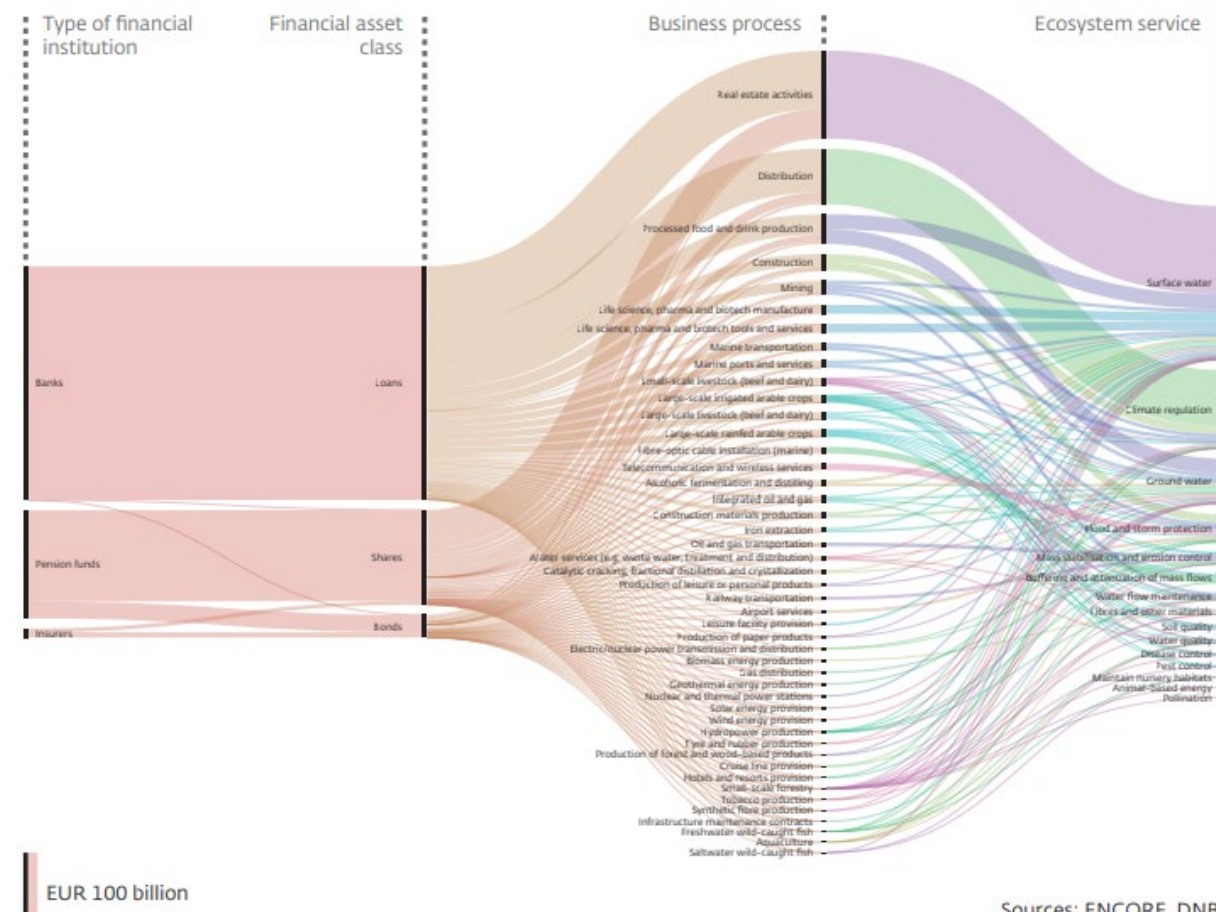
ENCORE data has been used as the basis for high-profile reports



**DNB & PBL (June 2020)**

Figure 3 The financial sector and ecosystem services dependencies per euro invested\*

EUR billion



Sources: ENCORE, DNB

\* The total value of the holdings in shares and bonds (2018-IV), and of the major loans (2017-IV) by Dutch financial institutions, is EUR 1,421 billion.

# ENCORE's biodiversity module

## Towards potential portfolio alignment with biodiversity goals

GET STARTED

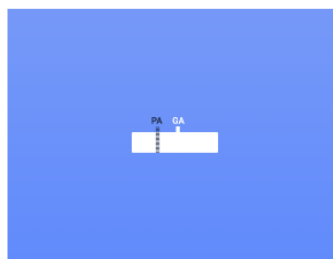
### Module features

**Important notice:** this module uses goal-relevant metrics, but does not currently provide an explicit link to global biodiversity goals in the developing post-2020 global biodiversity framework as this is yet to be formally agreed at the 15th Conference of the Parties to the Convention on Biological Diversity (CBD COP-15). This module will be updated in accordance with the final negotiated text of the post-2020 global biodiversity framework once this text is available.



#### Current portfolio potential to reduce species extinction and ecological integrity risk

**Helps you answer:** To what extent can my portfolio potentially reduce global extinction risk? To what extent does my portfolio potentially impact ecological integrity?



#### Global overview of current portfolio exposure

**Helps you answer:** Where are the regional hotspots of my agriculture impacts? Are my portfolio-level mining impacts driven by a small subset of my mining portfolio?



#### Potential future exposure

**Helps you answer:** What are potential pathways for positive impacts within my agriculture or mining portfolio?



#### Options for increasing alignment

**Helps you answer:** What types of actions can I take to increase the alignment of my portfolio with global biodiversity goals?



# What else does UNEP FI offer?



## **Nature in a Haystack: Leveraging Public Nature-related Data in Disclosure Frameworks**

Recommendations based on an assessment of data availability for Costa Rica, India, Indonesia, Mexico and South Africa



## **Are You Ready For Nature-related Disclosure?**

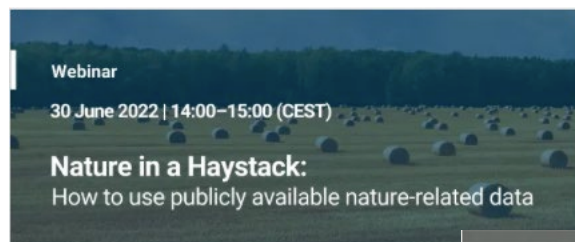
An assessment of readiness and expectations from the corporate market



## **Prioritising Nature- related Disclosures: Considerations for High-risk Sectors**

An overview of the main dependencies and impacts for 10 high-risk sectors

# Events & communications activities



**‘We need to talk about biodiversity’**  
Webinar series (*ongoing*)

**Nature for Life Hub 2022 (UNDP)**  
‘An agenda for action: understanding nature-related risk and disclosure’ (*November 2022*)



NATUREFORLIFEHUB.ORG  
**NATURE FOR LIFE**  
TOWARD A DECADE OF HOPE & TRANSFORMATION

**CBD COP 15 and side events on finance & biodiversity** (*December 2022*)



**Convention on  
Biological Diversity**



finance  
initiative

**Thanks!**  
**[romie.goedicke@un.org](mailto:romie.goedicke@un.org)**

---