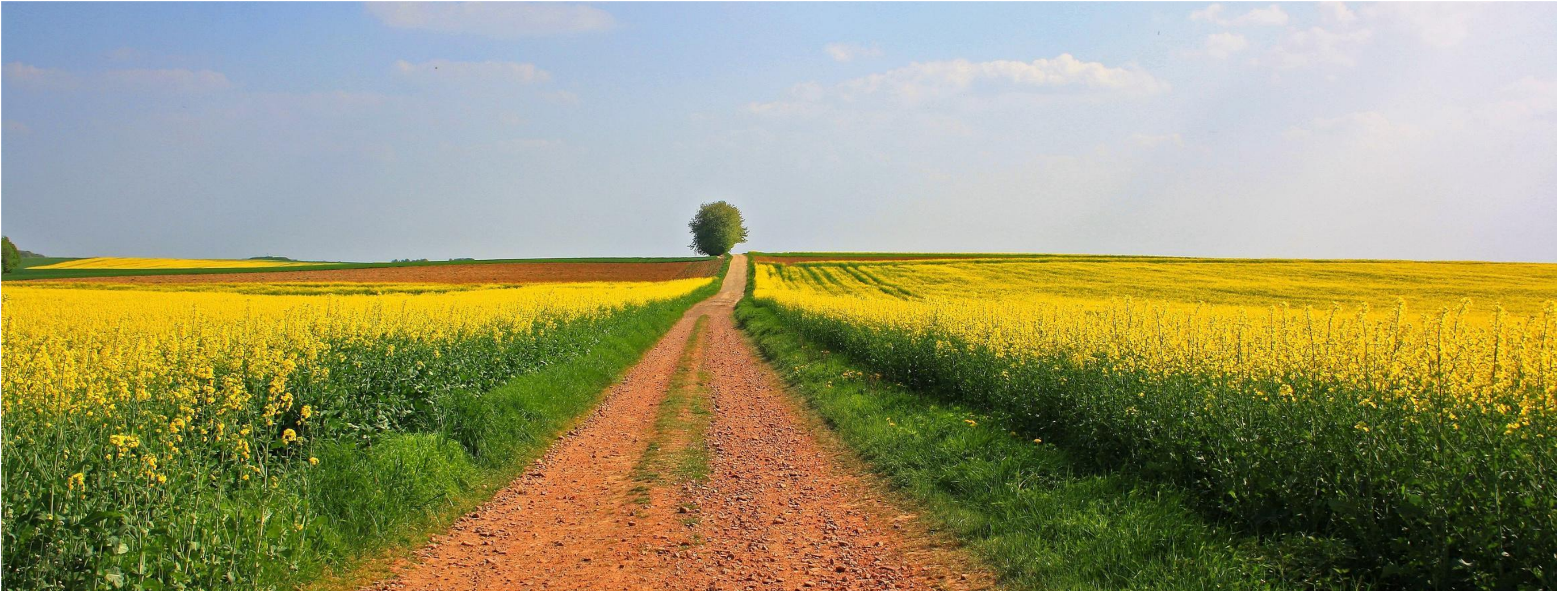


Tracking top biodiversity-impact sectors with footprinting tools



Finance *for*
Biodiversity
Foundation



European Business &
Biodiversity Platform

13 April 2023

Agenda



- 01 Investor Interest
- 02 Methodology Used
- 03 Sector and Company Results



Anita de Horde
FfB Foundation



Annelisa Grigg
Globalbalance

WEBINAR

Thursday 13 April 2.00pm (CEST)

TRACKING TOP BIODIVERSITY IMPACT SECTORS



Liudmila Strakodonskaya
AXA IM



Steve Freedman
Pictet AM



Daniël Kan
PRé Sustainability



Toby Smith
Impact Institute



Matthieu Maurin
Iceberg Data Lab



Violette Pradere
CDC Biodiversité

Investor Interest



Why sector
information is key
for engagement
initiatives

Liudmila Strakodonskaya

AXA IM and co-chair of FfB
Foundation Impact
Assessment working group



Importance of the
study for the
development of
impact assessment
for financial
institutions

Steve Freedman

Pictet Asset Management and
co-chair of the FfB Foundation
Impact Assessment working group

Context: Scoping Nature Action 100

With seed-funding by Global Commons Alliance 'Accountability Accelerator'

1

Scoping Partners

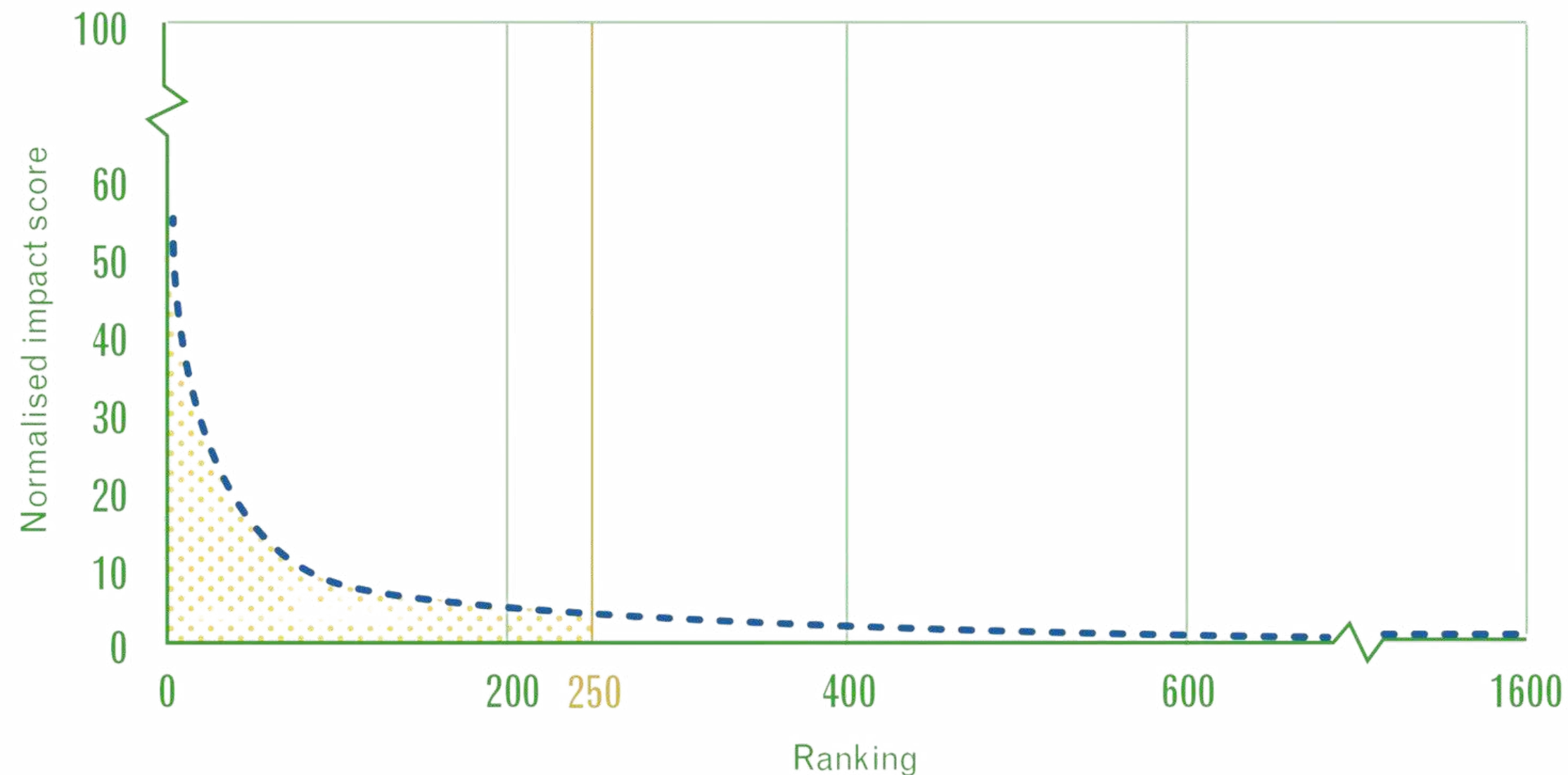


2

Scoping Companies

With biodiversity footprint of
sectors and corporates incl. supply
and value chain

(via leading tool providers)



Multi-tool Analysis pilot result

Top 250 companies
within MSCI World
Index are responsible
for 73% of negative
impact of complete list

Multi-tool study pilot



Unique
collaboration of
footprinting tools

Annelisa Grigg

Globalbalance and lead of
the analysis

Multi-tool analysis pilot

Participants

- Four footprinting tools
- Representation from ENCORE (UNEP WCMC), PBAF, Align and FfB Foundation WG Impact Assessment

- 
1. BFFI – Biodiversity Footprint Financial Institutions
 2. BIA-GBS – Biodiversity Impact Analytics powered by GBS
 3. CBF – Corporate Biodiversity Footprint
 4. GID – Global Impact Database, Biodiversity Impact Data

Goals

- **Main goal:** Test possibilities to identify high-impact companies
- **Other goals:** Better understand differences between the tools & Identify areas for harmonisation

Project deliverables

- **Briefing paper** with methodology and sector scores (launch today)
- **Recommendations** for **harmonisation** of the tools (included in Guide on biodiversity measurement approaches)



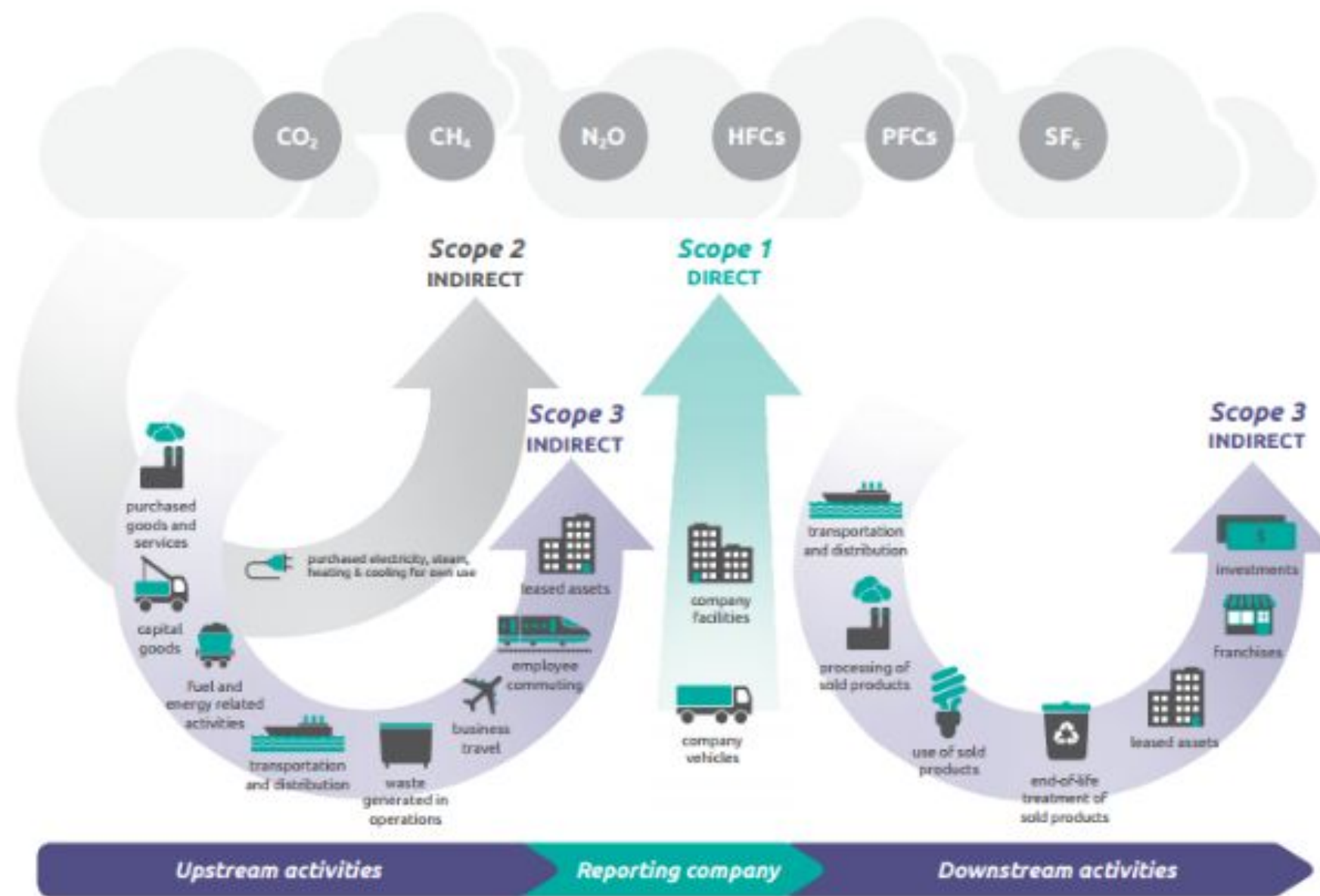
Multi-tool study pilot



What is
biodiversity
footprinting?

Daniël Kan
PRé (BFFI tool)

We all know carbon footprints



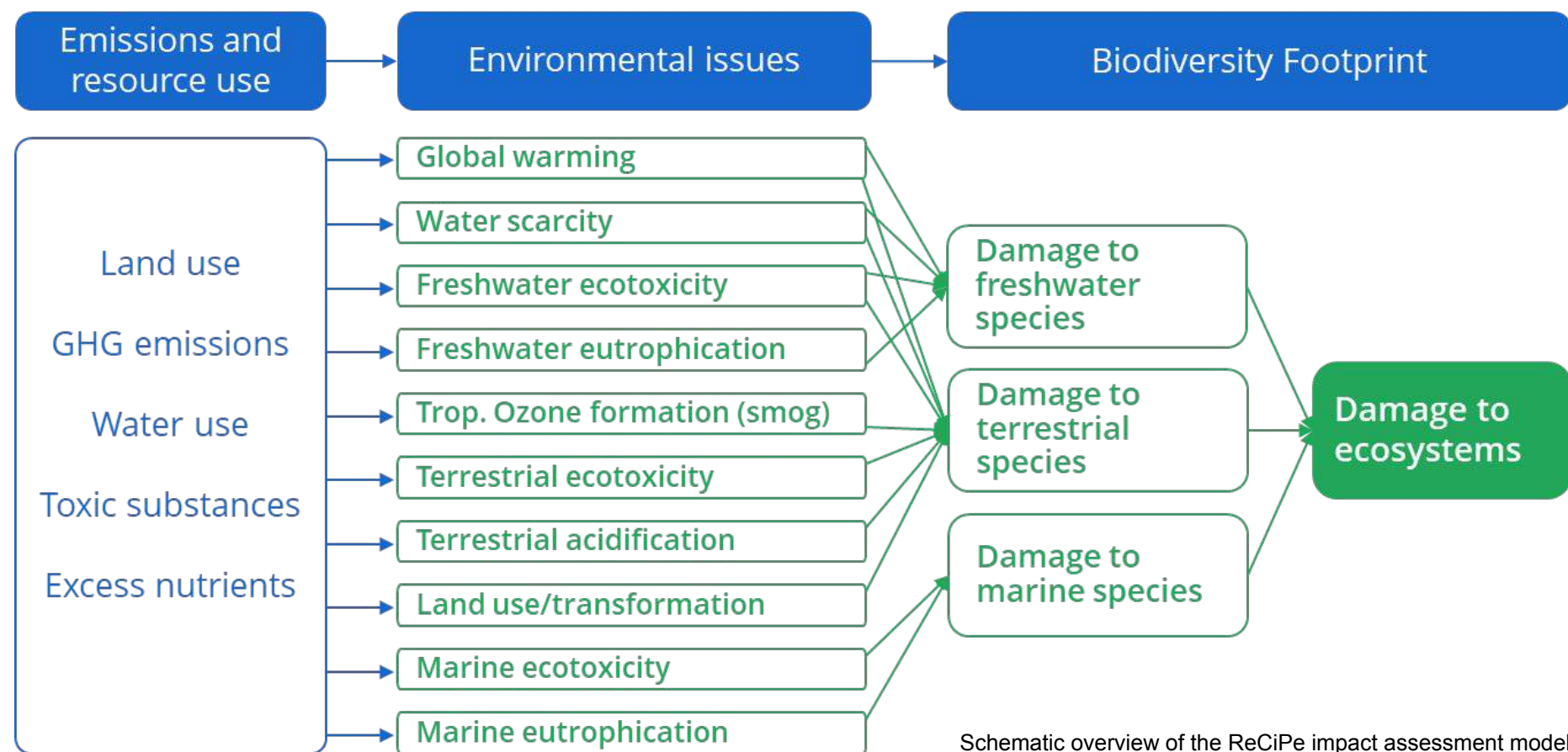
Source: <https://ghgprotocol.org/blog/you-too-can-master-value-chain-emissions>

A carbon footprint provides an overview of all GHG emissions of a company or a product.

The footprint includes direct emissions and emission in the supply chain.

There are many greenhouse gasses. The IPCC model allows the result to be expressed in CO₂-equivalents.

Biodiversity footprints expand the scope of environmental issues covered



Schematic overview of the [ReCiPe impact assessment model](#)

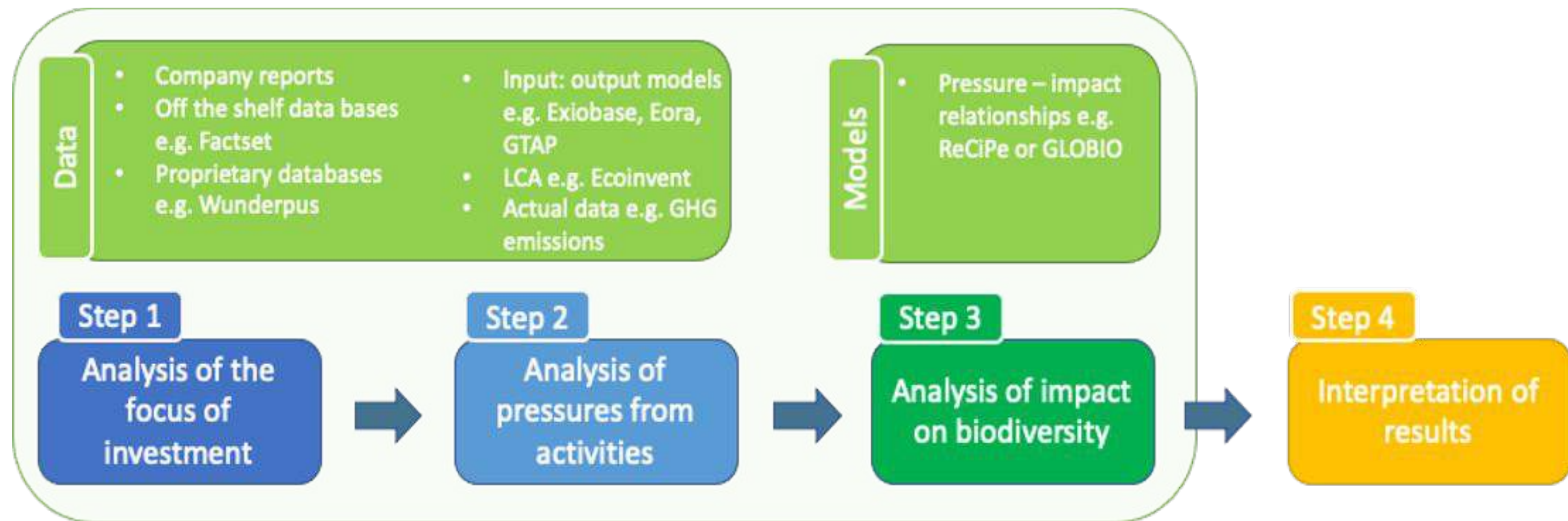
Biodiversity loss is caused by a range of drivers.

Impact assessment models are used to quantify the impact of emissions and resource use on different environmental issues.

A biodiversity footprint is going one step further by quantifying the impact of those environmental issues

Background:

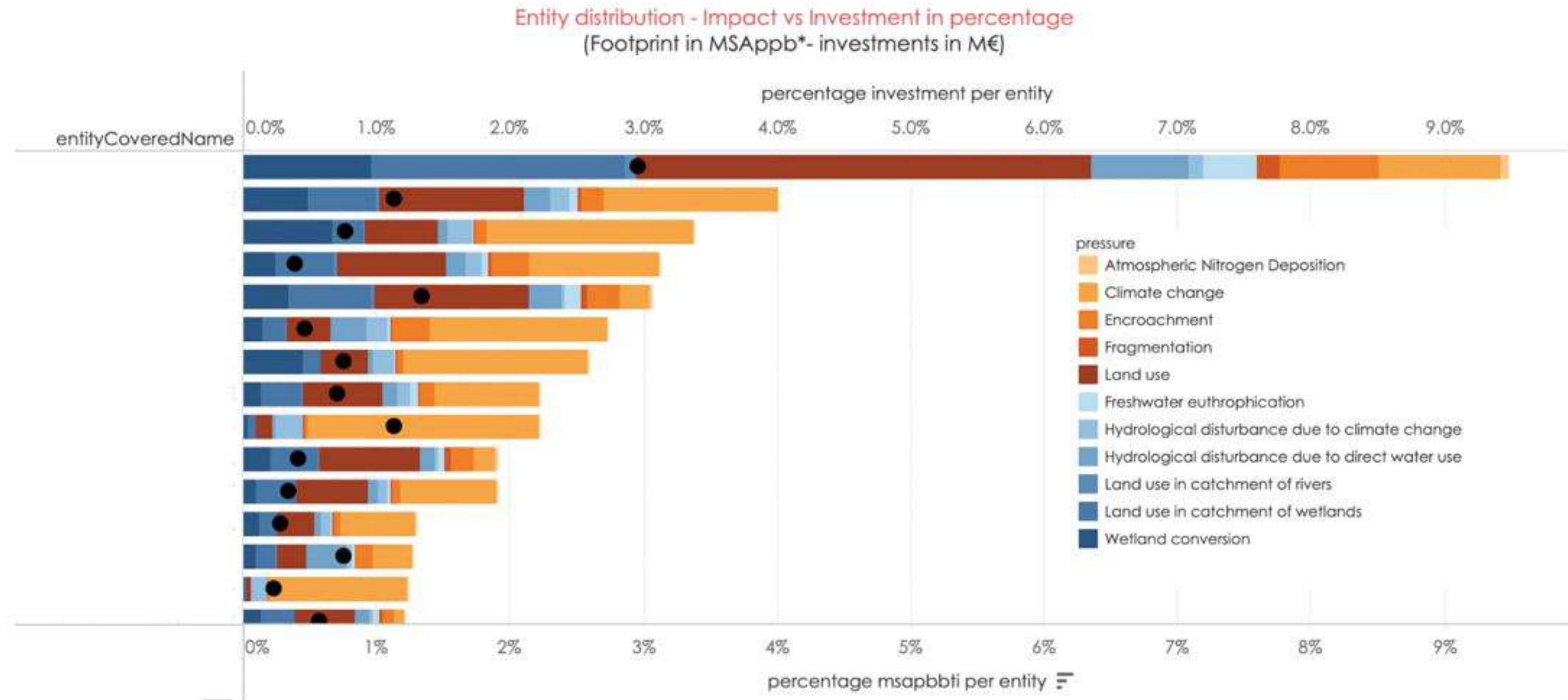
How do footprinting tools work?



Note: all four footprinting tools in our analysis calculated with modelled data

How do footprinting tools work?

1/2 - Example BIA-GBS

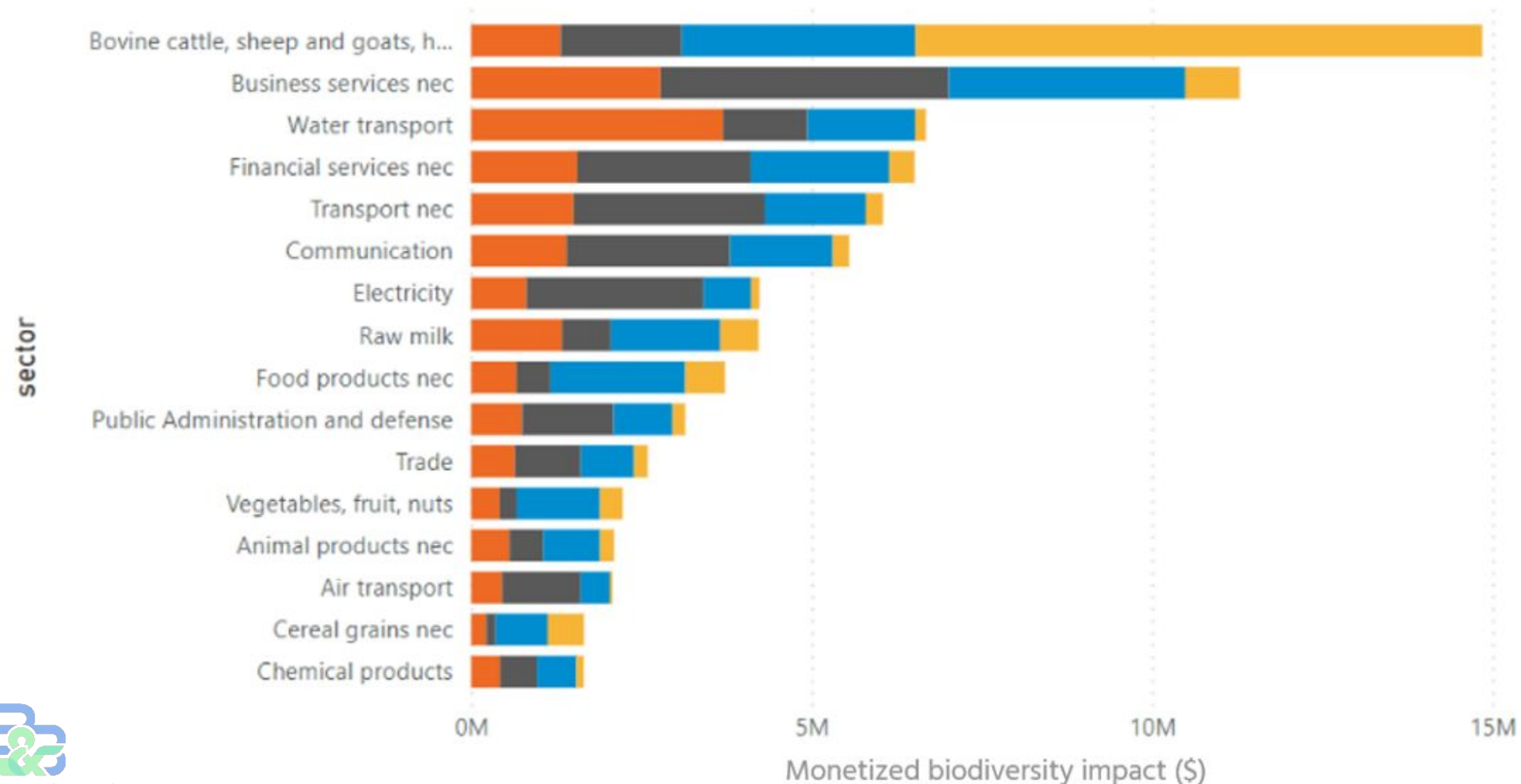


How do footprinting tools work?

2/2 - Example GID

Biodiversity impact by investment sector and biodiversity pressure – Monetized

Biodiversity_pressure ● Air pollution ● Contribution to climate change ● Land-use ● Water pollution



Multi-tool study pilot



Methodology of
Multi-tool Study

Toby Smith

Impact Institute (GID tool)

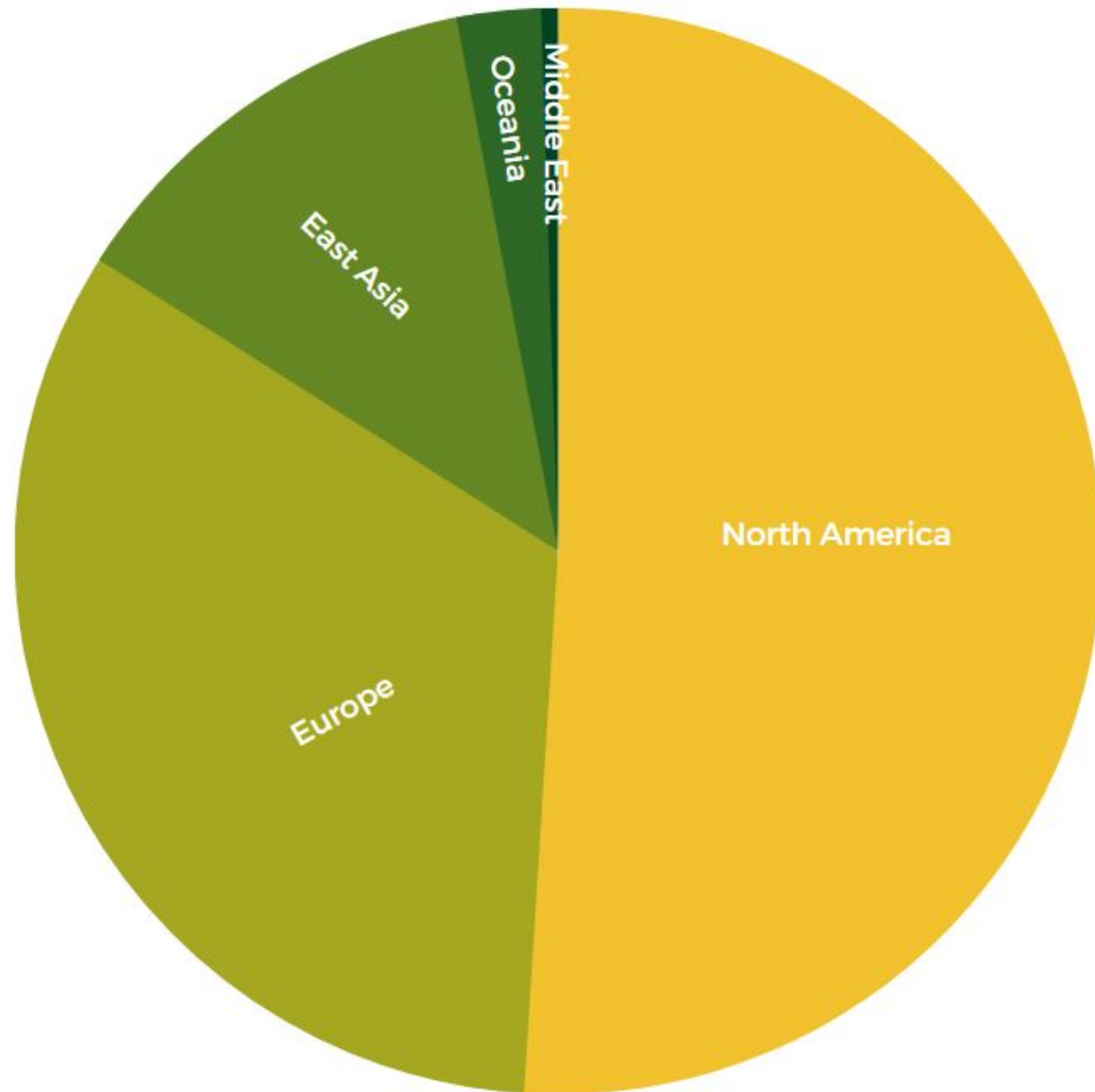
Steps in the multi-tool analysis

- Calculation of **absolute biodiversity impact** scores by tool providers, for MSCI World constituents
- **Harmonising ISIN** codes and addressing data gaps
- Calculation of **normalised impact scores** for each tool (normalising all outcomes to a 0-100 scale)
- Check of **potential outliers** by tool providers (i.e. companies identified as high-impact by 1 tool)
- Compiled **top 250 list** based on **117 highest-impact companies** identified by each tool separately (i.e. embracing the diversity of the tools)
- Calculation of **average normalized impact score** for each company
- Added **SICS industry & thematic sector** for each company (and later on **GICS**)
- **Sector analysis**: total impact (i.e. sum of average normalized impact scores) for each Industry Group (Level 2) and Industry (Level 3)

Geographical Coverage

Top 250 Companies.

Note: the MSCI universe is geographically biased towards N America and Europe



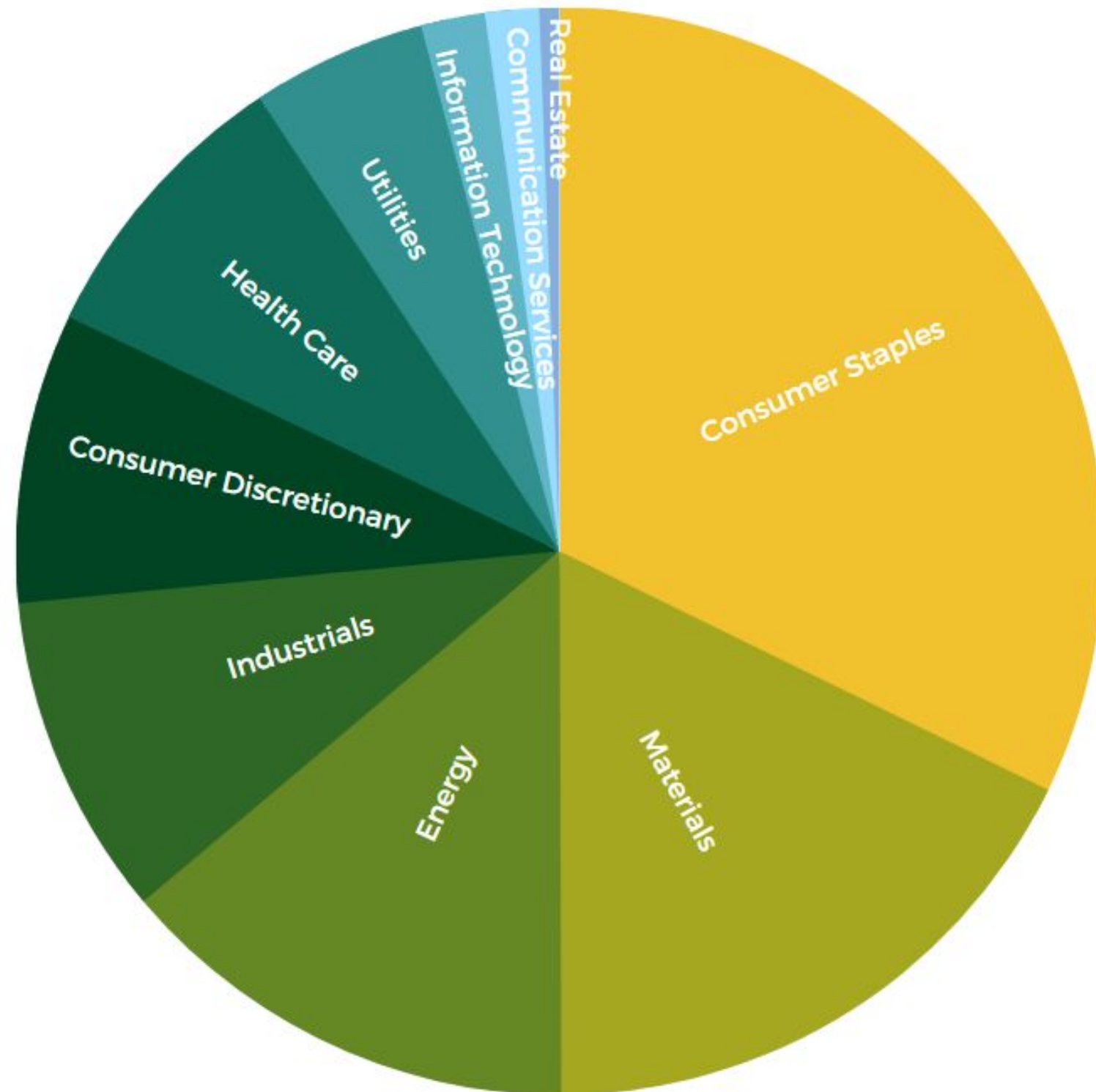
Multi-tool study pilot



Top 250
Companies,
Sectors & Industry
Ranking

Matthieu Maurin

Iceberg Data Lab (CBF tool)



Sector Results

GICS Sectors (Level 1)

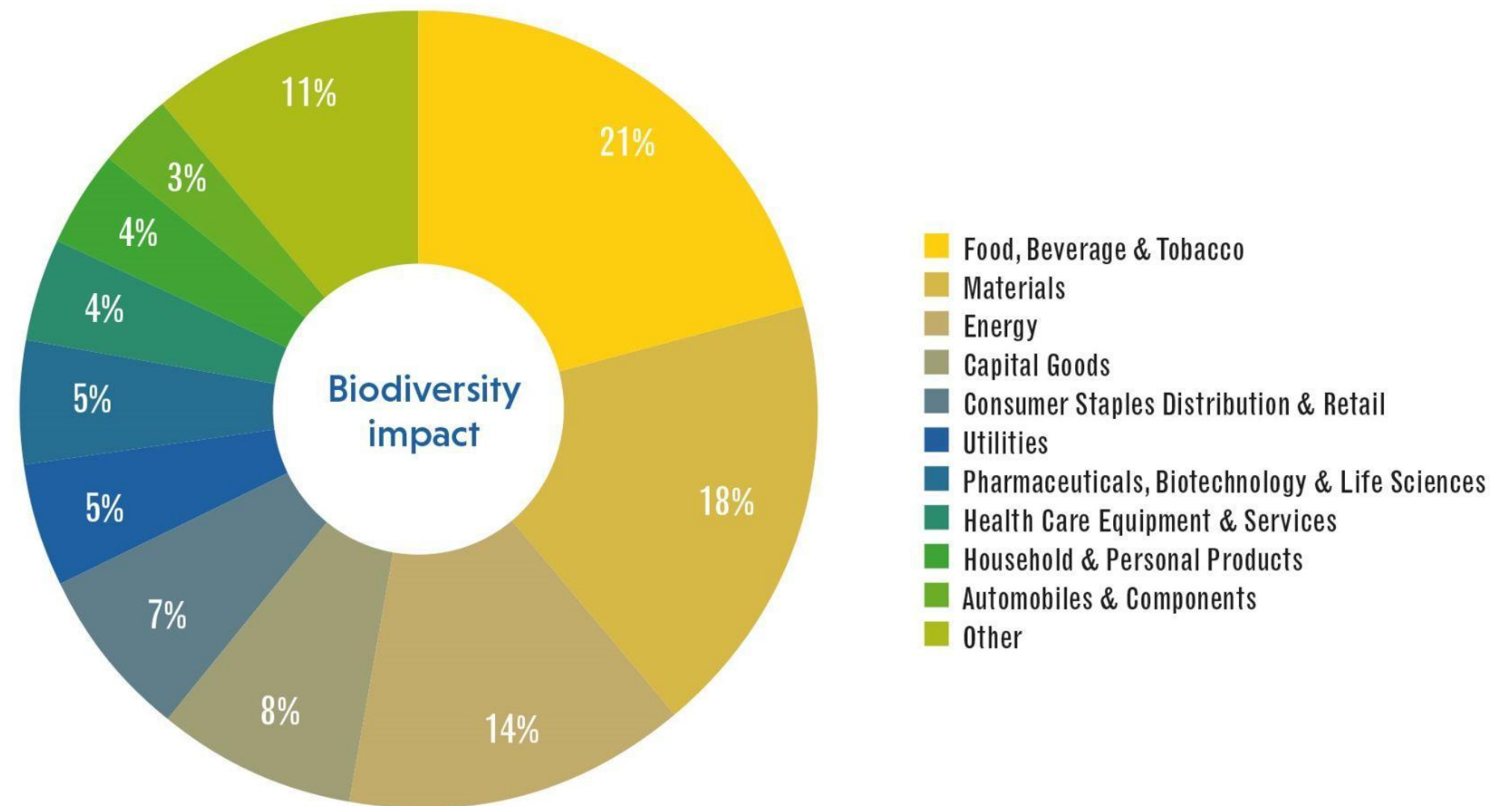
Share of total biodiversity impact of the top
250 companies by sector

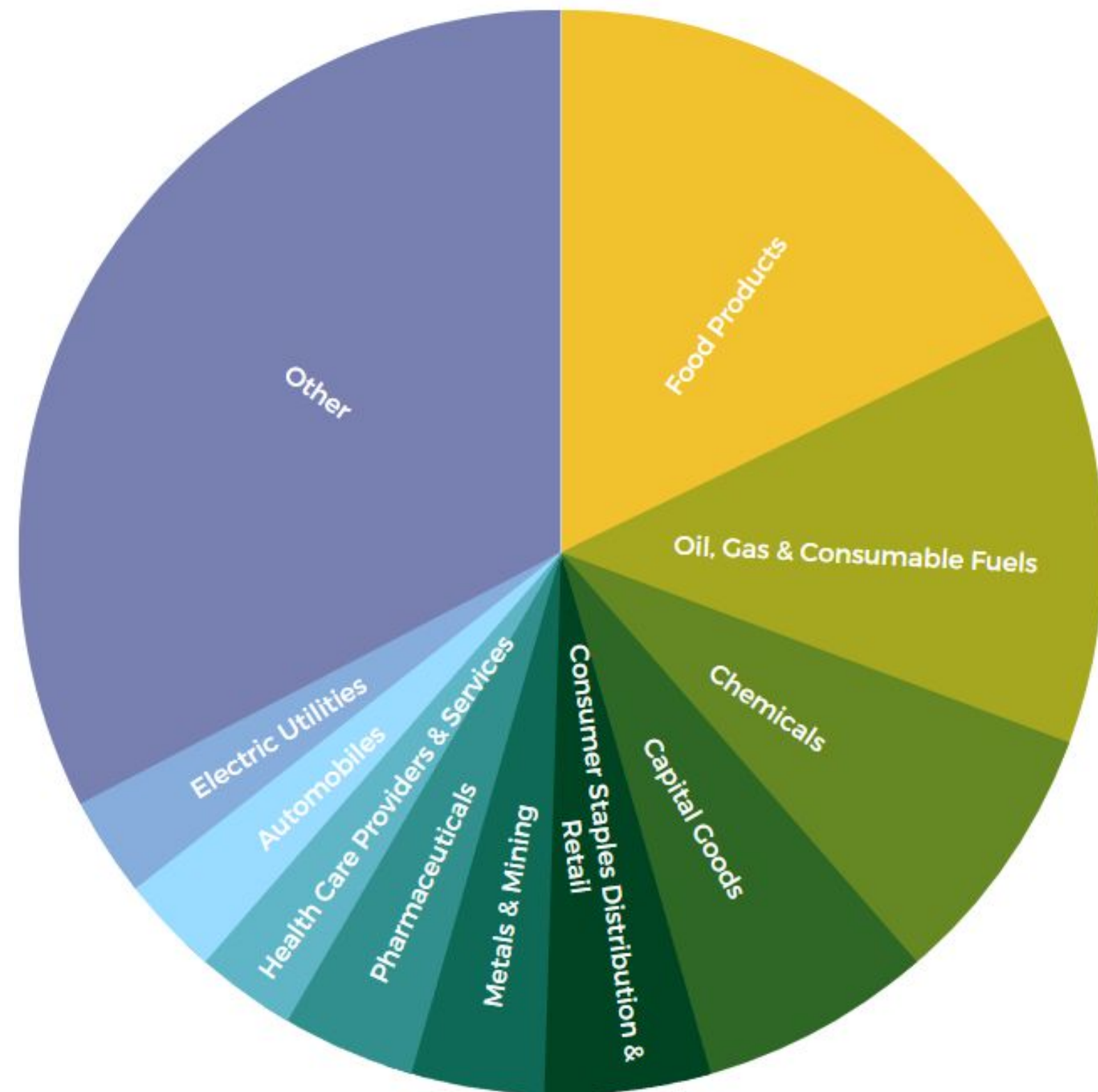
Sector Results

GICS Industry Group (Level 2)

Share of total biodiversity impact of the top 250 companies by industry group.

Top 10 most impactful industry groups are responsible for 89% of total impact of top 250 companies





Sector Results

Top 10 GICS industries (Level 3)

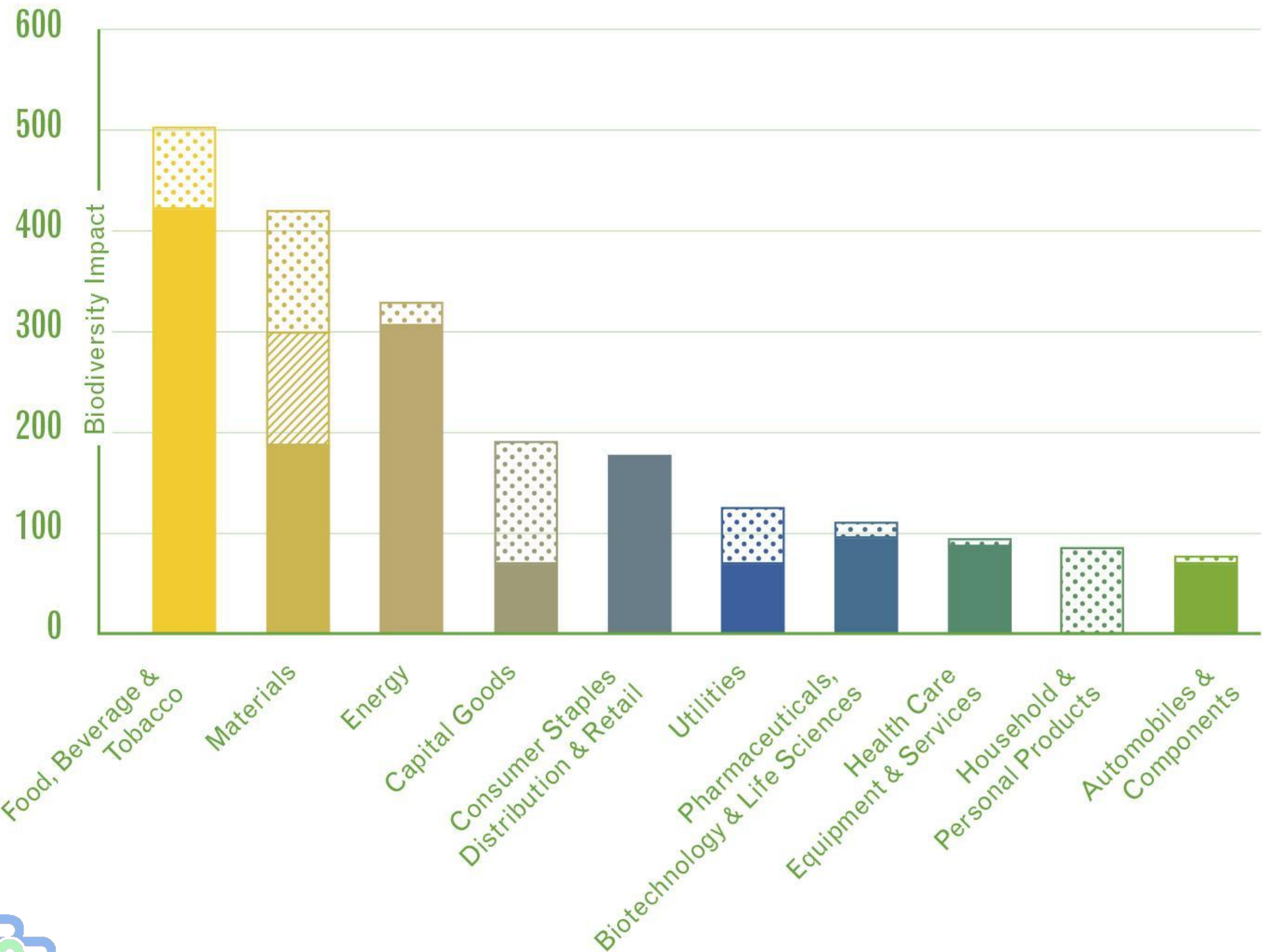
Share of total biodiversity impact of the top 250 companies.

Top 10 most impactful industries 67% of total impact of top 250 companies

Sector Results

GICS Industry Groups & Industries

Share of total biodiversity
impact of the top 250
companies



- Food Products
- Other Food, Beverage & Tobacco
- Chemicals
- Metals & Mining
- Other Materials
- Oil, Gas & Consumable Fuels
- Other Energy
- Trading Companies & Distributors
- Other Capital Goods
- Consumer Staples Distribution & Retail
- Electric Utilities
- Other Utilities
- Pharmaceuticals
- Other Pharmaceuticals, Biotechnology & Life Sciences
- Health Care Providers & Services
- Other Health Care Equipment & Services
- Other Household & Personal Products
- Automobiles
- Other Automobiles & Components

Multi-tool study pilot



Data gaps &
considerations

Violette Pradère
CDC Biodiversité
(BIA-GBS tool)



Data gaps &
considerations

Théophile Anquetin
Carbon4 Finance
(BIA-GBS tool)

Note - The tools underrepresent some sectors

- **Agriculture** - Limited coverage in MSCI World Index. Agricultural impacts covered through food retailers and raw commodity dealers
- **Marine sectors** (e.g., shipping, aquaculture, fisheries, offshore extraction, offshore renewables, offshore construction) - Impact on marine biodiversity not / partially covered by the tools
- **Chemicals** - Impact of ecotoxicity only covered partially by the tools
- **Transportation** - Impact of invasive species not covered by the tools
- **Construction** - Part of the material flow is not considered in the evaluation

Note: Non-listed companies not assessed

Questions?



Next steps

1. By EU Business & Biodiversity Platform



2. By Align and PBAF



3. By FfB Foundation



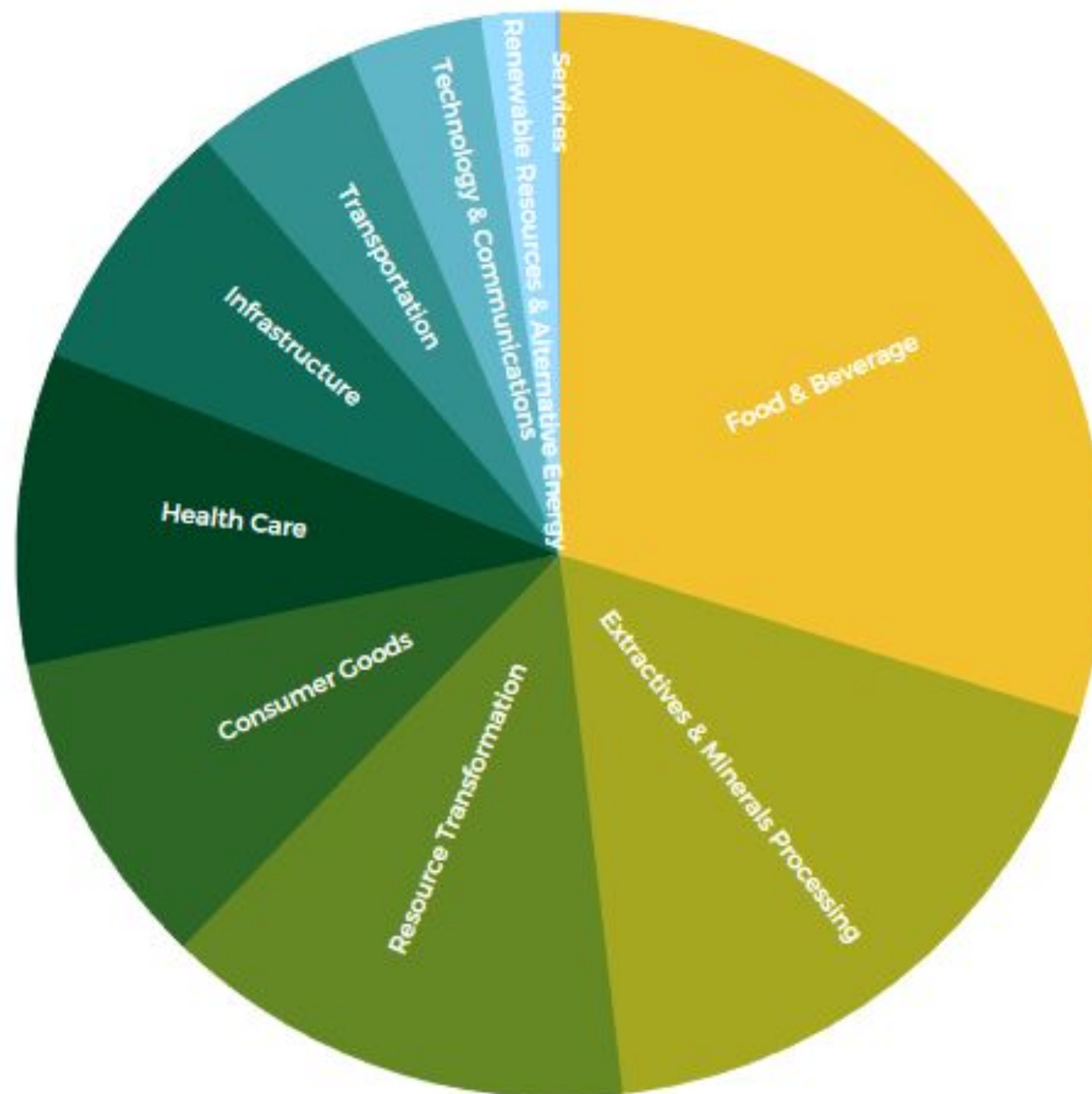
Slides in reserve

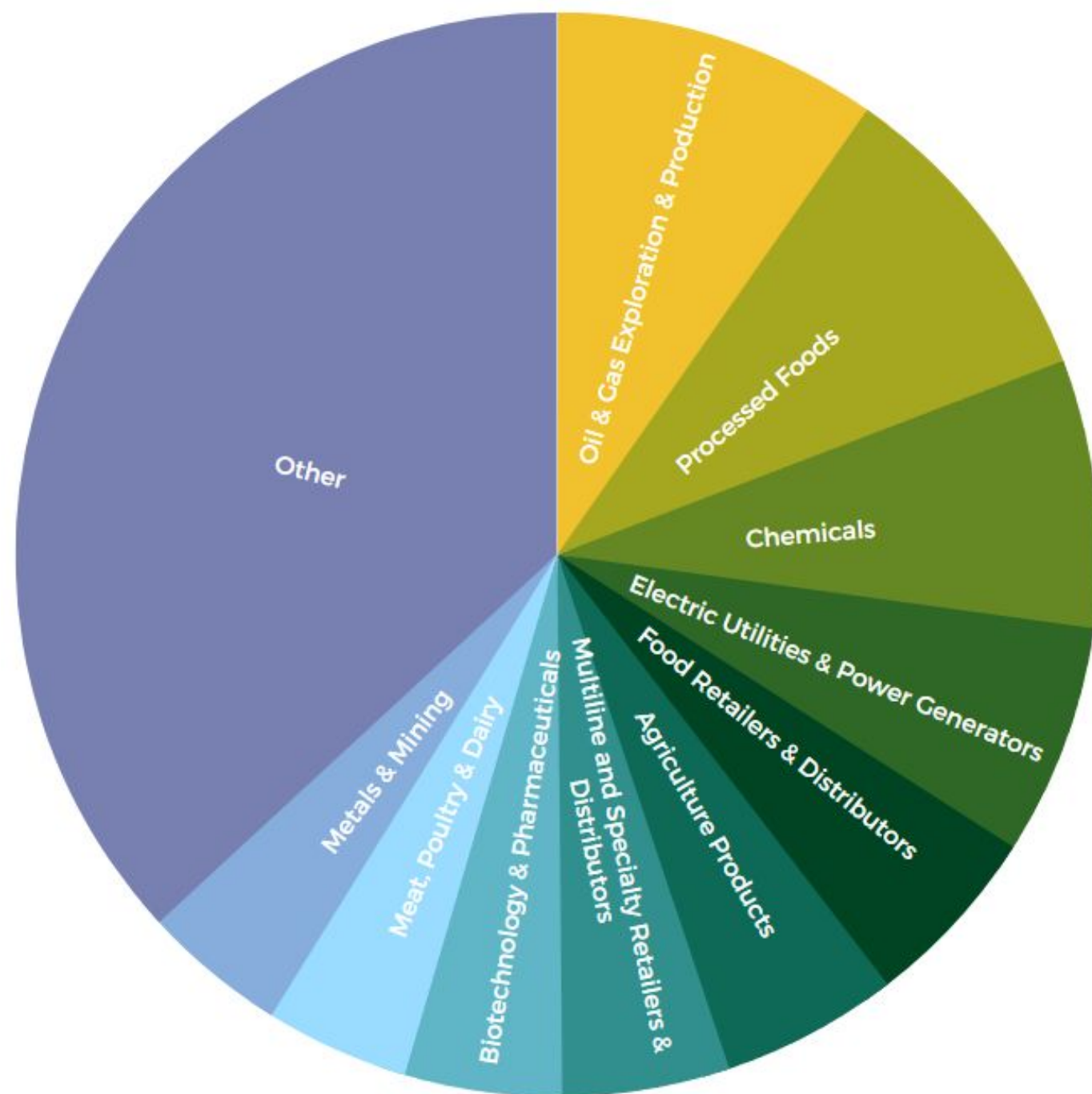
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Sector Results

SICS thematic (= main) sectors

Share of total biodiversity impact of the top
250 companies by thematic sector





Sector Results

SICS industries

Share of total biodiversity impact of the top 250 companies, for 10 most impactful industries