



proteus

Proteus Horizon Scan
Webinar

Current State of Biodiversity
Measurement, Disclosure
and Target Setting

7TH DECEMBER 2021

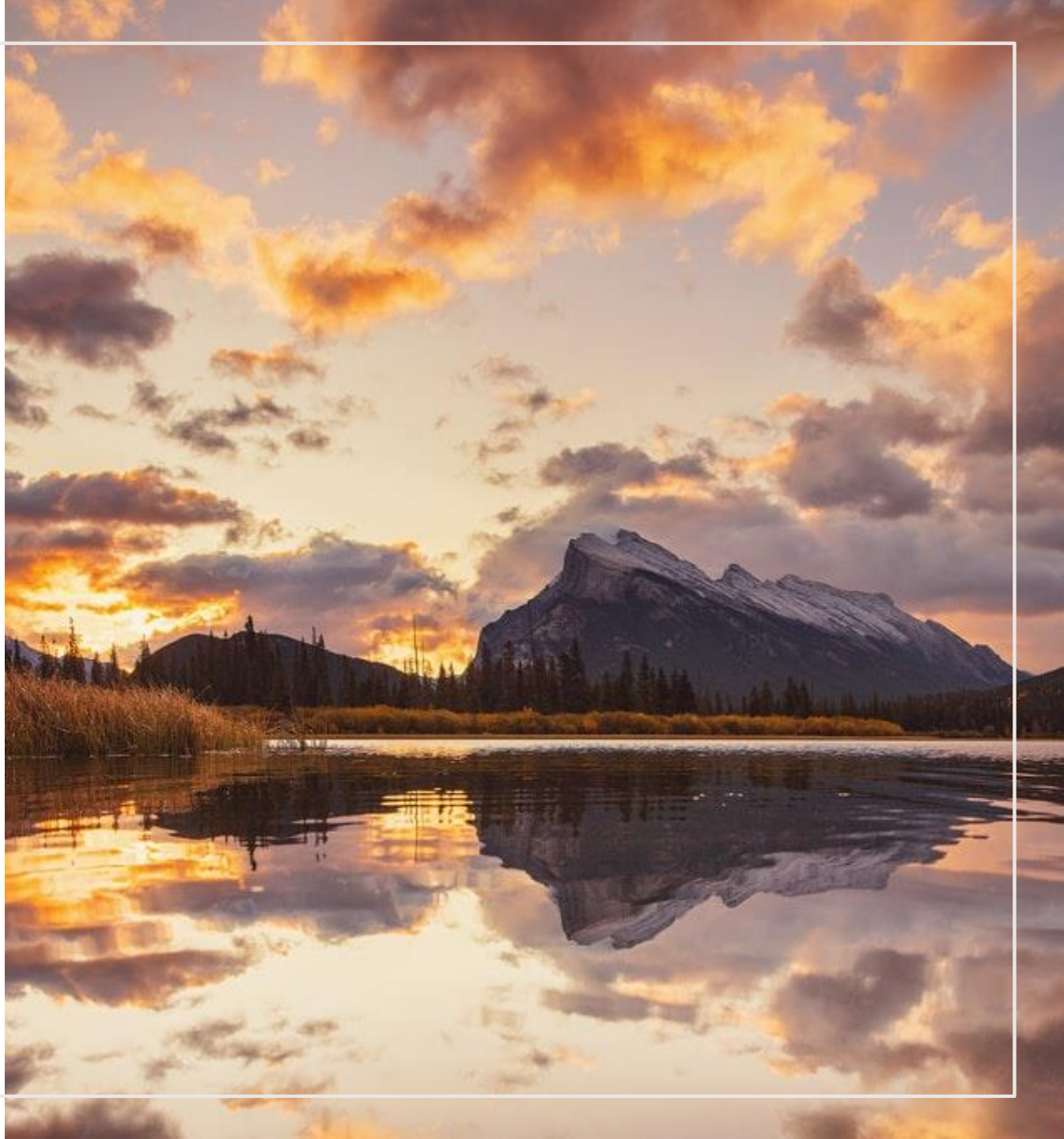
PROTEUS HORIZON SCAN WEBINARS

A series of webinars for Proteus Partners sharing information and insights into the latest trends and developments in biodiversity and ecosystem services policy, initiatives, data and tools.



LOGISTICS

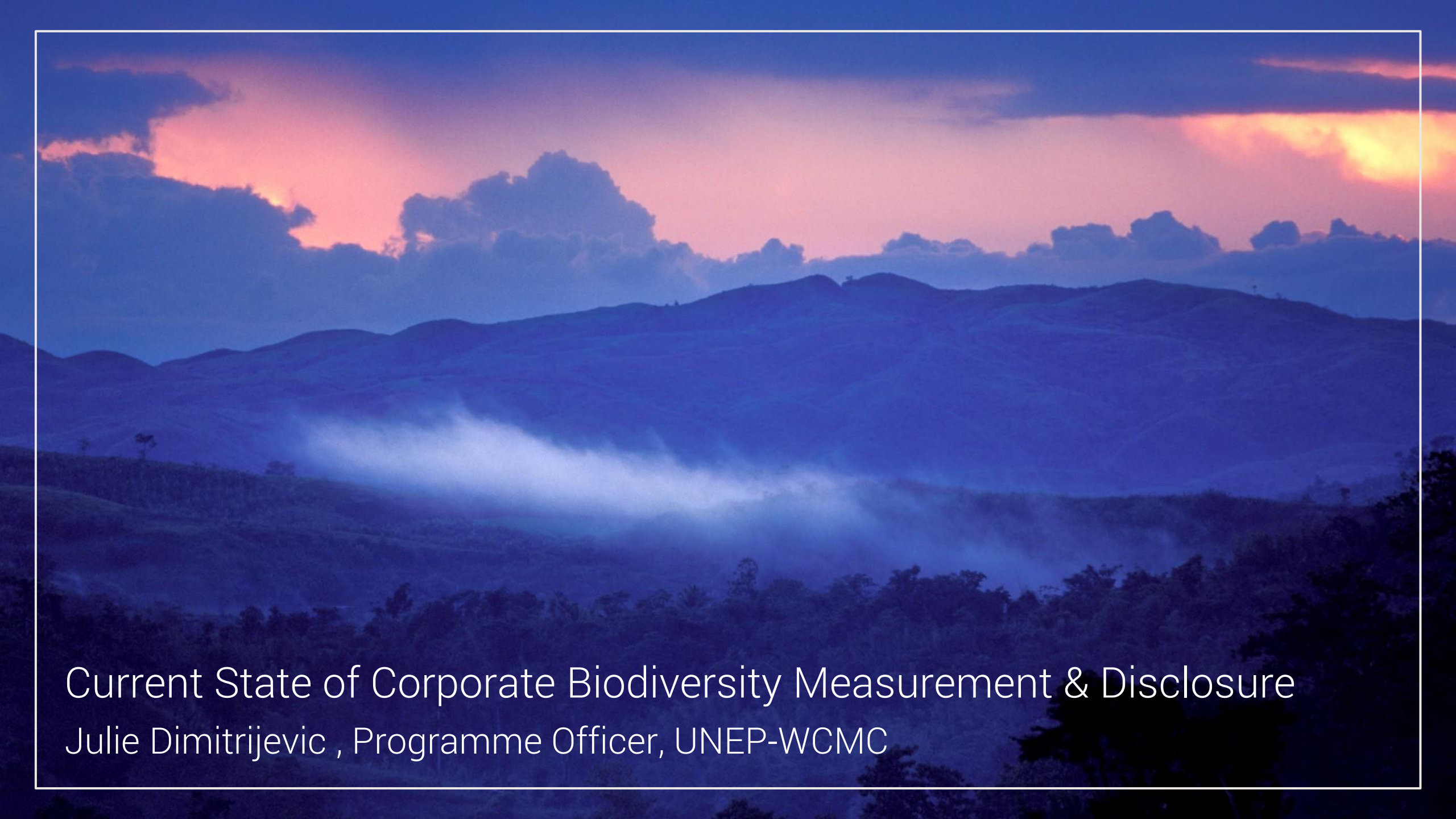
- **Scheduling:** AM & PM sessions
- **Rules:** Chatham House rule for discussion, but presentation is recorded
- **Topics:** Your suggestions are welcome!



OVERVIEW

- Current state of corporate biodiversity measurement & disclosure
- Overview of Align Accounting Approaches for Nature
- Overview on the Taskforce on Nature-related Financial Disclosures
- Overview of the Science-Based Targets Network
- Expert panel
- Q&A





Current State of Corporate Biodiversity Measurement & Disclosure

Julie Dimitrijevic , Programme Officer, UNEP-WCMC

NEED FOR CHANGE IN ECONOMIC THINKING

- The economy is embedded within the biosphere
- Value of biodiversity needs to be embedded within economic thinking
- Biodiversity stocks underpin all areas of natural capital (air, soil, water, climate)
- Lack of consideration puts companies at long term material and financial risk



BUSINESS CASE FOR MEASUREMENT

- Biodiversity loss puts business at risk
- WEF 2021 Annual Risk Report identifies biodiversity loss:
 - 5th most **likely** risk; and
 - 4th most **impactful** global risk to the world economy
 - Second year where biodiversity is identified within top 5 risks
- Business perception of biodiversity is changing



CURRENT DISCLOSURE PRACTICES

- Report assessing reporting practices of top 100 global companies
- **49 /100 mentioned** biodiversity
- **9 /100 reported using quantitative** indicators
- Hindered by **lack of agreed** metrics/indicators to measure biodiversity **impacts** and **dependence**

2016 Fortune 100 Global companies:



Represent **15 sectors**, dominated by the financial sector (23 companies) and the energy sector (21 companies)



Have **headquarters located in 15 countries**, dominated by USA (38 companies) and China (19 companies)

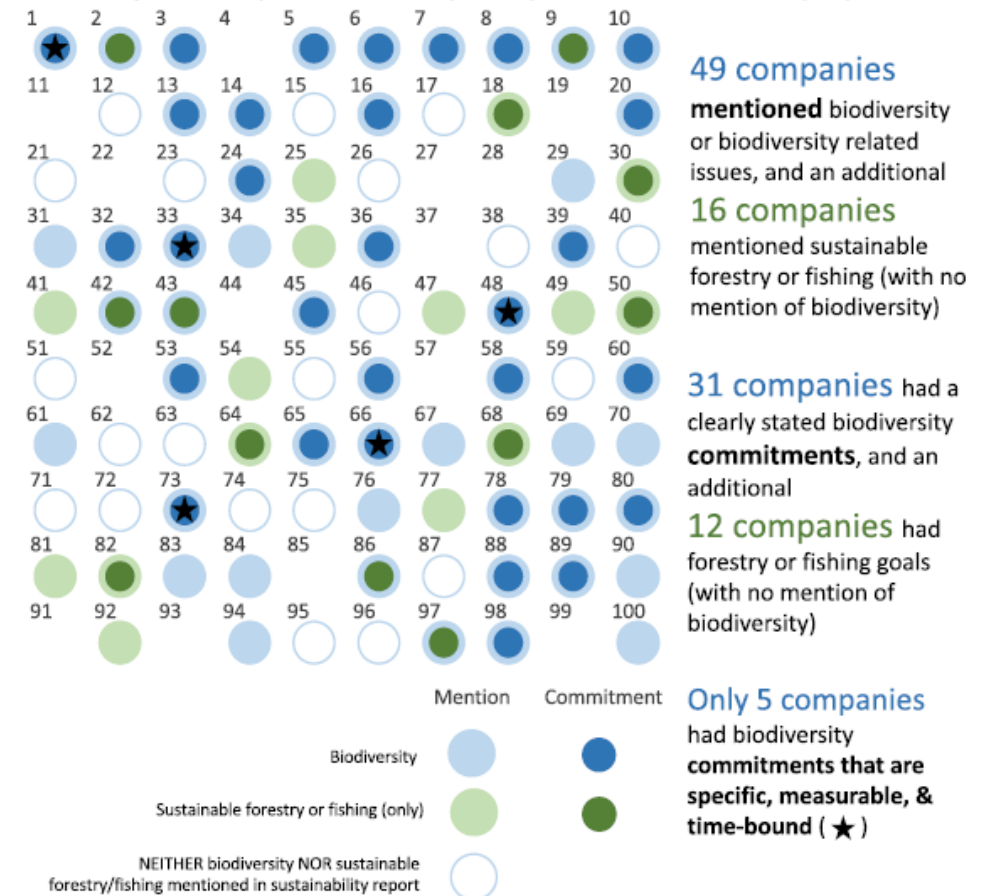


Total revenue = US\$12.6 trillion



Total employees = 26.4 million staff

Of the top 100 companies, **86** have publicly available sustainability reports:



DRIVERS FOR INCREASED CORPORATE REPORTING

1. **International policy drivers** (post-2020 framework to provide a framework to report against)
2. **National/regional regulations are increasing** (e.g. EU Corporate Sustainability Reporting Directive)
3. **Voluntary disclosure frameworks are improving** (e.g. Taskforce on Nature-related Financial Disclosures, Global Reporting Initiative, Carbon Disclosure Project)
4. **Securing access to finance** (e.g. requirements to provide biodiversity information for risk assessments based on company performance)
5. **Consumers wanting increased transparency** (e.g. Biodiversity Barometer report)



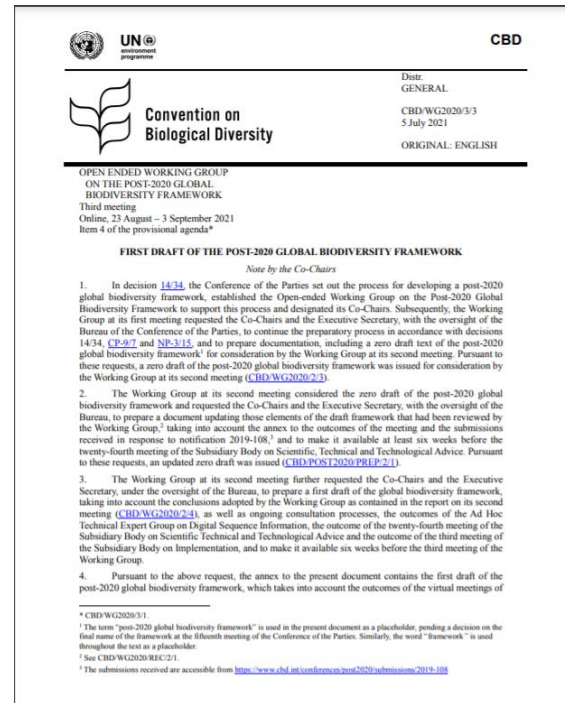
INTERNATIONAL POLICY DRIVERS IN THE POST-2020 FRAMEWORK

DRAFT Target 14 *currently focuses on policy drivers:*

- Promotes integration of biodiversity values into policy & regulation for all levels government and sectors

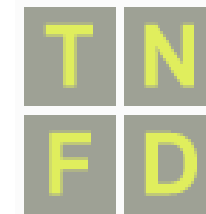
DRAFT Target 15 *currently focuses on business implementation:*

- Targets all businesses directly (public & private, including SME's)
- Promotes business' to assess and report on biodiversity
- Targets to reduce (-) impacts by at least half and increase (+) impacts
- Success of target 15 will depend on business' ability to measure impacts/dependencies and report on progress



STANDARD SETTERS IMPROVING BIODIVERSITY REPORTING

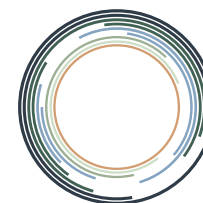
- Initiatives created to increase value of nature within global economy
- Recognition that enough tools and data exist to act now
- Standardisation of biodiversity measurement within private sector still needed



Taskforce on Nature-related
Financial Disclosures



NATURAL
CAPITAL
COALITION



SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

BUSINESS & FINANCE INTEGRATING BIODIVERSITY

Business for Nature



Source: [Business for Nature, 2021](#)

Finance for Biodiversity Pledge *Committed Financial Institutions*



Source: [Finance for Biodiversity Pledge, 2020](#)

INITIATIVES WORKING TO SIMPLY BIODIVERSITY MEASUREMENT



MEASURE & VALUE: BIODIVERSITY GUIDANCE ACTION 6.2.4

What measurement approaches are available for you to measure your impacts and/or dependencies on biodiversity?

Based on your previous responses and your selected business application and organisational focus (displayed below), the following measurement approach(es) are most appropriate for your intended use:

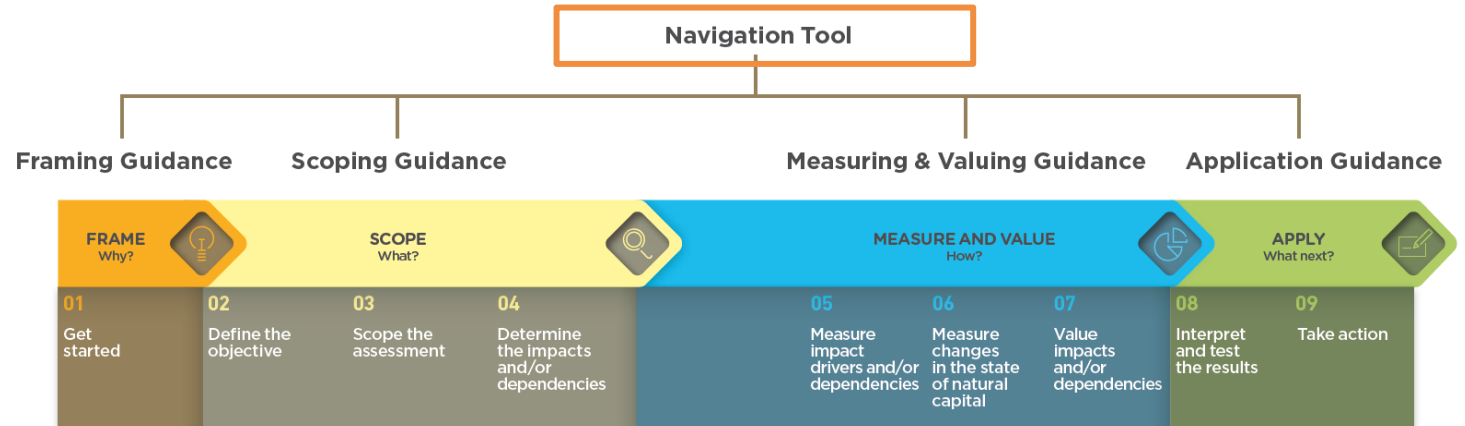
What business application are you interested in assessing (i.e. how are you going to use your results)?

BA5: Assessment/rating of biodiversity performance by third parties, using external data [EDIT ANSWER](#)

What is the organizational focus of your assessment?

[EDIT ANSWER](#)

i Show me more information on how to select methods for measuring changes in biodiversity
[Click to reveal further information. READ MORE](#)



Source :EU B@B Platform, [Update Report \(2018\)](#), [Update Report 2 \(Dec 2019\)](#), [Update Report 3 \(March 2021\)](#)

Source: [Biodiversity Guidance. 2020. Capitals Coalition](#)

NEED FOR ALIGNMENT

Approaches are emerging, but are not aligned

- No one standardised approach exists
- No one common indicator for measurement (nor is there likely to be one)
- Multi approaches exist for different users across business and finance

Business applications (BA) supported	Organisational Focus Areas (OFA)							
	Product / service	Site / project	Supply chain	Corporate	Portfolio / sector	Country / region		
<p>Current performance</p>	ABDI BFM 3 4 BPT PBF 1 2 ReCiPe	ABD BD BFFI 8 BIRS 11 BISI 10 BMS BNGC 14	BPT CBF 5 GBS LIFE 7 PBF STAR 9	ABDI BD BFM 3 4 BIM 15 BMS CBF 5 6 EP&L GBS LIFE PBF 1 2 ReCiPe STAR	ABDI BD BFFI 8 BFM BIM 15 BISI	BMS CBF 5 6 EP&L GBS 12 LIFE STAR	ABDI BFFI BFM 3 BIRS CBF GBS 13 LIFE STAR	ABDI LIFE STAR
<p>Future performance</p>	BFM 3 4 BPT PBF 1 2 ReCiPe	BD BPT BNGC 14 GBS	LIFE PBF STAR 9	BFM 3 4 BIM EP&L PBF 1 2 LIFE STAR	BD BIM CBF EP&L	GBS LIFE STAR	BFFI BFM 3 CBF GBS STAR	STAR
<p>Tracking target progress</p>	ABDI BPT PBF 1 2 ReCiPe	ABDI BD BFFI 8 BISI 10 BNGC 14	BPT CBF LIFE 7 PBF STAR 9	ABDI BD BIM BMS EP&L LIFE PBF 1 2 STAR	ABDI BD BFFI 8 BIM BISI	CBF EP&L GBS 12 LIFE STAR	BFFI CBF GBS STAR	ABDI STAR
<p>Comparing options</p>	ABDI BFM 3 4 BPT PBF 1 2 ReCiPe 16	ABDI BFFI BIRS 11 BISI 10 BPT	CBF GBS LIFE 7 PBF STAR	ABDI BFM 3 4 BIM 15 BMS EP&L GBS LIFE PBF 1 2 ReCiPe 16 STAR	ABDI BFFI BFM BIM BISI	CBF EP&L GBS LIFE	BFFI BFM 3 BIRS CBF GBS 13 STAR	ABDI STAR
<p>Third party assessments / ratings</p>		CBF 5 STAR	STAR		CBF 5 6 STAR GBS	BFFI CBF GBS 13 STAR		
<p>Third party certification</p>		BD BMS CBF	LIFE 7 STAR	BD BMS STAR	BD BMS CBF STAR	CBF STAR		
<p>Risk & opportunity assessment</p>	BPT	ABDI BD BFFI 8 BIRS 11 BISI 10 BNGC 14	BPT CBF STAR 9 LIFE	BIM 15 EP&L STAR	ABDI BD BFFI 8 BIM 15 BISI	CBF EP&L GBS 12 LIFE	BFFI CBF GBS 13 LIFE STAR	ABDI
<p>Biodiversity accounting</p>		BD BFFI 8 BIRS 11 BNGC	CBF 6 LIFE 7 STAR	BD CBF 5 6 STAR	BD BFFI 8 CBF 5 6 GBS 12 STAR	GBS 12 STAR	BFFI BIRS CBF GBS 13 STAR	



Aligning
accounting
approaches
for nature

Biodiversity Measurement

**Business
engagement**



**Links to
other
initiatives**



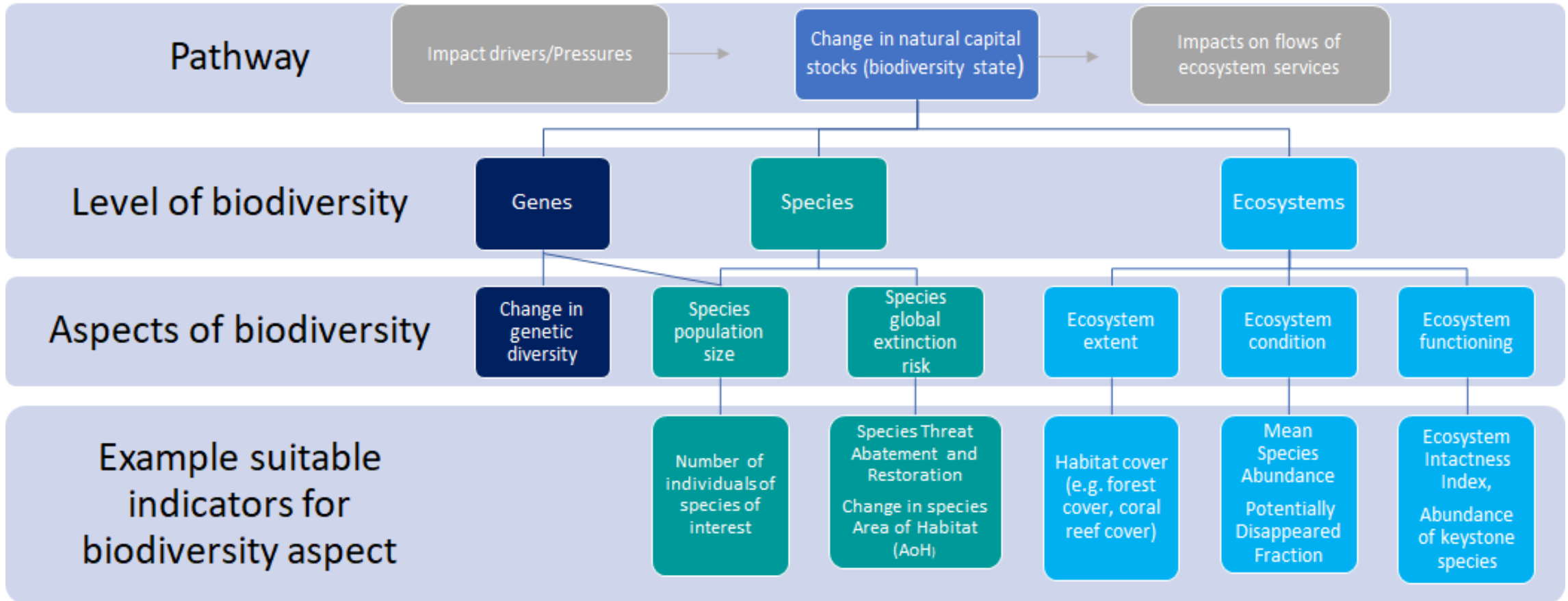
**Standard
recommendation
on biodiversity
measurement &
valuation**



**Sectoral
guidance**

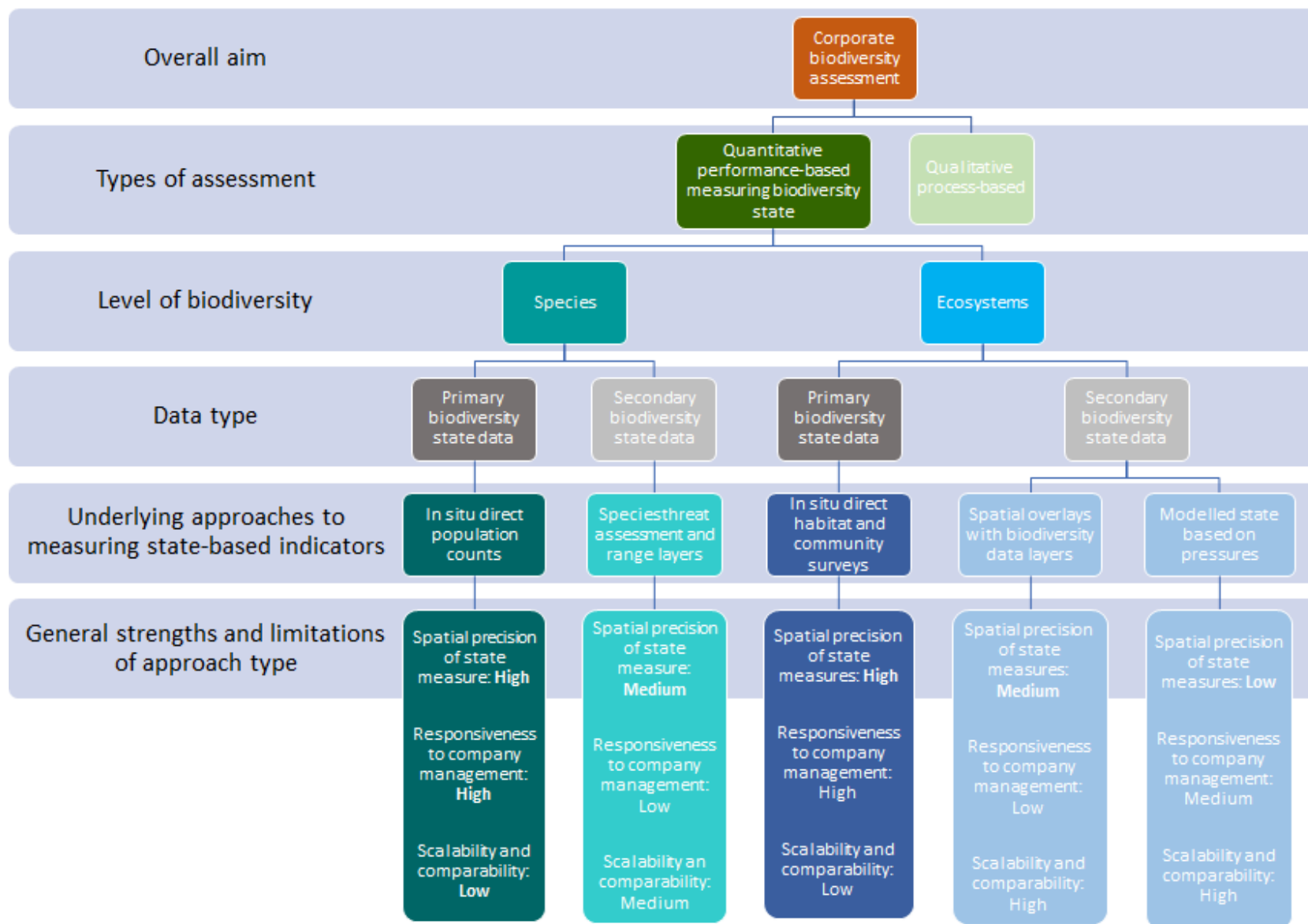


DRAFT aspects of biodiversity to measure and associated indicators



DRAFT

Typology of Approaches



Opportunities to Engage



Ongoing (2021 – 2023)

Ongoing (2021 – 2023)

- CSRD/EFRAG
- Transparent
- TNFD
- SBTN
- PBAF/F4B Pledge
- GRI/CDSB/ISO
- UNSEEA
- IPBES
- PEF/OEF at EC

• Drafting V01 - to Q1 2022

- Public Consultation and Piloting - **Q2/Q3 2022**

• Release V02 - Q4 2022

- V02 Consultation & Release - **2023**

• Drafting V01 Q1/Q2 2022

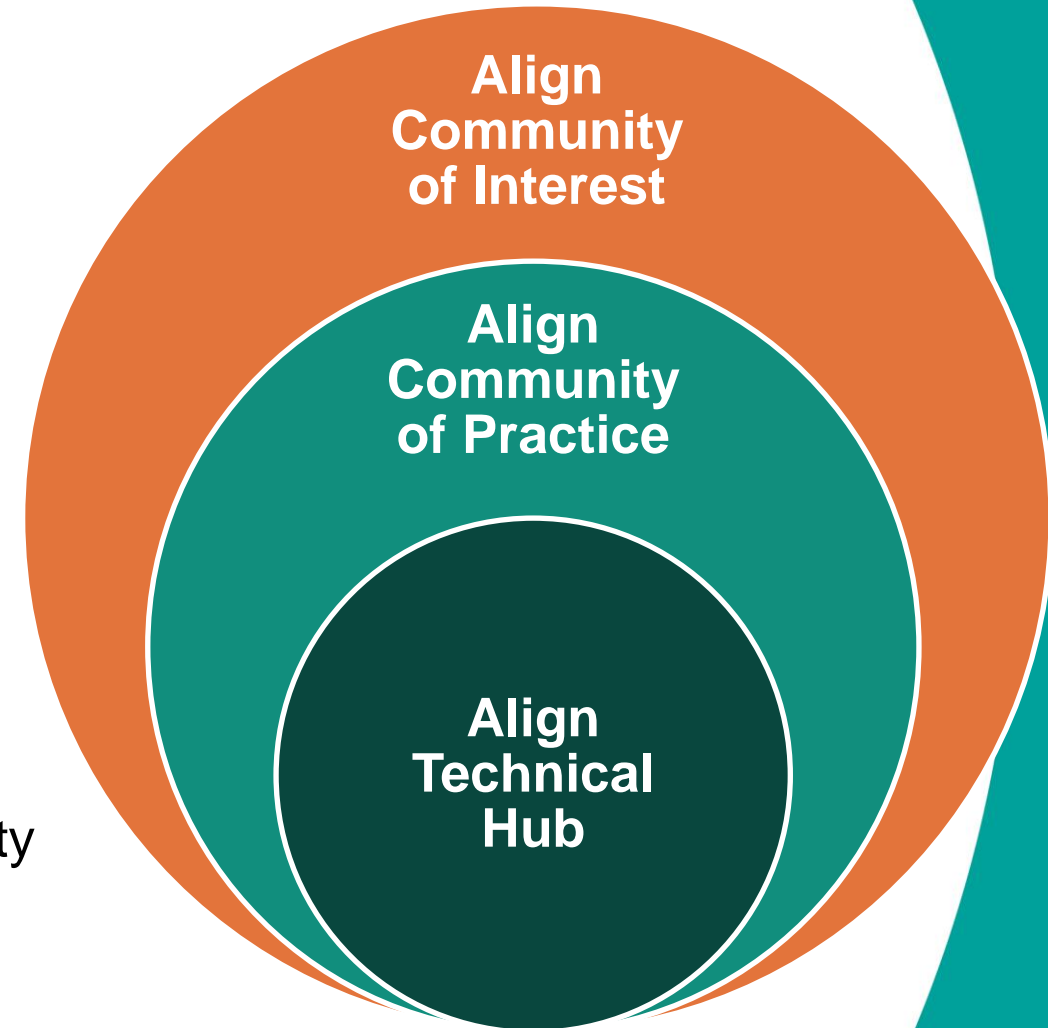
- Public Consultation and Piloting - **Q3/Q4 2022**

• Revisions & Release - 2023

Benefits of engaging

1. Direct involvement in developing **STANDARD RECOMMENDATIONS**
2. Contribute to creation of complimentary **GUIDANCE**
3. Opportunity to **PILOT** recommendations & guidance
4. Awareness of **TECHNICAL CRITERIA** developed and discussed with related international initiatives
5. Involvement with **INTERNATIONAL COMMUNITY** of stakeholders working towards standardising biodiversity measurement and valuation

[Register to Join Here](#)





Overview on the Taskforce on Nature-related Financial Disclosures

Romie Goedicke (TNFD)



The Current State of Corporate Biodiversity Measurement, Disclosure and Target Setting

Introduction about TNFD

7 December, Romie Goedicke – TNFD Coordinator

What is TNFD expected to achieve?



Our Mission

TNFD's mission has been endorsed by G7 Finance Ministers, G20 Sustainable Finance Roadmap & Environment Ministers

To develop and deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risks, which aims to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.



To **build a framework** for risk management & disclosure



To **build momentum** for market adoption

Who makes up the TNFD?



The Taskforce – Co-Chairs and Members

Led by global leaders in financial capital and natural capital, the Taskforce represents financial institutions, companies and market intermediaries across industries and geographies that manage over \$17 trillion and impact 180+ countries.



David Craig

Former CEO and Founder of Refinitiv, Strategic Advisor to LSEG, WEF Banking Governors Board



Elizabeth Maruma Mrema

Executive Secretary of the United Nations Convention on Biological Diversity, and Biodiversity lawyer & leader

Senior executive representatives from:



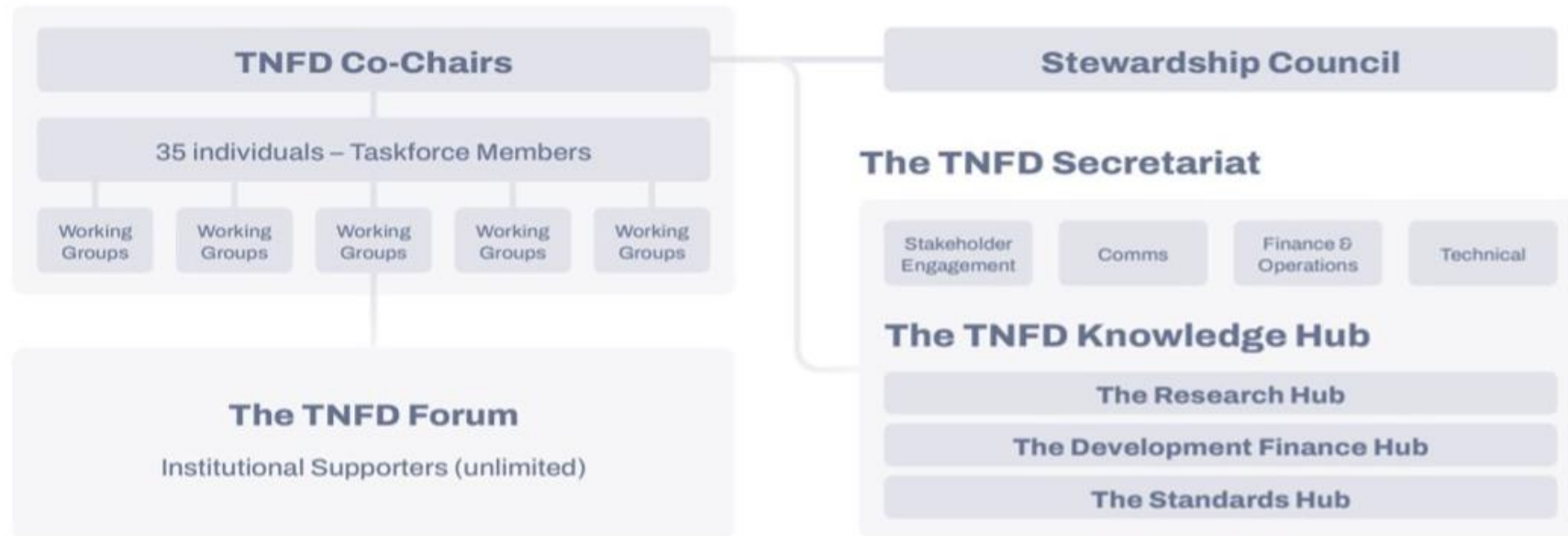
Who makes up the TNFD?



The TNFD Alliance

The Taskforce is supported by the TNFD Forum, already over 200 institutions globally, and the TNFD Knowledge Hub 'crowding-in' global expertise from science, conservation, finance and standards-setting

The Taskforce

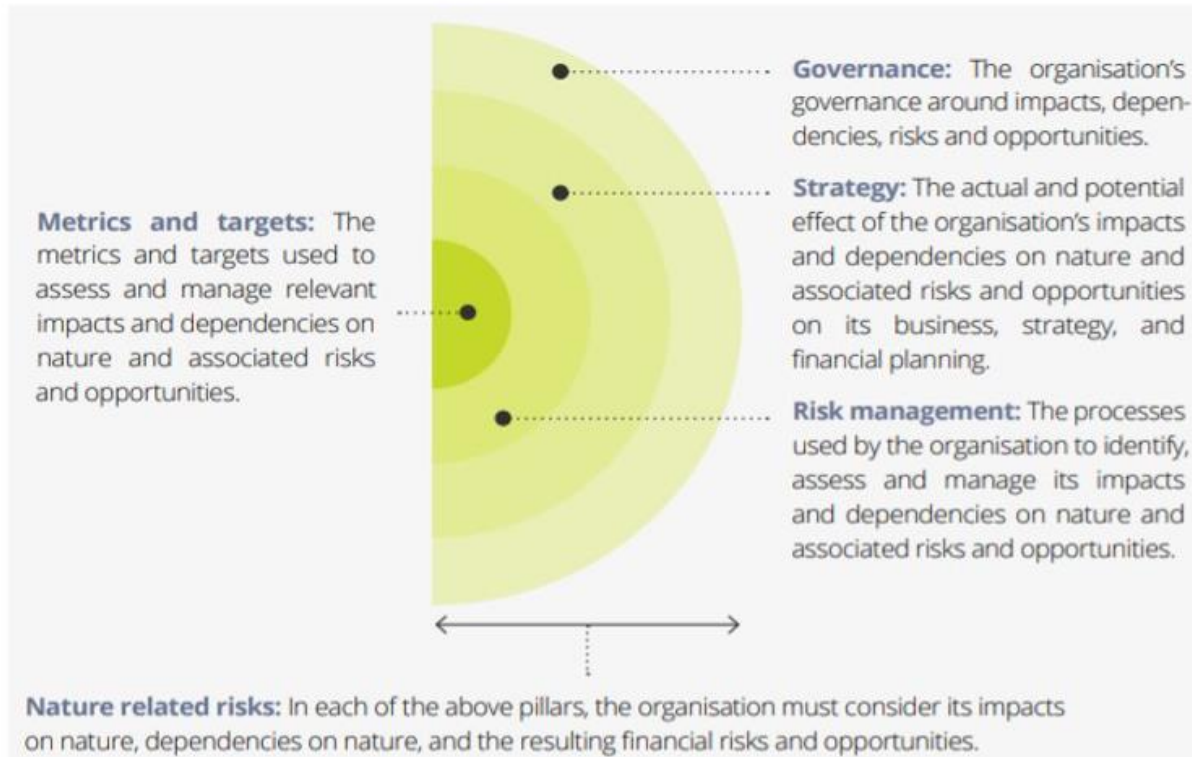


What is the TNFD approach?



Our Approach: TCFD Aligned

By design, the TNFD has been established to align with the approach taken by the TCFD while recognizing the differences between climate and nature-related impacts and dependencies



Physical Risks

Transition Risks

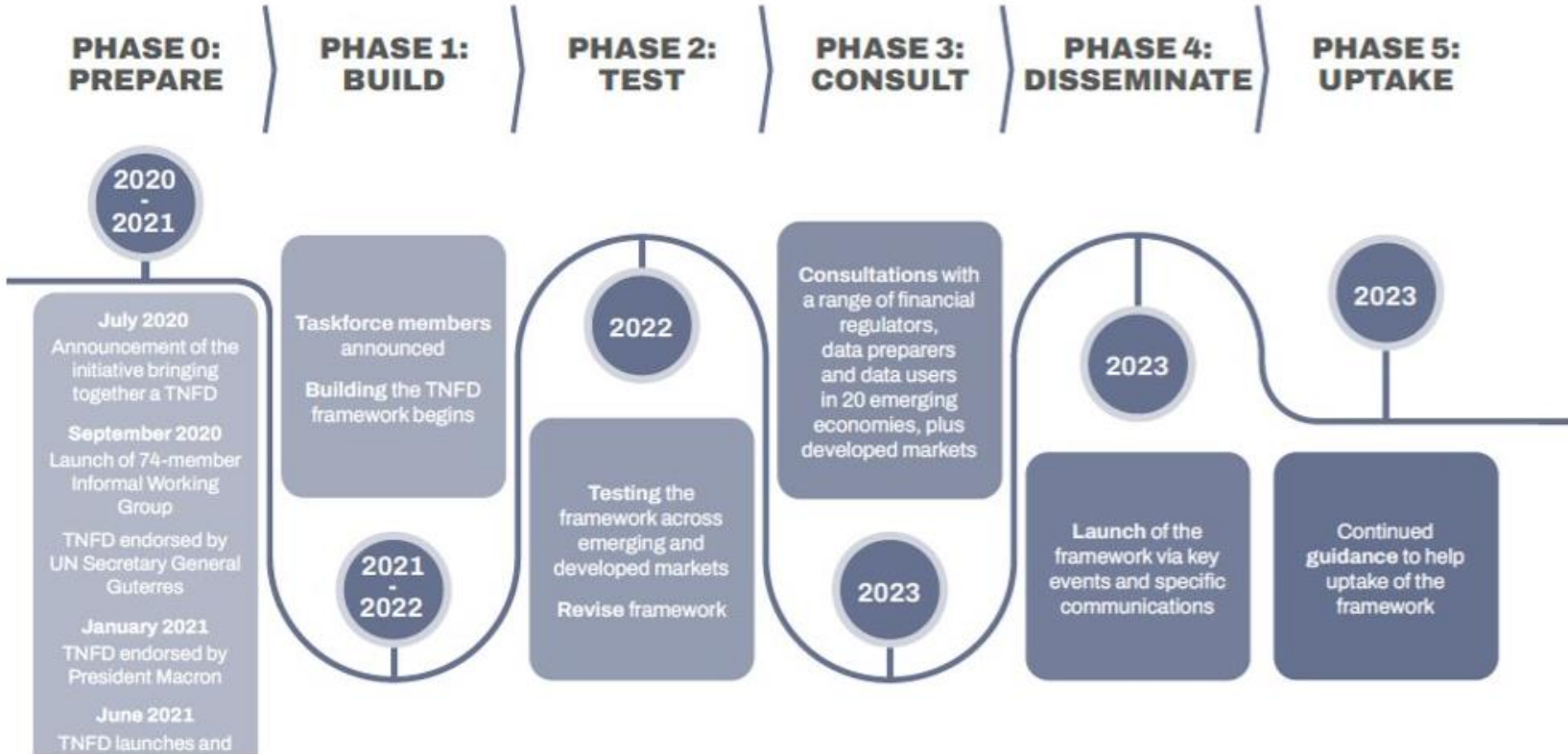
Systemic Risks

How will the TNFD framework be developed?

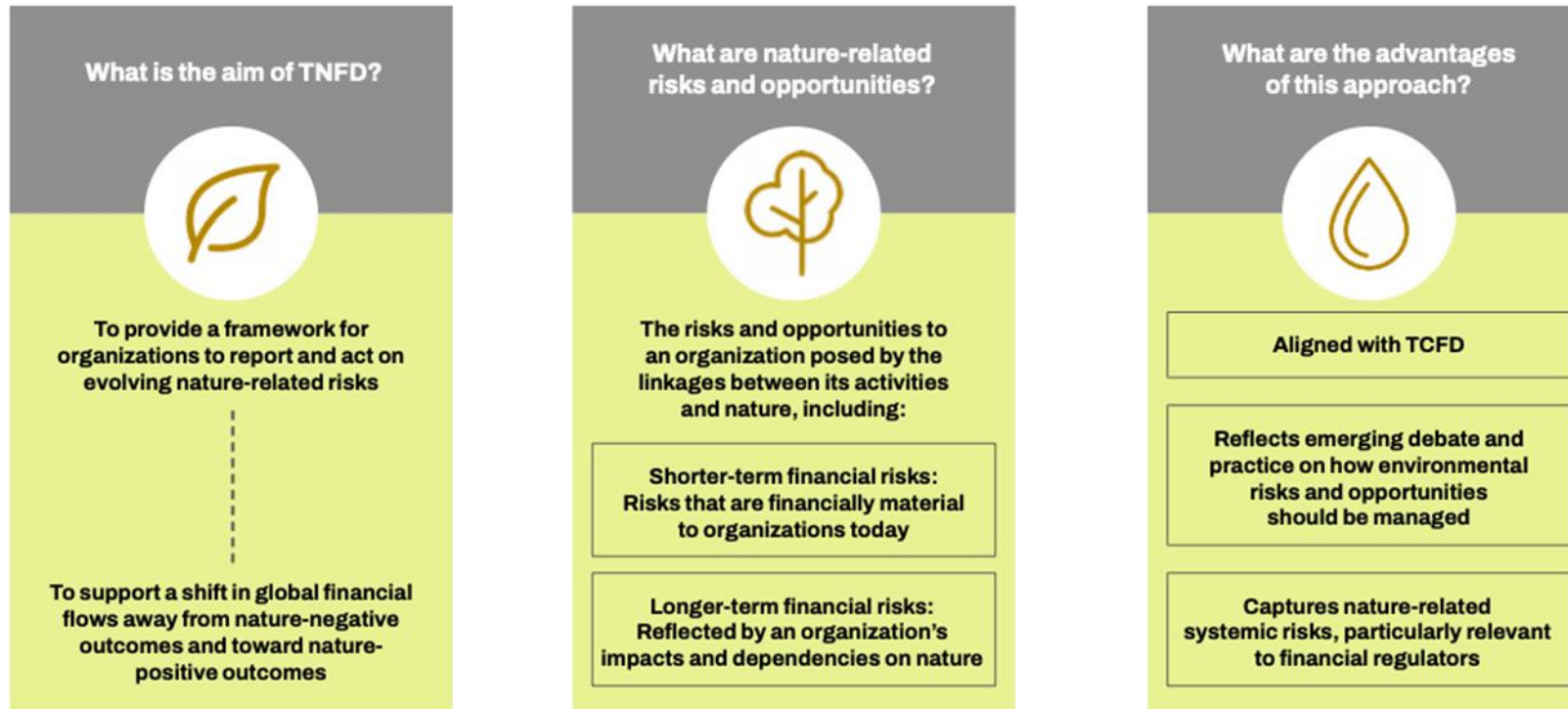


Our Approach: Open Innovation

To engage market participants early and often in the design and development of the framework, TNFD has embraced an 'open innovation' approach with the goal of releasing a 'beta' framework in early 2022



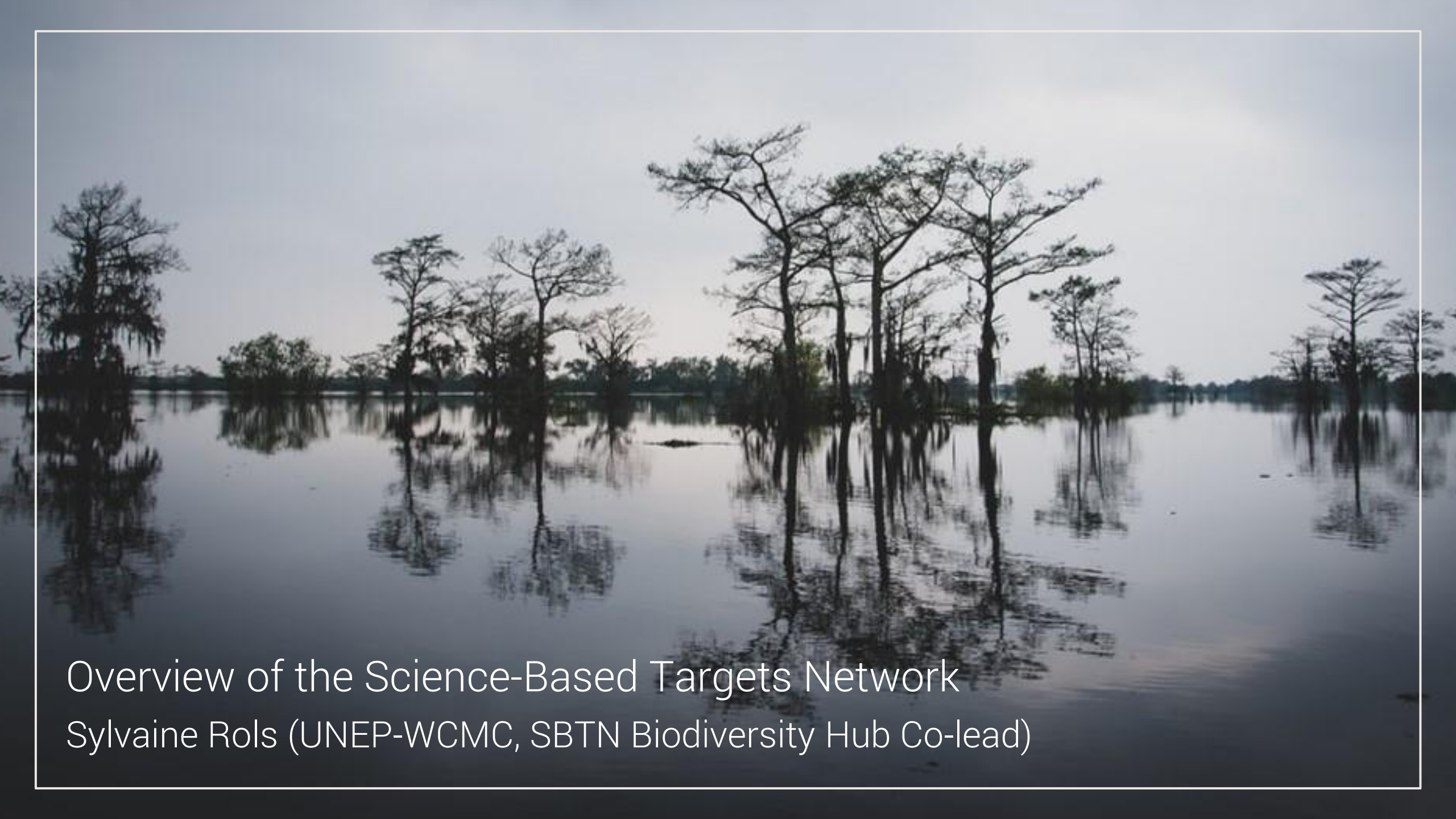
TNFD in summary:



How to get involved with TNFD development?

More: <https://www.unepfi.org/news/themes/ecosystems/are-you-ready-for-the-tnfd-framework-ii/>

1. Join the TNFD Forum
2. Offer your expertise as part of the TNFD knowledge hub
3. Start asking the right questions
4. Train your teams
5. Join Testing of the TNFD framework
6. Influence global policy



Overview of the Science-Based Targets Network

Sylvaine Rols (UNEP-WCMC, SBTN Biodiversity Hub Co-lead)

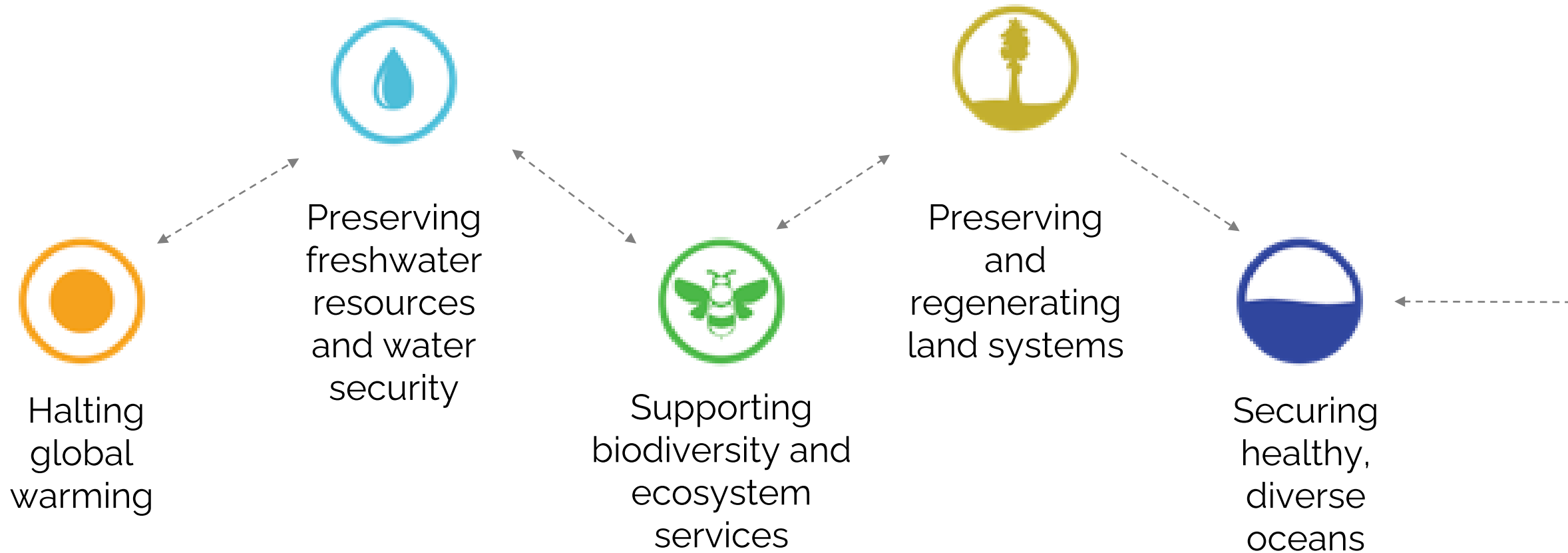
Science-Based Targets for Nature

Enabling companies and cities to align their efforts with the best available science, to ensure they're doing their part for an equitable, net zero, and nature positive future



SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

Together, we will discover how to integrate solutions that will turn isolated issues into new opportunities



What are science-based targets (SBTs)?

Science-Based

“Aligned with Earth’s limits and societal sustainability goals”

The scope and ambition of the target at actor level is aligned with the scientific limits that define a safe space for humanity, and societal sustainability goals/targets that define a just future for nature and people.

Targets

“Measurable, actionable, and time-bound objectives”

Actors must be able to measure a baseline, take action, and track progress with a reasonable level of effort.

A red tractor is parked in a green field, with a dense forest of trees in the background under a blue sky with white clouds. The tractor is positioned on the left side of the frame, facing right. The forest is lush and green, covering a hillside. The sky is bright blue with scattered white clouds.

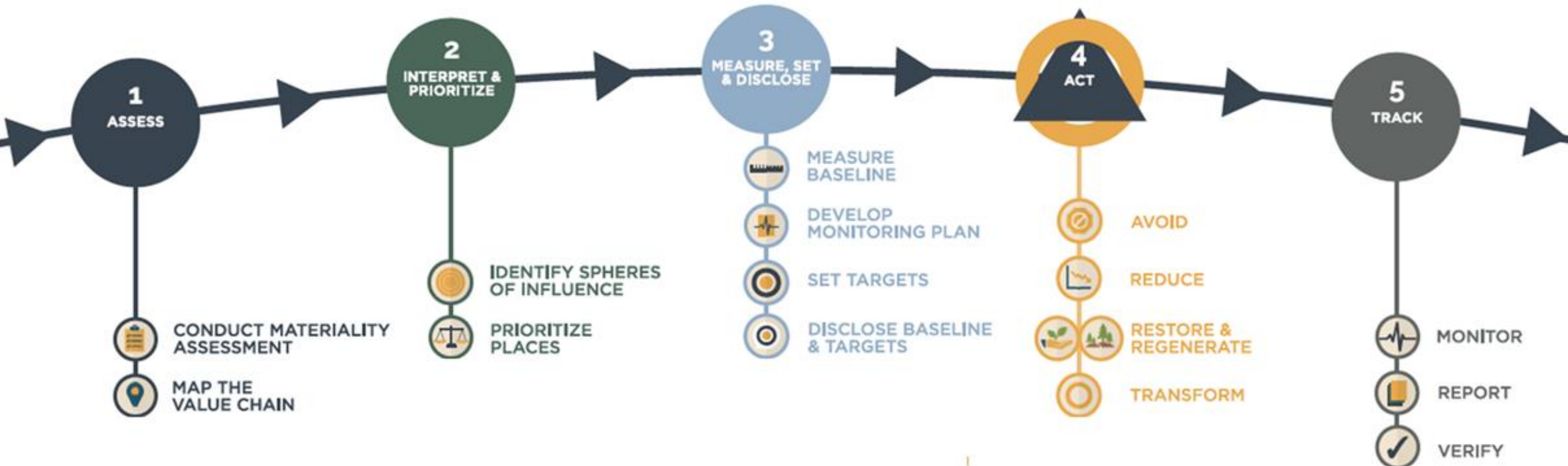
SCIENCE-BASED TARGETS *for* **NATURE**

Initial Guidance for Business

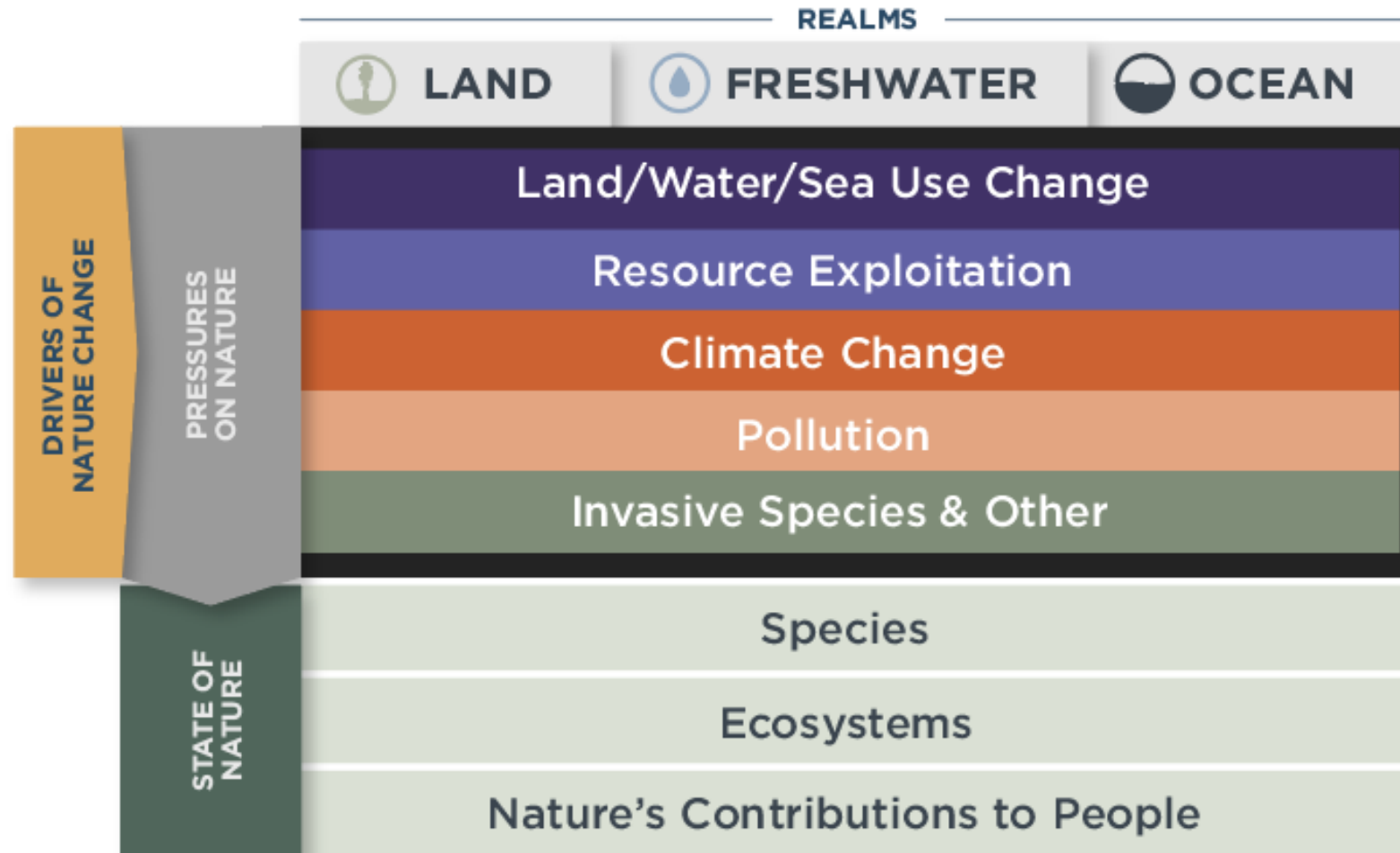
September 2020

<https://sciencebasedtargetsnetwork.org/resources/>

How to set SBTs for nature?



High level categories of SBTs for nature

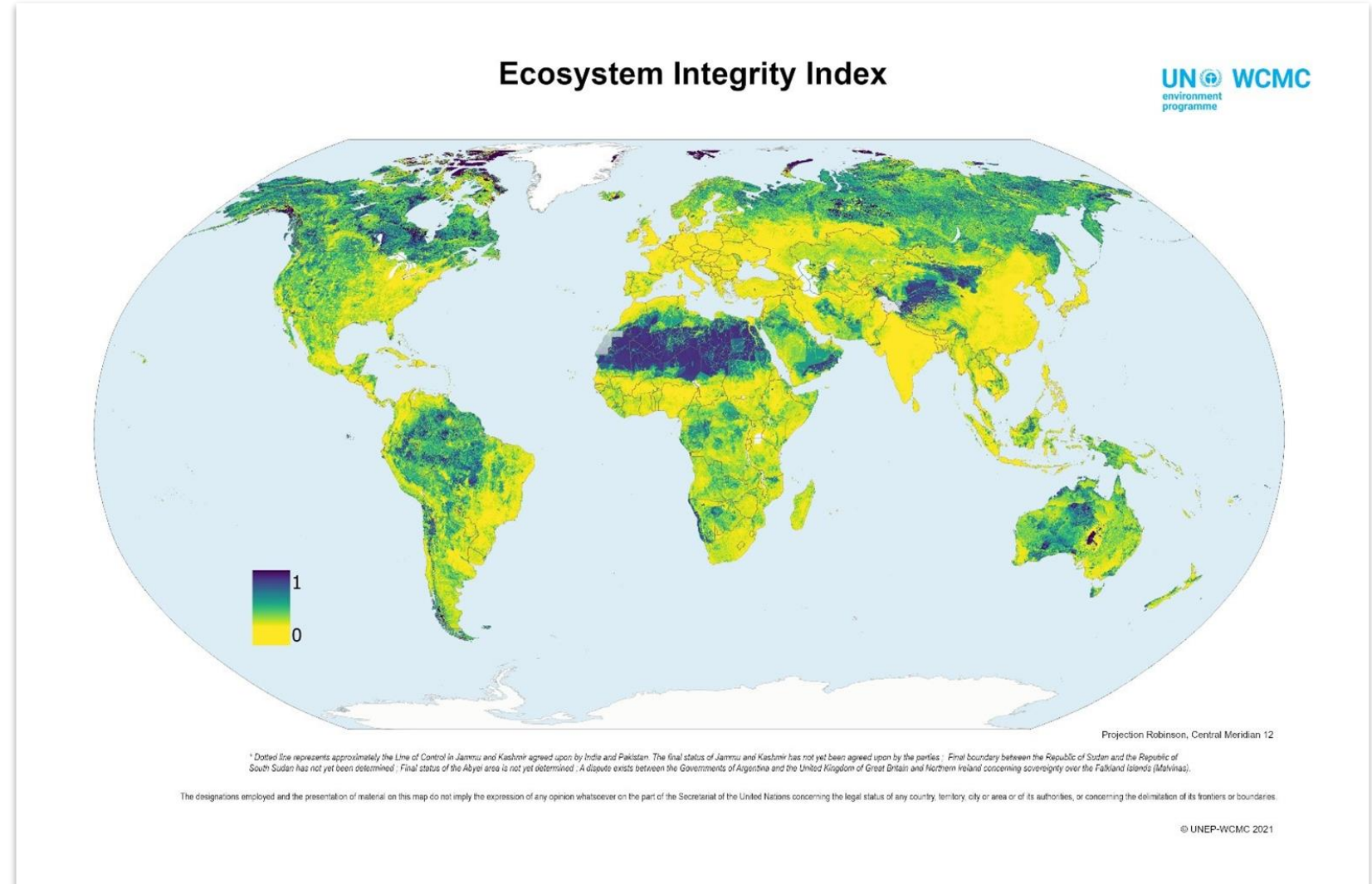


Ecosystem Integrity Index

EII captures three components:

- 1) Structure
- 2) Composition
- 3) Functioning

Aggregated EII inherits lowest value of all 3 components.



More information online:

www.sciencebasedtargetsnetwork.org



SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

The Science Based Targets Network is part of the [Global Commons Alliance](#), a network of organizations, businesses and governments aiming to positively transform the world's economic systems and protect the global commons.



Julie Dimitrijevic
UNEP-WCMC

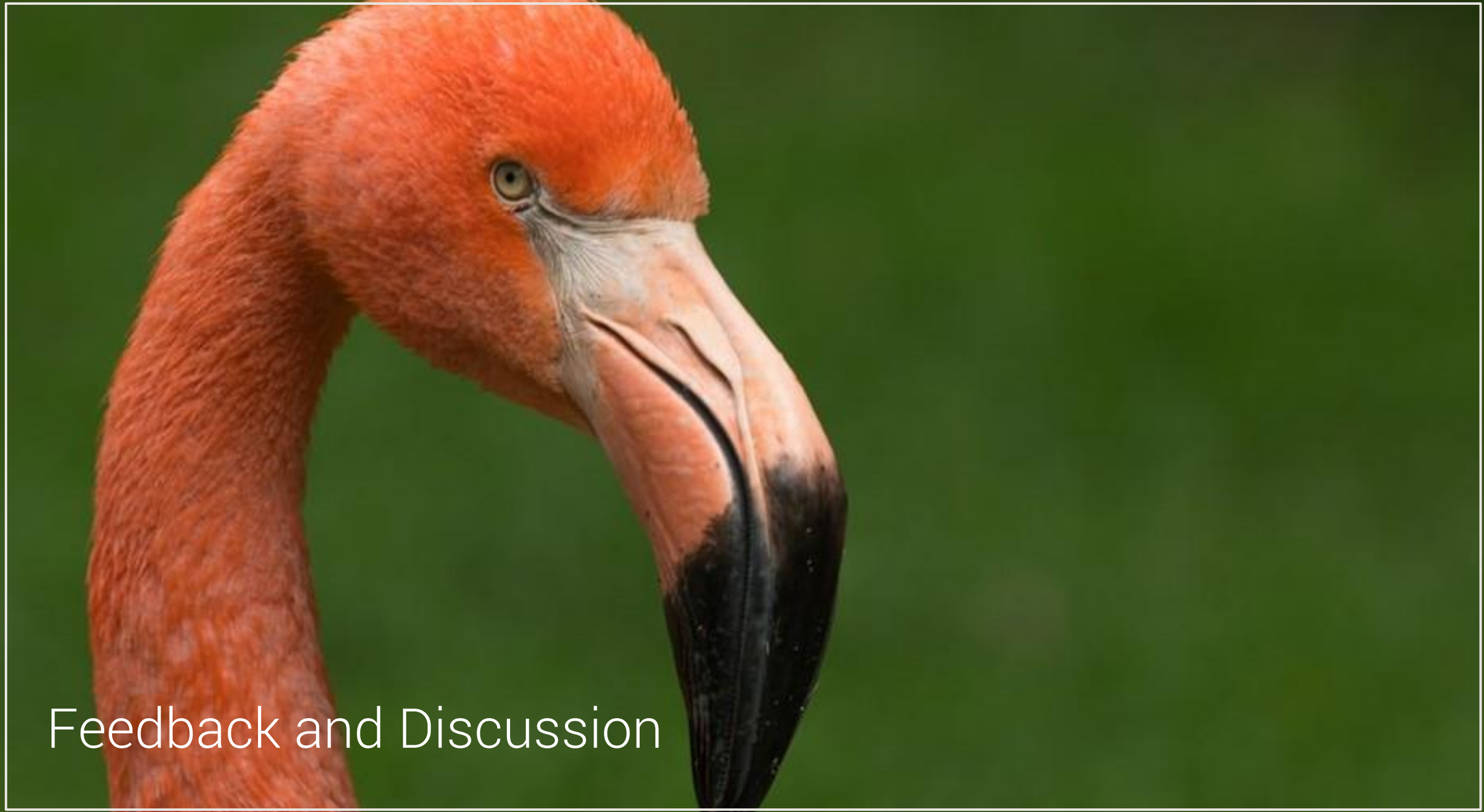


Romie Goedicke
UNEP FI



Sylvaine Rols
SBTN

Expert panel on corporate measurement and disclosure



Feedback and Discussion

Current State of Biodiversity Measurement, Disclosure and Target Setting

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