

# Indebted to nature

Exploring biodiversity risks for the Dutch financial sector

Danijela Piljic

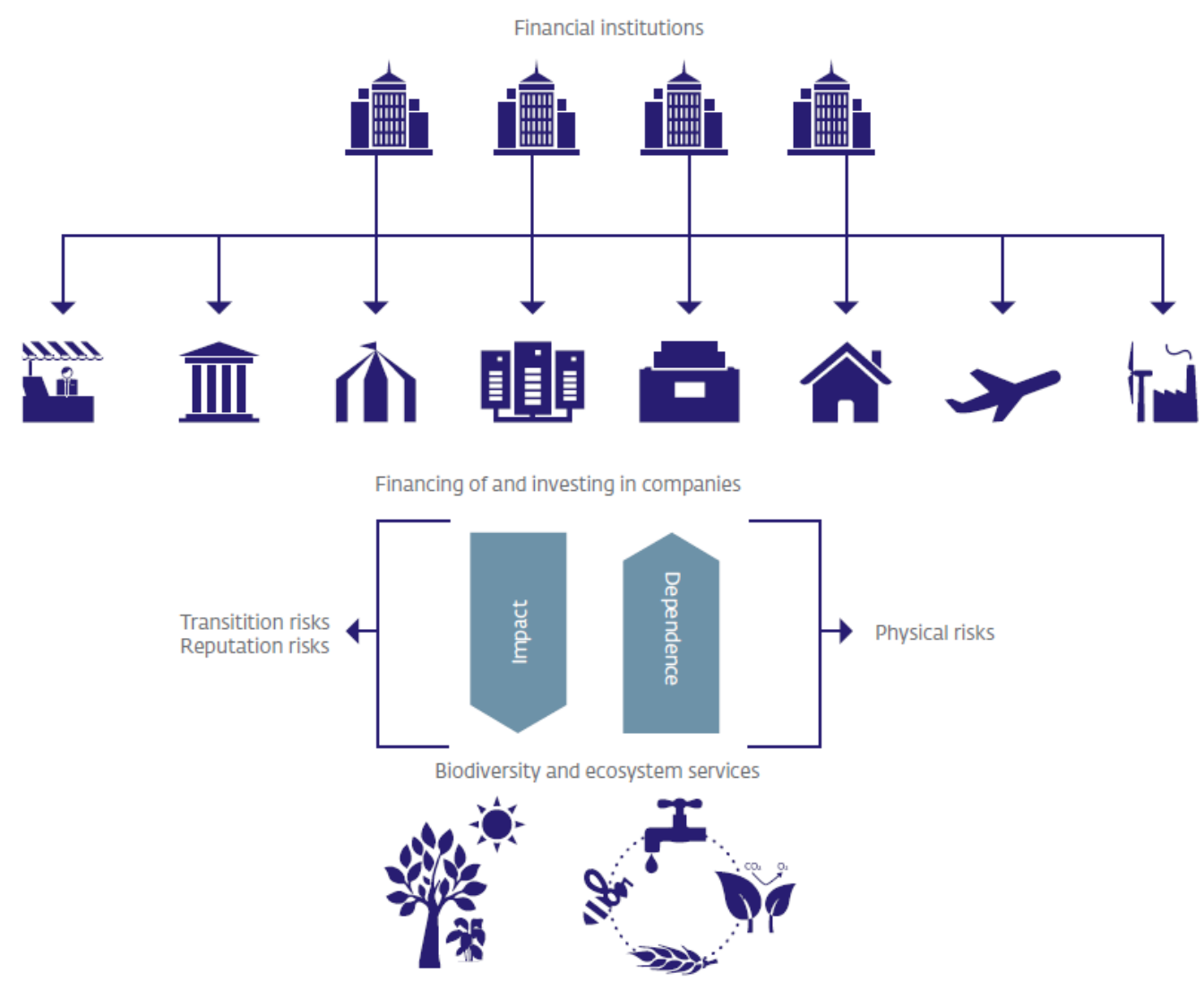
DeNederlandscheBank

EUROSYSTEEM

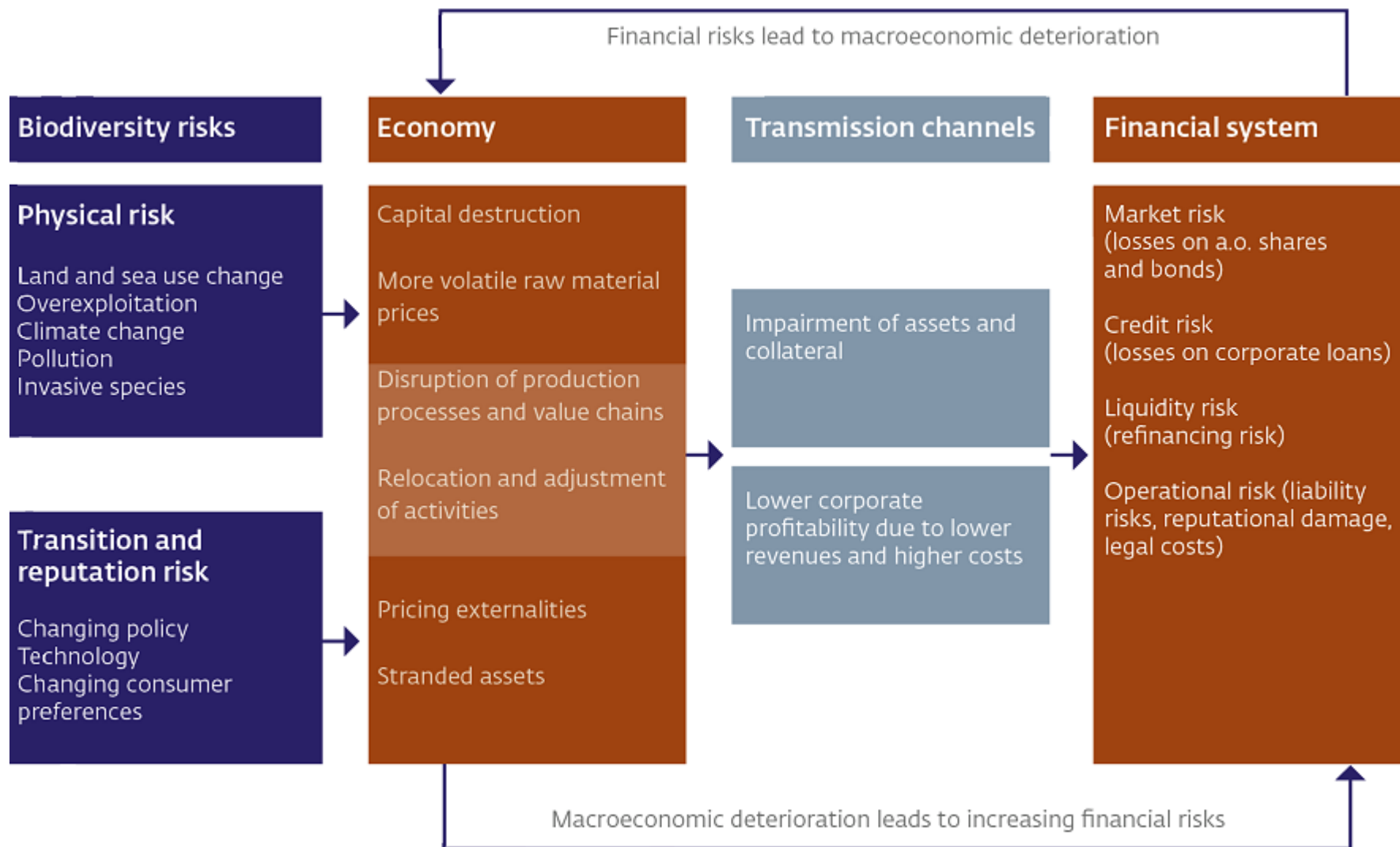


PBL Netherlands Environmental  
Assessment Agency

# Relationship between biodiversity and the financial sector

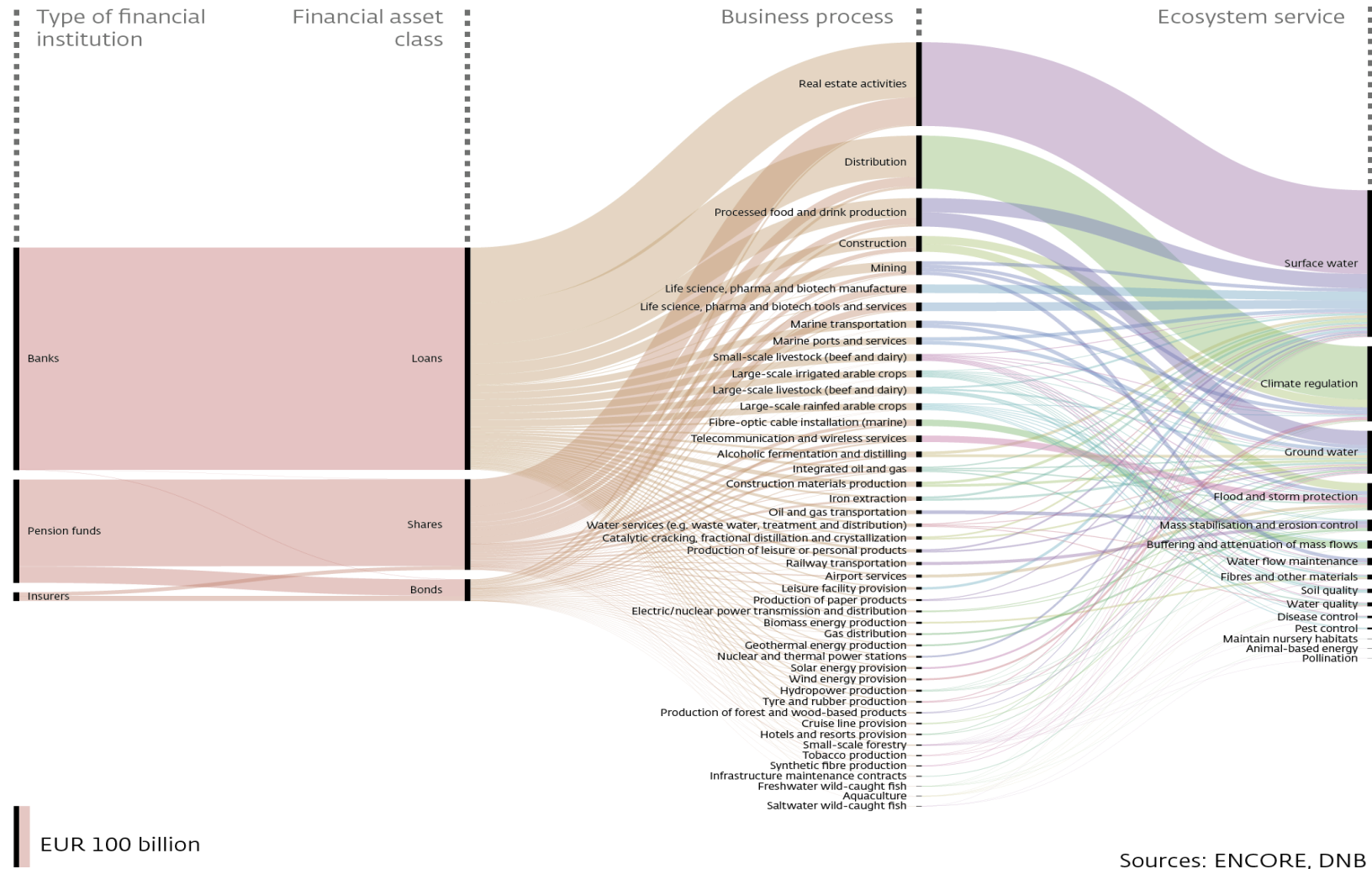


# Biodiversity loss drives financial risks





# Physical risks: dependency on ecosystem services



\* 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.

# Transition risks: activities in biodiversity hotspots

Figure 5 Current protected areas and scenarios for potential expansion based on ecological criteria

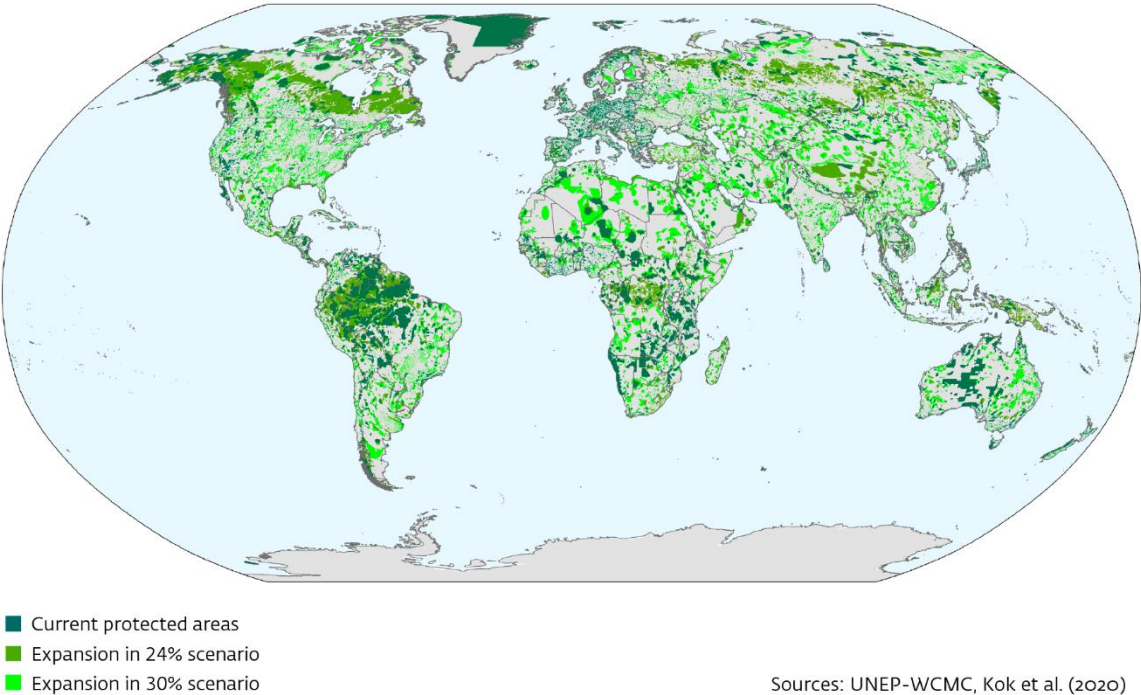
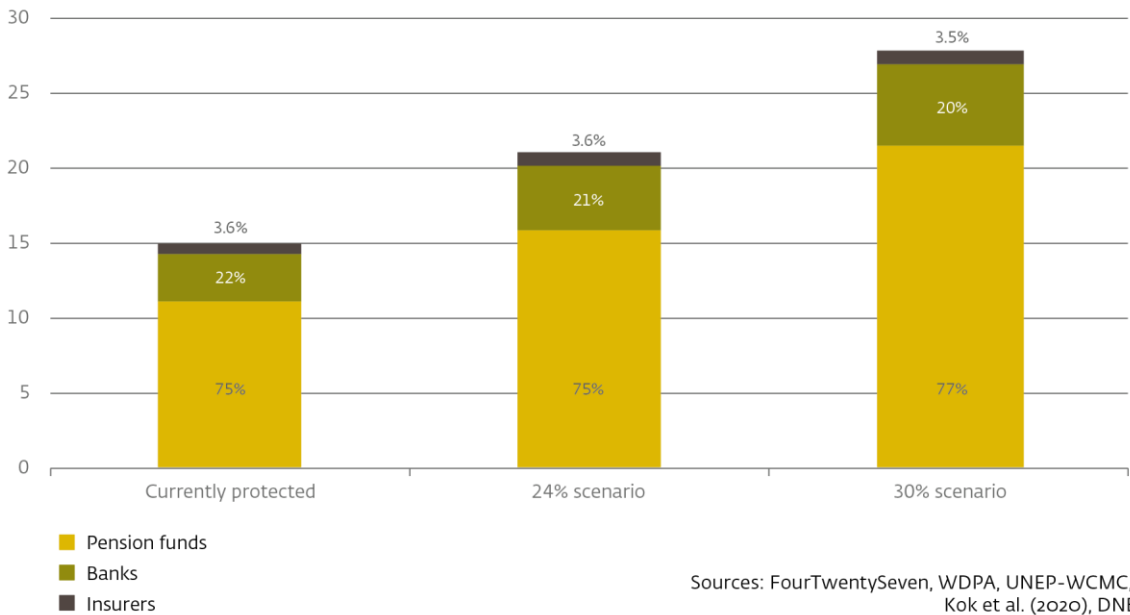


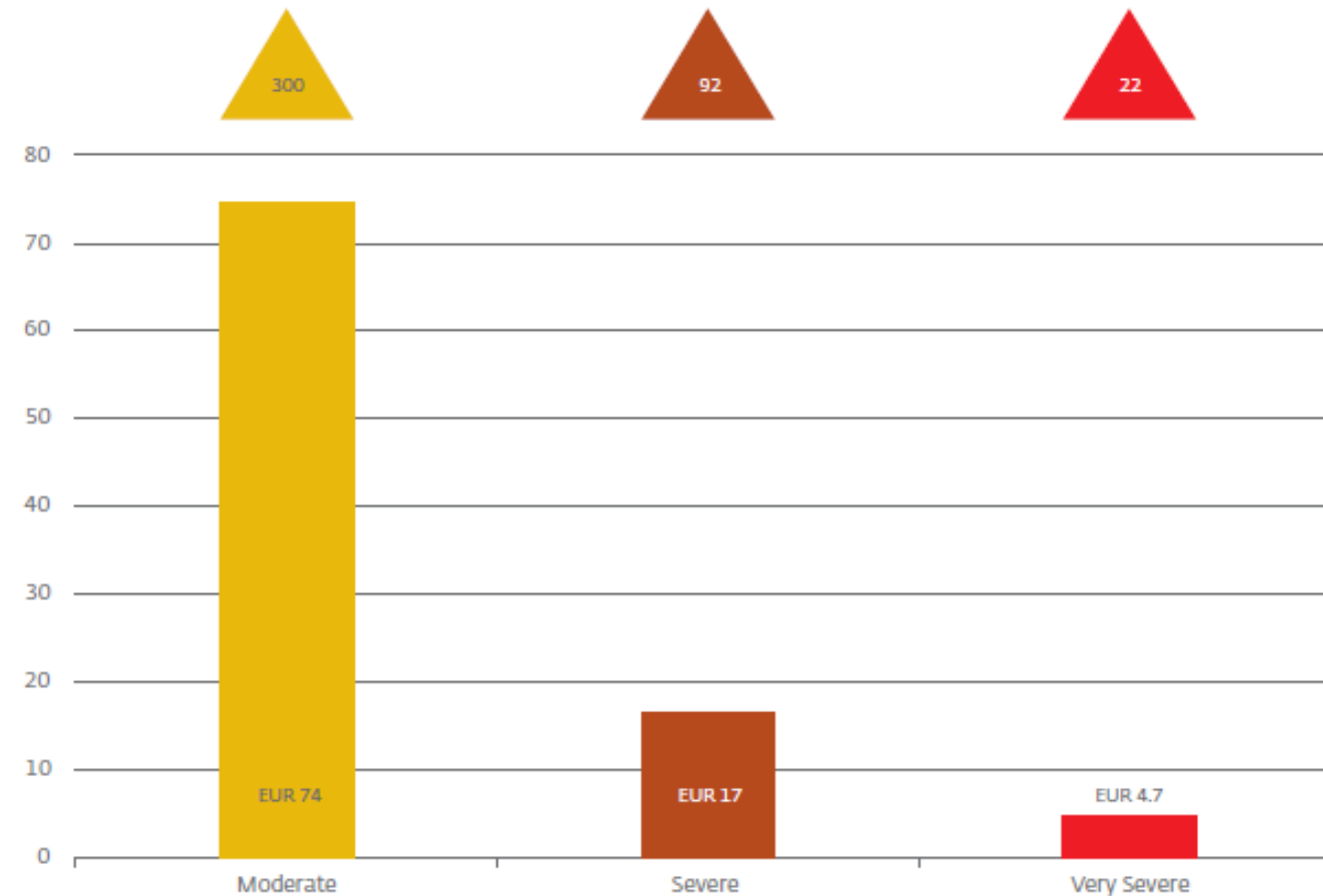
Figure 6 Exposure of Dutch financial institutions to protected and valuable areas, 2018-IV\*  
EUR billion



\* The shareholdings and major loans of Dutch financial institutions total EUR 636 billion and data on business locations are available for EUR 389 billion of this total.

# *Reputation risks: involvement in financing controversial activities*

Number of cases and EUR billion



\* The holdings in shares and bonds, as well as the major loans by Dutch financial institutions total EUR 2,332 billion. Data on environmental controversies are available for EUR 700 billion of this total.

Sources: ESG Controversies product ©2020  
MSCI ESG Research LLC.  
Reproduced with permission, DNB.



# Recommendations

- Financial institutions should identify physical, transition and reputational risks resulting from biodiversity loss
- Develop consistent and broadly applied standards for measuring and reporting on biodiversity risks

