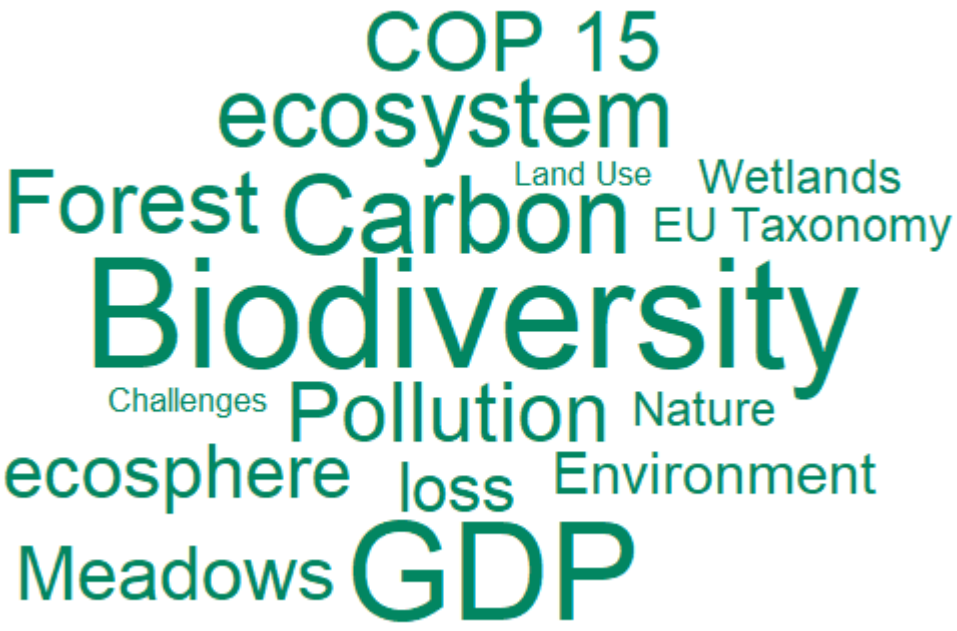
ERSTE
Asset Management

The Case for Biodiversity

From Business Case to Policy

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Responsible Investments



Agenda



1. Why do we care about Biodiversity?
2. What is Biodiversity?
3. Our Policy

1. Why do we care about Biodiversity?



2bn tonnes of CO2 are absorbed by forests every year[1]



10 mn hectares of forest are cut down every year, mostly for agriculture[2]



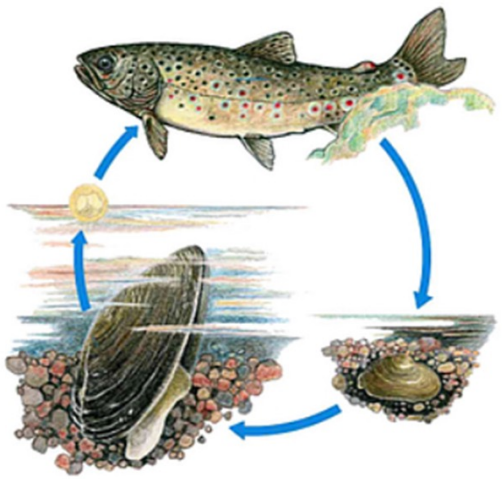
Construction, Agriculture and Consumer Goods especially vulnerable[3]



More than half of global GDP depends on nature/biodiversity[4]

[1|2] BofA - ESG Matters - Global (baml.com)
[3|4] Factsheet: Economic impact of biodiversity (europa.eu)

2. What is Biodiversity?[1]


[2]

“Biodiversity or biological diversity can be understood as the variety of life and refers, quite simply, to the uniqueness of all living things”

1. Biodiversity of ecosystems

2. Biodiverstiy of species, and

3. Genetic biodiversity.

"Habitats with high biodiversity are generally more resilient vis-à-vis disturbances (natural or anthropogenic), and more productive as well."

[1] Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation & Technology
[2] State Government of Upper Austria, Department for Nature Conservation

2. There is no Net Zero without nature[1]



Restoring existing ecosystems could offer a third of the climate actions needed to limit global warming to 1.5°C



Setting GHG reduction targets may be moot if unaccompanied by biodiversity goals



close to 50% of U.S. companies have set a net zero target while <5% have set biodiversity targets

[1] BofA - ESG Matters - Global (baml.com)

3. How can we *start implementing* biodiversity?

Different standards for responsible investing already in place



Taking international norms and standards into consideration

- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Convention on Biological Diversity- Cartagena protocol on biosafety
- Corporate Sustainability Reporting Directive
- EU regulation on deforestation-free supply
- EU taxonomy for sustainable activities
- European Commission: Assessment of Biodiversity Measurement Approaches For Businesses and Financial Institutions
- European Commission/ Joint Research Centre: Environmental Impact Assessment Review: Critical review of methods and models for biodiversity impact assessment and their applicability in the LCA context
- Finance for Biodiversity: Guide on biodiversity measurement approaches
- Financial sector statement on biodiversity for COP15
- Forest 500
- IUCN Red List of threatened species
- Nature Action 100+
- OECD work on biodiversity and ecosystems
- Taskforce on Nature-related Financial Disclosures
- WWF Biodiversity Risk Filter
- WWF Water Risk Filter

3. How can we *actually implement* biodiversity? -> Erste AM biodiversity policy



Define Commitment on Biodiversity

Integration in the Investment Process: ESGenius Score

Integration in our Active Ownership

Commitment to Biodiversity (2022 UN Biodiversity Conference, COP 15)

Integrate data into Active Ownership
- Forest 500 and/or
- WWF Biodiv Risk Filter
- WWF Water Risk Filter
- other

Start Engagements
- with identified laggards
- Nature Action 100 companies
- Local engagements

Divest engaged companies if no improvements were achieved within two years in a manner that preserves interests

3. How *did we implement* biodiversity? -> Erste AM biodiversity policy

Integration Plan







Integrate Biodiversity Data

Voting

Engagement Initiatives e.g. Nature Action 100

EAM Biodiversity Policy

ERSTE Asset Management

Thank you

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