

“Integrating companies’ impact and dependence on BES in investment decisions”

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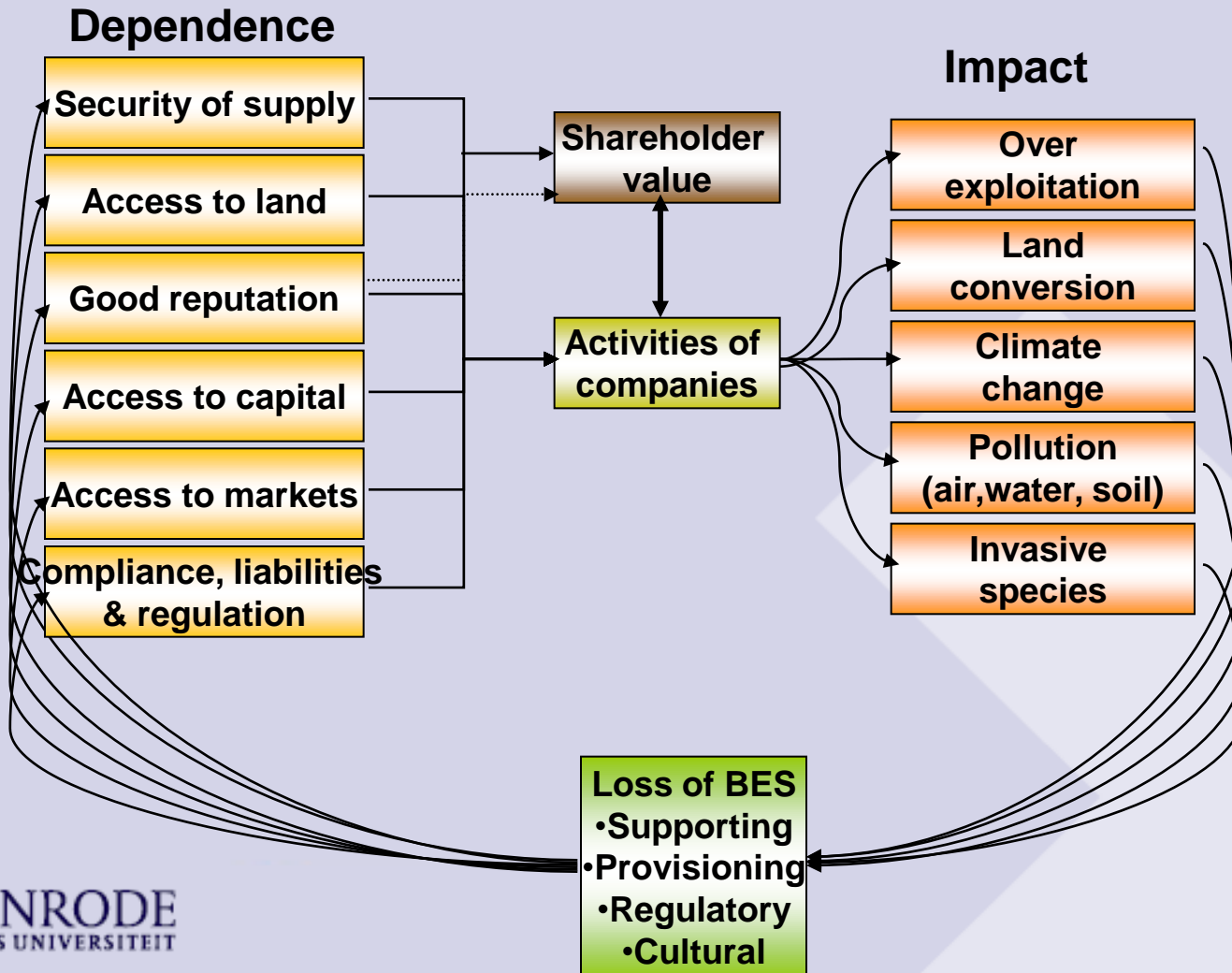
Agenda

- **Issue in brief**
- **Research objective & approach**
- **Findings**
- **Multi-stakeholder approach**

Issue in brief: BES

- **BES** = Biodiversity and Ecosystem Services
- **Biodiversity**: variability of living organisms & the ecological complexes of which they are part
- Biodiversity as indicator for planet's health & crucial for functioning of **ecosystems**
- Ecosystems deliver **ecosystem services** on which we all depend

Issue in brief: company impact and dependence re. BES



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Research objectives

- Investors to include BES in investment decision-making for **2 reasons**:
 - reputation/CSR
 - risk management
- **Information** is essential – is this information available?
- **Research aims**:
 - **analyze** state of information market & identify barriers/opportunities
 - **catalyze** the market for information products → allow investors to incorporate BES into investment decisions

Research approach

- **Methodology:** desk research, 18 interviews, analysis, report, multi-stakeholder workshop
- **Entry point:** ESG rating agencies' products
- **Focus on 3 groups:** ESG rating agencies, asset managers & NGOs

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Findings – general (1)

1. BES-info market: **immature** (info on company *dependence* even almost non-existent)
2. BES-info market: **9 characteristics** (i.e. barriers/opportunities -- *interrelated*)

Findings - general (2)

3. Various **initiatives** to fill gap
4. **Linkage/alignment/consolidation** of initiatives needed → to create catalyzing effect on market development (+ multi-stakeholder approach)

Findings - highlights:

Barriers/opportunities - interrelated

- **BES-concept is complex** - lack of understanding: shared language & standards, tools, education
- **Lack of (access to) information** – new sources needed (NGOs? Local organizations?)
But: what do you need to know and why?
- **Lack of a quantified investment case** – research needed
But: awareness, standards and information essential...

Findings - highlights:

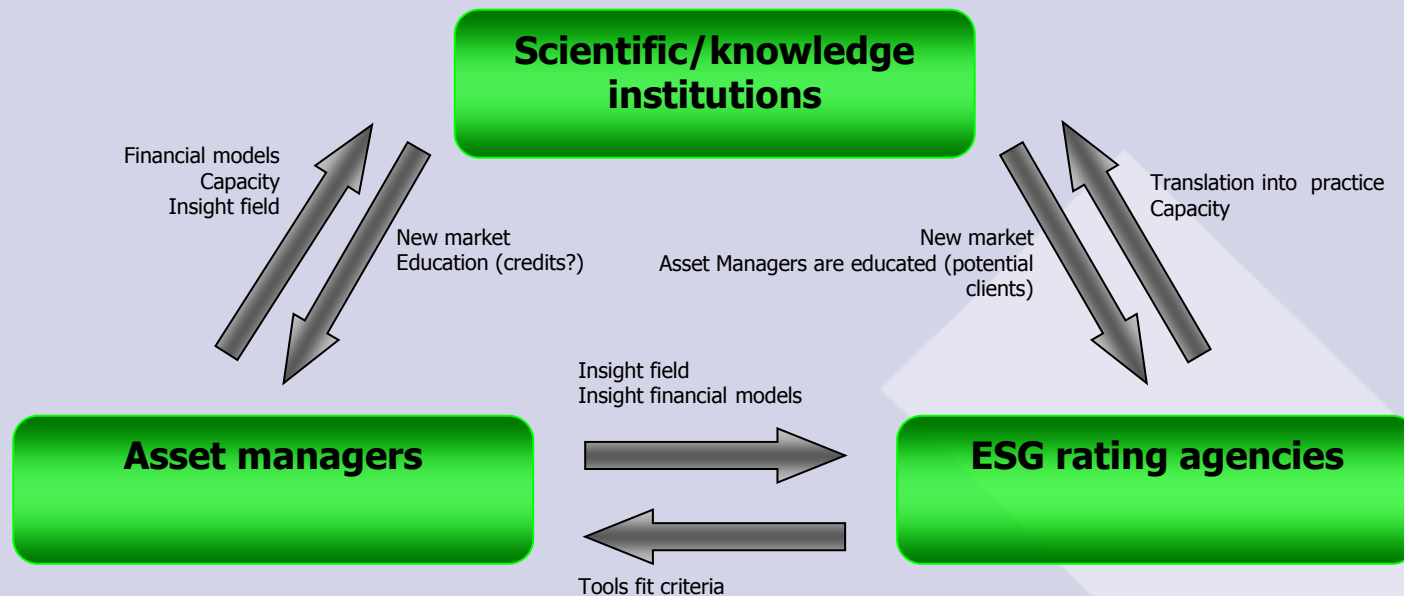
Recommendations – Multi-actor approach

- address several of the barriers **simultaneously**
(> issue = complex)
- take an **integrated, multi-actor** approach
(> different types of action & interests)
- create **momentum** and **share the burden**
(> recognize the ‘**collaborative advantage**’)

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Multi-stakeholder approach – example 'Breaking down the BES-issue'



Multi-stakeholder workshop – Design

- 19 participants, mainly representatives of asset managers/commercial banks, ESG rating agencies, NGOs
- **Aims**
 - create an ‘open space’ for assessing place within the system, in relation to others
 - brainstorming on potential collaborative action
 - network event

Multi-stakeholder workshop - Outcomes

- **First step:** define a standard/shared understanding of BES between stakeholders (=‘**materiality matrix**’)
- Cooperative attitude of participants, but **no real ownership**
- **Challenging to do ‘role-thinking’**
- Mainly enthusiastic about **involvement of investment community** > absent before
- No concrete steps defined; but after workshop → some **bilateral developments**

Multi-stakeholder approach – Concluding remarks

- **Facilitate** cooperation > tackle constraints re. time and facilities
- Create a **shared vision**
- Development **shared language**/understanding as first step

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