



GIP- Analysis of Survey Results on Financial Institutions Supporting Biodiversity Conservation

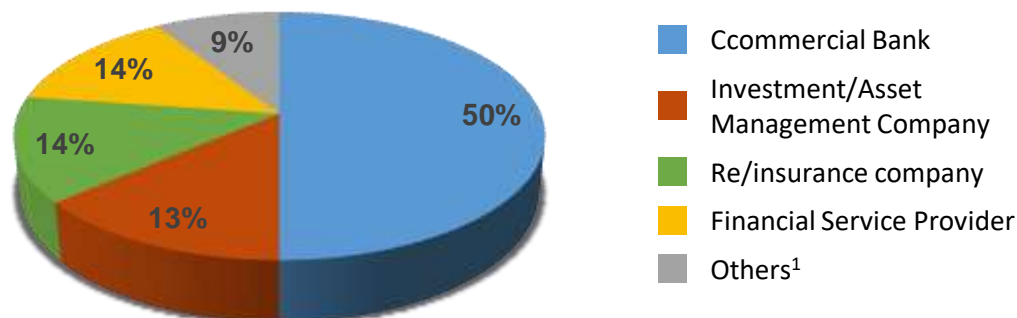
Research Objectives and Key Findings

Objectives :

- To better **understand the current situation, challenges and expectations** of GIP members in this area.
- To **lay the groundwork for further work** on how financial institutions can support biodiversity conservation, prevent related risks and promote innovative practices.

Sources:

- **22** GIP member institutions, mainly commercial banks, responded to this survey.

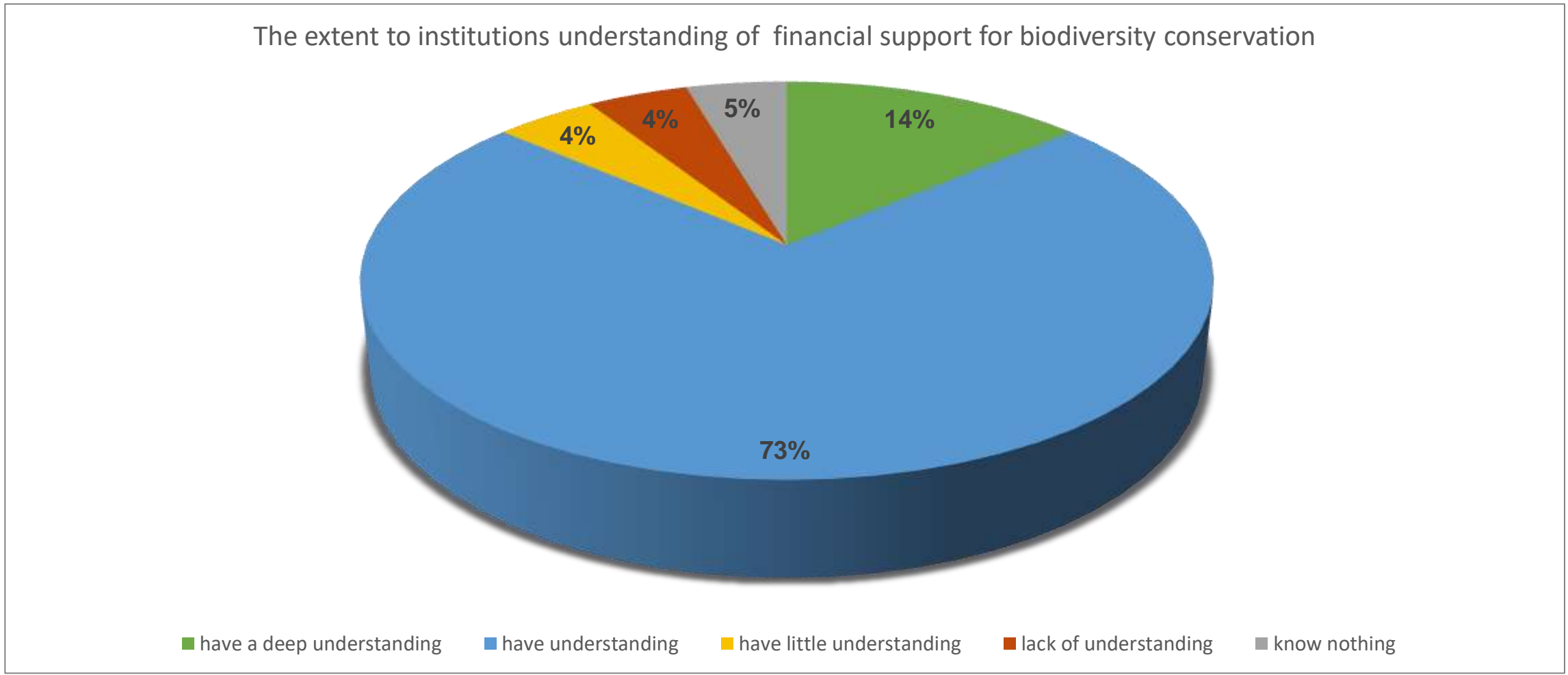


1. Others including Corporate and Investment Bank, Stock Exchange

Key findings :

- ① GIP members **have a preliminary understanding** of financial support for biodiversity conservation. And **over 90% of the responding members have taken actions** to protect biodiversity;
- ② However, members **still face practical challenges** such as inconsistent standards, a lack of clarity, and insufficient data. More than 40% of members have not yet used database/assessment tools to quantify risks;
- ③ Most members expect Working Group I (WGI) to include elements related to in their focus areas.

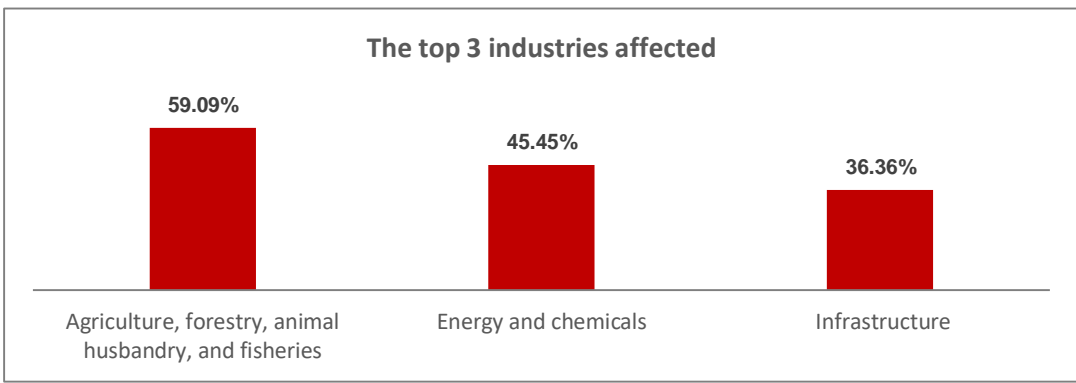
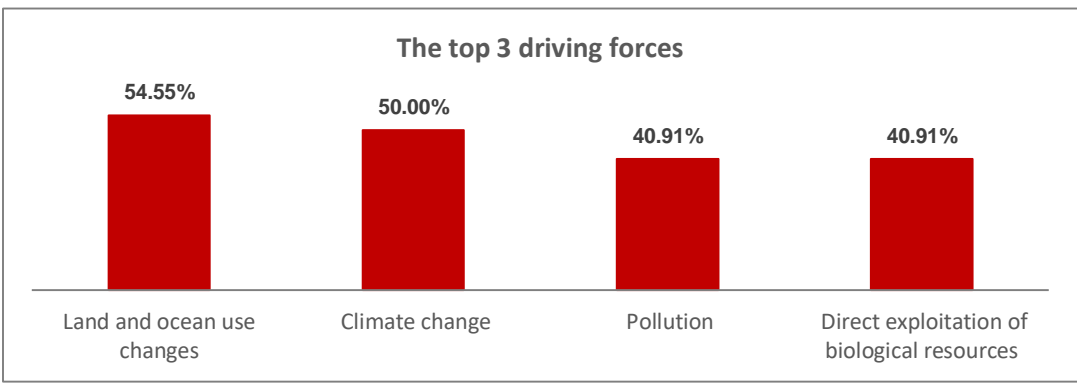
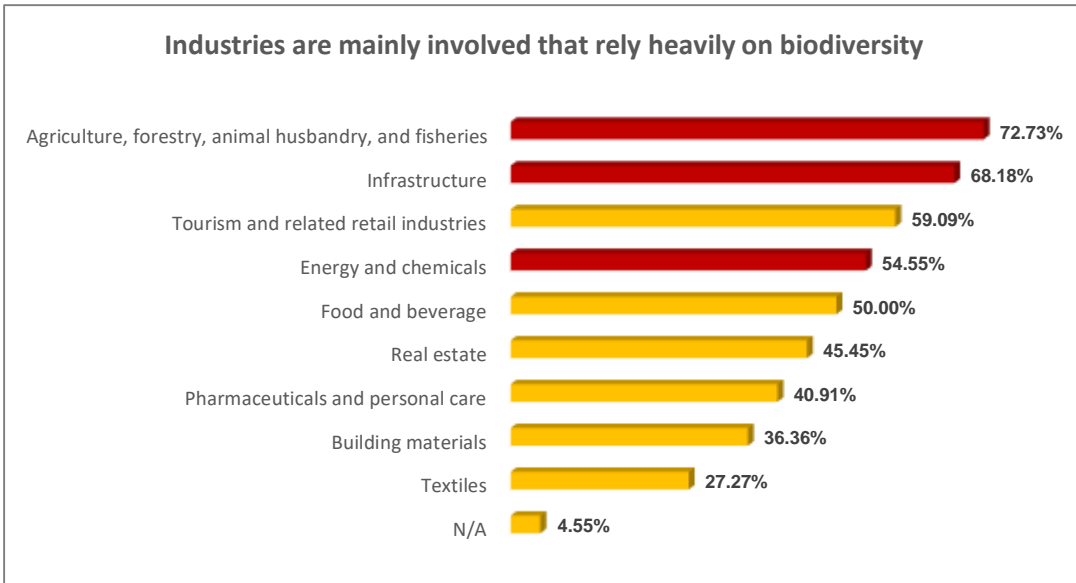
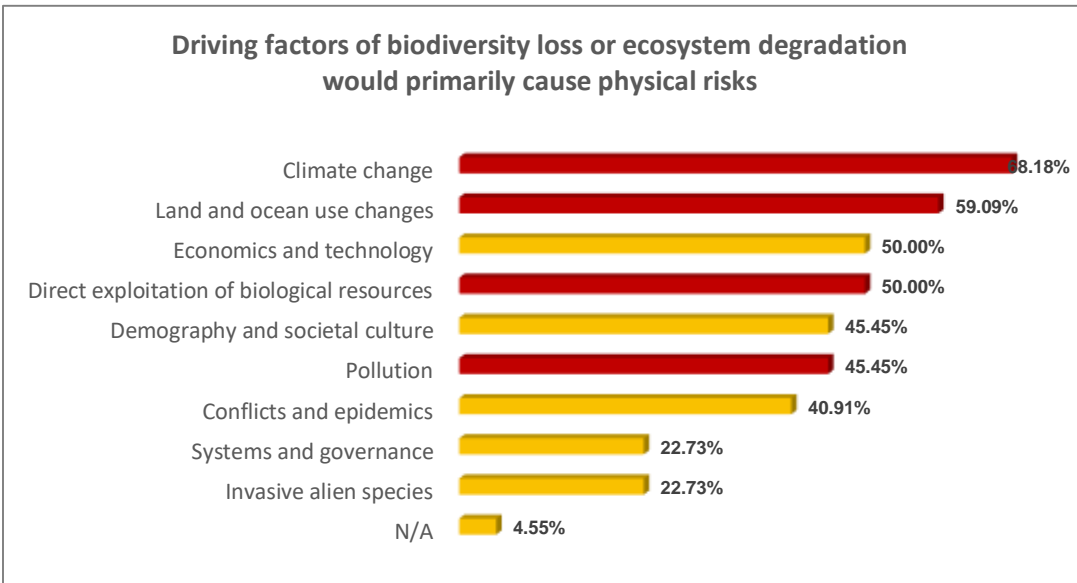
1 Approximately 90% of members have a certain understanding of financial support for biodiversity conservation



1 Financial institutions' understanding of the driving factors of biodiversity loss and the mainly involved industries

Climate change, changes in land and ocean use are widely recognized as the main driving factors of biodiversity loss or ecosystem degradation.

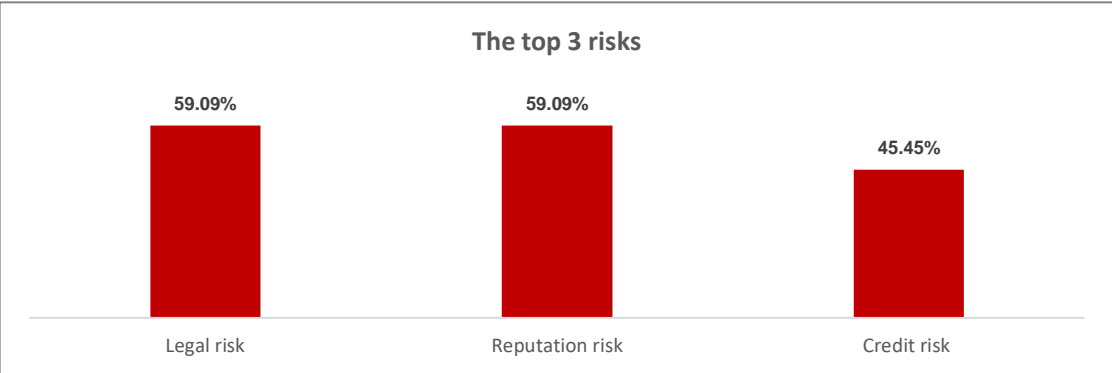
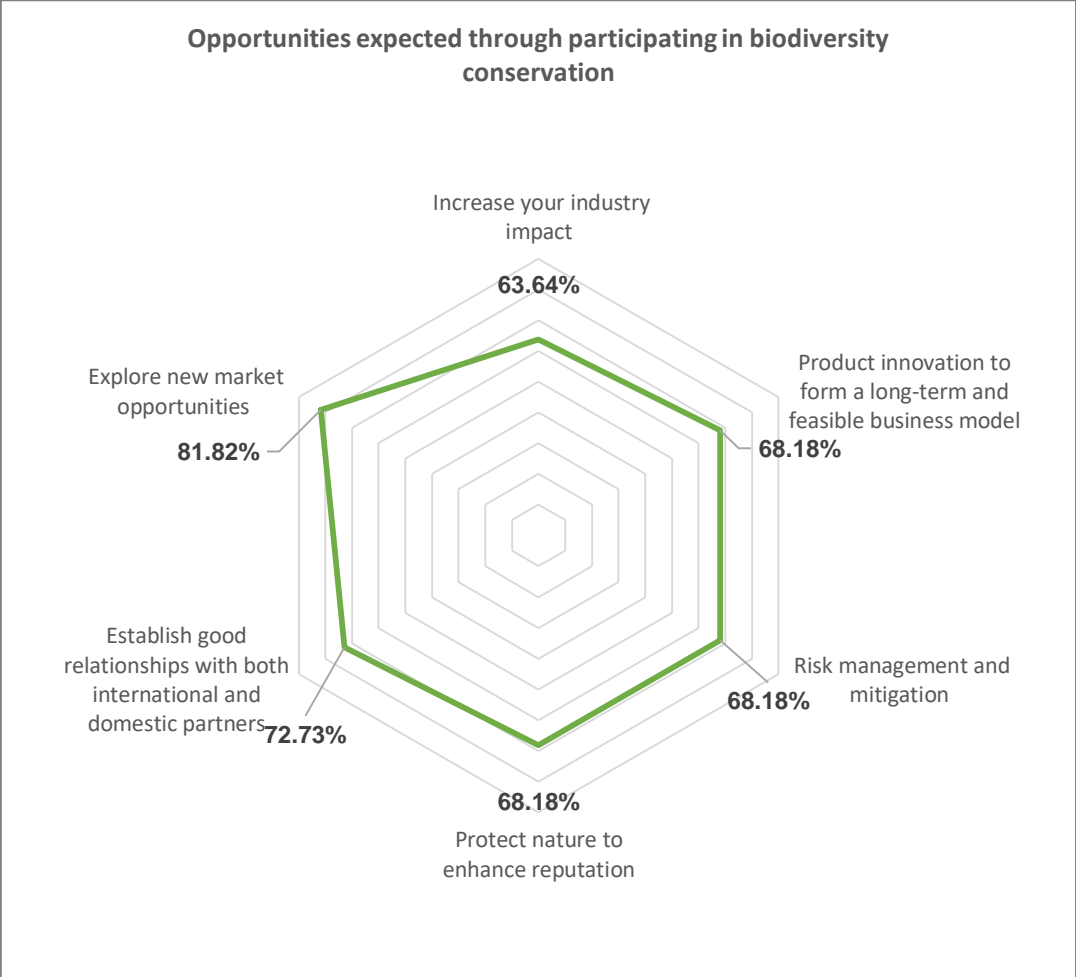
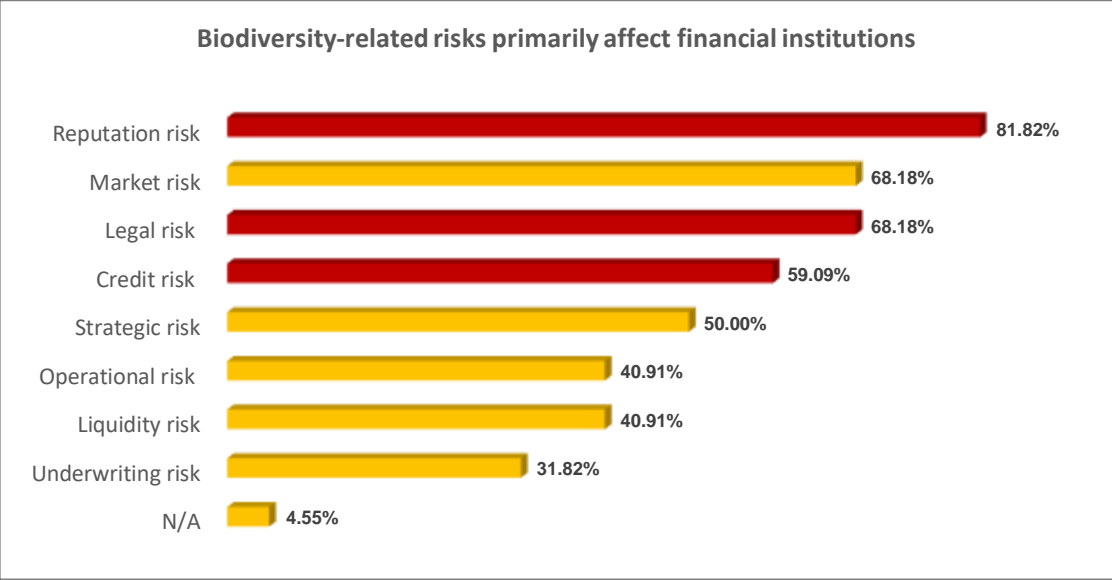
Agriculture, forestry, animal husbandry, and fisheries is the sector in which institutions are most dependent on biodiversity.



1 Strengthening biodiversity conservation can assist financial institutions in mitigating their financial risks while also creating new opportunities and possibilities for development

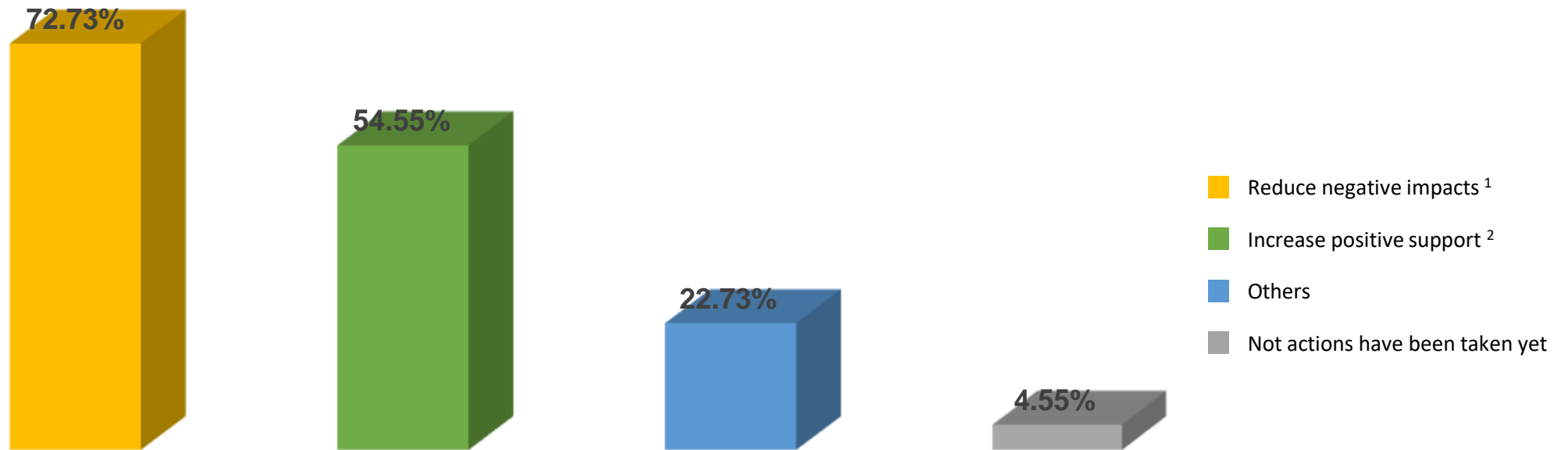
Biodiversity-related risks can have an impact on institutions' financial risks, particularly, reputation risk, legal risk and credit risk.

Biodiversity conservation will also bring opportunities for financial institutions.



2 Over 90% of members have taken actions to support biodiversity conservation and help to halt and reverse the trend of biodiversity loss

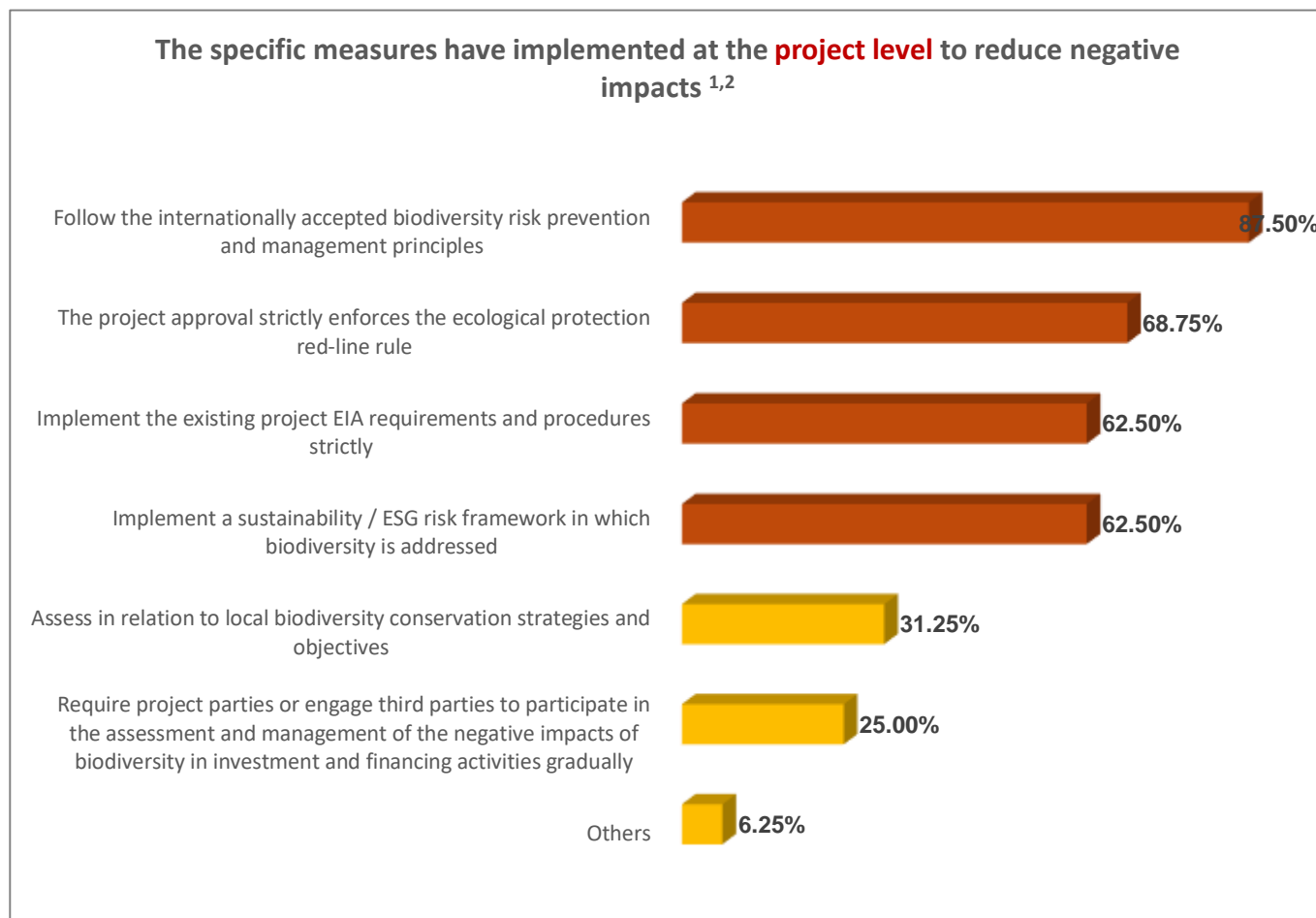
The main actions the institution has taken to support biodiversity conservation



1. Reduce negative impacts, meaning manage potential risks to biodiversity from investment and financing activities/ potential financial risks arising from biodiversity loss; 2. Increase positive support, meaning strengthen investment and financing activities which have positive impacts on biodiversity conservation.

2

Reduce negative impacts (1/2) : Most members manage biodiversity risks through project-level or institution-level implementations



Challenge 1: Inadequacy of **standards and policies** related to biodiversity.

Challenge 2: Vague understanding of the ecosystem makes it **difficult to identify and verify** relevant risks.

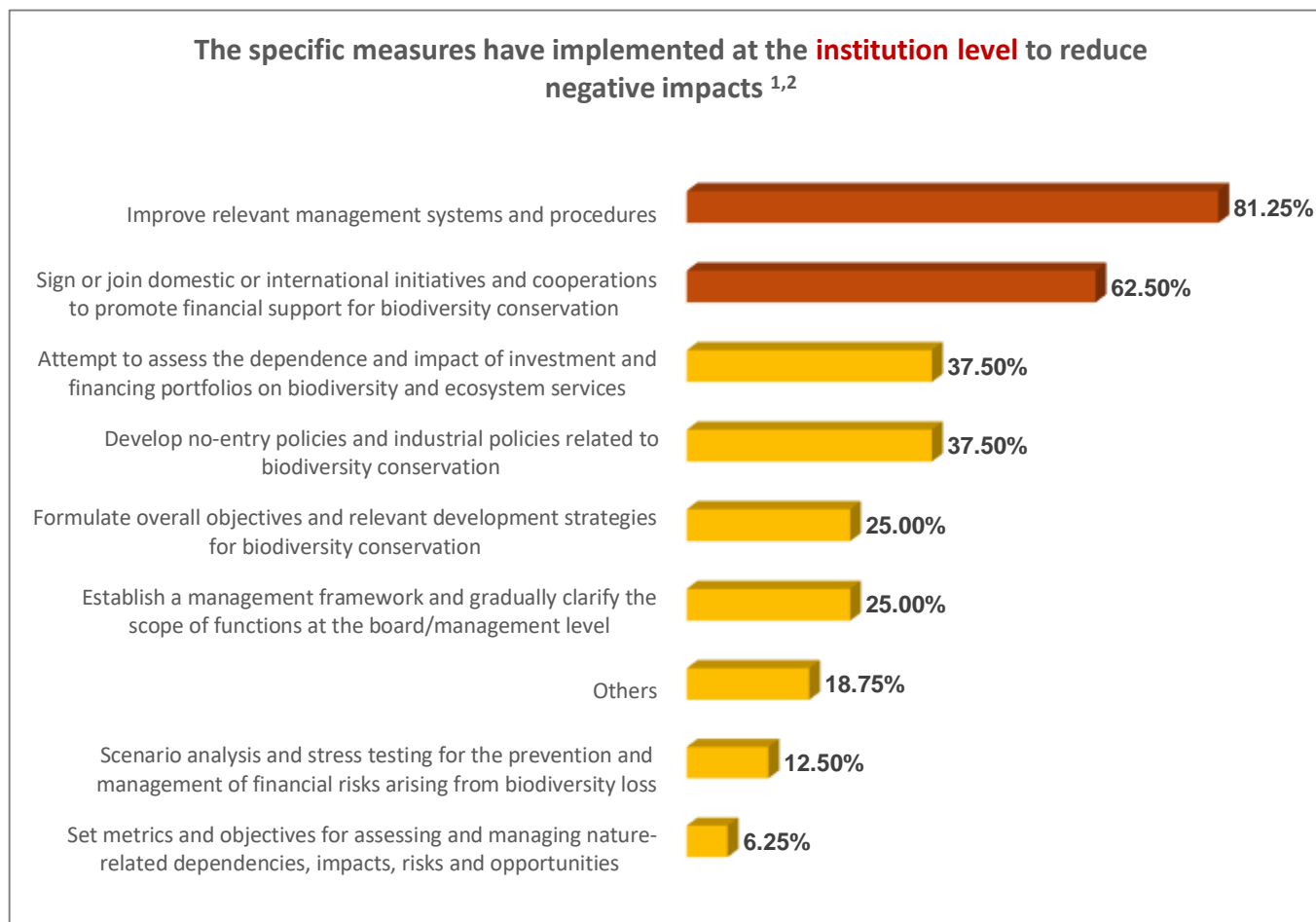
Challenge 3: Gaps in **capacity building** such as systems, tools and professionals.

Challenge 4: Difficulties in relevant **data** acquisition, analysis, sharing and verification.

1. Reduce negative impacts, meaning manage potential risks to biodiversity from investment and financing activities/ potential financial risks arising from biodiversity loss; 2. The ratio only shows the proportion of institutions that have taken actions related to "reduce negative impacts".

2

Reduce negative impacts (2/2) : Most members manage biodiversity risks through project-level or institution-level implementations



Challenge 1: Inadequacy of **standards and policies** related to biodiversity.

Challenge 2: Vague understanding of the ecosystem makes it **difficult to identify and verify** relevant risks.

Challenge 3: Gaps in **capacity building** such as systems, tools and professionals.

Challenge 4: Difficulties in relevant **data** acquisition, analysis, sharing and verification.

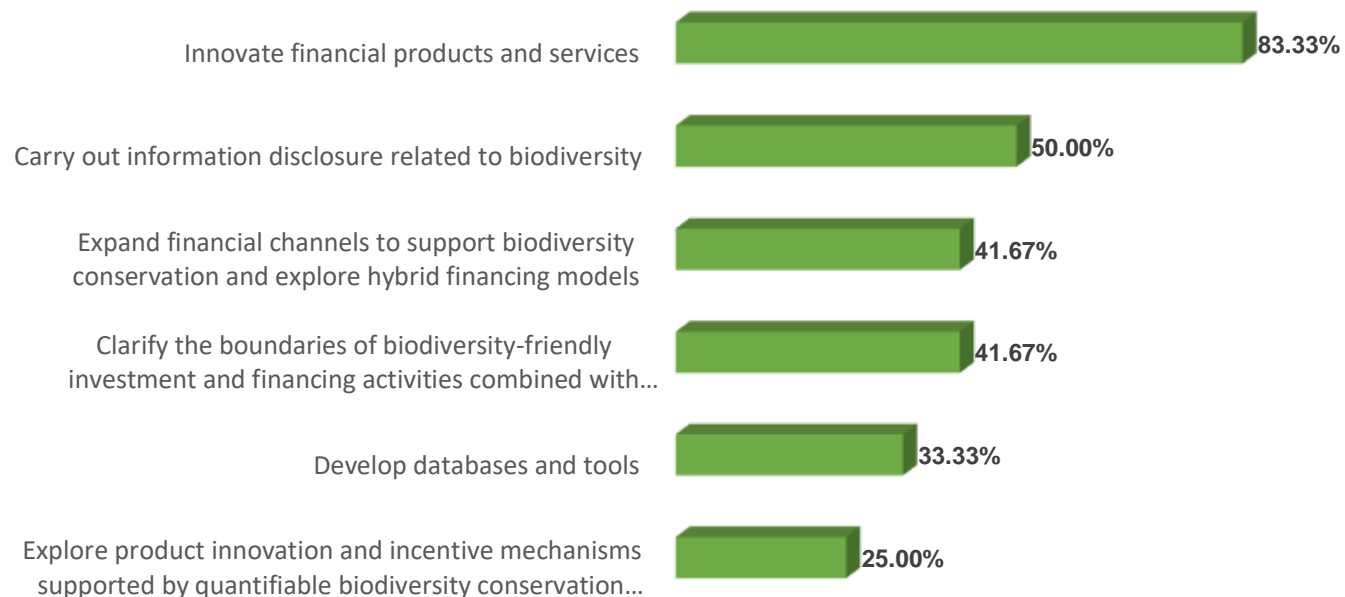
1. Reduce negative impacts, meaning manage potential risks to biodiversity from investment and financing activities/ potential financial risks arising from biodiversity loss; 2. The ratio only shows the proportion of institutions that have taken actions related to "reduce negative impacts".

2

Increase positive support: Innovative financial products and services are an essential and practical approach for institutions to explore financial support for biodiversity conservation

The specific measures have implemented to increase positive

support ^{1,2}



Practices

- **Innovative financial products and services**, such as: innovative carbon sink insurance, biodiversity conservation themed green bonds, etc.;
- **Support for community benefit projects**, such as reforestation and wildlife conservation programmes;
- **Disclosure of related information** on biodiversity-related risk management and practices in the form of ESG reporting chapters or separate reports...

Challenges

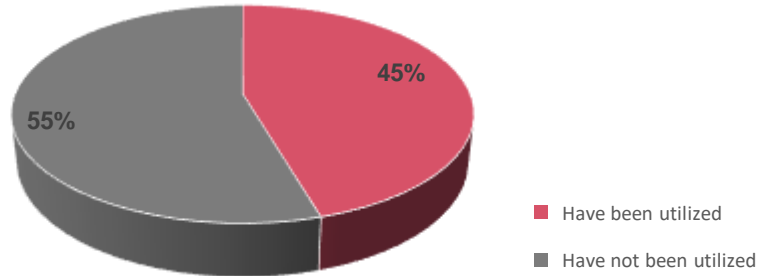
- **Lack of positive incentives** at the government level;
- **Lack of consistent criteria** for classifying green projects;
- **Lack of mature evaluation tools and effective data support.**

1. Increase positive support, meaning strengthen investment and financing activities which have positive impacts on biodiversity conservation; 2. The ratio only shows the proportion of institutions that have taken actions related to "increase positive support".

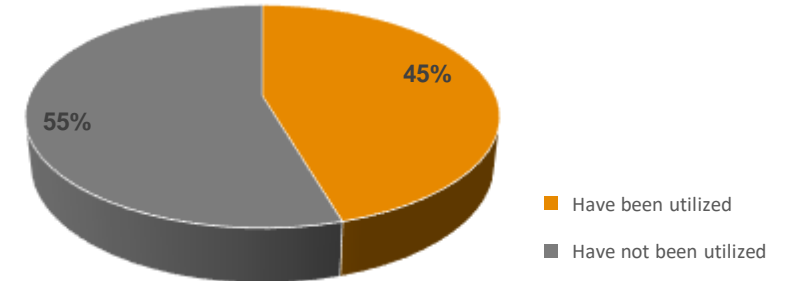
2

More than half of the members have utilized biodiversity-related tools or databases to quantify the extent and probability of biodiversity-related risks

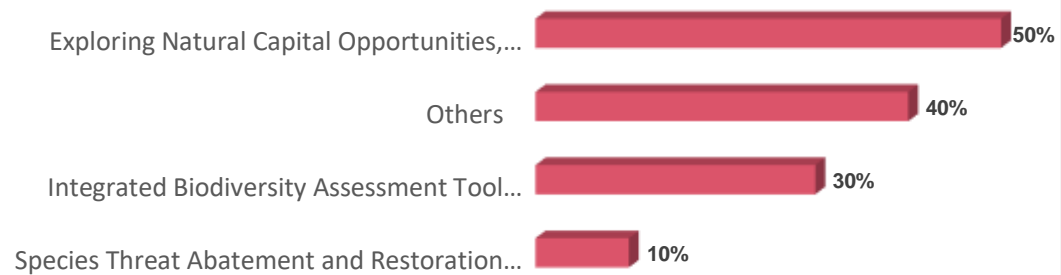
Whether the institutions have been utilized biodiversity-related tools



Whether the institutions have been utilized biodiversity-related database

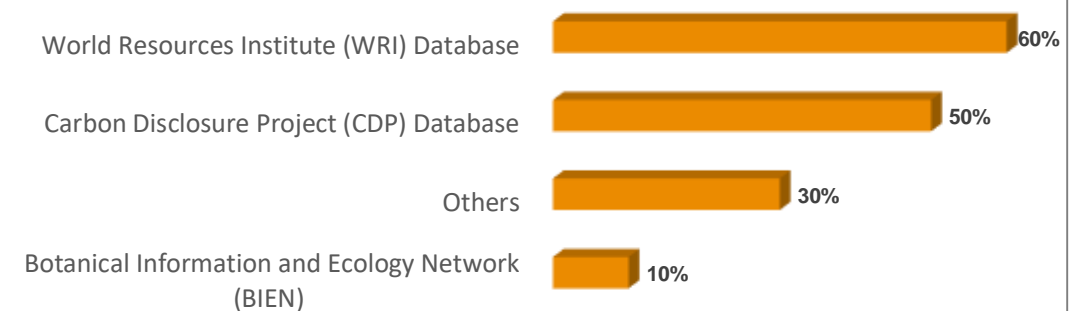


Specific use of biodiversity-related assessment tools ¹



1. The ratio only shows the proportion of institutions that have been utilized biodiversity-related tools

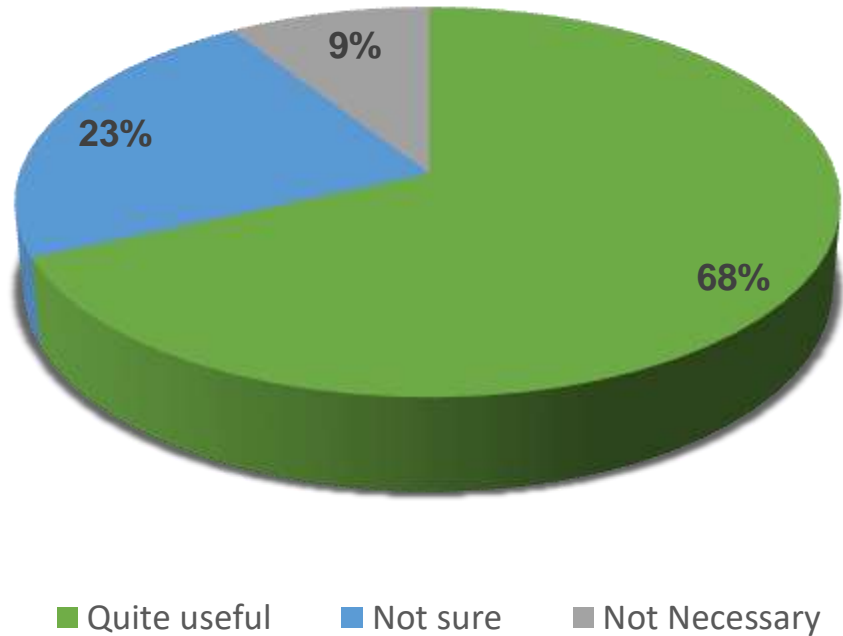
Specific use of biodiversity-related assessment database ²



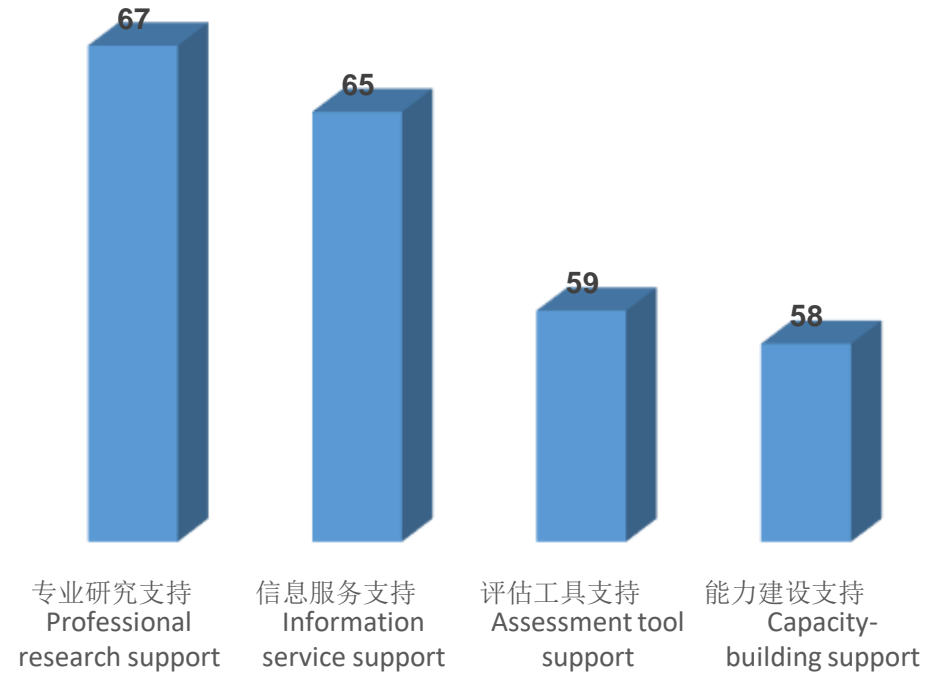
2. The ratio only shows the proportion of institutions that have been utilized biodiversity-related database.

3 Approximately 70% of responding members expect to receive biodiversity-related support from GIP

Members' consideration of WG1 would make biodiversity and additional element in its focus areas



The kind of support are expected of the GIP platform to provide in biodiversity conservation for financial institutions ¹



1. The maximum expected score is 100 points. The calculation logic is as follows: Assign 1-4 points from low to high for the expected value of the four kinds of supports that the GIP platform can provide, and convert the final score into a percentage system.