

# Natural Capital Risks and Opportunities for the Financial Sector

## Workshop III: Seizing Business Opportunities – Investing in Eco-friendly Markets and Sustainable Business Practices

14 June 2016, São Paulo

Casa do Saber, Rua Dr. Mario Ferraz, 414, Jardim Paulistano – São Paulo

08:30 – 09:00	<b>Registration and Welcome Coffee</b>
09:00 – 09:30	<b>Opening and welcome Notes</b> <ul style="list-style-type: none"><li>• Marina Grossi, President of the Brazilian Business Council for Sustainable Development (CEBDS)</li><li>• Yannick Motz, Project Manager Emerging Markets Dialogue on Green Finance, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)</li></ul>
9:30 – 10:00	<b>Seizing Business Opportunities – Investing in Eco-friendly Markets and Sustainable Business Practices</b> <p>Presentation of the Joint Study</p> <p>Gustavo Pimentel, Executive Director, SITAWI</p>
10:00 – 11:00	<b>Implications for the Brazilian Corporate Sector</b> <p>Panel Discussion with Q&amp;A</p> <ul style="list-style-type: none"><li>• Leonardo Guimarães Ribeiro, Environmental Analyst of ArcelorMittal Brasil</li><li>• Joelcio Saturnino de Oliveira, Proposals manager, of Veolia Water</li><li>• Percy Soares, Coordinator of the Water Resource Network of the National Confederation of Industry Brazil (CNI)</li></ul> <p>Moderator: Marina Grossi, President of CEBDS</p>
11:00 – 12:00	<b>Implications for the Brazilian Financial Sector</b> <p>Panel Discussion with Q&amp;A</p> <ul style="list-style-type: none"><li>• Raphael Duarte Stein, Environmental Coordinator of Banco Nacional de Desenvolvimento Econômico e Social (BNDES)</li><li>• Wagner Siqueira, Executive Manager of Banco do Brasil</li></ul> <p>Moderator: Annelise Vendramini, coordinator of the Program Sustainable Financial of GVces.</p>
12:00 – 12:10	<b>Closing Remarks</b> <p>Fernanda Gimenes, technical manager and coordinator of the Sustainable Financing Working Group, Brazilian Business Council for Sustainable Development (CEBDS)</p>
12:10 – 13:30	<b>Closing</b>

## The Workshop Series

The recent two-year drought in Brazil, which had severe economic impacts, has further heightened the awareness and demand amongst financial institutions to learn more about natural capital dependencies, related trends and the resulting risks and opportunities for the financial sector. Hence, the Brazilian Business Council for Sustainable Development (CEBDS) and GIZ's Emerging Markets Dialogue on Green Finance, financed by the German Federal Ministry for Economic Cooperation and Development (BMZ), have jointly been organizing a series of workshops on the relevance of natural capital for the financial sector.

Complementing the series, CEBDS and GIZ are inviting to a third workshop:

**Workshop III: New Investment Opportunities in Eco-Friendly Technologies and Sustainable Business Models (14 June 2016, São Paulo)**

During this launch event the key findings of the report on Business Opportunities in Water Conserving Technologies – Brazil will be presented and discussed, alongside other relevant results from related international initiatives and work streams.

There are different technology options for water management, but a lack of understanding and trust in their financial viability to make a rational decision on investing. It is imperative to quantify water usage, understand the cost drivers, evaluate shortages impact and identify key variables to analyze viability of an investment. This study contributes to help answer some questions concerning measuring, modelling and risk analysis.

Prior to that, CEBDS and GIZ have already organized two consecutive workshops:

**Workshop I: Introduction to Natural Capital - Understanding Risks and Opportunities (23 September 2014, São Paulo)**

The workshop introduced the concept of Natural Capital, its relevance for financial institutions and the rationale behind integrating natural capital considerations into valuation and risk management in the Brazilian context. The audience was given an overview of ecosystem services and the need to look beyond impacts on the environment. Furthermore, the dependency of our economies on natural capital inputs was emphasized. Risks and opportunities for the financial sector, stemming from such dependencies, were also discussed. The relevance of natural capital integration was presented from both a financial institution's perspective (Banorte) and from a credit rating agency's perspective (S&P). The workshop concluded with a panel discussion on business cases for incorporating natural capital into investment decisions.

**Workshop II: Understanding, Quantifying and Managing Natural Capital Risks in the Brazilian Market (15 December 2014, São Paulo)**

During this workshop the findings of the study Quantifying the Natural Capital Risk Exposure of Financial Institutions in Brazil, commissioned by CEBDS and GIZ and conducted by Trucost, were presented. The objective of the study was to provide Brazilian financial institutions with an understanding of the magnitude of the natural capital risks they are exposed to through their funding, lending and investments, and to identify high-risk sectors and regions. The presentation was followed by two group exercises where natural capital risks were quantified at company and portfolio level. The second half of the workshop was dedicated to tools for valuing and quantifying water risk exposure. The pilot project on quantifying water risk in corporate bonds was discussed, and an overview of the WWF water risk filter was given.