

Seeing biodiversity risks more clearly

Biodiversity is essential to life. It creates healthy societies, resilient economies and thriving businesses.

50% of global GDP is dependent on nature.

75% of global food crops rely on animal pollination.

And 5.6 gigatons of carbon are absorbed by forests, wetlands, and oceans every year.

The loss of biological diversity would be catastrophic not only for our planet, but for the global economy.

Companies and investors could face increasing operational, litigation or regulatory risks from policy shifts, and greater pressure to report on biodiversity-related issues – but measuring exposure to biodiversity risks can be challenging due to its complexity and current data limitations.

That's why MSCI has developed two new tools with the aim to provide greater clarity by combining our existing and new biodiversity data points with our location-specific biodiversity metrics.

The Biodiversity-Sensitive Area Screening Metrics allows investors to identify companies that have physical assets located in areas of high biodiversity, such as healthy forests, prime areas for conservation, or species-rich areas.

The Deforestation Screening Metrics screens for companies that are exposed to deforestation-related risks. This includes companies that could directly or indirectly contribute to deforestation, whether through direct operations in at-risk areas like the tropics, or reliance on commodities that are considered key drivers of deforestation like palm oil, soy, beef and timber.

These metrics allow investors to identify potential risks in their portfolio and engage with the companies flagged...

...empowering them to make better decisions for their investments.

About MSCI

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