

# What are sustainability requirements of investors, FIs, insurers?

June 2021

Organizers:

## M O D E R A T O R



**Robert Adamczyk**  
Senior Advisor,  
Environment and Sustainability  
Department  
EBRD



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# AGENDA

## What are sustainability requirements of investors, FIs, insurers?

- 1 Opening statement by: Robert Adamczyk, Senior Advisor, Environment and Sustainability Department, EBRD
- 2 Felix Potishman,  
Senior Investment Officer, Agribusiness, Food & Water Team, FMO
- 3 Nikolay Shestak,  
Managing Partner, Zubr Capital
- 4 Yanina Olkhovska,  
Director of Communication, CSR and Engagement, UKRSIBBANK BNP Paribas Group
- 5 Paul Hammer,  
Senior Agricultural Underwriter and Product Manager, Swiss Re

- Q & A session -



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# TODAY

## What are sustainability requirements of investors, FIs, insurers?



**Felix Potishman**

Senior Investment  
Officer, Agribusiness,  
Food & Water Team,  
FMO



**Nikolay Shestak**

Managing Partner,  
Zubr Capital



**Yanina Olkhovska**

Director of  
Communications, CSR  
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Paribas Group



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# Sustainable Finance(ESG) & future trends

Robert Adamczyk, Senior ESG Advisor,  
Environment and Sustainability Department (ESD)

June 2021



**European Bank**  
for Reconstruction and Development

# ESG – what is this



European Bank  
for Reconstruction and Development

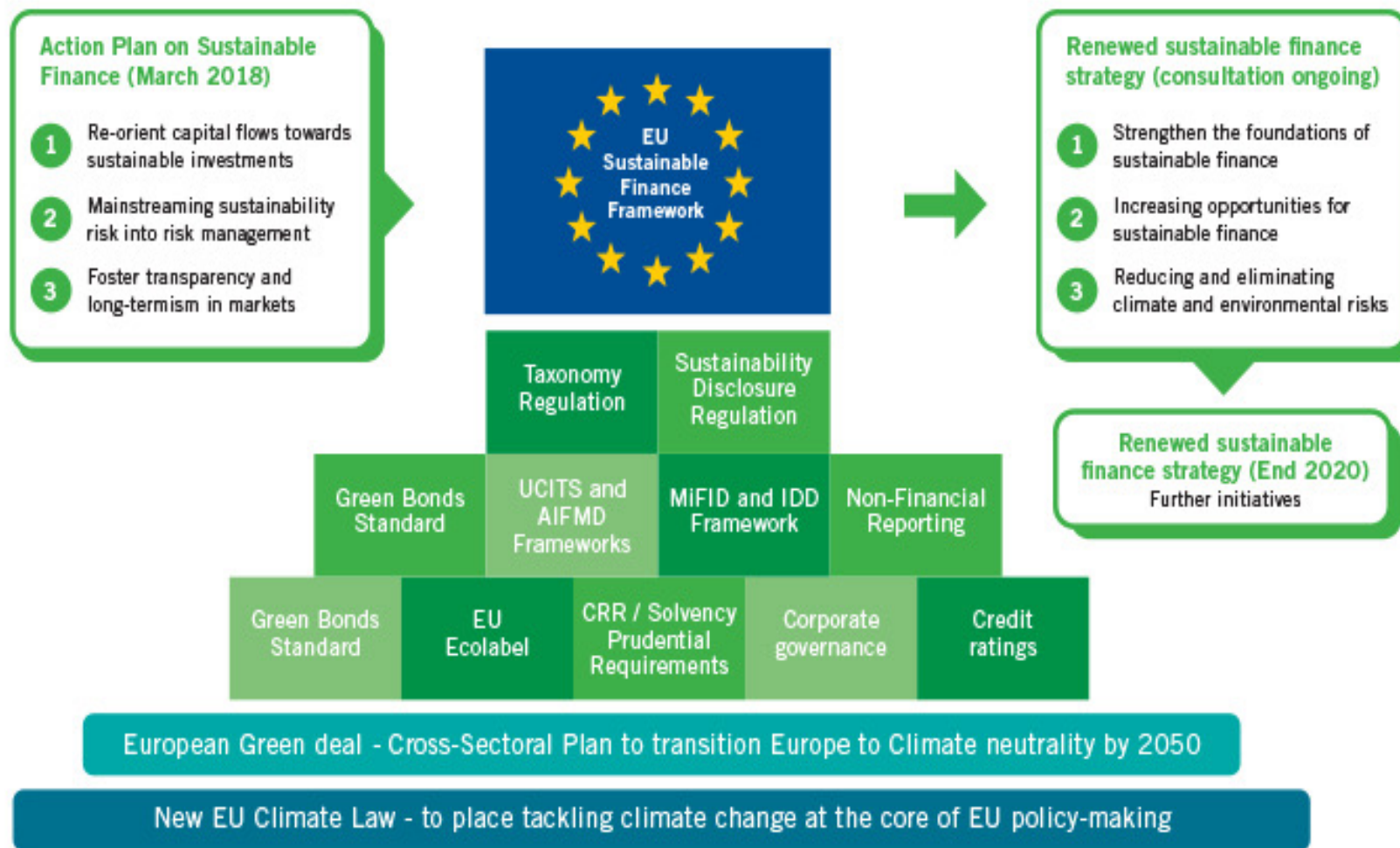
- “ESG” is the consideration of environmental, social and governance factors (positive and negative potential and actual impacts) in the decision-making process for investment activities.
- UN PRI identifies three core components which provide the path to comprehensively understanding an entity’s ESG risks and opportunities, environmental and social performance, and contribution to wider outcomes.
  - Social goals and planetary thresholds – Nationally, regionally, or internationally recognised environmental and social targets, norms and responsibilities within which entities operate from a sustainability perspective.”
  - ESG risks and opportunities - ESG factors likely to impact the financial condition or operating performance of an entity (financial materiality).
  - Sustainability performance – How an entity’s operations and products impact (positively and negatively) stakeholders and the environment.



This is an illustration not a comprehensive list of ESG factors.



# EU Environmental and Sustainability Architecture



- Update of Action Plan Sustainability Action Plan
- SFRD in place
- NFRD to be updated (CSRD)
- EU Taxonomy
- International Pressure

# Legislative and reporting platforms



European Bank  
for Reconstruction and Development

CATEGORY	FRAMEWORK	DESCRIPTION
EU legislation	<a href="#">SFDR</a>	The Sustainable Finance Disclosure Regulations introduces a set of disclosure requirements for financial market participants and financial advisers to prevent greenwashing and increase market transparency
	<a href="#">NFRD/CSRD</a>	The Non-Financial Reporting Directive (to be replaced by <b>Sustainability Disclosure Directive</b> ) requires large companies to disclose non-financial and diversity information in their annual reports and on their website
	<a href="#">EU taxonomy</a>	The EU taxonomy aims to facilitate sustainable investment thanks to a classification system helping companies to define whether their economic activities are environmentally sustainable
Stakeholder platforms & collaborations	<a href="#">GRI</a>	The Global Reporting Initiative helps any organisation (regardless of size, sector or location) to start reporting on their impacts on the economy, the society or the environment thanks to reporting guidance, information and support.
	<a href="#">SASB</a>	The Sustainability Accounting Standards Board sets standards to guide companies disclosing financial materiality sustainability information to their investors.
	<a href="#">IIRC</a>	The International Integrated Reporting Council helps organisation explains how they create financial and non-financial value through concise and integrated reporting.
	<a href="#">CDP</a>	Carbon Disclosure Project provides questionnaires and scores companies based on their journey through disclosure and towards environment leadership.
	<a href="#">CDSB</a>	The Climate Disclosure Standards Board Framework sets out an approach for reporting environmental and climate change information in mainstream reports, such as annual reports or integrated report.
	<a href="#">UNGC</a>	The UN Global Compact sets a set of 10 principles to help companies operating in ways that, at a minimum, meet fundamental responsibilities.
Reporting related initiatives	<a href="#">TCFD</a>	The Task Force on Climate-related Financial Disclosures seeks to improve and increase reporting of climate-related financial information to investors, lenders, insurers and other stakeholders.
	<a href="#">IFRS</a>	The International Financial Reporting Standards to bring transparency, accountability and efficiency to financial markets around the world.
	<a href="#">SDG</a>	The Sustainable Development Goals are a set of 17 goals adopted by all UN member states in 2015, as part of the 2030 Agenda for Sustainable Development.



# EU Taxonomy – Social Taxonomy being developed



European Bank  
for Reconstruction and Development

Subject	Description	What we say	SG mainly concerned
Why an EU Taxonomy?		<p>The <b>primary objective</b> of the EU Taxonomy (the Taxonomy) is to <b>redirect capital flows</b> towards <b>environmentally sustainable activities</b>.</p> <p><b>Transitioning</b> to a <b>climate-neutral economy</b> by 2050 requires <b>clear tools and guidance</b>, reflecting <b>scientific evidence</b> and market experience, to give confidence to companies and investors to act.</p> <p>The Taxonomy is formulated <b>based</b> on the <b>climate change</b> and <b>environmental policies in the EU</b>. The <b>aim</b> is to <b>meet the goals set out by the Paris Agreement</b>, especially the <b>target of net-zero emissions by 2050</b> and the <b>sustainable development goals</b>.</p> <p>The purpose of the EU Taxonomy is to <b>set a clear science based standard</b> for such green economic activities, and <b>not to</b></p>	All

## 6 environmental interlinked objectives

### CLIMATE CHANGE

Mitigation

Adaptation

Technical Screening Criteria  
in the draft Delegated Act (dec 2020)

### OTHER OBJECTIVES

Transition to a circular economy

Pollution prevention and control

Sustainable use and protection of  
water and marine resources

Protection and restoration of  
biodiversity & ecosystems

Technical Screening Criteria  
under development



11



PLATFORM ON  
SUSTAINABLE FINANCE

# Where we are today



European Bank  
for Reconstruction and Development

- The EU is developing an EU wide taxonomy to define what is Green Finance.
- NFRD requires non financial disclosure of environmental and social information. This is being updated with CSRD and will put more mandatory pressure on disclosure.
  - EBRD & WSE published in May 2021 ESG guidelines
- SFRD is being implemented and will impact introduces a set of disclosure requirements for financial market participants and financial advisers to prevent greenwashing and increase market transparency
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
  - ➔ Climate related information and financial risks of climate will be requires of all companies
- New UN-backed initiative to create a Task Force on Nature-related Financial Disclosure
  - ➔ Establishing a reporting framework for finance sector impacts and dependencies on nature, to complement the TCFD, is seen as critical for halting biodiversity and ecosystem loss.
- The regulatory regime will change from 2022 as many of these Task forces and regulatory requirements come into force.
- Green Bonds and Sustainable Finance will be major opportunities in Ukraine
- Post CV-19 recovery will be linked to sustainability, COP 26 and Change in US will spread this up



# Discussion



European Bank  
for Reconstruction and Development



## Challenges faced by investors



## Challenges faced by reporters



**Climate Mitigation**  
Ten Years to Halve Emissions



**A Changed Climate**  
The New Normal



**Circular Solutions**  
Building the Infrastructure of the Future



**Protecting Biodiversity**  
Defining the Role of Business



**Sustainable Consumption**  
Behaviour Change



**Plastics**  
Translating Awareness Into Solutions



**Supply Chain**  
Technology Improving Transparency



**Tech for the SDGs**  
Innovation Helping People and the Planet



**Human Capital**  
Investing in Employee Wellbeing



**Sustainable Finance**  
Moving into the Mainstream



**Integration of ESG criteria**  
Integration of ESG criteria in the investment approach for client's liquidity portfolio

# TODAY

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Senior Investment  
Officer, Agribusiness,  
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# Zubr Capital

Private Equity Fund



# Zubr Capital at glance

**91 mln**

Fund size

**TMT**

E-commerce, SaaS,  
Fintech, media, EduTech,  
Classifieds

**3**

exits

**12**

current portfolio  
companies

**2-15 mln**

Investment tickets

**B, C, Growth**

Investment stages

## Investors



## Key regions

Belarus, Ukraine (new fund)

## Exits



# ZCF I Portfolio



**Company:**  
SoftClub  
**Year:** 2014  
**Sector:** fintech



**Company:**  
21vek.by  
**Year:** 2017  
**Sector:** e-commerce



**Company:**  
av.by  
**Year:** 2017  
**Sector:** classifieds



**Company:**  
Uniflex  
**Year:** 2017  
**Sector:** flex-packaging



**Company:**  
Softline  
**Year:** 2017  
**Sector:** SaaS



**Company:**  
Targetprocess  
**Year:** 2018  
**Sector:** IT



**Company:**  
mediacube  
**Year:** 2019  
**Sector:** Adtech



**Company:**  
Mila  
**Year:** 2019  
**Sector:** retail



**Company:**  
Myfin  
**Year:** 2020  
**Sector:** fintech



**Company:**  
Realt.by  
**Year:** 2020  
**Sector:** classifieds

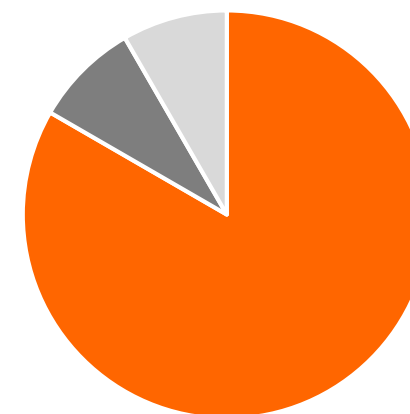


**Company:**  
Effective Soft  
**Year:** 2021  
**Sector:** IT Outsourcing



**Company:**  
OHI-S  
**Year:** 2021  
**Sector:** EduTech

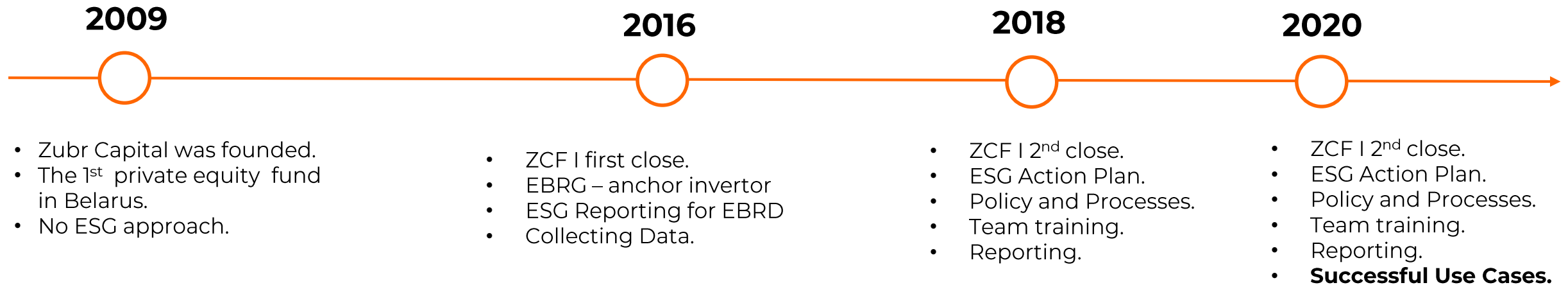
## Portfolio Focus



■ IT&Tech  
■ Retail  
■ Manufacture



# Timeline



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# Positive Banking

## UKRSIBBANK BNP Paribas Group

Yanina Olkhovska  
Head of Communication, CSR &  
Engagement

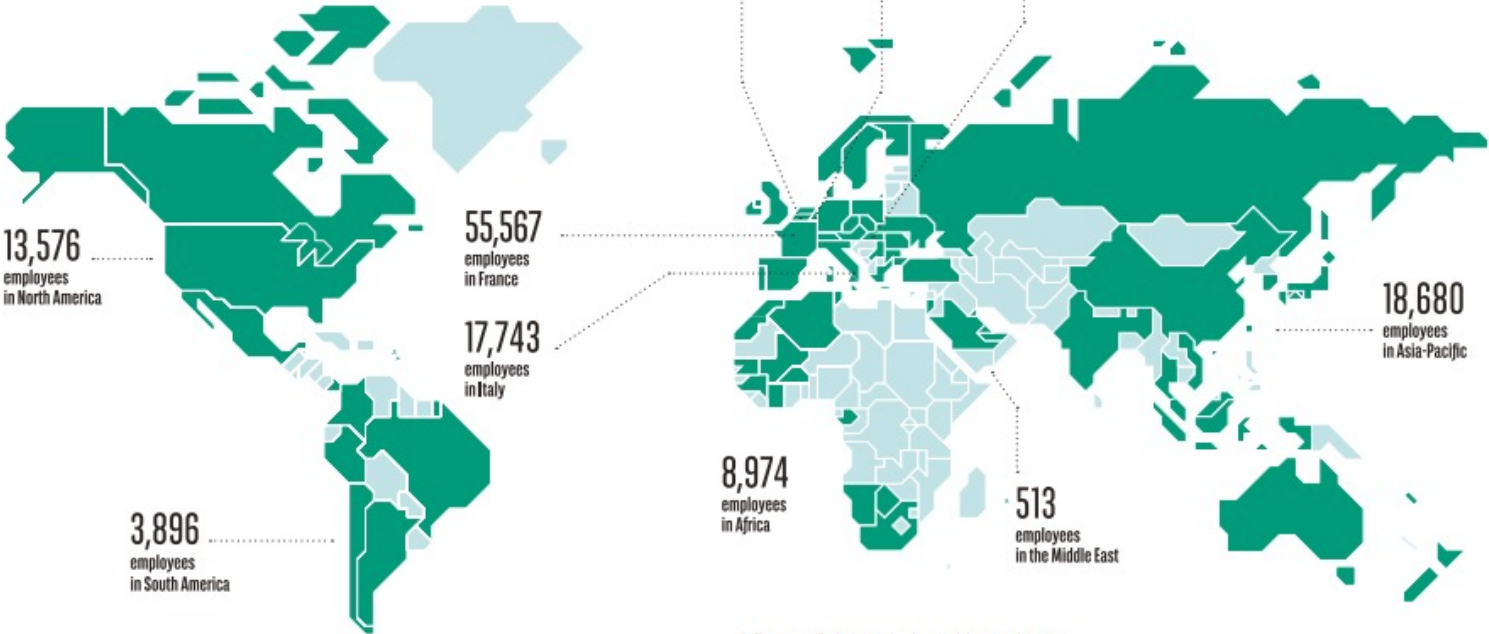


**UKRSIBBANK**  
BNP PARIBAS GROUP



## UKRSIBBANK IS PART OF BNP PARIBAS GROUP, A WORLD TOP FINANCIAL GROUP

COUNTRIES OF BNP PARIBAS PRESENCE



**193,319**  
employees

**68**  
countries

**€44.3 bn**  
revenues

**€7.1 bn**  
net income  
group share

BNP Paribas is a European leader in the world market of banking and financial services with almost 200-years history.

BNP Paribas has been awarded as the **“World’s Best Bank for Corporate Responsibility”** and **“World’s Best Bank for Financial Inclusion”** for 2020, by Euromoney, a publication specializing in international finance.

BNP Paribas has been awarded **Top Employers Europe** certification for the seventh year in a row, with certification in eight countries: Belgium, France, Germany, Italy, Luxembourg, Poland, Ukraine and Turkey.

BNP Paribas is **the 1st French bank and 3rd bank worldwide** in **“Global 100 Most Sustainable Corporations”** ranking published by the magazine **Corporate Knights**.

\* France, Belgium, Italy and Luxembourg.  
Figures as at 31/12/19. Headcounts in Full-Time Equivalent (FTE).  
Source: <https://group.bnpparibas/>



# UKRSIBBANK BNP Paribas Group

Nowadays, UKRSIBBANK is a universal bank that holds the top line of financial ratings in Ukraine and provides the international level services.

UKRSIBBANK offers packages of services and integrated solutions, improves and simplifies processes, provides international support to its clients in the countries of BNP Paribas Group presence.

## SHAREHOLDERS OF UKRSIBBANK



**UaAAA**  
long-term credit rating,  
the highest level  
of creditworthiness  
in Ukraine

**YEARS IN  
THE FINANCIALS  
MARKET  
OF UKRAINE**

**2.2M**  
customers

**251**  
branches\*

in **80**  
cities

**950**  
bank's ATMs

**5250**  
employees

UKRSIBBANK BNP Paribas, a bank for a changing world, is committed to sustainable development and actively supports its customers in this endeavor, accelerating the transition to a sustainable economy



**UKRSIBBANK**  
BNP PARIBAS GROUP

Банк для світу, що змінюється



# THE 17 SDG: A CALL FOR EVERYONE'S CONTRIBUTION, TAKEN UP BY BNP PARIBAS

Being a bank for a changing world means being responsible for the future. UKRSIBBANK plays an important role in society. To do this, every day we strive to create a **bank with high standards and a positive impact on the employees, customers, society, environment.**



Sustainability,  
at the Heart of our Strategy



"We are determined to live up to our role as a **responsible bank** by **supporting companies** and countries that are **committed to sustainability**"

Jean-Laurent Bonnafé  
CEO BNP Paribas



Our ambition, innovate  
to be a world leader in  
sustainable finance at  
the heart of BNP  
Paribas' Purpose



**UKRSIBBANK**  
BNP PARIBAS GROUP



# Global positive impact: to avoid and manage exposure in businesses which may have a negative impact



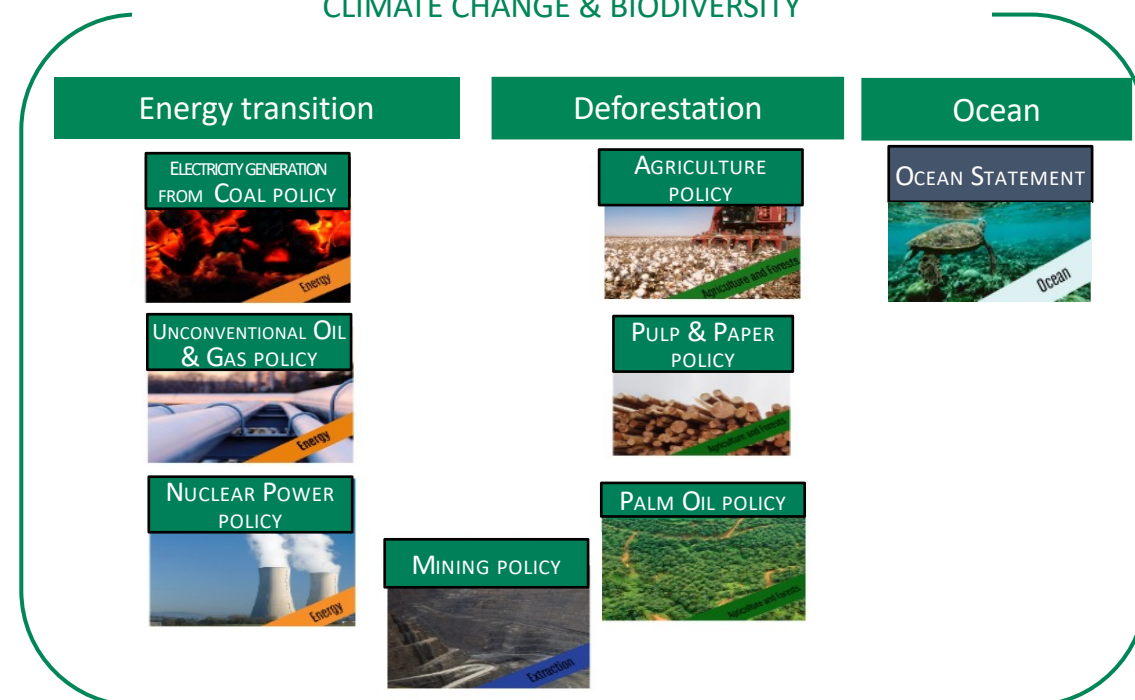
## 2 global commitments of BNP Paribas

- Commitments for the **Environment**
- Statement on **Human Rights**

### HUMAN RIGHTS



### CLIMATE CHANGE & BIODIVERSITY



Agribusiness companies must comply with local laws & BNP Paribas GROUP AGRICULTURAL POLICY requirements .

[https://my.ukrsibbank.com/common/upload/ukrsibbank/financial-reports/2020/CSR2020\\_report\\_en.pdf](https://my.ukrsibbank.com/common/upload/ukrsibbank/financial-reports/2020/CSR2020_report_en.pdf)  
[https://my.ukrsibbank.com/ua/about-bank/corporate\\_social\\_responsibility](https://my.ukrsibbank.com/ua/about-bank/corporate_social_responsibility)



**UKRSIBBANK**  
BNP PARIBAS GROUP

## SPEAKER




**Felix Potishman**

**Senior Investment  
Officer,  
Agribusiness, Food  
& Water Team,  
FMO**



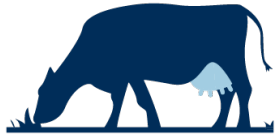
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An aerial photograph showing a vast landscape. In the foreground, a dirt road winds through a field of young, green trees. The middle ground is filled with a dense forest of taller, mature trees. In the background, rolling hills and valleys are visible under a cloudy sky.

# **One Investment Officer's perspective on the changes in E&S requirements in the past 20 years**

upstream Field



Primary agri



Bontrup Ukraine

Crop merchandising



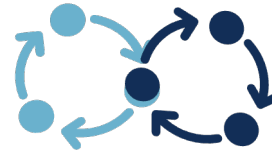
Nibulon

Trading/Export



Trans-Oil Moldova

Primary Processing



Astarta

FMCG



Food logistics



Fork

downstream



### Possible Projects

Scope/project	Must be along food-chain, but not retail
Use of funds	CAPEX or Working Capital
Company	Track-record, not a greenfield
Instrument	LT Loans, ST Facility, no equity
Size	Min. \$10m, ergo min. b/s of \$20m
Security/Залог	Fixed assets or commodities

# How E&S approach changed over time in development banking

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2000s

2020s

# How E&S approach changed over time in development banking

	2000s	2020s
goals of...	DFI country, bloc	UN



# How E&S approach changed over time in development banking

	2000s	2020s
<b>goals of...</b>	DFI country, bloc	UN
<b>perspective:</b>	environment	sustainability

# How E&S approach changed over time in development banking

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<b>standards:</b>	DFI's own decision	IFC & coordination

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<b>scope:</b>	the client's E&S	360°, even integrity



# How E&S approach changed over time in development banking

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<b>share of time:</b>	<10%	>25%



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<b>share of time:</b>	<10%	>25%
<b>clients:</b>	medium is possible	only big can deliver

## SPEAKER



**Nikolay Shestak**

**Managing Partner,  
Zubr Capital**



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# Zubr Capital

Private Equity Fund





# Content

- Zubr Capital process description
- Belarus regional specifics
- Development in the region
- Use case | Quality education, decent work and economic growth
- Use case | Uniflex responsible consumption and production
- Conclusions

# Zubr Capital Process description



Nº	Part of the process	Action
1	<b>INITIAL INVESTMENT SUMMARY</b>	<ul style="list-style-type: none"> <li>Contains brief environmental rationale.</li> <li>Discussed in the internal Risk Committee.</li> <li>After ESG Manager and Investment Committee agreement - the investment moves forward.</li> </ul>
2	<b>TERM SHEET</b>	<ul style="list-style-type: none"> <li>Includes general ES expectations for the deal.</li> <li>ESG Team identifies a scope of work that will apply to the portfolio company in the diligence process.</li> </ul>
3	<b>DUE DILIGENCE</b>	<ul style="list-style-type: none"> <li><i>Legal due diligence includes also Environmental Due Diligence (chosen independent contractor (law firm).</i></li> <li><i>HR due diligence includes Social Due Diligence (Zubr HR department – 3 specialists).</i></li> <li><i>If the investment committee or the ESG manager understand necessity of additional ESG Due Diligence, The Fund engages appropriate consultants.</i></li> </ul>
4	<b>ENVIRONMENTAL DUE DILIGENCE REPORT</b>	<ul style="list-style-type: none"> <li>Based on the due diligence findings, the ESG Manager will further support in refining the process on environmental and social risks</li> <li>ESG Action Plan, and covenants/mitigants in the documentation.</li> </ul>
5	<b>ESG ACTION PLAN</b>	The ESG Manager will work together with the Company Management to design an ESG Action Plan.
6	<b>ANNUAL REPORTING</b>	The Fund will refer to relevant reporting templates.
7	<b>MONITORING MECHANISM</b>	Monitoring all portfolio companies on a quarterly basis for the first year. From the second year - biannually. site visits to the companies, basis the risk perception

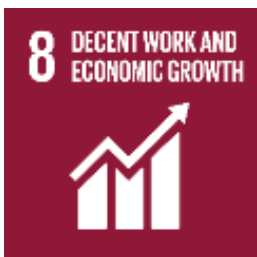
# Belarus regional specifics

- The share of private companies is **28%**.
- Market laws do not work at the state plants and factories. In case of closing of such companies, it is high risk of appearance of **large number unskilled personnel**.
- Educational system in Belarus does not change under modern realities. There are many state universities, which **prepares unclaimed specialists**.
- The legislation in the sphere of ecology and environment in Belarus is **difficult for understanding** and **implementation**.
- Even large companies not completely observe the ecological legislation because they do not understand the importance of environmental issues.

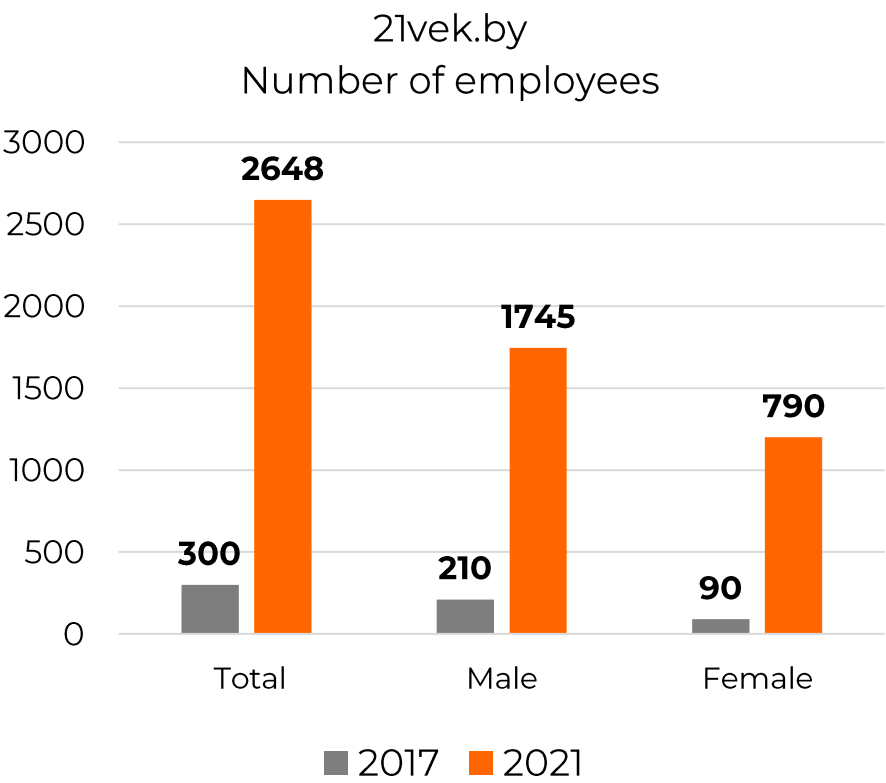
**For the development of the region, it is necessary:**

1. Creating new jobs in non-state companies;
2. Creating educational programs in demanded specialties.

# Creating new jobs

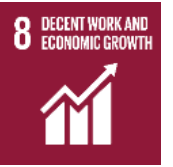


Within the investment period of the ZCFI Fund, the total number of work places in companies grew **from 5 845 to 14 167** of the beginning of 2021. Thus, portfolio companies create a large number of workplaces in the country with a competitive salary level.



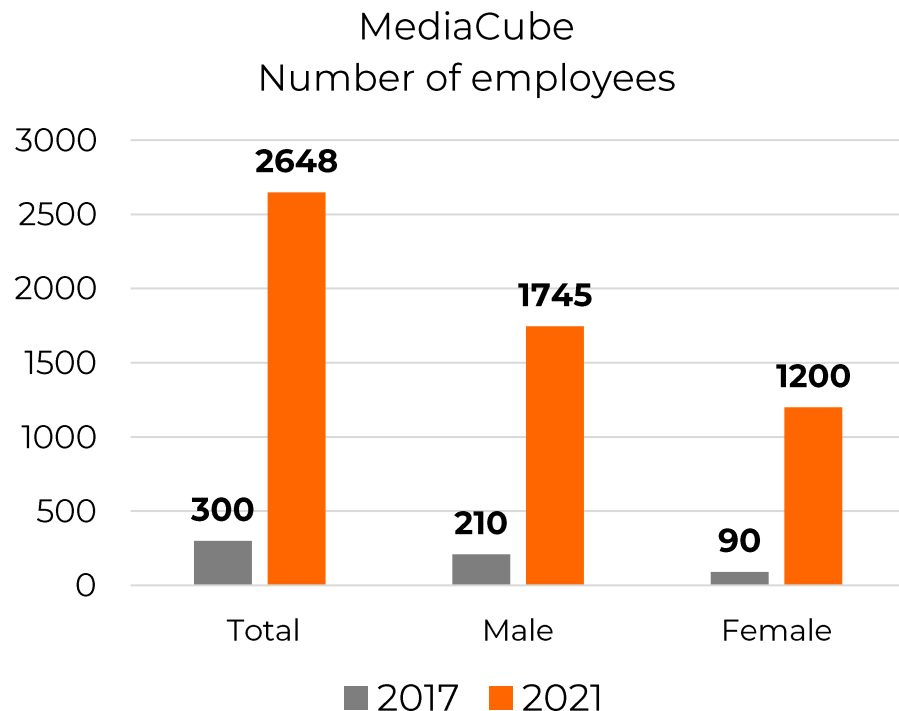


# Creating new jobs



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**mediacube**



# Development of business education

## League of analysts



Capital Times

The **educational project for undergraduates** created in partnership with the IPM Business School and the Economic Research Center BEROC.

The League's goal is to prepare students receiving education in the respective fields to the work of an investment or financial analyst.

## Trainings for entrepreneurs in regions



Zubr Capital, with support from the Embassy of the United Kingdom of Great Britain and Northern Ireland in the Republic of Belarus, **held 6 training seminars in each of the regional cities of Belarus.**

More than 1000 entrepreneurs from regions visited the seminars.

## As a result, Launch of internal training programs in portfolio companies

**mediacube**



# Use Case | Uniflex



Installation of cleaning equipment at the plant of Uniflex

**UNIFLEX**



**In 2017-2018 a Gas Cleaning Plant (GCP) and an Absorption Refrigerating System (ARS) was installed.**

- Installation of the equipment brought the current production in compliance with environmental standards, and allowed to cut trended costs to minimum through production of cold from heat (in summer), and to additionally warm up the heat carrying medium in the heating system (boiler station) in winter.
- GCP efficiency is very high: it allows to catch and **clear 97% of volatile organic compounds.**



**The project was realized with the support of FINTECC program, where the European Bank for Reconstruction and Development is one of sponsors.**

# Use Case | Uniflex

Increase in output of products after installation of the new processing line in 2017 is 570 tons. As can be seen from the table below, power consumption grows from 924 to 944 kW/h, but consumption of gas reduces from 776 to 444 kW/t. Figures of total power consumption reduces from 1701 to 1387 kW/h. Specific CO2 emissions reduce from 155.3 to 88.7 kg/t.

Parameter	Unit	Before installation of the line	After installation of the line
Gas consumption (average for 3 years)	kWh	5 695 227	3 507 019
Electric power consumption (average for 3 years)	kWh	6 780 957	7 461 524
Electric power consumption (average for 3 years)	Kg	7 335 423	7 906 000
Average power consumption per ton of finished products	κkWh/t	924	944
Average gas consumption per ton of finished products	kWh/t	776	444
Average gas consumption per ton of finished products	kWh/t	1 701	1 387
Specific CO2 emission	Kg/t	155.3	88.7



# Implementation of best practices

One of the important criteria for investing in Uniflex was the company's commitment to improving the environmental and social aspects of its operations. The company's management sees environmental and social improvements as new business prospects.

## Clients from EU, 2019-2020

	2019	2020
Number of new clients	145	107
Number of new clients (EU)	12	14
Annual revenue from new customers	\$1,95 ml	\$1,45 ml
Annual revenue from new export customers	\$0,26 ml	\$0,53 ml



# Conclusions

- 1) Systematic daily work is the key to success.
- 2) For our region Belarus it is important not to complicate the processes and make them as clear and transparent for the company management.
- 3) It is important to look at environmental changes from the point of view of efficiency for business.
- 4) Belarus has a fairly strong social base (safety equipment, social payments). But it is important not only to follow the established norms, but also to apply modern practices.
- 5) Training and developing a team on environmental and social issues is very important for our region.

**SPEAKER**



**Yanina Olkhovska**

**Director of  
Communications, CSR and  
Engagement, UKRSIBBANK  
BNP Paribas Group**



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## Mandatory requirements

### Ecosystem and biodiversity

- CITES.

### Working conditions and human rights

- No child or forced labor ;
- Grievance mechanism
- Respect the right of workers to organize in a trade union
- No discrimination
- HR Policy or code of conduct

### Health & Safety

- Protect worker's health and safety and disclose track record.

### Food Safety and traceability

- Policy on food safety and traceability (sourcing and own operations)

## Additional criteria for Farming activities

### Ecosystem and biodiversity

- Do not develop new farming projects in protected areas (UNESCO WHS, Ramsar, AZE, IUCN I-IV, peat lands)

### Agrochemicals

- Do not use substances banned under the Stockholm Convention on POP or listed in Annex III of the Rotterdam Convention; and pesticides categorized as WHO Class 1A or 1B
- Minimize the use of pesticides and fertilizers

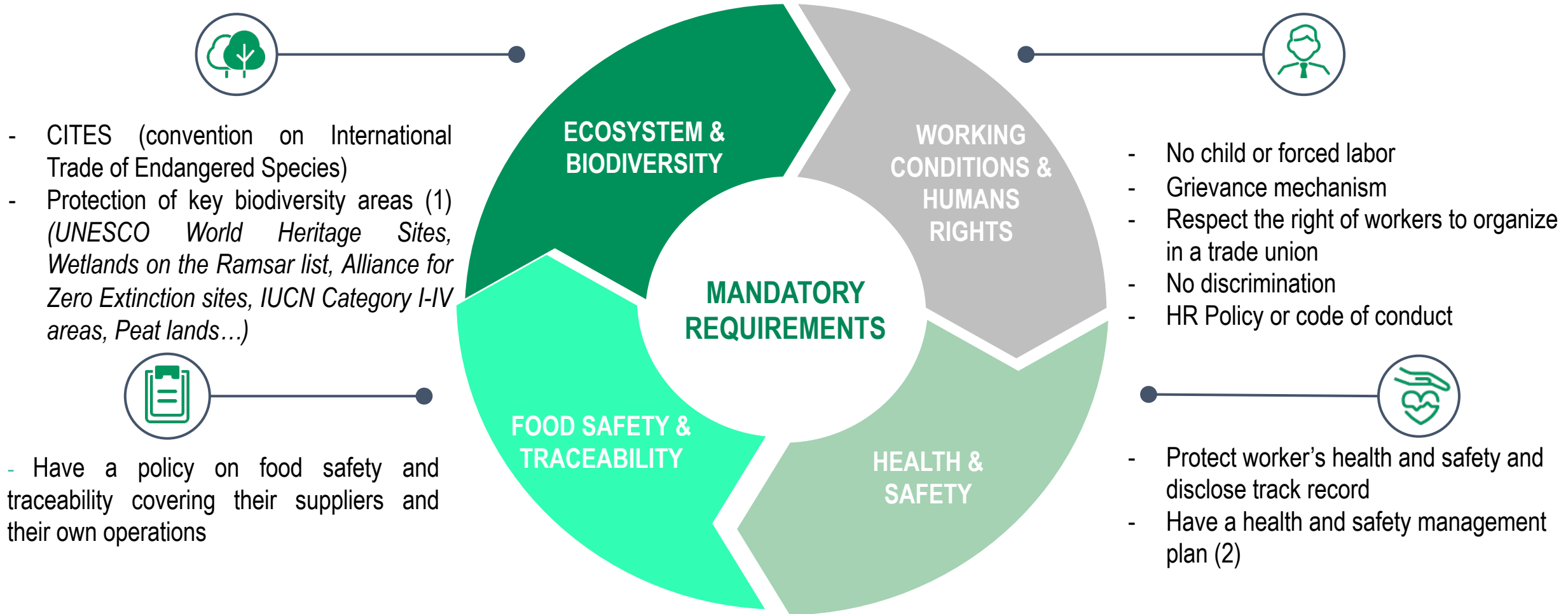
## Physical agricultural products merchants and traders

### Food Safety and traceability

- Have a policy on food safety and traceability covering their sourcing and their own operations



## 4 DOMains of mandatory requirements



(1) Farming activities only

(2) Large companies only



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# AGRICULTURE SECTOR POLICY

## Evaluation criteria

### General environmental management

- ISO 14001
- No regular and repeated criticisms for their poor ESG performance

### Food Safety and traceability

- ISO 22 000 certification

### *Additional criteria for Farming activities*

#### Agrochemicals

- Implement an Integrated Pest Management plan for their farming operations;
- Do not use or plan to eliminate the use of pesticides included in the SIN List

### *Additional criteria for Livestock and poultry activities*

#### Animal welfare

- Operate in line with the IFC's Good Practice Note on Animal Welfare in Livestock Operations
- Implement the "Business Benchmark on Farm Animal Welfare" recommended policies and management systems

### Health and Safety

- OHSAS 18001
- Health and safety policy which includes measures to avoid and reduce hazards, in particular through the training of workers.

### Working conditions and human rights

- Have a policy in place covering maximum working hours

### *Criteria for Seed producing companies*

#### Food Safety and traceability

- Demonstrate the quality and safety of their seeds/grains;
- Provide transparent and comprehensive information on the seeds/grains usage and consequences especially for GMOs.

### *Criteria for Physical agricultural products merchants and traders*

#### Supply Chain Governance and Traceability

- Set up policies to source or trade agricultural products from companies that do not contradict the mandatory requirements of the policy



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Банк для світу, що змінюється

## Illicit pesticides = 25 % of the total pesticide market in Ukraine

- Negative impacts of Agrochemicals : on flora and fauna. They destroy crop or spoil it, they cause long-term pollution of soils.



**ILLEGAL  
PESTICIDES**

As Bank, what should we do ?

- Insure the client doesn't use the list of agro chemicals indicated on the following convention (substances ban)
  - Stockholm Convention on Persistent Organic Pollutants (POP).
  - Annex III of the Rotterdam Convention.
  - Pesticides categorized as WHO Class 1A or 1B.
- Insure the client have a policy to minimize the use of pesticides and fertilizers (including Paraquat).



# BNP PARIBAS ENCOURAGES COMPANIES TO OBTAIN CERTIFICATIONS AND STANDARDS

- **BCI**  
Better Cotton Initiative : aims to reduce the amount of water and chemicals used to grow cotton and improve social and economic benefits for cotton farmers, small and large, worldwide.
- **Bonsucro**  
Former Better Sugarcane Initiative : initiative of a group of sugarcane retailers, investors, traders, producers and NGOs who seek to create international standards that define sustainable sugarcane cultivation.
- **UTZ Certified program**  
Coffee, Cocoa, Tea certifications : based on a set of social and environmental criteria for responsible coffee-growing practices & efficient farm management
- **GRSB**  
Global Roundtable for Sustainable Beef : multi-stakeholder initiative developed to advance continuous improvement in sustainability of the global beef value chain through leadership, science and multi-stakeholder engagement and collaboration.





# SUSTAINABLE BUSINESS

## Natural Capital & Biodiversity



### CB positive impact deal:

- ✓ Green project with Agro client regarding new ECO-packaging for tomato paste. The Company decided to substitute part of metal drums by Eco-plastic containers. It is a container made by eco-plastic which decomposes quickly. Lifespan of drum is 1 trip. Lifespan of eco-container – is 10 years. Carbon footprint of steel drums comparing with containers client is going to buy is more than 2 times higher for 10 years period.

## Mobility



Financing & Investment dedicated to transition to **electrified mobility**  
Number of **Electrified Vehicles** financed (including new EV (bicycle, scooters...))

### PF: launch of 2 programs dedicated to financing electric/hybrid vehicles:

- Electric Car loan program in cooperation with Peugeot Citroen Ukraine (PCU) dedicated to financing of purchase of hybrid and electric cars
- USED electric hybrid vehicles to be financed via cash loans to existing clients and prospects.

Corporate deals are tailored made – meaning that for every client we are ready to propose individual structure and requirements for such financing.

## Social Inclusion



Financing & Investment dedicated to associations &

**social** businesses

Annual number of **beneficiaries** of BNP Paribas products & services encouraging **access to inclusive financial products**

Program for development of women entrepreneurship to help women to obtain the necessary information and supporting, making it easier to start or expand their business and unleash their enormous potential.

### Conducting consulting seminars:

We are planning a series of online seminars for September-October 2021. Topics will be determined on the basis of inquiries of businesswomen.  
Preparation of a series of consulting videos on legal, tax, financial aspects of doing business

### Partnership in key conferences:

Special program of entrepreneurs "Created by women" by French CCI  
SHE Congress – 17000 participants  
6 seminars with the European Business Association  
HeForShe UN movement

### Development of business offer for banking services

Covering the current business needs of women entrepreneurs and  
Individual opportunities for business ladies - owners and managers



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BNP PARIBAS GROUP

**SPEAKER**



**Paul Hammer**

**Senior Agricultural  
Underwriter and Product  
Manager, Swiss Re**



**AGRIBUSINESS SUSTAINABILITY  
WEBINAR SERIES** 2021

# Agriculture (re)insurance

Agribusiness sustainability webinar series

Paul Hammer, June 2021, Swiss Re Agriculture Reinsurance





# Our sustainable approach



## Our 2030 sustainability ambitions

Mitigating **climate risk** and advancing the **energy transition**



Building **societal resilience**



Driving **affordable insurance** with **digital solutions**



## Our principles

**Embed** sustainability in all our business activities



**Lead** sustainability-linked solutions and embrace opportunities



**Quantify** sustainability performance and impact



**Create long-term value**



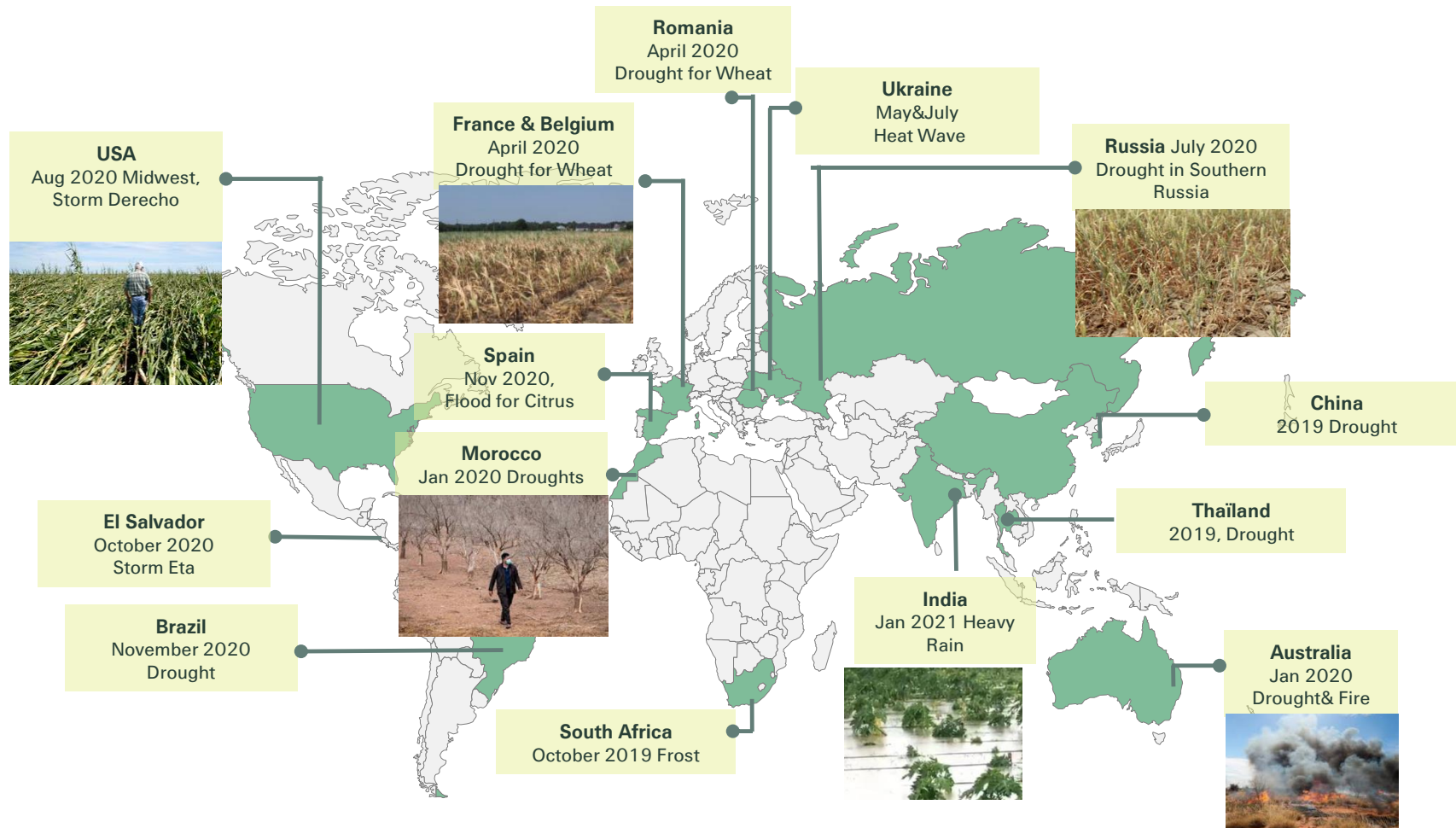
# Swiss Re is committed to reach net-zero emissions by 2050 across our whole business



Swiss Re supports the worldwide reduction of greenhouse gas emissions and contributes to the goal of limiting global warming to 1.5°C above pre-industrial levels

# Crop insurance 2020

## *Climate change and its impacts*



# Agriculture (Re)insurance

## Market Trends



### Climate Change & Sustainability

For farmers **Climate Change** means increased risks for **droughts**, hail, heat waves, spring frosts and floods.



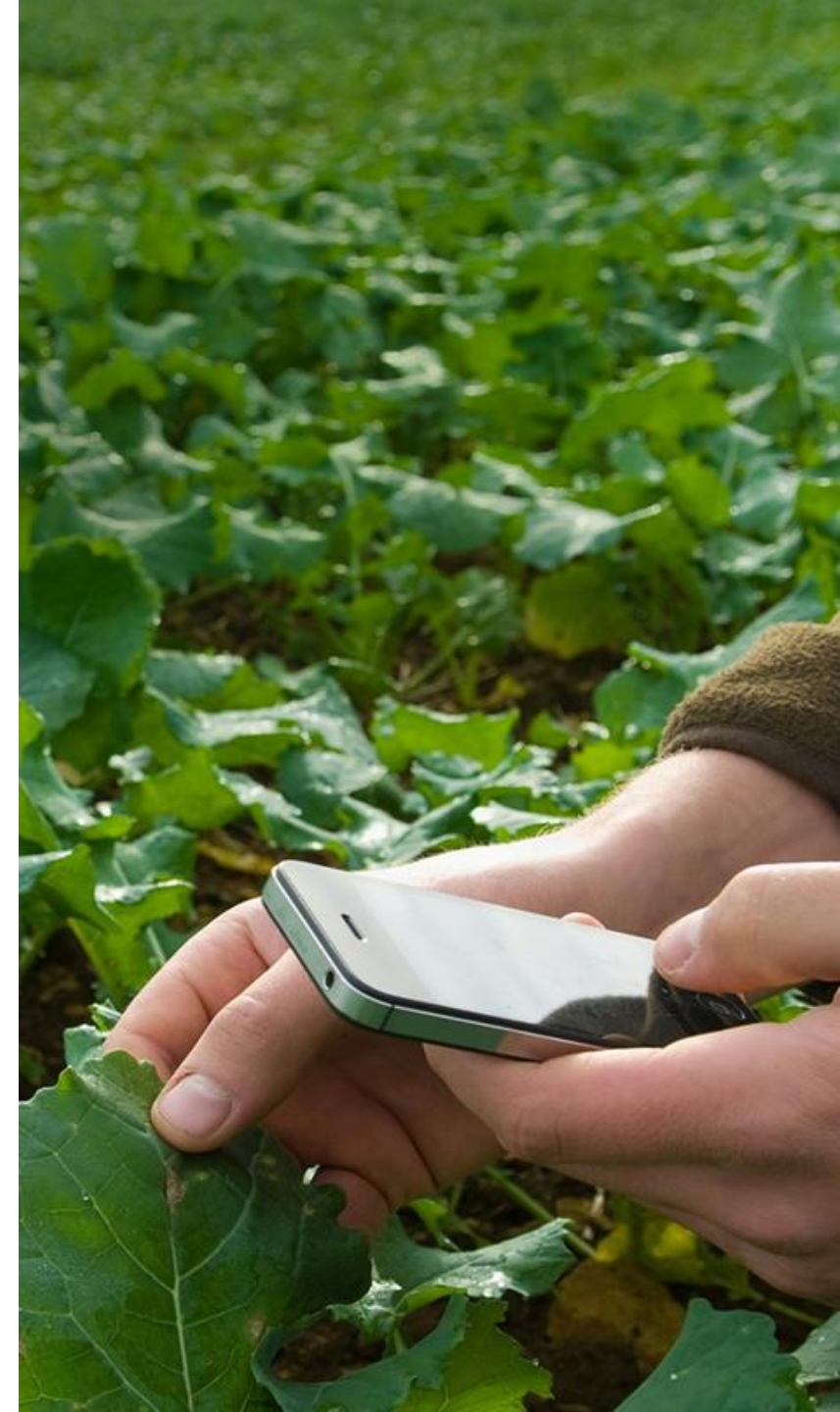
### Growth

Global **Agriculture insurance premium** is increasing. Many countries are pushing premium **subsidies** and **national schemes**.



### Digitalisation

Farming is changing with investments in **Agri Tech**, high-res **satellite** and **weather data** and the global availability of **Smart phones**





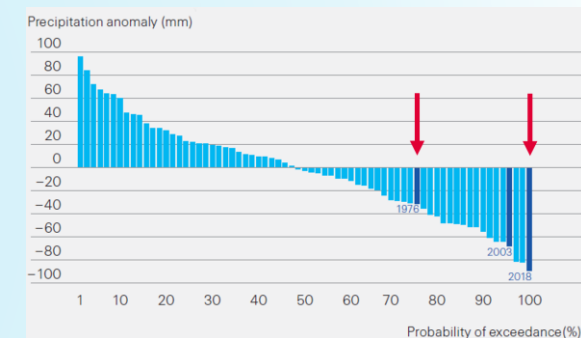
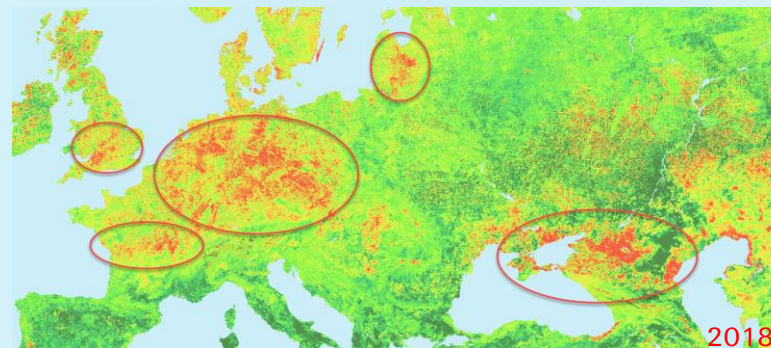
# Drought is globally the #1 threat to farmers endangering crops and business

## Farmers point of view

- Increased **frequency** and **severity** of drought events
- Drought regularly **endangers** the crop yield and business of the farmers
- Drought** is often **not covered** by insurance, **blocking access to credit**: clear need for a product



## Increase of Drought Events





# Our Drought Index Solution

*bringing protection & transparency for farmers and insurers*

## Insurance Challenge

- Difficult to **objectively assess** losses
- No **scalable** solutions
- Lack of **trust** of farmers and governments

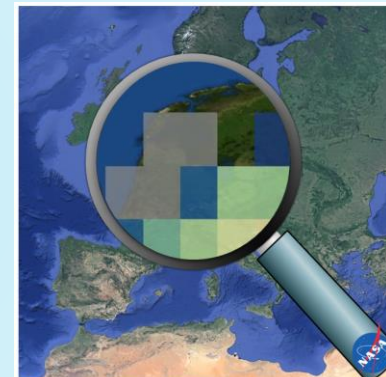
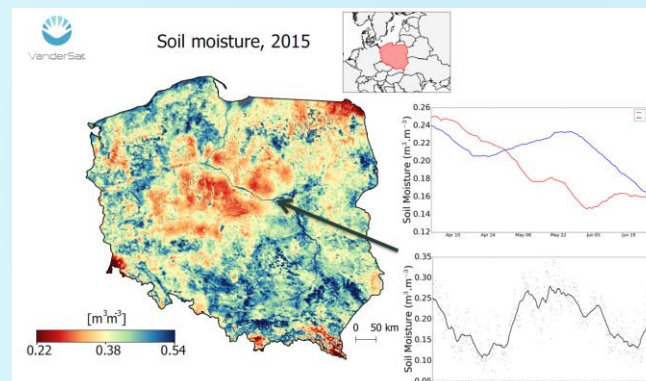
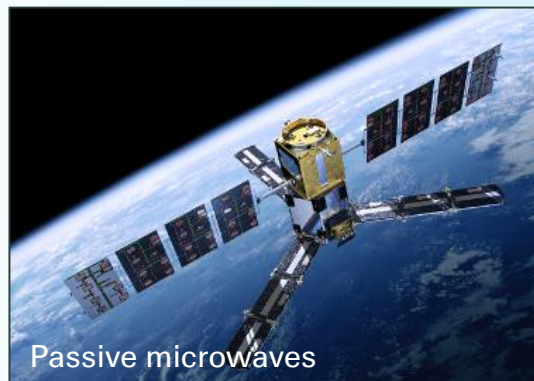
## Our Solution

- Satellite based **Soil moisture** index
- In cooperation with **VanderSat**:
  - Global data
  - 100m x 100m
  - Real time
  - Daily

## Impact on You

- Transparent , Scalable product
- **Good correlation** with yields
- **Reduced** operational **costs**
- **Fully digital** insurance processes

## VanderSat Soil Moisture



# Case study Ukraine

## Agriculture in Ukraine

- Important economical and export sector
- Repeated **drought** in the last 5 years
- **Operational challenges** with existing claims insurance
- Demand for **digital products**

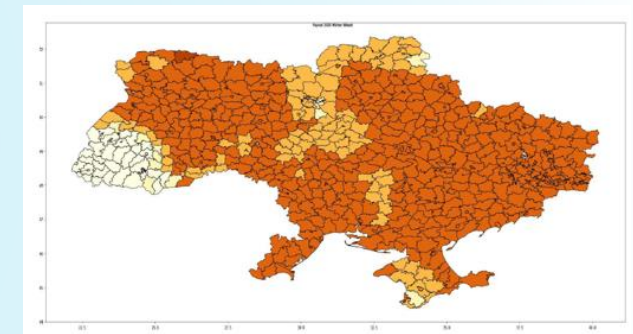
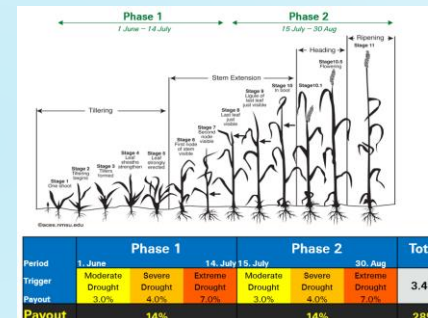
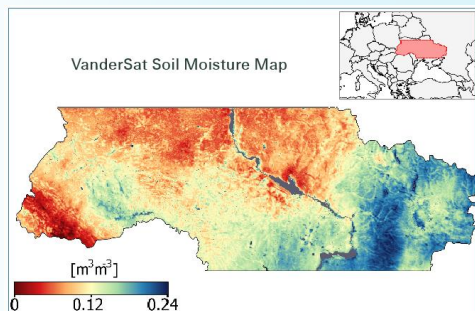
## Soil Moisture Index

- **Pilot** project 2019
- Country wide product **2020**
- **Significant payouts** due to drought in 2020
- **Possible Premium subsidies 2021**
- Transparent and scalable product

## Role of Swiss Re

- Cooperation with local insurers
- Transparent products
- **Fast claims payouts**
- Link to VanderSat
- Opti-Crop index tracker

## Ukraine Soil Moisture Index



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