

**Community of Practice**  
**Financial institutes and Natural Capital (CoP FiNC)**  
**Kick-off session 26<sup>th</sup> of March 2014**  
*-Summary-*

### **Opening**

Caroline van Leenders opened the Community of Practice (CoP) kick-off session. Interface hosted the event on behalf of the ASN Bank, who co-invests in Interface. Moreover, the initiative for this community came from the ASN Bank, as a direct result of their experience with an earlier CoP for Business and Biodiversity. They had indicated their interest in a CoP for the financial sector in order to learn more about the relationship between investment and Natural Capital in conjunction with the rest of the sector. The Ministry of Economic Affairs (EZ) has approved this initiative and the "Rijksdienst voor Ondernemend Nederland" has been assigned as process facilitator. The purpose of the kick-off session is to get to know each other and to jointly give shape to the strategic agenda.

### Welcoming words by host Jan Hasselman, CFO of Interface

"Banks are enablers of green growth. Companies like interface have been engaged in green growth, sustainability and social innovation for a long time already. Our investors, such as the ASN Bank, know that. We would like to share our knowledge. I warmly welcome the fact that financial institutes come together in this CoP in order to try to figure out how the value of Natural Capital can be taken into account for investments." Interface is a manufacturer of carpet tiles, it has an annual turnover of 1 billion euros and it is listed on the NASDAQ. CEO Ray Anderson presented and implemented the company's Mission Zero in 1994, inspired by the book "The Ecology of Commerce" by Paul Hawken. Mission Zero is Interface's ambition to eliminate any negative impact the company may have on the environment by the year 2020. The company is stirred by this mission via strategic goals, budgets and incentives. Interface started a fishnet-recycling project [Net-Works](#), where Nylon6 from fishnets is recycled to make new yarn. Jan Hasselman indicated that the economic feasibility of Mission Zero results in new partners and supply chains, striking investments and new business models. For the constant supply of nets, for example, it was necessary to work with new partners, institutionalize this relationship and make a new revenue model for local fisherman. The fishermen earn money by collecting discarded nets.

### Tour at Interface

Geanne van Arkel showed how carpet tiles are made, how they are cut with an ultrasonic cutting machine, and how materials are extracted from its business. Interface is preparing for what the future will bring them, and by doing so it believes it can become a truly restorative enterprise.

### **CoP FiNC: An instrument for transition**

Caroline explained the features of the CoP FiNC: "This CoP is not a network of financial institutes, but a network of people who are intrinsically motivated, who are open to cooperate and discover new pathways. You can bring knowledge and take knowledge back to your own business, then get your colleagues involved."

- *Practice* is key in a CoP and is what makes it distinctive;
- A CoP is a route towards transition and fits into the social policy-instruments of EZ, which focuses on Green Growth.
- The process Facilitation provided by RVO.nl fits into the vision of the new working method of the government: participants set the agenda, the government then connects the participants with the context, helps to enrich the process, creates conditions and takes away system barriers.

### Sharing CoP-experiences ASN Bank - Interface

Jeroen Loots and Geanne Arkel were both participants at the Community of Practice Business & Biodiversity (2012-2013). What did the CoP B&B bring them? What is the best working method?

Jeroen said that Geanne / Interface and Ray Anderson's book taught him that it is both

inspiring and feasible to set a quantitative target for climate policy. This inspiration also led to the creation of a quantitative target for the ASN Bank: 'Carbon neutral by 2030' for investments.

This former CoP was successful because participants came from a large variety of sectors, and cooperation led to accelerating practice. Jeroen expects this to happen in the current CoP as well. Geanne van Arkel learned how the relationship between a business and biodiversity is within other sectors (such as food, ports, estate, energy, contracting, drinking water, etc.). Furthermore, the CoP was effective for entering into unexpected collaboration and knowledge sharing. The ASN Bank now wishes to exchange knowledge with its own peers in order to move forward together. The best way of working is to meet up frequently with all the participants in order to build up trust. The knowledge of each participant will expand if everyone is well prepared content-wise, while having a look at some of the projects where the participants invest in.

### CO<sub>2</sub> policy ASN Bank by Peter Sprengers; let's pass on to the subject of biodiversity

In his presentation, Peter Sprengers talked about the role and impact of financial institutions around Natural Capital and explained why the ASN Bank has taken the initiative for this CoP. "It's a new era in which a new approach is needed for businesses and governments" said Piet. "It would be good if financial institutes can take a similar approach so that the wheel does not have to be re-invented".

For its three pillars (human rights, climate and biodiversity) the ASN Bank wants to make impact measurable in order to be able to determine the objectives. Something comparable to the climate pillar (neutral CO<sub>2</sub> in 2030), should be created to measure the impact of investments on biodiversity ("no net loss"). To measure the impact of the investment in climate change, Ecofys has created a methodology for carbon footprint (according to the Greenhouse Gas Protocol). The impact of the investments of the ASN Bank in climate change determined the objective of the company: to be climate neutral by 2030 in all its assets (investments, mortgages, green bonds). Through reporting and operational plans the bank is on its way to achieve this goal.

### **Strategic agenda**

Caroline van Leenders indicated that a lot of questions and dilemma's had arisen from the preparatory interviews. Prior to the kick-off session RVO.nl divided these long-list issues into 10 topics. During the kick-off session participants indicated which topics had their priority and on this basis the program for 2014 was compiled. We made a strategic agenda out of the top three themes: 1) What is the value of biodiversity? 2) What impact do you have and how can this be measured? 3) Which strategy do you want to follow?

### **Sounding board**

Around the CoP FiNC a sounding board will be appointed ( $\pm$  6 persons) in order to secure both national and international involvement and support. The aim of the sounding board is to reflect on the process and content of the CoP, to identify developments in the context of the CoP, and to make sure that the CoP will be embedded in the societal field of the participants and the government.

### **Closing and feedback**

When looking back at the kick-off session, participants concluded that biodiversity is a difficult subject, but important. They wish to collaborate, learn from each other, and give an open and active contribution. There is a need for these kind of meetings, where one does not know in advance what will come out. There is a belief that unexpected moments/people/encounters do help when something big is about to happen, which is exciting with many opportunities to learn, and many new challenges to overcome in a short time. About the process: it runs smoothly and is definitely leading to something, such as the realization of the strategic agenda. It is a nice, diverse and open group. The way of guidance is open and uninhibited, and participants find it positive to switch between activities. We are moving towards a tipping point. There are many paths up the mountaintop. The tour gave an interesting look behind the scenes at a sustainable company, great location. Many terms are still very remote for some participants. Internal support is important for the outcome of the CoP, so participants may definitely bring a colleague to the next meeting.

Caroline thanked everyone for his or her attendance and active participation.