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# News Release

## UBS Asset Management and Planet Tracker report on the impact of energy transition solutions on nature

- **Report lays out strategies including life cycle assessments and effective waste management to minimize energy transition impact on nature**
- **Major impacts include mining raw materials, land use and management of waste**
- **Improving technology lifecycle is key to manage nature-related risk: 14,000 wind turbine blades are due to reach end of life by 2027**
- **Integrating natural capital only possible with the support of decision makers at every stage of planning, financing and implementation**

Zurich / London, June 13, 2024 – In a report titled "[Climate meets nature](#)" UBS Asset Management and Planet Tracker provide a practical guide for industry practitioners on how best to integrate nature when looking at solutions for the global energy transition that is needed to meet global climate goals. The findings and guidance are aimed at both public and private markets and are designed to help both investors and individual companies to build better due diligence and metrics on transition-related investments.

### Pragmatic response and approach

The nexus between climate and nature is complex and a nuanced topic with trade-offs. The report focuses on three essential technologies in the energy transition: solar, wind and bioenergy. Investors should consider the opportunity costs and trade-offs between the energy transition benefits and negative impacts on nature from these energy sources. Understanding the two-way risks on nature and portfolios and managing them will be key to delivering value.

If natural capital is ignored in energy transition solutions it could create investment risk for investors. The impacts and dependencies linked to nature are, according to the report, "complex, location-specific, and are not easily substituted, even within the same company." While investors recognize the existential threat posed by natural capital degradation, they lack a roadmap for systematically factoring these risks into investment decisions.

The report outlines pragmatic strategies for better management of both the upstream impacts of transition technologies and lifecycle analysis to address the risks.

**Lucy Thomas, Head of Sustainable Investing at UBS Asset Management, said:** "Climate change, nature and biodiversity loss are inextricably linked. To manage natural capital risk properly, investors require an understanding of how these risks impact the business model of companies and assets to help determine the risk premium and impact on cash flows."

**John Willis, Head of Research, Planet Tracker, added:** "This report is a practitioner's guide and is relevant for engagement, investment decisions in public and private markets, for financing, for companies. We hope this can be a starting point to start building metrics to measure nature impacts from renewables."

**Energy transition solutions are crucial and nature must be taken into account**

According to the report, fossil fuel-based energy sources still have a much bigger overall impact on the environment, particularly when compared to solar and wind power. However, no energy transition technology is free from impacts. When poorly managed the energy transition can cause unintended damage to natural capital and in turn on climate.

**The three main impacts on nature**

- 1. Land use and site management:** The high energy density of fossil fuels means that replacing them with new energy technologies requires significantly more land. This is true for solar and wind farms as well as the growing of feedstock for biofuels, which have impact on local nature.
- 2. Habitat loss and damage from the extraction of raw materials and their use:** According to the Energy Transitions Commission, between 2022–2050, the energy transition could require the production of 6.5 billion tons of end-use materials. This will require us to ensure the extension in mining activities occurs in a sustainable and responsible way for nature.
- 3. Managing the input and output of waste:** New energy technologies represent an opportunity to use waste as an energy feedstock. However, the challenges associated with accounting for carbon emissions, where the emissions and value from so-called waste and residue feedstocks are often underestimated, can result in climate and biodiversity risks. On the flip side, we are also facing a waste management challenge once equipment from solar and wind farms comes to end of their useful life, such as around 14,000 wind turbine blades globally that will need to be decommissioned in next two to three years.

**Collaborative approach needed from all market participants**

Asset managers could raise awareness within investee companies and asset operators on the importance of understanding and measuring natural capital assets. This cannot be achieved in isolation and all market participants need to assess how they make it relevant for their own spheres of influence. Integrating natural capital into energy transition solutions will only be possible with the support of all key decision makers at every stage of planning, financing and implementation.

**Link**

[Full report](#)

**About UBS**

UBS is a leading and truly global wealth manager and the leading universal bank in Switzerland. It also provides diversified asset management solutions and focused investment banking capabilities. With the acquisition of Credit Suisse, UBS manages 5.7 trillion dollars of invested assets as per fourth quarter 2023. UBS helps clients achieve their financial goals through personalized advice, solutions and products. Headquartered in Zurich, Switzerland, the firm is operating in more than 50 markets around the globe. UBS Group shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

**About Planet Tracker**

Planet Tracker is an award-winning non-profit financial think tank aligning capital markets with planetary boundaries. Created with the vision of a financial system that is fully aligned with a net-zero, resilient, nature positive and just economy well before 2050, Planet Tracker generates break-through analytics that reveal both the role of capital markets in the degradation of our ecosystem and show the opportunities of transitioning to a zero-carbon, nature positive economy.

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