

Earth Overshoot Day

Overspending our ecological balance sheet

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Climate Change - Global

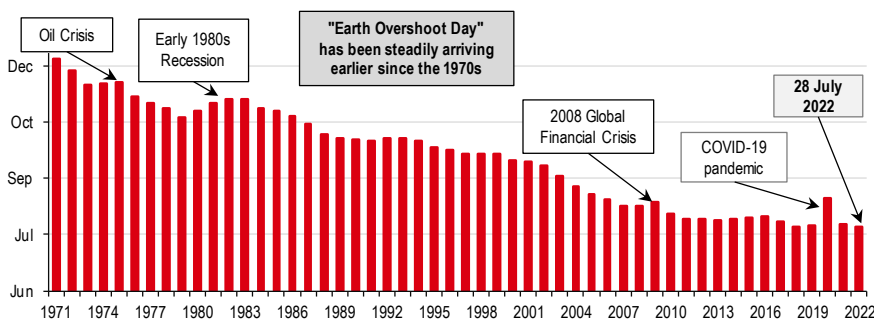
- ◆ “Earth Overshoot Day”, the day when we fully spend the planet’s ability to regenerate its resources, falls on 28 July
- ◆ It is akin to using 1.75 Earths in 2022 (up from 1.7 in 2018) as we return to the pre-pandemic trajectory of ever earlier dates
- ◆ In our view, biodiversity should move higher up the agenda for corporates, governments & investors as COP15 looms

Back to 2018: “Earth overshoot day”, published by the *Global Footprint Network* (GFN), has returned to a state of steady decline after a pause due to the COVID-19 pandemic (Fig 1). This year, it falls on 28 July 2022, the same as in 2018. We continue to widen the deficit of our ecological balance sheet – where our *ecological footprint* exceeds our *biocapacity* (essentially the Earth’s ability to replenish). As drought and war affect the global supply of resources, we think investors should be more aware of biodiversity and its linkages to climate change, food supply and food security.

Country deficits: At a national level, the “overshoot days” of some 85 countries (out of 138 analysed by the GFN) individually fall even earlier than 28 July (Fig 2). This should be seen in the context of trade (which allows a country to obtain resources beyond its borders). Trade, however, does not work from a ‘whole planet’ perspective and means that the quality of Earth’s resources, such soil fertility, species abundance, pollinators, crop diversity etc. are negatively affected, despite a growing population.

Biodiversity lens: Countries will discuss targets and financing for biodiversity at COP15 (for the Convention on Biological Diversity) in Montreal in December. However, our recent [ESG Sentiment Survey](#) shows investor interest in biodiversity is still at an early stage. We anticipate more corporate disclosure around biodiversity as governments pay more attention to natural capital, and its economic and societal value; in turn we believe there will also be more scrutiny by investors and other stakeholders.

Figure 1: Earth Overshoot Day has returned to annual state of arriving earlier



Source: Global Footprint Network. Note: later dates only arise after times of global crises.

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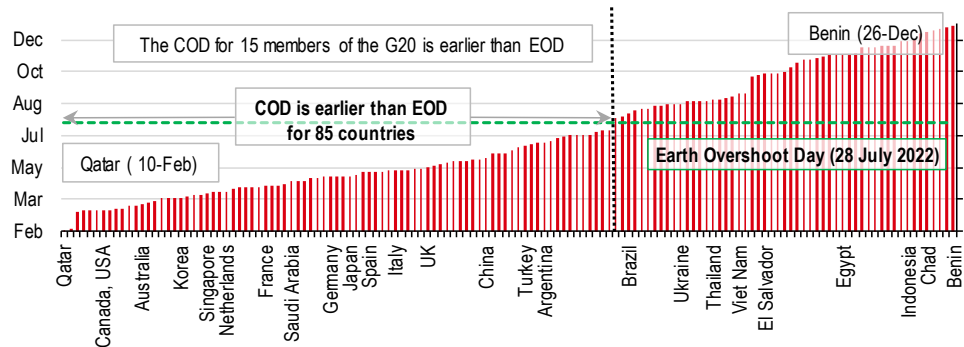
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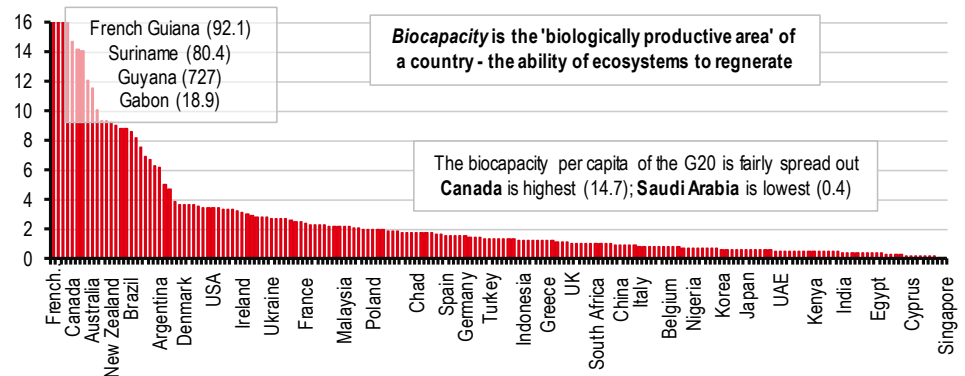
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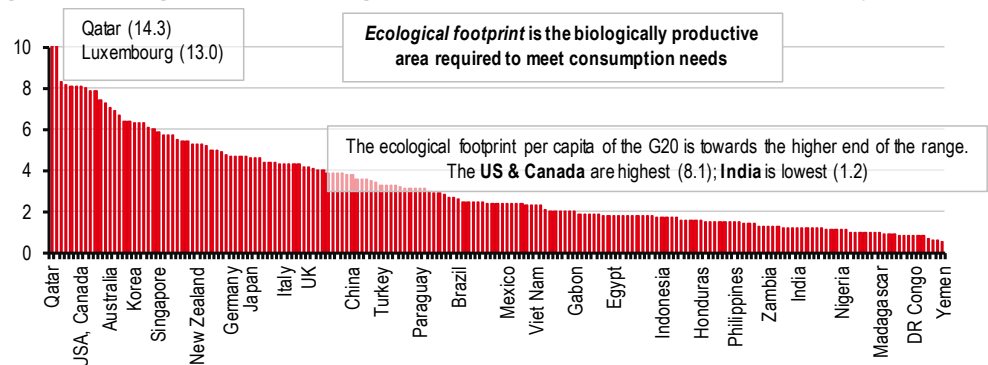
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Figure 2: 'Country overshoot days' (COD) for 138 selected countries*


Source: Global Footprint Network. Note: *selected by the GFN (India and European Union are excluded due to a lack of data)

Figure 3: The biocapacity (in global hectares) per capita of countries varies considerably


Source: Global Footprint Network. Note: selected countries

Figure 4: Ecological footprint (in global hectares) per capita also varies widely


Source: Global Footprint Network. Note: selected countries

Disclosure appendix

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