



Why nature-loss is material for your business

An introductory briefing on screening
nature-related impacts and dependencies

SUSTAIN

Strengthening Understanding
and Strategies of Business to
Assess and Integrate Nature

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Executive summary

Many businesses in the early stages of their sustainability journey are not yet prioritizing nature as a potential material risk, even though nature-related issues are likely to affect all companies—whether directly or throughout their supply chains, both upstream and downstream.

This briefing aims to strengthen businesses' understanding of the need to first screen for potentially material nature-related issues, using available tools and in discussion with relevant stakeholders, and then to undertake further assessment and action to halt and reverse nature loss.

It briefly distills recommendations from relevant guidance and requirements, and signposts where global tools can help, including how the **ENCORE** (*Exploring Natural Capital Opportunities, Risks and Exposure*) tool can help breakdown the complexity of nature.

The recommendations are as follows:

1. Apply materiality screening, to identify potential nature-related issues (dependencies, impacts, risks and opportunities)
2. Meaningfully engage relevant stakeholders and rights-holders to discuss all relevant nature-related issues and inform thresholds for materiality of potential risks
3. Further assess potential and prioritize actual material nature-related issues
4. Use assessment results to inform strategy and actions.



This briefing is especially for non-nature experts in businesses who:

- are not yet identifying nature as material
- understand that nature might be material, but don't know how to get started
- have started using some tools like ENCORE but need more guidance on how to use them.



Introduction

Why nature is relevant for your business

Are you unsure about how nature is material for your business?

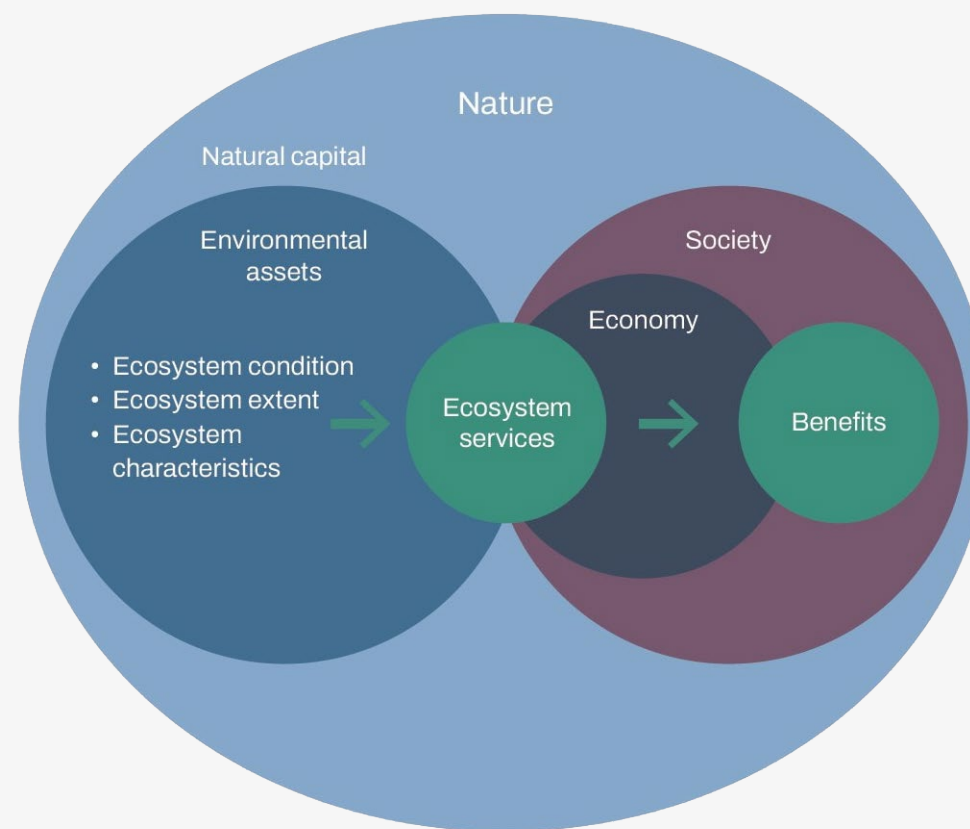
- Carrying out a screening with the **ENCORE tool** will help you see how nature-related risks and opportunities potentially affect your business.
- You can then carry out deeper assessments of identified issues in consultation with relevant stakeholders. In this way, your company can help to ensure nature-related risks – and opportunities – are being tackled.

Nature provides the building blocks for a functioning society and economy. We can split the world into different realms of freshwater, land, oceans and atmosphere. The living parts (biological resources) and the non-living parts (abiotic resources) of ecosystems within these realms combine to provide ecosystem services.

Ecosystem goods and services like clean air and water, pollination, climate regulation, food production and other essential but taken-for-granted ecosystem services are critical for human wellbeing as well as the economy (*Figure 1*). All organizations—financial institutions, businesses, governments, and communities—depend on these services and could not operate without them. More than half of **global GDP** is *moderately or highly* dependent on nature and its services. Yet our planet is experiencing record levels of human-driven nature loss, with **six out of nine planetary boundaries** (the processes that regulate the stability and resilience of the Earth system) exceeded.

- See the UN Environment Programme World Conservation Monitoring Centre's **Biodiversity A-Z** to dive further into key terms and acronyms.

Figure 1: Nature, business and society



Source: TNFD, 2024. 'Why nature matters'

Climate change is one of the main drivers of nature loss (see *Figure 2* for the other drivers). Conversely, the loss of nature and unsustainable use and management of natural resources represent the second largest source of carbon emissions and are a key driver of climate change. Reversing nature loss is a mutually supporting goal to addressing the climate crisis.

- See how these drivers vary across different sectors, as set out in overviews for typical impacts and dependencies on nature for **12 key sectors**, which use the **ENCORE tool** as a basis.

What are the risks to your business from nature loss?

Nature-related risks and opportunities stem from an organization's dependencies and impacts on nature, either directly or indirectly, due to its reliance and impact on the "stock" of natural capital and the ecosystem services that flow from it (see *Figure 3*):

- This means every sector and business is potentially exposed to **physical nature risk** (like degradation of a freshwater ecosystem causing lack of availability of the resource; extreme weather events causing management and potential damage costs, etc.).
- And every sector and business is potentially exposed to **transition risk** (like policy, legal, market, reputational risks) as increasing numbers of financial institutions are addressing nature risk, and new regulations are being introduced to help hold companies to account and to better manage the environment.

Figure 2: Drivers of nature change



Source: TNFD, 2023

"Nature loss is impacting our development as well as our energy operations. Plus, we have experienced an increasing investor pressure over the last two years!"
Isabel Tome, Head of Biodiversity, Iberdrola.



Altogether, businesses are exposed to **systemic risks** resulting from nature loss – these are risks that arise from the breakdown of an entire ecosystem. There are two categories: **ecosystem stability risk** (risk of the destabilization of a critical natural system, so it can no longer provide ecosystem services in the same manner as before) and **financial stability risk** (risk that materialization and compounding of physical and/or transition risks leads to the destabilization of an entire financial system).

For example, soil degradation and pollinator decline resulting from human activities has destabilized food systems, creating risks for companies, financial institutions, and society in general in the form of crop failures, food insecurity, chemical pollution, and pest outbreaks.

These risks affect all stakeholders—including financial institutions, businesses, employees, Indigenous Peoples, and local communities (see Figure 3).

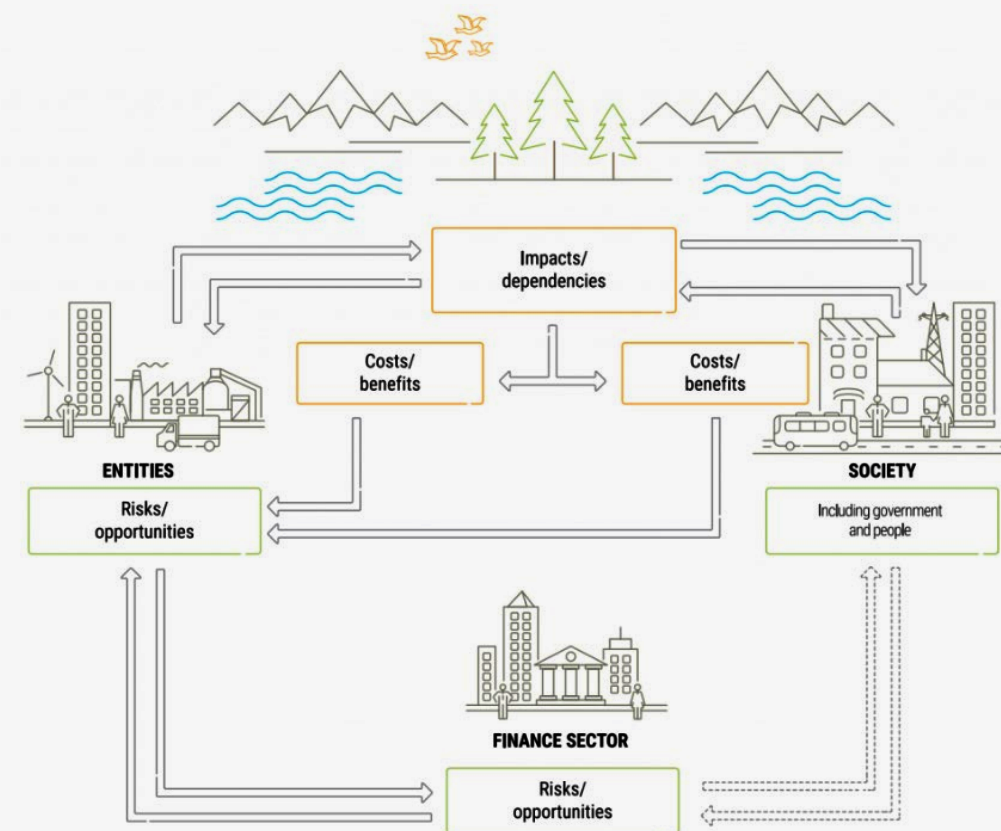
By proactively managing nature-related risks, companies can prepare for impending policy and regulatory requirements and identify priority actions that reduce negative impacts on nature, while unlocking opportunities across the value chain.

- For more examples and guidance, see **TNFD Nature-related Risk and Opportunity Registers**

Box 1: CSRD

The **EU Corporate Sustainability Reporting Directive (CSRD)** is mandatory for around 50,000 companies within the EU and many more worldwide with subsidiary businesses in Europe. Of the 12 standards, five address environmental aspects including climate change, pollution, water and marine resources, biodiversity and ecosystems, and resource use and circular economy. The EU prescribes a “double materiality” approach to reporting, which acknowledges risks and opportunities from both financial and non-financial perspectives (see Box 4). This means that in addition to disclosing how sustainability issues affect their business, companies also need to disclose how their operations and activities affect the environment and society more broadly.

Figure 3: Impacts and dependencies on nature create potential risks and opportunities for business, finance and broader society



Source: Adapted from Capitals Coalition, 2018

How a good assessment should inform the right actions on nature

By assessing nature-related risks fully—i.e. considering stakeholder perspectives and the materiality thresholds for the prioritized risks (see *Box 5*)—your company will be able to take the right next steps and actions to contribute to the **Global Goal for Nature**.

The high-level actions that a business should take on nature are: Assess, Commit, Transform and Disclose, abbreviated to ACT-D (see *Box 2* and *Figure 4*). The four steps are iterative and need to be deepened over time. By sequentially following and repeating the ACT-D steps, businesses can enable good performance to drive good disclosure.

This briefing focuses on the “Assess” step, given the importance of good assessments to inform credible business actions on nature.

Box 2: High-level actions on nature

The high-level actions a business should take on nature were developed in collaboration with leading organizations. They build on existing action frameworks and guidance, including the Capitals Coalition’s **Natural Capital Protocol**, **Science Based Targets Network’s (SBTN) target-setting guidance**, **Taskforce for Nature-related Financial Disclosures (TNFD) framework**, and **World Business Council for Sustainable Development (WBCSD) Roadmaps to Nature Positive: Foundations for all businesses**. The logic is also reflected in the **EU Corporate Sustainability Reporting Directive (CSRD)**.

Figure 4: ACT-D high-level business actions on nature framework

Assess:

Measure, value and prioritize your impacts and dependencies on nature to ensure you are acting on the most material ones.

Commit:

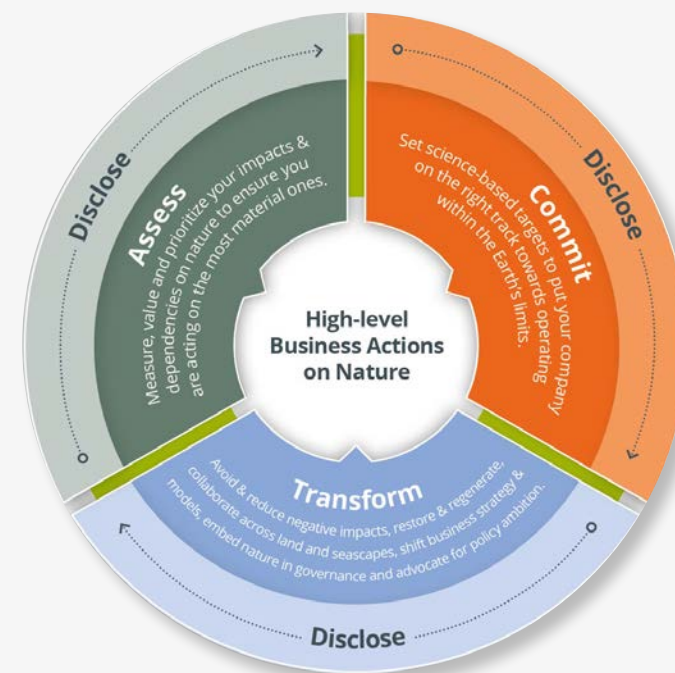
Set transparent, time-bound, specific, science-informed/based targets to put your company on the right track towards operating within the Earth’s limits.

Transform:

Avoid and reduce negative impacts, restore and regenerate, collaborate across land and seascapes, shift business strategy and models, embed nature in governance and advocate for policy ambition.

Disclose:

Track performance and prepare to publicly report material nature-related information throughout your journey.



Source: Business for Nature et.al., 2023

The assessment phase starts with a broad high-level screening and then goes deeper and narrower as you prioritize potentially sensitive/material locations in your operations and value-chains with relevant stakeholder engagement in each stage (*Box 3*). *Figure 5* illustrates the sequence of deeper assessments you should carry out, with examples of tools you can use at each stage. See *Annex 1* for descriptions of and links to the tools. You do not need perfect data for the entirety of your operations and value chains to get started, however, you should iterate your assessments and improve the data over time.

Box 3: Stakeholder engagement

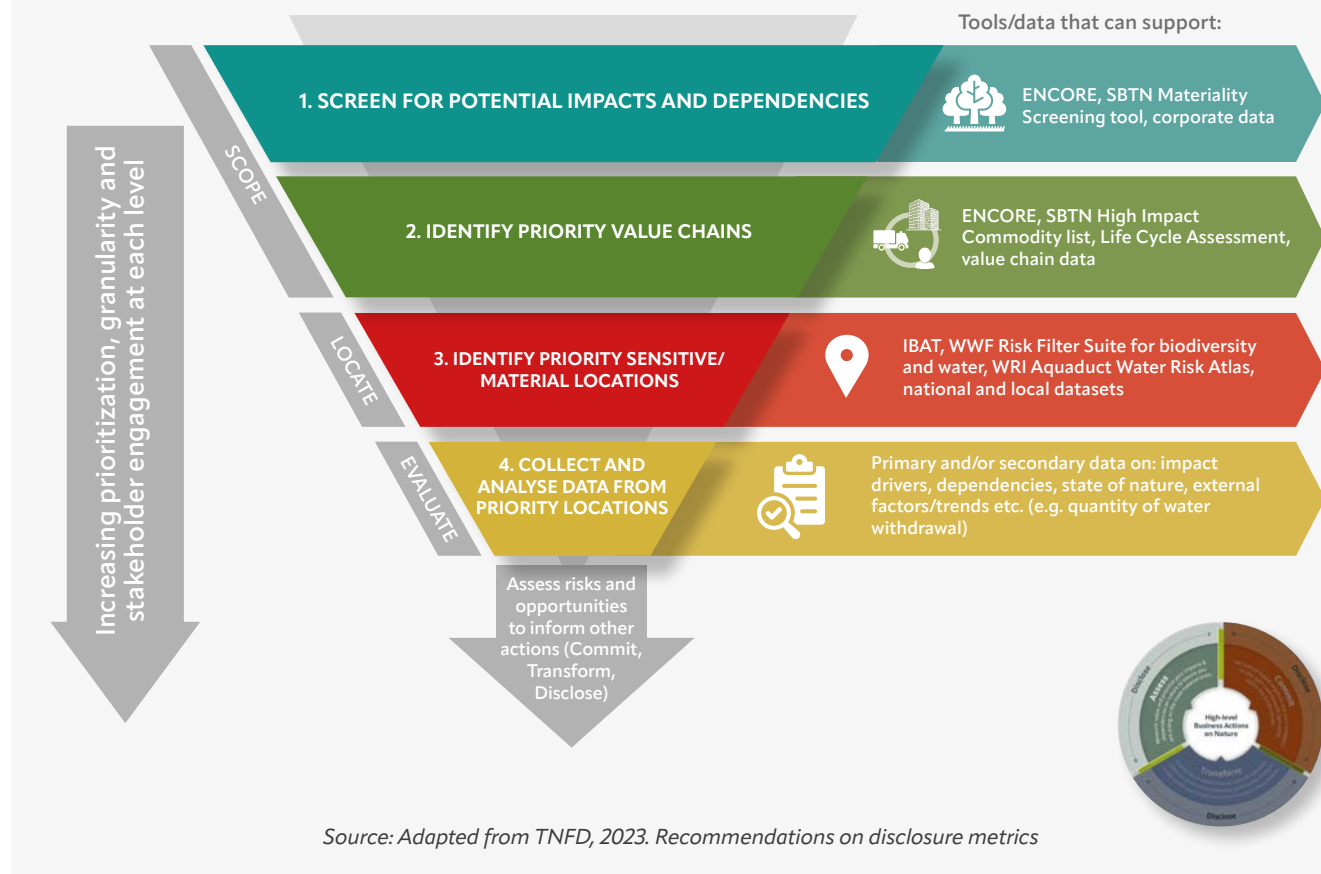
The European Sustainability Reporting Standards (ESRS) specifically differentiate between two categories of stakeholders with which a company needs to engage:

- Affected stakeholders, which should include affected communities, Indigenous Peoples and other rights-holders.¹
- Users of sustainability statements and other user groups, such as business partners, civil society and governments.

Engagement with affected stakeholders is an ongoing process:

A variety of affected stakeholders may provide inputs during various stages of the materiality assessment, from a high-level to more granular mapping of issues, as well as assessing the severity and likelihood of negative impacts related to thresholds.

Figure 5: Corporate assessment funnel for understanding nature-related issues at different levels of prioritization and granularity with example tools



¹ Rights-holders include individuals whose human rights are affected, including the right to water, food, an adequate standard of living and the right to a clean, healthy and sustainable environment. Rights-holders also include members of groups whose collective rights are affected, especially Indigenous Peoples and Local Communities. (TNFD, 2023)



**Recommendations for
understanding and acting on
nature-related issues**

Recommendation 1: Screen for potential dependencies and impacts on nature

Why

Understanding potential dependencies and impacts is at the heart of an impactful nature journey. It enables your business to identify the nature-related risks and opportunities that you need to address.

It can help your company to surface potentially overlooked issues, and then identify and engage with relevant stakeholders (*Recommendation 2*), help to prioritize follow-up assessments (*Recommendation 3*) and improve your company's approach and success in addressing your impacts and dependencies (*Recommendation 4*).

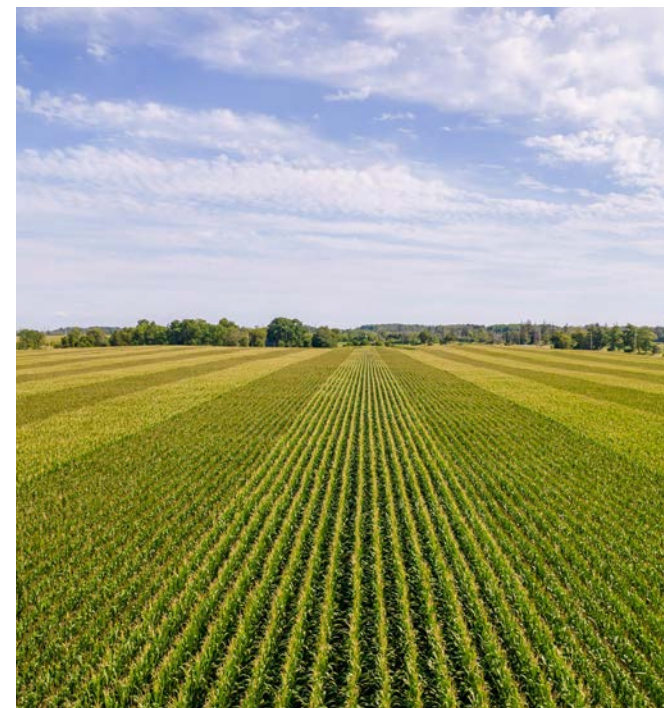


How

- Begin your assessment with a broad overview of the entire business and value chain. Refer to the top two levels of *Figure 5* for tools that can assist with this initial screening—for instance, use the **ENCORE** tool to screen for potentially material impacts and dependencies across various sectors and sub-sectors.
- Once the broader assessment is complete, start narrowing down which parts of the business (i.e. particular types of operations or supply chains) could potentially be important from a nature perspective, both in direct operations and within the value chain, gradually refining your focus to key parts of the business that require deeper analysis with your subject matter experts.
- This information can then be taken directly into consultations with stakeholders (*Recommendation 2*) as part of your company's materiality assessment process, and used to prioritize parts of the business for more granular assessment (*Recommendation 3*).

Output

- A 'long' list of dependencies and impacts for further assessment and analysis



Additional Resources

- The **ENCORE** tool, see *Annex 2*.
- **TNFD Tools Catalogue** which provides an overview of the variety of nature-related data tools available today
- **12 Sector Overviews** of key typical impacts and dependences on nature and priority actions developed by WBCSD, Business for Nature, WEF.

Recommendation 2: Consult on pre-identified nature-related issues to inform your materiality assessment

Why

When properly conducted, a double materiality assessment (see *Box 4*) can validate your organization's approach to nature and give you the opportunity to align your activities with the needs and expectations of stakeholders and rights-holders, ensuring your sustainability efforts are relevant and meaningful. This can lead to better decision-making around resource use and increased stakeholder trust and help with staying ahead of emerging issues that could affect the future success of your business.

Engagement with relevant stakeholders is important for understanding the full scope of nature-related issues and to inform materiality thresholds (see *Box 5*) for potential risks. Such engagement is also increasingly expected from investors, as set out in the investor-led **Nature Action 100** campaign.

Engage with external parties including actors throughout the value chain, including trade associations, policy makers and other stakeholders to create an enabling environment for implementing the plan and achieving targets.

Nature Action 100 Benchmark Indicator

Identifying nature-related issues should be a critical part of your materiality assessment.

However, anecdotal evidence coming out of early EU CSRD implementation suggests that companies are not identifying relevant nature-related issues through the required engagement with affected stakeholders, leaving their company at risk of non-compliance. This is likely related to how companies are setting thresholds, based on insufficient understanding or lack of relevant data to inform the setting of thresholds (see *Box 5*).

How

- Follow *Recommendation 1* to ensure that, before the stakeholder consultation process, you have identified all potential nature-related issues using inputs from global tools and subject matter experts, alongside other relevant sustainability issues.
- Map the affected stakeholders (*Box 3*) and make sure to include all relevant stakeholders and rights-holders to discuss the full scope of nature-related issues:
 - Consider which stakeholders are or are likely to be affected by the company's own operations and upstream and downstream value chain.
- Engage with affected stakeholders as an ongoing process.
 - The dialogue should aim to provide evidence or insights into actual or potential impacts on people and the environment connected to the company.

- Further refine your assessment, based on determined thresholds (see *Box 5*), to identify which nature-related issues are critical for your business to further assess and address (see *Recommendations 3 and 4*).

Outputs

- List of prioritized issues for further assessment on risks and opportunities
 - *Note, your company will need to explain in your reporting any discrepancy with ENCORE summaries of potential impacts and dependencies for your relevant sector(s).*
- Topics which you can use for engagement with financiers and regulators



Box 4: What is double materiality?

A **materiality assessment** is a process that helps to identify and understand the relative importance of specific environmental, social, and governance (ESG) and sustainability topics to your business.

Double materiality is a concept which provides criteria for determination of whether a sustainability topic or information has to be included in the institution's sustainability report. **A topic meets the criteria of double materiality if it is material from the impact perspective and/or the financial perspective.**

A sustainability topic is material from:

- An **impact perspective** if the institution is connected to actual or potential significant impacts on people or the environment over the short, medium or long term. This includes impacts directly caused or linked to the institution's upstream and downstream value chain.
- A **financial perspective** if it triggers financial effects on the institution, i.e. generates risks or opportunities that influence or are likely to influence future cash flows and therefore the enterprise value of the institution in the short, medium or long term but are not captured by financial reporting at the reporting date.

To report on CSRD accurately, the double materiality assessment is used to identify required data points to report on, including defining where in the value chain the impact occurs.

Relevance, faithful representation and verifiability of information are particularly important for materiality assessment-related disclosures. The information should be based on supportive and, where feasible, objective evidence.

Companies should also give evidence for why non-material dependencies and impacts are not relevant to them.

Box 5: Impact materiality, setting thresholds (from CSRD requirements):
Criteria of severity and likelihood of the materiality

The severity of an **actual or potential negative impact** is assessed from the perspective of the affected people or the environment, and it is determined by the following characteristics that inform the basis for **determining the thresholds**:

- **Scale:** how grave the impact is (i.e., extent of infringement of access to basic life necessities or freedoms such as education, livelihood, etc.);
- **Scope:** how widespread the impact is (i.e., the number of individuals affected or the extent of the environmental damage);
- **Irremediable character:** the extent to which the impact can be remediated (e.g., through compensation or restitution, whether the people affected can be restored to their exercise of the right in question, etc.). The underlying question is whether there are any limits to the ability to restore the environment or those affected to a situation at least the same as, or equivalent to, their situation, before the negative impact.

See more guidance: **European Financial Reporting Advisory Group (EFRAG) Materiality Assessment Implementation Guidance**

Additional Resources

Read more about materiality assessment and engagement with relevant stakeholders and rights-holders:

- **EFRAG Materiality Assessment Implementation Guidance**
- **TNFD Draft Guidance on Engagement with Affected Stakeholders**
- **SBTN Stakeholder Engagement Guidance**
- **Accountability for Nature: Comparison of Nature-related Assessment and Disclosure Frameworks and Standards (Key finding 11: Engagement with rights-holders and relevant stakeholders)**

Recommendation 3:

Deepen the assessment to evaluate and prioritize your material dependencies, impacts, risks and opportunities

Why?

Understanding impact materiality goes beyond simply considering what stakeholders find important. By incorporating more advanced tools and methodologies for more qualitative and quantitative analysis—like life cycle assessments, input-output models, innovative data solutions, etc.—your business can gain deeper, more objective insights into its potential and actual impacts and dependencies. This approach helps you make more informed decisions, enabling you to prioritize actions and allocate resources effectively to tackle nature-related risks and seize opportunities.

How?

After understanding your potential and likely material nature-related impacts and dependencies and discussing those with relevant stakeholders, you undertake more detailed assessments in the priority parts of your business, including locations where possible. There is lots of guidance available (see additional resources in the next page and in [Annex 1](#)). Here are the key aspects, as set out in levels 3 and 4 in *Figure 5*:

- Collect primary and secondary data from **priority locations** (see *Figure 6*), including:
 - Data on impact drivers and level of dependencies at locations
 - Data on changes in the state of nature
 - Data on external factors and trends also affecting the state of nature

- The primary data can be quantitative or, where not possible to quantify, it can be qualitative. The expected impact associated with a given pressure will depend on the state of nature at that location. Where not possible to directly measure the change in the state of nature, secondary data can be used to contextualize

pressure information. Where measurement is not possible, estimates should be used.

- Analyze the data and conduct further impact and financial materiality assessments and consolidate the outcomes of both dimensions. Further stakeholder engagement here can help validate the findings.

Figure 6: Identifying priority locations



Note: When considering locations, businesses should recognize that impacts and dependencies can occur in locations at a distance from where their processes and activities occur.

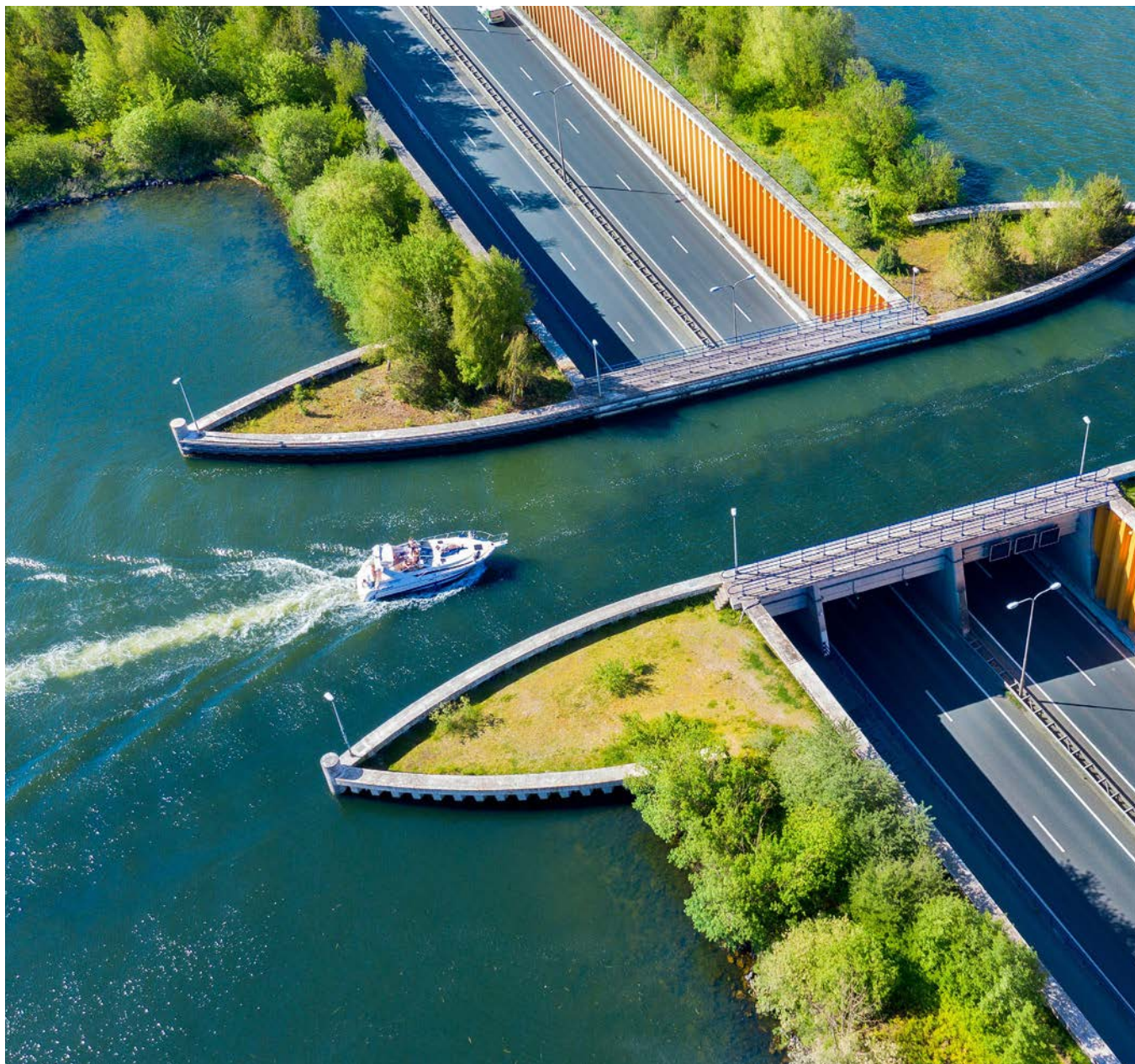
Source: TNFD, 2023

Output

- An overview across different parts of your business of the most material nature-related impacts, dependencies, risks and opportunities for further action (see *Recommendation 4*)

Additional Resources

- **WBCSD Roadmaps to Nature Positive: Foundations for all businesses**
- **TNFD LEAP guidance**, which includes case studies on how to apply relevant tools
- **TNFD Tools Catalogue**, which provides an overview of a variety of the nature-related data tools available
- **SBTN Step 2: Prioritize**
- Guidance from the European Commission on **Measuring your impacts and dependencies on biodiversity** (EU Business & Biodiversity platform)
- **Recommendations on measuring biodiversity** from the EU's Project Align
- **Case studies** on how different companies have undertaken assessment for nature-related issues across key sectors: Agri-food, built environment, energy



Recommendation 4: Use assessment results to inform strategy and actions

Why

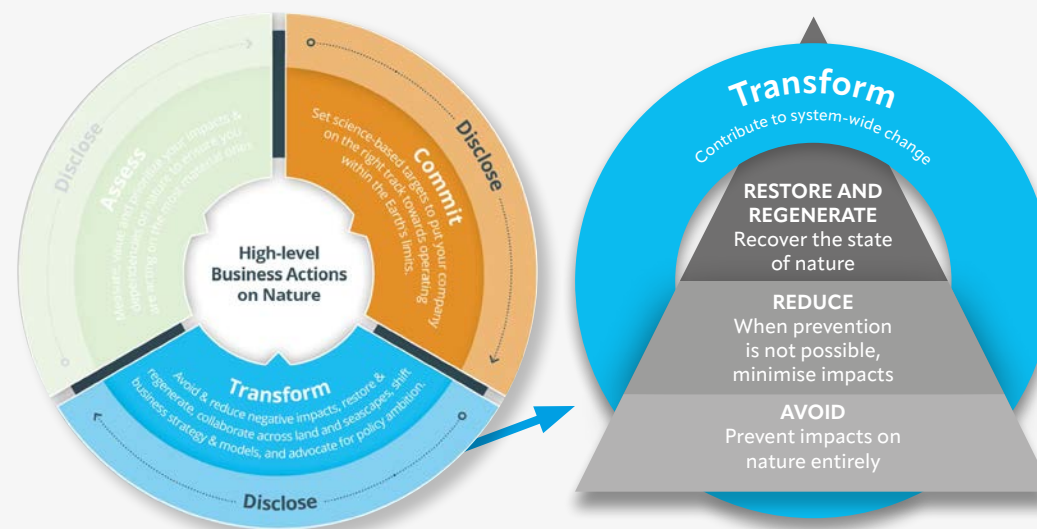
For a credible and impactful approach on nature, your company should develop and implement targets, actions (see Box 6) and disclosures to address the most material issues you have identified in the assessment phase.

How

- For the priority impacts and dependencies, map the actions that your company is already taking.
- Identify and prioritize gaps for impacts and dependencies that are not yet being addressed.
- After measuring impacts and setting a baseline, put in place a suite of SMART² targets and transition plans, taking into consideration different scopes of action: corporate, supply-chain and priority locations.
- Identify relevant stakeholders to engage to help increase the success and positive impact of your approach. As well as civil society organizations and rights-holders, consider also your main financiers and government actors in relevant markets (see Box 7).
- Report on progress towards your targets, aiming for location specific quantitative data and eventually financial valuation.

² Specific, Measurable, Achievable, Relevant, and Time-Bound.

Box 6: SBTN's Action Framework (AR3T)



Source: SBTN, 2020

SBTN's Action Framework provides a useful hierarchy of actions to inform your approach on nature, including ways you can:

- avoid future negative impacts
- reduce current and future negative impacts as much as possible
- restore and regenerate ecosystems, especially where there are dependencies on nature
- transform the systems in which your company is embedded, including with suppliers and peers, in broader landscapes and advocate for policy change.

Output

- A roadmap and transition plan to systematically address material nature-related issues

Additional Resources

- Business for Nature: **Nature Strategy Handbook**
- **SBTN Step 3: Target-Setting Process**
- WBCSD: **Accelerating corporate ambition and preparedness toward science-based targets for nature**
- **Sector Actions Towards a Nature-Positive Future** 12 sector overviews of key typical impacts and dependences on nature and priority actions (Business for Nature, WBCSD, WEF)
- **Case studies** of how different companies have undertaken assessment for nature-related issues across key sectors: Agri-food, built environment, energy.
- WBCSD: **Roadmaps to Nature Positive: Foundations for all businesses**
- **TNFD LEAP guidance: "Prepare" step**
- Business for Nature: **Advocating for Nature: A guide for responsible policy engagement**

Box 7: How governments and financial institutions can support your actions on nature

Financial institutions and governments have a key role to play in catalysing a shift towards a nature-positive world. The Infinity Loop illustrates the importance of multistakeholder action on nature loss, including business, financial institutions and governments. Each element depends on an unbroken flow of information that circulates throughout the system; stakeholders need to work with each other to feed into, encourage, and inform action from all parties.

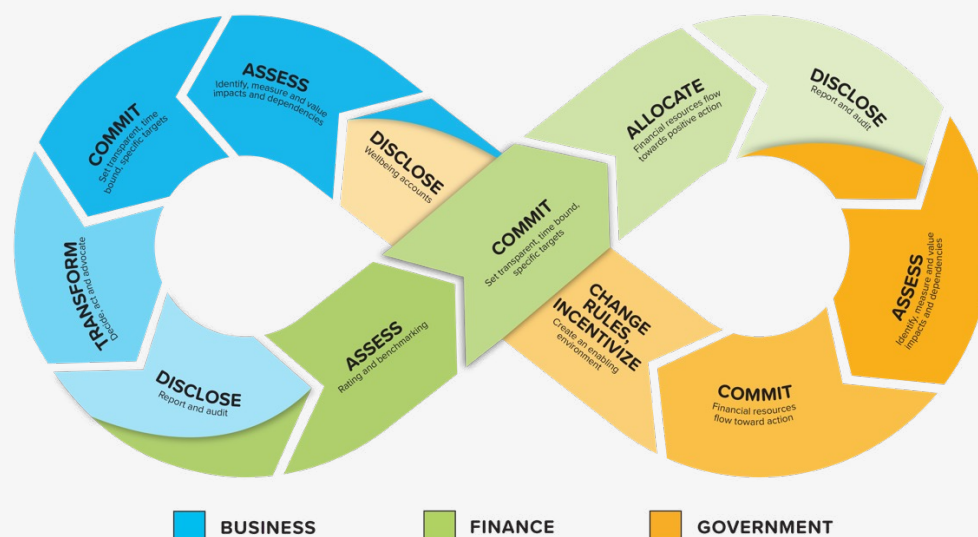


Figure 8: Capitals Coalition, 2024. Beta Framework for Integrated Decision-making

When engaging with government and/or representatives of financial institutions, questions you can ask include:

- What incentives/financial support can they provide to invest in actions that can avoid and reduce negative impacts?
- What data can they provide to help focus your assessments?
- Advocate for financial institutions and governments to put in place policies and regulations to avoid and reduce the main drivers of loss of nature, as well as policies to restore and regenerate nature, including through nature-based solutions.

An aerial photograph of a wind farm. Three large white wind turbines are visible, situated on rolling green hills. The central turbine is in the foreground, with its three blades extending towards the top of the frame. Two other turbines are visible in the background, one to the left and one to the right. The landscape is a mix of green grass and some brownish-yellow fields, with a line of trees running across the middle ground. The sky is blue with scattered white and grey clouds. The overall scene is bright and clear, suggesting a sunny day.

**How ENCORE can help you
break down the complexity
of nature**

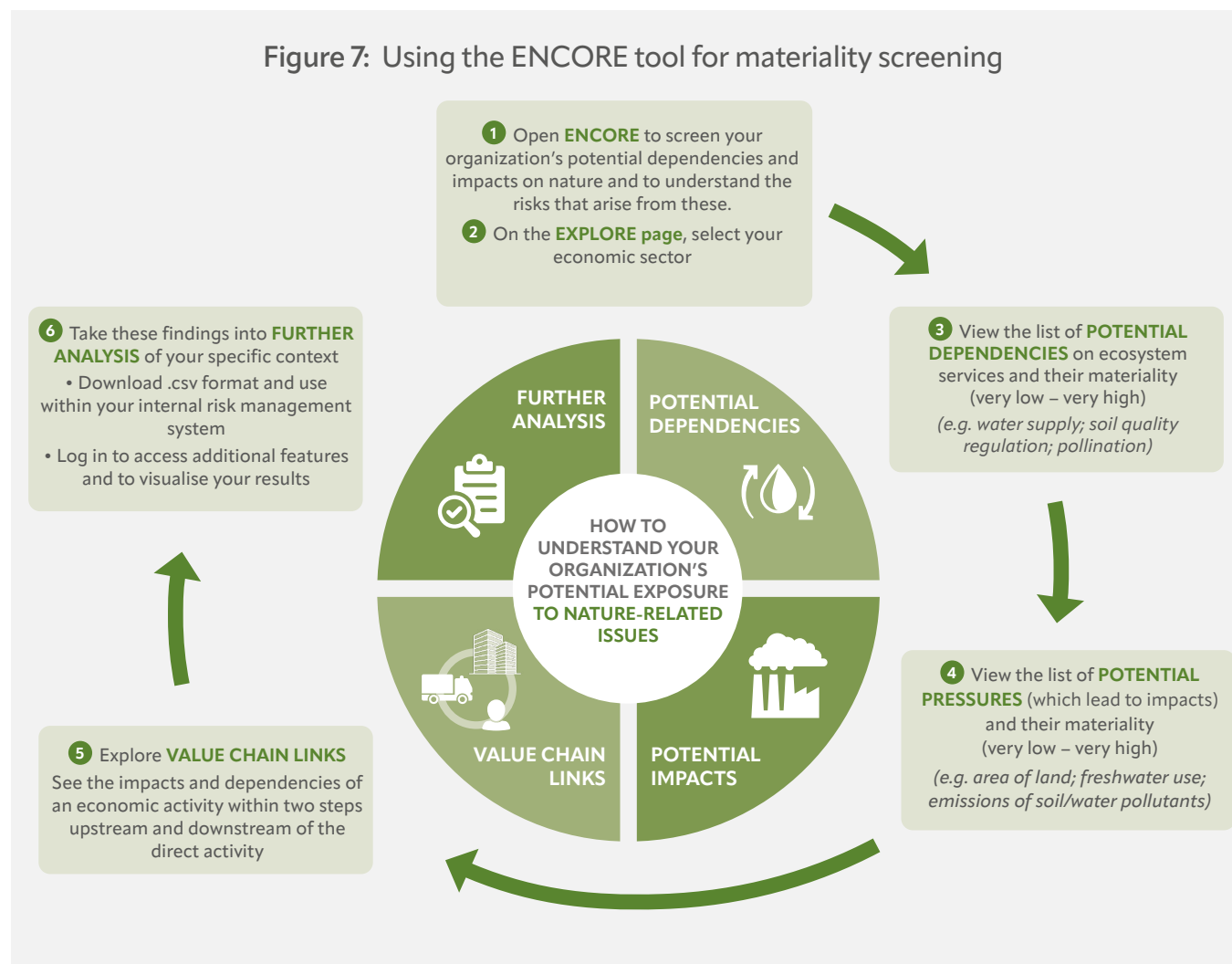
All key nature-related corporate frameworks and standards, including TNFD, the Natural Capital Protocol, SBTN, the Global Reporting Initiative (GRI) and EU CSRD recommend an initial high-level screening of potential nature-related impacts and dependencies (see the first step of the assessment funnel in *Figure 3*). Such a screening helps businesses filter and prioritize which dependencies and impacts they should measure and analyze as part of their assessments.

ENCORE (*Exploring Natural Capital Opportunities, Risks and Exposure*), developed by Global Canopy, UNEP FI, and UNEP-WCMC, is a key tool for this initial screening. It is recommended by TNFD, and it provides the basis for the **Science Based Targets Network's Materiality Screening Tool** and other similar tools.

Following a **major upgrade** during 2024 as part of the **SUSTAIN** project, the ENCORE tool now offers:

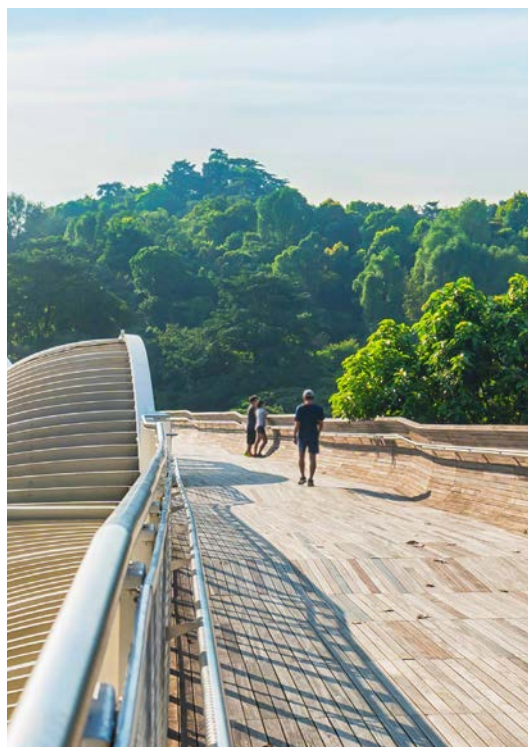
- A more granular mapping of potential impacts and dependencies of different sectors and economic activities, covering 271 economic activities at ISIC Level 3 (Group) and ISIC Level 4 (Class)
- Updated materiality ratings to enable comparison and draw on quantitative indicators where possible
- Information on key value chain links

Figure 7: Using the ENCORE tool for materiality screening



"Using the ENCORE tool, we were able to confirm that our most material nature related impacts and dependencies (water use, land use including biodiversity, solid waste and greenhouse gas emissions) are identified in our overall Enterprise Risk Management process and materiality assessment and are integrated in the company strategy." Renata Pollini, Holcim, Head of Sustainable Construction & Nature

Depending on your role, organization, and experience on nature, there are different reasons for screening potential dependencies and impacts (see *Table 1*):



“When a client thinks that nature isn’t material, I show the results of ENCORE and they can see where the gap in their understanding lies”.

Daniele Strippoli, Deloitte North-Southern Europe Nature Service

Table 1: Benefits of using ENCORE to screen potential nature-related dependencies and impacts, with examples

Function	Benefits	Examples
Sustainability – <i>getting started on nature</i>	Quickly and easily screen to find out where to start, where to target resources for additional assessments, and which stakeholders to include. And/or create ‘heatmaps’ of the potential dependencies and impacts that are likely to be material for a given economic activity or sector.	Examples in the TNFD LEAP guidance (pages 84, 96, 112) Sectoral business case studies , highlighting the role of different tools including ENCORE
Sustainability – <i>more advanced on nature</i>	More advanced nature teams can also use ENCORE during the assessment to check that they are addressing all potentially material issues. The tool provides a reference-backed long list of potential dependencies and impacts for different sectors and economic activities and lists of key value chain links based on an input-output database.	TNFD pilot tests and the application of ENCORE (p.36. and p.39)
Enterprise risk management	Ask the “right” questions of operations to support compliance with existing and future regulations. Save resources by focusing assessment on the potentially material areas.	Nature risk assessment of infrastructure projects using ENCORE and other tools Nature-related risk and opportunity analysis of an energy sector (p.43)
Finance	Know where to focus collation and reporting of a company’s non-financial data.	TNFD pilots led by UNEP FI
Procurement	Ask the “right” questions of suppliers to inform supplier codes, etc., to support compliance with existing and future regulations.	An example of Accenture creating a heatmap from ENCORE data to show the potential materiality of different procurement categories against financial spend (p.44)
Investor relations	Prepare for potential topics which may be raised by investors who are also using ENCORE.	An example of asset manager Robeco’s assessment using ENCORE data to understand the exposure of its investments to sectors with a high or very high impact on nature and dependency on ecosystem services (p.48)



What can you do next?

Having completed your screening, consultations and further assessments, you will appreciate that the loss of nature is a critical risk for your business and for wider society. You now have a basis for an initial approach which can help your company play its part in halting and reversing nature loss.

- Share your experiences along your nature journey to help trigger collective action to halt and reverse nature loss!
- Don't work alone! Use the results to have an initial discussion with potential allies in your company and/or networks, including potential academics or NGOs.





**Appendix and
acknowledgements**

Annex 1: Screening and assessment tools

Tools and databases	Description
Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE)	A high-level screening tool that companies can use to aggregate and identify typical impacts and dependencies across different sectors and sub-sectors.
SBTN Materiality Screening Tool	A tool that builds on ENCORE data to allow a more detailed assessment of impacts (but not as yet dependencies) across a combination of production processes.
SBTN High Impact Commodity List	A non-exhaustive list of the most common environmental impacts associated with the production of major commodities (i.e., the direct operations stage). The pressure categories included in the list are aligned with those used in ENCORE and in the SBTN target-setting guidance for Step 1 and Step 2.
Life Cycle Assessment	A tool to assess potential environmental impacts throughout a product's life cycle, i.e., from natural resource acquisition, via production and use stage to waste management (including disposal and recycling).
Integrated Biodiversity Assessment Tool (IBAT)	A web-based map and reporting tool that provides fast, easy and integration access to three of the world's most authoritative global biodiversity datasets: IUCN Red List of Threatened Species, World Database on Protected Areas, and World Database of Key Biodiversity Areas.
WWF Biodiversity Risk Filter	A corporate and portfolio-level screening tool to identify biodiversity risks and prioritise corporate action on biodiversity.
WWF Water Risk Filter	A corporate and portfolio-level screening tool to identify water risks and prioritise corporate action on water.
World Resources Institute Aqueduct Water Risk Atlas	Open-source, peer reviewed data to map water risks such as floods, droughts and stress.

Annex 2: How to use ENCORE³

Using the ENCORE tool to screen your institution's potential nature-related dependencies and impacts

Using the Explore page

On the Explore page, select the sector and economic activity in which you are interested:

- View the list of **potential dependencies** on ecosystem services (e.g. *biomass provisioning service; water supply; soil quality regulation; flood mitigation services; pollination services, etc.*) linked to the economic activity.
 - The associated dependency materiality ratings⁴ (ranging from Very Low to Very High) indicate the typical level of reliance of a company engaged in the given economic activity and reflect global averages. You can also view the list of ecosystem components that support the ecosystem services on which the economic activity may depend.
- View list of **potential pressures** (e.g. *area of land use; area of freshwater use; emissions of GHGs; emissions of soil and water pollutants; also referred to as "impact drivers"*) linked to the economic activity.
 - The associated pressure materiality ratings (ranging from Very Low to Very High) indicate the significance of the pressure typically exerted by a company engaged in the given economic activity and reflect global averages. You can also view the list of ecosystem components that are likely to be affected by the pressures.

Using the Natural Capital Module

- After Logging in (Registration is free), you can access additional features helping you visualize or summarize potential dependencies and impacts.
- When you select the sector and economic activity in which you are interested, you can view its potential dependencies or impacts in a flow diagram, showing the connections all the way to different ecosystem components.
- You can also view summary statistics, highlighting the most material potential dependencies and impacts.

Using the downloadable ENCORE knowledge base

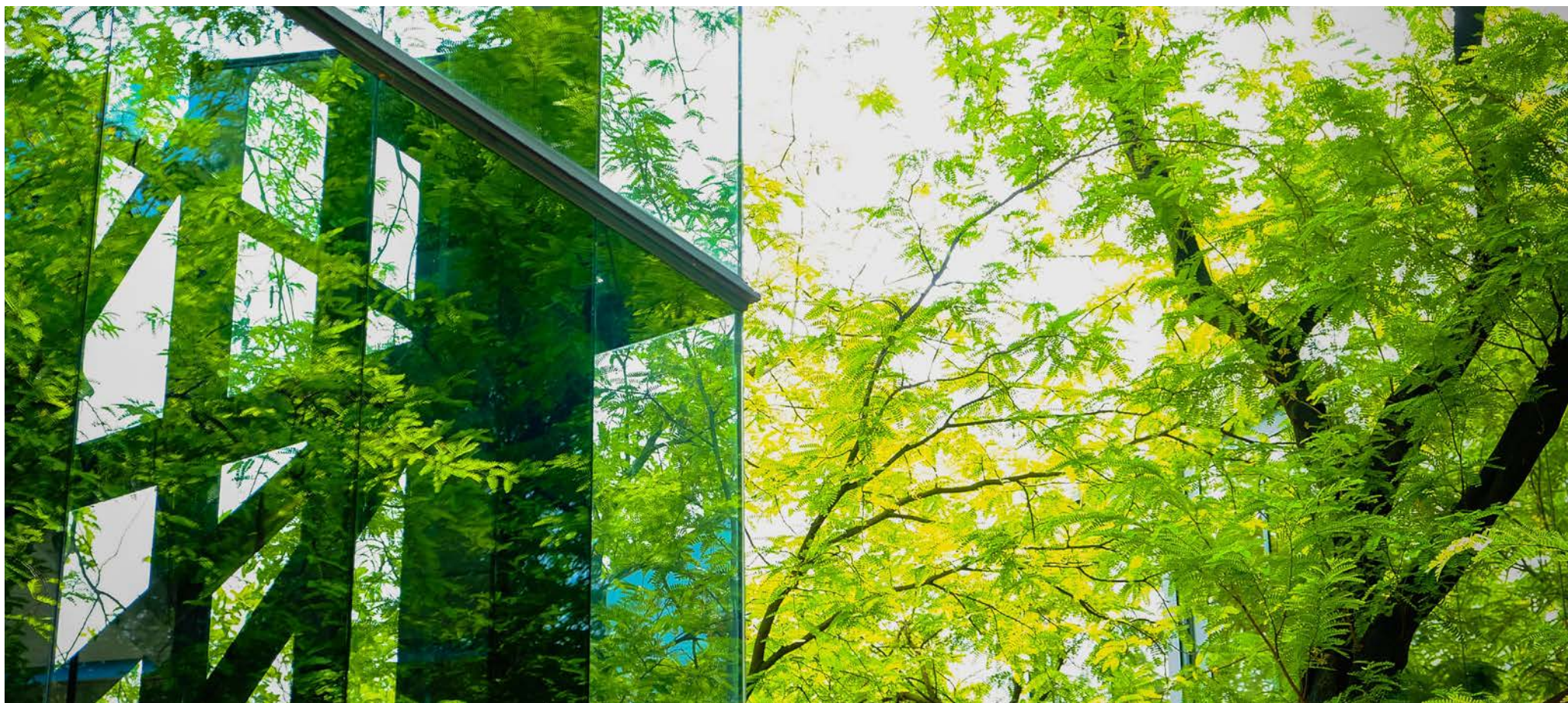
- The knowledge base behind the ENCORE tool is available for download in a .csv format from the **Methodology & Downloads** page.
- Companies with internal risk management systems or nature-risk assessment processes can use the downloadable .csv files to integrate the ENCORE knowledge base directly within their existing systems.

³ ENCORE is jointly developed by Global Canopy, UNEP FI and UNEP-WCMC

⁴ Explanation of methodology how materiality ratings have been evaluated, see [here](#)

How to interpret the data from ENCORE?

- The information on potential dependencies and impacts of different economic activities provided by ENCORE is based on global averages of environmental indicators and qualitative synthesis of latest scientific and grey literature. It is designed to provide a long list of potential dependencies and impacts for a typical economic activity anywhere in the world.
- After obtaining the results from ENCORE, users are recommended to conduct further analysis, taking into consideration the specific context of the company, its production methods and the geographical locations where it operates. Further tailoring the list of potential dependencies and impacts will help users prioritize which dependencies and impacts should be assessed in each location.



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