UNEP and S&P Global Sustainable1 Launch New Nature Risk Profile Methodology

Expert methodology to guide business action for nature

DAVOS, Switzerland, Jan 17, 2023 /PRNewswire/ -- The UN Environment Programme (UNEP) and S&P Global Sustainable1 announce today the launch of the Nature Risk Profile, a new methodology for analyzing companies' impacts and dependencies on nature.

The Nature Risk Profile is aimed at enabling the financial sector to measure and address nature-related risk by providing scientifically robust and actionable analytics on nature impacts and dependencies.

With half of the world's GDP highly dependent on nature, biodiversity loss is a growing concern for global business leaders. According to the World Economic Forum's 2023 Global Risks Report, biodiversity loss is the fourth most severe global risk over the next ten years behind climate action failure, climate change adaptation, and extreme weather. Therefore, market participants need a credible, quantitative approach to measure the biodiversity impact and dependencies of their operations and portfolios, mitigate risks, and advance nature-positive outcomes to build resilience.

The new methodology outlines metrics and data that enable companies and investors to identify and quantify nature-related exposure. The methodology covers several key areas, including risks arising from companies' impacts on biodiversity, risks arising from companies' dependencies on biodiversity and potential risks via proximity to biodiverse areas.

The launch of the Nature Risk Profile methodology follows on the heels of the adoption of the Kunming-Montreal Global Biodiversity Framework, in December 2022. The Global Biodiversity Framework includes a target for governments to take legal, administrative or policy measures to encourage and enable businesses to regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity. Governments furthermore agreed that these requirements apply to all large as well as transnational companies and financial institutions along with their operations, supply and value chains, and portfolios.

The potential impact of the Nature Risk Profile methodology is significant, transforming the parameters of financial decision-making. Developed by experts from across the conservation, business, and finance communities, it aligns with the emerging approach of the Taskforce on Nature-related Financial Disclosures (TNFD) and will support the implementation of TNFD's disclosure framework.

The methodology allows users to combine company-level information with best-practice nature-related data to calculate vital risk metrics. It is built around using powerful, science-based impact and dependency measurement tools, including the Exploring Natural Capital Opportunities, Risks and Exposure database and the developing Ecosystem Integrity Index.

S&P Global Sustainable1 has also launched a new knowledge community inviting investment managers, insurers, businesses, non-profits, and others to collaborate on ways to further develop the methodology to accelerate the shift of capital towards nature-positive outcomes. This pilot programme will support the practical implementation of the TNFD framework process using geospatial biodiversity datasets curated by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) and partners, combined with S&P Global's in-depth information about local business activities.

Neville Ash, Director of UNEP-WCMC, said: "The methodology provides a major step forward to deliver the actions required for transformative change and support the finance sector's critical contribution to delivering the ambitions of the Kunming-Montreal Global Biodiversity Framework. This methodology links science, policy and finance to bring nature to the heart of financial

decision-making. The collaboration with a global financial data provider such as S&P helps to test the methodology using their location-specific data on thousands of financial and corporate assets. In developing and sharing this methodology as a public good, we are supporting the TNFD in implementing a common and harmonized approach to nature-related risk management within the finance sector."

Dr Richard Mattison, President of S&P Global Sustainable1, said: "Against the backdrop of net zero commitments from investors and companies, it is essential that net zero for climate should be net positive for nature in line with the important work of the TNFD. The development of this new methodology will be key to unlocking better understanding, analysis and action around nature-related risks for companies and investors. Significantly, the methodology will also be open access, and developed and refined by stakeholders, to support transparency and adoption."

For additional information and to view the full methodology, please visit S&P Global Sustainable1's nature website.

Notes to Editors

About the UN Environment Programme (UNEP)

The UN Environment Programme is the leading global voice on the environment. It provides leadership and encourages partnership in caring for the environment by inspiring, informing and enabling nations and peoples to improve their quality of life without compromising that of future generations. UNEP collaborated with S&P Global on the development of the methodology contained within this publication, however, this does not imply endorsement of S&P Global nor any associated companies.

About UNEP-WCMC

The UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) is a global Centre of excellence on biodiversity. We operate as a collaboration between the UN Environment Programme and the UK-registered charity WCMC. Together, we are confronting the global crisis facing nature. We do this through our unique position ensuring science, knowledge and insights shape global and national policy, and by collaborating with partners around the world to build capacity and create innovative solutions to environmental challenges. We use our position as respected custodians of powerful and trusted environmental data to create positive impact for people and nature.

About S&P Global Sustainable1

S&P Global Sustainable1 is the central source for sustainability intelligence from S&P Global. Sustainable1 matches customers with the sustainability products, insights and solutions from across S&P Global's divisions to help meet their unique needs. Our comprehensive coverage across global markets combined with in-depth sustainability intelligence provides financial institutions, corporations and governments with expansive insight on business risk, opportunity, and impact as we work towards a sustainable future. Our data and well-informed point of view on critical topics like energy transition, climate resilience, positive impact and sustainable finance allow us to go deep on the details that define the big picture so customers can make decisions with conviction.

About S&P Global

S&P Global (NYSE: SPGI) is the world's foremost provider of credit ratings, benchmarks and analytics in the global capital and commodity markets, offering ESG solutions, deep data and insights on critical economic, market and business factors. We've been providing essential intelligence that unlocks opportunity, fosters growth and accelerates progress for more than 160 years. Our divisions include S&P Global Ratings, S&P Global Market Intelligence, S&P Dow Jones Indices and S&P Global Platts.

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