S&P Global Sustainable1 Launches New Nature & Biodiversity Risk Dataset

- *New research using this dataset shows that85% of the world's largest companies have a significant dependency on nature across their direct operations*
- *New dataset includes dependency scores, describing the level of risk associated with a company's reliance on 21 different ecosystem services, and the ecosystem footprint for companies, a new metric measuring operational impact on nature and biodiversity*
- *Companies, investors and other stakeholders can use this dataset to understand their impact and dependency on the natural world and to develop strategies to create more resilience with respect to the ecosystems they depend on*
- *This dataset has been designed to help companies and financial institutions align with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)*

NEW YORK and LONDON, May 10, 2023 /PRNewswire/ -- S&P Global Sustainable1 has today launched Nature & Biodiversity Risk, a new dataset assessing nature-related impacts and dependencies across a company's direct operations that can be applied at the asset, company and portfolio level. This new dataset will support companies, investors and entities as they seek to understand, manage and mitigate exposure of corporates and portfolios to nature related risks and impacts.



Nature & Biodiversity Risk can be accessed through S&P Capital IQ Pro and covers over 17,000 companies and over 1.6 million assets and provides a number of new nature-related risk metrics including a dependency score and ecosystem footprint measure enabling greater understanding of a company or asset's dependency and impact on nature. The dataset applies the Nature Risk Profile, a new methodology for analyzing companies' impacts and dependencies on nature, launched by S&P Global Sustainable1 and the UN Environment Programme (UNEP) in January this year.

Thomas Yagel, Chief Operating and Product Officer, S&P Global Sustainable1 said:
"*From the launch of the Taskforce on Nature Related Financial Disclosures (TNFD) in 2021 to the significant commitments made at COP15, there is an increasing demand from companies and investors to be able to quantify both their dependency on nature and the impact of their operations on location-specific ecosystems."*

The dependency score* considers the level of reliance that a business' direct operations have on 21 different ecosystem services, as well as the expected resilience risk of the ecosystem providing these services, where these businesses are operating around the world. The dependency score is on a scale from 0 to 1.0 (where 0 represents no dependency risk and 1.0 represents very high dependency risk).

The Ecosystem Footprint** measures a business' direct operational impact on nature and biodiversity. This metric combines three key areas of analysis: the areas of land impacted by the company (land area), the degree to which the location-specific ecosystem integrity is reduced (ecosystem degradation) and the significance of the location-specific ecosystem impacted (ecosystem significance).

Steve Bullock, Global Head of Research and Methodology, S&P Global Sustainable1 said:
"Our research shows that 85% of the world's largest companies have a significant dependency on nature, indicating the critical importance of greater transparency for market participants on nature-related risks and opportunities. This new dataset signals a maturation of the conversation on nature and provides clear metrics quantifying the nature related dependency and impact of over 1.6 million global real assets."

Applying this new dataset to the S&P 1200, the world's largest public companies, our analysis shows that:

- 85% of the world's largest companies have a significant dependency* on nature across their direct operations.

- 46% of the world's largest companies have at least one asset located in a Key Biodiversity Area (KBA)*** that could be exposed to future reputational and regulatory risks.
- S&P 1200 companies used an estimated 22 million hectares of land for their direct operations in 2021 to generate USD 28.9 trillion revenue.
    - Expressed as an ecosystem footprint, this is equivalent to fully degrading 2.2 million hectares of the most pristine and significant ecosystems globally, such as the most intact and biodiverse parts of the Amazon or Sumatran rainforests.

The dataset can be leveraged by market participants to understand their nature-related risks and more transparent alignment with Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. The dataset is aligned with the LEAP risk and opportunity assessment approach, as recommended by the TNFD.

Dependency score methodology note:
*The dependency score considers the level of reliance that a business has on 21 different ecosystem services, as well as the expected resilience risk of the ecosystem providing these services, where these businesses are operating around the world. Significant dependency is signified by companies that have a dependency score over 0.6 (where 0 represents no dependency risk and 1.0 represents very high dependency risk).

Ecosystem footprint methodology note:
** In order to provide a decision-useful metric that enables comparison between business operations, land area, ecosystem integrity degradation and ecosystem significance are brought together to calculate the equivalent impact on the most significant areas globally in terms of biodiversity conservation and ecosystem services provision. This produces an Ecosystem Footprint expressed as the equivalent number of hectares in the most globally significant ecosystems that would be fully degraded by the company's operations.

Key Biodiversity Area note:
***KBAs are sites contributing significantly to the global persistence of biodiversity (International Union for Conservation of Nature [IUCN], 2016). KBAs are identified at the national, sub-national or regional level by local stakeholders based on standardized scientific criteria and thresholds.

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 ESG 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 ESG intelligence provides financial institutions, corporations and governments an unmatched level of clarity and confidence to successfully navigate the transition to 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.

To learn more, please visit: www.spglobal.com/esg

About S&P Global
S&P Global (NYSE: SPGI) provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

Media Contact
Sarah Whybrow
Global Director of ESG Communications, S&P Global Sustainable1
sarah.whybrow@spglobal.com
+447929 711556

SOURCE S&P Global Sustainable1

---

https://press.spglobal.com/2023-05-10-S-P-Global-Sustainable1-Launches-New-Nature-Biodiversity-Risk-Dataset