SUMMARY TABLE OF METRICS AND OPERATIONAL TOOLS FOR FINANCIAL MARKET PARTICIPANTS

GROSS EXPOSURE TO NATURE-RELATED ISSUES 01

Preliminary Question

WHERE are the activities in my portfolio located?

WHICH SECTORS in my portfolio are most dependent on and have the greatest impact on nature?

Relevant indicators for financial actors

Exposure to companies that own assets and/or operate in or near sensitive areas

Link to frameworks: TNFD (FI.CO.1: additional metric for financial actors) / former PAI No. 7 / related to ESRS E4

Exposure to a defined set of sectors considered to have significant nature-related dependencies and impacts on nature

Link to frameworks: TNFD FI.CO.0: additional metric for financial actors)

Sources for data collection

1. Corporate reporting (CSRD / TNFD)

Reports from companies in the portfolio can serve as sources of information on the location of assets.

2. Tools & Databases (selection, not exhaustive)

- MSCI, S&P, Asset Impact, Kayrros' Nature Impact Platform
- IUCN Global Ecosystem Typology
- World Database on Protected and Conserved Areas
- IBAT

1. Corporate reporting (CSRD / TNFD)

Reports from companies in the portfolio can serve as relevant sources of information (for example, for companies with multiple business lines).

2. Tools & Databases (selection, not exhaustive)

- ENCORE
- SBTN Materiality Tool
- Biodiversity footprint measurement (Global Biodiversity Score, PBAF Standard)

SIGNIFICANT EXPOSURE TO NATURE-RELATED ISSUES 02

Preliminary Question

WHAT ARE, by theme, THE MAIN SIGNIFICANT PRESSURES on nature to which the companies in my portfolio are exposed?

Relevant indicators for financial actors

Share of companies in the portfolios with significant exposure to nature-related issues. Depending on the characteristics of the investors' portfolios, this may include issues such as ecosystem change, pressure on water resources, pollution, etc.

FOR EXAMPLE:

- Percentage of companies whose activities lead to land degradation, desertification, or soil sealing (former PAI No. 10).
- Proportion of companies that cause significant pollution of the air, water, and soil, etc. (TNFD).

Sources for data collection

1. Corporate reporting (CSRD / TNFD)

Indicators derived from corporate reporting frameworks can be used by financial stakeholders at the portfolio level. For example, in the case of air pollution, (1) collect data on the quantities of air pollutant emissions reported by companies in the portfolio, (2) cross-reference this data with regulatory (or "materiality") thresholds for these pollutants, (3) aggregate at the portfolio level the proportion of companies exceeding these thresholds.

2. Tools & Databases (selection, not exhaustive)

- Assessment of companies' natural risks: CDP questionnaire, WBA, NEC
- Thematic tools: WWF Water Risk Filter, WRI Aqueduct
- Portals: TNFD Catalogue Tool, Nature Tool Compass

POLICIES & COMMITMENTS TO NATURE 03

Preliminary Question

WHAT MEASURES have the companies in my portfolio implemented to reduce their exposure and/or offer solutions for managing nature-related risks?

Relevant indicators for financial actors

Share of companies in the portfolios that have taken measures to reduce their exposure to nature-related issues

FOR EXAMPLE:

- Proportion of investments in companies with a policy to combat deforestation (former PAI No. 15).
- Proportion of investments in companies with sustainable land use or agricultural practices or policies (former PAI No. 11).
- Proportion of investments in companies whose sites are located in areas exposed to high water stress and that have a water management policy (former PAI No. 8).

Sources for data collection

1. Corporate reporting (CSRD / TNFD)

Indicators derived from companies' reporting frameworks can be used by financial actors at the portfolio level. For example, in the case of waste recycling: (1) collect the proportions of reused/recycled waste reported by companies in the portfolio; (2) cross-reference these with materiality thresholds; (3) aggregate at the portfolio level the proportion of companies reusing/recycling more than X% of waste.

2. Tools & Databases (selection, not exhaustive)

- Tracking commitments: SBTN for Nature, Act4Nature, Companies Committed to Nature
- High-Risk Raw Materials and Commodities: SBTN High Impact Commodity List
- IFD Guide on Deforestation and Blue Finance

3. Engagement with clients and portfolio companies

agricultural commodities · ecosystems · water · finance · pollution