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

FOR BANKS
percentage of total loan volume.

FOR ASSET MANAGERS
percentage of assets invested or held.

FOR INSURERS AND REINSURERS
percentage of gross premiums written (excluding external acquisition costs, if applicable) or of the total insured amount.

TNFD (FI.CO.1: additional metric for financial institutions) / 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

FOR BANKS
absolute amount or percentage of total loans.

FOR ASSET MANAGERS
absolute amount or percentage of assets under management or held.

FOR INSURERS AND REINSURERS
absolute amount or percentage of gross premiums written (excluding external acquisition costs, if applicable) or total insured amounts.

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)

Asset localization tools:
- MSCI
- S&P
- Asset Impact
- Nature Impact Platform, Kayrros

Ecosystem classification tools:
- IUCN Global Ecosystem Typology
- UN SEAA Ecosystem Accounting

Key maps of the most biodiversity-sensitive areas (non-exhaustive list):
- World Database on Protected and Conserved Areas
- Key Biodiversity Areas
- "High Carbon Stock" Forests
- Peatlands and wetlands covered by the Ramsar Convention
- Sites listed by Alliance Zero Extinction
- UNESCO World Heritage Sites
- UN Biodiversity Lab

Decision-support tools incorporating global biodiversity data:
- 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)

Tools for assessing key dependencies on and impacts of nature across business activities and economic sectors:
- Classification systems: NACE codes, GISC
- ENCORE
- SBTN Materiality Tool
- TNFD, sector-specific guides
- TNFD, nature-related financial risks database
- IPBES, Business and Biodiversity Report
- Biodiversity footprint measurement (Global Biodiversity Score, PBAF Standard)

3. Engagement with clients and portfolio companies

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)

5 IPBES pressures, PAI, TNFD

Sources for data collection

1. Corporate reporting (CSRD / TNFD)

Indicators derived from corporate reporting frameworks can be used by financial actors 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.

Examples of indicators derived from corporate reporting that are relevant based on the specific characteristics of financial institutions' portfolios:

Total disturbed area as a percentage of the land footprint (km^2)

- By ecosystem type (soil, freshwater, and ocean) TNFD, C1.0;
- By type of business activity TNFD, C1.1;
- Total water consumption in regions experiencing water stress ESRS E3.

Quantities of pollutant emissions to air, water, and soil resulting from the company's own activities, including those resulting from environmental incidents, during the reporting period. With regard to microplastics, the company must disclose:

- The quantities of primary microplastics manufactured or used in its products, and separately, those directly released into the environment;
- Information on secondary microplastics. ESRS E2.

2. Tools & Databases (selection, not exhaustive)

Assessment of companies' environmental issues:

+ CDP questionnaire, WBA, NEC, Planet Tracker, Forest IQ

Thematic tools: identification of confirmed pollution risks:

+ The pollutants listed in Annex II of Regulation (EC) No. 166/2006 (E-PRTR).
+ Discharge thresholds set out in Annex II of Regulation (EU) No. 2024/1244.
+ Criteria for defining a water-stressed area, ESRS Application Requirement E3.
+ IFD guides on deforestation and blue finance.

Thematic tools: identification of proven water risks:

+ WWF Water Risk Filter
+ WRI Aqueduct

Thematic tool portals:

+ TNFD Tool Catalog
+ UNEP-WCMC Nature Tool Compass

3. Engagement with clients and portfolio companies

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 that have a biodiversity protection policy covering operational sites or sites located near a protected area or an area of high biodiversity value that is not a protected area (former PAI No. 14).
- Proportion of investments in companies with a policy to combat deforestation (former PAI No. 15).
- Proportion of investments in companies that follow sustainable practices regarding the oceans/seas (former PAI No. 12).
- 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).

PAI

Sources for data collection

1. Corporate reporting (CSRD / TNFD)

Indicators derived from corporate 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.

Examples of indicators derived from corporate reporting that are relevant based on the specific characteristics of financial actors' portfolios:

- Total area rehabilitated/restored, by ecosystem type. B (TNFD: C1.0, C1.1).
- Quantity of high-risk agricultural commodities sourced from a sustainable management plan or certification program (in metric tons). B (TNFD: C3.1).
- Total volume of water recycled/reused; total volume of water stored. Water policies if the company has sites located in areas subject to water stress. B (ESRS E3).
- Proportion of waste reused or recycled. B (ESRS E5).
- Amount of capital expenditures and financing allocated to nature-related opportunities. B (TNFD).

2. Tools & Databases (selection, not exhaustive)

Assessment of companies' nature-related issues: CDP questionnaire, WBA, NEC, Planet Tracker, Forest IQ

+ Tracking of commitments: SBTN for Nature, Act4Nature, ISO 17298:2025 standard, Companies Committed to Nature, Act Biodiversity, Biodiversity Diagnosis.

Tools for identifying raw materials/commodities that pose a risk to nature:

+ SBTN High Impact Commodity List
+ European Regulation on Critical Raw Materials
+ European Regulation on Deforestation and Forest Degradation

Tools for verifying the traceability of raw materials/commodities posing a risk to nature:

+ Supply chain / deforestation risk (Sourcemap, Trase, SPOTT, etc.)
+ Other labels and certifications: IFD guidelines on deforestation and blue finance
+ Modeling / Life Cycle Assessment (ReCiPe, Globio, LC Impact, EcoInvent, etc.)

3. Engagement with clients and portfolio companies