



→ **ENVIRONMENTAL DRIVERS &
NATURAL CAPITAL**

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May 2022

global **environmental** and **advisory** solutions





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Environmental Drivers

Natural Capital

What are the external drivers to businesses

ENVIRONMENTAL DRIVERS

ENVIRONMENT AGENDA TODAY

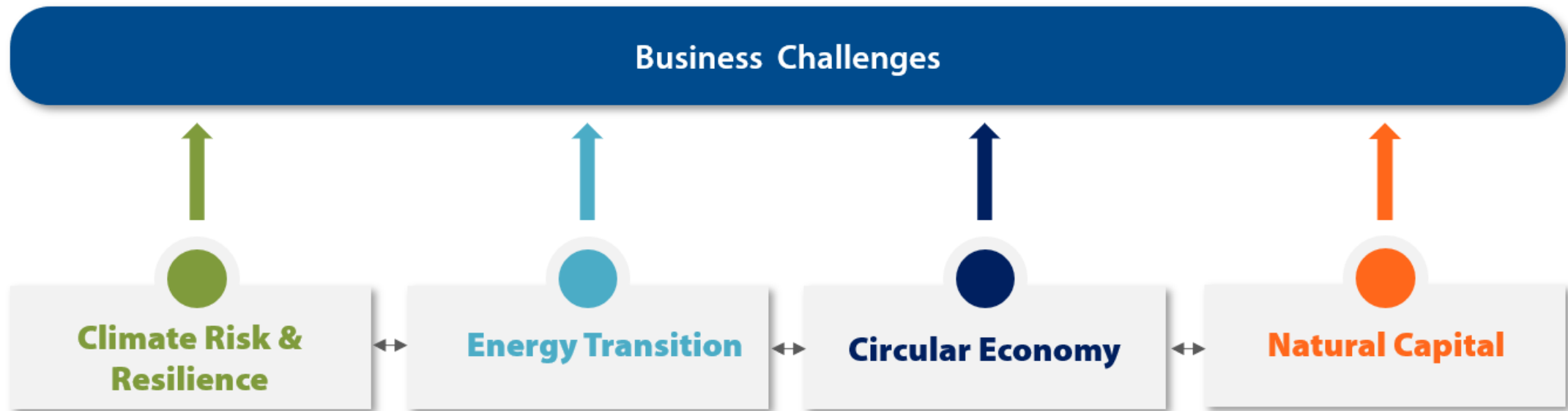
Environmental agenda moved forward

COP26 pledges and awareness

Significant challenges for all businesses

Environment Act passed 2021

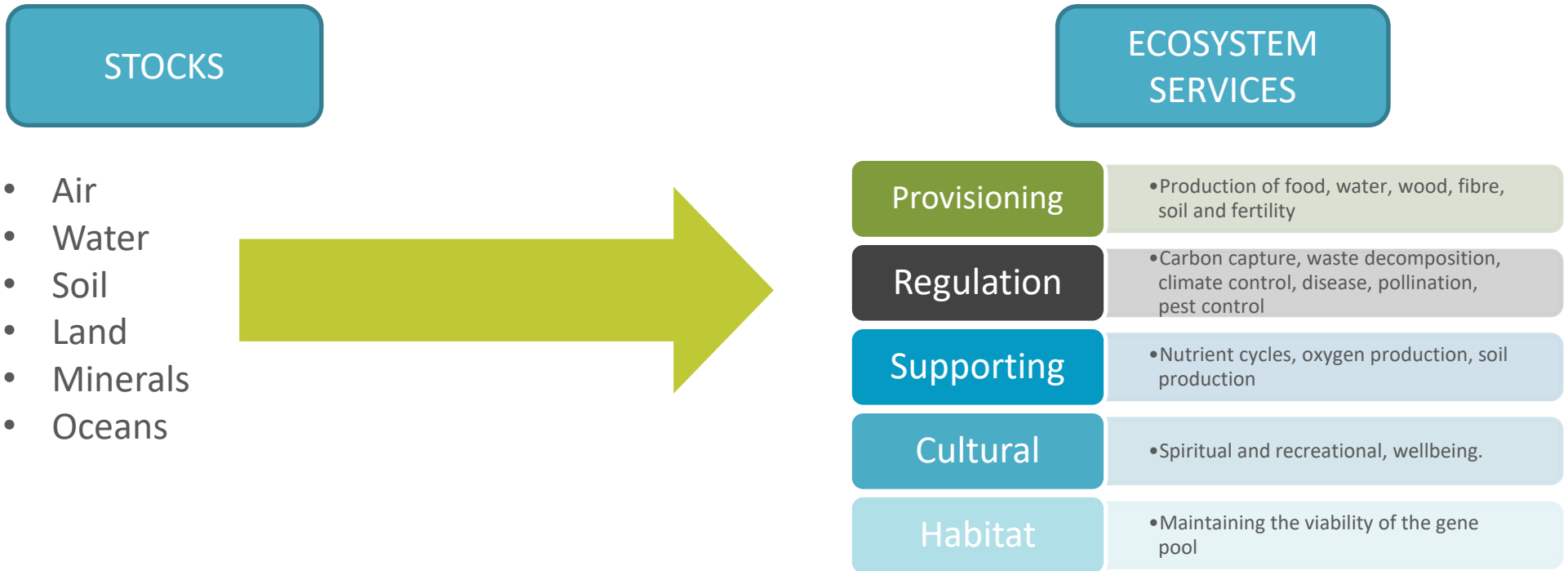
ENVIRONMENT DRIVERS



NATURAL CAPITAL

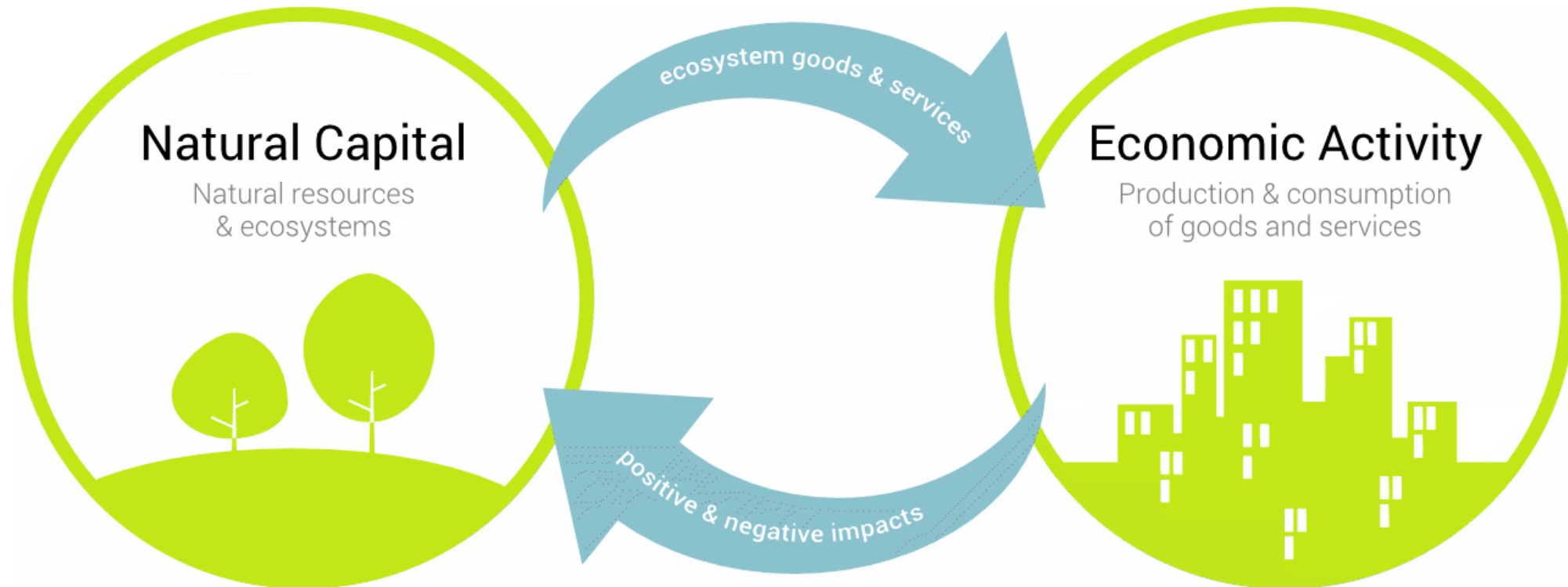
NATURAL CAPITAL – WHAT DOES IT MEAN?

Natural Capital is the ‘stocks’ of our natural resources, and the ‘services’ that flow from these stocks – these are referred to as ‘ecosystem services’



NATURAL CAPITAL – WHAT DOES IT MEAN?

All businesses have both **impacts** and **dependencies** upon **Natural Capital**.



NATURAL CAPITAL – WHAT DOES IT MEAN?

Stocks

- Unsustainable consumption of natural resources

Ecosystem Services

- Leads to inability to provide services upon which we and our economies depend.

Population & Economy

- Leads to societal impacts

NATURAL CAPITAL BUSINESS RISKS

All businesses have both **impacts** and **dependencies** upon **Natural Capital**.

These **impacts** and **dependencies** can give rise to a range of **business risks**:

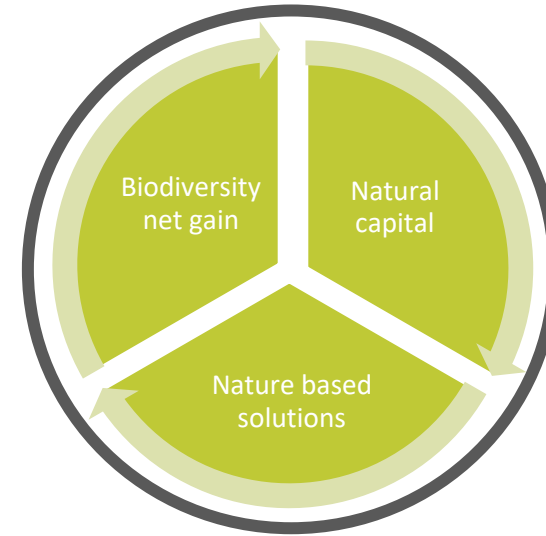
- Supply chain resources
- Business continuity/ resilience
- Climate resilience
- Future liabilities - regulation
- Stakeholders – Employees/shareholders.
- Reputation/brand



NATURAL CAPITAL PRE 2020

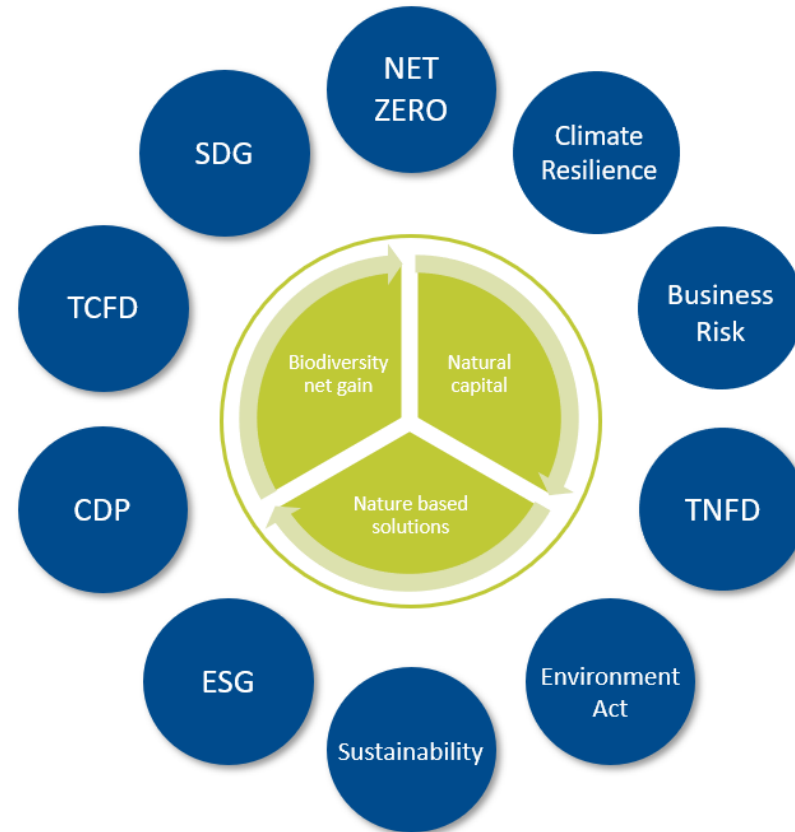


Nature



Pre 2020 nature and biodiversity were very separate to climate reporting

NATURAL CAPITAL NOW

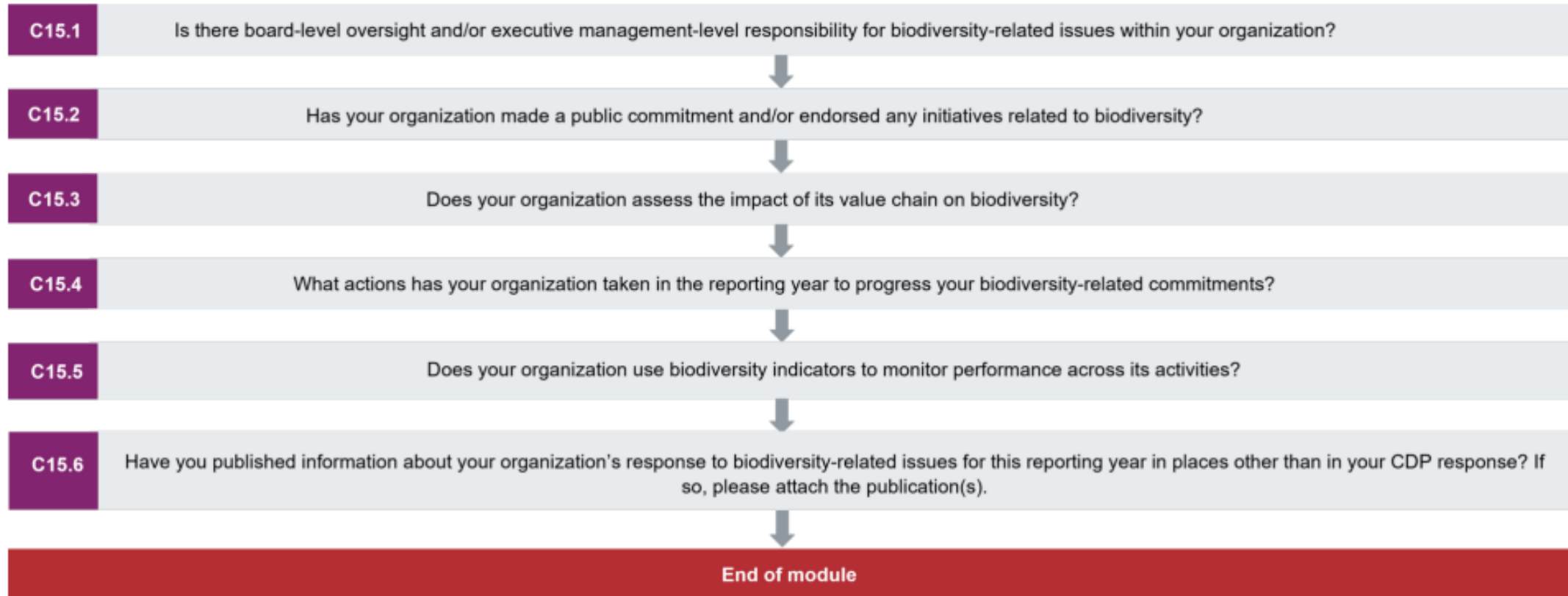


NATURAL CAPITAL 2020 ONWARDS



- **2022 CDP** Climate Change Questionnaire includes for the first time a biodiversity module, with six related questions;
- The beta framework from the **Taskforce on Nature-Related Financial Disclosures (TNFD)** was released on 15 March;
- The **Science Based Targets Network (SBTN)** will publish final guidance in 2022 for companies to set targets for nature; and
- The **Global Reporting Initiative (GRI)** is revising its biodiversity standard (GRI 304) for release early next year.
- ESG Reporting
- Competition and Markets Authority - compliance of environmental claims
- Environment Act 2021
- National Planning Policy Framework

NATURAL CAPITAL CDP BIODIVERSITY REPORTING 2022



NATURAL CAPITAL KEY DRIVERS

- Business risk and resilience
- Brand and reputation
- Financial and investment
- Corporate reporting
- Staff engagement and recruitment

THANK YOU

Any questions?