

Webinar

Making a positive difference for nature

20 November 2024



Agenda

- 1 Why is nature relevant for businesses?
- 2 The Nature reporting landscape
- 3 How to get started with Nature Reporting
- 4 Nature positive leadership in practice
- 5 Q&A





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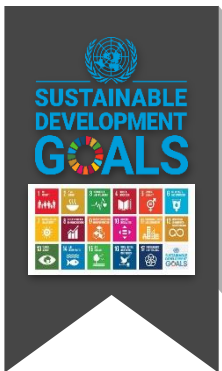
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All companies must incorporate sustainability into their strategies to secure long-term business resilience, with critical emphasis on safeguarding nature

UN SDGs

Since the SDGs were adopted, there are now a **range of sustainability themes** which are gathering traction through alliances, corporate commitments and policy initiatives.

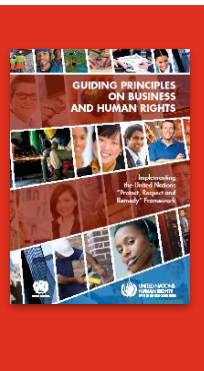


Global Commitment on Net Zero

More than **one-third of the world's largest companies** have **committed to net zero targets** and must at a minimum **double the pace of emissions reduction by 2030** in order to achieve their targets

Just Transition

Achieving net zero targets while **considering the social and economic impacts** on individuals, workforce, and communities, ensuring that no one and no place is left behind

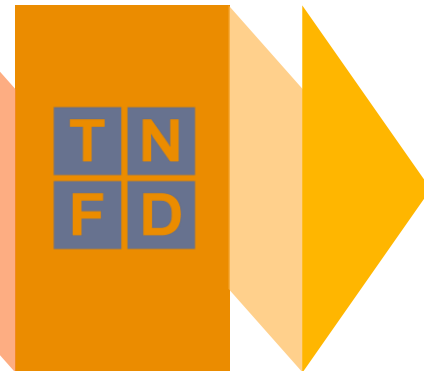


EU Green Deal

To achieve net zero by 2050, the EU has introduced policies & regulations that will directly affect any trade with the EU e.g., **Carbon Border Adjustment Mechanism (CBAM)** and a **Directive on Corporate Sustainability Due Diligence (CSDDD)**.

CSRD

Aims to accelerate the transition to a sustainable economy by **disclosing the interaction between sustainability and business strategy**



TNFD

An international initiative providing a **disclosure framework** for businesses to report and act on **nature-related risks** and opportunities, helping them to do "no regret" actions for a **nature positive future**

COP16 in Cali: Catalyzing Global Action for Nature's Future

These five thematic pillars were outlined by the Presidency of the conference:



Peace with Nature:

Conflict and Biodiversity



People's COP:

Amplify social mobilisation



Nature and Climate Change:

Biodiversity as a pillar of climate action



Regional Collaboration:

Amazon, Caribbean and Global



Financing for Implementation:

Innovative mechanisms



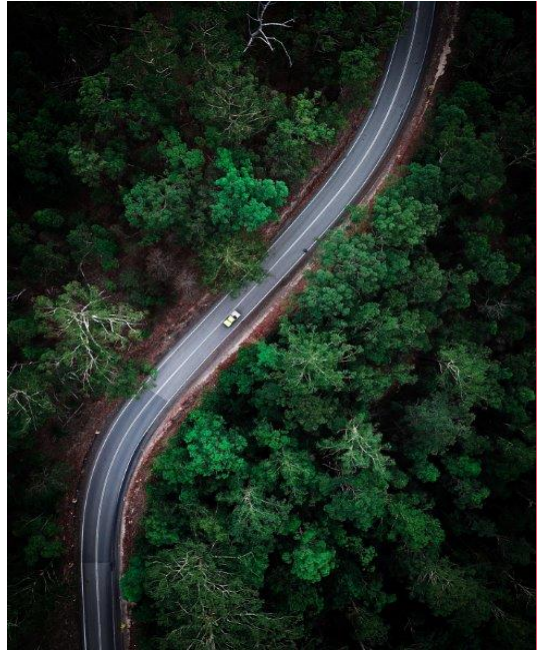
The outcome of COP16 reflects both **progress** and ongoing **challenges**. With a greater focus on inclusive participation, innovative funding mechanisms, and accountability in national action plans, COP16 reinforced global commitment to biodiversity protection. However, substantial **efforts and resources** are still **required** to fully implement the Global Biodiversity Framework and **achieve biodiversity goals** within the net six years.

Why is nature relevant for business?

W



Nature refers to the collective ecosystems, biodiversity, and natural resources that make up our planet's environment.



“

Nature is the natural world around us; the air we breathe, the water we drink, and the resources that enable our companies to thrive.

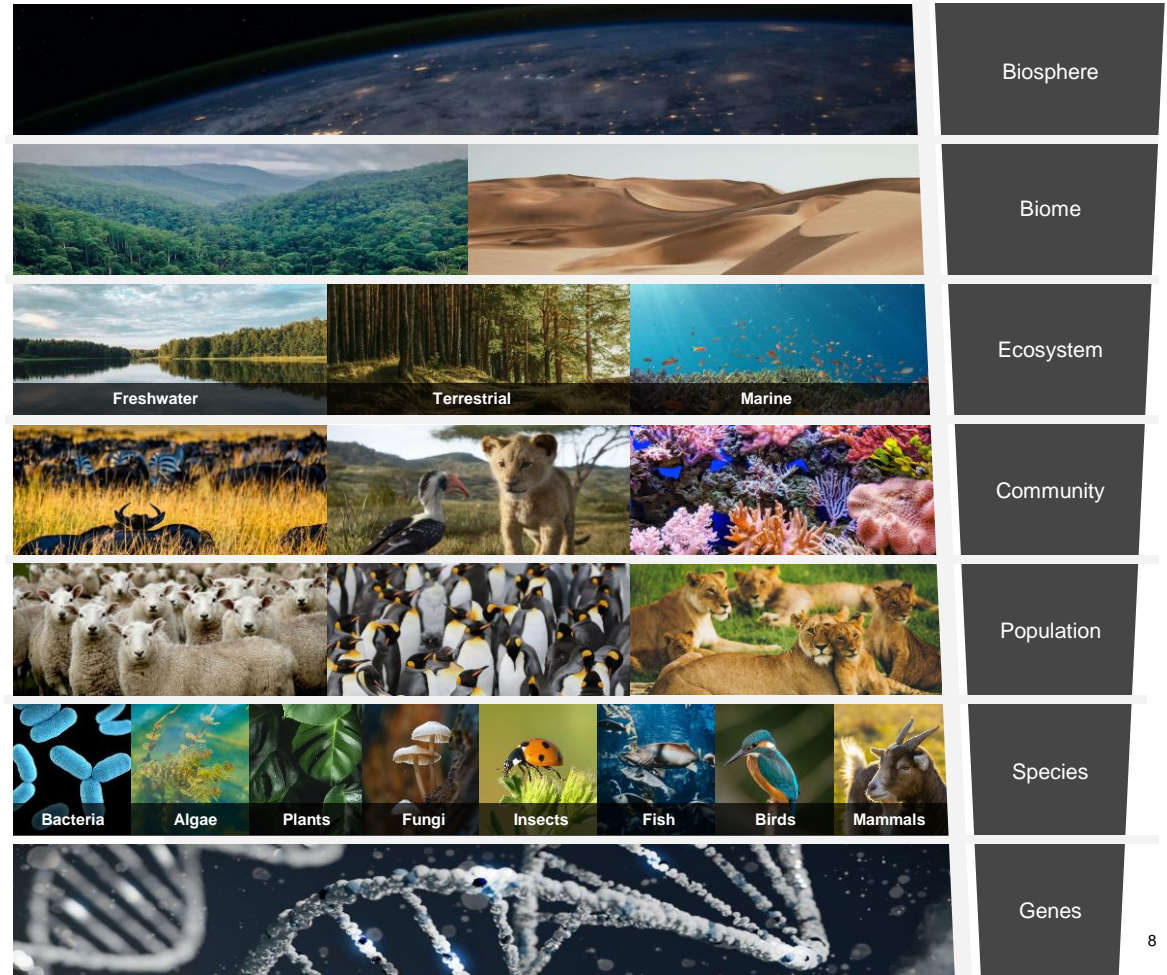
For business it represents land, water and resource use, waste, plastics and pollution - and it is intrinsically linked to the delivery of climate and societal goals.

The hierarchy of biodiversity and ecosystems

Biodiversity includes:

1. Variation in genetic, phenotypic, phylogenetic, and functional attributes.

2. Changes in abundance and distribution over time and space within and among species, biological communities and ecosystems.



Nature provides society and businesses with essential services and natural capital, but is being lost at unprecedented rates



Global wildlife populations declined by an average of **73%** in the past 50 years.

Source: Living Planet Report (LPR) from WWF International 2024



PwC's analysis shows that **\$58 trillion** or more than half of the world's GDP - is moderately or highly dependent on nature as of 2023.

Source: PwC, Nature Risk Rising 2023



There is no net-zero without nature!

Nature-based solutions could provide **37%** of the mitigation needed for net zero.

Source: IPCC AR6



\$150 trillion estimated yearly economic value provided by nature and ecosystem services. This is ten times the GDP of the world's largest economy, and more than double global GDP

Source: The Economics of Ecosystems and Biodiversity (TEEB) initiative

Ambitious action by organisations is needed

Bold moves will help organisations minimise risk and maximise value creation. Urgent action is required to reverse nature decline, address nature dependencies and impacts, and identify opportunities to work with nature.

What are “**impact drivers**” behind the loss of biodiversity and ecosystems?



All the factors that **cause changes in nature, anthropogenic assets, nature’s contributions to people and a good quality of life**. Direct drivers of change can be both natural and anthropogenic; they have direct physical (mechanical, chemical, noise, light etc.) and behaviour-affecting impacts on nature.



Land use change



Climate change



Pollution



Invasive species



Direct exploitation

Climate change and nature loss are intrinsically linked: every tenth of a degree counts

Insects

1,5 °C

6% will lose half their range

2 °C

18% will lose half their range

Ecosystems

1,5 °C

7% of land area where ecosystems will shift to a new biome

2 °C

13% of land area where ecosystems will shift to a new biome

Fisheries

1,5 °C

1,5 million tonnes decline

2 °C

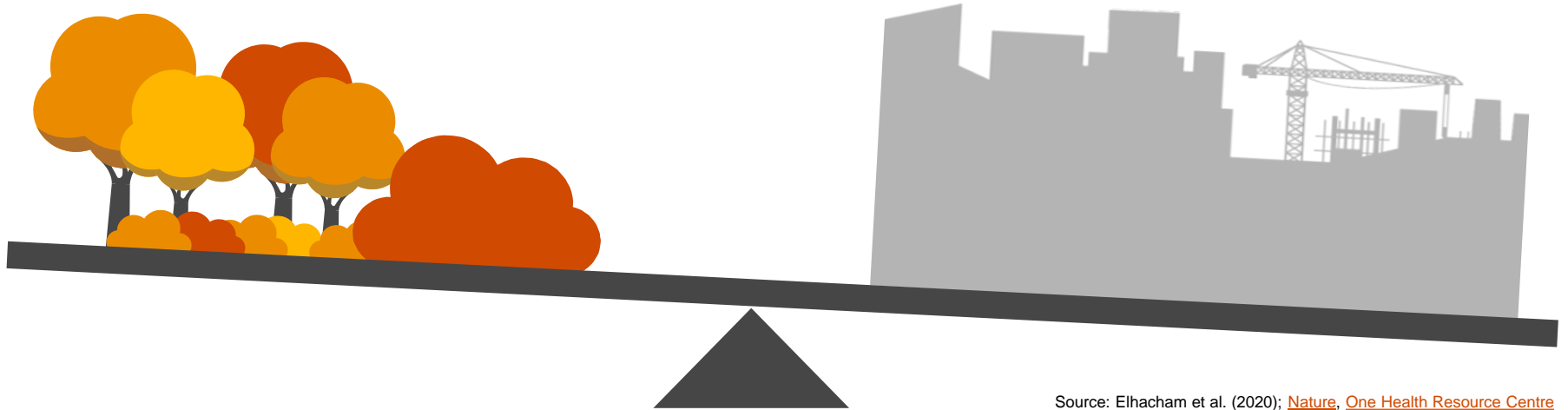
3 million tonnes decline



Human-made mass exceeds all living biomass

In 2020, we observed a tipping point between total biomass (i.e. weight of trees, shrubs, animals and humans) and anthropomass (i.e. concrete, bricks, asphalt, metals) for the first time in history.

At this rate, human-made mass will be **3X** larger than biomass by 2040



Source: Elhacham et al. (2020); [Nature](#), [One Health Resource Centre](#)



Biodiversity and ecosystems are essential to healthy businesses

The World Economic Forum's landmark annual Global Risk Report has identified **climate change and biodiversity loss as five of the top ten risks facing humanity**. Its impact is only expected to increase over the next decade.

Source: [WEF \(2024\)](#)

10 year risk horizon

Extreme weather events

Critical changes to Earth systems

Biodiversity loss and ecosystem collapse

Natural resource shortages

Misinformation and disinformation

Adverse outcomes of AI technologies

Involuntary migration

Cyber insecurity

Societal polarization

Pollution

Risk categories

■ Economic ■ Environmental
■ Geopolitical ■ Societal ■ Technological

The Nature reporting landscape: Nature under CSRD and ESRS

The growing demands and expectations of key stakeholders are reshaping how companies need to operate



Increasing understanding and focus on climate change, loss of nature, resource scarcity and social justice among three key stakeholder groups ...

1



Authorities and regulators

2



Investors and capital markets

3



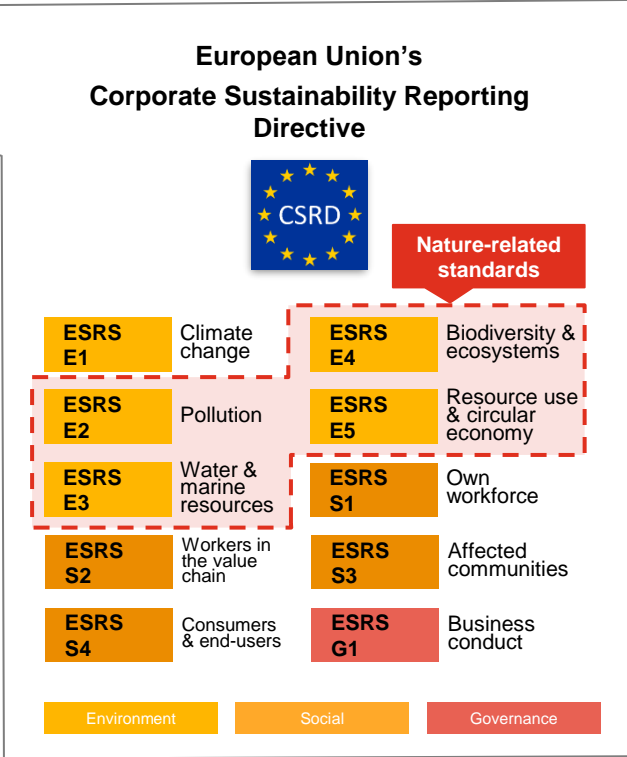
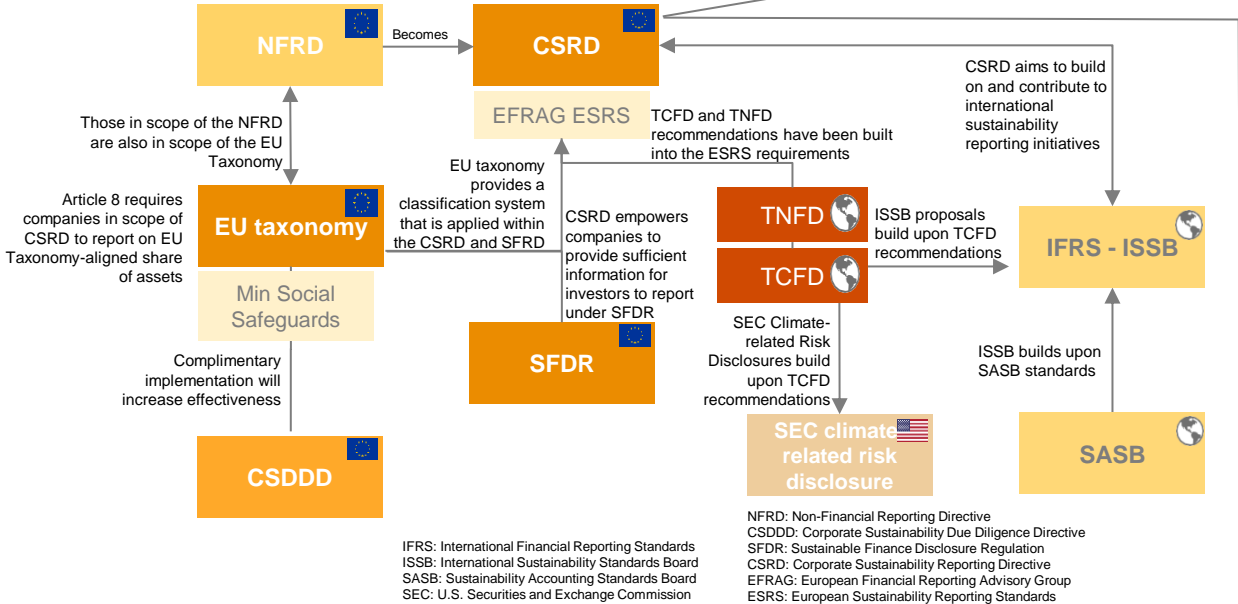
Employees, society and consumers



... resulting in a vastly new landscape for companies to operate within

Emerging Frameworks drive nature engagement: Integrating nature-related and climate disclosures

2022 2024 (*TBD) 2025 Voluntary Proposed Not yet required



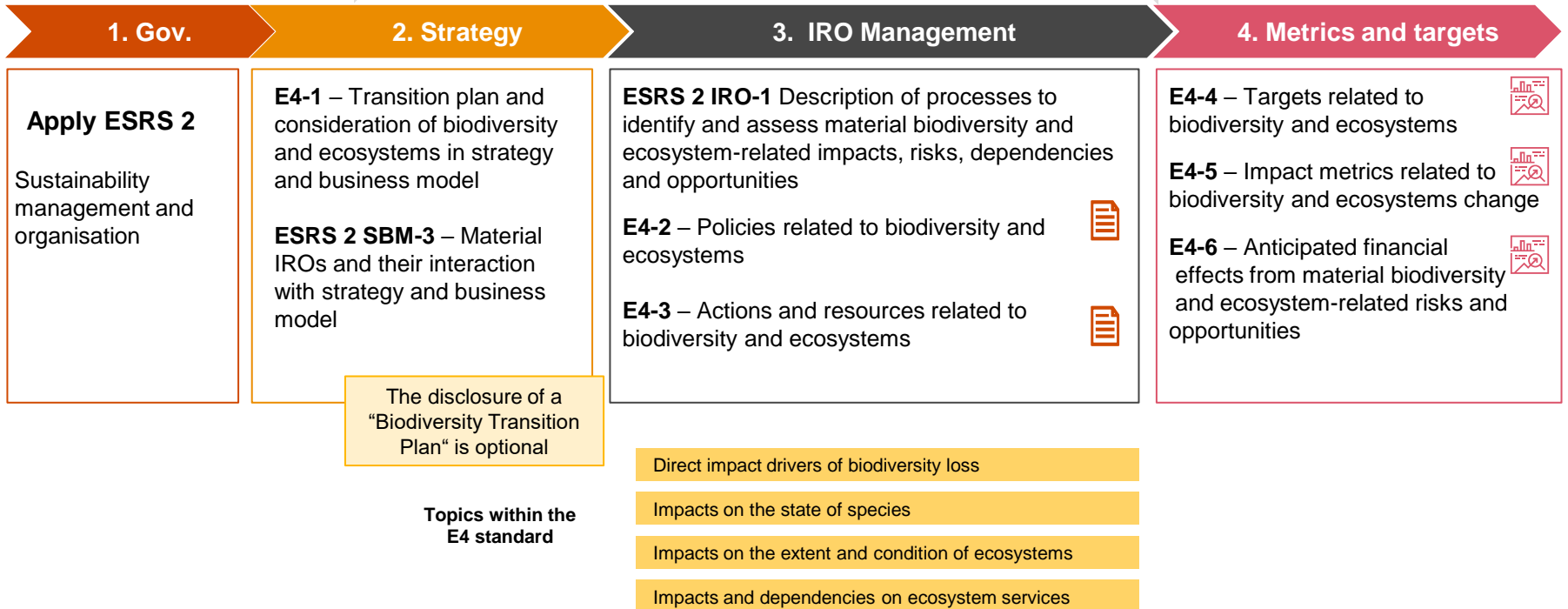
How to get started with your nature reporting



The Four Pillars of ESRS E4 - Biodiversity and ecosystems

Overview

ESRS E4 should be read in conjunction with ESRS 1 and ESRS 2



Double materiality assessment: a framework for analyzing impacts, dependencies, risks and opportunities for biodiversity and ecosystems



When conducting the double materiality analysis for the ESRS E4, the CSRD recommends to follow the LEAP (Locate, evaluate, assess, prepare) approach (in accordance with the TNFD) to analyze and assess the company's interaction with nature.

The United Nations Environment Programme Finance Initiative (UNEP FI) has identified 10 sectors as high-dependent on nature and high-impact with respect to biodiversity and ecosystems

Priority sectors

- Most significant direct impacts and dependencies on nature, by priority industry, identified through analysis of the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) knowledge base.
- For impacts, the figure shows very high (dark orange), or high (light orange) material impacts for each sector.
- For dependencies, the figure shows categories of ecosystem services upon which the sector depends, with either very high (dark green) or high (light green) materiality.

	Direct impacts dark orange = very high materiality light orange = high materiality					Direct dependencies dark green = very high materiality light green = high materiality			
	Land/sea use change	Resource exploitation ²	Climate change	Pollution	Invasive species/ other	Direct physical input	Enabling production	Mitigating direct impacts	Protecting from disruption
Agriculture, forestry & fisheries	Dark Orange	Dark Orange	Light Orange	Light Orange	Light Orange	Dark Green	Dark Green	Light Green	Dark Green
Energy	Dark Orange	Dark Orange	Light Orange	Light Orange	Light Orange	Dark Green	Dark Green	Light Green	Dark Green
Mining	Dark Orange	Dark Orange	Light Orange	Light Orange	Light Orange	Light Green	Light Green	Light Green	Light Green
Transportation	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Green	Light Green	Light Green	Dark Green
Food and beverages	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Dark Green	Dark Green	Light Green	Light Green
Apparel	Light Orange	Dark Orange	Light Orange	Light Orange	Light Orange	Dark Green	Dark Green	Light Green	Light Green
Utilities	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Dark Green	Dark Green	Light Green	Dark Green
Chemicals	Light Orange	Dark Orange	Light Orange	Light Orange	Light Orange	Light Green	Light Green	Light Green	Light Green
Manufacturing	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Dark Green	Dark Green	Light Green	Light Green
Construction	Dark Orange	Light Orange	Light Orange	Light Orange	Light Orange	Dark Green	Dark Green	Light Green	Light Green

1 Adapted and expanded from Finance for Biodiversity (2022).
2 Resource exploitation includes water use.

Addressing nature-related risks will contribute to safeguarding financial stability in a changing landscape

Risks manifest as:

Physical risks

(e.g. lack of pollination enabling agricultural output, access to clean water and food, erosion and desertification)

Transition risks

(e.g. policies, regulations, shifts in consumer preferences)

Financial or strategic loss

1. Stranded assets
2. Raw material price volatility
3. Disruption of activities or value chain
4. Adjustment or relocation of activities
5. Duties and taxes
6. Bans or sanctions

Nature positive leadership in practice



How do we accomplish nature positive leadership?

A nature positive transition is defined as a societal transition where companies operate within scientifically determined planetary boundaries, and is **accomplished by stopping and reversing the loss of nature.**



“Overview of sources”

“Something applicable to companies *and* projects”

“Guiding principles for how to do this practically”

“Overview of definitions and terms”

“Practical tools and resources”

“A starting point for all companies, regardless of sector”

“A centralised source of insight”

“Something that exhibits how this topic is relevant for companies”

“Guidance for what nature risk means for corporates”

“A framework that *isn't* too academic, and rather something that focuses on practicality and execution.”

What do businesses need to get started?



Our five-step approach and toolbox for nature positive leadership

Free toolkit for nature positive leadership



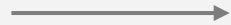
Free toolkit for nature positive leadership

Overview of nature risk per sector	Nature risk for the five main ecosystems in Scandinavia	Template for action planning
Breakdown of the TNFDs LEAP-methodology	Breakdown of the framework from the Science Based Targets Network (SBTN)	Overview of open-source tools and resources
Complete list of terms and definitions	Overview of existing frameworks, standards and agreements	Results from PwC's questionnaire to business leaders on nature risk

Five practical steps to analyze your nature risk

1

Map your locations

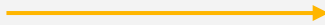


Natural risk is largely a location-based phenomenon.

This means that risk varies with where the company's activities are located.

2

Map ecosystems and species at each location

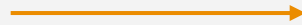


The mapping must involve the use of available digital tools.

Open-source geospatial data will be a natural place to start to identify the locations' ecosystems, habitat types, threatened and near-threatened species and other variables that should be included.

3

Analyze impact and dependency



Nature risks and opportunities are created through the company's impact and dependence on nature.

As a starting point, companies can use tools and guides that assess nature risks at the industry level, such as [WWF's Biodiversity Risk Filter](#).

4

Identify risks and opportunities



This will be a subjective assessment based on both internal and external information.

Such an assessment should preferably include parameters such as the probability of various events and strategic or financial consequences.

5

Prioritize the significant risks and opportunities



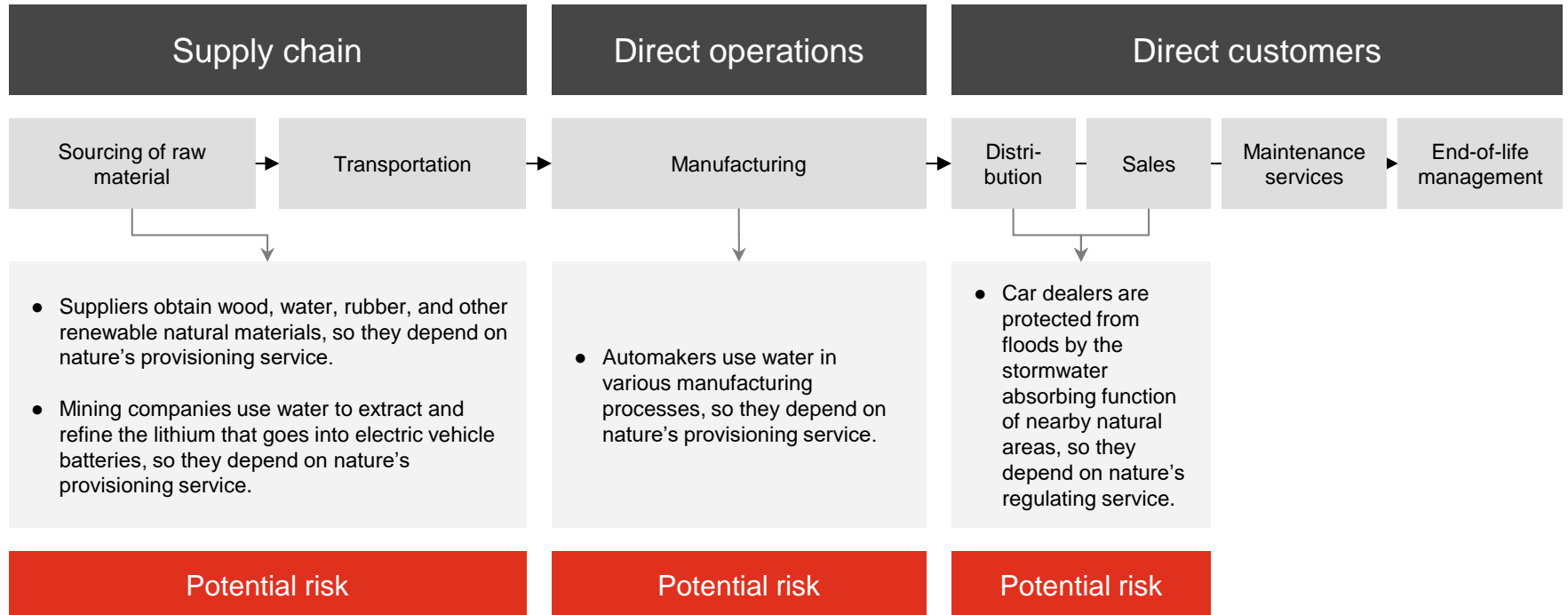
Materiality is not an exact science.

We recommend considering this by finding a balance between five important aspects of materiality:

- Economic magnitude
- Strategic importance
- Accuracy
- Expectations from stakeholders
- Company influence

Take the automobile as an example

The automotive industry value chain depends on nature at multiple points, which triggers potential risks





What now?

1

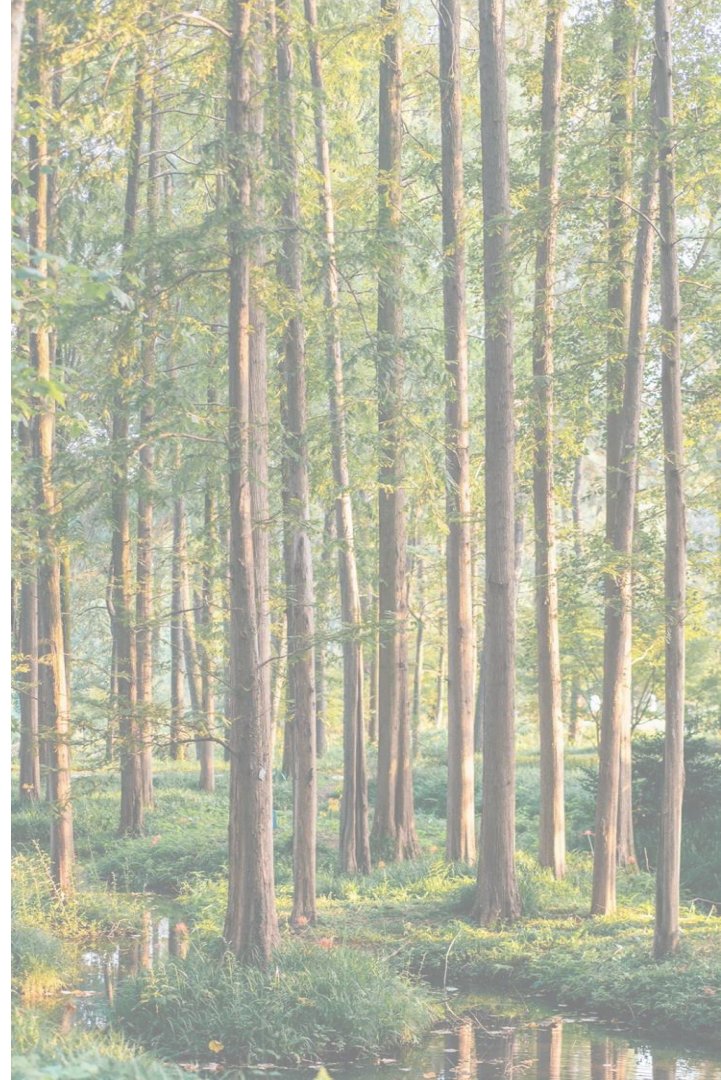
Get started! A nature positive transition isn't done overnight

2

Involve and engage stakeholders as early as possible

3

Share knowledge and experience, collaborate with partners and remember to leverage the entire value chain



Q&A



Naturkonferencen 2025

– virksomheder kan gøre en positiv forskel



Den 9. januar 2025

Få indsigt og inspiration til løsninger, når vi samler dansk erhvervsliv til en stor konference om natur – udfordringer og muligheder.

Tilmeld dig på:
pwc.dk/natur-25





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