



# SUSTAIN

Strengthening Understanding  
and Strategies of Business to  
Assess and Integrate Nature

## Overview of SUSTAIN project outputs: Finance sector

28 February 2026

Deliverable D6.5 – Public presentation materials relating to the project



Develop and disseminate business case materials.  
Engage with key stakeholders from the business, finance, regulatory and intergovernmental spheres

Provide an enhanced knowledge base on impacts and dependencies of economic activities on biodiversity and ecosystem services.

Develop methods to reduce biodiversity and ecosystem service-related risks and increase opportunities through innovative research and modelling techniques

Develop a toolbox for businesses and financial institutions to use to understand, assess, measure and monitor impacts and dependencies on biodiversity

Every business, at its core, is a subsidiary of nature. From direct operations to complex supply chains, our global economy relies on healthy, biodiverse ecosystems to function. However, we depend on these systems while simultaneously driving their degradation. To "bend the curve" of biodiversity loss, we need more than just awareness. **We need a systemic shift toward a nature positive economy.**

While the business case for protecting biodiversity is gaining traction in some sectors, others are still lagging behind. **This is where SUSTAIN has bridged the gap.** By strengthening the global understanding of how economic activities both impact and depend on the natural world, SUSTAIN **has helped transform biodiversity from a "niche concern" into a core pillar of strategic decision-making.**

Through a multi-disciplinary approach, SUSTAIN has worked with businesses, financial institutions and regulatory bodies and helped them to understand how their impacts and dependencies on nature affect their operations and profits through capacity building and the provision of tools and technical skills needed to comprehensively integrate the value of nature into their decision-making.



The project has brought together a multi-disciplinary team of leading experts with backgrounds in ecology, conservation, economics, social sciences, and academic research.

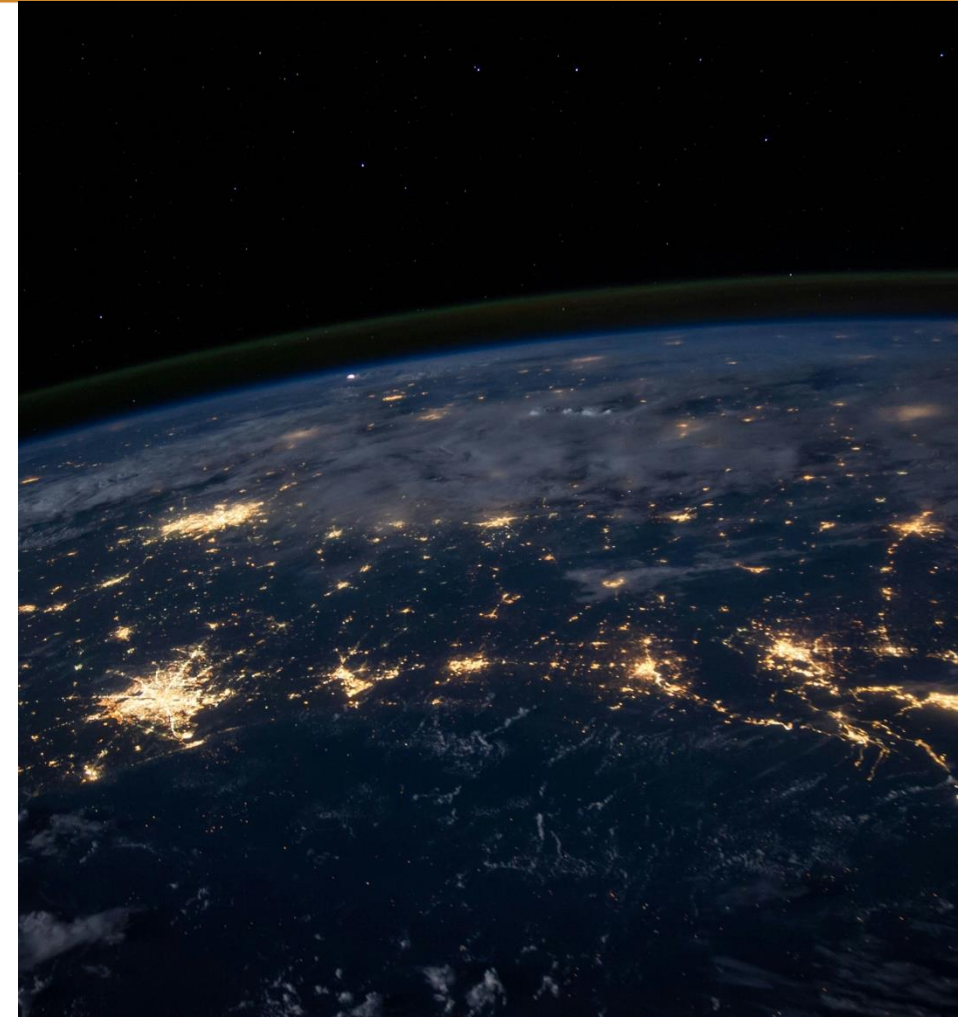
## Together they sought to:

- Provide an enhanced knowledge base on potential impacts and dependencies of economic activities on biodiversity and ecosystem services
- Develop methods to reduce biodiversity and ecosystem service-related risks and increase opportunities through innovative research and modelling techniques
- Develop a toolbox for businesses and financial institutions to use to understand, assess, measure and monitor impacts and dependencies on biodiversity
- Develop and disseminate business case materials
- Engage with key stakeholders from the business, finance, regulatory and intergovernmental spheres

This slide deck provides a comprehensive overview of all SUSTAIN's outputs that are relevant for financial institutions.

It follows a logical progression designed to turn insight into impact:

- **Inspiration** to spark a vision for what is possible
- followed by **Screening** to identify material risks and opportunities
- this leads into a technical **Deep-dive**
- ultimately culminating in the tools and frameworks necessary for concrete **Action**



## Case studies

Led by ShareAction, WBCSD & Capitals Coalition

All businesses depend and impact on nature, whether through their direct operations or their value chains. This means that every sector is exposed to nature risk, either directly or indirectly.

## Financial institutions & regulators

This study aims to showcase the [work of the Dutch Central Bank](#) on nature, sending a clear signal that central banks can play an influential role and act as a catalyst in transitioning to a nature-in transitioning to a nature positive economy.

In the process the study helps readers understand why and how nature loss should be addressed by societal actors, particularly financial institutions and businesses.

## Blueprints

Led by SouthPole & WBCSD

CPIC, in collaboration with South Pole, and other SUSTAIN partners, developed four investment blueprints to enable financial institutions seeking to positively impact biodiversity through conservation projects to understand existing investment frameworks better.

1. [Transforming degraded land into productive forests through blended finance](#)
2. [Channeling private finance into habitat banking schemes in England](#)
3. [Impact investment unlocking equity for scaling the use of agricultural by-products for sustainable livelihoods](#)
4. [Channeling private finance into nature rewilding projects](#)

CPIC blueprints are model financial transaction structures intended to help facilitate replicable investments in priority conservation projects. A blueprint describes the general enabling conditions necessary to support the project development, stakeholders and their roles, project outputs and expected conservation outcomes, anticipated cash flows, and types of investors and capital stacks that are required for a financial transaction that delivers both economic and conservation returns.



## Thought Paper

Led by NatureSquared

The current 'rules of the game' must be reformed and transformed to push economic systems towards being in harmony with nature and contributing to halting of biodiversity loss.

Together with the publication of case studies and blueprints, businesses, financial institutions and regulatory bodies can also refer to the [Thought Paper Changing the rules of the game](#) that can help them understand how their impacts and dependencies on nature affect their operations and profits.

### Key findings and recommendations:

- To achieve Nature Positive, nature harmful policies and incentives need to be eliminated or reformed, and a paradigm shift is needed from Do No Harm to Nature Positive, both in policy ambition and business action.
- The business and financial communities have demonstrated proof of concept for approaches that contribute to shifting towards a Nature Positive future, policymakers must now break the deadlock of the Triangle of Inaction to shape this future by changing the rules of the game and mainstreaming Nature Positive across policy aims.



## Key findings and recommendations (continued):

- The three key Nature Positive principles (Positive Outcomes, Going Beyond, and Dare to Transform) need to be used to evaluate existing policy instruments and should be integrated into future policy development.
- A Nature Positive future can only be achieved using a whole-of-government approach, meaning policies and instruments across all levels and policy areas must be evaluated and reformed.
- Policy instruments should be assessed not only by their features but also by the specific properties thereof (such as enforceability, scope, and rigor), and on how they interact with other policy instruments.
- In addition to government, the financial sector is a key enabler of transformative change. By shifting investments and risk management practices, financial organizations have the power to accelerate Nature Positive outcomes. This can be catalysed by the financial sector itself, but even more so by financial regulators, with the right policy framework in place.
- To deliver on GBF Target 15, current disclosure regulation should be complemented with mandatory requirements to develop, disclose, and implement Nature Positive transition plans.



## Finance Briefing

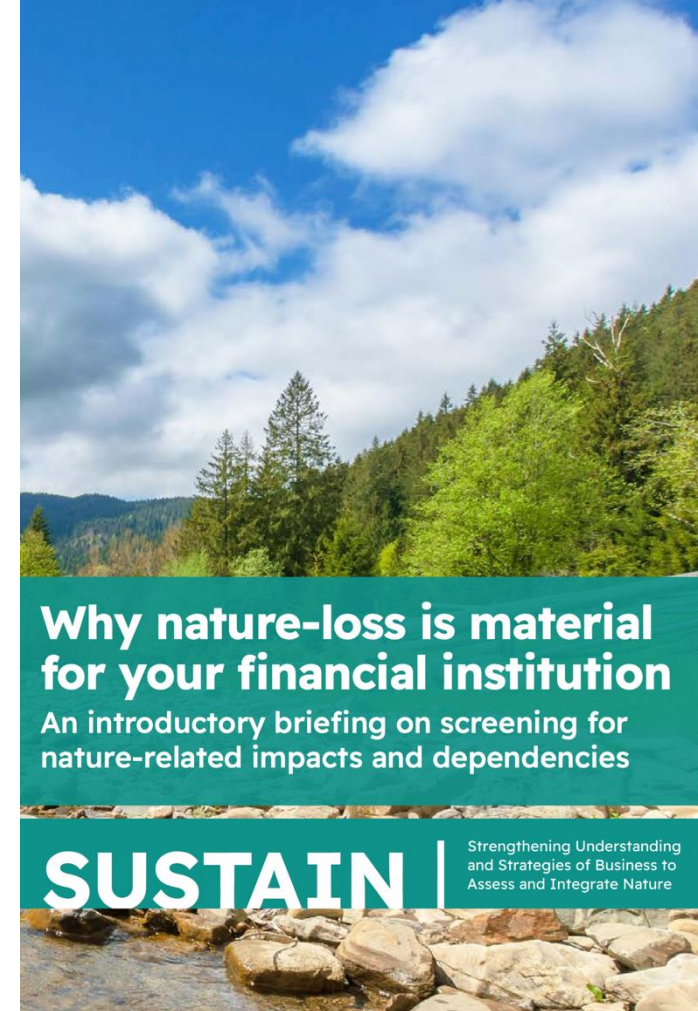
Led by ShareAction, WBCSD & Capitals Coalition

This [briefing](#) aims to strengthen financial institutions' understanding of the need to screen for material nature-related issues. These outcomes can then feed into deeper, more granular assessments and inform prioritization of strategic actions to halt and reverse nature loss.

The recommendations include:

1. Screen all portfolio and transaction data to identify potentially material nature-related issues (impacts and dependencies), such as by identifying high-risk locations and sectors.
2. Take these insights further into deeper assessments for more granular data on transaction and portfolio-specific impacts and dependencies.
3. Create or refine existing strategies to address nature loss in financing and enabling activities, such as risk management frameworks and capital allocation policies.

This briefing is for non-nature experts in private financial institutions who: have not started or are at the very beginning of identifying nature-related issues understand that nature is likely to be material, but don't know how to get started have experimented with some tools like ENCORE but need more guidance on how to use them.



## Finance Briefing Quick Guide

**Why nature-loss is material for your financial institution**  
Quick guide

Strengthening Understanding and Strategies of Business to Assess and Integrate Nature

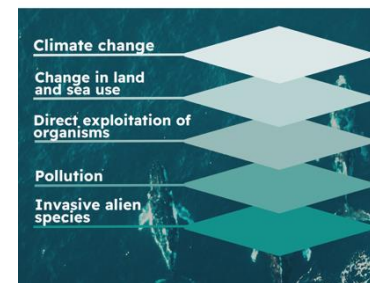
### Why assess and act on nature as a financial institution?

A healthy and resilient state of nature is vital for providing ecosystem services that support all economic activity.	Nature loss and climate change are inextricably linked, but are being driven by the companies and projects you finance.
Investments and financial services can drive nature loss, leading to physical, transition, and systemic risks that can generate financial losses.	Identifying nature-related impacts and dependencies is key to identifying risks and opportunities, guiding your strategy, and protecting your bottom line.

### How do financial activities interact with nature?



### The 5 drivers of nature loss



### Key Recommendations

- 1 Screen your investments**  
Start with a screening for potentially material impacts and dependencies by using (publicly available) tools and nature-related datasets.
- 2 Deepen your assessment**  
Evaluate and prioritise material dependencies, impacts, risks and opportunities.
- 3 Improve your strategy**  
Use the results of previous assessments to inform your nature strategy and establish objectives.

### Key Recommendations: Outputs

- 1** Heatmap & priority list of transactions for further analysis; list of ecologically sensitive locations linked to your relevant value chains.
- 2** Priority list of transactions for stewardship and capital allocation decisions; an understanding of nature-related risks for mitigation; data and insights to be included in disclosure.
- 3** Institutional frameworks and policies that guide your organisation's mitigation of material nature-related impacts, dependencies and risks.

### HOW TO Screen your investments

Start by identifying existing data on sectors/economic activities financed across asset classes:

- Categorise transactions and investments according to the International Standard Industrial Classification system (ISIC).
- Input sectoral data in tools such as ENCORE
- Combine with investment data (amount invested, % financed) to create a weighted heatmap

### HOW TO Deepen your assessment

Building on the identified high-risk transactions, the analysis can be deepened:

- Bring in additional data, tools, and client/investee information for increased granularity, such as on geographical location of impacts
- Conduct pre-transaction due diligence for high-risk sectors
- Periodically reassess to capture new insights

### HOW TO Improve your strategy

In a continuous process, an integrated nature strategy can be updated accordingly:

- Identify key outcomes that should be integrated into institutional policies and strategies
- Share insights from the analysis with all relevant teams
- Revisit current policies to adapt them to address material impacts, dependencies and risks
- Integrate nature into existing climate and ESG strategies

### Visit the SUSTAIN website to learn more about the tools and resources to get started.

Strengthening Understanding and Strategies of Business to Assess and Integrate Nature

## ENCORE

**ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure)** is a key tool that helps organisations explore their exposure to nature-related risk and take the first steps to understand their dependencies and impacts on nature. It is used by thousands of businesses, financial institutions and regulators across the globe and is recommended by leading initiatives such as TNFD.

As part of SUSTAIN, the knowledge base underpinning the ENCORE tool has been updated. This update included a **range of improvements** and was underpinned by the latest scientific research. ENCORE users benefit from more detailed data and improved functionalities to support their screening of potential dependencies and impacts across direct operations and value chains.

The updated knowledge base can be accessed through the **ENCORE website** or **downloaded** for offline analysis. More information on the updates can be found in the Explanatory Note, available in **English** and **Spanish**.

The ENCORE tool was developed and is maintained by the ENCORE Partnership, which includes Global Canopy, UNEP Finance Initiative and UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).



## ENCORE (continued)

### Key improvements made through SUSTAIN:

- Expansion of the previous list of 92 'production processes' to 271 'economic activities', catalogued by the globally recognised [International Standard Industrial Classification for All Economic Activities](#) (ISIC). These economic activities, ranging from livestock farming to the manufacture of chemicals and nuclear power production, offer a more detailed breakdown on economic sectors.
- The list of ecosystem services is now better aligned with the categorisation proposed by the UN's [System of Environmental Economic Accounting - Ecosystem Accounting](#). Cultural Ecosystem Services - such as recreation, aesthetic appeal, education, and spiritual, artistic and symbolic services - which were previously not included in ENCORE, have been added.
- Improved clarity on how economic activities can impact nature, enabling users to gain more actionable insights.
- Natural capital is now separated into different ecosystem types aligned with the [IUCN Global Ecosystem Typology 2.0](#). This will help users better understand how impacts and dependencies may vary based on where they are located.
- All data on impacts and dependencies of economic activities have been updated based on the latest scientific research, industry expert reviews and grey literature, such as company sustainability reports, organisations' websites and industry news.
- Improved methodology of the materiality ratings (which indicate how significant potential dependencies are, and how much pressure economic activities have on nature) to enable comparisons across economic activities and sectors. Where possible, these materiality ratings draw on quantitative indicators.
- New information has been added on key value chain links covering two tiers of suppliers and two tiers of consumers for each economic activity, enabling users to see their indirect nature-related impacts and dependencies.
- The updates, particularly the qualitative descriptions, the value chain links and the materiality ratings, have been reviewed by 78 industry experts representing 14 out of the 21 ISIC sections (level 1).

For more information, see [ENCORE website](#).

## Nature Tools Compass

Led by UNEP-WCMC

Businesses, financial institutions and regulators are increasingly taking measures to better understand nature-related dependencies, impacts, risks and opportunities. Choosing the right tools to support a nature assessment can, however, be challenging.

The [Nature Tools Compass](#) addresses this challenge by providing an overview of over 70 tools and recommendations on how they can be helpful in different phases of nature assessment. The Nature Tools Compass provides two tailored pathways:

- business pathway, designed for corporate nature assessments.
- finance pathway, designed for financial institutions and also relevant for regulators assessing sectoral or macroeconomic exposure to nature-related risks and opportunities.



All tools included are licensed for commercial use and offer a free-of-charge access option. Each tool is mapped to the relevant phases and components of the LEAP approach developed by TNFD.

Thought Paper

SUSTAIN Webpage

ENCORE

Nature Tools Compass

Inventory of nature  
impact reduction  
strategies

Stakeholder Briefing:  
Financial Institutions

Financial Institutions  
Case Study

Blueprint 1

Blueprint 2

Blueprint 3

Blueprint 4

Colour coding:

General

Business

Finance

Regulators

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