



SUSTAIN

Strengthening Understanding
and Strategies of Business to
Assess and Integrate Nature

Overview of SUSTAIN project outputs: Regulators

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.

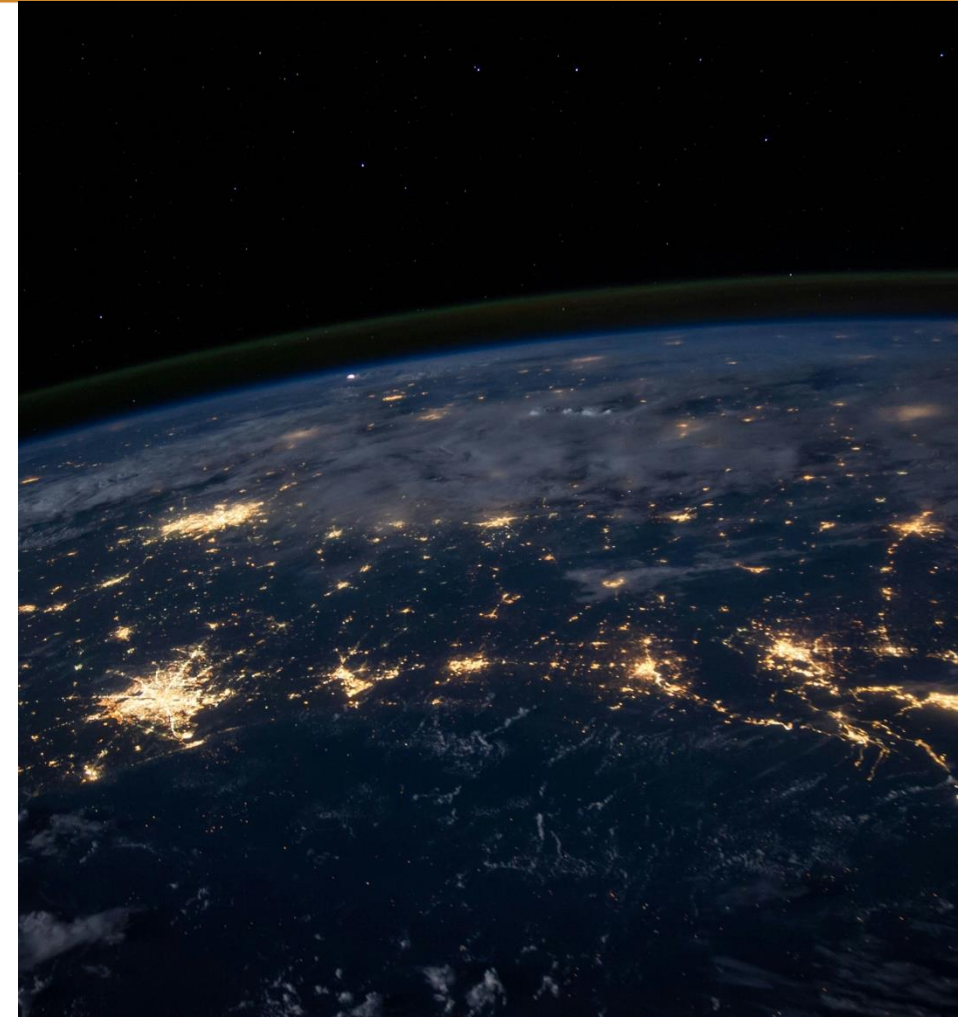
Together they sought to:

- 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 regulators.

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.

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.



SUSTAIN | Strengthening Understanding and Strategies of Business to Assess and Integrate Nature

Changing the rules of the game
Reforming targets, regulations and incentives to promote Nature Positive outcomes.

Version 1.0
Date 29/03/2024
WP 4
Authored by Daan Groot, Eli Morrell, Johan Lammerant, Wouter Dieleman, Jolien Verhelst

 **Nature Squared**
CONNECTING ECOLOGY AND ECONOMIES

 **ARCADIS**

Regulators Briefing

Led by ShareAction, WBCSD & Capitals Coalition

This [briefing](#) aims to strengthen the understanding of central banks and financial supervisors, including securities regulators on how they can screen for material nature-related issues using available tools such as ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure).

The recommendations include:

1. Screen for potential dependencies and impacts on nature.
2. Deepen your understanding of potential economic effects and material risks.
3. Engage with financial organizations and other stakeholders on potential risks and actions.
4. Use assessment and engagement results to inform your strategy and actions.

This briefing is for non-nature experts within financial regulators who: are not yet identifying nature as material understand that nature might 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



Why nature-loss is material for central banks and financial supervisors

An introductory briefing on screening for nature-related impacts and opportunities

SUSTAIN | Strengthening Understanding and Strategies of Business to Assess and Integrate Nature

Regulators Briefing Quick Guide

Why nature-loss is material for central banks and financial supervisors
Quick guide

Strengthening Understanding and Strategies of Business to Assess and Integrate Nature

Why assess and act on nature as a central bank or financial supervisor?

Healthy, resilient ecosystems are the building blocks of our economy's performance, with all economic activities depending on and impacting nature to a certain extent.

Nature loss and climate change are two sides of the same coin, and both should be tackled simultaneously to ensure a viable economy in the long-term.

Nature loss can pose substantial financial risks impacting the performance of your financial sector, making it an important factor to assess and understand.

Assessing nature risks in your financial sector helps you understand the potential impact on your financial stability, and identify areas of action to regulate, mitigate and reverse nature loss.

Why assess and act on nature as a central bank or financial supervisor?

Physical Risk
Your reliance on natural capital can pose risks when direct negative impacts on an organization's operations, assets, and supply chains stemming from the degradation of nature and ecosystems are active within your economy.

Transition Risk
When the global economy shifts towards a nature-positive economy, this can result in risks that arise from policy and legal changes, market shifts, and new technologies as society moves away from nature-negative activities towards a system that supports, halts and reverses nature loss.

Key Recommendations

1 Screen your investments Start with a screening for potentially material impacts and dependencies of your economic sector to quantify the potential exposure to nature risks by using (publicly available) tools and nature-related datasets.	2 Deepen your assessment Use the results from the materiality screening to identify the nature-related risks based on sector and region to gain insight nature risks and real-economy impacts.
3 Engage with stakeholders Showcase your findings to FIs and other important stakeholders to catalyse collaboration on key risks.	4 Inform strategy and action Develop policies and set up actions to gain further nature insights and track nature performance integrated with your climate change approach.

Key Recommendations: Outputs

- 1 Long list of likely material dependencies and impacts for a typical company in a given economic activity.
- 2 Overview of risks within the (national) financial sector, based on sectoral and geographical context.
- 3 Increase the number of nature assessments by financial market players to further refine your own assessment.
- 4 Establish short-, medium- and long-term policies that integrate nature-related financial risk in your strategy.

HOW TO Screen the financial sector

Establish an overview of your economic sector and map the associated nature-related impacts and risks:

- Categorise the economic sector in line with the ISIC standard, and input findings in tools such as ENCORE.
- Create a heatmap of high-risk nature based on nature data and financial exposure (for instance sectoral allocation on a country-level).

HOW TO Deepen your assessment

Build upon the economic sectoral screening by:

- Understand the potential nature-risks (physical and transition) posing financial risk;
- Identify nature-related factors leading to potential prudential risk (e.g. high reliance on natural resources for viability)
- Understand feedback loops within the real economy to develop appropriate policies, e.g. pollination services compromised by pesticide use and land use change.

HOW TO Engage with stakeholders

Engage in a targeted manner with key stakeholders (industry, government, organisations) to:

- Engage with both financial institutions and businesses to understand financial risk across the economy.
- Ask FIs to assess and disclose their nature-related risks, as well as opportunities.
- Use outcomes to further refine your internal nature-related risk assessment.

HOW TO Inform your strategy

Establish clear nature-specific objectives to inform your wider strategy

- Set nature-related disclosure requirements for FIs
- Establish (internal) governance measures on nature (internal knowledge building, tracking progress)
- Require FIs to include and integrate nature in their climate transition plan.

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](#).

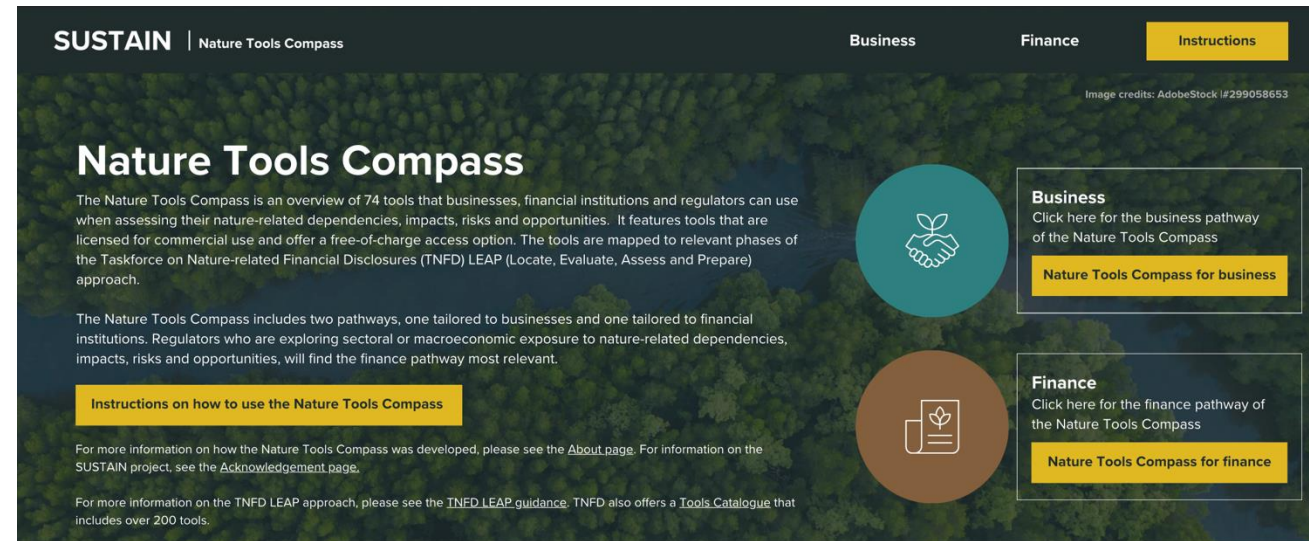
Nature Tools Compass

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

- Thought Paper
- Stakeholder Briefing:
Financial Regulators
- Financial Institutions
Case Study

Colour coding:
General
Business
Finance
Regulators

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