Our Commitment to **ESG Excellence**

At S&P Global, we are committed to delivering the most essential ESG data, analytics, research and advisory to help market participants and corporates make sustainable decisions with conviction.

1. **Sustainability & Impact**

2. **Environmental & Climate**

3. **Regulation & Reporting**

S&P Market Intelligence	ESG Scores, Environmental data, climate and nature solutions, regulatory compliance.
S&P Dow Jones Indices	Sustainability, ESG, climate and thematic index series.
S&P Ratings	Second-Party Opinions and Transaction Evaluations.
S&P Commodity Insights	Outlooks & scenarios, carbon & environmental markets, clean energy technology data.
S&P Mobility	Automotive data and lifecycle emissions across the entire supply chain.

99%
Global market capitalization covered by Environmental and Climate data

95%
Global market capitalization covered by ESG Scores

450+
Environmental and natural capital metrics for thousands of companies
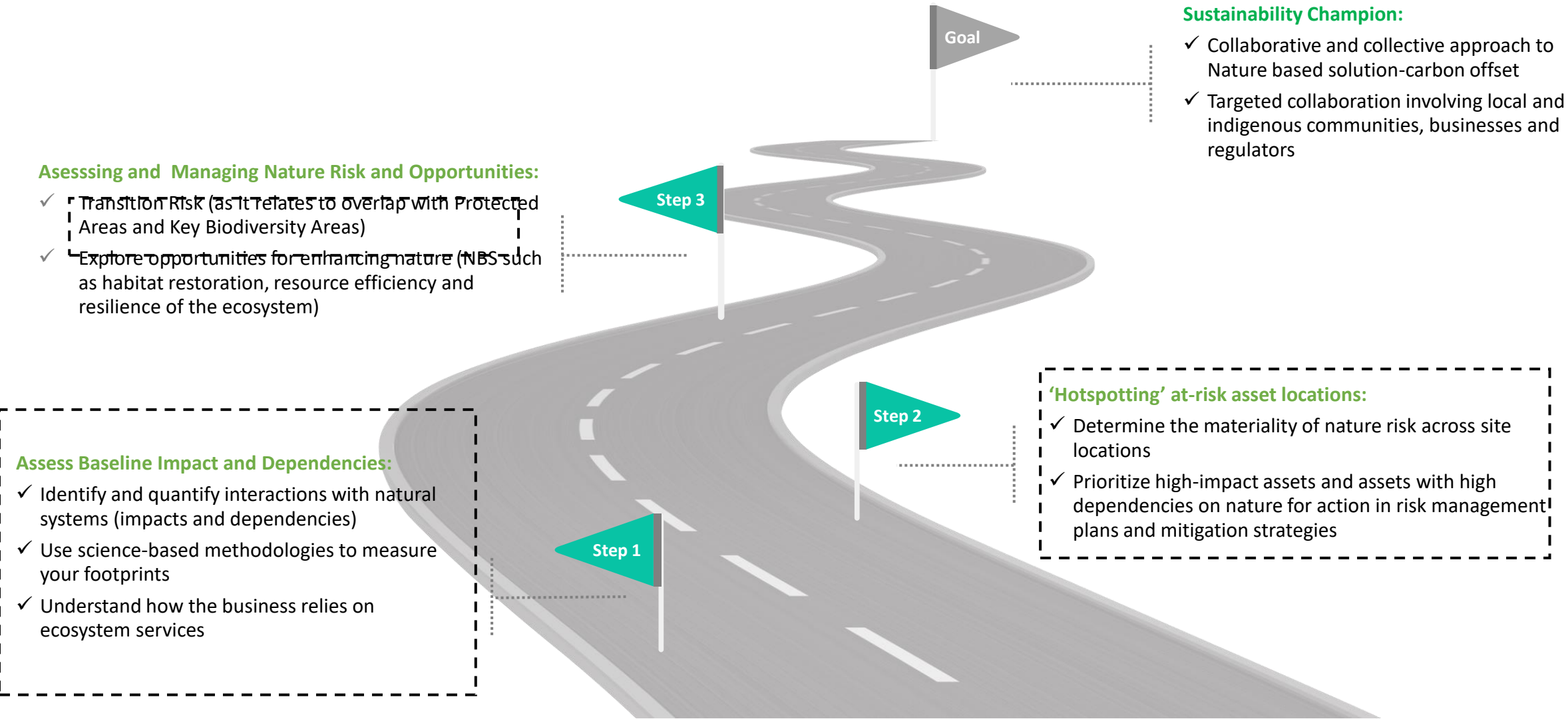
3M+
Assets analyzed for climate physical risk

1,000+
E, S and G data points captured through the Corporate Sustainability Assessment (CSA)

And more!

Nature & Biodiversity Stewardship: Roadmap

Sustainability Champion:
- ✓ Collaborative and collective approach to Nature based solution-carbon offset
- ✓ Targeted collaboration involving local and indigenous communities, businesses and regulators

Asesssing and Managing Nature Risk and Opportunities:
- ✓ Transition Risk (as it relates to overlap with Protected Areas and Key Biodiversity Areas)
- ✓ Explore opportunities for enhancing nature (NBS such as habitat restoration, resource efficiency and resilience of the ecosystem)

Assess Baseline Impact and Dependencies:
- ✓ Identify and quantify interactions with natural systems (impacts and dependencies)
- ✓ Use science-based methodologies to measure your footprints
- ✓ Understand how the business relies on ecosystem services

'Hotspotting' at-risk asset locations:
- ✓ Determine the materiality of nature risk across site locations
- ✓ Prioritize high-impact assets and assets with high dependencies on nature for action in risk management plans and mitigation strategies

Sustainable1 Analytics for Companies

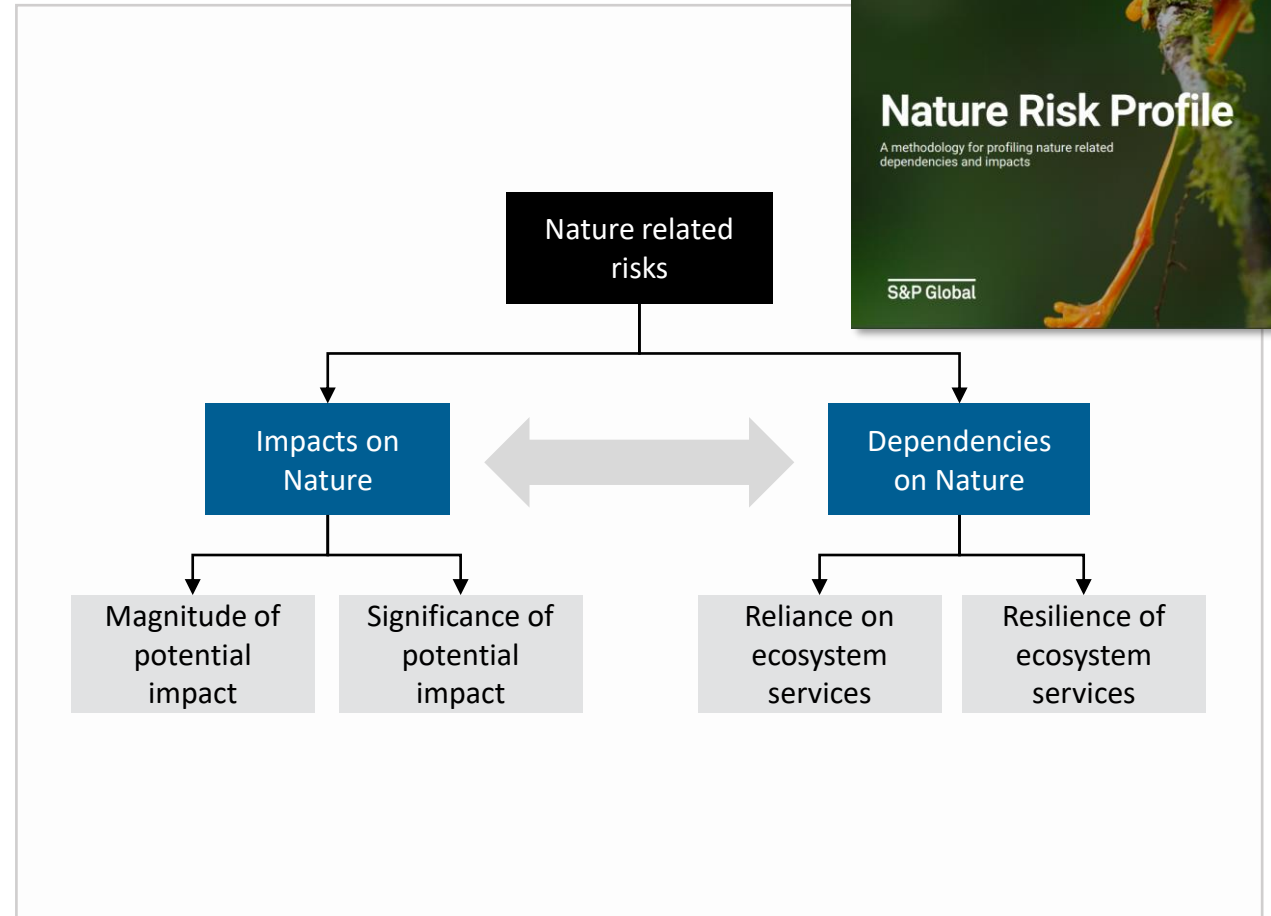# S&P Global's Nature Risk Profile Methodology

S&P Sustainable1's approach to quantifying nature risks is based on the principles of the TNFD framework and the LEAP process. We combine **asset-level data** (including **asset location**, **asset type**, **and land footprint**) with **spatial or non-spatial data** on elements of nature (such as **biodiversity**, **ecosystem services**, and **natural capital**). This allows us to assess:

- Risks arising from a company's impacts on nature, whether negative or positive.
- Risks arising from a company's dependencies on nature.
- Potential risk via proximity to biodiversity areas.
- Mitigation of these risks and other management plans [**Under development**].

Sustainable1 does this analysis by combining proprietary datasets and models to apply the **Nature Risk Profile Methodology** (launched in January 2023 in partnership with UNEP) and the **Nature & Biodiversity Risk Dataset** (launched in May 2023). The analysis provides a quantitative, comprehensive, scalable, modular, and easy to understand solution.

The Nature Risk Profile Methodology outlines how company-level information can be combined with best-practice nature-related data to calculate vital risk metrics. It is built using powerful, science-based impact and dependency measurement tools, including the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) database and the developing Ecosystem Integrity Index (EII).

Building blocks for profiling nature risk:

Source: Nature Risk Profile Methodology, 2023, Available at: https://www.spglobal.com/esg/solutions/nature-risk-profile-methodology.pdf.
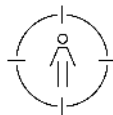
Nature & Biodiversity: Examples

LEGAL & REPUTATIONAL RISKS

Does a corporate operated in a nature sensitive area (and thus designated or protected)?

Legal
IBAT
WDPA

Reputational
IBAT
KBA

World Protected Area

Key Biodiversity Area

Exclusion

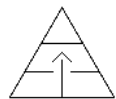**Does a corporate operate in a protected area?**

Example: Mining sites in protected areas.

IMPACT RISKS

How much does a corporate impact the integrity of nature in nature sensitive areas?
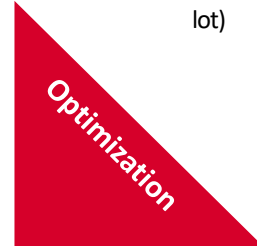
Ecosystem Integrity Index
WCMC

Ecosystem Significance Index

Measures from 0 to 1
(from pristine nature to parking lot)

Species' perspective
IBAT/STAR

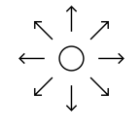**Human's perspective**
NCP

Optimization

Does a corporate transform a pristine natural environment into a parking lot? Is this pristine natural environment essential for either species or human beings?

Example: Deforestation in the Amazon that is important for both species and human beings.

DEPENDENCY RISKS

How much does a corporate depend on nature?

Reliance
Encore

Resilience Risks

Sectors' Mapping

Ecosystem Integrity Index
WCMC

Best in Class

Does a corporate require significant amounts of water?

Example: Agro-businesses, micro-chip manufacturers.

Nature Risk Metrics Overview

NATURE RISK THEME	MAJOR CHARACTERISTICS	METRICS CONSIDERED
1. Regulatory & Reputational Risks	• **Key Biodiversity Areas (KBAs)**: Areas of significant importance for biodiversity which could potentially gain protection in the future. • **Protected Areas (PAs)**: Designated areas that receive protection due to their recognized natural, ecological or cultural values.	• **Number of assets** overlapping with KBAs • **Spatial extent (m²)** of assets overlapping with KBAs • **Number of assets** overlapping with PAs • **Spatial extent (m²)** of assets overlapping with PAs
2. Impact Risks	• Assessment of the **integrity and condition** of ecosystems where operations are located. This includes the ecosystem's **composition, structure and function**. • Simultaneously, the analysis gauges the **significance** of these ecosystems, highlighting areas of high importance for **species threat abatement** and **human-nature interactions**.	• **Land Use Footprint** (hectares) • **Ecosystem Integrity Impact Index** • **Ecosystem Integrity Footprint** (hectares equivalent) • **Ecosystem Footprint** (hectares of Highest Significance Area equivalent) • **Ecosystem Significance Index** • **Species Significance Index** • **Ecosystem Contribution Index**
3. Dependency Risks	• Assessment of the interactions between the level of **reliance on ecosystem services** and the ability of the ecosystems to **sustain a continued flow of those services**. • Quantifies the significance of **21 ecosystem services** from the ENCORE knowledge base to the product processes of each asset. Further risk adjustments to account for **relevance** and **resilience** of the ecosystem service.	• **Dependency Score** • **Materiality Score** • **Relevance Score** • **Reliance Score** • **Resilience Score**

Nature & Biodiversity Risk Assessment Report

Key Features

TNFD aligned Company Level Metrics: Understand your operations' impacts and dependencies on Nature in line with TNFD guidance

Extensive Collection of Assets: Map your operations to 800+ asset types to assess site-level Nature risks

Peer Performance Insight: Benchmark your nature risk standing against chosen industry peers

Granular Metrics & Scores: 130+ metrics covering impacts & dependencies on Nature & Biodiversity

Access to Expert Analysts and Education: Each Assessment is managed by an experienced analyst and includes an Education session on Nature Risk and a results presentation call with Q&A