

The background features a dense, abstract pattern of overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in shades of purple, magenta, and blue. The shapes are scattered across the dark blue background, creating a textured, crystalline effect.

Uncovering nature and biodiversity

A kick-starter report for your environment,
biodiversity and nature-related strategy

designportfolio

DP
ADVISORY



Our degrading world

Contents

- 3 What is biodiversity?
- 4 Dependencies on biodiversity
- 5 How can we measure biodiversity risk?
- 6 Taking action to support nature
- 7 Our recommendations
- 8 Nature, biodiversity and risk types
- 10 Nature-related opportunities and innovation
- 11 Reporting and international pressure
- 12 All about the TNFD
- 13 Metrics and measurements
- 14 Who are the front runners?
- 16 How we can help
- 17 Sustainability by design

“\$44 trillion worth of assets are dependent on nature and biodiversity – more than 50% of global GDP.”

[World Economic Forum](#)

What happens in nature affects what happens in the economic system. Businesses are dependent on the natural world and are more closely connected to it than they might think. Not only are industrial systems built on foundations of agricultural cycles and resource use, but as nature degrades, there are financial risks associated with business interruption. This includes the immediate disruption brought about by extreme weather events and the longer-term threats of soil erosion, water salination, aridity, flooding, and pollinator loss. The story ends with nature-related risk destabilising the financial system itself, as a systemic threat akin to the climate crisis.

These risks, termed ‘nature-related risks’, have the potential to affect us all. And a complicating factor is that we don’t have a clear timetable. Nature-related risks are inherently uncertain, hard to predict, and ‘non-linear’ – with tipping points that could lead to irreversible change.

What is biodiversity?

“Biodiversity is an enabling characteristic of an ecosystem. It is vital for the health and productivity of the goods and services that it produces.”

Dr Partha Dasgupta, economics professor and author of the [Dasgupta Report](#)

Biodiversity is one of the most frequently used terms in nature-related risk. Biodiversity is a measure of the richness of an ecosystem's species. A diverse ecosystem can support the many complex organisms that rely on each other – and eating one another – in their respective food chains. If ecosystems lose species, whether plant or animal, they risk upsetting the balance of nutrients in the soil, and affecting the equilibrium of carbon, nitrogen, and oxygen in the atmosphere, irreversibly altering the stability of the ecosystem.

Nature contributes to human livelihoods and wellbeing in two ways, through provision of ecosystem assets and ecosystem services.

Ecosystem assets

Economic activity relies on the extraction of resources – from milk, to paper, to cotton, to stone, to oil and gas. These are our 'stocks', from which we draw for manufacturing, energy and food. These assets depend heavily on biodiversity. To ensure the sustainability of one singular ecological resource – such as wood, rice or fish – all the other species that it relies on in that ecosystem must be protected.

Ecosystem services

These services are the resources and contributions that natural ecosystems provide for human wellbeing, such as pollination, cleaning carbon from the air, and natural draining systems and flood defences. Ecosystem services are also dependent on stable ecosystems, from mangroves, to coral reefs, to jungles and wild meadows. Coastal marine landscapes absorb pollution and halt ocean deoxygenation. Once these ecosystem services are degraded, they are hard to substitute and will affect human health, and incur extensive costs to mitigate.

0

Of the 20 Aichi Biodiversity Targets set at the UN's Convention on Biological Diversity in 2010, only six targets have been partly achieved, and none have been fully met.

\$217bn

Pollination by bees and other insects has a value of at least \$217 billion a year to the global economy.

\$3tn

The 'unpaid' input of nature into world's agricultural outputs is \$3 trillion annually.

Dependencies on biodiversity

36°C

Without the marine ecosystem's heat storing abilities (absorbing more than 90% of the world's heat energy), the world would be more than 36°C warmer on average.

14%

Oceans and rainforests store so much atmospheric carbon that anthropogenic deforestation represents more than 14% of global carbon emissions.

21bn

Together, the plants and the oceans of the world absorb more than 21 billion tonnes of carbon annually – just under 50% of carbon emitted.

How can we measure biodiversity risk?

Measuring our impact on nature and biodiversity might be easier said than done. This is a vital question both for corporates and for investors who are looking to identify nature-related risks across their portfolios. The multiple, intersecting elements of natural ecosystems makes it difficult to know what parts to measure, and how to link outcomes like rate of deforestation, of species abundance, species diversity and the level of carbon in the atmosphere to specific activities.

How is risk measurement being approached?

Instead, many scientists and economists aim to look at the cumulative effect of human impacts on nature. This has the benefit of being able to explore ‘tipping points’ – key thresholds for human-nature interaction which guarantee global stability and resilience. If we pass too many ‘tipping points’, the natural world suffers irreversible damage, instability and a new, ‘undesired state’ for human development is created.

What are “planetary boundaries”?

A key concept, developed by Johan Rockström at the Stockholm Resilience Centre, is the idea of planetary boundaries. This uses the ‘tipping point’ idea and creates a visual map of certainty and uncertainty across nine different nature-related areas, including ozone depletion, climate change, ocean acidification and land use. These nine so-called ‘planetary boundaries’ are aimed at helping scientists and policymakers think about how best to prioritise their activities.

Every parameter identified in this framework is also mutually dependent on each other. The overexploitation and degradation of one parameter will undoubtedly undermine the productivity and stability of all other parameters (and vice versa) and move them further towards a “zone of uncertainty”.

According to Rockström, three parameters have already reached tipping point – climate change, genetic diversity (rate of biodiversity loss), and nitrogen flows in the atmosphere. These are the three priority areas that the world needs to resolve and adapt to urgently.

- Below boundary (safe)
- In zone of uncertainty (increasing risk)
- Beyond zone of uncertainty (high risk)

J. Lokrantz/Azote based on Steffen et al. 2015.



Our ESG research team has developed this paper to support companies in considering their interaction with nature and the role of nature-related risks and opportunities in their strategic planning. Based on our research and policy exploration, we have identified a series of recommendations for forward-looking companies looking to take advantage of nature-related opportunities and proactively address nature-related risks.

Taking action to support nature

[+ Read our recommendations](#)

Biodiversity reporting regulations are imminent

Just as the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations have become a mandatory reporting requirement in the UK in 2022 and 2023, the Task Force on Nature-Related Financial Disclosures (TNFD) is currently undertaking key research to prepare recommendations over the coming months and years. This is a Task Force set up to explore how companies can respond to environmental degradation and its associated risks. Nature-related risk, biodiversity impacts and ecosystem incursion all look set to become important reporting targets and flashpoint, investor-talking points.

[+ Read more](#)

Our recommendations

1 Identify the types of risk that you are facing in different parts of your supply chain

Mapping out supply chains, with their complex contractor and sub-contractor relationships, can seem like an arduous activity but it is the first step towards understanding your business' true exposure to nature-related risk. Mapping out these risks using a risk typography framework can help ensure you do not overlook any hidden risks.

[+ Read more](#)

2 Identify nature-related opportunities at local and international levels

Exploring and quantifying opportunities for your business across the supply chain may develop organically when assessing risks and may need a specific opportunity-mapping process.

[+ Read more](#)

3 Employ both qualitative and quantitative methods to assess nature-related risk and opportunities

Whilst applying quantification methods can allow a financial understanding of nature, tools are still relatively immature and do not allow for a holistic evaluation of the role of nature in our economy. Applying qualitative methods to understand your business' engagement with nature and taking a 'precautionary approach' can lead to better outcomes.

[+ Read more](#)

4 Be forward-thinking in your reporting

International standards are changing and shifting frequently, as awareness of nature and biodiversity issues become mainstream. Scanning the horizon for policy and new initiatives will allow you to futureproof your strategy.

[+ Read more](#)

5 Align your strategy with the TCFD and climate-related risk and opportunity work

The TNFD will report in 2023 and is likely to follow the structure of the TCFD launched in 2015. Integrating your strategic thinking on climate and nature-related risks and opportunities will help you streamline your approach.

[+ Read more](#)

6 Set clear targets with deadlines for ecosystem protection and impact reduction

Targets will help track your progress and build on areas of high impact. Sharing year-on-year metrics with stakeholders will raise awareness of biodiversity and enable you to share successes.

[+ Read more](#)

7 Become a champion of nature-related risk and opportunity

There is a lack of understanding of, and attention paid towards, nature-related risk and opportunity, that requires companies and individuals alike to start raising their voices and taking the first step. Be a first mover, take your stakeholders on the journey with you and engage with your peers and supply chain about nature and biodiversity.

[+ Read more](#)

Nature, biodiversity and risk types

1

Our first recommendation is to identify the types of risk that you are facing in different parts of your supply chain.

This means developing a deep understanding of your supply chain – where is it located geographically? What other industries does your business rely on and how might these be affected by changes to nature? What are the opportunities in your key markets to support nature?

Once you have mapped the supply chain, you can start identifying your risk types. There are five key risks associated with nature and biodiversity and investors, governments and financial institutions are increasingly aware of these [risk types](#).

Businesses that fail to disclose, adapt, and mitigate nature-related risks will experience a drop in investor confidence and access to capital over time. Those that, instead, take the initiative early, will not only be able to avoid these risks but can grab the opportunity for growth and profit in the greener economy of the future.

“Blackrock, the world’s largest asset management firm, has already announced that it would vote against company directors who haven’t ‘effectively disclosed risks related to the depletion of natural capital.’”

Financial Times (2021) [‘BlackRock steps up drive to protect natural environment’](#)

Nature, biodiversity and risk types continued

“In 2021 the World Economic Forum ranked biodiversity loss and ecosystem collapse as one of the top five risks in the next decade.”

World Economic Forum (2021)
The Global Risks Report

Physical or ecological risks

Risks stemming from the direct depletion of ecosystem assets and services that firms are dependent on in their inputs and processes

Agriculture, food, manufacturing and extractive industries are all critically dependent on assets and services, which are often seen as free or low-cost inputs. Pollination, for example, is a service provided for free by multiple species, which underpins agriculture worldwide. All businesses face some level of physical risk, even in sectors like services and technology, as employee productivity has been proven to be reliant on clean air and non-extreme temperatures.

Transition risks

Risks arising from new government policies on nature, and new nature-oriented social practices

The UK's Environmental Bills and EU's Biodiversity Strategy indicate greater regulatory direction on nature. Consumer preference is also shifting towards more nature-friendly goods and services. Without any regulatory developments, roughly 31% of Europeans are now either vegetarian, flexitarian or pescatarian.

Litigation risk

Risks developing from non-compliance with environmental regulations, resulting in fine or other punishments

This is already happening in the climate change space: in 2021, eco-activist group Milieudefensie prosecuted oil and gas major, Shell based on 'unlawful endangerment', resulting in a legal obligation for Shell to cut carbon emissions at a faster rate.

Reputational risk

Risks linked to poor perception of a brand or company based on negative activity towards nature

Not just legal prosecution, but other nature-unfriendly actions, may deter potential clients and investors. Exxon, for instance, has lost over 60% of its value since 2013, mainly accredited to its refusal to enact environmental reform. Companies that do not have a well-developed climate plan and aligned nature/biodiversity strategy will be increasingly vulnerable to media scrutiny and negative publicity.

Systemic risk

Nature-related risks present a risk to the stability of the entire economic and financial system

Systemic risk is multi-sector and multi-geography and affects complex, interconnected markets and supply chains. This instability was seen in the collapse of the financial system in 2008 and the most recent example of systemic instability was felt in the COVID-19 crisis.

Why should you be thinking about double materiality?

'Double materiality' is a key concept for nature and biodiversity. Where 'materiality' is an increasingly well used and well understood term, indicating the level of relevance or significance of different issues or activities on a business' operations, double materiality is more complex. It signifies both how a business may be affected by, in this case, nature-related risks and opportunities, as well as how that business' activity affects nature. Making a full circle between businesses' impacts on nature and nature's impact on business, a double materiality approach to mapping risk and opportunity is useful to help identify and prioritise strategic actions.

At Design Portfolio, we often take a double materiality perspective from the outset of projects, and can help you embed this principle into your climate and biodiversity approach.



Nature-related opportunities and innovation

2

Our second recommendation is about identifying nature-related opportunities in key markets – at local and at international levels. Whilst the degradation of nature brings about extensive risk to business, there are also opportunities on the horizon – not least to offer goods and services that can restore nature and create jobs whilst doing so.

Activities aimed at protecting and restoring nature, and cleaning up after natural disasters, could be a significant source of revenue for forward-looking companies. This could include risk-mitigation projects along the supply chain, from agriculture to logistics, or could include the provision of nature-related services to new and existing customers, including rewilding, research, innovation and science, nature-led accounting, nature-led construction and manufacturing, waste disposal, and environmental healthcare.

These new roles created in the nature-related sector are far from just field-based conservation. New functions will be created in nature-based accounting, management and communications, so that office workers will become as close to nature as farmers.

On a global scale, markets are ready for innovation in nature-related opportunities. According to the World Economic Forum, development of 15 specific 'nature-based' solutions and jobs, including developing renewables and restoring ecosystems, could raise up to \$10 trillion in the market value of businesses by 2030.

Given the uncertainty of nature-related risk, it is not always logical or possible to assign accurate financial value to mitigation activities at company level. For example, it is difficult to evaluate, in the present day, the role of preventing floods through planting trees to act as a drainage system, if the flood outcomes are then avoided over an unpredictable timeframe. On top of this, environmentally positive activities also offer systemic benefits, which are integral to the stability of markets but are not financially quantified.

3

Our third recommendation is that businesses should employ both qualitative and quantitative methods and take a wide-angled lens approach when considering their financial interactions with nature.

The precautionary principle

The precautionary principle is becoming increasingly popular as an approach to nature-related risk and opportunity. Stemming from the environmental movement, the principle takes the stance that, in the absence of certainty around outcomes, and in a situation of flux like that of natural changes, all actors should pursue a more cautious, rather than less cautious, approach to risk. Close to the 'Do no harm' principle which characterises EU Green New Deal policy, as well as the Sustainable Development Goals, the precautionary principle leads businesses to be more risk-averse and aim for a minimal incursion into nature and the environment.

Reporting and international pressure

4

Our fourth recommendation is to be forward-thinking in your reporting. This is necessary as the landscape is rapidly changing for both mandatory and voluntary reporting on nature and biodiversity. International agreements and nation-level policies are advancing in the direction of nature.

- During the **G7 summit** in June 2021, targets on biodiversity, deforestation, wildlife crime and marine pollution were top of the agenda.
- The **UN's 15th Biodiversity Conference of Parties (COP15)** in Kunming is due to take place in November 2021 and is widely expected to be a watershed moment on awareness and action on nature. The first-ever global biodiversity framework was released by the UN Convention on Biological Diversity.

- A core part of the **European Green Deal** signed in 2019, the EU's Biodiversity Strategy is a leading piece of legislation with 2030 targets on protected areas at land and sea, a nature restoration plan and tackling biodiversity loss. Under the EU Commission, activities should take place across all member states.
- Building on the momentum of the Science Based Targets initiative, which has supported companies across the world in setting net zero goals, the **Science Based Targets Network** developed in 2020, produced a guidance report to support companies who want to implement science-based targets in their approach to nature.
- As the 2021 hosts of COP26, the **UN's Conference of Parties on Climate Change**, the UK has looked to set a course on climate and biodiversity. The Economics of Biodiversity, known as the Dasgupta Review after its author, was published in 2020 to give an independent overview of the latest research on quantifying nature.
- The UK is also aiming to **develop a new green finance taxonomy** to match the one launched by the EU in early 2020.
- The Dutch central bank recently released its '**Indebted to Nature**' report, which quantified nature-related risk for businesses in the Netherlands. It revealed that there was more than 510 billion Euros of exposure to biodiversity-related risks from Dutch financial institutions alone.



EU Biodiversity Strategy for 2030

Bringing nature back into our lives

All about the

TNFD

(Taskforce on Nature-related
Financial Disclosures)

The TNFD was launched in 2020, as a global partnership to create a framework for environmental risk. This will be centered, as the TCFD is, around transparency, information, and data collection, to support companies to incorporate nature-related risks and opportunities into their decision-making processes. TCFD and TNFD are two global regulatory frameworks on the environment that every business should be paying close attention to.

Taskforce on Climate-related Financial Disclosures (TCFD)

The TCFD was launched first in 2015, a market initiative that focuses on creating guidelines and recommendations for firms to disclose greenhouse emissions within their value chains. The development and implementation of this framework has already been considered relatively effective in pushing businesses to become more accountable; mandatory disclosure for premium-listed businesses is to be carried out by 2022 and for AIM-listed businesses by 2023. We published a detailed [whitepaper on the TCFD](#) in Spring 2021.

Task Force on Nature-related Financial Disclosures (TNFD)

The TNFD is a global initiative that works more on environmental issues beyond climate change, mainly nature and biodiversity-related financial risks and impacts. The aim for this framework is to shift global (private) financial flows towards “nature-positive outcomes”, by pushing (or mandating) companies to become more transparent in their environmental data. The framework will, in essence, allow businesses to integrate these nature-related risks found in their data into their decision making. This will, in turn, incentivise businesses to shift to greener and more sustainable practices, as more and more investors look towards businesses with low risks, impacts and dependencies on nature.

The current pathway that the newly established TNFD taskforce has is projected to be akin to that of the TCFD’s six years ago. The informal working group has specified that the TNFD recommendations be complementary to the TCFD framework, with guidelines towards adopting a ‘double materiality’ approach to disclosure. A reporting framework is expected in 2023.

Like the TCFD, the TNFD has also received recognition from both the financial sector and the political domain. The informal working group that preceded the launch of the taskforce in June had over 70 major organisations involved – 48 financial institutions, 8 governments, and 17 think tanks. It has had endorsements from banks such as Barclays, AXA, BNP Paribas, as well as top-level political organisations such as the G7, the UNDP, World Bank, Defra in the UK and more. Recognition from such supporters increases the credibility and reputation of the upcoming TNFD framework and shows businesses that this is something that cannot be ignored.

5

Those companies which choose to become early adopters of new biodiversity initiatives like the TCFD, or even work with the Task Force to provide input and advice into the process, are proactively taking on our fifth recommendation – becoming a champion of nature-related risk and opportunity and aligning nature-related strategy with activities reported to the TCFD, to ensure an efficient and joined-up approach.

Metrics and measurements

6

Our sixth recommendation is to set clear targets with deadlines for ecosystem protection and impact reduction. There are many financial tools that have been developed to measure biodiversity-related risks and impacts and can be usefully deployed to help you consider your own targets. The tools we share below can act as inspiration for your own approach, and a starting point for the measurement activity that needs to take place in your business. The TNFD will likely consult these metrics in the development of the framework.

[ENCORE \(Exploring Natural Capital Opportunities, Risks, and Exposure\)](#)

What is it?

ENCORE is a new tool from the United Nations Environment Programme, aimed at investors and others interested in portfolio analysis. At a sector and sub-industry level, ENCORE aims to assess the impacts that specific financial portfolios have in driving extinction risk and ecological degradation.

What kind of metrics have been developed?

The ENCORE tool uses two metrics: potential to reduce species' extinction risk; and ecological integrity risk. The tool measures location-specific species quantity and abundance through a mapping tool called STAR - Species Threat, Abatement, and Recovery), which has been developed by the International Union for Conservation of Nature. After collecting this data, ENCORE provides sector-level scenarios and guidelines. ENCORE is free online and has already been used by financial supporters including the Dutch Central Bank.

[DEFRA Biodiversity Metric 3.0](#)

What is it?

The newly updated third edition of Defra's biodiversity metrics tool was launched in July 2021. It evaluates and assesses changes in net biodiversity value caused by land development or change within specific regions in the UK. It is a habitat-based approach and focuses both on ecological impacts and dependencies.

What exactly does it measure?

Defra's tool measures the value of nature found in a habitat, including trees, woodlands and grasslands, which become the 'baseline outcome'. These biodiversity units are proxy measures and are associated with a financial value. The tool then measures the net gain or loss of this value through scenario analysis based on different land development approaches, which becomes 'the forecast outcome'.

[IBAT \(Integrated Biodiversity Assessment Tool\)](#)

What is it?

This tool has been developed by the International Union for Conservation of Nature and UNEP-World Conservation Monitoring Centre. The IBAT identifies and quantifies nature-related and biodiversity risks to which organisations are exposed. This includes screening potential investments, sourcing regions, and developing strategies for sustainable adaptation and mitigation.

What kind of metrics are being used?

IBAT draws biodiversity data from multiple sources into an integrative mapping tool, which can depict and present risks and opportunities within a specific region for development. These sources of data include the IUCN's red list of endangered species, STAR, the World Database on Key Biodiversity Areas, and the World Database on Protected Areas. IBAT is free online, with free access to biodiversity maps. There is also a more in-depth subscription-based service, offering paid services such as reports and packaged data downloads.

[LEFT \(Local Ecological Footprinting Tool\)](#)

What is it?

LEFT was designed by the Oxford Martin School at the University of Oxford in 2012. It works towards collecting quantitative data on ecological risk and works for almost all regions globally, providing an opportunity for businesses to integrate nature-related risk into their financial decisions.

What sort of biodiversity data can I find?

The LEFT databases contain both biotic and abiotic data derived from satellite imagery, such as terrestrial plant and vertebrate species abundance, temperature, precipitation, water availability and more. These datasets differ depending on geographical region but reports and analyses on every region in the world can be found. Parts of regions are also graded depending on their level of high ecological risk. LEFT is free online. Regional-level content includes data on species at risk, biodiversity concentrations, and ecological resiliencies, amongst other content. A paid service is also included that offers a deeper analysis.

Who are the front runners?

The world of nature-related risk and opportunity feels like a new framing of a long-standing set of issues, even if reporting on these topics is a relatively recent development. Whilst for some companies, thinking about nature and biodiversity is an addition to their everyday work, for others nature is a strategically embedded component in their business model. Where your company is on the nature journey will depend on your industry, age, size, and complexity.

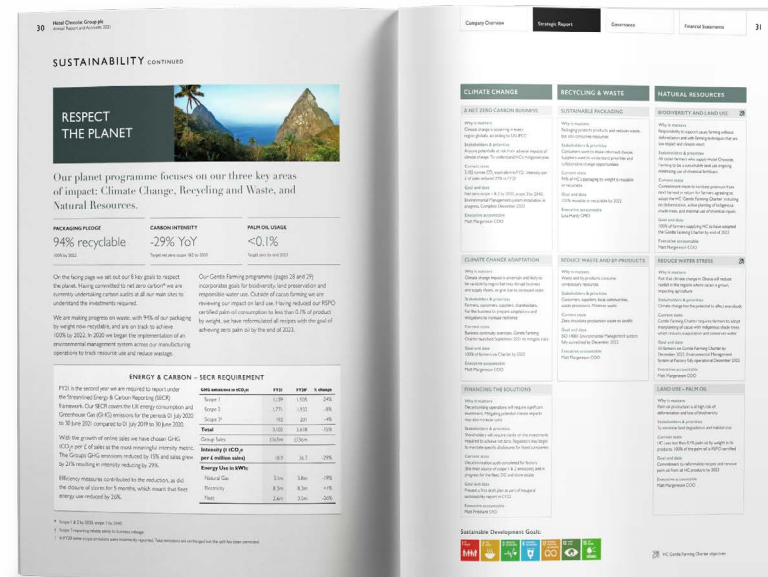
There are several front runners in this space, who act as beacons for others who are planning for nature to form part of their business strategy, and who are looking to report on their actions.

Marks & Spencer (M&S): Clear commitments based on material issues

Multinational supermarket M&S has drafted out commitments that are clear and unambiguous; pledging to make the last 13% of its unrecyclable packaging recyclable and to achieve net carbon zero by 2035. They have plans to halve food waste in ten years and, on the fashion front, are part of the Better Cotton Initiative and the Zero Discharge of Hazardous Chemicals (ZDHC) team. This has allowed it to have a “Good” rating on the ‘Good on You’ independent sustainability rating system.

Positive partnerships

M&S has also partnered with the WWF on the Global Seafood Charter, with an emphasis on transparency in its global supply chains. WWF also uses funding from M&S to carry out ecological conservation work, such as improving water management in some of Asia’s river basins.



Hotel Chocolat: A step-change programme for sustainable farming

Hotel Chocolat launched the Gentle Farming Charter in September 2021, a step-change programme designed to encourage sustainable farming practices among its cacao suppliers. The scheme represents an evolution from the group’s 2004 Engaged Ethics initiative and identifies biodiversity and land use as core themes.

Targeted outcomes include increasing biodiversity and bolstering climate resilience at its farms through natural mitigation techniques such as planting indigenous shade trees and minimising the use of chemical fertilisers. Hotel Chocolat has also committed to phasing palm oil out of its recipes by 2023 to reduce its exposure to deforestation and biodiversity loss.

The Gentle Farming Charter puts supporting farming families at its centre, underpinned by the principles of productivity and sustainability to ensure the long-term success of the business. The group intends to publish performance against its refreshed targets in 2022.



Who are the front runners? continued

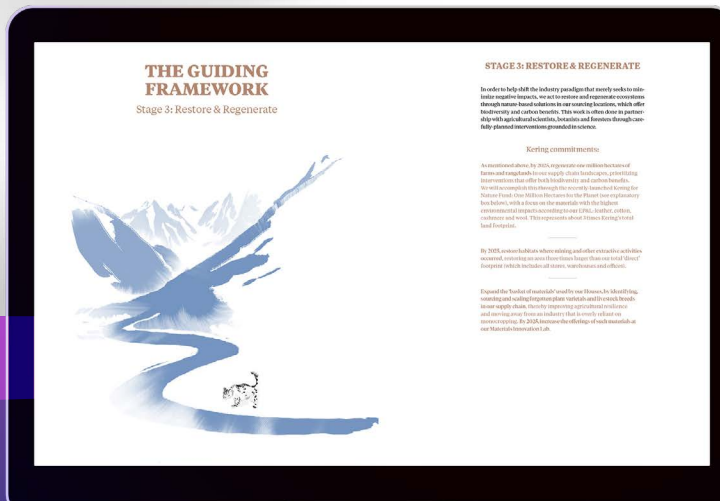
Unilever: A nature-positive strategy

A top-listed UK company, Unilever’s business model in consumer goods, and its global supply chain, make nature-related risk deeply material to the company. The strong company proposition on sustainability means that nature is a keystone of their strategy.

Unilever has set out a concise plan for natural capital alignment, ecosystem restoration and nature-related disclosures, which it reports on through annual reporting, sustainability reporting and in an online ‘Planet and Society Hub’. Almost all of the company’s value chains now also have nature-related metrics and targets attached and its commitments to nature in these reports are ambitious and clear, allowing for greater accountability and transparency.

Nature-related investments

Unilever’s flagship work on ecological preservation is a \$1 billion investment into a climate and nature fund. This fund will aim to work on landscape restoration, reforestation, carbon sequestration, wildlife protection and water preservation. Specific goals include a deforestation-free supply chain by 2023, becoming net carbon zero by 2039, and promoting regenerative agriculture through a new Regenerative Agriculture Code for all suppliers.



Kering: Innovating in a highly impactful sector

Luxury fashion house Kering represents the trend towards more sustainability in a sector with a high impact on nature. Owners of brands such as Gucci, Saint Laurent and Alexander McQueen, Kering’s 2025 sustainability strategy aims to reduce its environmental footprint by 40%. The Kering Regenerative Fund for Nature pledges to regenerate one million hectares of land in the company’s value chains and protect one million hectares of ecosystem outside of their operations through UN REDD+ and other programmes.

Kering is also a member of the Clean by Design, and the Fashion for Good programme, which work towards maximum resource efficiency and circular production in the textile sector. They have open sourced their standards for raw materials and manufacturing processes and accompanying these standards have committed to making 100% of its supply chain transparent and environmentally sustainable (meeting their standards) by 2025. It documents these ambitions in its [Sustainability Progress Report](#) and its [Biodiversity Strategy](#).

Kering was listed by Corporate Knights as the seventh most sustainable corporation in the world in 2021. With 88% of key raw materials being traced and a 77% reduction in carbon emissions from 2015 to 2018, its ambitious plans to audit its supply chains and publicly commit to ambitious targets have paid off.

How we can help

7

Our seventh recommendation is to become a champion of nature-related risk and opportunity – not only to create your strategy, but to tell your story widely, inspire others, and truly fly the flag for nature. We can support you with this by helping you to plan your nature-related risks and opportunities strategy, and to communicate your plans and achievements with your stakeholders. We help our clients understand what developments in nature, the environment and biodiversity mean for their business, how to assess risks and opportunities, and what can be done to embed awareness of nature throughout their operations.

How can your business minimise climate-related and nature-related risks?

At Design Portfolio and our sister company DP Advisory, we are specialists in ESG research and communications, and we are here to support you in understanding and mapping your exposure to climate and nature-related risk and developing your climate and nature-related strategies. [Our whitepaper on the TCFD](#) supports firms in thinking about the nuts and bolts of strategy and reporting, as the processes of nature and climate strategy development become increasingly aligned.

How can your business report on risks, dependencies and impacts on nature?

We are long-standing experts in corporate reporting. We can ensure that your business is financially aligned with the latest developments and trends in reporting, both in terms of content and design. After working with you to create your nature or environmental strategy, metrics, and roadmap, we can advise on how best to launch and share your brand-new approach, through events, digital communications and investor materials. We provide industry-specific communications guidance that strengthens client and shareholder trust amid a decade of extreme climate uncertainty and environmental change.

How can you ensure that your business is prepared for upcoming regulation?

Our in-house sustainability consultants are on hand to provide advice, discussion and fully-fledged workshops that help boards integrate nature-related issues into financial decisions. This doesn't just include recognising new regulations and legal requirements and aligning with them, it also means finding new disclosure/innovation opportunities to gain a first-mover advantage over others in the industry.

Get in touch to find out how we can support you at sustainability@design-portfolio.co.uk or martha.mcpherson@dpadvisory.co.uk

designportfolio

DP
ADVISORY



Daniel Redman
Content and Strategy Director



Martha McPherson
Sustainability Director

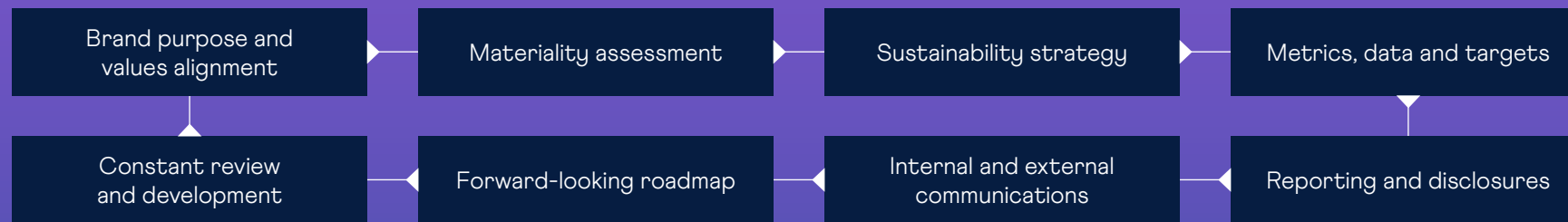


Lindsay Davis
Stakeholder Engagement Consultant



Cameron Gordon
Sustainability Researcher

Sustainability by Design



At Design Portfolio, we can help you to not just communicate your biodiversity journey, but to understand what nature means for your business, how to assess risks and opportunities, and what can be done to embed awareness throughout the business.

Get in touch to find out how we can support you at sustainability@design-portfolio.co.uk

Disclosure, reporting and regulatory alignment are the first steps to a more sustainable world. And undertaking these commitments already puts a lot of strain on companies. But to really succeed as a business in the 21st century, it's not about reporting, or sustainability as a sideshow to business activity – it's about sustainability by design.

Rather than monitoring and reporting for their own sakes, or simply as a box-ticking exercise, companies with long-term ambitions should be asking what the data they uncover through reporting actually means for the business. How do operations need to shift and change to take advantage of growing low-carbon markets? How can social factors like equality and diversity be invested in internally to engage a happier, more productive workforce? How can innovative governance and culture lead to long-run success?

Starting with your business fundamentals, your assets, your people and your culture, we help to work through the strategic decisions you need to make to get to a climate-resilient, business-oriented sustainability strategy, and to service all your reporting, investment, data and communications needs.

For more information about Sustainability by design, visit our websites below.

designportfolio

DP
ADVISORY