	• In assessing environmental issues, organizations should be sensitive to the timeframe used to conduct their assessments. While many organizations conduct operational and financial planning over a 1–2-year timeframe, and strategic and capital planning over a 2-5-year timeframe, environmental risks and opportunities may have implications over a longer period. It is therefore important for organizations to consider the appropriate timeframes when assessing environmental dependencies, impacts, risks, and opportunities.

Tags		
Authority Type	All requesters	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

Process for identifying, assessing, and managing dependencies, impacts, risks and/or opportunities

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

Question details	
Change from last year	No change
Rationale	Dependencies and impacts on the environment can result in changes to the capacity of nature to provide social and economic functions. Additionally, it is essential to identify, assess, and manage dependencies and impacts on the environment in order to assess effectively the risks and opportunities of an organization. This question allows data users to gauge the organization's awareness of its own environmental dependencies and impacts.
Ambition	The organization has a robust process to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across its direct operations, value chain, financed activities, and assets.
Response options	

1	2	3	4	5
Process in place	Dependencies and/or impacts evaluated in this process	Biodiversity impacts evaluated before the mining project development stage	Primary reason for not evaluating dependencies and/or impacts	Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future
Select from: • Yes • No, but we plan to within the next two years • No, and we do not plan to within the next two years	Select from: • Dependencies only • Impacts only • Both dependencies and impacts	Select from: • Yes, in all cases • Yes, in some cases • No	Select from: • Lack of internal resources, capabilities, or expertise (e.g., due to organization size) • No standardized procedure	Text field [maximum 2,500 characters]

			• Not an immediate strategic priority • Judged to be unimportant or not relevant • Other, please specify	

[Fixed row]

Requested content	General • Note that this question asks if you have a process to identify, assess and manage dependencies and/or impacts. You will be asked about risks and opportunities in the following question. Process in place (column 1) • Select "Yes" if your organization has any process in place for identifying, assessing, and managing dependencies and/or impacts. Select "Yes" regardless of whether both dependencies and impacts are assessed, and regardless of whether the process is integrated (i.e. across multiple environmental issues, and any other issues) or separated. You will have the opportunity to provide further details on your assessment process in 2.2.2. • Only select "No…" if you do not have any form of process for identifying, assessing, and managing dependencies and/or impacts. Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future (column 5) • This column only appears if you select any "No" option in column 1 "Process in place" OR if you select any option except "Both dependencies and impacts" in column 2 "Dependencies and/or impacts evaluated in this process". • Describe the primary reason selected in column 4 "Primary reason for not evaluating dependencies and/or impacts". • Describe any plans to evaluate environmental dependencies and/or impacts in the future, such as initial measures taken to put an evaluation process in place. • If you selected "Judged to be unimportant or not relevant" in column 4 "Primary reason for not evaluating dependencies and/or impacts", explain the criteria used to decide that evaluating dependencies and/or impacts is not important or relevant to your organization.
Requested content – [sector] (if applicable)	Note for Financial Services companies This question is asking about the processes used to identify, assess, and respond to environmental dependencies and/or impacts within your direct operations and upstream value chain. Please do not report the identification, assessment and management of environmental dependencies and/or impacts in your portfolio here. You will be able to do this in 2.2.4.
Explanation of terms	• Manage: the approach adopted by an organization to address and respond, which includes but is not limited to prioritizing and monitoring. • Dependencies (on the environment): aspects of environmental assets and ecosystem services that an organization relies on to function (TNFD, 2023). • Impacts (on the environment): changes in the condition of nature (quality or quantity), which may result in changes to the capacity of nature to provide social and economic functions (adapted from TNFD, 2023).

Tags		
Authority Type	All requesters	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All (+ M-B)

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

Question details	
Change from last year	No change
Rationale	For many organizations, environmental issues pose significant challenges, now and in the future. This question establishes whether the organization has a process for identifying, assessing, and managing environmental issues so that data users may gauge the organization's awareness of its own environmental risks and opportunities.
Ambition	• The organization has a robust process to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across its direct operations, value chain, financed activities, and assets.
Response options	

1	2	3	4	5	6
Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?	Primary reason for not evaluating risks and/or opportunities	Explain why you do not evaluate risks and/or opportunities and describe any plans to do so in the future	Explain why you do not have a process for evaluating both risks and opportunities that is informed by a dependencies and/or impacts process
Select from: • Yes • No, but we plan to within the next two years • No, and we do not plan to within the next two years	Select from: • Risks only • Opportunities only • Both risks and opportunities	Select from: • Yes • No	Select from: • Lack of internal resources, capabilities, or expertise (e.g., due to organization size) • No standardized procedure • Not an immediate strategic priority • Judged to be unimportant or not relevant • Other, please specify	Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]

Requested content	Process in place (column 1) • Select "Yes" if your organization has any process in place for identifying, assessing, and managing risks and/or opportunities. Select "Yes" regardless of whether both risks and opportunities are assessed, and regardless of whether the process is integrated (i.e. across multiple environmental issues, and any other issues) or separated. You will have the opportunity to provide further details on your assessment process in 2.2.2. • Only select "No…" if you do not have any form of process for identifying, assessing, and managing risks and/or opportunities. Explain why you do not evaluate risks and/or opportunities and describe any plans to do so in the future (column 5) • This column only appears if you select any "No" option in column 1 "Process in place". • Describe the primary reason selected in column 4 "Primary reason for not evaluating risks and/or opportunities". • Describe any plans to evaluate environmental risks and/or opportunities in the future, such as initial measures taken to put an evaluation process in place. • If you selected "Judged to be unimportant or not relevant" in column 4 "Primary reason for not evaluating risks and/or opportunities", explain the criteria used to decide that evaluating risks and/or opportunities is not important or relevant to your organization. Explain why you do not have a process for evaluating both risks and opportunities that is informed by a dependencies and/or impacts process (column 6) • This column only appears if you select any option except "Both risks and opportunities" in column 2 "Risks and/or opportunities evaluated in this process" OR if you select "No" in response to column 3 "Is this process informed by the dependencies and/or impacts process?". • If you select any option except "Both risks and opportunities" in column 2 "Risks and/or opportunities evaluated in this process", describe the primary reason for not having a process to evaluate both environmental risks and opportunities and describe any plans to do so in the future. • If you selected "No" in response to column 3 "Is this process informed by the dependencies and/or impacts process?", provide details of why this is the case, and any plans to consider dependencies and/or impacts as part of this process in the future.
Requested content – [sector] (if applicable)	Note for Financial Services companies • This question is asking about the processes used to identify, assess, and respond to environmental risks and/or opportunities within your direct operations and upstream value chain. Please do not report the identification, assessment and management of environmental risks and/or opportunities in your portfolio here. You will be able to do this in 2.2.5.
Explanation of terms	• Environmental risks: potential threats (effects of uncertainty) posed to an organization that arise from its and wider society's dependencies and impacts on the environment. (Adapted from TNFD "Nature related risk", 2023) • Environmental opportunities: opportunities are generated through impacts and dependencies on nature, and can occur: ○ When organizations avoid, reduce, mitigate or manage nature-related risks, for example, connected to the loss of nature and ecosystem services that the organization and society depend on; • Through the strategic transformation of business models, products, services, markets and investments that actively work to reverse the loss of nature, including by restoration, regeneration of nature and implementation of nature-based solutions (Adapted from TNFD "Nature related opportunities", 2023).

Tags		
Authority Type	All requesters	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All (+ M-B)

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Question details	
Question dependencies	This question only appears if you select "Yes" in response to column 1 "Process in place" of 2.2 or 2.2.1.
Change from last year	No change
Rationale	Organizations that have established a comprehensive, recurring procedure to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across their value chain and over a range of time-horizons will be better equipped to handle longer-term uncertainties and liabilities, as well as capitalize on opportunities. This question indicates to data users how robust an organization's assessment process is.
Ambition	• The organization has a robust process to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across its direct operations, value chain, financed activities, and assets. • The organization maps its value chain, screens sites, and engages stakeholders to identify and assess environmental dependencies, impacts, risks, and opportunities. This is integrated into a multi-disciplinary organization-wide risk management, covers transition and physical risks/opportunities over different timeframes, and discloses methods and significance criteria. • The organization conducts the identification and assessment process at least once a year and describes how data was obtained. • The organization describes how the outputs from the scenario analysis are used in risk and opportunity identification, assessment, and management processes, given the organization's activities and relevant timeframes.
Response options	

1	2	3	4	5	6
Environmental issue	Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue	Value chain stages covered	Coverage	Supplier tiers covered	Mining projects covered
Select all that apply: • Climate change	Select all that apply: • Dependencies	Select all that apply: • Direct operations	Select from: • Full • Partial	Select all that apply: • Tier 1 suppliers	Select all that apply:

• Forests • Water • Plastics • Biodiversity	• Impacts • Risks • Opportunities	• Upstream value chain • Downstream value chain [not shown to FS] • End of life management		• Tier 2 suppliers • Tier 3 suppliers • Tier 4+ suppliers	• All disclosed mining projects • Project 1-70

7	8	9	10	11	12
Type of assessment	Frequency of assessment	Time horizons covered	Integration of risk management process	Location-specificity used	Tools and methods used
Select from: • Qualitative only • Quantitative only • Qualitative and quantitative	Select from: • More than once a year • Annually • Every two years • Every three years or more • As important matters arise • Not defined	Select all that apply: • Short-term • Medium-term • Long-term	Select from: • Integrated into multi-disciplinary organization-wide risk management process • A specific environmental risk management process	Select all that apply: • Site-specific • Local • Sub-national • National • Not location specific	Grouped option (multi-select group; multi-select option) from dropdown list below:

13	14	15	16
Risk types and criteria considered	Partners and stakeholders considered	Has this process changed since the previous reporting year?	Further details of process
Grouped option (multi-select group; multi-select option) from dropdown list below:	Select all that apply: • Customers • Employees • Investors • Local communities • Indigenous peoples • NGOs • Regulators • Suppliers • Water utilities at a local level [W only] • Other commodity users/producers at a local level [B and F only] • Other water users at the basin/catchment level [B and W only] • Other, please specify	Select from: • Yes • No	Text field [maximum 3,500 characters]

[Add row]

Tools and methods used (column 12)	
Enterprise Risk Management • COSO Enterprise Risk Management Framework • Enterprise Risk Management	Commercially/publicly available tools • Beef on Track [Cattle products only] [F only] • BFC – Biodiversity Footprint Calculator [B only]

• Field surveys [F, B only] • Internal company methods • ISO 31000 Risk Management Standard • Landscape-scale field surveys [F, B only] • Risk models • Stress tests • Other enterprise risk management, please specify International methodologies and standards • Alliance for Water Stewardship Standard [W only] • Environmental Impact Assessment • Global Forest Watch [F only] • IPCC Climate Change Projections • ISO 14001 Environmental Management Standard • ISO 14046 Environmental Management – Water Footprint [W only] • Life Cycle Assessment • Paris Agreement Capital Transition Assessment (PACTA) tool • UN Water Global Analysis and Assessment of Sanitation and Drinking Water (GLAAS) [W only] • Other international methodologies and standards, please specify Databases • FAO/AQUASTAT [W only] • Maplecroft Global Water Security Risk Index [W only] • Nation-specific databases, tools, or standards • Regional government databases • UNEP Vital Water Graphics [W only] • Other databases, please specify Other • Desk-based research • External consultants • Internal company methods • Jurisdictional/landscape assessment • Materiality assessment • Partner and stakeholder consultation/analysis • Scenario analysis • Source Water Vulnerability Assessment [W only] • Other, please specify	• BFM – Biodiversity Footprint Methodology [B only] • BIM – Biodiversity Impact Metric [B only] • Biodiversity indicators for site-based impacts [B only] • Biological Diversity Protocol [B only] • Bioscope [B only] • BISI – Biodiversity Indicators for Site-based impacts [B only] • BNGC – Biodiversity Net Gain Calculator [B only] • CBF – Corporate Biodiversity Footprint [B only] • CBD – Convention on Biological Diversity [B only] • Circulytics • Collect Earth • EcoVadis [W only] • Ecolab Water Risk Monetizer [W only] • Ellen MacArthur Foundation Recyclability Assessment Tool [P only] • Encore tool [B only] • F4B - Finance for Biodiversity [FS only] [B only] • GEMI Local Water Tool [W only] • Global Forest Watch Pro [F and B only] • Global Risk Assessment Services (GRAS) [F only] • IBAT for Business • IBAT – Integrated Biodiversity Assessment Tool [B only] • LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD • Plastic Leak Project [P only] • Plastic Footprint Network [P only] • Preferred by Nature Sourcing Hub [F only] • RBA Country Risk Assessment Tool [W only] • ReCiPe [B only] • SEDEX [W only] • SIWI Water Tool [W only] • Starling [F only] • Sustainability Policy Transparency Toolkit (SPOTT) [F only] • TNFD – Taskforce on Nature-related Financial Disclosures • Trase [F only] • Understanding Packaging (UP) Scorecard [P only] • UNEP Vital Water Graphics [W only] • Water Footprint Network Assessment tool [W only] • Waterplan [W only] • WBCSD Corporate Ecosystem Services Review [B only] • WRI Aqueduct [W only] • WWF Biodiversity Risk Filter [B only] • WWF ReSource Footprint Tracker [P only] • WWF Water Risk Filter [W only] • Other commercially/publicly available tools, please specify

Risk types and criteria considered (column 13)	
Policy • Carbon pricing mechanisms [C only] • Changes to international law and bilateral agreements • Changes to national legislation • Increased difficulty in obtaining operations permits • Increased difficulty in obtaining water withdrawals permit [W only] • Increased pricing of water [W only]	Reputation • Exclusion of vulnerable and marginalized stakeholders (e.g., informal workers) [P only] • Impact on human health • Increased partner and stakeholder concern and partner and stakeholder negative feedback • Insurance underwriting that could create or contribute to systemic risk for the economy [FS only] • Investing that could create or contribute to systemic risk for the economy [FS only]

- Introduction of regulatory standards for previously unregulated contaminants [W only]
- Lack of globally accepted and harmonized definitions [P only]
- Lack of mature certification and sustainability standards
- Limited or lack of river basin management [W only]
- Limited or lack of transboundary water management [W only]
- Mandatory water efficiency, conservation, recycling, or process standards [W only]
- Poor coordination between regulatory bodies
- Poor enforcement of environmental regulation
- Protected area designation [M-B only]
- Regulation of discharge quality/volumes [W only]
- Statutory water withdrawal limits/changes to water allocation [W only]
- Uncertainty and/or conflicts involving land tenure rights and water rights [F, B, W only]
- Other policy, please specify

Technology
- Dependency on water-intensive energy sources [C, W only]
- Inability to increase yield of existing production areas [F only]
- Data access/availability or monitoring systems
- Limited access to drought-resistant crop varieties [W-AC/FB only]
- Limited access to soil conservation and other sustainable techniques [AC/FB/PF only]
- Transition to bio-based chemicals (W-CH only)
- Transition to reusable products [P only]
- Transition to recyclable plastic products [P only]
- Transition to increasing renewable content [P only]
- Transition to increasing recycled content [P only]
- Transition to lower emissions technology and products [C only]
- Transition to water efficient and low water intensity technologies and products [W only]
- Transition to water intensive, low carbon energy sources [C, W only]
- Unsuccessful investment in new technologies
- Other technology, please specify

Market
- Availability and/or increased cost of certified sustainable material
- Availability and/or increased cost of raw materials
- Availability and/or increased cost of recycled or renewable content [P only]
- Changing customer behavior
- Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit [FS only]
- Inability to attract co-financiers and/or investors due to uncertain risks related to the environment [FS only]
- Inadequate access to water, sanitation, and hygiene services (WASH) [W only]
- Leakage markets [F only]
- Limited visibility of embedded commodities [F only]
- Loss of clients due to a fund's poor environmental performance outcomes (e.g. if a fund has suffered climate-related write-downs) [CC-FS only]
- Lending that could create or contribute to systemic risk for the economy [FS only]
- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Stakeholder conflicts concerning water resources at a basin/catchment level
- Stigmatization of sector
- Other reputation, please specify

Acute physical
- Avalanche
- Cold wave/frost
- Cyclones, hurricanes, typhoons
- Drought
- Flood (coastal, fluvial, pluvial, ground water)
- Glacial lake outburst
- Heat waves
- Heavy precipitation (rain, hail, snow/ice)
- Landslide
- Pollution incident [W, P only]
- Rupture of tailings dams and toxic spills [MM and CO only]
- Storm (including blizzards, dust, and sandstorms)
- Subsidence
- Tornado
- Toxic spills [W only]
- Wildfires
- Other acute physical risk, please specify

Chronic physical
- Acid rock drainage and metal leaching [MM,CO,M-B only] [W and B only]
- Change in land-use
- Changing precipitation patterns and types (rain, hail, snow/ice)
- Changing temperature (air, freshwater, marine water)
- Changing wind patterns [C only]
- Coastal erosion
- Declining ecosystem services [F, W, B only]
- Declining water quality [W only]
- Groundwater depletion [W only]
- Heat stress [C, F only]
- Increased ecosystem vulnerability [F, W, B only]
- Increased levels of environmental pollutants in freshwater bodies [W only]
- Increased levels of macro or microplastic leakage to air, soil, freshwater and/or marine bodies [P only]
- Increased severity of extreme weather events
- Limited area for disposing solid waste [M-B only]
- Land loss to desertification [F only]
- Leaching of hazardous substances from plastics [P only]
- Ocean acidification
- Operations in or adjacent to areas important for biodiversity [M-B only]
- Permafrost thawing [C, W only]
- Poorly managed sanitation [W only]
- Precipitation or hydrological variability
- Rationing of municipal water supply [W only]

• Rise in risk-based pricing of insurance policies (beyond demand elasticity) [FS only] • Uncertainty about commodity origin and/or legality [F only] • Uncertainty in the market signals • Other market, please specify Liability • Exposure to litigation • Moratoria and voluntary agreement [W, F only] • Non-compliance with regulations • Regulation and supervision of environmental risk in the financial sector [FS only] • Other liability, please specify	• Reserves located in or adjacent to areas important for biodiversity [M-B only] • Saline intrusion [F, W only] • Scarcity of land resources [F only] • Sea level rise • Seasonal supply variability/interannual variability [F, W only] • Soil degradation • Soil erosion • Solifluction • Temperature variability • Threatened species in or near mining operation [M-B only] • Water availability at a basin/catchment level • Water stress • Water quality at a basin/catchment level • Other chronic physical driver, please specify

Requested content	General • Organizations are requested to report information on their approach to evaluating their dependencies and/or impacts on the environment, and consequently their approach to assessing risks and/or opportunities that are identified through understanding their dependencies and/or impacts o This question seeks to capture a holistic overview of this process in its entirety. o If your process is the same for multiple environmental issues, you may select all that apply in column 1 “Environmental issue”. o If your process differs for each environmental issue, add a new row and indicate these differences accordingly. If there are minor differences between how environmental issues are considered within your processes, you may use the text fields to provide details of these differences. o If you have multiple processes for the same environmental issue, for example if the process differs for different stages of the value chain, you may add rows accordingly. Alternatively, you may use the text fields to provide details of minor differences between the processes. Coverage (column 4) • This column will be presented if “Direct operations”, “Upstream value chain” or “Downstream value chain” is selected in column 3 “Value chain stages covered”. • If certain elements of your direct operations, or other parts of your value chain are excluded from the assessment process, select "Partial" and explain your reasons in column 16 “Further details of process”. Supplier tiers covered (column 5) • This column will be presented if “Upstream value chain” is selected in column 3 “Value chain stages covered”. • The options in this column are dependent on the estimate of highest supplier tier mapped or known that is provided in 1.24. • Select all options that represent the supplier tiers covered in your assessment process. Type of assessment (column 7) • Disclose whether the assessment is qualitative, quantitative, or both. • Qualitative assessment is descriptive and may include stakeholder involvement, meetings, interviews, and analysis of scenario impacts or descriptive risk matrices.

	• Quantitative assessment is expressed in numbers and involves indicators, indices, variables, and metrics such as probabilistic or stochastic risk modelling considering frequency and severity of events.
	
	Frequency of assessment (column 8)
	• Select the option that best reflects the frequency that all dependencies, impacts, risks and/or opportunities are assessed and/or reviewed.
	  o The frequency disclosed here does not necessarily mean the frequency you complete a full assessment of all dependencies, impacts, risks and opportunities. For example, long-term risks may be relevant for several years and only require periodic review. Therefore, you may select the option that best reflects the frequency that all dependencies, impacts, risks and/or opportunities are assessed and/or reviewed.
	
	Time horizons covered (column 9)
	• Choose all the time horizons that are considered in your assessment. For example, if you only consider dependencies, impacts, risks, and opportunities relating to the environmental issue selected in column 1 "Environmental issue" in the short term (in line with your definition of time horizons provided in 2.1), you should select "short-term" here. Or, if you consider dependencies, impacts, risks, and/or opportunities over short-term, medium-term, and long-term time horizons, select all three.
	
	Integration of risk management process (column 10)
	• This column only appears if you select "Risks" in column 2 "Indicate which of dependencies, impacts, risks, and opportunities are covered by the process".
	• Select the option that best describes how your process for identifying, assessing, and managing risks is integrated into your overall assessment framework.
	  o Integrated into multi-disciplinary organization-wide risk management process: a documented process where risks are identified and assessed in an integrated way in the company's centralized enterprise risk management program covering all possible types/sources of risks.
	  o A specific environmental risk management process: a documented process that identifies, assesses, and manages risks separately from other business risks.
	
	Location-specificity used (column 11)
	• Site-specific: the assessment process is conducted within the sites that your organization and/or its suppliers operate in, or any other relevant operational sites.
	• Local: the assessment process is conducted within a defined area below sub-national level (e.g., cities, towns, villages).
	• Sub-national: the assessment process is conducted within a defined area below country/area-level. This may include the immediate landscape that operational sites sit within and could impact, or defined political boundaries (e.g., state, province, district, municipality).
	• National: the assessment process is conducted across entire countries/areas. It does not consider dependencies, impact, risks, and/or opportunities that are specific to local areas or sites.
	
	Risk types and criteria considered (columns 13)
	• This column only appears if you select "Risks" in column 2 "Indicate which of dependencies, impacts, risks, and opportunities are covered by the process".
	• Select all options that best represent the types of risk considered in the assessment process, whether a risk is subsequently identified or not:

	○ Acute physical– occurrence of short term, specific events that change the state of the environment. For example, cyclones, oil spills, forest fires or pests affecting a harvest; ○ Chronic physical – gradual changes to the state of the environment. For example, pollution stemming from pesticide use or sea level rise driven by climate change. ○ Policy – changes in the policy context due to new (or enforcement of existing) policies to create positive impacts on the environment or mitigate negative impacts on the environment; ○ Technology – substitution of products or services with a reduced impact on the environment and/or reduced dependency on the environment. For example, the replacement of plastics with biodegradable containers; ○ Market – changing dynamics in overall markets, including changes in consumer preferences, which arise from changing physical, regulatory, technological and reputational conditions and stakeholder dynamics. For example, the market value of a company is affected by assets that have decreased in value because there is insufficient freshwater for the production process, or the value of the business' production process is reduced by the emergence of new technologies that require less water to operate; ○ Reputation – changes in perception concerning an organization's actual or perceived environmental impacts, including at the local, economic and societal level. This can result from direct company impacts, industry impacts and/or impacts of activities upstream and/or downstream in a value chain; ○ Liability – liability risks that arise directly or indirectly from legal claims. As laws, regulations and case law related to an organization's preparedness for nature action evolves, the incident or probability of contingent liabilities arising from an organization may increase. Further details of process (column 16) • Describe your process for identifying, assessing, and managing dependencies, impacts, risks, and/or opportunities, including: ○ If relevant to your selections in 2.2, an assessment of how your organization's dependencies and/or impacts inform your assessment of your organization's risks and/or opportunities. ○ The proportion of operational locations assessed (screening site locations, business activities and assets within value chain to identify dependencies, impacts, risks, and/or opportunities). ○ The methodology/data sources used for key data not obtained directly from the organization's operations. ○ Describes how your process for identifying, assessing, and managing dependencies, impacts, and/or opportunities is integrated into your company-wide risk management process. • Describe the process used to determine which risks and/or opportunities could have a substantive financial or strategic effect on the organization, and which dependencies and/or impacts are relevant to this, including: ○ The methodology used to assess the nature, likelihood, and magnitude of the effects of dependencies, impacts, risks, and/or opportunities (including qualitative factors, quantitative thresholds, or other criteria); ○ The inputs and parameters used (for example, information about data sources and the scope of operations covered by the process); ○ Details on the use of scenario analysis; ○ The processes and related policies for monitoring dependencies, impacts, risks, and/or opportunities.

	• If in column 3 "Value chain stages covered" you did not indicate that all areas of your organization's value chain are covered, explain why this is the case. • If "Partial" was selected in column 4 "Coverage", explain your exclusions and the reasons for them. • Indicate if this process has changed since the last reporting year. If it has changed, indicate if data quality has been improved as a result.
Requested content – [theme] (if applicable)	Note for Forests and Water disclosers: • If you indicated in your questionnaire setup that you assess forests- and/or water-related issues, you should report on the details of the assessment processes here. E.g., if you indicated that you assess water-related issues in questionnaire setup, you should report at least 1 row with 'Water' selected in column 1 'Environmental issue'.
Requested content – [sector] (if applicable)	Note for Financial Services companies • This question is asking about the processes used to identify, assess, and respond to environmental dependencies, impacts, risks and/or opportunities within your direct operations and upstream value chain. Please do not report the identification, assessment and management of environmental dependencies, impacts, risks and/or opportunities in your portfolio here. You will be able to do this in 2.2.6.

Explanation of terms	• Direct operations: all activities and sites (e.g., buildings, farms, mines, retail stores) over which the reporting company has operational or financial control. This covers any internal supply chains between the organization's business units (adapted from TNFD, 2023; SBTN, 2023).
	• Embedded commodity: a commodity is considered 'embedded' when it is used anywhere in the supply chains, or the direct operations associated with a final product. Adapted from the SBTN embedded (or highly transformed commodities) are volumes of high impact commodities, integrated into complex products, for example, companies do not purchase a commodity in its raw or processed forms, but they purchase a product that contains them. (SBTN, 2023)
	• Enterprise risk management: an integrated and joined-up approach to managing risk across an organization and its extended networks (Institute of Risk Management, 2016).
	• Environmental risks: potential threats (effects of uncertainty) posed to an organization that arise from its and wider society's dependencies and impacts on the environment. (Adapted from TNFD "Nature related risk", 2023)
	• Environmental opportunities: opportunities are generated through impacts and dependencies on nature, and can occur:
	  ○ When organizations avoid, reduce, mitigate or manage nature-related risks, for example, connected to the loss of nature and ecosystem services that the organization and society depend on;
	  ○ Through the strategic transformation of business models, products, services, markets and investments that actively work to reverse the loss of nature, including by restoration, regeneration of nature and implementation of nature-based solutions (Adapted from TNFD "Nature related opportunities", 2023).
	• Leakage Market: refers to a market in which capital, income or commodities are diverted to non-compliant activities. For example, Southeast Asian palm oil producers facing a restrictive NDPE market, may move towards biofuel production due to weaker sustainability restrictions, creating potential for environmental damage and reputation risk (CRR, 2020).
	• Regulator: a body with a statutory authority to enforce laws, standards, and other legal regulations. They are appointed by government but can operate independently of it.

	• Risk management: involved understanding, identifying, assessing, and responding to risk to make sure organizations achieve their objectives. This must be proportionate to the complexity and type of organization (based on Institute of Risk Management, 2016). Risk management is a set of processes which are conducted by the board and management of an organization to support achievement of objectives through addressing risks and management of the combined potential impacts identified (Adapted from TCFD, 2021). • Upstream and downstream risks: defined based on the location of the risks in your value chain and can also refer to any of the risk types above i.e. emerging regulation, technology, legal, market reputation etc. • Value chain: the entire sequence of upstream and downstream activities, sites, resources, and relationships associated with the reporting organization's operations, starting with the raw materials, and extending through end-of-life management, aimed at providing or receiving value from an organization's products and services either within, upstream, or downstream of direct operations (adapted from GHG Protocol, 2013; ESRS, 2023; SBTN, 2023). • Value chain stage: A part of the sequence of activities that provide value to/ or receive value from the organization's products and services. This can include activities within the organizations direct operations, or up or downstream of those operations; such as the supply chain, joint ventures, franchisees and product users. • Water stress ('areas with'): a concept that considers physical quantity aspects related to water resources, including water availability. As good practice, a water stressed area should be measured at the catchment level as a minimum. Commonly accepted global indicators to assess areas as water stressed and their thresholds for reporting to CDP include: ○ Water availability – category greater than 'High risk': 3.4 (WWF Water Risk Filter). WWF recommends that users also take into consideration 'Medium risk': >2.6. This category is based on a multi-model approach which integrates the best available global water scarcity risk indicators: water depletion, baseline water stress, and blue water scarcity. ○ Baseline water stress – indicator equal to/greater than 'High': 40-80% (WRI Aqueduct Water Risk Atlas). This refers to ratio of total annual water withdrawals to available renewable water supply. ○ Baseline water depletion – indicator equal to/greater than 'High': 50-75% (WRI Aqueduct Water Risk Atlas). This refers to the ratio of total annual water consumption to available renewable water supply.
Additional information	• For information on dependencies, impacts, risks and opportunities, and how they relate to each other – see TNFD's "Guidance on the identification and assessment of nature-related issues: the LEAP approach", 2023.

Tags		
Authority Type	All requesters	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All