


# Embracing Nature

## How Businesses Can Engage with New Environmental Imperatives

Rapid changes in regulations and policies, shifting societal expectations, and increasing sustainability screening from investors and other stakeholders are pressing businesses to act as responsible stewards of the environment and build resilience to nature loss. Preventing environmental degradation while building resilience to nature-related risks requires businesses to understand the complex interactions between natural ecosystems and their assets, operations, value chains, and stakeholders. New science-based frameworks are emerging to help organizations assess, report, and act on nature-related risks and opportunities.

### Key takeaways



**The consequences of environmental degradation on businesses are already apparent.**

**Governments have come to recognize the urgency of building a nature-positive agenda.**

**Addressing environmental decline can strengthen business resilience and unlock new opportunities.**

**Nature must be integrated into risk governance.**

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Not only do extreme biodiversity loss, pollution, and the overconsumption of natural resources present direct challenges for key industries, they also exacerbate critical challenges associated with climate change, health, supply chain reliability, and food security.

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In the near term, this will make for considerable policy and regulatory unpredictability as conflicting stakeholder pressures settle into a coherent approach and new solutions emerge.

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Businesses should start by assessing their risks and determine strategic responses. This includes reviewing the double materiality of risks – understanding how their assets and operations impact nature and how in turn they depend on it. New risk management analytics and technologies will be required for complex assessments and growing disclosure expectations.

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Businesses can prepare by incorporating nature into their agenda, leveraging innovations in assessment tools and risk management, and identifying new markets and financing opportunities.

# > 50%

Of global economic output is dependent on nature and its services

# 1.75

Number of planets humanity would need to sustain its current rate of consumption of natural resources

# \$354 bn

In annual investments in nature-based solutions needed by 2030 to meet biodiversity and land degradation targets

Businesses must familiarize themselves with **three key trends**:



**1.**  
A shifting political and regulatory landscape



**2.**  
Trends in markets and financing



**3.**  
Improved analytics and an emerging standard for assessment and reporting

The Taskforce on Nature-related Financial Disclosures (TNFD) is developing a cross-industry framework for organizations to assess, report, and act on nature-related risks and opportunities.

Businesses can work to incorporate nature in their agenda and capitalize on new opportunities by **building on the following strategies**:

Integrate nature into corporate risk governance

Manage complexities in assessment & align reporting with emerging standards

Leverage innovations in risk management

Identify new market and financing opportunities

## LEARN MORE ABOUT HOW MARSH MCLENNAN CAN HELP

<b>Integrate nature into corporate risk governance</b>	<ul style="list-style-type: none"><li>• Advisory on nature-related targets and strategies and integration into existing ERM frameworks</li><li>• Structuring of sustainability teams, board/executive compensation, and performance management</li><li>• Crafting sustainability narratives for internal and external stakeholders</li><li>• Workforce analytics, strategy, and management</li></ul>
<b>Manage complexities in assessment and align reporting with emerging standards</b>	<ul style="list-style-type: none"><li>• Choosing, adapting, implementing nature-related risk assessment frameworks</li><li>• Identification of data and tools to assess nature-related risks and opportunities</li><li>• Advisory on changing regulations and disclosure requirements</li><li>• Advisory on strategic opportunities for stakeholder collaboration on reporting</li></ul>
<b>Leverage innovations in risk management</b>	<ul style="list-style-type: none"><li>• Risk advisory, including impact assessment for specific nature-related risks and locations</li><li>• Portfolio analysis and modelling, capital modelling</li><li>• Natural capital quantification and modelling</li><li>• Advisory on alternative risk transfer solutions (e.g., parametrics)</li><li>• Advisory on innovative solutions for business continuity, crisis management, contingency planning (e.g., nature-based solutions)</li><li>• Re/insurance brokerage (e.g., property, business continuity, supply chain, agriculture, environmental liabilities, professional and D&amp;O liabilities)</li></ul>
<b>Identify new market and financing opportunities</b>	<ul style="list-style-type: none"><li>• ESG and responsible investment advisory and delegated asset management</li><li>• Advisory on novel financing opportunities (e.g., sustainable bonds, biodiversity-focused funds)</li><li>• Natural capital quantification and modelling</li><li>• Advisory on PPPs and blended finance solutions</li><li>• Risk and strategic advisory on energy efficiency and sourcing, water availability and quality, waste and the circular economy</li></ul>

To speak with a Marsh McLennan expert about how we can help, contact us at [advantagemarketing@mmc.com](mailto:advantagemarketing@mmc.com).

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