

Evaluate

During this second phase of the LEAP approach, the main objective was to identify the interactions between our direct operations and ecosystems, while also determining how we depend on ecosystem services for the continuity of our business.

- Methodological Development.

The "Assess" phase was carried out through a process structured around two main pillars: sector-specific materiality analysis and value chain assessment in our direct operations.

Assessment Methodology	
Activity	Tools
Sector-Specific Materiality Analysis Sector-level filter by specific ISIC groups in retail trade	SBTN Materiality Screening Tool (2024) ENCORE (2024)
Quantitative Impact Assessment Combined Measurement of Pressure + State of Nature + Biodiversity	WWF Water Risk Filter (WRF 3.0)
Qualitative Assessment of Dependencies Assessment of Ecosystem Services Based on Operational, Financial, and Social Impacts	Workshop with key Liverpool staff members

Sector-Specific Materiality Analysis

To establish an initial sector-based filter, we used the SBTN Materiality Screening Tool (MST 2024) and the ENCORE platform (2024). The analysis was applied to the International Standard Industrial Classification (ISIC) groups corresponding to the company's activities:

- Retail sales in non-specialty stores.
- Retail sales outside of stores, stalls, or markets.

Using this methodology, we identify the environmental pressures and dependencies on ecosystem services that are material to our business sector.

Quantitative Assessment of Impacts on Nature.

Based on the 11 environmental pressure categories proposed by TNFD and SBTN, the sectoral analysis identified water use, greenhouse gas (GHG) emissions, and air pollutants as material pressures for the retail sector's direct operations. For this stage, an in-depth quantitative assessment was conducted, focusing on the pressure of water use.

To identify priority sites for attention, three dimensions of data were combined in accordance with SBTN guidelines:

- Corporate Pressure (P): Annual water consumption in cubic meters (m³) as reported by the Port of Liverpool.
- State of Nature Sensitive to Pressure (SoNP): Assessment of water availability in the

- watershed using the WWF Water Risk Filter (WRF 3.0).
- State of Nature: Biodiversity (SoNB): Assessment of freshwater habitat degradation and indices of aquatic species richness and endemism, also derived from the WWF Water Risk Filter.

Qualitative Assessment of Dependencies

To assess the extent to which our operations depend on nature, we combined data from the ENCORE tool with the business’s operational reality through a validation workshop with key staff from El Puerto de Liverpool. We evaluated 22 categories of ecosystem services, taking into account three severity criteria:

- Operational Impact: Degree of disruption or loss of inputs for operations resulting from the degradation of the ecosystem service.
 - Financial Impact: Magnitude of economic losses or changes in profit margins.
 - Social and Sectoral Impact: Level of impact on community access and sectoral dependence on the resource.
- Results

Impact Prioritization: Water Use

The quantitative assessment of each of the sites operated by El Puerto de Liverpool made it possible to establish a precise ranking that identifies where water consumption pressure coincides with areas of greatest water vulnerability and high biodiversity value. The Moctezuma watershed is the priority watershed, as it contains several of our most critical locations requiring immediate action.

The sites with the highest priority are those that combine significant annual water use with a presence in areas experiencing high or very high water stress, pre-existing wetland degradation, and a high abundance of endemic species.

These results directly complement the first “locate” stage of the LEAP approach, in which we identify key sites that overlap with ecologically sensitive areas within the immediate buffer zone (2 km).

Assessment of Dependencies on Ecosystem Services.

Of the 22 categories evaluated on the ENCORE platform, 10 material dependencies were identified for our sector. After qualitatively weighing these dependencies against the operational reality at El Puerto, the results were classified as follows:

Classification of Material Dependencies
Moderating Factors (Key Ecosystem Services)
Water Supply
Water Flow Control
Flood Mitigation
Storm Mitigation

Lower-Level Dependencies (Secondary Ecosystem Services)
Global Climate Regulation
Regulation of Precipitation Patterns
Local Climate Regulation
Air Filtration
Soil and Sediment Retention
Biological control

- Moderately Dependent Ecosystems (Operational Priority): Services related to water supply and the protection of physical infrastructure against extreme weather events. Any serious disruption to these ecosystem services could result in higher maintenance costs or temporary operational disruptions.
- Low-Priority Functions: Services related to global and regional climate regulation, air filtration, and biological control, which have a minor impact on direct business continuity.