

Measuring Nature-positive Outcomes from Business Actions

This is part of a series of CEO Briefings. Previous editions include:

→ [Investing in a Nature-positive, Net-zero and Equitable Global Economy](#)

→ [Leading a Sustainable Land Use Transition](#)

Key messages

- Nature is the foundation of the global economy.** Over half the world's GDP – [\\$44 trillion](#) – depends either moderately or highly on nature and its services.
- Regulators, investors, consumers and broader society are increasingly focused on accountability and closely examining companies' interactions with nature.** Robust internal assessment and transparent, voluntary reporting on impacts, dependencies, risks and opportunities can help businesses support their nature-positive claims and avoid being accused of greenwashing. At the same time, they help companies set realistic time-bound targets and take meaningful action to manage risks and opportunities.
- Consumer and investor preferences are shifting, creating a [\\$10.1 trillion commercial opportunity](#) each year for companies that pivot to a nature-positive pathway.**
- To mitigate reputational and regulatory risks and unlock commercial opportunities, businesses must take action now.** This involves **assessing** and valuing their impacts and dependencies on nature; **committing** to set transparent science-based targets; **transforming** their business model to reduce and avoid negative impacts and invest in conservation and restoration; and **disclosing** nature-related information. Effective measurement can support all aspects of this approach.
- Business leaders can take immediate steps to identify nature-related risks and opportunities specific to their sector and company.** While the definitions and measurements associated with nature are rapidly evolving, this needn't be an obstacle to urgent action. Alignment on frameworks, methods and tools is emerging and companies are already learning by doing – increasing transparency and engaging in shaping the emerging consensus on nature-related metrics and targets.
- Assessing (screening and measuring) and disclosing business impacts on nature is the first step.** Companies can follow existing guidance, use available data platforms and analytical tools, and form partnerships along their supply chains and across sectors to build their measurement capabilities and raise their ambition.

This briefing seeks to:

- Empower leaders to take steps to effectively measure the impacts of their business and get ahead of upcoming regulations;
- Provide an overview of how the nature-positive outcomes of business actions can be measured and highlight crucial resources.

This document is produced with input and support from:

Nature-positive business action outcomes – moving from WHY to HOW

- **The science has never been clearer:** Humans are degrading the global commons – the Earth’s interlinked life support system – faster than they can regenerate and critical ecosystems are at tipping points. This is threatening the ability of all life to continue thriving on Earth and undermining the foundation of the global economy.
- **The focus has now turned to nature positive as a global goal to halt and reverse nature loss by 2030.** While the concept of nature positive has undoubtedly gained traction in recent years, work has now started to translate this ambition into a clear set of universal principles and concrete transition plans for businesses and financial institutions.
- **Efforts to define and measure nature positive in the business context** with clear baselines, timelines and specific metrics are well underway. Useful resources are available to help organizations make credible commitments and kickstart their actions. [Many companies](#) have already taken the first steps in transforming their businesses in line with understanding their impacts and dependencies on nature and reducing their negative impacts.

Setting guardrails for claims and commitments for nature-positive business actions

Nature positive is broadly understood using three key milestones: “[to halt and reverse nature loss from a baseline of 2020, by 2030, with a view of full recovery by 2050](#)”. The [post-2020 Global Biodiversity Framework \(GBF\)](#), due to be adopted at the UN Biodiversity Conference taking place in Montreal, Canada, in December 2022, is expected to reflect this goal.

However, work is still ongoing to translate the nature-positive goal into measurable and accountable business action, with guidance to help companies embed nature into business models under development. Below is a non-exhaustive list of available guidance, with further guidance materials expected throughout 2023 from a range of organizations and working groups.

Guidance provider	Guidance description
Business for Nature (BfN)	How business and finance can contribute to a nature positive future now – discussion paper
EU Business@Biodiversity Platform	Working definition of nature positive in a business context
IUCN	Towards an IUCN nature-positive approach: a working paper (under consultation)
Science Based Targets Network (SBTN)	Interim target setting “Nature-positive” – an opportunity to get it right Draft technical guidance on freshwater-related targets (science-based targets for nature v1 including freshwater and land coming in early 2023)
World Business Council for Sustainable Development (WBCSD)	What does nature-positive mean for business? Value-chain roadmaps to nature-positive (guidance on maturity levels for the high-level actions coming in December 2022)

- Various standard-setters and guidance providers are collaborating to ensure consistency in reporting requirements, minimize the reporting burden, and encourage company feedback and input as the frameworks take shape.
- Meanwhile, mandatory requirements to assess and disclose business impacts and dependencies on nature are being negotiated in the [post-2020 Global Biodiversity Framework](#). These mandatory requirements are expected to be implemented at the national level when agreed upon.
- The Taskforce on Nature-related Financial Disclosures (TNFD) is developing a nature-related reporting framework for the assessment, management and disclosure of nature-related risks and opportunities. The TNFD framework is integrative and builds and draws on existing methods and tools, such as the Natural Capital Protocol and draft methods for science-based targets for nature, and consolidates metrics in existing reporting standards.

HOW businesses can start measuring their nature-positive business action outcomes

- Nature's multi-faceted features make it complex to measure using a single metric or methodology. The [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#) defines it as encompassing four realms – freshwater, ocean, land and atmosphere – with biodiversity as an [essential characteristic of nature that enables ecosystem assets to be productive, resilient and able to adapt to change](#). Nature is also location-specific and not exchangeable. For example, even though one tonne of CO₂ in the atmosphere is equivalent to the same anywhere else in the atmosphere, one tree in the Amazon is not equivalent to one tree in the Boreal forests of the North.
- Despite this complexity, business leaders can take the first step to **assess and measure their company's impacts on nature** to prepare them for a more systematic assessment of their impacts and dependencies on nature and the related risks and opportunities:
 - An assessment (see example output below) can help companies identify which value chain activities are [driving their most material impacts](#) – through, for example, drivers of nature change such as pollution, land-/sea-use change, climate change, direct exploitation, and invasive alien species – and thus prioritize the most material impacts when taking business action.
 - The [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#) outlines a four-step approach to assessment that companies can perform to complete a detailed review of their impacts and dependencies and assess risks and opportunities.

		Value chain		
		Upstream (supply chain)	Direct operations	Downstream (retail)
Realms of nature	Biodiversity (as a characteristic of nature)			
	Freshwater	Water use	Water use	
	Ocean		Chemical runoff	
	Land	Deforestation Land-use change		
	Atmosphere		GHG emission	GHG emission

Legend for materiality levels:

- Most material (Dark Green)
- Medium-level material (Medium Green)
- Least material (Light Green)

Illustrative example of a company in the fashion industry, inspired by [SBTN draft technical guidance](#) and [TNFD v0.2 framework](#)

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- In addition to a company's impacts on nature, another important aspect is for companies to understand, measure and disclose their dependencies on nature and the ecosystem services it provides; for instance, an agriculture company's dependence on pollination services, freshwater, soil health and pest control.
 - When considering what data and metrics to use to complete their assessment, business leaders can **start with the tools available today**. For data, for example, companies can screen for direct impacts at the site or project level using the proximity of their facilities to critical species and ecosystems and use sector averages to estimate their impacts (e.g. overlay a map of cotton cultivation farms with water-scarce areas and using average water consumption data for the sector to cultivate one kilogramme of cotton). Similarly, companies can then screen for impacts and dependencies across their supply chain.
 - As businesses build their measurement capabilities over time, they can adopt more accurate measurement methodologies using company-specific impact drivers and primary data collected on-site, supported by increased transparency, methodological progress, and improved strategies.
- Companies can also monitor improvements in the **state of nature** as an outcome of their actions and the **nature-related risks, opportunities and magnitude of financial implications** for their business.

WHAT to use to start measuring nature-positive business actions

Nature's complexity requires businesses to adopt a step-by-step – yet urgent – approach to measurement. Guides, data platforms and reporting frameworks are available to help them kickstart their nature-positive actions, build their capacity for measurement as they move forward and prepare for upcoming disclosure requirements.

A suite of indicators is also available to measure nature-positive trends. These indicators can be categorized into:

1. **Pressures or impact drivers** (e.g. land-use change)
2. **Those that capture the state of nature** (e.g. ecosystem intactness or functioning)
3. **Impacts** (e.g. change in ecosystem intactness and/or functioning caused by pressures or impact drivers).

Guidance on measurements

Topics	Guidance description	Guidance provider
Business impacts and dependencies, risks and opportunities	Draft technical guidance on assessing and prioritizing	Science Based Targets Network (SBTN)
	Natural Capital Protocol	The Capitals Coalition
	TNFD's beta Nature-Related Risk & Opportunity Management and Disclosure Framework	Taskforce on Nature-related Financial Disclosures (TNFD)
	A Biodiversity Guide for Business (including information on the Biodiversity Risk Filter Tool available from early 2023)	WWF
Data platforms and analytical tools (e.g. ENCORE, Integrated Biodiversity Assessment Tool (IBAT))	A Landscape Assessment of Nature-Related Data and Analytics Availability	Taskforce on Nature-related Financial Disclosures (TNFD)
	TNFD tools catalogue	

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Measurement approach for **biodiversity** as a key characteristic of nature (e.g. Species Threat Abatement and Restoration metric (STAR); Global Biodiversity Score (GBS); Product Biodiversity Footprint (PBF); Essential Biodiversity Variable (EBV))

[Recommendations for a standard on biodiversity measurement and valuation](#)

UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), Capitals Coalition, Arcadis and ICF under the Align project

[Biodiversity measurement navigation wheel 1.0](#)

EU Business@Biodiversity Platform

[Guidance on metrics for impacts and dependencies on nature](#)

Taskforce on Nature-related Financial Disclosures (TNFD)

[Finance for Biodiversity: Guide on biodiversity measurement approaches](#) for the finance community

Finance for Biodiversity Foundation and EU Business@Biodiversity Platform

Reporting mechanisms

Topic	Standard-setter	Guidance description
Reporting framework (how to assess and what to disclose)	Taskforce on Nature-related Financial Disclosures (TNFD)	Risk and opportunity management disclosure framework (Beta v0.3)
Reporting standards – mandatory	European Sustainability Reporting Standards (ESRS)	Draft European Sustainability Reporting Standards
(what and how to disclose)	International Sustainability Standards Board (ISSB)	General Sustainability-related Disclosure requirements Climate-related Disclosure requirements
Reporting standards – voluntary	Climate Disclosure Standards Board (CDSB)	Guidance for biodiversity-related disclosures
(what and how to disclose)	CDP	CDP disclosure questionnaires on climate change, forests and water security
	European Financial Reporting Advisory Group (EFRAG)	Biodiversity standards (still under development)
	Global Reporting Initiative (GRI)	GRI Topic Standard Project for Biodiversity – Exposure draft
Third-party benchmarking (assessment of disclosures)	World Benchmarking Alliance (WBA)	Draft methodology for the 2022 nature benchmark to assess corporate impact on nature and benchmark company performance

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Partnerships between companies and with organizations working to strengthen nature-related measurement capabilities, data availability and accountability – such as the [Nature-related Data Catalyst](#), the [Forest Data Partnership](#), [Varda's soil data platform](#) and the [Global Commons Alliance's Accountability Accelerator](#) – can also address data gaps and catalyse nature-positive business action outcomes along supply chains and across sectors. An example of a sector partnership is [Textile Exchange's Biodiversity Benchmark](#), which tracks the progress of over 200 companies in the apparel and textile sector.

The expectations of the role businesses can play in halting and reversing nature loss are growing. The economy is destined to undergo urgent and systemic change to address the intertwined climate and nature crises. Consumers, investors and regulators will need to work together to drive both credible nature-positive action and increased transparency and accountability from companies.

The co-authors of this briefing will continue to partner to develop clear pathways for businesses through the tools and frameworks highlighted above.

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