

# Putting nature and biodiversity loss on the business agenda

*How protecting nature and introducing nature-positive strategies can lead to innovation, job creation, and improved resilience to future shocks.*

Deloitte Center for Integrated Research



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# Introduction

**A** The brittle state of the natural world might not *feel* like a business issue. But it is. Leaders in the private and public sectors are, at last, working together to solve the climate crisis with measurable progress in rhetorical urgency, government incentives, and sustainability initiatives. Too few, though, seem to grasp the centrality of protecting and restoring nature and biodiversity.

Indeed, the business community still has a long way to go to fully embrace this issue: Of the 350 global companies assessed by the World Benchmarking Alliance in October 2023, “the overwhelming majority do not yet really understand how they affect and rely on nature.”<sup>1</sup>

It’s time to change the thinking about biodiversity, and what can be done to align strategy and priorities to make preserving and restoring nature part of doing business.

Business leaders should no longer ignore their companies’ dependencies and impacts on nature. Nature’s condition is central to how society functions as well as how businesses across industries operate. In ways both obvious and hidden, nature is critically important to our lives and livelihoods; its breakdown can threaten the way we currently live, work, and do business. Failing to preserve and restore biodiversity presents short- and long-term risks to business models along with the broader business environment.

Transformational change is necessary: The business community should account for natural capital in both long-term planning and everyday practice. To do so requires a *nature strategy*, beginning with acknowledging how nature and natural resources are embedded into business operations and then incorporating consideration for biodiversity impact into practice in much the same way as organizations have adjusted to incorporate climate impact into business plans.

And there are likely real opportunities for businesses that lead the transition to a nature-positive growth economy, in new products, markets, business models, and revenue streams.<sup>2</sup> In fact, from every metric that matters to the future of a thriving society, a nature-positive strategy delivers value. If we pivot our efforts to nature-positive business models now, it could create 395 million jobs by 2030 and US\$10 trillion of global GDP growth.<sup>3</sup>

But the headwinds to change are strong, and moving forward demands both commitment to nature-positive transformation and the funding to make it happen—and effort isn’t cheap. There is currently a US\$711 billion average annual funding gap between what analysts estimate the world needs to spend to reverse biodiversity loss and what it will actually spend per year from 2020 to 2030.<sup>4</sup> That’s why it’s so important for business leaders to embed the value of nature as central to good governance, not only mitigating significant risks but also looking to take advantage of overlooked opportunities.<sup>5</sup>

We can choose a brighter path together.

# How does nature impact the economy?

Natural ecosystems deliver the fundamental elements on which all life depends: clean air, temperature control, fertile soil, and clean water.

A diverse, healthy, natural world is necessary for our personal health, livelihoods, and well-being because strong wildlife and natural ecosystems contribute to a robust economy, diverse food products, and advancements in medical research.<sup>6</sup>

Biodiversity plays a fundamental role in maintaining the health, productivity, and stability of the many natural systems on which all life on Earth depends.<sup>7</sup> Just as diversity within a portfolio of financial assets can reduce risk and uncertainty, a robust, balanced array of natural assets within ecosystems helps enable nature to be productive, adaptable, and resilient to shocks.<sup>8</sup>

Natural capital is an approach that considers nature within an economic context, one in which natural assets such as forests and oceans provide a range of ecosystem services that represent economic and social goods.<sup>9</sup> Think of natural capital as a concept along the lines of produced capital (roads, buildings, and factories) and human capital (health, knowledge, and skills).<sup>10</sup>

If not for nature’s regulating services, for example, the climate crisis would likely be far more severe. Forests, healthy soils, and other natural systems draw down carbon and filter air and water. Jungles, savannahs, and mangroves act as buffers against infectious diseases and storm surges. Forests channel moisture into rivers that irrigate crops, while their roots prevent landslides.<sup>11</sup>

The types of ecosystem services that nature provides to the economy and society can be largely categorized into one of four types:

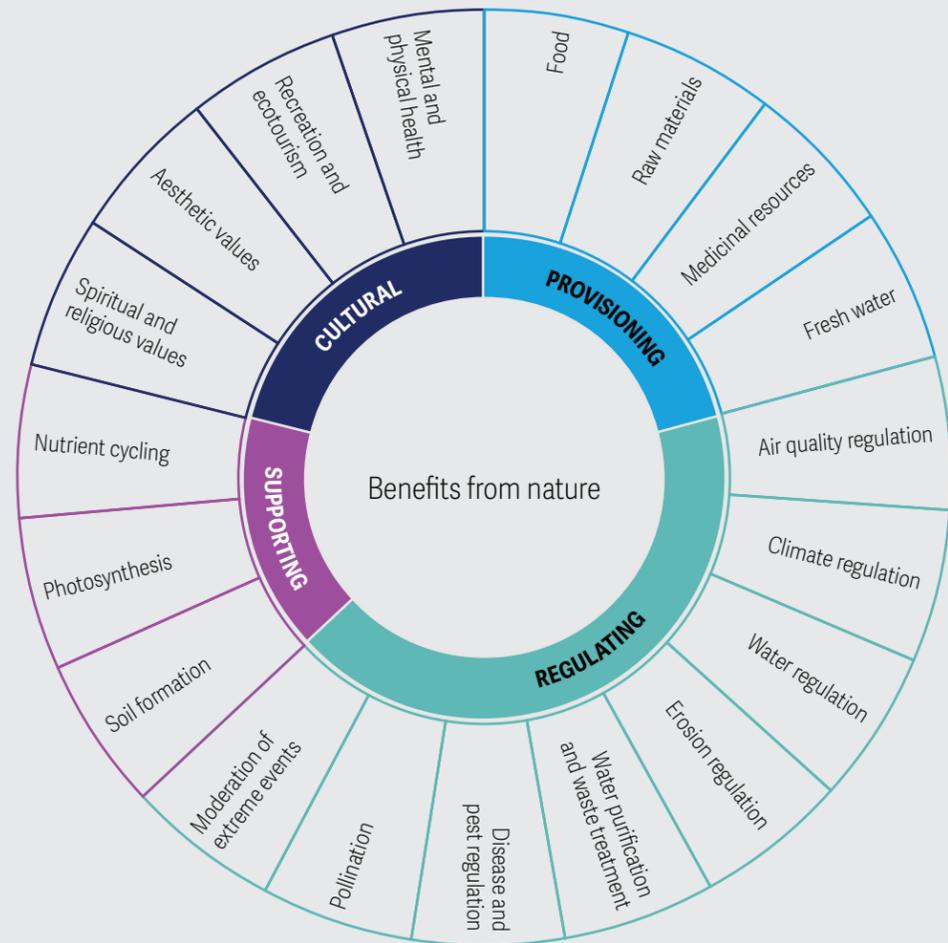
1. **Provisioning:** Nature gives humans ways to keep themselves fed, clothed, and sheltered.
2. **Regulating:** Nature does many things to make our planet livable, from holding back storm surges to capturing carbon and filtering air and water.
3. **Cultural:** Nature plays a central role in religious and spiritual traditions.
4. **Supporting services:** Nature provides the building blocks of biology, physics, and chemistry—and the processes and institutions built on them.<sup>12</sup>

The cumulative degradation of these ecosystems creates tangible risks to business, which should be accounted for in the company’s understanding of its assets and operations. These considerations include:

- Lower revenue and higher costs due to a reduced supply of quality natural resource inputs
- A reduction in workforce size and productivity due to the health impacts of nature loss (for example, chemical and plastic pollution)
- Higher insurance costs and risk of asset repricing or stranding due to irreversible damage to natural assets (for example, loss of physical assets from natural disasters)
- Loss of nature undermining the ability to reach climate goals<sup>13</sup>

Figure 1

## Nature's ecosystems provide essential services to human society



Source: WWF, Living Planet report 2016: Risk and resilience in a new era, 2016.

## Why is nature a business issue for companies across industries?

The natural world is irreplaceable. A vibrant, vital natural world is necessary for our health, livelihoods, and well-being. Industries draw on nature and depend on healthy ecosystems.

**T**he planet is on a dangerous path. Human economic activities are driving both biodiversity loss and climate change, which mutually reinforce each other.<sup>14</sup> When human activities produce greenhouse gases, around half of the emissions remain in the atmosphere, while the land and the world's oceans absorb the other half. These ecosystems—and the wide range of life forms they contain—are natural carbon sinks, providing nature-based solutions to sequester carbon dioxide and prevent further climate change.<sup>15</sup>

Global warming is thereby damaging the earth's ecosystems and impairing their ability to absorb carbon,<sup>16</sup> while the impacts of the global economy continue to destroy nature: 32% of the world's forest area has been lost, along with 50% of the coral reef systems,<sup>17</sup> and more than 85% of wetlands.<sup>18</sup> Deforestation in the Amazon rainforest and other critical ecosystems, for example, has actually transformed places that have stored carbon for thousands of years into sites that produce carbon. Wetlands such as salt marshes and mangrove swamps can absorb large amounts of carbon, but development has paved over many.<sup>19</sup> Because these ecosystems contribute to government and business functions, it's becoming clear that having demands on nature far exceed its capacity to supply—could point economies and societies in the direction of extreme risks and uncertainty,<sup>20</sup> threatening the very systems that keep life going.<sup>21</sup>

The business risks of a loss of biodiversity and nature are tangible and severe, including rising commodity prices, job losses, and resource shortages such as disruption to access to critical minerals and metals. The hazards to humanity are broader: Losing habitat, landscape, and species compromises water supply and quality, food supplies, and more, could force migrations of animals and citizens and potentially threaten economic development, trade agreements, equality efforts, and peace between nations.<sup>22</sup>

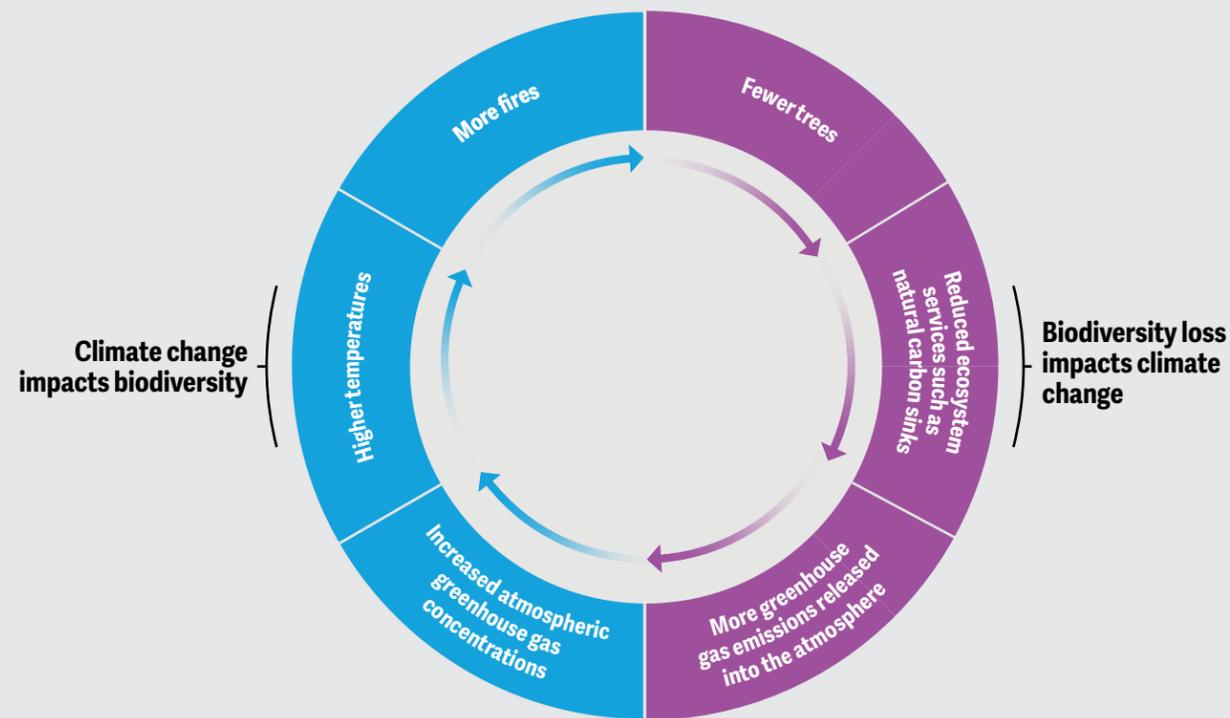
Approximately half of the world's GDP depends moderately or highly on nature—and without which it would be impossible to sustain the other half.<sup>23</sup> The World Wildlife Fund described the urgency for action like so:<sup>24</sup>

*“The evidence is unequivocal—we are living through the dual crises of biodiversity loss and climate change driven by the unsustainable use of our planet's resources. Scientists are clear: unless we stop treating these emergencies as two separate issues neither problem will be addressed effectively.”*



Figure 2

### Climate change and biodiversity loss are mutually reinforcing—to solve one requires considering the other



Note: Reduced ecosystem services extend beyond loss of carbon capture potential and include provisioning, regulating, cultural and supporting services, such as the loss of food, medicine, and livelihoods provided by nature.

Source: Deloitte analysis based on review and synthesis of the IPBES-IPCC, "Biodiversity and Climate Change Scientific Outcome," report and the United Nations, "Biodiversity – our strongest natural defense against climate change".

## Which industry activities are having an impact on nature and biodiversity loss?

Industries draw on natural resources, and humans' unsustainable use of land, water, and energy is contributing to nature's decline resulting in a mass extinction.

Experts believe we are witnessing the sixth mass extinction in the planet's 4.5 billion-year history.<sup>25</sup> Of the world's estimated 8 million species of plants and animals, 1 million are threatened with extinction, many within decades.<sup>26</sup> Natural phenomena caused the first five extinctions, from the Ordovician-Silurian extinction 444 million years ago to the Cretaceous-Tertiary extinction 65 million years ago—the one that wiped out the dinosaurs.<sup>27</sup> This one is being caused by man.<sup>28</sup>

Businesses across industries draw on natural resources and have direct and indirect impacts on the environment. Nature is depleted and biodiversity is compromised resulting in unhealthy, less resilient ecosystems with lower productivity and lower quality of services (which include maintaining the soil, purifying the water that runs through it, and supplying food and shade).<sup>29</sup>

Four major value chains—food, energy, infrastructure, and fashion—drive more than 90% of human-caused pressure on global biodiversity.<sup>30</sup> Humans have converted half of the planet's habitable land to agricultural use, more than three-quarters of that for livestock.<sup>31</sup> Agriculture is responsible for 90% of global deforestation and accounts for 70% of the planet's freshwater use, impacting the species that inhabit those places by significantly altering their habitats.<sup>32</sup>

Consider, too, that many sectors—including chemicals and materials; aviation, travel, and tourism; real estate; mining and metals; supply chain and transport; and retail, consumer goods, and lifestyle—may have low direct dependency on natural inputs but supply chains that would likely snap if their "hidden dependencies" on

nature were to break. In these sectors, more than half of their supply chains' gross value added is dependent on nature to some degree.<sup>33</sup>

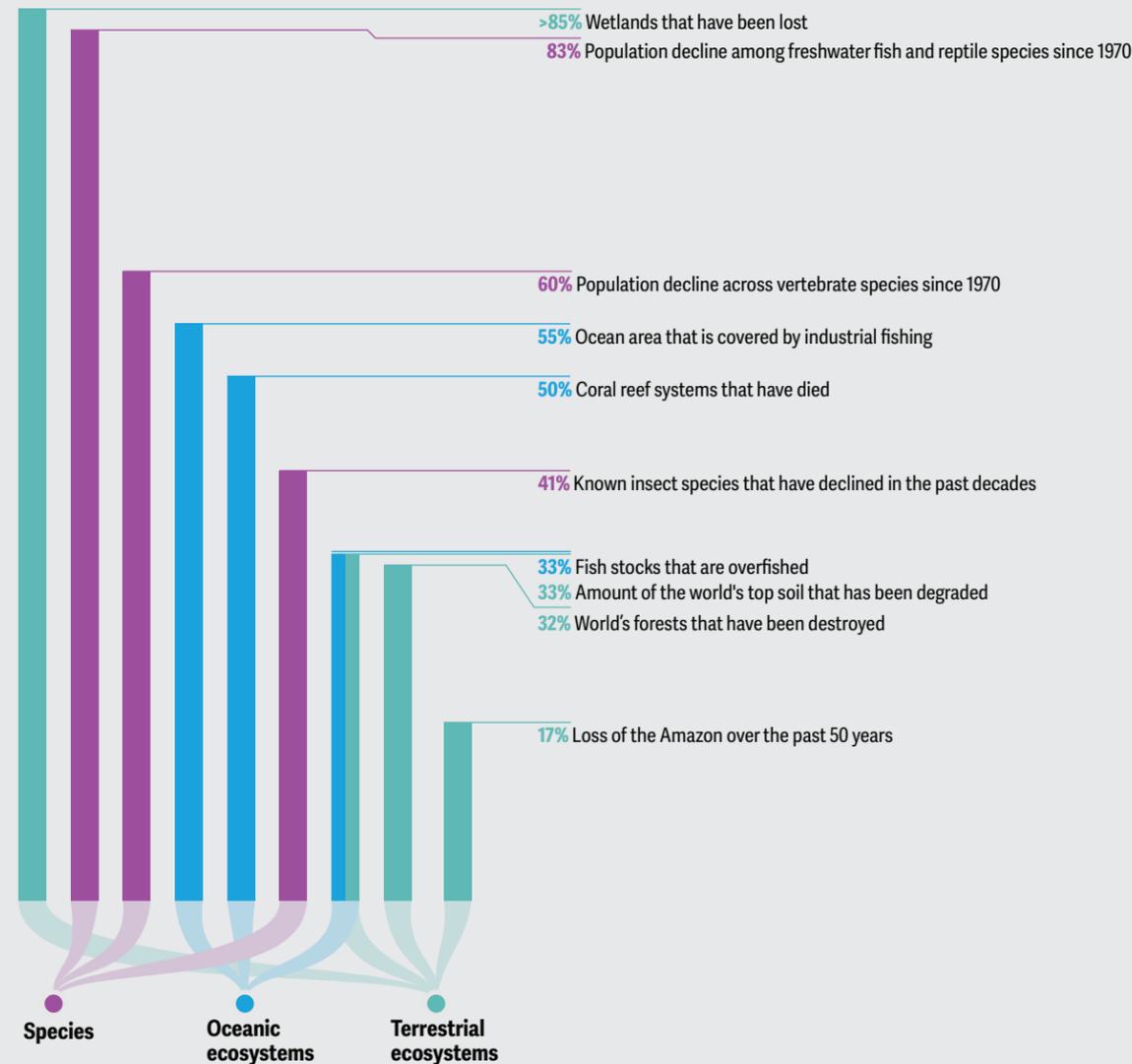
These impacts can be thought of as falling into one of two areas:

- **Direct impacts:** For some businesses, this connection with nature is obvious. The agriculture industry's reliance on pollination, soil quality, and fertilizer, is all threatened by environmental degradation.<sup>34</sup> Together, the three largest sectors that are highly dependent on nature—construction, agriculture, and food and beverages—generate close to US\$8 trillion of gross value added; other critical sectors include forestry, fisheries, energy, water, and outdoor recreation.<sup>35</sup>
- **Indirect impacts:** For others, the operational connection to nature is less obvious but still quite tangible—every company relies on a workforce dependent on access to clean air and water.<sup>36</sup> Nature loss can also make resources scarce and create socio-economic instability, disrupting the communities and markets in which companies operate.<sup>37</sup>



Figure 3

### Human activity across industries is eroding the world's ecological foundations



Source: World Economic Forum, *Nature risk rising: Why the crisis engulfing nature matters for business and the economy*, January 2020.

## How quickly should businesses act?

Government targets are becoming business mandates, and transformational change is required.

**B**usiness leaders may be just getting started, but governments around the world increasingly recognize the importance of halting and reversing nature loss. In December 2022, during the 15th meeting of the Conference of the Parties (COP15) of the Convention on Biological Diversity, more than 190 nation states committed to a set of ambitious goals and targets under the Kunming-Montreal Global Biodiversity Framework.<sup>38</sup>

**Kunming-Montreal Global Biodiversity Framework (GBF):** The GBF, nature's equivalent to the Paris Agreement on climate, sets out a pathway to reach the global vision of a world living in harmony with nature by 2050.<sup>39</sup> While the framework itself is voluntary, it's a crucial tool for the implementation of the Convention on Biological Diversity, a legally binding treaty.<sup>40</sup>

As Eva Zabey, CEO of Business for Nature, a global coalition that brings together business and conservation organizations, explained:<sup>41</sup>

*"Target 15 of the Global Biodiversity Framework, which commits governments to require all large companies and financial institutions to assess and disclose their nature-related risks, dependencies, and impacts, is set to transform the rules of the economic game."*

In addition to the goal of reserving a third of the planet for nature by 2030 (known as "30x30"), several of the 23 adopted targets may be particularly relevant for business:

- Target 14 states that governments must ensure the full integration of biodiversity and its multiple values into policies, regulations, and national accounting.<sup>42</sup>
- Target 15 expects large and transnational businesses to regularly assess and report on their dependencies and impacts on biodiversity; the aim is to progressively reduce negative impacts, increase positive impacts, and promote actions to ensure sustainable patterns of production.<sup>43</sup>
- Target 19 outlines a path to mobilizing at least US\$200 billion annually by 2030 for nature conservation, specifying that this includes leveraging private finance and encouraging the private sector to invest in biodiversity.<sup>44</sup>

**The Taskforce on Nature-related Financial Disclosures (TNFD):** The TNFD is a market-led, science-based, and government-supported global initiative established in response to the growing imperative to factor nature into financial and business decisions, the TNFD offers



guidance on disclosures and implementation to help shift capital flows to nature-positive outcomes.<sup>45</sup> It is led by 40 members and draws on the active input of market and non-market stakeholders from almost 60 countries.<sup>46</sup>

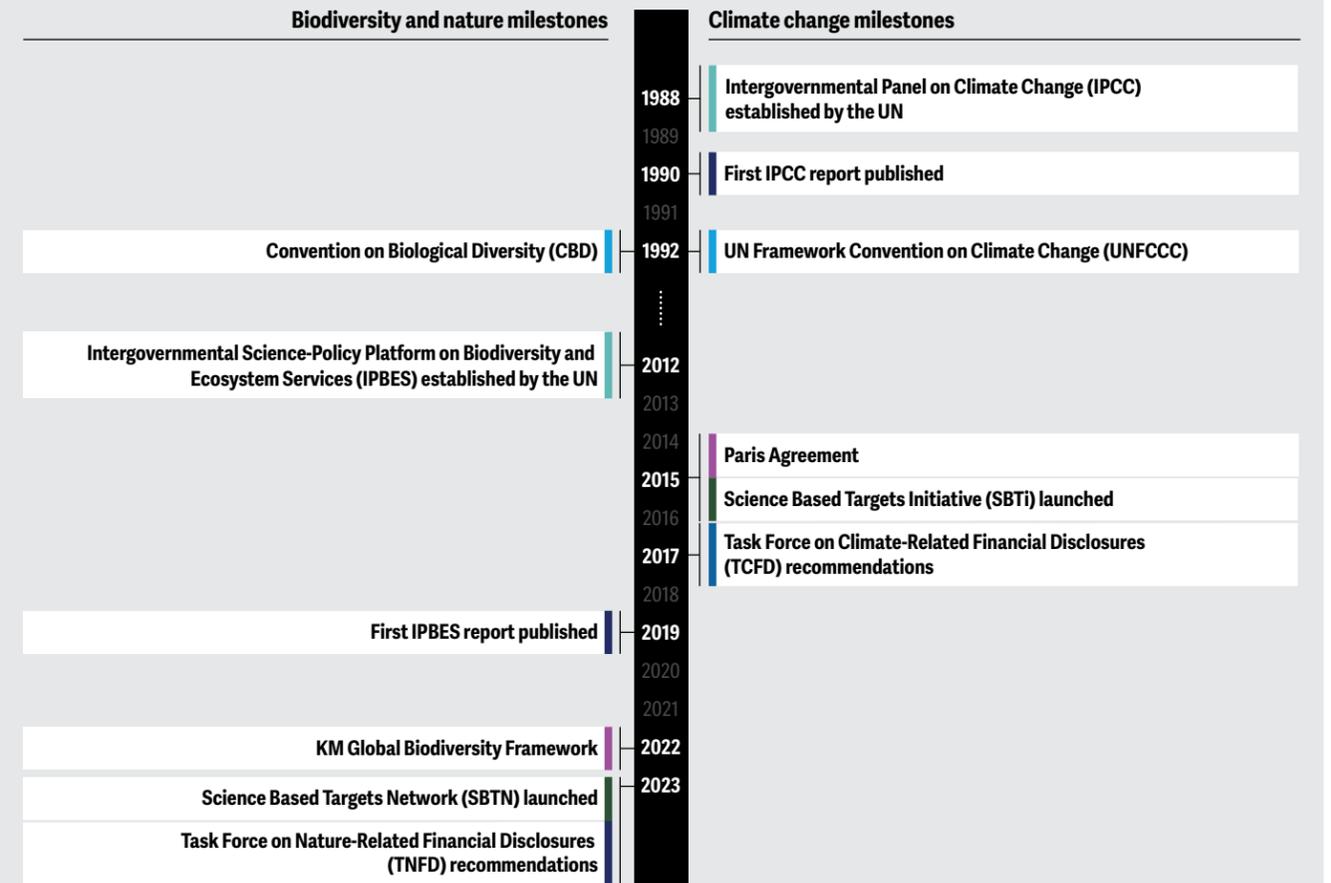
Unveiled in September 2023 after two years of pilot testing with more than 240 institutions worldwide, this guidance on disclosures has buy-in from stakeholders. More than 70% of those who contributed to the guidelines said

they “were likely” to start using the disclosure recommendations by 2025 or earlier.<sup>47</sup> As of January 2024, 320 organizations—including publicly listed companies representing US\$4 trillion in market capitalization and financial institutions representing US\$14 trillion in assets under management—from over 46 countries had committed to publishing TNFD-aligned disclosures as part of their annual corporate reporting.<sup>48</sup>



Figure 4

### The development of biodiversity and nature policy are on a similar path as climate action, and businesses need to be prepared



**Description**

<p><b>Foundational United Nations convention</b> Established during 1992 Earth Summit in Rio as a result of concerns over environmental issues</p>	<p><b>International scientific body established by the UN</b> IPCC and IPBES are made up of experts from around the globe to provide scientific assessments on climate change and biodiversity, respectively</p>	<p><b>International agreement on goals and time frames</b> The Paris agreement and KM GBF are international agreements signed by over 190 countries at COP21 and COP15, respectively</p>
<p><b>Comprehensive scientific assessment</b> IPCC and IPBES regularly develop and publish assessments on climate change and biodiversity, respectively</p>	<p><b>Science-based targets for businesses</b> SBTi focuses on science-based target for climate, for companies, while the SBTN focuses on science-based targets on nature</p>	<p><b>Disclosure recommendations</b> TCFD and TNFD provide frameworks for managing and disclosing climate and nature-related financial risks, respectively</p>

Sources: United Nations Climate Change, "The Paris Agreement. What is the Paris Agreement?"; United Nations Climate Change, "About the secretariat"; United Nations, "Convention on biological diversity, key international instrument for sustainable development"; IPBES, "Global assessment report on biodiversity and ecosystem services"; Science Based Targets Network, "Take action"; Taskforce on Nature-related Financial Disclosures, "Taskforce on Nature-related Financial Disclosures recommendations," November 2023; Convention on Biological Diversity, "Kunming-Montreal Global Biodiversity Framework," December 19, 2022.

# Are there business benefits to developing a nature strategy?

Yes. And likely far-reaching benefits to future generations as well.

Reimagining business strategies and models to be nature positive—on the way to reimagining the entire global economy—can offer real opportunities for new business models, job creation, and improved resilience to future shocks. A World Economic Forum report identified annual nature-related business opportunities worth US\$10 trillion that could create 395 million jobs by 2030.<sup>49</sup>

By embedding the value of nature as central to good governance, business leaders across industries, sectors, and geographies can take advantage of overlooked opportunities, including mitigation of increasingly significant risks associated with nature loss and exploration of new products, markets, business models, revenue streams, and supply chains.<sup>50</sup>

To move toward being nature positive, companies can introduce nature-based solutions. If they are incorporated in a thoughtful way alongside traditional solutions and science-based targets, these initiatives could help unlock the potential for protecting people and wildlife (figure 5).<sup>51</sup> Such initiatives are designed to preserve, restore, and manage nature while mitigating and providing resilience to climate change.<sup>52</sup> The scientific basis for nature-based solutions' benefits is unequivocal: They have the potential to supply one-third of the emission reductions and removals required for the global economy to be on-track by 2030 for achieving a net-zero carbon world by 2050.<sup>53</sup> Companies whose business directly or indirectly tap the natural wealth of forests, for example, can make a real impact by helping to protect and restore forests, home to 80% of the world's terrestrial biodiversity.<sup>54</sup>

Sustainable economic development likely requires the business community to take a different path, one that engages with nature as a valued partner, whose health enhances our collective wealth and the well-being of our children.<sup>55</sup> The complementary goals of “net-zero emissions by 2050” and “net-positive biodiversity by 2030” represent a shift toward a more sustainable development model that can help guide us toward a safer future for humanity.<sup>56</sup>

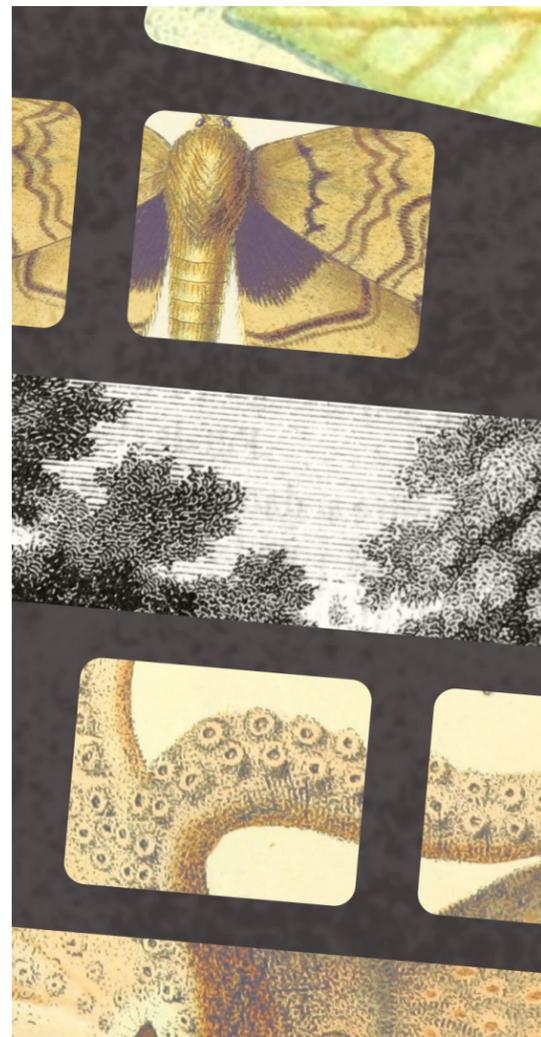


Figure 5

## Nature is an essential part of the solution to the interlinked emergencies of biodiversity loss and climate change

Nature-based solution	Forestry practices	Wetland-related practices	Restorative agriculture	City-based solutions	Ocean-based practices
Practices	Planting new forests, allowing forests to regrow naturally where they have been cut down, and improving forest management	Focusing on protecting, conserving, and restoring peatlands, wetlands, and watersheds	Practices that build soil carbon, such as no-till agriculture and cover crop rotation, to agroforestry and improved livestock management	Expanding green spaces, introducing porous surfaces to reduce flood risk, and restoring watercourses	Protecting mangroves; restoring seagrass meadows or growing kelp or shellfish to restore or expand marine ecosystems
Impact on nature	Protection of life and assets from intense fires  Stabilizing soils and slowing water runoff to help prevent landslides, soil loss, and siltation	Regulating water flow to protect the land from drought  Absorbing and filtering flood waters to help prevent asset loss and water contamination, and to increase yields	Protection against crop failures and livestock loss due to drought, and improving yields	Protection against urban flooding due to intense rainfall  Reduce heat stress due to urban heat islands	Reducing loss of land, livelihoods, and assets due to rising sea levels and coastal erosion  Protection of life and assets due to storm surges and inundation
Impact on emissions	Forest restoration and avoiding deforestation could provide one-third of the climate mitigation needed between now and 2030 to keep global warming below 2°C	Wetlands such as marshes and swamps cover only 3% of the world's land but store twice as much carbon as all forests combined	Improved management of cropland and grazing systems, such as soil conservation and the reduction of fertilizer use, are jointly estimated to offer annual climate change mitigation potential of 3–6 gigatons of carbon dioxide equivalent  Restoration through agroforestry has the potential to boost food security for 1.3 billion people and halve soil erosion	Annual investment of US\$100 million in urban tree planting could create enough shade to cut average temperatures by 1°C for 77 million people around the world	Ocean habitats such as seagrasses and mangroves can sequester carbon dioxide at rates up to four times higher than terrestrial forests

Sources: What are nature-based solutions?; Adapt now report, WRI & Global Commission on Adaptation, 2019; UN: Biodiversity - our strongest natural defense against climate change; IPBES & IPCC: press release - Tackling biodiversity & climate crises together and their combined social impacts.

# What are some of the barriers to change?

Transformative change is likely needed in how we produce, consume, govern, and what we finance.

Valuing nature goes well beyond putting a price on ecosystem services and conserving natural habitats. A nature-positive future can't happen without game-changing shifts in how we produce, how we consume, how we govern, and what we finance.<sup>57</sup>

To help avoid exceeding the limits of what nature can provide on a sustainable basis while meeting the human population's needs, governments, businesses, and citizens need to consider restructuring consumption and production patterns.<sup>58</sup> Shifting consumer preferences and better managing food supply can improve dietary choices, reduce post-harvest losses, and reduce food waste, contributing to eradicating poverty and eliminating hunger while promoting good health and well-being, clean water and sanitation, and climate action.<sup>59</sup> Interventions to help people, particularly in urban settings, understand and connect with nature could improve health and well-being and help empower citizens to make informed choices and demand needed change.<sup>60</sup>

Engagement with and support from local communities can be integral to nature-positive activities, partly because rural and indigenous communities often hold a wealth of knowledge in local ecosystems and partly because they may have the power to impact proposed projects.<sup>61</sup> By integrating contemporary non-indigenous ecology tools and technologies with traditional knowledge systems, organizations can develop a richer and more holistic understanding of the landscape.<sup>62</sup>

The effort to protect and encourage biodiversity faces a massive funding gap, estimated at over US\$711 billion

annually up to 2030.<sup>63</sup> While the public sector should play a leading role, governments alone may not be able to deliver the necessary financing. The resources the private sector could put forward for conservation far exceed those of governments and philanthropy.<sup>64</sup> Investors can help by redirecting financial flows toward sustainable investments and away from those that contribute to harming the environment, incentivizing further degradation, and fueling climate change.<sup>65</sup>

## Carbon markets

Carbon markets can be part of the solution. In putting a value on ecosystem services that nature-based solutions provide, they can help finance ecosystem protection and restoration goals as well as climate goals. Companies can use credits to leverage carbon markets to compensate for unavoidable emissions as they further their decarbonization efforts; innovators can use credits to help finance the investment and activity needed to develop nature-based solutions that remove and sequester emissions. The market is not without challenges and uncertainties, however, so companies should proceed carefully.<sup>66</sup>

(Carbon markets are a multifaceted and complex topic beyond the scope of this paper. For a deeper treatment, see "[How carbon markets should evolve to meet net-zero ambitions.](#)")

## Nature technology

Another core area where more investment should be considered is in nature technology. The current nature tech market size is approximately US\$2 billion and is estimated to triple over the next decade.<sup>67</sup> Though still comparatively small, the emerging nature tech could help

create trust to adequately fund nature-based solutions and help close the massive funding gap between what's needed and what's currently available.<sup>68</sup>

Nature tech encompasses any technology that can be applied to enable, accelerate, and scale up nature-based solutions. Such technology falls into four broad categories:<sup>69</sup>

- **Deployment** technology aims to alleviate the challenges that nature-based solution practitioners face; examples include drone-based technology to aid reforestation efforts and interventions to help farmers boost crop yield and livestock productivity.

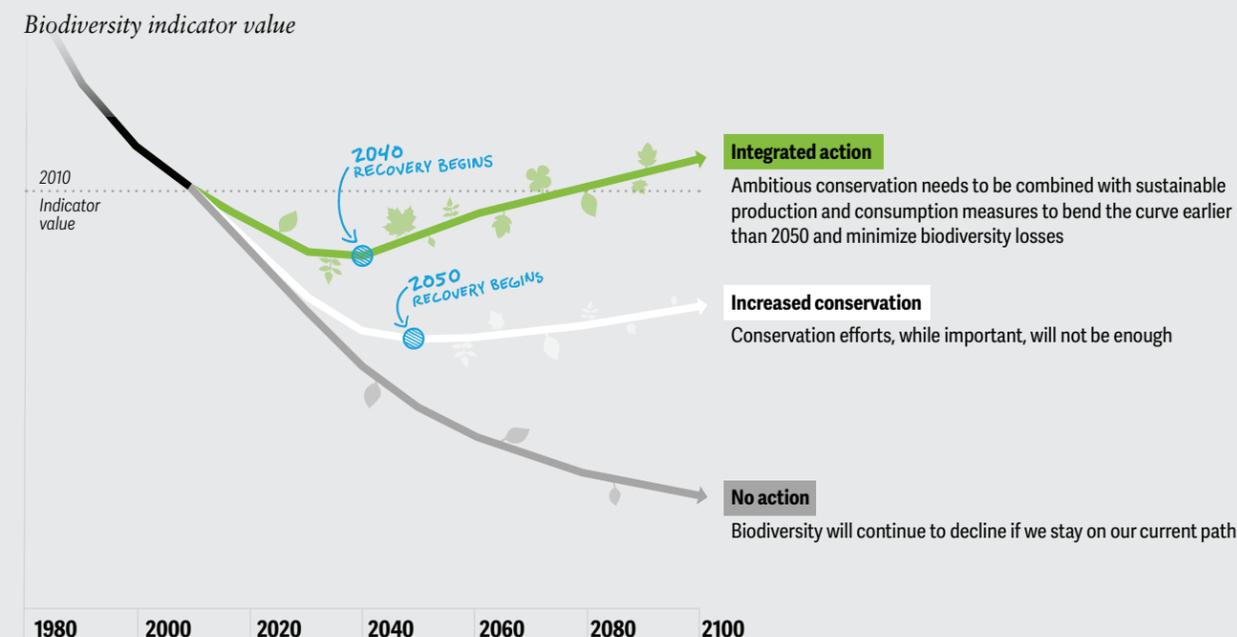
- **Monitoring, reporting, and assuring** refers to the process of measuring and reporting climate, biodiversity, and social benefits, with companies using technology such as satellite monitoring, LiDAR, and eDNA testing.

- **Transparency** makes visible natural assets' ownership, with blockchain making carbon transactions and registries secure and transparent.

- **Connection** includes mobile apps aimed at connecting local communities to higher-paying markets, with the goal of helping to make use of natural ecosystems sustainable.

Figure 6

## Ambitious action can bend the biodiversity curve toward nature positive-outcomes



Source: Rob Alkemade et al., *Living planet report 2022: Building a nature-positive society*, World Wide Fund for Nature, 2022.

## How can nature be managed within the context of a company's decarbonization efforts?

Effective climate action tends to be good for biodiversity and nature, too.

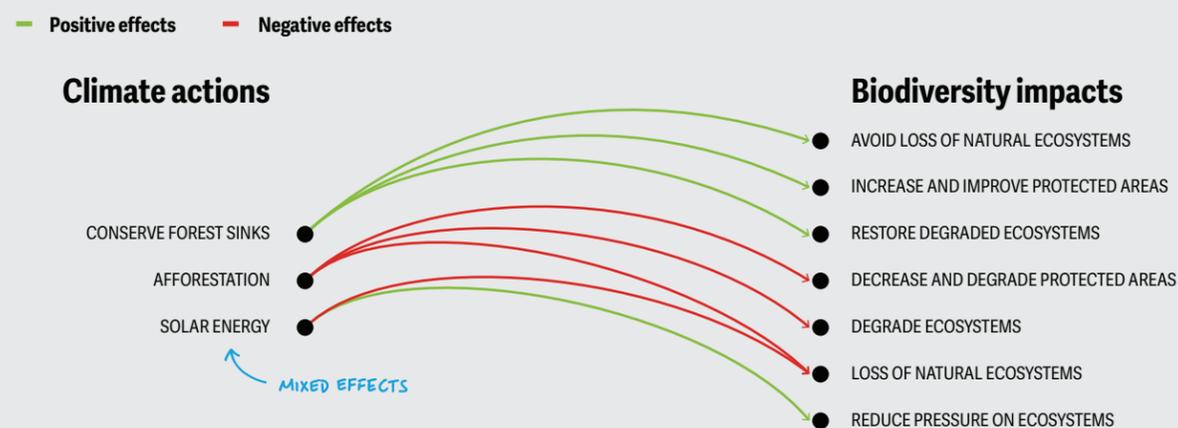
**M**any companies, and business leaders, are all-in on fighting the climate crisis, working to decarbonize for the benefit of stakeholders at every level. A company's nature strategy—defined as “a road map of how it will contribute to a nature-positive world”<sup>70</sup>—can complement its sustainability strategy, the efforts working in concert to mitigate risks and look to a sustainable future. We can't get to net zero without protecting and restoring natural habitats.

An integrated approach to climate and nature can ensure robust benefits to both. Safeguarding biodiversity,

especially in forest areas, can help control the impact of carbon emissions.<sup>71</sup> Forest restoration and avoiding deforestation could provide one-third of the necessary climate mitigation needed to keep global warming below 2°C.<sup>72</sup> Taking advantage of synergies between mitigating biodiversity loss and climate change,<sup>73</sup> while considering their social impacts, can offer leaders the opportunity to both boost benefits and reduce risks.<sup>74</sup> As the Intergovernmental Panel on Climate Change (IPCC) and Intergovernmental Science-Policy Platform on Biodiversity and Ecosystems Services (IPBES) have made clear,<sup>75</sup> “*Protection and restoration of carbon-rich ecosystems is the top priority from a joint climate change mitigation and biodiversity protection perspective.*”

Figure 7

### Not all climate actions are beneficial to biodiversity



Notes: While most climate mitigation actions imply positive benefits, a few can actually harm biodiversity. For example, solar installations can impact wildlife habitat depending on its size and location. Actions and impacts listed are illustrative, not exhaustive.

Source: Hans-Otto Pörtner et al., *Scientific outcome of the IPBES-IPCC co-sponsored workshop on biodiversity and climate change (version 5)*, Zenodo, June 24, 2021.

## Where can businesses access support with developing a nature strategy?

There are a range of stakeholders and frameworks to help support companies on their journey.

Although most companies are still building their biodiversity and nature programs, a range of stakeholders—including investors<sup>76</sup>—are urging them on. Nature-positive targets are likely to become core business benchmarks alongside carbon emissions targets, and leaders working to meet growing expectations to assess, disclose, and address their impacts and dependencies on biodiversity. The most important step is for businesses to begin their journey to establish and meet nature-positive goals.<sup>77</sup>

### Kunming-Montreal Global Biodiversity Framework (GBF)

Established during COP15, the GBF is a crucial tool for the implementation of globally aligned nature goals by 2050 and has several targets relevant for business.<sup>78</sup> See, “[How quickly should businesses act?](#)” for more information.

### Science-based Targets Network (SBTN)

In May 2023, the SBTN unveiled the first science-based targets for halting and reversing nature loss, helping leaders understand their companies' environmental impact and take integrated action across freshwater, land, ocean, biodiversity, and climate.<sup>79</sup> Coming on the footsteps of the Kunming-Montreal Global Biodiversity Framework, the targets provide a mechanism for companies to operationalize statements of principle on nature-based plans. They can also help companies assess and prioritize their environmental impacts and prepare to set targets, beginning with freshwater and land, alongside climate.

### Taskforce for Nature-related Financial Disclosures (TNFD)

The TNFD is a global, market-led initiative that establishes the relationship between nature, business, and financial capital by offering guidance for business and finance to identify, assess, and disclose their exposure to nature-related issues in a manner consistent with climate-related reporting.<sup>80</sup>

The recommendations are crafted to align with existing and emerging International Financial Reporting Standards (IFRS) Sustainable Reporting Standards and Global Reporting Initiative reporting standards<sup>81</sup> as well as with the requirements of the GBF.<sup>82</sup> Among the most significant guidance, the LEAP (locate, evaluate, assess, and prepare) approach helps guide organizations on how to assess and manage nature-related issues.<sup>83</sup> See, “[How quickly should businesses act?](#)” for more information.

### Intergovernmental Panel on Climate Change (IPCC) and Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)

The IPCC and IPBES, the world's leading scientific bodies on climate change and biodiversity, pointed to four pillars of actions as key to scaling up benefits for climate and nature:<sup>84</sup>

- **Protect:** covers avoided deforestation and forest degradation as well as conservation of carbon-rich ecosystems, such as freshwater systems and coastal areas
- **Restore:** includes ecosystem restoration of degraded areas, such as forests, peatlands, and coastal wetlands



- **Manage:** encompasses improved supply- and demand-side practices across agriculture, forestry, fishing and other areas
- **Create:** includes activities such as greening urban spaces, technological-ecological synergies, and emerging habitats

**World Business Council for Sustainable Development (WBCSD)**

The WBCSD has developed foundational guidance for all businesses, including sector-specific “Roadmaps to Nature Positive” which lay out the steps companies should take to set science-based targets for nature, report against the TNFD recommendations, and prioritize actions aligned to the GBF.<sup>85</sup>

There are a number of publications available to help develop your perspective on this topic. This list is a starting point for further research:

- [The chairperson’s guide to valuing nature](#)
- [Embedding indigenous knowledge in the conservation and restoration of landscapes](#)

- [TNFD v1.0: The \(r\)evolution of nature-related risk management and reporting](#)
- [Banking on natural capital](#)
- [How carbon markets should evolve to meet net-zero ambitions](#)
- [How banks can help achieve nature-positive outcomes and preserve biodiversity](#)

Companies such as Salesforce are among those who have incorporated their biodiversity strategy into the climate action strategy, as vice president of ESG strategy, Sunya Norman shared with Deloitte researchers:<sup>86</sup>

*“We have a three-pillar climate action strategy that includes a focus on net zero, including Salesforce’s own emissions reduction goals as well as how we’re helping customers reach theirs; supporting nature-based solutions to build a nature-positive future; and championing ecopreneurs through programs like UpLink to catalyze the best minds of our generation to solve these issues.”*

# How can businesses begin to establish and meet nature-positive goals?

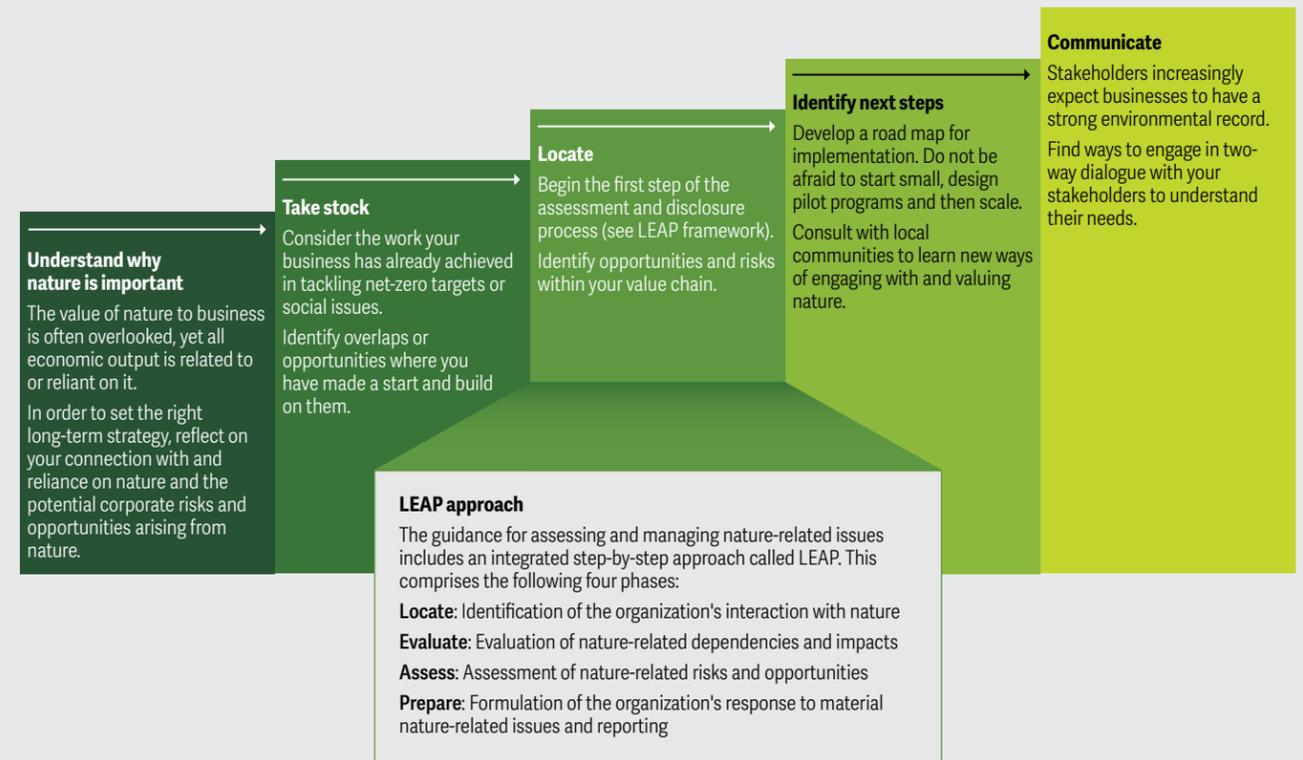
Start today and focus on building a solid foundation for your efforts.

It may seem like a daunting task to understand the connections, impacts, and mitigation measures, but it is critical for businesses to begin their journey to establish and meet nature-positive goals.<sup>87</sup>

The TNFD’s disclosure recommendations offer a road map for organizations looking to change their orientation to incorporate a nature focus; Among the most significant guidance, the LEAP approach helps guide organizations on how to assess and manage nature-related issues.<sup>88</sup>

Figure 8

## The foundations for businesses to establish and meet their nature-positive goals



Source: World Economic Forum, *The chairperson's guide to valuing nature*, January 2023; Deloitte, "Taskforce on Nature-related Financial Disclosures v1.0: The (r)evolution of nature-related risk management and reporting," 2023.



# Glossary of terms

**Biodiversity:** The variability among living organisms from all sources, including terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.<sup>89</sup>

**Ecosystems:** A dynamic complex of plant, animal, and microorganism communities and the nonliving environment, interacting as a functional unit—for example, rainforests and wetlands.<sup>90</sup>

**Ecosystem services:** Ecosystem services are the benefits people obtain from ecosystems. These include provisioning services such as food and water; regulating services such as flood and disease control; cultural services such as spiritual, recreational, and cultural benefits; and supporting services, such as nutrient cycling, that maintain the conditions for life on Earth.<sup>91</sup>

**Intergovernmental Panel on Climate Change (IPCC):** Established in 1988 by the World Meteorological Organization and the United Nations Environment Programme, the IPCC provides regular assessments of the scientific basis of climate change, its impacts and future risks, and options for adaptation and mitigation.<sup>92</sup>

**Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES):** Aims to provide governments, the private sector, and civil society with scientifically credible and independent up-to-date assessments of available knowledge for better evidence-informed policy decisions and action at the local, national, regional, and global levels.<sup>93</sup>

**Key Biodiversity Areas (KBA):** Sites contributing significantly to the global persistence of biodiversity, in terrestrial, freshwater, and marine ecosystems.<sup>94</sup>

**Kunming-Montreal Global Biodiversity Framework (GBF):** Nature's equivalent to the Paris Agreement on climate was adopted during the 15th meeting of the Conference of the Parties (COP15) of the Convention on Biological Diversity. It sets out an ambitious pathway to reach the global vision of a world living in harmony with nature by 2050. Among the framework's key elements are four goals for 2050 and 23 targets for 2030.<sup>95</sup>

**Natural capital:** The stock of renewable and nonrenewable natural resources (for example, plants, animals, air, water, soils, and minerals) that combine to yield a flow of benefits to people.<sup>96</sup>

**Nature:** The natural world, with an emphasis on the diversity of living organisms (including people) and their interactions among themselves and with their environment.<sup>97</sup>

**Nature-based (nature-positive) targets:** Science Based Targets Network nature targets complement existing climate targets by allowing companies to take holistic action to address their impact in the face of mounting environmental and social crises. The targets have been developed to give companies robust and necessary guidance to do their part toward realizing the vision of an equitable, net-zero, nature-positive future.<sup>98</sup>

**Natural climate solutions:** A subset of nature-based solutions; includes conservation, restoration, and improved land and sea management for the purposes of addressing climate change.<sup>99</sup>

**Nature positive:** A high-level goal and concept describing a future state of nature (for example, biodiversity, ecosystem services, and natural capital) that is greater than the current state.<sup>100</sup>

**Nature-related opportunities:** Activities that create a positive outcome for organizations and nature by avoiding or reducing impacts on nature or contributing to its restoration.<sup>101</sup>

**Nature-related risks:** Potential threats posed to an organization linked to its and other organizations' dependencies on nature and nature impacts. These can derive from physical, transition, and systemic risks.<sup>102</sup>

**Protected areas:** Protected areas currently represent about 15% of land and 7.5% of the ocean. Positive outcomes are expected from substantially increasing intact and effectively protected areas. Global estimates of exact requirements for effectively protected and conserved areas to ensure a habitable climate, self-sustaining biodiversity and a good quality of life are not yet well established but range from 30% to 50% of all ocean and land surface areas.<sup>103</sup>

**Science Based Targets Network (SBTN):** Launched the world's first science-based targets for nature in May 2023, a significant milestone toward helping companies take integrated action across freshwater, land, ocean, biodiversity, and climate.<sup>104</sup>

**Taskforce on Nature-related Financial Disclosures (TNFD):** A global, market-led initiative established in 2021 in response to the growing need to factor nature into financial and business decisions.<sup>105</sup>

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