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NATURE POSITIVE IN A BUSINESS CONTEXT: CURRENT WORKING DEFINITION
EU Business and Biodiversity Platform

THEMATIC REPORT: NATURE POSITIVE
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Lead author	Contributing authors	Reviewers
Johan Lammerant (Arcadis), Workstream Leader of EU Business & Biodiversity Platform Workstream on Methods johan.lammerant@arcadis.com	**Jolien Verhelst,** environmental consultant (Arcadis)	**Yann Verstraeten** (ICF), project leader EU Business & Biodiversity Platform Yann.verstraeten@icf.com

Cover photo (olive trees in Extremadura, Spain) by Johan Lammerant

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1 INTRODUCTION

1.1 The Global Goal for Nature

There is increasing convergence and agreement that 'nature positive' represents the global goal for nature next to that of climate neutrality by 2050. Transitioning to a nature positive world means halting and reversing nature loss measured from a baseline of 2020 ('zero net loss from 2020'), through increasing the health, abundance, diversity and resilience of species, populations and ecosystems so that by 2030 nature is visibly and measurably on the path of recovery ('net positive'). By 2050, nature must recover so that thriving ecosystems and nature-based solutions continue to support future generations, the diversity of life and play a critical role in halting runaway climate change.

A nature positive world is one where "there is more biodiversity globally in 2030 than there was in 2020". A nature positive world is also one where nature conservation, restoration, and recovery are on-going and accelerating, which is aligned with saying "a future state of nature (e.g., biodiversity, ecosystem services and natural capital) which is greater than the current state"[1].

1.2 Translation to the business context
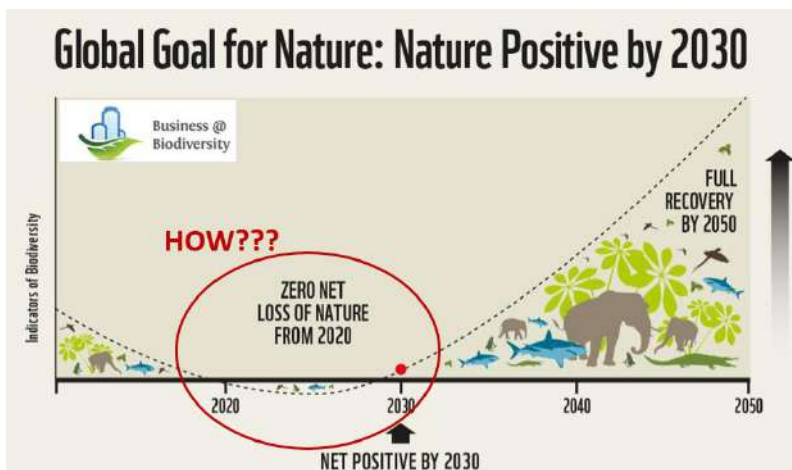
The nature positive concept has recently gained lots of traction among companies globally with an increasing number of companies taking nature positive commitments. However, despite its potential to mobilise businesses, the concept still lacks clear definitions making it hard to interpret it, and rules on how to operationalise and deliver in practice. In addition, the absence of a level playing field creates risks of greenwashing. Translating this global goal into a clear set of rules and principles for businesses and financial institutions that aim to contribute to this global target is therefore a prerequisite for driving meaningful actions across the business world. This is also a clear business need.

1.3 The development of a working definition of nature positive

The EU Business and Biodiversity (B@B) Platform is responding to this business need in the following ways:

- Development of **a 'working definition' of nature positive** in a business context;
  - o a first version has been tested with businesses by means of 9 case studies which were presented and discussed in a dedicated webinar series (see Box 1) in Sept 2022
  - o a second version was presented and discussed during the European Business and Nature Summit[2];
  - o this report includes a further updated version, which is based on proceeding insights and building on other initiatives' attempt to clarify what nature positive means for businesses
- Contribution to existing efforts by other initiatives, such as the **Business for Nature discussion paper on nature positive**[3] and the **WEF CEO Briefing** 'Measuring Nature-Positive Business Action Outcomes'[4]

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[1] Business for Nature discussion paper, Oct 2022
[2] #BusinessNatureSummit (europa. eu). Slides can be found here: Session 6_NaturePositive.
[3] How business and finance can contribute to a nature positive future now — Business For Nature
[4] WEF_Measuring_Nature_positive_Outcomes_from_Business_Actions_2022.pdf (weforum.org)

- Setting a **research agenda** with technical issues to be further resolved (e.g. on measurement, baseline setting, etc.) by means of the EU funded Align project[5] .
- Publication of a thematic report on 'nature positive in a business context' under the Methods Workstream of the Platform.

BOX 1: EU B@B Platform webinar series on Nature Positive

An introductory webinar on the concept of 'nature positive' in a business context took place in May 2022 (see slides). In September 2022, a first version of a working definition of nature positive was presented, together with nine case studies during three webinars:

- Webinar 15 September 2022 (see slides and recording): presenting the cases of Schneider Electric, ASN Bank and Spadel.
- Webinar 22 September 2022 (see slides and recording): presenting the cases of Vattenfall, Barrat Homes, Transport for London and Nuveen Natural Capital.
- Webinar 29 September 2022 (see slides and recording): presenting the cases of Oxford University and CEMBUREAU

Focusing on the different nature components (climate/atmosphere, water, biodiversity and land/soil) the case studies showed that businesses are most confident in becoming neutral (or positive) on climate, even throughout their value chain. Focusing on the value chain, businesses generally believe that they can achieve nature positive in their direct operations. They are less confident for their upstream and downstream operations. Traceability is a key challenge for achieving nature positive supply chains.

The below 'working definition' is based on the outcomes of the webinar series as well as on a review of position papers, academic papers and discussion papers:

- *"How business and finance can contribute to a nature positive future now" Business for Nature et al., October 2022*
- *'What does nature-positive mean for business? by WBCSD[6]*
- *Blog by prof Milner Gulland (Oxford University)[7]*
- *IMEC[8] Nature Positive Working Group – Summary for COP15 (4 Dec 2022)*
- *UK Business and Biodiversity Forum Nature Positive Pledge (draft version August 2022)*
- *Zu Ermgassen S. et al., Are corporate biodiversity commitments consistent with delivering 'nature-positive' outcomes? A review of 'nature-positive' definitions, company progress and challenges?" (Journal of Cleaner Production, Oct 2022)[9]*
- *'Aligning ecological compensation policies with the Post-2020 Global Biodiversity Framework to achieve real net gain in biodiversity' by Simmonds J. et al[10]*
- *Towards an IUCN Nature Positive Approach: a Working Paper[11]*
- *WWF Guidance Note 'Net Positive Water' (Feb 2022)[12]*

The Platform will continuously refine this working definition as insights evolve and as long as there is no formally agreed definition of 'nature positive in a business context' at an international level. The Platform is open to cooperate with other initiatives in this field.

We are very interested in your feedback, which you can provide directly to johan.lammerant@arcadis.com and jolien.verhelst@arcadis.com.

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[5] The EU Business @ Biodiversity Platform | Home (europa.eu)

[6] What does nature-positive mean for business? - World Business Council for Sustainable Development (WBCSD)

[7] See (5) Post | Feed | LinkedIn by prof EJ Milner Gulland (Interdisciplinary Centre for Conservation Science, Oxford University)

[8] Impact Mitigation and Ecological Compensation Thematic Group (IMEC), part of the IUCN Commission on Ecosystem Management, aims to support ongoing improvement towards best practice in the application of the mitigation hierarchy (Biodiversity Offsets and Ecological Compensation Network - IUCN Commission on Ecosystem Management Thematic Group (impactmitigation.org))

[9] Are corporate biodiversity commitments consistent with delivering 'nature-positive' outcomes? A review of 'nature-positive' definitions, company progress and challenges - ScienceDirect

[10] The Society for Conservation Biology (wiley.com)

[11] Summary - Towards an IUCN nature-positive approach: a working paper - resource | IUCN

[12] WWF guidance for companies on 'Net Positive Water' | WWF (panda.org)

2 THE CURRENT WORKING DEFINITION OF NATURE POSITIVE

2.1 Introduction

This paper aims to provide a 'current working definition' of what nature positive means in a business context. It aims to synthesize the current understanding on nature positive emerging from various consultation rounds with the Platform's business community and provide an easy-to-digest note that captures the key characteristics and underlying principles of this concept.

This working definition builds on the Business for Nature's discussion paper on nature positive. However, its working definition also tries to go one step further by providing practical examples illustrating nature positive in a business context and linking it with other nature components going beyond biodiversity.

The **'current working definition' applies to any company** that is **adopting or has adopted a nature positive strategy** or ambition, which means that they credibly contribute to the Global Goal for Nature. These **10 core principles**[13] **of the working definition** might be perceived as challenging and ambitious to address from a business perspective. However, their consideration is needed if one wants to support the achievement of a nature positive world. Nature positive (as halting and reversing nature loss) is an objective that is achieved in a given area whether this is at global, national or landscape level and is the result of all actors contributing effectively to nature-positive outcomes.

Therefore, corporate claims of becoming/being nature positive can be very misleading. As the case studies have demonstrated, becoming nature positive at a company level along the whole value chain for all nature components, is almost impossible. But indeed, this is not the purpose. Tackling nature loss is a collective endeavor. It requires a whole-of-society approach and business and finance have a critical role to play. Therefore, '*making nature positive claims or statements that can't be evidenced should absolutely be avoided. Nothing undermines the credibility of a business's pro-nature credentials more than making claims that are exaggerated, misleading, or false. Companies need to consider carefully what they can, and cannot, legitimately claim in relation to being nature positive. This means not calling your company or entity 'nature positive', but instead share specific actions on how you are contributing to a nature positive world*' (cited from BfN).

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[13] Simplified compared to previous version which had 20 principles, with a number of them rather recommendations (could) instead of conditions (should). The new version focuses on the 'should' and combines a number of principles which were separated before

2.2   Core principles of nature positive

Business and financial institutions that have adopted a nature positive strategy, should comply to the following 10 core principles :

1. Nature positive is a <u>collective effort</u>; it requires collaboration with other actors

2. The <u>full scope of nature</u> needs to be covered; 'nature' includes land, freshwater, oceans and atmosphere with biodiversity representing the living part of it; biodiversity is therefore a subset of nature - and hence nature positive goes beyond biodiversity positive

3. <u>Material impacts</u> in all parts of the <u>value chain</u> and within the <u>spheres of influence</u> need to be covered

4. <u>Positive impacts need to outweigh negative impacts</u> in each part of the value chain with material impacts; in all these parts the net balance needs to be positive

5. Nature positive needs to be implemented in <u>full compliance</u> with the <u>mitigation hierarchy</u> (avoid new negative impacts, reduce ongoing impacts, restore what is destroyed by the company in the period 2020 – 2030, and offset if needed) and <u>complemented with additional conservation/restoration measures</u> which will contribute to achieving full nature recovery by 2050

6. <u>Targets and actions</u> should be <u>ambitious</u>, <u>science-based</u> and <u>integrated</u>, and underpinned by a clear <u>measurement framework</u>

7. Contributing to nature positive might require a drastic <u>transformation of production processes or business models</u>, as nature positive implies a decoupling of business activity from natural resource use, including through the circular economy; achieving this decoupling will require an absolute reduction in material consumption and production

8. The nature positive ambition needs to be <u>endorsed by the Board</u> and mainstreamed within the whole organization, i.e. not only something for the sustainability department

9. Nature positive requires <u>immediate actions</u>; it is highly recommended to follow the time path of the Global Goal for Nature, i.e. net positive to be achieved by 2030, starting from a baseline in 2020 (and conservation/restoration from 2030 to 2050 'on the path to recovery) although some flexibility is acceptable

10. Companies having adopted a nature positive strategy need to <u>communicate in full transparency</u> about the nature positive baseline, nature positive targets and actions, progress to target, as well as the challenges preventing them to go a step further.

2.3   The principles explained

2.3.1   Principle 1: Collective effort

Nature positive is a collective effort; it requires collaboration with other actors

Collaborative effort will have much more impact. In the context of 'nature positive', a company can engage with other actors:

- at **sector level**, with the aim to really 'transform' the sector; actively engaging in the development and implementation of sectorial nature positive roadmaps is very effective
- at **supply chain level**; material impacts on nature are often much more important in supply chains compared to direct operations, so supply chain collaborative efforts will result in major contributions to nature positive; certification schemes related to nature-friendly crop production are a good example but there is room to reinforce them
- at **landscape/seascape level**; nature positive goals make much more sense at landscape level than at site level; watersheds or river basins are a good example as objectives in terms of water quantity and water quality can only be achieved if all users in the river basin work together

Advocacy also has its place under this principle. Individual businesses can play a key role in convincing other actors to take steps in favour of a nature positive world. Other actors can be governments or government agencies, as well as other businesses (within or outside the business sector).

Examples case studies:

- Since more than half a century Spadel, company producing mineral water for the consumers market, has established intensive landscape level cooperation programs with the aim to increase the protection of the water infiltration area against any type of pollution. Over the past decade this cooperation has evolved towards biodiversity restoration by means of several projects and initiatives with local stakeholders, some of them being EU-funded LIFE projects.
- CEMBUREAU, the European Cement Association, has developed a sectorial biodiversity roadmap
- From the anonymized case study presented by The Biodiversity Consultancy, it's interesting to learn that targeted action in supply chains requires splitting up the supply chain in different tiers (from farming or raw material extraction to mid-tier processing and manufacturing, until trading).

2.3.2   Principle 2: Nature is more than biodiversity

The full scope of nature needs to be covered; 'nature' includes land, freshwater, oceans and atmosphere with biodiversity representing the living part of it; biodiversity is therefore a subset of nature - and hence nature positive goes beyond biodiversity positive

In this paper, the term **'nature components'** is applied, sometimes referred to as realms (such as in TNFD). Strictly speaking, biodiversity is not a nature component or a realm, it is more a characteristic of each of these components, but for simplicity reasons, within the current working definition biodiversity is also considered as a nature component.

Without going into technical details here, the terms 'water positive', 'zero carbon', 'land degradation neutrality', 'zero deforestation', 'zero conversion of natural habitats', etc. should be subject to the same set of principles as described for 'nature positive' (see also Principle 4 on positive outcomes, section 2.3.4).

2.3.3   Principle 3: Material impacts along the whole value chain

Material impacts in all parts of the value chain and within the spheres of influence need to be covered

This principle covers 3 important issues:

- Nature positive is about a company's **material impacts**; within the spirit of the Global Goal for Nature materiality needs to be interpreted from a nature perspective (or a societal perspective) as the goal is to halt biodiversity loss and to achieve full recovery of nature; however, this does not exclude a double

materiality approach; on the contrary: clarifying the business risks related to ecosystem degradation as well as the business opportunities related to ecosystem restoration/conservation is fully in line with a nature positive mindset; as a consequence it is highly recommendable to also cover material dependencies;

- Nature positive covers the **whole value chain**, i.e. upstream, direct operations and downstream; a company cannot limit its efforts to its sites to claim that it is contributing to the nature positive vision; this means that, for example, for biodiversity a net gain approach for concrete sites or projects is not enough;

- Adopting a nature positive strategy does not mean that the company needs to demonstrate nature positive outcomes for material issues which are beyond their **sphere of influence**; a good example is the lack of precise data on sourcing locations which makes it impossible to work on actions for reducing negative impacts and enhancing positive impacts; however, many of these 'blockers' can be dealt with in other ways; for the supply chain related example, these could be 'collaborative actions with other supply chain stakeholders' and 'advocacy actions to promote more transparency in supply chains' (see Principle 1 on collective effort, section 2.3.1.

Examples case studies:

- Transparency in supply chains is marked as a key success factor by Schneider Electric for achieving nature positive; supply chain traceability solutions would facilitate transformational change

2.3.4   Principle 4: Positive outcomes

Positive impacts need to outweigh negative impacts in each part of the value chain with material impacts; in all these parts the net balance needs to be positive

Nature positive means that at the end we have more nature than before. In line with the Global Goal for Nature, it means that by 2030 positive impacts should at least equal negative impacts, i.e. the gains of nature should be at least equal to the losses of nature, and between 2030 and 2050 the gains should prevail.

The 'neutrality' and 'net positive' concepts are translated to 'no net loss' and 'net gain' for biodiversity (application at project and site level), 'zero carbon' or 'carbon neutral' and 'carbon positive' for climate (from product level to corporate level) and 'zero water' and 'water positive' for water (mainly site and project level, but also product level).

The early uptake and use of "net positive" framing by corporates were applied to carbon reductions. GHG emissions are contextually independent (a ton of CO2 is the same in location A as location B) and interchangeable (CO2 is the only parameter) - making it easier to construct reasonably "net positive" statements and claims off the back of corporate activities and outputs. As a consequence, **for carbon trade-offs between negative and positive impacts over different parts of the value chain (or portfolio in the case of financial institutions) are acceptable**. The simplicity and uptake of this concept in corporate sustainability communications related to GHG emissions has led to the exploration of how to apply "net positive" framing to other social and environmental issues within corporate sustainability programs.

However, contrary to 'carbon', other nature components such as biodiversity and water are always location-specific and cannot be captured by one simple metric. So, demonstrating 'net positive' is much more complex. A key condition for **impacts which are location-specific (typically water, biodiversity) is that they need to be addressed at the respective locations, i.e. the local balance needs to be positive**. Negative impacts in one part of the value chain cannot be compensated by positive impacts in other parts of the value chain; negative impacts in one part of a financial institution's portfolio cannot be compensated by positive impacts in other parts of the portfolio.

With respect to **biodiversity**, the concepts of No Net Loss and Net Gain and the rules for application have been extensively described[14] and many companies have practical experience with it. Metrics usually rely on a combination of extent and condition of habitats, sometimes complemented with a significance score (e.g. to

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[14] BBOP

account for presence of important species). One of the key conditions here is compliance to the ecological equivalency principle[15].

With respect to **water**, many companies have adopted 'water positive' commitments but application of net positive to corporate water stewardship programs needs to be carefully considered and balanced. While water is multi-dimensional (different forms of water such as groundwater, surface water, rainwater, each with different targets in terms of quantity, quality, ecosystem services) and temporally variable, there is a risk that companies simplify this into one single metric focused on water scarcity. As a result, the 'water positive' approach is limited to a 'chasing drops' approach. Application of the nature positive principles to water should eliminate the current drawbacks of many existing water positive approaches.

For any nature component, in order to credibly contribute to nature positive, it is imperative that **absolute gains compared to a well-defined baseline need to be considered**, not relative impacts compared to the 'business as usual' scenario. The baseline in the context of the Global Goal for Nature is 2020, although we tend to allow some flexibility on this point (see Principle 9 on timelines, section 2.3.9). Simmonds et al. describe a potential post-2020 trajectory of a specific ecosystem for which a 2050 target has been set, and to which ecological compensation for any losses incurred applies (Figure 1). Relative gains (purple) may slow the pre-2020 rate of decline of this ecosystem, but these do not (directly) reverse the trajectory of the ecosystem. The amount of absolute gain (blue) per unit of loss determines the extent to which the ecosystem state improves towards the target (e.g., in extent and condition) through net gain (NG) ecological compensation. In this example, the blue dotted line indicates an example of how the amount of compensation can be scaled to achieve a desirable outcome—here, to help double the amount of the ecosystem, compared to its 2020 extent.
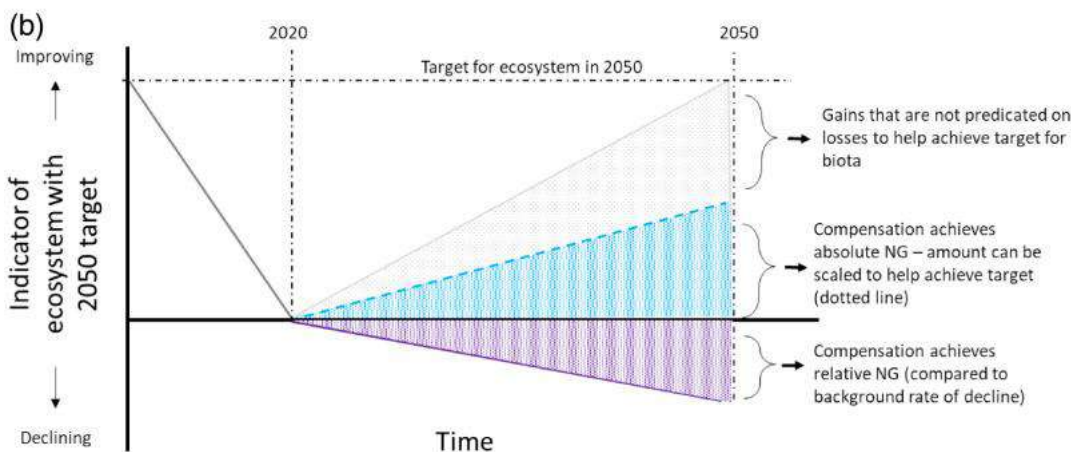

Figure 1: Principle of absolute gains (Simmonds et al[16])

In this context, it is worth referring to **corporate natural capital accounting (CNCA)** techniques (e.g. natural capital balance sheets) as an interesting way to keep track of the balance between positive and negative impacts per nature component. Natural capital accounts provide a structured, repeatable baseline of data, capture changes to stocks of nature over time, offer a consistent approach to define and measure targets across properties, and links these to financial data. CNCA is still in its infancy but the expectation is that it will rapidly mature over the coming years due to the need for solid demonstration of nature positive outcomes. Interesting guidance has become available recently[17] as well as a full standard[18].

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[15] Definition from ALIGN: "It reflects the concept of 'like-for-like' when measuring the different components or aspects of biodiversity. When considering gains and losses and/or developing a biodiversity account, one cannot sum changes in one species with another. That is, only the same types of ecosystems or taxa can be compared within an assessment"
[16] The Society for Conservation Biology (wiley.com)
[17] for more information on corporate natural capital accounting, see 1/ Time-To-Take-Stock.pdf (capitalscoalition.org) , BDP Quality Biodiversity Footprints (secureserver.net) and a specific section on biodiversity accounting within ALIGN The EU Business @ Biodiversity Platform | Home (europa.eu)
[18] standard BSI 8632:2021 (Natural Capital Accounting for Organizations)

Examples case studies:

- With regard to water, ASN Bank expressed the need for more standards and guidance on how to apply 'net positive'
- Spadel has achieved the AWS Platinum score for their direct operations. The AWS International Water Stewardship (AWS) Standard (www.a4ws.org) provides guidance on the sustainable use of water in the production of various products (agriculture, industry, etc.). It is jointly developed by companies, NGOs and the public sector.
- Nuveen Natural Capital, the farmland and timberland investment specialist of Nuveen (investor company) is experimenting with corporate natural capital accounting. For them, 'the purpose of natural capital balance sheets is to highlight the role of nature in their managed properties and to better measure and value the oft-unperceived ecosystem services which flow from these assets'.

2.3.5 Principle 5: Mitigation hierarchy is key, but more is needed

> **Nature positive needs to be implemented in full compliance with the mitigation hierarchy (avoid new negative impacts, reduce ongoing impacts, restore what is destroyed by the company in the period 2020 – 2030, and offset if needed) and complemented with additional conservation/restoration measures which will contribute to achieving full nature recovery by 2050**

Strict application of the **mitigation hierarchy** is central in a nature positive approach. It means that continuously, i.e. with regard to any new potentially negative impacts as well as to ongoing negative impacts, the following steps need to be followed in a sequential way:

- **avoid** new negative impacts; this includes avoidance of deforestation, avoidance of conversion of natural habitats, avoidance of pollution, avoidance of disturbance, etc.;
- **reduce** ongoing negative impacts on nature;
- **restore** loss of nature; despite the application of avoidance and reduction measures, loss of nature can occur; this needs to be restored as much as possible (e.g. temporary habitat loss due to storage of construction materials can be restored at the same location); use of groundwater in water scarce areas might be restored by replenishment
- **compensate** for residual loss of nature that can not be restored at the location itself; to achieve no net loss of biodiversity, compensatory 'off site' measures can be taken, often called **offsets**; offsets are the last resort but will be required in many cases; well-thought offset programs can have very beneficial impacts on biodiversity, in particular if these are applied at a sufficiently large scale

One important note to add here is that **transformative change** (see Principle 7 on Transform, section 2.3.7) **should be integrated in the 'avoid' and 'reduce' phases of the mitigation hierarchy!**

Systematic application of the mitigation hierarchy should allow to achieve a net zero impact from 2030 on at corporate level. To be fully aligned with the Global Goal for Nature, companies should try to achieve this goal starting from a 2020 baseline, which means that the total (or accumulated) volume of losses over the decade 2020-2030 should be compensated by at least a similar volume of gains over the same period.
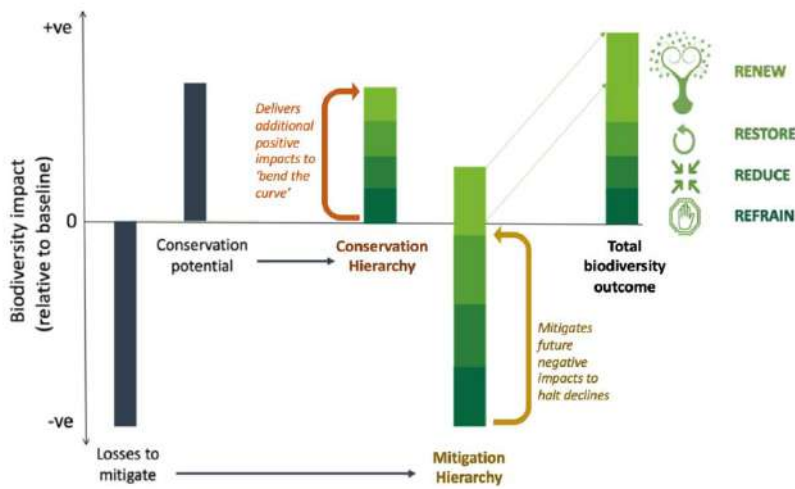
Figure 2: Mitigation and Conservation Hierarchy (from https://conservationhierarchy.org/what-is-conservation-hierarchy/)

However, as visualized in *Figure 2*, a nature positive strategy means that **only applying the mitigation hierarchy is not enough. It needs to be complemented with additional conservation / restoration measures which will contribute to achieving full nature recovery by 2050**. This combined approach is also denominated as the 'mitigation and conservation hierarchy'[19]. These additional conservation/restoration measures can be linked to the company's own historical footprint (before 2020 or the chosen baseline year) or can be independent from it ('above and beyond the own impacts') and should be at least proportionate to the company's historical contribution to 'harm'.

Again, it needs to be emphasized that positive impacts due to these proactive restoration measures can never balance out negative impacts as long as the full potential of the mitigation hierarchy is not exhausted.

Examples case studies:

- The trade-off between avoidance and reduction measures on the one hand and compensatory measures by means of offsets is challenging but has hardly been explored. The Oxford University case study[20] provides excellent insights which are very relevant for all businesses and financial institutions. Oxford University has defined an environmental sustainability strategy with two ambitious goals, i.e. to achieve net zero carbon and biodiversity net positive, both by 2035. In 2022 they explored what it would take for a large organization such as the University of Oxford to bring about a net gain in biodiversity. As part of the analysis, they assessed how the university's various activities and operations also affect greenhouse-gas emissions, and how those, in turn, affect biodiversity by driving climate change. They started with a detailed analysis of their footprint[21] (see left side of Figure 3 below). The results[22] show that the University of Oxford's biggest impact on biodiversity* is from the indirect effects of resource use and waste in external supply chains it does not control[23]. For getting towards net gain, they developed 3 scenarios (see right side of Figure 3). The analysis indicates that the set of preventive measures proposed under the university's environmental sustainability strategy get it about one-third of the way towards net gain. The findings also indicate that focusing mainly on the prevention of impacts is operationally unfeasible. Activities that have most effect on biodiversity, such as purchasing lab consumables, are central to the university's existence and cannot simply stop. To achieve net gain, preventive measures such as reducing flights and paper use, will have to be accompanied by additional and extensive actions to compensate for the remaining impacts on biodiversity. Such actions could include investing in reforestation, wetland restoration, sustainable land-management programs and prevention of habitat loss caused by independent parties.

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[19] The Mitigation & Conservation Hierarchy | Home

[20] See also Bull JW, et al. (2022) Nature, 604(7906), 420-424

[21] downstream impacts of research and education, such as those of a discovery in gene editing or chemistry, were excluded, as it would be impossible to comprehensively account for all of the environmental impacts of knowledge generation

[22] Calculated with ReCiPe and expressed in PDF (potentially disappeared fraction of species)

[23] direct = direct university control or influence (through staff and key contractors), indirect = impacts that the university can influence only indirectly (through students and supply chains)
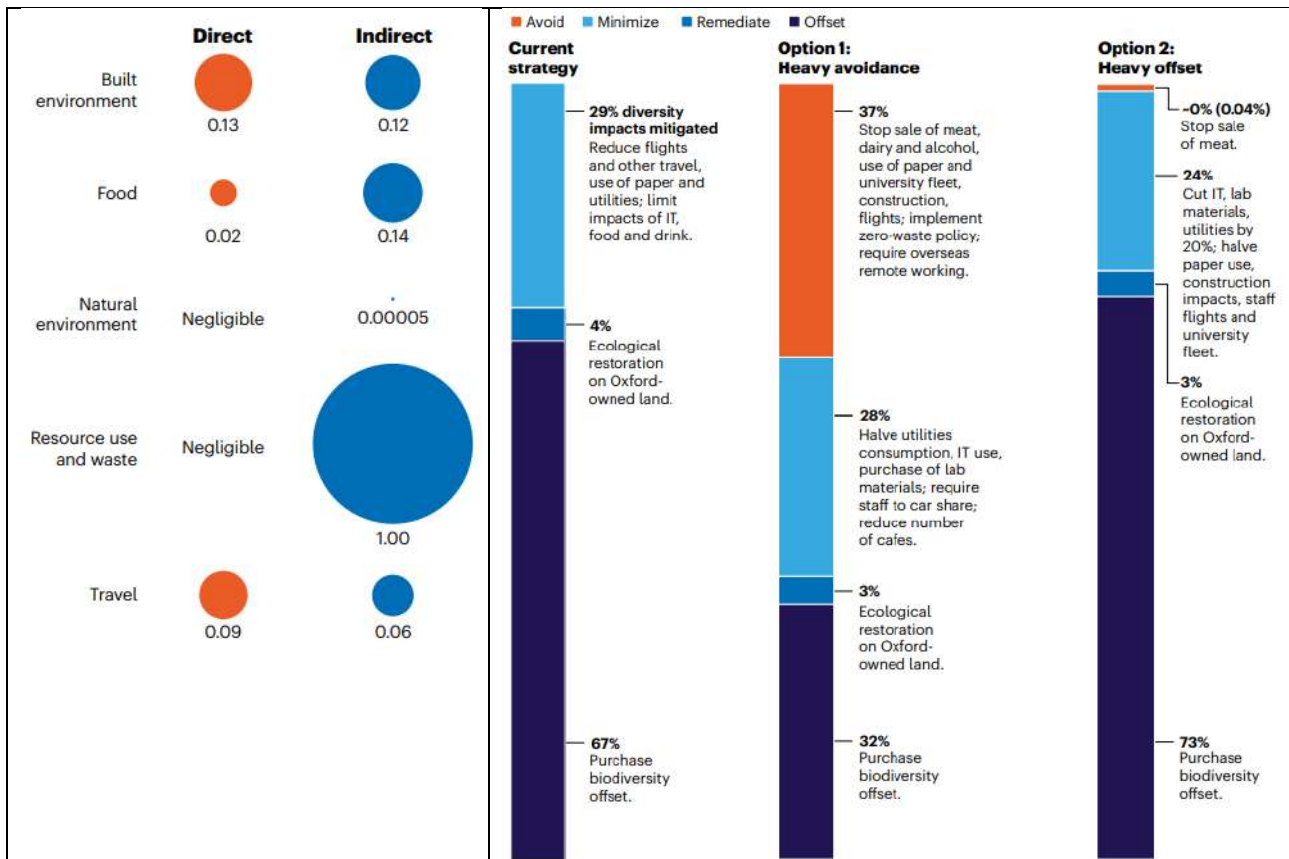
Figure 3: Illustrative example from Oxford University of the challenging issue of trade-offs between avoid/reduce and compensate in a biodiversity net gain context

2.3.6 Principle 6: Targets and metrics are central

Targets and actions should be ambitious, science-based and integrated, and underpinned by a clear measurement framework

A nature positive strategy will need to be underpinned by a comprehensive action plan, with clear targets. Given the urgency of the nature crisis and the huge responsibility of the business community to contribute to the Global Goal for Nature, **targets should be ambitious and regularly 'stretched'**, similar to the 'ratcheted commitment' approach as applied for international climate goals, where a company is able to commit to something simple to deliver at first, and to periodically increase the ambition and extent of their commitments over time.

Targets should be science-based as much as possible. These can be underpinned by SBTN as soon as SBTN guidance on target setting becomes available. SBTN will also provide clarity on how to interpret the final goal of 'full recovery by 2050'. For now, companies can already set targets which are aligned with existing landscape level targets (e.g. targets at river basin level for managing quantity and/or quality of water).

Targets should not only address **impact drivers** (e.g. a 50% reduction of emissions) but also **state of nature**, as this is the subject of the Global Goal for Nature.

Targets and actions will need to address each of the nature components (as long as they are material) in an **integrated way**, i.e. not in isolation from one another. Measures which are taken to achieve 'neutrality' or 'net positive for one nature component and have negative impacts on other nature components should be avoided. An example are carbon offsets by means of trees. Depending on the type of afforestation, this could result in negative impacts on biodiversity (e.g. monoculture) and water (water demanding tree species in water scarce areas). On the other hand, there are many opportunities to create synergies such as investments in peatland restoration programs which is beneficial for carbon, water and biodiversity. Linked to this, nature positive measures need to be implemented in such way that **social benefits** are maximized and adverse social impacts are avoided.

Evidently, this all needs to be underpinned by a **clear measurement framework**. Given the broad range of nature components, measurement of nature positive will require specific measurement approaches for the different components of nature (see Principle 2). Measurement frameworks for nature positive are still in its infancy but will rapidly become available. For carbon, this is already available. For water and biodiversity, more work needs to be done. Specifically in relation to biodiversity, the EU funded ALIGN project that has released a set of recommendations for a standard on how to measure and value biodiversity, will explore how to apply these recommendations in a nature positive context. Outcomes will become available by end of 2023.

Examples case studies:

- Vattenfall strives towards a biodiversity net positive impact by 2030 and aims to set a more defined corporate NPI target measured from a baseline. Their message to the business community is to 'define bold ambitions …even if the road forward feels unknown'. They propose to 'set a target/ambition and apply "backcasting" on how to get there. It is better to start somewhere than to wait for the perfect metric'.
- Spadel is continuously exploring suitable measurement approaches. To assess the environmental performance of their drinking water bottles, they rely on the PEF (Product Environmental Footprint). PEF scores are based on 16 different aspects (not only GHG) and take the full life cycle into account - from packaging virgin material to end of life (Figure 4); therefore, PEF and other LCA based approaches might be considered as suitable approaches for measuring nature positive performance, given their scope (full value chain and all nature components), although this requires further exploration; a drawback of LCA approaches is the lack of spatially explicit information (local context information is essential for water and biodiversity).
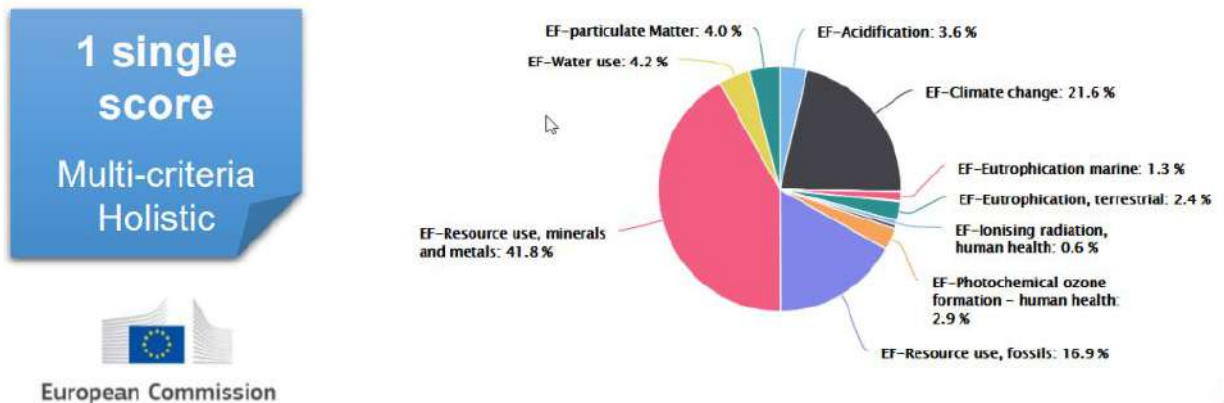

Figure 4: Illustration of PEF scoring for a drinking water bottle (from Spadel, webinar 19 Sept 2022)

2.3.7   Principle 7: Dare to transform

> **Contributing to nature positive might require a drastic transformation of production processes or business models, as nature positive implies a decoupling of business activity from natural resource use, including through the circular economy; achieving this decoupling will require an absolute reduction in material consumption and production**

Transformative change will be essential for achieving the targets of the Global Goal for Nature, as visualized for circular economy in Figure 5. Examples are:

- widespread application of regenerative agriculture
- substantial increase of circularity
- being much more selective in the type of raw materials to be extracted or grown
- shift in food patterns, favoring more vegetables and low impact protein sources (turning away from high impact cattle breeding and overexploitation of seafood)
- embedding environmental externalities in financial decision-making at corporate level
- innovative business models aimed at massive biodiversity restoration (e.g. biodiversity credit systems that fully respect the intrinsic value of biodiversity).

Transformative change will be different between sectors and between companies but every company engaging towards a nature positive future will be able to identify 'transform' opportunities. It is a crucial step in order to credibly contribute to a nature positive world.
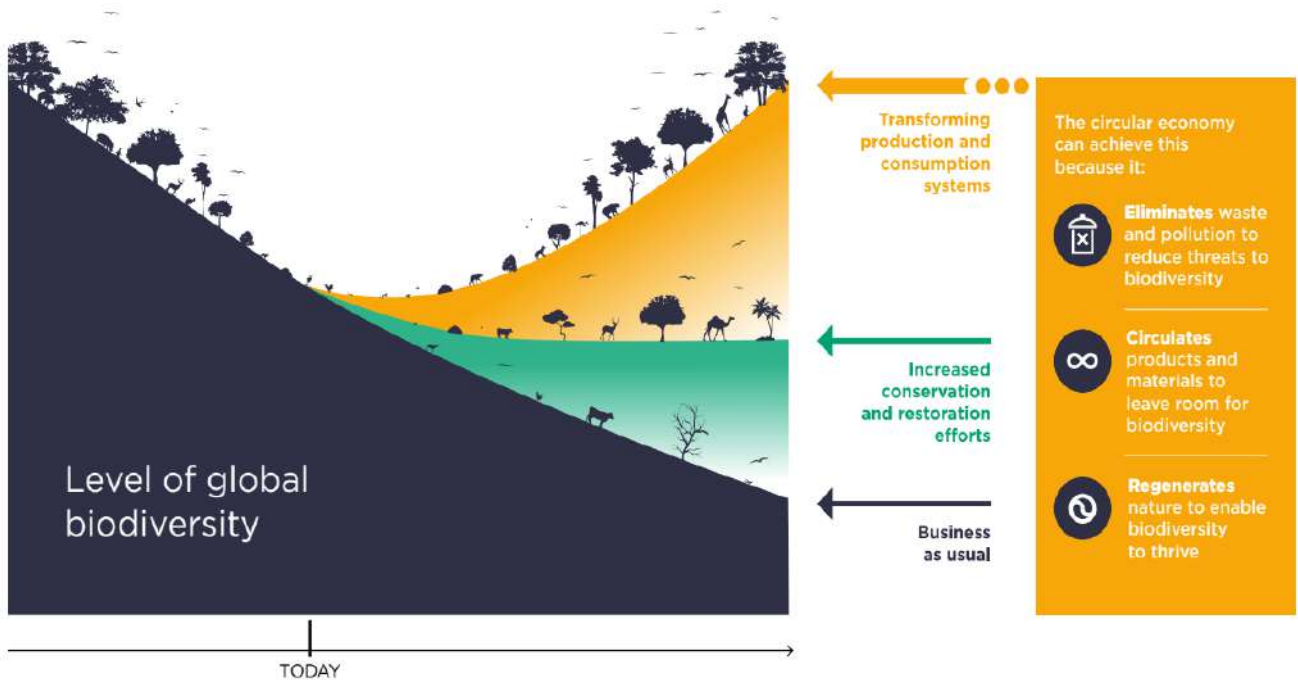

Figure 5: Transformative actions will be essential to achieve the targets of the Global Goal for Nature (picture from Ellen Mc Arthur Foundation, 2021)

2.3.8   Principle 8: Nature positive is the Board's responsibility

The nature positive ambition needs to be endorsed by the Board and mainstreamed within the whole organization, i.e. not only something for the sustainability department

Given the high ambition level that is intrinsic to a nature positive strategy (see Principle 6 on targets, section 2.3.6, Principle 7 on transformative change, section 2.3.7, Principle 9 on the sense of urgency, section 2.3.9) and the reputational importance of disclosure (Principle 10 on communication, section 2.3.10), a nature positive strategy can only succeed if it is fully supported by the highest hierarchical levels of the organization.

Similar to a zero carbon ambition, a nature positive ambition will require a transition plan, endorsed by the Board.

2.3.9   Principle 9: Nature positive is urgent

Nature positive requires immediate actions; it is highly recommended to follow the time path of the Global Goal for Nature, i.e. net positive to be achieved by 2030, starting from a baseline in 2020 (and conservation/restoration from 2030 to 2050 'on the path to recovery) although some flexibility is acceptable

The timelines of the Global Goal for Nature are extremely short. We've passed already the baseline year of 2020, the interim target of 2030 is around the corner while the final target is only one generation away. As a consequence, all stakeholders need to realize the **sense of urgency** related to a nature positive strategy and **should start taking action now**.

In practice, this already creates challenges in terms of **defining the baseline**. Companies embarking on the 'nature positive' journey now or at a later stage (which will be the reality for many businesses) will face challenges to reconstruct a 2020 baseline and this will get harder as time goes on. Similar issues might pop up in relation to the net positive turning point in 2030. However, as explained in the introduction (section 2.1), the Global Goal for Nature does not need to be translated one-on-one to individual companies. Companies that have adopted a nature positive strategy should adopt the mindset of the Global Goal for Nature and contribute to the common achievement of this global goal. Therefore, companies can set their baseline when they start on condition that pro-active restoration measures (see Principle 5 on additional measures beyond the mitigation hierarchy, section 2.3.5) also focus on the company's footprint before the chosen baseline. The 2030 deadline of net positive can also be set later in time if this does not disrupt the process of achieving full recovery by 2050. This **flexibility** should be allowed to avoid scaring businesses away from adopting a nature positive strategy. The opposite situation also occurs. As presented in Figure 6, the Belgian beverage company Spadel managed to demonstrate that their main site is already biodiversity positive and aims to become biodiversity positive for all direct operations by 2025.

Strict timelines require clear roadmaps. Therefore, it is highly recommended that companies going for nature positive develop a **nature positive roadmap**. Such roadmaps should at least be clear on the timelines related to the different targets and actions, the related costs and related roles and responsibilities. High-level roadmaps at sector level are currently being prepared by amongst others Business for Nature, WBCSD and WEF.

Examples case studies

- Spadel has developed a clear roadmap for becoming biodiversity positive and refers in this context to their engagement with SBTN (see also Principle 6 on targets): "*For our Spa site we are already biodiversity positive. We commit to be biodiversity positive for all Spadel sites by 2025. We will continue this biodiversity positive journey, by looking at the entire value chain, by setting quantified biodiversity targets and implementing actions to achieve them. All this in close cooperation with relevant stakeholders. Guiding us in this ambition we will engage with the Science Based Targets Network (SBTN). Our biodiversity commitment is part of Source of Change, our corporate positive impact ambition which also applies to climate and water. We acknowledge the protection of our water resources, our carbon neutrality commitment and positive biodiversity footprint as mutually reinforcing*".
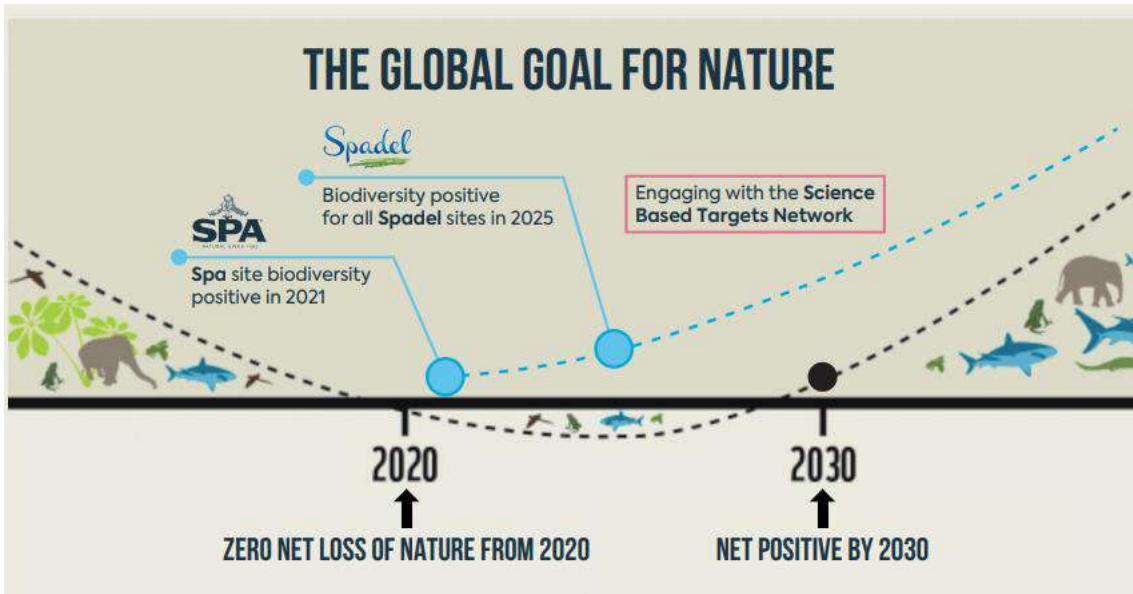
Figure 6: Biodiversity positive roadmap for Spadel's direct operations (Spadel case study, 19 Sept 2022)

2.3.10 Principle 10: Credible communication

> **Companies having adopted a nature positive strategy need to communicate in full transparency about the nature positive baseline, nature positive targets and actions, progress to target, as well as the challenges preventing them to go a step further.**

Full transparency is key. It is essential to avoid greenwashing. Therefore, external disclosure needs to be underpinned with quantitative information where relevant (see Principle 6 on targets and metrics, section 2.3.6). Outcomes can be presented by means of a **dashboard of indicators** that balances the complexity of science with the need for practicality and simplicity. It would be most useful to have a uniform reporting template on how companies are doing on their journey towards nature positive. **Key information that should be shared** comprises the following:

- **Baseline information**: justification of baseline year, performance in baseline year (performance in terms of impacts including quantitative and interpreted information on both impact drivers and state of nature components, for all material impacts over the whole value chain)
- **Targets, main actions and timelines**; this includes a justification of the targets, including information on challenges for being more ambitious
- **Progress to target** (i.e. how performance is evolving, with clear indication on how the balance is moving from negative to positive).

This information should cover all nature components and all parts of the value chain. As part of the webinar series on nature positive, the EU B@B Platform developed a simple reporting matrix with the different parts of the value chain on the one hand and the different nature components on the other hand. It offers a quick insight on which parts of the nature positive scope companies have achieved nature positive or not. More information can be found in the slides of the nature positive webinar series (see section 1.3).

External disclosure should preferably be verified and certified by independent auditors, based on auditable data.

Examples case studies

Figure 7: Example of simple dashboard clarifying the state-of-the-art and challenges in relation to the feasibility of achieving nature positive (KSF = key success factors) (example from Schneider Electric, webinar 19 Sept 2022)

COLOPHON

THEMATIC REPORT 4: THE PLATFORM'S 'CURRENT WORKING DEFINITION' OF NATURE POSITIVE IN A BUSINESS CONTEXT

AUTHOR

Johan Lammerant

CO-AUTHORS:

Jolien Verhelst

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ABOUT THE EU B@B PLATFORM

The EU B@B Platform is a forum for dialogue and policy interface to discuss the links between business and biodiversity at EU level. It was set up by the European Commission with the aim to work with and help businesses integrate natural capital and biodiversity considerations into business practices. The EU B@B Platform focuses its work on three thematic workstreams: Methods, Pioneers and Mainstreaming. ICF is supporting the European Commission in running the EU B@B Platform since 2013. Arcadis is leading the Methods Workstream.